

Department for Work and Pensions

Research Report No 612

A scoping study on the added value of a longitudinal survey of working age customers of Jobcentre Plus and the Pension, Disability and Carers Service

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A report of research carried out by the National Centre for Social Research on behalf of the Department for Work and Pensions

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Contents

Acknowledgements	vii
The Authors.....	viii
Summary	1
1 Introduction and background.....	9
1.1 Background to the study.....	9
1.2 The advantages of longitudinal research	11
1.3 Research objectives.....	13
1.4 Research approach.....	14
1.4.1 <i>Conduct and analysis</i>	16
1.5 Report structure.....	17
2 Establishing the requirements.....	19
2.1 Key research themes.....	19
2.1.1 <i>Substantive areas</i>	19
2.1.2 <i>Research questions</i>	20
2.2 Key groups	22
2.3 Gaps and limitations in existing data.....	24
2.3.1 <i>Gaps</i>	25
2.3.2 <i>Limitations</i>	26
2.4 Using the WPLS	27
2.5 Potential added value of a longitudinal survey.....	28
2.5.1 <i>Replacing existing programme evaluation surveys</i>	28
2.5.2 <i>Filling knowledge gaps</i>	29

2.5.3	<i>Improving the usability of existing data</i>	30
2.5.4	<i>Providing an overall understanding of customer base and Department impact</i>	31
2.5.5	<i>Overlaps with Understanding Society</i>	31
3	Meeting the requirements and key challenges	33
3.1	Key themes and customer groups for longitudinal study	33
3.2	Sample design and size	35
3.2.1	<i>Sample maintenance</i>	38
3.3	Questioning mode and question types	39
3.3.1	<i>Mode of data collection</i>	41
3.4	Frequency of data collection	41
3.5	Analysis and reporting	42
3.5.1	<i>Analytical expertise</i>	42
3.5.2	<i>Representative sample analysis</i>	43
3.5.3	<i>Trajectory analysis</i>	44
3.5.4	<i>Paired-transitions analysis</i>	44
3.5.5	<i>Reporting</i>	44
3.6	Practical issues	45
3.6.1	<i>Budget</i>	45
3.6.2	<i>Data security</i>	47
3.6.3	<i>Data linkage</i>	47
4	Next steps and recommendations	49
4.1	Could the proposed longitudinal survey add value?	49
4.1.1	<i>Replacing existing programme evaluations</i>	49
4.1.2	<i>Filling knowledge gaps</i>	50
4.1.3	<i>Improving the usability of existing data</i>	52
4.1.4	<i>Providing an understanding of customer base and Department impact</i>	52
4.1.5	<i>Summary</i>	53

4.2	Factors affecting the feasibility of the proposed survey.....	53
4.2.1	<i>Overall research design.....</i>	53
4.2.2	<i>Cost.....</i>	55
4.2.3	<i>Managing the study.....</i>	57
4.2.4	<i>Managing expectations.....</i>	58
4.2.5	<i>Political change.....</i>	59
4.3	Next steps for the Department.....	60
4.3.1	<i>What budget is available for a given added value?.....</i>	60
4.3.2	<i>What could the longitudinal survey replace?.....</i>	61
4.3.3	<i>What groups could it feasibly cover?.....</i>	61
4.3.4	<i>Can a coherent set of questions be developed around behaviour and attitudes that is appropriate for the customer base?.....</i>	62
4.3.5	<i>Where would the survey be housed?.....</i>	63
Appendix A	Workshop 1 topic guide.....	65
Appendix B	Telephone interviews topic guide.....	69
Appendix C	Workshop 2 topic guide.....	71
Appendix D	Study participants.....	77
Appendix E	Interim report.....	79

List of figures

Figure 1.1	Research approach.....	16
Figure 2.1	Departmental research questions.....	21
Figure 2.2	Key customer groups/sub-groups.....	22
Figure 2.3	Data available on others outcomes affecting and affected by employment outcomes.....	23

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Summary

Background and aims

The National Centre for Social Research (NatCen) was commissioned by the Department for Work and Pensions (DWP) Strategy Unit to conduct a research study scoping the feasibility and potential added value of a quantitative longitudinal survey of DWP working age client groups from Jobcentre Plus and the Pension, Disability and Carers Service (PDCS). The commissioning of this project acknowledges the fact that while the Department's administrative processes collect comprehensive data on its clients, there are certain limitations to the data. Using other data sources or commissioned survey research, DWP can address some of these limitations some of the time. The main aim of this study was to establish whether a longitudinal survey of all Jobcentre Plus and PDCS customers could address these limitations in a more comprehensive, efficient and sophisticated manner.

