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## **New Deal for Disabled People extensions : examining the role and operation of new Job Brokers**

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**Department for Work and Pensions**

**Research Report No 384**

# **New Deal for Disabled People Extensions: examining the role and operation of new Job Brokers**

**Abigail Davis, Elspeth Pound and Professor Bruce Stafford**

A report of research carried out by Centre for Research in Social Policy and  
University of Nottingham on behalf of the Department for Work and Pensions

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# Abbreviations

<b>ADF</b>	Advisers' Discretion Fund
<b>DEA</b>	Disability Employment Adviser
<b>DWP</b>	Department for Work and Pensions
<b>GP</b>	General Practitioner
<b>IBPA</b>	Incapacity Benefit Personal Adviser
<b>MICV</b>	Maximum Indicated Contract Value
<b>NDDP</b>	New Deal for Disabled People
<b>NHS</b>	National Health Service
<b>WFI</b>	Work Focused Interview



# Summary

## Introduction

The New Deal for Disabled People (NDDP) is the major employment programme available to people claiming incapacity-related benefits, and is an important part of the Government's welfare to work strategy. NDDP provides a national network of Job Brokers to help people with health conditions and disabilities move into sustained employment.

This report presents findings from the third wave of qualitative research conducted in 2005. It forms part of a comprehensive evaluation of the programme and builds upon two previous waves of qualitative research designed to explore the organisation, operation and impacts of the Job Broker service from the perspective of key stakeholders. In particular, this third wave aimed to explore why Job Brokers' performance can vary.

The research involved five case study areas, which were purposively selected to include both a new and an existing Job Broker, a mixture of different regions and both urban and rural areas. Interviews were conducted with Job Broker managers, local Jobcentre Plus managers and staff and Contract Managers.

## The case studies and measuring performance (Chapter 2)

Chapter 2 provides an overview of the service delivery context for the rest of the report and discusses alternative means of measuring and comparing performance. Key characteristics of both the areas in which the Job Brokers in the sample were operating, and of the Job Brokers themselves are outlined. Significant changes to the programme and the effects they had on Job Broker performance are discussed.

Six of the sampled Job Brokers were operating in an urban setting and four served a more rural population. All of the case study areas contained approximately one per cent of the Incapacity Benefit caseload in Great Britain. Job Brokers in the sample differed in terms of location of premises, number of staff working on the programme and whether or not the parent organisation also delivered other programmes or NDDP alone.

The existing Job Brokers reported a change in their approach to delivering the programme to one more focused on outcomes, necessitated by minimum performance levels being set as a condition for contract renewal or extension. This was reinforced in April 2004 with the introduction of new contracts including agreed district monthly outcomes for registrations, job entries and sustained employment. Under the terms of these contracts Job Brokers committed to working to an adequate level of performance, which was defined as achieving 75 per cent of the profiled activity levels.

The Job Brokers' performance can be measured using numbers of registrations converted to job entries, numbers of job entry outcomes or the percentage of profiled job outcomes achieved. Each of these has advantages and disadvantages and requires contextual information to be taken into account when interpreting performance. For the purposes of this report the preferred measurement was the measure of achieved performance against contracted profiled job entries.

The sample was drawn using a measure of registrations converted to job entries. The introduction of district monthly profiles to which all the Job Brokers in the sample were working afforded an alternative means of measuring performance. However, the performance reported in the monthly figures was somewhat erratic, which made it difficult to identify patterns or trends. The contextual data provided by the interviews helped to explain internal and external factors which interacted to result in the levels of performance seen in the administrative data.

## Factors affecting Job Brokers' performance (Chapter 3)

Chapter 3 examines the range of factors identified as affecting Job Brokers' performance. The effects of the introduction of the district monthly profiles is examined in more detail in terms of assisting Job Brokers and Contract Managers to assess and improve activity levels, and by affecting Job Brokers' performance and behaviour in unanticipated ways.

The factors that affected the Job Brokers' levels of performance were:

- the introduction of district monthly profiles, and the levels at which these were set;
- the level of referrals to Job Brokers from local Jobcentre Plus staff. These tended to be higher where Jobcentre Plus integration had taken place;
- Job Brokers' ability to recruit and retain staff who were able to combine a sensitive approach to customers with a focus on achieving outcomes;
- Job Brokers being perceived by local Jobcentre Plus staff to have sufficient staff resource to maintain a visible presence within local Jobcentre Plus offices and the flexibility to provide staff cover when necessary;
- the emphasis Job Brokers placed on establishing good working relationships and effective communication with local Jobcentre Plus staff, and the resources dedicated to fostering and maintaining these links;

- the extent to which Job Brokers were able to convince local Jobcentre Plus staff of the mutual benefits of working together;
- the degree of confidence local Jobcentre Plus staff had in Job Brokers' abilities to deliver a consistent and reliable service to customers;
- the location and type of premises in which Job Brokers were delivering the service; and
- how well Job Broker managers used Management Information to monitor and improve performance.

The Job Brokers identified as being the strongest performers had achievable profiles and were adept at forging and maintaining good working relationships with local Jobcentre Plus staff. They were adequately staffed to be able to deliver a consistent level of service, and had established a reputation as being a successful provider who would treat clients sensitively and remain outcome focused.

## Conclusions and policy recommendations (Chapter 4)

Chapter 4 reviews the evidence reported in previous chapters and draws out implications for future policy development. When the research was commissioned in the spring of 2005, the new Job Brokers selected for the study were underperforming in comparison with existing Job Brokers in the same district, with one exception. However, by the end of our data collection period in October 2005, these positions had reversed and all but one of the new Job Brokers in the sample were outperforming the existing Job Broker with which they were being compared.

Future policy development should take into account the effects that changes in programmes, means of service delivery, measures of performance and contractual requirements may have, both on the nature of the service being delivered and on the practices and performance of those delivering it.



# 1 Introduction

The Government is aiming to increase the number of people who leave incapacity benefits and move into employment (Department for Work and Pensions (DWP), 2006), and the New Deal for Disabled People (NDDP) is a key part of its welfare to work strategy. NDDP provides a national network of Job Brokers to help people with health conditions and disabilities obtain sustained employment. This report focuses on the factors that influence the performance of Job Brokers in securing job outcomes for people registered on NDDP. The case studies reported here build on the ongoing evaluation of NDDP – in particular waves one and two of qualitative research that explored the effectiveness of the Job Broker service from the perspective of Job Broker staff, Jobcentre Plus staff and registrants (Corden *et al.*, 2001; Lewis *et al.*, 2005) and a postal survey of Job Brokers (MacDonald *et al.*, 2004).

This chapter outlines NDDP and how it has developed (Section 1.1), and then the aims of this report (Section 1.2). The research methodology (including the overall NDDP evaluation design) is considered in Section 1.3. The structure of the report is summarised in Section 1.4.

## 1.1 Policy context

### 1.1.1 The development of NDDP

NDDP aims to help people move from incapacity benefits into sustained employment. The main features of NDDP are:

- It is voluntary.
- Its target population is people on one of a number of incapacity-related benefits (see Table 1.1).

- It is delivered through individual Job Broker organisations. Organisations awarded contracts include voluntary and other not-for-profit bodies, commercial companies, and public sector organisations. Many provide services in partnership with other organisations. Some have specialist expertise in a specific disability whilst others are generalists; most have extensive experience of working with the client group. They could bid to provide services in a single local authority or cover a larger geographical area. More than one Job Broker may be providing a service in any given area. The number of organisations providing Job Broker services has varied slightly over time, although it has remained at around 65.<sup>1</sup>
- Government funding for Job Brokers is outcome-related. Job Brokers received a registration fee for each participant and roughly equal outcome payments for both job entries and sustained employment. The amount of the job entry and sustained employment payments varies between Job Brokers and was negotiated as part of the contract procurement process with the Department.
- There is a focus on sustained employment outcomes for participants.

### 1.1.2 NDDP qualifying benefits

The NDDP is available to people claiming one of the following 'qualifying benefits':

- Incapacity Benefit
- Severe Disablement Allowance
- Income Support with a Disability Premium
- Income Support pending the result of an appeal against disallowance from Incapacity Benefit
- Pension Credit
- Housing Benefit or Council Tax Benefit with a Disability Premium – provided participants are not in paid work of 16 hours a week or more, or getting Jobseeker's Allowance
- Disability Living Allowance – provided participants are not in paid work of 16 hours a week or more, or getting Jobseeker's Allowance
- War Pension with an Unemployability Supplement
- Industrial Injuries Disablement Benefit with an Unemployability Supplement
- National Insurance credits on grounds of incapacity
- Equivalent benefits to Incapacity Benefit being imported into Great Britain under European Community Regulations on the co-ordination of social security and the terms of the European Economic Area Agreement.

<sup>1</sup> The NDDP website, <http://www.jobbrokersearch.gov.uk/> provides contact details for local Job Broker organisations.

NDDP as a programme has evolved over time (see Table 1.2). It was implemented nationally in July 2001 initially for three years, but has subsequently been extended by Government to run until the end of March 2007.<sup>2</sup> The research reported here was largely designed to explore the consequences of changes to the programme announced in July 2003 and introduced from April 2004. These changes were designed to introduce improvements to the Job Brokers' funding regime and new requirements for performance and service standards were introduced. The main changes to the programme were:

- The programme was to be extended for a further two years.
- Existing Job Brokers were able to bid to continue their operation, provided they met new standards of performance and service. This included the minimum requirement that existing Job Brokers convert 25 per cent of registrations to job entries.<sup>3</sup>
- Job Brokers had to develop appropriate 'back to work' plans to support people wanting to move into work, to be reviewed and used jointly with registrants. (In recognition of this Job Brokers' registration fee was increased from £100 to £300 in October 2003.)
- Sustained full-time employment was originally defined as having been achieved when a registrant had been in work for at least 26 weeks out of the first 39 weeks following job entry. When a Job Broker could provide acceptable evidence of this an outcome related payment could be claimed. This was in addition to the job entry payment the Job Broker would already have received. From October 2003, Job Brokers could claim the sustained outcome payment based on the registrant having completed 13 weeks' employment. However, Job Brokers were required to continue to provide ongoing support for a minimum of six months after someone had moved into work.

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<sup>2</sup> NDDP was also piloted from September 1998 (see Hills *et al.*, (2001) and Loumidis *et al.*, (2001) for evaluation results.

<sup>3</sup> The 25 per cent minimum requirement was introduced in October 2003, and if existing Job Brokers contacts were to be extended had to be achieved by March 2004 or earlier.

**Table 1.1 Key milestones in development of NDDP**

Date	Milestone
1998/9 - 2001/02	NDDP pilots, comprising 24 Innovative Schemes and 12 Personal Adviser Service pilots.
November 2000	Prospectus and Invitation to Tender issued for 'NDDP National Extension', which introduced the Job Broker model.
April 2001	NDDP contracts awarded to Job Brokers, due to end March 2004.
July 2001	NDDP delivery started. During 2002 there were some negotiations held with Job Brokers to improve national coverage. A number of Job Brokers added new areas, and Jobcentre Plus in-house brokers were set up in new regions.
July 2003	Contract extension to March 2006 announced, with funding changes and improvements to minimum requirements.
August 2003	Existing Job Brokers invited to bid for contract extension in current and new areas, at existing fee rates and subject to accepting new minimum requirements, including minimum performance standard to be achieved by March 2004. Contract extensions effective from 1 October 2003, but some began later as not signed until minimum performance was achieved. The performance standard included a registration to job entry conversion minimum requirement of 25 per cent.
October 2003	Pathways to Work pilot commenced in three Jobcentre Plus Districts with NDDP a key element.
November 2003	Open procurement launched in 30 Jobcentre Plus districts to improve coverage. This was open to new and existing providers, and contract fee rates different from existing rates could be bid. Four new providers joined NDDP.
February/March 2004	Contracts from November open procurement signed (to begin April 2004). All contracts to run to April 2006.
April 2004	Pathways to Work pilot extended to four more Jobcentre Plus Districts. NDDP contracts from open procurement began.
June 2004	Over performance by Job Brokers identified as a potential risk to budget and service delivery to March 2006.
September 2004	Contract stocktake meetings held with all Job Broker contractors to assess implications of over performance by some Job Brokers.
November 2004	Extra £30m funding announced for 2005/06 only.
December 2004	Limited procurement exercise held to support coverage and continued contracts to March 2006. Providers could only bid for Jobcentre Plus Districts in the region where they held existing contract, at current or reduced fee rates. Government announced that the Pathways to Work pilot was to be extended to a further 14 districts from October 2005.
January - March 2005	Post tender discussions and/or repeat stocktake meeting to agree basis for continuing provision of NDDP by Job Brokers to March 2006. From February 2005 – Pathways to Work provision extended on a mandatory basis to some existing incapacity benefits claimants and all new claimants in integrated Jobcentre Plus offices.
April 2005	All Job Brokers signing new contracts have to work to 'adequate level of performance' against district profiles of performance.
July 2005	Government announced further extension of NDDP to March 2007.
January 2006	Green Paper announced that Pathways to Work provision was to be extended nationally by 2008.

A few existing Job Brokers decided not to tender to have their contracts extended, whilst many extended their area of operation. Following the extension procurement process with existing Job Brokers, a number of areas remained with insufficient provision and in November 2003 an open procurement exercise was launched, in which any organisation could bid, covering 30 Jobcentre Plus districts. As a result, new contracts were awarded to three existing Job Brokers and to four organisations new to NDDP.

Some Job Brokers were very successful in securing job outcomes for registrants. Indeed, towards the end of 2004 it was apparent that some Job Brokers were likely to secure job entries and sustainable employment outcomes in excess of the numbers outlined in their contracts with DWP (Lupton, 2004). Jobcentre Plus took stock with all Job Brokers of their performance and projections to the end of the contract period, March 2006. To address this overperformance, the Government announced a further £30m for NDDP in 2005/06. To allocate this additional funding the Department organised, in December 2004, a limited procurement exercise amongst existing Job Brokers.

In April 2005, those Job Brokers who had bid for additional coverage in the limited procurement exercise of December 2004 signed contracts that required them to adhere to a maximum performance profile, defined monthly and by district. These profiles were set by Job Brokers themselves, based on the total number of outcomes they anticipated being able to provide over the life of the contract, and varied from one organisation to another, and also from month to month, with some anticipating seasonal fluctuations while others remained at a consistent level throughout. Job Brokers who had not extended their coverage in this round of procurement were also encouraged to sign up to these conditions, although some remained on pre-existing contracts under the terms of which they were required not to exceed their Maximum Indicated Contract Value (MICV).

The impacts of the introduction of the new profiles on Job Brokers' operations is considered in Section 2.3. Their use as a means of measuring Job Brokers' performance is discussed in detail in Section 2.4, and their effects on performance are examined in Section 3.1.

### **1.1.3 Pathways to Work pilots**

The delivery of NDDP has also been affected by the introduction of the Pathways to Work Pilot (also known as the Incapacity Benefit Pilot) in October 2003. The Pathways to Work pilot involves a number of changes to the way in which Jobcentre Plus deals with customers claiming incapacity-related benefits, and to the services and financial assistance offered. The new package of support includes:

- Mandatory Work Focused Interviews (WFIs), eight weeks into a new claim for incapacity benefits.
- New specialist adviser teams of Incapacity Benefit Personal Advisers (IBPAs), Disability Employment Advisers (DEAs) and Occupational Psychologists. IBPAs have also been introduced into local integrated Jobcentre Plus offices (see below), and conduct mandatory WFIs with Incapacity Benefit claimants.

- Linking of the timing of the medical assessment process for new claims with the WFIs.
- Interventions (Choices package) to support return to work, including existing Jobcentre Plus services and programmes (including NDDP), and work-focused condition management programmes (developed by Jobcentre Plus and local National Health Service (NHS) providers).
- A Return to Work Credit, of £40 per week for up to 52 weeks for people where their annual earnings are less than £15,000.
- IBPAs have access to the Advisers' Discretion Fund (ADF) allowing them to make awards to customers of up to £100 to support activities that will increase the likelihood of their gaining a job.
- Improving employer and General Practitioner (GP) awareness of the consequences of sickness absence.

All incapacity benefits customers in the Pathways to Work areas have equal voluntary access to the Choices package, the Return to Work Credit and the ADF.<sup>4</sup> Jobcentre Plus staff in the pilot areas are also encouraged to build on the existing range of provision available to help customers claiming incapacity benefits, in relation to providing access to a comprehensive range of support. Included here are NDDP Job Brokers, Work Preparation and WORKSTEP, and staff are encouraged to look first to NDDP.

Since February 2005 the mandatory work-focused regime in the seven pilots has been extended to those claiming incapacity benefits for up to three years. A Job Preparation Premium, worth £20 per week, has also been introduced to encourage long-term customers to take steps towards gaining employment.

When selecting the case studies reported in this report the Pathways to Work pilot areas were excluded.

#### **1.1.4 Jobcentre Plus**

NDDP has also been affected by the introduction and roll-out of Jobcentre Plus, which brings together the services of the former Employment Service and Benefits Agency to provide a single point of delivery for jobs, benefits advice and support for people of working age. The first 56 Jobcentre Plus Pathfinder offices were established in 17 districts across the UK in October 2001, offering a fully integrated work and benefits service. Jobcentre Plus was formally launched in April 2002, with roll out expected to be completed by the end of 2006. A key feature of the new

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<sup>4</sup> The Pathways to Work pilots are the subject of a separate evaluation; see, for example, Barnes and Hudson (2006) and Corden *et al.*, (2005).

integrated way of working is the WFI. In the Jobcentre Plus process model (see Davies *et al.*, 2003), new and repeat claimants make initial contact by telephone with a Contact Centre, in which information is sought and arrangements made for the customer to attend a WFI. This takes place at a local Jobcentre Plus public office, after an appointment with a Financial Assessor who checks the claim and answers any questions about financial aspects. Customers then meet their Personal Adviser who explains Jobcentre Plus services, identifies barriers to work and help that might be needed, and agrees future contact and activity. During the course of the evaluation, staff and registrants' exposure to this integrated office model has increased.

In addition, lessons learned from the Pathways to Work pilots have led to the introduction of IBPAs in all integrated Jobcentre Plus offices. Since February 2005, all people claiming incapacity benefits in integrated Jobcentre Plus offices have been required to complete an action plan with an adviser and to attend a WFI eight weeks after the commencement of their claim to help them consider returning to employment.

Jobcentre Plus' Personal Advisers inform customers of NDDP and make referrals to Job Brokers where agreed by the customer. The nature of this role has also changed. Initially, Jobcentre Plus required staff to be impartial and not to promote one Job Broker over another, with the expectation that equal amounts of information about each local Job Broker would be imparted. However, revised guidance allows advisers to identify features of Job Broker services best suited to a customer's needs, supported by detailed information on local Job Brokers' provision. Guidance was that the customer should always make the final choice of Job Broker. However, following discussion of all local Job Brokers, the adviser could help the customer make a full and informed choice by matching their needs with services available, and could assist the customer in deciding which Job Broker might be most suitable.

The criteria that local Jobcentre Plus staff employed to determine which Job Brokers they thought best matched customers' needs are examined in Section 3.2.2. The effects of the roll-out of Jobcentre Plus on the performance of the sample Job Brokers are discussed in Section 3.3.

## 1.2 Aims and objectives

### 1.2.1 The evaluation framework

The evaluation of NDDP is a comprehensive research programme designed to establish:<sup>5</sup>

- The experiences and views of NDDP stakeholders, including Job Brokers, registrants, the eligible population and Jobcentre Plus staff.
- The operational effectiveness, management and best practice aspects of the Job Broker service.
- The effectiveness of the Job Broker service in helping people into sustained employment and the cost effectiveness with which this is achieved.

The main elements of the evaluation are:

- The Survey of the Eligible Population, which was designed to obtain information about those eligible for the programme and invited to take part. The survey aimed to establish the characteristics of this population, their work aspirations and their awareness of, attitude to and involvement with NDDP. The survey involved three waves of interviewing.
- The Survey of Registrants, which was designed to obtain information about NDDP participant characteristics, their experiences of and views on the programme. The survey involved three cohorts, with the first two having two waves of interviewing and the third one wave.
- Qualitative research to explore the organisation, operation and impacts of the Job Broker service from the perspective of key stakeholders, including in-depth interviews with: the eligible population, NDDP registrants, Job Broker managerial and front-line staff, Jobcentre Plus' Personal Advisers and DEAs. The research reported here builds upon this qualitative research.
- Qualitative research with employers, which was designed to assess employers' awareness, understanding and experiences of NDDP and if/how these change over time.
- Documentary analysis and a postal survey of Job Brokers to establish information on the range and nature of individual Job Broker organisations, the services they provide and the costs of that provision.

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<sup>5</sup> A consortium, led by the Centre for Research in Social Policy, was commissioned by the Department for Work and Pensions to evaluate the programme. The other members of the consortium are: Abt Associates, Institute for Employment Studies, National Centre for Social Research, Social Policy Research Unit, University of Nottingham and the Urban Institute.

- An impact analysis using administrative data to assess the net impact of NDDP.
- A cost benefit analysis to assess overall value for money of the programme.

So far two reports have been produced that synthesise early findings (Stafford *et al.*, 2004) and selected findings from waves one and two of the various strands to the evaluation (Stafford *et al.*, 2006).

### **1.2.2 Case study research aims**

The Department commissioned case study research to examine the operation and performance of Job Brokers following concerns in early 2005 about the apparent underperformance of new Job Brokers. The research aimed to examine the operation and performance of the new Job Brokers, and the extent to which they had successfully set up and established service provision. The research also sought to aid understanding of why the performance of Job Brokers can vary.

## **1.3 Research design and methodology**

### **1.3.1 Research design**

The research design consisted of five area case studies, each comprising two Job Brokers, a 'new' and an existing Job Broker. Here a 'new' Job Broker is defined as one that was either new to job broking, or an existing Job Broker operating in a new locality.

A case study approach was adopted because it was recognised that difference in performance can, in part, be affected by the local environment (for example, characteristics of the local labour market). The five geographical areas for the case studies were purposively selected. Each area had to include a new and an existing Job Broker. Furthermore, the areas were spread across different regions and comprised a mixture of different labour markets (based on district employment rates taken from Labour Market Trends statistics). In selecting the geographical areas it was agreed with the Department that existing and (then) planned Pathways to Work pilot areas and London be excluded.<sup>6</sup>

The intension was to select within each area a new Job Broker and an existing Job Broker with contrasting performance. At the point of sampling, the Job Brokers in all but one area had different levels of performance; further details are provided in Chapter 2. Job Brokers' performance was assessed using the conversion rate of all registrations to all job entries since the Job Broker began operating. For existing Job Brokers this was for the period August 2001-April 2005, and for new Job Brokers it was April 2004-April 2005. The sample was drawn in May-June 2005.

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<sup>6</sup> Research on the role and operation of Job Brokers in the IB Pathways areas is being covered as part of the Pathways evaluation.

In addition, the sample of Job Brokers was selected to include private, voluntary and Jobcentre Plus providers.

### **1.3.2 Research methodology**

Across the five case studies, the research involved the following qualitative methods:

- Twenty-one face-to-face interviews with: Jobcentre Plus Contract Managers with responsibility for managing the Job Broker contracts, local Jobcentre Plus office managers and Job Broker managers.
- Five group interviews with local Jobcentre Plus office frontline staff.

The interviews were recorded using a digital voice recorder and later transcribed for analysis.

The fieldwork was conducted between August and December 2005.

## **1.4 Report structure**

The remainder of this report is divided into three chapters. Chapter 2 describes characteristics of the five case study areas and the ten Job Brokers in the sample and discusses how changes on the programme outlined above have affected Job Brokers' operation and performance. It then presents different means of measuring performance and explains the complexities involved in each.

Chapter 3 comprises a thematic analysis of factors affecting Job Brokers' performance. This includes the effects of contractual changes, the importance of relationships with local Jobcentre Plus staff and the role played by Contract Managers. Sections 3.4 and 3.5 explain the impacts of external and internal factors on performance levels.

The final chapter (Chapter 4) discusses the characteristics that appear to be key to the higher performance levels of the more successful Job Brokers and makes some recommendations for future policy development informed by the research.

## 2 The case studies and measuring performance

### Summary

- The ten Job Brokers in the sample varied in key characteristics such as size of operation, staff numbers, location and type of premises, as well as in whether they delivered New Deal for Disabled People (NDDP) as a stand alone programme or integrated it within a range of provision.
- The areas in which the Job Brokers operated also differed in type (urban or rural), although all were operating in districts which contained approximately one per cent of the Incapacity Benefit caseload in Great Britain.
- Measurement of Job Brokers' performance is complex and information about contextual factors and programme developments is required to interpret performance data effectively.
- The evidence of the effects of the introduction of profiles on the operation and strategy of the Job Broking organisations in the sample suggests that the most relevant means of measuring performance is by comparing job entry outcomes with contracted profiles.

### 2.1 Introduction

This chapter outlines some of the key characteristics of the five case study areas (Section 2.2) and of the ten Job Brokers in the sample (Section 2.3). To ensure the anonymity of the organisations included in the study, information which might allow links to be made between individual Job Brokers and case study areas has been omitted.

Section 2.4 provides more detailed information on how changes to the programme (outlined in Chapter 1) have affected Job Brokers' operations and performance. Section 2.5 presents three means of measuring Job Brokers' performance, explains the complexities involved in each and the reasons for the use of different measures at different points in the study.

## 2.2 Area characteristics

Six of the sample Job Brokers were delivering the programme in an urban setting, and four served a more rural population. Each of the districts in which the Job Brokers were operating contained approximately one per cent of the Incapacity Benefit caseload in Great Britain.

- **Area 1** is a predominantly rural area, with a coastline. The unemployment rate is slightly lower than that for Great Britain. Jobcentre Plus had only recently rolled out in the district at the time of the interviews.
- **Area 2** is an urban area. The unemployment rate is higher than the national average. Integrated Jobcentre Plus offices were operating in the district at the time of fieldwork.
- **Area 3** is an urban area. The unemployment rate is slightly lower than the national average. Jobcentre Plus was still rolling out in the district at the time of interview.
- **Area 4** is a rural area. The unemployment rate is lower than that in Great Britain. The Jobcentre Plus service was still rolling out in the area at the time of interview. The Jobcentre Plus staff interviewed were from local offices which had been integrated relatively recently.
- **Area 5** is an urban area. The unemployment rate in this district was twice the regional rate, and higher than the rate for Great Britain. The Jobcentre Plus service was still rolling out in the area at the time of interview. Jobcentre Plus staff interviewed were from integrated offices which had come on-stream relatively recently.

## 2.3 Job Broker characteristics

The Job Broking organisations in the sample differed in a number of key characteristics, but none specialised in helping people with a particular type of disability. Some delivered NDDP only, while others delivered a number of programmes, such as WORKSTEP and Work Preparation. In organisations that had contracts for additional programmes, some had staff dedicated to delivering NDDP, while in others staff were involved in delivering a range of programmes, of which NDDP was one. Some had a large team of staff, others had only one or two people delivering the service within each area. Some Job Brokers operated from shop front premises in towns and cities, others had less centralised premises and delivered their services through

outreach work in local Jobcentre Plus offices and other community settings. These factors were thought to have a bearing on performance in different ways, which will be examined in more detail in Sections 3.3 and 3.4.