The research consequently aimed to meet the following key objectives:

- establishing data users' requirements;
- understanding the data sources currently used;
- establishing issues for longitudinal study;
- identifying a design for a longitudinal survey to meet these needs;
- identifying the key challenges to the design and set-up of the proposed survey;
- establishing the strategic aims of the longitudinal study.

In order to address these objectives the following research approach was taken. A first workshop was held with DWP staff and external data users to understand how existing administrative data can be used and what its limitations are. Following this, a series of telephone interviews were conducted with the heads of research and analysis from a number of DWP divisions that would be stakeholders in the proposed longitudinal survey. Participants were asked to reflect on the data sources they currently used to answer key research questions and how a longitudinal survey might be able to fill any gaps in existing data. Finally, a larger second workshop was held with DWP staff representing a broader set of divisions,

to determine what the strategic aims of the longitudinal survey might be, address practical and design-related challenges and identify the areas in which the survey would be most likely to add value. The data collected in these encounters was digitally recorded and thematically analysed.

Understanding the requirements

In order to understand the context in which the proposed longitudinal study could add value to the Department's programme of research it was essential for the researchers to understand, firstly what the different DWP divisions wanted to know about whom; and secondly, how well these requirements are addressed by currently available data and research. Although each division noted research needs specific to their substantive area or client focus, a number of key strategic research questions were identified as being relevant across the Department. The matrix below groups these strategic research needs by relevant Departmental Strategic Objectives (DSOs) and lists the sources identified by participants as useful in addressing these needs.

Meeting the Department's strategic research objectives

Relevant DSO	Strategic research needs		Useful data sources
DSO 1 Reduce the number of children living in poverty	<ul style="list-style-type: none"> – How DWP activity affects life chances and social mobility – (Lone) parents' working and income patterns – Impact of child maintenance 	→	<ul style="list-style-type: none"> – Families and Children Study (FACS) – Understanding Society
DSO 2 Maximise employment opportunity for all	<ul style="list-style-type: none"> – Factors affecting employment and employment-related outcomes – Journeys onto and off benefit – Understanding progression and sustainability when in work – Attitudes, motivations and aspirations towards work 	→	<ul style="list-style-type: none"> – Programme-specific surveys – Destinations research – Work and Pensions Longitudinal Survey (WPLS): HM Revenue & Customs (HMRC) tax data, data on sick pay – FACS and British Household Panel Survey (BHPS)
DSO 5 Equality of opportunity for disabled people	<ul style="list-style-type: none"> – Equalising outcomes for different client groups 	→	<ul style="list-style-type: none"> – Programme-specific surveys – Family Resources Survey (FRS) – Division-specific research on marginalised groups
DSO 7 Ensure DWP is an exemplar of service delivery	<ul style="list-style-type: none"> – Evaluating and improving DWP processes – Understanding how different customer groups experience DWP services 	→	<ul style="list-style-type: none"> – WPLS: National benefits database – Performance statistics – Customer satisfaction surveys

Participants also noted key customer groups that were of interest to their division or to the Department more generally. These groups can be organised into four categories:

- divisional groups – e.g. lone parents, disabled people;
- those on a specific benefit or programme – e.g. Incapacity Benefit (IB) recipients, customers in employment zones;
- demographic groups – e.g. those not in education, employment or training (NEETs), ethnic minorities;
- marginalised groups – e.g. ex-offenders, migrants.

Three types of source were noted by participants from which they obtained data to address their key research questions. The table below illustrates the gaps in these existing data sources and the limitations participants noted in using them.