## 2.4 The effects of programme changes on Job Brokers

As outlined in Section 1.1.1 (see also Table 1.2), since the NDDP programme began in 2001 several changes have been implemented which have had various effects on the performance of Job Brokers and the ways in which this performance can be measured.

There is some indication among respondents that Job Brokers' approaches to delivering the programme changed over time. At the outset, in 2001, some Job Brokers found it hard to access the client group and struggled to sustain their businesses with the level of income they were receiving. The slow take up of service and the perceived low level of the registration payment, as well as the need to acquire a 'critical mass' of registrants and to work with them for several weeks or months before job entries occurred, encouraged Job Brokers to register as many people as possible. This approach provided Job Brokers with sufficient revenue to maintain their services, but usually organisations admitted to effectively subsidising the programme during this resource-heavy start-up phase (see also Corden *et al.*, 2003, pp 66-69).

In October 2003 a requirement for Job Brokers who wished to continue providing the service beyond 2004 was introduced. Owing to the bulk of early registrations some Job Brokers had accumulated a large number of registrants who had not entered work. There was concern within the Department for Work and Pensions (DWP) that some of these registrants were no longer receiving services and that Job Brokers were not working with them towards job entry, which led to the introduction of the minimum performance requirement of 25 per cent of all registrations to be converted to job entries by April 2004. Only Job Brokers who fulfilled this requirement were invited to bid for contract extensions in current and new areas.

The focus on conversion rates encouraged some Job Brokers to reconsider their strategy. Although organisations were contractually obliged to register anyone who expressed a wish to do so, Job Brokers increasingly tried to ensure that they only registered people '*for whom the programme was most suitable*' (Job Broker manager). Criteria for judging suitability might differ subtly from Job Broker to Job Broker, and even from staff member to staff member, both within Jobcentre Plus and the Job Broking organisations themselves. However, the key factors that seemed to be taken into account were the job readiness of the client and the amount of time and resources that they might require to achieve a job entry (see Corden *et al.*, 2003, pp 42-43). As the programme continued and contracts neared expiry, many Job Brokers, and especially those whose sole activity was NDDP delivery, were conscious that it did not make financial sense to register clients who might need assistance over a period that exceeded the length of the contract.

As indicated in Section 1.1.1, another development of the programme was the introduction in April 2005 of monthly district profiles for each Job Broker. It was hoped that by assessing actual outcomes achieved against those anticipated in the new contracted profiles Contract Managers and Job Brokers could monitor activity more easily and more closely to avoid potential overspend on the programme. Analysis of these data afforded an additional or alternative way of measuring Job Brokers' performance. In the new contracts, Job Brokers had to commit to working at what was described as an 'adequate level of performance'. While this was never defined explicitly, the Contract Management team used a working definition of 75 per cent of job entries against the contracted profile as an acceptable benchmark. A more detailed analysis of the effects of their introduction on performance levels can be found in Section 3.1.

## 2.5 Measuring Job Brokers' performance

Given the range of data available there are several ways in which performance can be measured, but each has its own complexities and it is important to bear this in mind when attempting to analyse, measure and compare the Job Brokers' performance. Three possible means of measuring performance are discussed below.

### 2.5.1 Number of job entries

One means of measuring performance is by examining the number of job entries achieved by each Job Broker. However, since all the Job Brokers were operating within different contracted profiles this does not give an effective basis for comparison. One Job Broker might have a profile of five job entries a month while another Job Broker operating in the same district on a larger contract might have a profiled level of 50. This means that the smaller Job Broker would aim to achieve one tenth of the larger one's performance. If both achieved 100 per cent of their profile there would be a significant difference between the numbers of job entries each achieved, but both would still be performing above the level of 'adequate performance'.

### 2.5.2 Conversion of registrations to job entries

The research was commissioned a month after the district monthly profiles came into use. This meant that at the time the sample was drawn there were insufficient data to allow a comparison of performance between Job Brokers based on the extent to which they were achieving the contracted profiles. Therefore the sample drawn in May/June 2005 was based on a 'conversion rate' of registrations to job entries. This was used to identify the highest performing existing Job Broker in each district and the performance level of the new Job Broker. At the time the sample was constructed the existing Job Brokers were performing at a higher level (using this measure) than the new Job Brokers in all but one case study.

Table 2.1 shows the conversion rates for the five new Job Brokers in the study and Table 2.2 shows this information for the existing Job Brokers (in no particular order).

**Table 2.1 New Job Brokers: Percentage of registrations converted to job entries (not full-time equivalent), actual and contracted profile**

Job Broker (1)	Conversion rate at time sample was drawn (2)	Actual conversion of registrations to job entries (3)	Actual conversion of registrations to job entries (4)	Profiled conversion rate (5)	Achieved conversion rate as a percentage of profiled conversion rate (6)
	Apr 04-Apr 05	Apr 04-Mar 05	Apr 05-Oct05	Apr 05-Oct 05	Apr05-Oct05
A	35.3	35.3	35.7	41.5	86.0
B	19.4	19.4	45.5	41.8	109
C	31.5	31.5	41.2	27.4	150
D	40.8	46.1	41.8	50.9	82
E	34.7	34.7	46.6	48.5	96.1

**Table 2.2 Existing Job Brokers: Percentage of registrations converted to job entries (not full-time equivalent), actual and contracted profile**

Job Broker (1)	Conversion rate at time sample was drawn (2)	Actual conversion of registrations to job entries (3)	Actual conversion of registrations to job entries (4)	Profiled conversion rate (5)	Achieved conversion rate as a percentage of profiled conversion rate (6)
	Apr 04-Apr 05	Apr 04-Mar 05	Apr 05-Oct05	Apr 05-Oct 05	Apr05-Oct05
F	36.9	33.3	41.4	54.9	75.4
G	41.7	39.9	39.2	69.6	57
H	37.4	7.5	29.9	39.7	75
I	54.3	58.3	46.4	56.3	82
J	28.7	31.3	27.3	31.2	87.5

As indicated in Section 1.3.1, at the time the sample was drawn the existing Job Brokers had been operating for 45 months (August 2001 - April 2005), compared to new Job Brokers, who had only been operating for 13 months (April 2004-April 2005) (see Column 2). Since this meant that performance was being compared over two different time periods, during the analytical phase of the research the conversion rates were also compared over the 12 month period since the new Job Brokers began operating (April 2004-March 2005). These remained reasonably similar, with one exception (see Column 3). Column 4 in Tables 2.1 and 2.2 shows the conversion rates from April to October 2005, i.e., the time period between the introduction of the district monthly profiles and the cut off point for our data.

When looking at the data in Column 4 it is important to remember that Job Brokers' activity levels differed quite widely, both in terms of actual and anticipated performance (or contracted profile). Although the percentage of registrations converted to job entries might seem similar between some Job Brokers, it is not possible to tell from these figures whether a conversion rate of nearly 20 per cent means that they had helped 20 people into work from 100 registrations, or one person into work from five registrations. Similarly, with those Job Brokers working at relatively low activity levels, a very small change in the number of job entries (as little as plus or minus one) could appear to have quite a significant effect on the conversion rate.

#### *Contracted profiles and conversion rates*

A variant of this measure is to compare the actual conversion rate with the profiled conversion rate, based on the contracted profiles for registrations and job entries. The figures in the last column show what percentage of this conversion rate the Job Brokers in the sample achieved.

Because some Job Brokers predicted converting fewer registrations to job entries than others, when they were more successful than they had anticipated in this they appeared to be overperforming, as seen in Table 2.1 for Job Brokers B and C. Table 2.2 indicates that three of the existing Job Brokers anticipated achieving higher conversion rates than the new Job Brokers, which might therefore be more challenging to meet.

### **2.5.3 Percentage of profiled job entry outcomes achieved**

By the time of the analysis stage of this study, all the Job Brokers in the sample had been working for several months within monthly profiles for each district for job entries. Hence, a third way of measuring performance was to examine to what extent each Job Broker's achieved job entries met their contracted profiles. Figure 2.1 shows the percentage of contracted profile job entries achieved by new Job Brokers over the period April 2005 to October 2005.

**Figure 2.1 New Job Brokers: Percentage of contracted profile job entries (not full-time equivalent)**

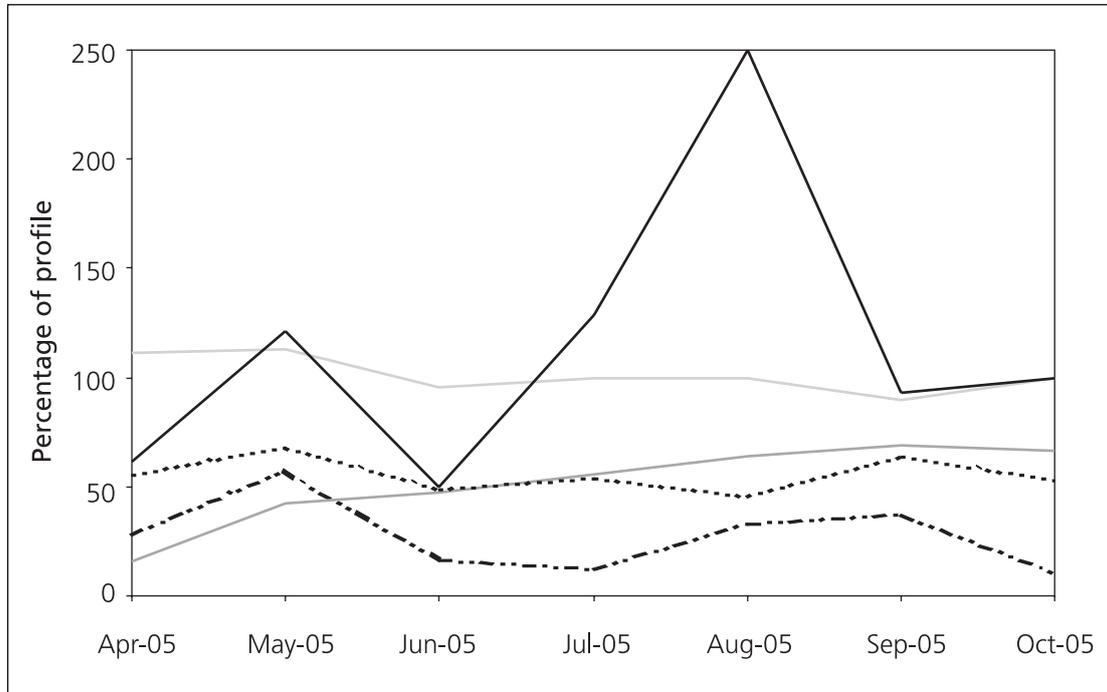
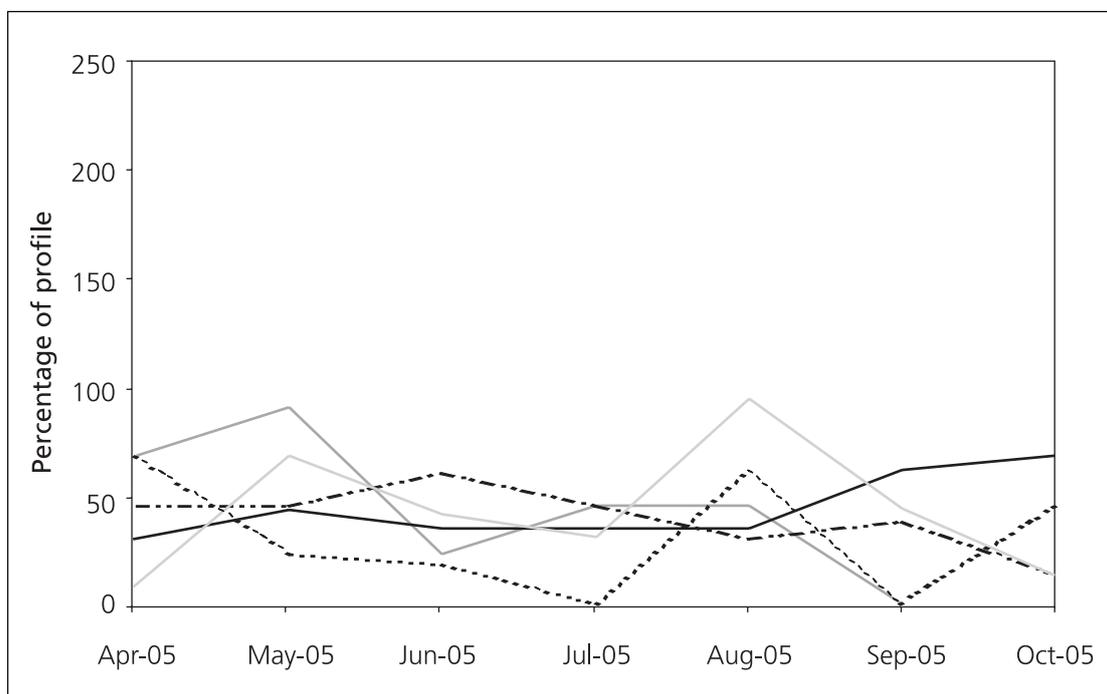


Figure 2.1 shows that two of the new Job Brokers were overperforming against their contracted profiles for job entries. Figure 2.2 shows the corresponding data for the existing Job Brokers. Comparing performance between the graphs some of the new Job Brokers appear to be performing at much higher levels than the existing Job Brokers when performance is measured in this way.

**Figure 2.2 Existing Job Brokers: Percentage of contracted profile job entries (not full-time equivalent)**



However, it should be noted that, as in the case of profiled conversion rates, the levels of profiled job entries differed between Job Brokers, meaning that 75 per cent of profile might be three or 50 job entries, depending on the Job Broker. In addition to this, some organisations' profiles differed from month to month. For example, in August, presumably anticipating seasonal variations in activity levels, some Job Brokers' job entry profiles dropped by as much as a half compared to the previous month, but as the number of job entries achieved stayed the same, or only fell by a small number in the same month, a sudden 'artificial' peak in their performance was created. Therefore, although in terms of numbers of outcomes there was a slight drop in August, because of the change in the profile level the Job Broker appeared to have overperformed. It is also important to remember that, as with the conversion rates, with the smaller Job Brokers, a modest change in the number of job entries achieved in one month could appear to have a much more marked effect on their performance than it would for a larger Job Broker.

## 2.6 Conclusion

Measuring Job Brokers' performance in any of the ways outlined is not straightforward. Much of this relates to the contracted profiles and the fact that to a large extent these dictate the Job Brokers activity levels, or the levels of activity to which they aspire. When the sample was drawn in May-June 2005 these profiles had only just been introduced so it was not feasible to use them in determining different activity levels between Job Brokers, hence the use of conversion rates. However, by the time the research reached the analysis phase the introduction of profiles had caused the situation to change to the extent that conversion rates no longer seemed to be the most appropriate way in which to measure performance. The emphasis placed by many respondents on the effect of the introduction of profiles on the operation and strategy of the Job Broking organisations in the sample suggested that the percentage of profiled job entries achieved was the most relevant means of measuring performance for the purposes of this study. These effects will be discussed in detail in Section 3.2.

# 3 Factors affecting Job Broker performance

## Summary

- The introduction of district monthly profiles for each Job Broker enabled them to monitor and address under- or overperformance more effectively, although some were better at achieving this than others.
- Where the link between Job Brokers' profiles and performance and the award of points to local Jobcentre Plus staff was understood by Job Brokers, it was seen as being key to encouraging the organisations to work together in a more integrated way.
- Job Brokers that raised and maintained awareness of their services within local Jobcentre Plus offices performed better than Job Brokers that failed to achieve this. New Job Brokers tended to be more effective at raising awareness about their services with Jobcentre Plus.
- Better performing Job Brokers tended to be those where the added value of job brokering to Jobcentre Plus was recognised by Jobcentre Plus staff.
- Several environmental and contextual factors were cited as additional explanatory factors for Job Brokers' performance levels. These included: the size of the organisation, whether the Job Broker was operating in a rural or urban setting, local labour markets, premises and/or use of outreach working.
- Staff were a key influence on Job Brokers' performance. Problems with staff recruitment and retention were cited as contributory factors in underperformance, both in terms of the effects on staffing levels within Job Broking organisations and also in terms of how the organisations were perceived by local Jobcentre Plus staff and customers.

Continued

### Summary (continued)

- Use of Management Information was identified by many respondents as being core to driving performance. In organisations where there was less emphasis on the use of Management Information in this way, the impact of the introduction of district monthly profiles on improving working practices was less apparent.

## 3.1 Introduction

This chapter examines the range of factors that were identified as affecting Job Brokers' performance. Section 3.2 explores the effects of the introduction of district monthly profiles. Section 3.3 examines the importance of Job Brokers' relationship with local Jobcentre Plus staff and the important role played by Contract Managers. Section 3.4 explains the impacts of various environmental and contextual factors, while Section 3.5 discusses issues relating to the Job Brokers' internal management of their organisations. Section 3.6 summarises some other aspects of Job Broking that were identified as being important in providing a successful service.

Figures 3.1 and 3.2 show that for many of the Job Brokers in the sample, performance was somewhat erratic from month to month. This makes assessment of trends in performance rather difficult, hence the use of averages of performance against profile. For the purposes of this report, Job Broker performance was defined as the average percentage of job entries to profile over the period April 2005 - October 2005. Good performers were defined as those that achieved at least 75 per cent of profiled job entries. According to this definition, two good performers were identified by the research and both of these were new Job Brokers.

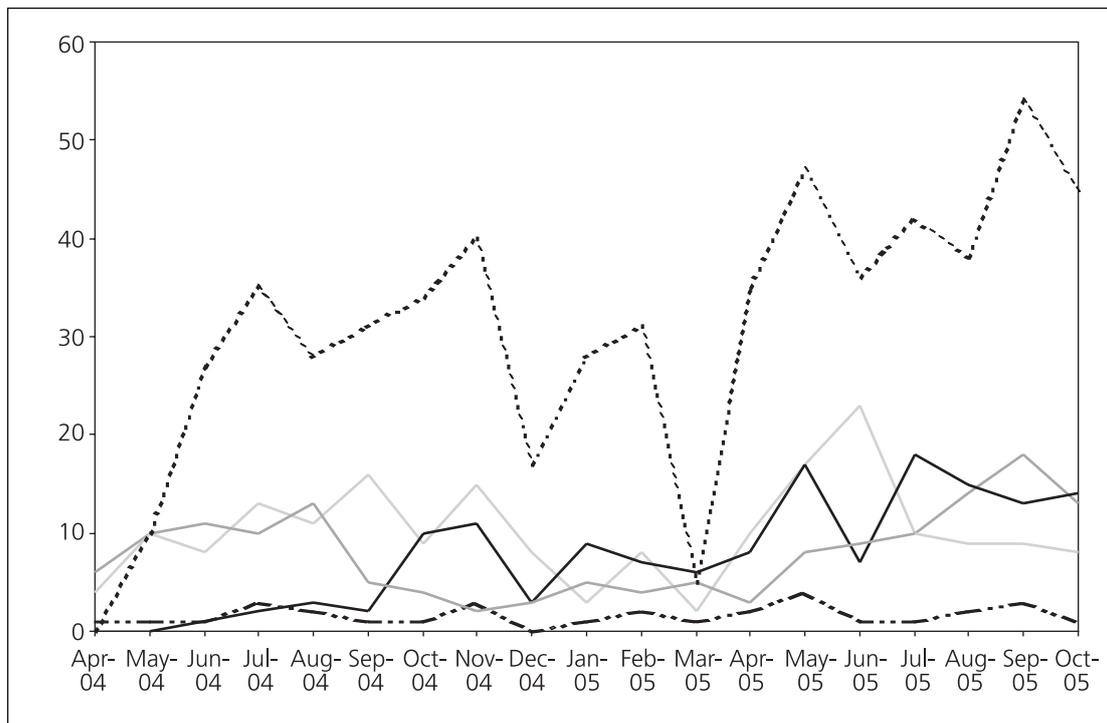
## 3.2 Effects of the introduction of district monthly profiles on Job Brokers' performance

One of the most significant influences on Job Brokers' performance was the introduction of monthly district profiles for each Job Broker. In addition to facilitating performance monitoring and avoiding overspend, the profiles were also seen by Jobcentre Plus respondents as providing a mechanism to ensure that the programme was being delivered more consistently throughout the country. From April 2005, those Job Brokers who had signed new contracts were now committed to providing the programme throughout all the districts in their contracts at the agreed levels, rather than being able to overperform in some areas and underperform in others. It was also seen as a way to ensure that the Job Brokers kept their contractual obligation to continue to deliver the service until the end of the programme. By managing outcomes on a monthly basis it was hoped to avoid Job Brokers reaching their Maximum Indicated Contract Value (MICV) ahead of the end of NDDP and leaving clients without services before new provision began.

Several of those interviewed in the study suggested that the introduction of the district monthly targets had helped some of the new Job Brokers to improve their performance through more comprehensive and more effective use of Management Information (see also Section 3.5.3 below). In both cases, where the performance was less noticeably improved following the introduction of the monthly profiles, the Job Brokers were 'old new' (i.e. had been operating as a Job Broker in other areas and had extended coverage into a new area from April 2004). These Job Brokers were both attempting to cover a large geographical area with a small number of staff, and in one case there was a discrepancy between internal productivity targets that advisers sought to achieve and the contracted profiles, with the internal target being lower than what would be implied by the contracted profile.

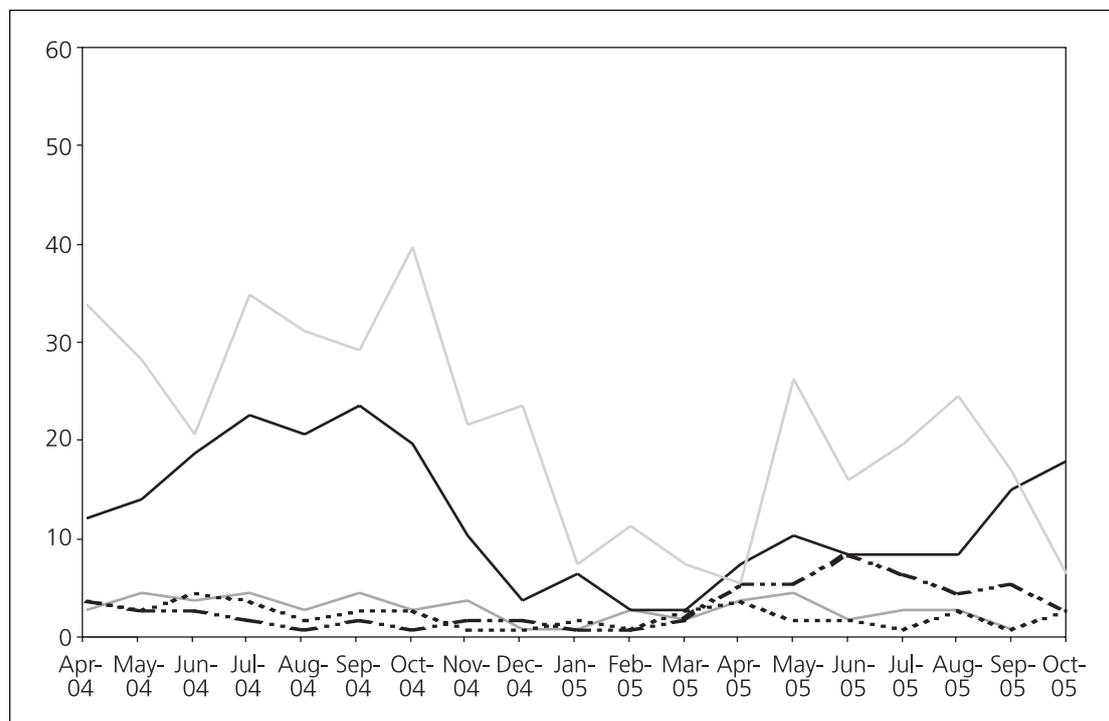
Figure 3.1 (below) shows that performance in terms of numbers of job entries rose for all of the new Job Brokers after April 2005, and for three Job Brokers, this rise was quite steep. This pattern in Figure 3.2 for the existing Job Brokers is less pronounced, with two Job Brokers showing a fairly steep increase and the others' performance remaining at similar levels to that prior to April 2005. It is interesting to note that in both of the more successful existing Job Brokers (Figure 3.2), performance had decreased quite dramatically over the months preceding April 2005, so that although it rose after April, it did not reach the same levels as it had done six months earlier.

**Figure 3.1 New Job Brokers: Job Entries (not full-time equivalent)**



It is possible that the Job Brokers were experiencing a seasonal upturn in activity, but an alternative suggestion, or a contributory factor to the increase in performance might be the introduction of the district monthly profiles. The fact that some of the existing Job Brokers seemed to continue performing at a similar level both before and after the introduction of the new profiles could be related to the way in which the organisation reacted to the changes. Those Job Brokers who appeared to be best informed and most engaged with the new performance measurement also tended to be the organisations whose performance increased the most. However, this is not necessarily a causal connection, as other factors could have led to the improvement in performance.

**Figure 3.2 Existing Job Brokers: Job Entries (not full-time equivalent)**



### 3.2.1 Unintended consequences of profiles

As the Job Brokers were now being held accountable for their performance on a monthly basis, respondents suggested that some organisations might be altering their behaviour in ways which were not considered to be good practice to ensure that they achieved their contracted profiles or avoided overperformance.

#### *Creaming and Cherry Picking*

Several respondents referred to the practices of 'cherry picking' and 'creaming'. Some Job Brokers thought that local Jobcentre Plus advisers were only referring 'harder to help' clients and retaining more job ready clients for their own caseloads. Conversely, some local Jobcentre Plus staff thought that Job Brokers were only registering relatively job ready clients and were sending customers identified as 'harder to help' back to the Disability Employment Advisers (DEAs).

Some respondents thought that the practice of mostly registering those people nearest to the labour market was an inevitable consequence of the new focus on monthly performance. Job Brokers needed to be sure that they would be able to convert registrations into job entries in a reasonably short amount of time, especially when working to a contract that was only two years long.

One way of ensuring that this could be achieved was to register people who either had managed to find work themselves already, or who needed minimal time and intervention to get a job. This reflects the findings of the Survey of Registrants Cohort 3 (Legge *et al.*, 2006) which found that of those entering a post-registration job of at least eight hours per week, 41 per cent did so within one month after registration and 30 per cent did so after three months. By implication, Job Brokers were being paid to help people into work who actually needed little or no additional assistance, and those considered to be 'harder to help', but for whom NDDP might still be a suitable programme, might not be encouraged to access it.

However, if Job Brokers considered someone to be some distance from the labour market and therefore needing longer-term help they tended to refer them to Jobcentre Plus, an alternative Job Broker or organisation or, in those organisations that were delivering other services, to a different programme.