Existing data sources: gaps and limitations

	Gaps	Limitations
Large-scale longitudinal surveys	<ul style="list-style-type: none"> – Data related specifically to the impact of DWP interventions 	<ul style="list-style-type: none"> – Sub-sample of DWP customers not always large enough – Sub-sample of specific groups of interest not large enough – generic questioning
Programme-specific research		<ul style="list-style-type: none"> – Bespoke surveys do not always allow comparative analysis across all interventions – Do not give comprehensive picture of overall client group
WPLS	<ul style="list-style-type: none"> – Data on low income, temporary workers – Comprehensive data on skills and health – Some data not able to be collected by administrative processes, such as attitudinal, behavioural and personal circumstances 	<ul style="list-style-type: none"> – Cannot always provide earnings and other data for entire customer base – Complex dataset, some staff not trained to use

Meeting the requirements

Having identified the strategic research needs of DWP staff, the study explored some of the main challenges of designing a longitudinal survey that could address some or all of these research needs. For any longitudinal survey, decisions need to be made on a number of aspects of the design that have implications for the resources required and procedures to be followed in order for the survey to be a feasible proposition. The matrix overleaf summarises the findings of the study related to the challenges of each aspect of survey design.

Longitudinal survey design: key challenges

Aspect of survey design	Decisions to be made	Implications
Sample	<ul style="list-style-type: none"> – Sample frame, key categories – Size and boost samples – Accessing 'hard to reach' or 'flow customers' 	<ul style="list-style-type: none"> – Budget required – Level of sub-set analysis possible – Meeting needs of client focused divisions
Questioning	<ul style="list-style-type: none"> – Length and mode of interviews – Topic coverage and depth – Agreeing core questions and number of optional modules – Designing checks for error and recall – When to use face-to-face and when telephone – Using self-completion techniques 	<ul style="list-style-type: none"> – Timetable and frequency – Budget required – Ethics, participant fatigue – Need to learn from other surveys
Periodicity	<ul style="list-style-type: none"> – Continuous or wave-based data collection – Annual data collection – Supplementary data collection encounters triggered by admin systems 	<ul style="list-style-type: none"> – Ethics, participant fatigue – Budget required – Need to link to admin systems
Analysis and reporting	<ul style="list-style-type: none"> – Determining analytical expertise in DWP – Identifying training requirements – Whether survey in-house or commissioned – Choice of analytical approach – Reporting schedule – Reporting format 	<ul style="list-style-type: none"> – Budget required – Departmental training initiative – Team dedicated to data management – Need for support mechanism for data-users – Usability of outputs
Practical issues	<ul style="list-style-type: none"> – Available budget – Sustainability of budget – Sourcing budget from other departments – Data security issues – Data linkage issues 	<ul style="list-style-type: none"> – Impact on other research programmes/planned studies – Who owns content if other Departments contribute – Data access and storage procedures – Re-contact and permission questions – Involving IfD data security team at early stage

The added value of a longitudinal survey

Throughout the project the researchers questioned what the Department felt should be the overall strategic aim(s) of the longitudinal survey. The below matrix lists four strategic aims identified by participants and illustrates the possible advantages and disadvantages of pursuing these aims and the factors that would influence the success of the survey.

The strategic aim of the proposed longitudinal survey

Strategic aim		Potential risks	Factors affecting feasibility
1. Replacing some or all existing programme evaluation surveys		<ul style="list-style-type: none"> → – Timing of longitudinal survey data collection may not be suitable for evaluating certain programmes – Reduced understanding of specific policy interventions 	<ul style="list-style-type: none"> → – Timing and coherence of future policy interventions – Ability to meet requirements of a number of specific divisions in a single survey
2. Filling gaps in existing knowledge		<ul style="list-style-type: none"> → – Duplication of ground covered in other surveys such as Understanding Society – Survey over-complicated and difficult to manage 	<ul style="list-style-type: none"> → – Ability of Department to effectively prioritise gaps in knowledge – Available budget for survey sufficiently large to collect data on key issues and groups – Use of best practice from other large-scale longitudinal research programmes
3. Improving the usability of existing data		<ul style="list-style-type: none"> → – Expectations: the survey should not be expected to calibrate administrative data → – Data linkage issues may be technically complex and subject to extensive data security procedures 	<ul style="list-style-type: none"> → – Level of data security measures in place at the time the survey is launched → – Ability of study managers to manage expectations
4. Providing an understanding of client base and DWP impact		<ul style="list-style-type: none"> → – Sample too generic to say anything significant about important sub-groups → – Political change impacting on departmental structure 	<ul style="list-style-type: none"> → – Whether policy continues to move in the direction of a single system for working-age benefits → – External shocks, such as major social events or trends will affect what type of wider impact is relevant