There was also a suspicion among some Jobcentre Plus staff that some people who had been working while claiming benefit had registered for the programme<sup>7</sup>. They would then inform the Job Broker that they had been offered a job (the one which they had, in fact, already been doing) and would be able to collect an incentive payment for job entry and continue to do the job. Staff acknowledged that by formalising the employment people would also be leaving benefit, but this was not considered to outweigh the undesirability of the Job Broker being paid for an outcome which had effectively required no effort on their part. New guidance was issued which was designed to discourage Job Brokers from registering people who already had a job to start at the time of registration. However, it was acknowledged that with the increase in emphasis on conversions to registrations some Job Brokers might choose to delay registration to work with clients who were further from the labour market, so that they became more job ready.

### *Capping*

Following the stock taking exercise in 2004, some Job Brokers who seemed likely to exceed their MICV if they continued to perform at the same level had their performance 'capped'. This meant that the Job Brokers were discouraged from activities that might result in further overperformance, for example by marketing to potential clients or taking referrals from Jobcentre Plus staff, and had instead to focus on the clients with whom they were already working.

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<sup>7</sup> This suspicion endured despite the fact that signed information from the employer on the customer's start date and duration of employment were required by the Department.

This could have a dramatic effect on the Job Broker's performance for several months. The Job Broker would be expected to inform Jobcentre Plus staff that they were unable to take referrals, as a result of which activity levels could decrease quite steeply. With a significant decline in registrations the Job Broker could soon reach a point at which it was underperforming and needed to increase activity levels again. However, it was reported to be quite difficult to communicate a reversal of the previous message to local Jobcentre Plus staff. This could be further complicated where there was a new Job Broker working to grow their business at the same time as the existing Broker had been trying to reduce theirs. The new Broker would be able to take on referrals that might previously have gone to the existing Broker and could build relationships with local Jobcentre Plus staff without having to compete against the existing Broker.

In addition, it was suggested that organisational restructuring within Jobcentre Plus often resulted in staff with whom the existing Job Broker had built up a rapport being redeployed elsewhere, meaning that they would have to build relationships with staff new to the role, rather than being able to re-establish pre-existing links, all of which was resource intensive. If Jobcentre Plus staff new to the post had developed a close relationship with the new Broker and had a perception of the existing Broker as an organisation that did not have capacity to help customers it could be particularly difficult for the existing Broker to increase activity levels.

It was suggested by some Jobcentre Plus respondents that some of the more experienced Job Brokers might have intentionally set their profiles slightly higher than they thought they would be able to achieve to avoid the possibility of their being capped, although it was acknowledged that this might be a rather cynical interpretation.

### *Managing the reporting of job entries*

One way in which Job Brokers might seek to avoid being 'capped' was to hold back claims for outcomes until the following month if they had already reached the profiled number of outcomes for that month. This could make it very difficult for Contract Managers to get an accurate picture of a Job Broker's performance on a monthly basis, and therefore to assess whether the Broker would be likely to exceed the budget for the contract.

Another possible negative effect of capping identified by respondents was that it might act as a disincentive to Job Brokers to progress clients into work as rapidly as possible. If staff were aware that the organisation had already achieved all, or almost all, of its profiled job entries they might slow down or reduce the amount of work they did with clients close to job entry so that the outcomes occurred in a month in which the profile had not already been reached.

### 3.3 Relationships between Jobcentre Plus and Job Brokers

This section examines the relationship between Job Brokers and Jobcentre Plus and the impact this had on Job Broker performance.

#### 3.3.1 Local Jobcentre Plus offices

##### *Roll out of Jobcentre Plus*

Jobcentre Plus was fully rolled out in two of the case study areas (with roll out having occurred very recently in one of these), and was in the process of being rolled out in the remaining three case study areas. The extent to which the Jobcentre Plus integrated office programme had rolled out in each of the sample districts was seen as a key factor affecting performance in terms of the level of referrals Job Brokers could expect to receive from local Jobcentre Plus staff, with roll out being perceived as leading to higher referrals. Conversely, in the districts where integration was still anticipated Job Brokers expressed frustration with having to generate almost all of their referrals themselves, which was said to be extremely resource intensive, both in terms of marketing and staff time.

##### *Jobcentre Plus performance*

Another factor affecting performance was that over time Job Brokers' performance had become more explicitly linked to that of local Jobcentre Plus offices.

Jobcentre Plus worked to regional targets which were further divided into district targets. Front-line staff had individual targets, with job entries for customers from different client groups scoring different 'points'. NDDP registrants were defined as being Priority Group 1 customers and therefore attracted the highest number of points:

*'...obviously times have changed and suddenly they embraced NDDP into the points system where each client is worth 12 points to a DEA. Suddenly they saw Job Brokers as being an asset... If I've got somebody who comes through my door who's been off work 12 years and he's harder to get back in, I'd ship them off to a Job Broker and let them get my 12 points for me. Suddenly, you've got this dawning amongst DEAs that they could do that. So they now get loads of referrals.'*

(Contract Manager)

This development seemed to have helped to address any residual resentment or anxiety on the part of Jobcentre Plus advisers that Job Brokers would eventually replace them. On the Job Brokers' side, the effect appeared to vary between organisations. While almost all of the Job Brokers acknowledged the importance of the relationship between their organisation and Jobcentre Plus advisers, some of the existing Job Brokers who had been operating for some time before this change did not seem to be aware of either the change itself, and also its (potential) implications for their own operation.

Better performing Job Brokers were those best able to 'sell' Job Brokering services to Jobcentre Plus staff in terms of the potential for mutual benefit. These mutual benefits included an increased likelihood of achieving organisational targets or outcomes, and more comprehensive service provision for customers. Job Brokers that were perceived as better able to persuade local Jobcentre Plus staff of the advantages of working together were more likely to generate referrals. Where offices had not been integrated into Jobcentre Plus, Job Brokers reported struggling to convince advisers who were not conducting Work Focused Interviews (WFIs) with NDDP-eligible customers of the value of making referrals, since they had relatively little contact with this group.

Among the sample of Job Brokers, the two best performing Job Brokers were operating in districts where the roll out of Jobcentre Plus had been completed, and the respondents reported that levels of referrals had increased significantly following the transition, which had helped them to reach their profiles. The Job Brokers who were performing less well were located in districts where roll out was still ongoing.

At the time the interviews were conducted some respondents referred to the new 'Job Outcome Targets' or 'JOT' system that had recently been piloted by Jobcentre Plus and was expected to be implemented from April 2006. It was not entirely clear what impact, if any, this would have on working practices, but it was thought that the new system would facilitate job outcomes being attributed to Jobcentre Plus staff and help them to accumulate points towards their individual targets without having to rely on close communication with the Job Broker to track customers with whom both organisations had worked.

### **3.3.2 Effects of contract management on Job Brokers' performance**

Jobcentre Plus Contract Managers, in conjunction with Policy Managers, played an important part in mediating and facilitating the link between Job Brokers and local Jobcentre Plus offices. With access to both Jobcentre Plus regional and district information and Job Broker performance data they were able to assess the delivery of the programme and the extent to which the organisations were working in tandem, or where the approaches of each were less well integrated.

The Contract Managers each worked closely with between four and seven Job Broking organisations and had several key areas of responsibility.

#### *Procurement*

Within the lifetime of the NDDP programme there had been several rounds of procurement when new and/or existing Job Brokers had been able to tender for a new or extended contract. As contracts neared their end the procurement process would begin. This was estimated to take approximately six months, during which time the Contract Managers were not allowed to have contact with the Job Brokers. Once the bids had been received Contract Managers would assess them, assign a score based on criteria including anticipated numbers of job entries and value for

money and submit this to an assessment panel. Once the panel had selected the successful bids the Contract Managers would then visit Job Brokers to conduct post-tender negotiations and finalise the new contracts.

This process seemed to have caused some frustration on the part of both Contract Managers and Job Brokers. It was seen as being quite lengthy and onerous for the Contract Managers. Both sides acknowledged that being without the support of their Contract Managers during this time was problematic for Job Brokers. At the time the interviews were conducted, both Job Brokers and Contract Managers were awaiting the probable announcement of a further procurement round. However, it was suggested that if this took place the recently formed Contract Procurement and Support Division (within Jobcentre Plus) might perform much of the work that had previously been done by Contract Managers, which would alleviate the difficulties encountered when Contract Managers support was withdrawn.

### *Contract reviews*

Contract Managers conducted contract reviews for each of the Job Brokers for whom they were responsible every three or four months. In preparation for formal contract reviews, Contract Managers sent the Job Brokers information about their performance for the period and the Job Brokers completed a self-assessment process in which they examined various aspects of their service, including performance, delivery, finance and management. The Contract Manager and senior management of the Job Broker then met to review performance and the results of the self-assessment. Where necessary both sides would then work on a development plan to address any underperformance or areas which required improvement. As part of the contract review process the Contract Managers also performed a 'risk assessment' which determined the frequency of future visits:

*'So low risk ones then, effectively in areas where everything's OK, thumbs up, the contact will probably be less, we might only go and see them once every four months, if they're doing really well every six months, the contact will be even less there so that allows us to spend more time with people that actually are higher risk.'*

(Contract Manager)

### *Re-profiling*

If Job Brokers underperformed and failed to improve performance by following the development plan agreed with the Contract Manager they might be subject to re-profiling. This involved reducing the number of registrations and job entries a Job Broker was expected to attain for each remaining month of the contract. It was suggested that for some of the new Job Brokers this had been almost inevitable, as the activity levels projected in their tenders were extremely ambitious to the point of being unattainable. Some providers had had their job entry profiles cut by as much as 50 per cent. This subsequently enabled them to achieve a high proportion of their new profile. For example, if a Job Broker had been consistently achieving just under

50 per cent of the initially profiled job entries they would be considered to be failing to meet the requirement for 'adequate performance' (i.e., achieving 75 per cent of profiled job entries). If the contract was then reviewed and profiles were reduced by half the Job Broker could continue to perform at the same level as before but its performance would appear to be much improved.

The need for re-profiling might arise for several different reasons:

- Where an inexperienced Job Broker had been unaware of, or unrealistic about, how long it would take to set up a successful operation.
- Where Job Brokers had anticipated a higher level of referrals from Jobcentre Plus than they received, usually because the roll out of Jobcentre Plus was incomplete in the district.
- Where Job Brokers had anticipated a higher level of interest from the client group in terms of self-referrals.

An additional, and rather more cynical, reason was suggested which was that some providers had sought to win contracts where the Department had made it clear that they would prefer bids for the total number of job outcomes available, knowing that the organisation would be unlikely to achieve these numbers. However, having made a successful bid the organisation could operate at whatever level it found feasible and the contract would subsequently be revised downwards to reflect its own activity levels, rather than the Job Broker being forced to uprate its activity levels in order to reflect the profiles. This meant that providers won contracts at the expense of their competitors but that the level of service provision in the district might not be as high as had been intended at the procurement stage. It must be stressed that the research found no evidence that successful bidders whose job entries were re-profiles made this sort of calculation, or even thought that their initial profiles could be revised downwards in the future.

### *Quality management*

In between formal contract review meetings Contract Managers conducted site visits to see the frontline staff and local management in operation. This enabled the Contract Managers to:

*'...check that what they're telling us at the high level is getting fed down and it's happening at the ground level...Getting them to always ensure that they're doing what they say they're doing in terms of the contract and so on.'*

(Contract Manager)

These visits were seen as an important part of Contract Managers' role in monitoring the quality of service being provided by the Job Broker. In October 2003, a requirement for Job Brokers to complete 'back to work' plans for each registrant had been introduced (see Section 1.1.1). Checking that this requirement had been met and that the plans '*were up to a certain quality*' (Contract Manager) also became

part of the Contract Managers' remit. This was in addition to the work of the Financial Appraisal and Monitoring Team, which assessed Job Brokers' evidence collection and storage and other systems. This team also produced a risk assessment and identified areas for improvement and deadlines for implementation, with the ability to fine Job Brokers if they failed to meet satisfactory standards or make the changes suggested as a result of the audit.

### *Performance management*

Before April 2005, the Contract Managers' role had mainly focused on procurement and quality management. However, following the concerns raised in 2004 relating to a potential overspend caused by Job Brokers' increased performance, a computer system was developed to assist the Contract Managers in managing both the programme budget and the Job Brokers' performance, using the new monthly district profiles. From June 2005 this system was used to provide Jobcentre Plus districts with information about how each Job Broker was performing. It was hoped that this would improve delivery by giving Jobcentre Plus District Managers more ownership of the programme, so that it became better integrated within the portfolio of provision. It was also hoped that if District Managers were aware of the respective sizes of the Job Brokers' contracts in their district they would be better able to manage the level of referrals so that Job Brokers would be less likely to under- or overperform because one organisation was being allowed to dominate the provision. To facilitate this process, Contract Managers' role as liaison between Jobcentre Plus and Job Broker managers was particularly important.

### **3.3.3 Effects of relationships with local Jobcentre Plus office on Job Broker performance**

Job Brokers' performance was also influenced by factors associated with how they worked alongside local Jobcentre Plus staff. The approaches that Job Brokers took to working with Jobcentre staff were paramount to establishing effective working relationships and securing referrals. The analysis therefore sought to identify approaches taken by Job Brokers in working with Jobcentre Plus staff that were associated with good performance. Four key areas were identified:

- effectiveness in raising and maintaining local Jobcentre Plus staff awareness of the Job Brokering service;
- instilling confidence in the Job Brokering service in Jobcentre Plus staff;
- establishing and maintaining clear lines of communication, and regular feedback on customer progress; and
- persuading local Jobcentre Plus staff of the added-value of Job Brokering.

Each approach is described in more detail below.