In summary, the question of 'added value' revolves most significantly around the merits of the Department having a new uniformity of coverage across customer groups, including provision for boosted samples of key groups with particular needs. Arguably, this should only take place if it can be done without compromising key strategic research needs in respect of the breadth of coverage of customer groups and the depth of detail around attitudes and customer experiences. If DWP continue to commission separate programme evaluation surveys, the added value of a new longitudinal survey would depend, to an extent, on the commitment to using a consistent question set across all surveys.

Next steps for the Department

This report proposes important steps for the Department to take these findings forward:

- **Find a home for the survey:** Currently there does not appear to be an obvious home for the proposed survey. It was noted that a strategic vision is needed to realise the maximum added value of the survey. The home for the survey would not only have to be cross-divisional, but would also need to be headed by a team or individual with significant cross-divisional influence. One possibility would be to develop a new team, along similar lines to the management of the Family Resources Survey, though it remains unclear where this team might be located. Some participants were wary of pursuing this too far, arguing that a central survey team, for example, might become isolated from substantive policy issues.
- **Balance added value with estimated available finance:** To be a feasible proposition, the added value of the proposed survey will need to be demonstrated in a way that secures finance for, at least, the initial stages of project and, where possible, receives guarantees for sustained funding. This business case is inevitably based, to a significant extent, on the added value of the longitudinal perspective and, in turn, achieving a longitudinal perspective would be reliant on continuity of funding. Barriers to securing this funding include the cycle of spending reviews and political change. The Department would have to consider the minimum budgetary requirements for the development of a survey that still has the capacity to add value. In order to ensure that this finance can be secured, the 'research team' will need to take forward the business case for the survey, based on a more complete specification of the sample, questionnaire and analysis designs.

- **Further development work:** In order to develop a more complete specification of the survey focus and design, further development needs to take place. During the course of the study, it became clear that it would be important for a longitudinal survey to reflect DWP beliefs about the nature of its customers' experiences and the range of factors that influence customer journeys. Qualitative work exploring customer types and to set out a 'behavioural model' would help clarify thinking in this area. Secondly, further research on conditionality and related features such as sanctions could help monitor the potential risk of service delivery arrangements contributing to social exclusion. A third strand of development work proposed is to evaluate administrative records as a basis for longitudinal analysis of customer behaviour. This can be viewed as an attempt to simulate the longitudinal survey over a period of four or five years. For example, this could be used to estimate the extent to which a cohort of claimants may switch between benefits during this period of time. In this way, the simulation would be able to confirm some aspects of what the proposed survey could be expected to show. Finally, qualitative work to assess the range of experiences of customers moving between certain benefits and the labour market could also inform the sample design and questioning.

1 Introduction and background

The National Centre for Social Research (NatCen) was commissioned by the Department for Work and Pensions (DWP) Strategy Unit to conduct a research study scoping the feasibility and potential added value of a quantitative longitudinal survey of DWP working age client groups from Jobcentre Plus and the Pension, Disability and Carers Service (PDCS).¹ This report represents the final output of this study and is intended to present to the Department the business case for various scenarios for embarking on such a longitudinal survey.