### *Raising awareness about Job Broker services within local Jobcentre Plus offices*

Clearly, making sure local Jobcentre Plus staff knew about the services that Job Brokers provided was paramount. Overall, new Job Brokers appeared to invest more time than existing Job Brokers in raising the profile of the organisation among Jobcentre Plus offices. It is likely that this reflects, in part, the initial challenge new Job Brokers faced in setting up a service alongside an established Job Broker. However, new Job Brokers generally appeared more willing than old Job Brokers to invest considerable time and effort into raising their profile within local Jobcentre Plus offices.

The two Job Brokers that were considered to be particularly good performers (according to our preferred measure) were both seen by Jobcentre Plus respondents as being effective at raising awareness about their services with local Jobcentre Plus advisers. Most Job Brokers were aware of the significance of raising the Job Broker profile on an ongoing basis. This partly reflected the perceived need to maintain and grow the organisation's presence in the Job Brokering market, either as a new Job Broker or in response to competition from other Job Brokers, and in part, as a response to staff turnover both within Job Brokers themselves and Jobcentre Plus. Therefore, the need to establish and maintain contact was a constant. As those Job Brokers seen as being more effective at awareness raising were new, this suggests that awareness of Job Brokering services within Jobcentre Plus was not related to the length of time the Job Broker had been in operation, but rather to the priority, time and staff resources devoted to it by Job Brokers.

Face-to-face contact was seen as particularly effective as a means of persuading Jobcentre Plus staff to refer customers to Job Brokers, and Jobcentre Plus staff felt this direct contact to be more helpful because it gave Jobcentre Plus advisers the opportunity to put faces to names. This was perhaps not surprising given the personal and potentially sensitive support required of Job Brokers for Jobcentre Plus customers. In addition, Job Brokers with high 'visibility' within local Jobcentre Plus offices were seen by Jobcentre Plus staff as beneficial because of the ease of access for customers it provided.

It is important to note that local Jobcentre Plus staff often found written marketing materials less helpful in terms of knowing who to refer customers to. This was because the quality and availability of materials varied between Job Brokers:

*'...it's still patchy because we ask for the literature, we don't phone up for it but our team meetings we usually do a reminder and say "There's no leaflets" and all we can give out is what we've got so I would say, of the organisations, I can think [of] certainly at the moment in my office I think I've got stuff on two and possibly three. And it's always the same two or three that you have, they always send out stuff on a regular basis, the others haven't got anything. So when I give out a list all that shows for them is the address.'*

(Jobcentre Plus adviser)

*Instilling confidence in the Job Broker service in local Jobcentre Plus staff*

One important aspect in which Job Brokers could foster good relationships with local Jobcentre Plus staff, and thereby secure referrals, was by maintaining a good reputation for service provision. Most Job Brokers understood the value of instilling confidence in their organisation among Jobcentre Plus staff. Jobcentre Plus advisers often felt protective of their customers and perceived poor customer satisfaction with a Job Broker as reflecting badly on their own service. In addition, local Jobcentre Plus staff sometimes found it difficult to discern between Job Brokers since they appeared to provide, on paper at least, a very similar range of services.

*'It's very difficult for us when we're interviewing a customer and they do ask a direct question "Will you give me information about a job broker, what can they offer me?" and sometimes it's very difficult to say what they can offer. Some of the publicity that they have is very bland, straightforward publicity and they don't tend to offer anything different than another Job Broker. They all seem to offer the same provision.'*

(Jobcentre Plus adviser)

Customer feedback on their experiences of Job Brokers therefore became an important referral criterion. Where customers fed back negative experiences and a lack of satisfaction with a Job Broker, the local Jobcentre Plus staff would be less inclined to refer additional customers to the Job Broker in future because they were no longer confident about the standard of service future customers would receive.

Some Job Brokers expressed dissatisfaction regarding the criteria used by local Jobcentre Plus staff in making customer referrals. There was an expectation that referrals would be *'fair'* to Job Brokers in terms of equitable sharing of referrals, and impartiality in terms of which Job Broker to refer customers to, most commonly expressed as Jobcentre Plus *'not showing favouritism'*. The Job Brokers that expressed dissatisfaction were, not surprisingly, those most likely to have experienced difficult working relationships with Jobcentre Plus. This arguably reflects an unrealistic expectation by Job Brokers of their relationship with local Jobcentre Plus staff. It is perhaps not surprising that some local Jobcentre Plus staff relied on referral criteria such as customer feedback, convenience of location to the customer, Job Broker capacity, and confidence in the service, rather than basing referrals on a requirement for an equitable distribution across Job Brokers.

Most Job Brokers did claim to place the customer first, to be *'customer-focused'*, although there was some variation in the extent to which Job Brokers were seen by Jobcentre Plus respondents to fulfil this principle. Jobcentre Plus advisers often expected Job Brokers to respond to the particular needs of the customer rather than providing a *'one size fits all'* service. Doubt was expressed by Jobcentre Plus staff about whether Job Brokers could achieve this when, for example, they were perceived to be *'over stretched'* and therefore not able to adequately cover the geographical area or their caseload (see Section 3.4). Being based in a rural area was associated with the perception that coverage of provision by the Job Broker might be inadequate.

Building a good reputation with local Jobcentre Plus advisers was thought to take several months, which supports the view that district profiling should take this into account by acknowledging the need for Job Brokers to build their businesses over time (see Section 3.3.1).

The two Job Brokers that achieved good levels of performance were both seen as effective in reassuring local Jobcentre Plus staff of the quality of service provision, thereby instilling some level of confidence. Interestingly, one of the more successful Job Brokers was based in a rural area, which suggests that rurality does not of itself generate concerns about lack of coverage. Two other new Job Brokers were also seen as effective at inspiring confidence in their services although this was not reflected in their measured performances. The remaining new Job Broker and all of the old Job Brokers were perceived as being less effective in inspiring confidence in their services. Evidence therefore suggests that Job Brokers being able to inspire confidence in their organisation was important although not sufficient to ensure good performance.

#### *Quality of communications between Job Brokers, Jobcentre Plus staff and customers*

Achieving 'good communications' within the context of working relationships between Job Brokers and Jobcentre Plus staff most often referred to the ability of Job Brokers to instigate and maintain regular and frequent contact with local Jobcentre Plus staff about the progress of customers. Jobcentre Plus staff appreciated knowing which adviser was working with which customer, and having direct contact with that adviser. This supported the view that continuity of support for customers through the allocation of a key worker within the Job Broking organisation had operational advantages over other approaches.

Some Job Brokers had experienced staff leaving, either temporarily, for example because of maternity leave, or more permanently, or staff absence through illness. In these cases Job Brokers had sometimes admitted having difficulty in covering the sample district. Local Jobcentre Plus staff identified organisations which had experienced these problems as being 'stretched', and while often sympathetic to the individual circumstances, were less likely to refer customers to Job Brokers that were perceived as being short staffed. This was often combined with a lack of communication between the parent organisation and local Jobcentre Plus, so that staff mentioned being unsure of who was '*covering the patch*'. There was anecdotal evidence of local Jobcentre Plus staff having been informed of staffing changes within the Job Broking organisation by customers, rather than by Job Brokers themselves.

Communication was also hampered by the perceived high turnover of staff within Jobcentre Plus offices. Some Job Brokers appeared to adopt a resigned attitude to the turnover of Jobcentre Plus staff and the impact of this on their businesses through reduced referrals. This resigned attitude tended to be expressed by old Job Brokers and may therefore have been a reflection of the length of time the old Job Brokers had been in operation rather than a distinct difference in management cultures between old and new Job Brokers *per se*.

Both old and new Job Brokers found it difficult to maintain a good level of communication where the Jobcentre Plus service was yet to be rolled out or where Jobcentre Plus was undergoing a period of higher than usual staff turnover.

On the whole, the better performing Job Brokers were those that were more successful in maintaining clear lines of communication and regular contact with local Jobcentre Plus staff.

#### *Establishing the 'added value' of Job Brokers to local Jobcentre Plus staff*

Some Job Brokers had encountered difficulties working with Jobcentre Plus staff because they perceived Job Brokers to be duplicating their own work with customers. Jobcentre Plus staff tended to value Job Brokers more where their 'added-value' could be clearly identified. In effect, local Jobcentre Plus staff tended to look for the additionality Job Brokers could bring to Jobcentre Plus service provision. Therefore, Job Brokers were most valued where they performed tasks Jobcentre Plus staff either could not do for customers or were no longer able to do because of lack of staff resources. Most commonly, the provision of job searching, job matching and training were seen as most valuable. However, Job Brokers were also valued where they were seen to provide that '*bit extra*' for customers such as by accompanying an anxious customer to a job interview.

Tensions between local Jobcentre Plus staff and Job Brokers advisers most commonly occurred where Job Brokers were seen as simply inducing customers to take work through the offer of financial incentives. In this sense, Jobcentre Plus advisers were seen as helping customers to progress to work readiness rather than the Job Broker. Some Jobcentre Plus advisers felt that the only valuable service Job Brokers provided was the offer of a financial incentive.

In addition to suspicions on either side of 'cherry picking' (see Section 3.2.1), there were several other potential causes of tension between Jobcentre Plus staff and Job Brokers:

- Where Job Brokers thought that local Jobcentre Plus staff were sending 'inappropriate' referrals, i.e., people for whom NDDP was not suitable because they were considered to be too far from the labour market.
- Where Jobcentre Plus offices were struggling to meet their district targets and thought that Job Brokers were not performing sufficiently strongly to help them achieve them.
- Where Job Brokers thought that local Jobcentre Plus staff were making too few referrals to them because they were favouring a competing Job Broker.

## 3.4 Environmental and contextual factors affecting performance

As indicated in Chapter 2, the Job Brokers in the sample differed in key characteristics such as size of operation, location and type of premises, as well as in whether they delivered NDDP as a stand-alone programme or integrated it within a range of provision. The areas in which the Job Brokers operated also differed in type (urban or rural). Some or all of these characteristics were identified by respondents as having an effect on Job Brokers' performance.

### 3.4.1 Size of Job Broker

The interim cost analysis<sup>8</sup> element of the evaluation reported that larger Job Broking organisations may have benefited from economies of scale which were not experienced by smaller Job Brokers.

In the Job Brokers Survey and the Interim Cost Analysis conducted in 2001-2002 the size of the Job Brokers was categorised by how many local authorities the organisation expected to cover, and the number of registrations achieved. By the time the sample for this study was drawn in 2005, Job Brokers' coverage was linked to Jobcentre Plus districts, and the number of registrants was no longer considered to be a useful indicator of the size of the operation.

When referring to the 'size' of Job Brokers there are three factors which appear to have an effect on performance:

- size of operation – whether the Job Broker in the sample district was a stand-alone operation or part of a larger regional, national or international organisation;
- whether the Job Broker delivered NDDP exclusively or combined it with other programmes; and
- number of Job Broker staff working in the sample district.

Although several of the Job Brokers in the sample were large organisations operating across either all of or parts of the country, for the purposes of the research only the operation within the sample district was examined. Hence, although the parent organisation might be a national or international company, the service in the sample district might be being delivered by only one or two people. This would therefore be considered to be quite a small operation, compared with some of the smaller Job Broking organisations which might only operate in the sample district but might have more staff delivering the programme there. The implications of the effect of the numbers of Job Broker staff working in the sample district on performance will be examined in Section 3.5.

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<sup>8</sup> The Evaluation of the New Deal for Disabled People: Interim Cost Analysis is an internal report.

### *Size of organisation*

The size of the Job Broker organisation could have an effect on performance. Job Brokers who were part of a larger operation could benefit from financial support from the parent organisation during the early part of the contract when they were attempting to establish themselves. This support could be financial, for example enabling them to recruit to staffing levels that reflected anticipated activity rather than actual activity during the start-up phase when there was minimal revenue. This could facilitate relationship building activities with local Jobcentre Plus staff who tended to make referrals to Job Brokers who they perceived to be more 'visible'. They might also receive support in the form of marketing and access to expertise and infrastructure within the larger organisation. Both of these types of support would be likely to have a positive effect on activity levels.

While it might therefore seem likely that the 'old new' Job Brokers had an advantage over the 'new new' Brokers, interestingly, this does not seem to be the case for all of the Job Brokers in this category in the sample. Some existing organisations seemed to have experienced similar problems in setting up an operation in a new district to those entering Job Broking for the first time. This appeared to be related to communication and organisational problems within the Job Broker organisation, rather than regional, geographical or other external factors.

### *NDDP only or with other programmes*

Earlier research in the evaluation found that participants in the programme were more likely to move into work where either staff worked exclusively on NDDP or, if they worked across several programmes, that NDDP was well integrated within these (see Lewis *et al.*, 2005, p109). Although some Job Brokers thought that delivering other programmes in conjunction with NDDP improved the breadth and depth of service they could offer registrants, those organisations delivering NDDP exclusively appeared to be more focused on improving their performance on the programme, presumably since they could not rely on any other sources of revenue.

### **3.4.2 Geographical location**

As stated in Section 2.2, six of the sample Job Brokers were delivering the programme in an urban setting, and four served a more rural population. Type of area was thought to be another contributory factor to performance, as was the physical location of the Job Brokers' operation and whether the organisation had premises or whether they delivered services through outreach alone. In some locations Job Brokers perceived the district to be '*difficult*' to perform in, saying that other Job Brokers were experiencing similar difficulties, but this was said of both urban and rural settings.

### *Urban Job Brokers*

Some of the urban Job Brokers were based within the heart of a city centre, others were located in premises more on the outskirts. In contrast to rural areas, accessing the client group and providing outreach services were not mentioned as being problematic. The local labour markets in urban areas were generally perceived as being reasonably buoyant and this was not identified as a factor affecting performance.

### *Rural Job Brokers*

Respondents interviewed about job broking in rural districts were much more likely to identify the nature of the setting as being a factor affecting performance than those in urban settings. Rural districts tended to cover a larger geographical area which could make travel for both Job Brokers and clients more problematic. Job Brokers reported that their clients could be extremely widely dispersed and that much time could be spent travelling from one side of a county to another to do outreach work with clients in different locations.

In addition, the labour markets in the rural areas tended to be affected by the predominance of seasonal work relating to tourism and/or agriculture. This could mean that registrants who entered employment might have contracts lasting only a few weeks or months, or might be made redundant through seasonal changes in the employers' needs.

### *Types of premises*

Opinions varied among respondents as to what kind of accommodation best suited programme delivery. When asked what they would consider '*ideal*' premises for a Job Broker, several respondents suggested that an organisation would most benefit from having not only prominent, highly visible shop-front premises in city centres, but also from being able to provide smaller '*more cosy*' local premises for people who did not wish to travel into a city centre.

Some respondents identified the quality and nature of some Job Brokers' premises as one of the reasons for their success. It was seen as advantageous to be '*visible*' to passers by, and local Jobcentre Plus staff seemed to appreciate being invited to visit Job Brokers' premises to gain a better understanding of the facilities and services provided.

Conversely, some local Jobcentre Plus staff thought that high quality city centre accommodation could be an intimidating environment for some of their customers, and that this type of location occasionally deterred them from recommending a particular Job Broker. Some city centre Job Brokers' premises were seen as being difficult to access because of a lack of nearby parking and/or the necessity for customers to negotiate stairs or lifts to reach the Job Brokers' offices.

For some Job Brokers, their city centre premises were mostly used as a base for advisers who worked almost exclusively through outreach working.

### *Outreach working*

All the Job Brokers in the sample delivered services through outreach working. For some, in both urban and rural areas, this was their primary, or only, method of delivery, whereas for others this was a minor part of service delivery. It was widely agreed to be an essential component of the NDDP programme as the client group might have barriers to work that included lack of transport and lack of confidence, both of which might make travelling to an unfamiliar area more difficult for clients. However, some Job Brokers were keen to encourage registrants to tackle these barriers, where necessary providing taxis and sometimes escorting them to their offices as part of a gradual process designed to make clients more independent, and therefore more job ready.

Some respondents thought that it was advantageous for customers to be able to work with Job Brokers at their premises as this overcame any perceived stigma relating to visiting local Jobcentre Plus offices. However, several Jobcentre Plus staff thought that their customers found local Jobcentre Plus offices reassuringly familiar, particularly when they had been visiting the DEA over a long period of time, and that these people were more comfortable being able to meet with Job Brokers at the Jobcentre Plus offices nearest to their homes.

Several Jobcentre Plus advisers said that geographical location was one of the reasons why they might recommend one particular Job Broker over another to customers. This reflects what was found in the Job Brokers' Survey conducted in 2001-2002 (Stafford *et al.*, 2004, p62) which showed that the highest proportion of Job Brokers (37 per cent) used geographical location as the method by which they allocated clients to staff. This would seem to indicate a fairly widely held opinion that it was important for Job Brokers to be able to provide a local service, either instead of, or in addition to, a centralised one.

Several disadvantages relating to outreach working were identified. It was seen as being potentially resource intensive, for example if staff had to cover a large number of Jobcentre Plus offices within a district, or a large geographical area. In terms of managing performance it could be difficult to monitor individual activity levels if the staff were constantly travelling and did not have a base somewhere. This could also have a negative effect on staff who might find the role quite isolated and find it difficult to identify themselves as part of a larger team. Several Job Brokers had attempted to address these difficulties by holding regular meetings with staff where they could come together and exchange case notes, experiences and problems, as well as affording the managers an opportunity to meet with advisers to identify any areas in which additional support might be required.

### 3.5 Internal factors affecting Job Brokers' performance

In addition to the effects of the introduction of district monthly profiles, relationships with Jobcentre Plus and environmental and contextual features, another explanatory factor of Job Brokers' differing performance levels related to how organisations ran their operations both from day-to-day, and also at a more strategic level. There were several elements within organisations that appeared to have had potential effects on performance.

#### 3.5.1 Job Broker staff

Job Brokers frequently cited the quality and commitment of staff as one of their key strengths, and this was often (although not always) echoed by other respondents. Job Brokers who were perceived as being successful were described as having staff who were '*proactive*', '*committed*', '*enthusiastic*' and '*helpful*', with good relationships between Jobcentre Plus and Job Broker staff relying on effective communication and a sense of rapport. These relationships could suffer if Jobcentre Plus staff were not confident in the abilities or approach of their colleagues in the Job Broker organisations, and were also jeopardised during periods of high staff turnover or staff shortages.

##### *Number of staff*

Staffing resources were identified as a factor affecting performance by many of the respondents in the study (see Section 3.3.3). Where there had been difficulty recruiting staff or problems with staff turnover this was seen to have had an important and adverse effect on Job Brokers' performance levels, especially where the operation in the sample district was being delivered by a very small number of staff.

Job Brokers perceived to have insufficient staff to cover the geographical area and/or high customer caseloads were seen as less accessible and less likely to provide timely feedback to Jobcentre Plus staff on customer progress. These characteristics were identified by local Jobcentre Plus staff as hampering communication, and advisers were more inclined to refer clients to other Job Brokers operating in the district that appeared to have more staff and be better resourced.

Many Jobcentre Plus staff thought that it was important to be able to set up appointments for customers as soon as possible, which was more straightforward if the Job Broker had a regular presence within the Jobcentre Plus offices and/or they were confident of being able to contact Job Broking staff directly by telephone, rather than through a centralised answering service. As might be expected, those organisations with larger numbers of staff working in the sample district were more likely to be able to attend Jobcentre Plus offices on a regular basis. As discussed in Section 3.3.2, since '*visibility*' seemed to be an important factor in relationships between Job Brokers and Jobcentre Plus advisers, this certainly seems to have contributed to the higher activity levels that larger Job Brokers achieved.

### *Recruitment and retention*

Some Job Brokers reported difficulties experienced in recruiting staff, and for some this was further compounded by problems in identifying 'suitable' staff. For those organisations new to job broking there appeared to have been some early uncertainty about exactly what qualities and experience candidates needed to have to become effective advisers. This was thought to have led to higher than usual staff turnover while organisations addressed these issues. Some Job Brokers had changed their recruitment strategy as their perceptions of essential qualities for staff changed over time, and this was thought to have addressed the issue:

*'Probably the majority of staff have changed. The people I'm now dealing with are totally different to the people I dealt with then. Because it's, they're recruiting everybody and everybody was getting bods in there, turns out it was the wrong people, wrong experience and mismatched. Clients weren't getting the service, they had a bad reputation, weren't getting referrals... But now they're doing better. They've got the hang of it now.'*

(Contract Manager)

*'I think they did it in a hurry, basically, I think. Because they'd won the contract for here with staff in and they advertised in the press and they got the applicants and recruited from it. So I think it was you have to take time out and if you don't get the right people in recruitment, you just don't take anyone, make sure you just say "Right, no-one's got a job, we'll do it all again, we'll start again". And that's been, I'm like "I want someone to start work and we've got all these people, why can't we have one?" but there's no point in just making do with just anyone.'*

(Job Broker Manager)

Perhaps unsurprisingly this did not appear to be a problem unique to the new Job Brokers in this research. An existing Job Broker recalled similar experiences when setting up at the beginning of the programme:

*'People didn't really know what the job was going to be like. I came and found it very, very difficult, networking was a problem, getting to see the right people, linking in with the right groups, so there was a high turnover of staff then.'*

(Job Broker Manager)

As discussed in Section 3.3.3, in Job Brokers where the number of staff delivering the programme in the sample district was very small problems of staff recruitment and particularly staff retention were especially significant:

*'Unfortunately in this game it's retaining the staff. That's the problem. So they'll lose the staff and they've got a problem with recruiting staff and in the meantime things just go pear shaped.'*

(Contract Manager)

*'At one time there was one guy and I said "Well, I've heard So-and-So's left so who's covering [Location 1]?" "Oh So-and-So is" I said "Well, isn't he at [Location 3], covering [Location 3]?" "Well, yes, he's going to have to cover all of it". I said "He's going to be a bit stretched, isn't he?" and it was "Oh well, we can't do anything else". And I mean, I don't know whether you know the geography of [Area 1] but to get to one end of [Area 1] to another could take you two hours. You spend more time in your car than you do actually in an office.'*

(Jobcentre Plus adviser)

As indicated by this last respondent, one of the additional problems with staff turnover was a lack of continuity. This impacted on relationships with local Jobcentre Plus staff who were less inclined to recommend a Job Broker if they were unsure about whom they should contact about potential referrals. They were also less likely to refer a customer to a Job Broker if they thought the organisation was unlikely to be able to provide consistency and continuity of care, as these were widely held to be essential components of effective job broking among Jobcentre Plus staff.

#### *Key characteristics of staff*

Respondents also commented on the need for advisers to be empathic and in particular, many identified having an understanding of the client group as a critical requirement. Some of the early problems with recruitment seemed to have stemmed from a mismatch between organisational and/or individual experience of delivering mandatory programmes rather than a voluntary one. On occasions this had resulted in complaints from customers alleging that they were *'being bullied'* or that advisers were *'pushy'*.

As a voluntary programme, it was suggested that NDDP customers responded better to a more *'softly softly'* approach (Contract Manager) but it was also acknowledged by some respondents that to be effective, Job Brokers needed to combine a sensitive approach with an awareness of how they were performing.

*'I put the onus on the consultants that they're running their own little caseload, their own little business and as well as achieving the targets they need to bring so much income in as well. And for some of the people who might have worked in different, come from different backgrounds, they've never had that commercial awareness. So that's quite an important, if they've not got it then we have sessions on commercial awareness as well, "Where does the money come from?" basically, "How do we pay for this office?".'*

(Job Broker manager)

*'...I think a key success to be a Job Broker is you have got to get the right mixture of both. You need some cushions and cardigans but you also need some people who have an awareness of targets and the need to achieve them.'*

(Contract Manager)

### *Staff training*

Some Job Brokers said that staff training played an important part in maximising potential performance. Several different areas of training were mentioned, and these often appeared to reflect the aspects of their operation that Job Broker managers had identified as being key to their success. As can be seen above, this included staff training in *'commercial awareness'*, training in the correct use of paper and electronic systems for data and evidence management, as well as in the use of benefits software if the organisation performed better off in-work calculations.

Local Jobcentre Plus staff suggested that Job Brokers should have a knowledge of disability and health issues, an understanding of the client group, be aware of the roles of the Jobcentre Plus advisers and the provision that could be accessed through them, as well as detailed knowledge of locally available provision. Job Broker managers who had previous experience of working with people with disabilities and/or serious health conditions said that this had given them an advantage over Job Brokers with less experienced staff.

### **3.5.2 Contract exclusivity versus diversity**

As indicated in Section 3.4.1 some Job Brokers delivered NDDP exclusively, while for other providers it was one of a portfolio of programmes. Among those operating the latter model, Job Brokers felt that the fact that their organisation offered other programmes gave their clients access to a wider range of services than other Job Brokers might be able to provide. Where services relating to these programmes were delivered by the Job Broker this was also cited as an advantage from a marketing point of view. It was suggested that people accessing other provision at the same site might become aware of NDDP while there, and might also pass this information on to friends and family. In contrast it was thought that there might not be opportunities for this kind of information transfer or word-of-mouth marketing in an organisation that dealt with NDDP exclusively. Job Brokers delivering additional programmes tended to perceive the service they were offering as an holistic package, which might include NDDP if appropriate.

However, Job Brokers operating exclusively under NDDP contracts seemed confident that they were able to access a wide range of services for their registrants, either through formal or informal partnerships with other organisations and individuals. The key element to effective delivery in this respect seemed to relate more to how well activity on the programme was staffed and managed, regardless of the funding structure of the organisation:

*'...[one of the] key things about job broking is to have a person in the organisation whose job it is to do NDDP. That is the single biggest determiner.'*

(Contract Manager)

*'There need to be some dedicated. Ideally all dedicated resource, but in the real world some dedicated resource because otherwise like [Job Broker] the marketing will go to a person who is actually doing something else as well, so it won't get done properly. It is basic stuff really. So a really simple measure that makes all the difference in the world.'*

(Contract Manager)

This factor alone was not an indicator of good performance, but all of the new Job Brokers were delivering NDDP exclusively at the location in the sample (although their parent organisations might deliver additional programmes in some of their other contracted districts). While only two of them were doing so at a level above the 75 per cent adequacy standard, all but one of the new Job Brokers were outperforming the existing Job Brokers (using percentage of profiled job entries achieved as a measure). Among the existing Job Brokers the lowest performer was also the only organisation in which staff did not work exclusively on NDDP. However, of all the Job Brokers in the sample, the lowest performer was one of the new Job Brokers, which would indicate that exclusive delivery of NDDP was not sufficient to guarantee success.

### **3.5.3 Use of Management Information**

Chapter 1 outlined some of the key changes which took place in the programme from its start in 2001 until this research was conducted. Two of the most significant of these related to Job Brokers' performance levels, namely:

- the introduction of a minimum requirement of 25 per cent of all registrations to be converted to job entries for Job Brokers to be eligible for contract extension or renewal; and
- the commitment for all Job Brokers operating under new contracts to achieve an 'adequate' performance level of 75 per cent of profiled job entries.

Over time there appeared to have been an increase of awareness among most of the existing Job Brokers about the importance of collecting accurate Management Information and the potential for using this to identify aspects of the service in which performance could be improved, although this did not appear to be universal. Most of the managers from new Job Brokers in the sample identified the collection and interpretation of Management Information as a key part of their role. Some organisations linked individual or team targets to the contracted profiles explicitly, whereas other organisations had a more 'bottom-up' approach, meaning that any staff targets were set based on the capacity of individual staff, rather than on the number of outcomes required to meet 'adequate' performance.

Where Job Broker managers were required to report to senior management on activity levels there was often particular emphasis on understanding how staff performance was linked to performance data, for example by conducting case-by-case reviews with staff, or discussing with teams the reasons why figures for registration or job entries had been lower than anticipated. However, in some organisations there did not seem to be any transparent link between internal targets and the contracted profiles. This might be a reflection of the use of the 'bottom-up' approach mentioned above, where managers suggested that staff could only deliver a finite number of outcomes each month, regardless of the level of the profiles. Alternatively, it could also occur where staff or team targets had been set by senior management without the involvement of the Job Broker manager.

Looking at the performance of the Job Brokers in the sample suggests that those Job Brokers using Management Information in conjunction with more detailed knowledge of individual staff activity were better able to drive performance. However, this was not exclusive to the highest performing Job Brokers. Some of the lower performers appeared to have strategies in place, based on detailed knowledge of Management Information, designed to increase their activity levels (rather than anticipating that the discrepancy between contracted and actual performance would be addressed by re-profiling). Thus there is no simple positive relationship between actively using Management Information and improved performance.

#### **3.5.4 Service delivery**

As discussed in Chapter 2, when this research was first commissioned all but one of the new Job Brokers in the sample districts appeared to be performing at lower levels than the existing Job Brokers in the same districts. It was thought that by comparing the new Broker with an existing Broker within each of the sample districts variations caused by demographic, labour market or geographical differences could be ruled out. The hypothesis was that any differences in performance would be a result of variations in the type or nature of service delivery between the Job Brokers and the research was originally designed to investigate this.

However, there were not many differences in the type of services delivered by Job Brokers, nor in their methods of delivery. All the Job Brokers in the sample, like those interviewed in previous phases of qualitative research, said that their role was to take an individualised client-based approach with packages of support being tailored to each client's needs.

Similarly, all of the Job Brokers delivered NDDP either partially or wholly through outreach work, as discussed in Section 3.3.2. For some Job Brokers this was seen as the cornerstone of their service delivery, whereas for others it was a relatively small, but important, part of their activity.

### 3.6 Other factors affecting performance

Where definitions of success seemed to be mostly focused around achieving job entries and sustained outcomes, respondents identified a range of additional aspects of job brokering which they thought were key to delivering a 'successful' service. These other factors included:

- giving registrants accurate information about the financial implications of moving from claiming benefits into paid employment ('better off in work calculations');
- knowledge of local labour markets, including an awareness of Jobcentre Plus vacancies;
- effective job searching and job matching; and
- efficient use of marketing.

### 3.7 Conclusion

There were several inter-related contributory internal and external factors affecting the performance of Job Brokers. The most significant external factors were the combined effects of the introduction of the new district monthly profiles (and the levels at which they were set), the roll out of Jobcentre Plus integrated offices and the linking of Job Broker and local Jobcentre Plus performance.

In terms of internal factors, the location of the Job Broker and the type of premises in which it operated helped to explain aspects of performance levels, but although delivering the service in a rural area was acknowledged to be potentially problematic, it did not necessarily prevent good performance. The nature of the service being delivered did not appear to have an effect on performance levels as it was reported to be similar among all the Job Brokers in the sample.

Those Job Brokers identified as being better performers had several key characteristics in common. These organisations had profiles which they felt were reasonably ambitious but not unachievable. The Job Broker managers made extensive use of Management Information and placed emphasis on the importance of establishing and maintaining strong working relationships with local Jobcentre Plus staff through open and effective communication.

This approach was reflected in the perceptions of local Jobcentre Plus staff who were more likely to refer customers to these organisations because they were confident in the quality and consistency of service being delivered. This confidence was more likely to be placed in Job Brokers who were perceived as having sufficient staffing resources to ensure consistent provision and the flexibility to provide staff cover when necessary. To perform effectively staff needed to combine a sensitive approach to customers with a focus on outcomes.

## 4 Conclusion and policy recommendations

### Summary

- This study is designed to aid understanding of why Job Brokers' performance can vary, and in particular to identify the factors affecting new Job Brokers' performance.
- To fully understand Job Brokers' performance it was necessary to examine administrative data in combination with contextual information.
- Job Brokers' performance was affected by programme developments and changes within Jobcentre Plus, as well as by internal factors such as staffing levels and Job Brokers' ability to establish and maintain a reputation with local Jobcentre Plus staff for providing a good service to customers.

### 4.1 Overview of factors affecting Job Brokers' performance

This study builds upon previous waves of qualitative research which explored the Job Broker service from the perspective of key stakeholders. In particular, it aims to examine the role and operation of new Job Brokers, and was commissioned at a point in the programme at which performance data indicated that these organisations were underperforming compared to existing Job Brokers. Five case study areas were purposively selected to include a mix of rural and urban districts and different labour markets. Each area contained an existing Job Broker and a 'new' Job Broker, with 'new' being defined as either an organisation new to job brokering or an existing Job Broker operating in a new locality.

In particular, it was intended that the research should aid understanding of why the performance of Job Brokers can vary. Monthly performance data show that the sampled Job Brokers' performance appears to be quite erratic, making it difficult to identify trends and patterns. Several ways of measuring performance were explored during the research, and the introduction of new district monthly profiles provided a new way of assessing activity levels. Using a measure of achieved outcomes as a percentage of contracted profile it became apparent that several of the new Job Brokers had 'overtaken' the existing Job Brokers with which they were being compared.

While the administrative data was clearly an important means of assessing activity levels in the different organisations, the qualitative data collected in interviews conducted with Job Broker managers, local Jobcentre Plus staff and Contract Managers were essential in understanding the reasons and contributory factors underlying each Job Broker's performance. These data were analysed within the context of the key stages of the programme's development, which provided additional explanatory factors for changes in Job Brokers' operations and strategies as well as in their performance levels.

#### **4.1.1 Effects of programme changes**

Certain developments of the programme over time had influenced Job Brokers' behaviour and performance levels. These related to changes in contractual obligations introduced when new contracts were awarded or existing contracts were extended.

The introduction in October 2003 of a minimum performance requirement of 25 per cent of all registrations being converted to job entries had necessitated a greater focus on achieving job outcomes among existing Job Brokers than there had been in 2001 when the programme started. The approach of the new Job Brokers joining the programme in November 2003 (with operation beginning in April 2004) seemed to reflect this change as they appeared to be aware of the need to achieve outcomes from registrations from the start, rather than reaching this realisation over time.

The new contracts signed by Job Brokers in April 2005 committed them to providing an 'adequate' level of performance, based on district monthly profiled outcomes. In most cases this served to heighten the emphasis Job Brokers placed on achieving job entries still further, and provided Contract Managers and Jobcentre Plus district management with a more detailed means of assessing the Job Brokers' performance.

Most of the 'new new' Job Brokers appeared to be particularly responsive to the implications of new profiles, possibly they had no pre-existing (mis-)conceptions about the purpose of the programme, although some of the existing Brokers had also embraced the new system and seemed to be aware of its potential for assisting them in monitoring and achieving performance.

However, monthly profiles could be considered restrictive and cause unintended consequences, either because organisations were more likely to register only those closer to the labour market in order to avoid underperforming, or because they were attempting to avoid being capped due to overperformance.

#### **4.1.2 Effects of changes within Jobcentre Plus**

Another significant change affecting Job Brokers' operations and performance was the roll out of Jobcentre Plus offices, which integrated aspects of the former Employment Service and Benefits Agency. Where the service had rolled out, people claiming an incapacity-related benefit attended a Work Focused Interview (WFI) eight weeks after the commencement of their claim. During this interview, where appropriate, local Jobcentre Plus staff could inform customers about New Deal for Disabled People (NDDP) and offer guidance and assistance in choosing and contacting a Job Broker. New Job Brokers anticipated receiving approximately 50 per cent of their referrals through this process, although in districts where Jobcentre Plus was still rolling out, the level of referrals Job Brokers received from local Jobcentre Plus staff was much lower. Existing Job Brokers had traditionally had to generate almost all referrals themselves through marketing and other means, and tended to place less emphasis on the importance of Jobcentre Plus referrals to their activity levels.

The relationship between local Jobcentre Plus staff and Job Brokers had been identified as being particularly important in providing an effective service in previous waves of qualitative research (Lewis *et al.*, 2005). The significance of these relationships increased during the life of the programme, particularly with the establishment of links between Job Broker performance and Jobcentre Plus district targets. In most cases this seemed to have fostered and strengthened links between Jobcentre Plus and Job Brokers, although Job Brokers' opportunities to harness the opportunities for mutual benefit were limited by the extent to which the Jobcentre Plus programme had rolled out in their district.

As with other aspects identified as contributing to better performance, not all Job Brokers attributed equal significance to these developments and their potential effects on their own activity levels. This was particularly apparent among some of the existing Job Brokers, who appeared resigned to what they perceived as frequent changes in the programme and in staffing at local Jobcentre Plus offices and did not consider these to have much bearing on how they operated or performed. In contrast, better performing Job Brokers considered strong marketing and face-to-face contacts with local Jobcentre Plus staff to be important factors in raising their performance, especially if contacts were sustained over time. This encouraged them to maintain relationships and overcome potential problems caused by staff turnover within Jobcentre Plus offices.

### 4.1.3 Other factors associated with better performance

Given the complexity of measuring and interpreting Job Brokers' performance, two new Job Brokers appeared to be the most successful, in that they exceeded the 'adequate' level of performance (defined as having achieved 75 per cent of profiled job entries). When considering numbers of job entries achieved, three of the Job Brokers were achieving higher levels of outcomes than other Job Brokers, of these, one was a new Job Broker (one of the two most successful in terms of achieving profiled job entries), and the other two were existing Job Brokers.

The other key factors identified as contributing to Job Brokers' performance are:

- The Job Brokers perceived the need to establish and maintain strong working relationships with local Jobcentre Plus staff to reach and sustain the level of referrals considered necessary for them to reach profiled registrations and job entries. These relationships were fostered through a range of means, including inviting local Jobcentre Plus staff to breakfast meetings at the Job Brokers' premises, providing regular feedback on individual registrants' progress, attending Jobcentre Plus-led events and maintaining a regular presence within Jobcentre Plus offices.
- Although Jobcentre Plus staff varied in their opinions of the added value of job brokering to Jobcentre Plus and its customers, the more successful Job Brokers tended to be those that were better able to 'market' their services to Jobcentre Plus in terms of the potential for mutual benefit.
- New Job Brokers had experienced difficulties with staff recruitment and retention which were similar to those experienced by existing Job Brokers when they were setting up operations at the start of the programme. Staff were seen as a key resource and it was considered important to recruit and retain employees who were able to work with clients in a sensitive way but who were also aware of the importance of performance and meeting targets.

## 4.2 Policy recommendations

The evolution of the NDDP programme over time and the effects that these changes appear to have had on Job Brokers suggest that there are several issues that might be usefully considered in future policy development. The following discussion reflects the views of the research team, rather than that of the respondents in this study.

Contracts for service providers should include agreed service provision levels which should be realistic and achievable, reflecting the lead-in times for establishing a business, with a clear mechanism for monitoring and review over time. The evaluation of NDDP clearly shows that it takes time for providers to establish themselves in new areas.

It is clear that how Jobcentre Plus chooses to monitor providers' performance can have a significant affect on actual performance. Contract management procedures should retain some element of flexibility, possibly through allowing providers to 'average out' under- and overperformance over a defined period. This study has shown that monthly performance figures are difficult to interpret as they can be somewhat erratic, and supports the Department's move to reconciliation on a three-monthly basis as of April 2006.

To assess service provision levels consistently throughout a programme the means of performance measurement should be determined at the outset. This would facilitate evaluation of the programme and provide a more transparent means of comparing different providers' performance.

Moreover, those involved in managing the contracts with providers should not be actively involved in the procurement of new or extended provision. This arrangement is needed to ensure that the support that Jobcentre Plus staff can provide to providers is not withdrawn whilst a procurement exercise is being undertaken.

Service providers should be adequately resourced for the geographical areas in which they operate. This implies that the unit resource allocated to, for example, more rural areas may have to be higher than that for more urban locations. The research indicates that not all of the Job Brokers in the sample may have made adequate provision for this. Although Job Brokers set their payment levels according to what they believed their costs would be, in future the Department may wish to satisfy itself that these anticipated costs adequately reflect the type of area in which the provider is hoping to operate.

If it is hoped to integrate the work of external service providers with that of local Jobcentre Plus staff it would be beneficial to provide guidance on the most effective approaches to working with, and marketing services to, Jobcentre Plus advisers. Ideally this should be supported by an explicit link between agreed service provision levels and Jobcentre Plus targets.

### 4.3 Conclusions

Assessing Job Brokers' performance is an extremely complex task. There are many factors that must be taken into consideration, relating to the Job Brokers' themselves, the organisations of which they may be a part, and the wider context of working with Jobcentre Plus. In addition to examining Job Brokers' performance, this report has attempted to distil the lessons learned from all three waves of qualitative research on NDDP and reflect the dynamic nature of the programme and its delivery. It emphasises the continuing importance of certain aspects of service delivery which have remained key to 'successful' performance. In particular these are: creating and sustaining close working relationships with local Jobcentre Plus staff, strong (but flexible) management of the NDDP contract by Jobcentre Plus, and combining a sensitive approach to customers with a focus on outcomes.



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