1.1 Background to the study

This section outlines the context in which this study was commissioned and carried out. Throughout the project, it has been acknowledged that the Department has a comprehensive approach to compiling knowledge of its various client groups, drawing on a wide range of research and administrative resources. For more than a decade, the DWP has pursued a programme of building a research resource from the administrative data generated through Jobcentre Plus staff. A cumulative record of benefit claims and earnings data collected by HM Revenue & Customs (HMRC) has been established and is now referred to as the Work and Pensions Longitudinal Survey (WPLS). For every DWP client, the WPLS provides (McIvor, 2006):

- personal demographic data, including age, sex and place of residence;
- the benefit or pension initially claimed;
- participation in Jobcentre Plus interventions, such as Work Focused Interviews (WFIs) or entry to a New Deal programme;
- movements from benefit to work, approximating to a 'work history';

¹ For brevity, throughout this report the study population for this survey that comprises prerequisite and PDCS customers of working age will be referred to as DWP customers.

- when a return to benefit occurs;
- information on the income, savings and investments of customers;
- receipts of tax credits.

The WPLS has been a key element in the evidence base for policy development around welfare to work and pensions and has been used in evaluations of specific programmes and initiatives and assessments of their cost effectiveness. The WPLS is also a key element in performance and the monitoring of services. The Job Outcome Target (JOT) is one of the most important indicators derived from the WPLS and as such, it has been the focus of a good deal of analysis to assess its coverage.

Nevertheless, in spite of the impressive volumes of data that have been incorporated in the WPLS, there remain some significant limitations of the data as a consequence of the data-collection processes. Furthermore, there are a number of key work-related outcomes which are of interest to DWP that the WPLS is not currently able to provide and other types of information such as attitudinal information that a database derived from administrative processes will never be able to collect. While it is possible to envisage measures that might address some of these limitations, the costs associated with such changes across the entire system could be considerable. The economic rationale for this approach is further complicated by the fact that the majority of the customers have routine business with Jobcentre Plus, rather than the longer-term patterns of benefit dependence that are the target of most interventions.

An alternative approach may be continue to develop the WPLS on the basis of the data streams that are generated through administrative processes, but to complement these data with a purpose-designed survey covering a smaller sample. One of the questions asked in this scoping study is whether a new longitudinal study can enhance the value of the investment in the WPLS.

The trend towards outsourcing of programmes is a further reason for considering the establishment of a data source that is less dependent on Jobcentre Plus. External providers can only be expected to generate management information that is specified in their contracts, and it may be necessary to devote significant resource to contract management activity in order to maintain continuity and quality. Even then, the difference in the systems generating the data will make comparability doubtful. Survey interviews and qualitative studies represent a means of understanding the nature of such provision, when the contractual relationship is more focused on verifiable outcomes than on the means by which they were achieved.

A further question is whether a single multi-purpose survey of DWP customers could replace the need for a number of surveys on the destinations of participants in specific interventions. The attraction of tailor-made surveys is that they can reflect the way a specific intervention is organised, or can reflect the importance of different sample groups among participants. This may be more flexible than an

over-arching longitudinal study, which needs to cover a range of customer groups on a timetable that makes sense across a variety of data uses. The issue can be posed as follows: if those responsible for interventions continued to want their own surveys to provide 'customer outcomes', would this undermine the case for setting up a longitudinal study of 'customer journeys'?

Equally important for the Department's knowledge of the British population are other long-term research undertakings such as the Family Resources Survey (FRS), the British Household Panel Study (BHPS) and the Birth Cohort studies. The new Economic and Social Research Council (ESRC) longitudinal study, known as 'Understanding Society', will be part of the context in which the contribution of a new DWP panel study would need to be assessed.

There are other broader reasons for taking an interest in the longer-term outcomes of interventions. The persistence of child poverty in the face of varied policy initiatives is one reason for looking beyond immediate outcomes. The economic rationale of some programmes also depends on the degree to which outcomes are sustained. However, it is difficult to predict whether this approach to programmes, emphasising job retention and advancement, will continue to influence the research agenda some years in the future.

1.2 The advantages of longitudinal research

The commissioners of this study have been clear from the outset that the longitudinal nature of the proposed survey would be of particular value to addressing some of the Department's key research questions. There are a number of factors that mean this type of study can meet some of the DWP's research requirements:

- DWP's own data (on benefits, interventions, etc) relate mainly to periods when customers are not in paid work. This makes it necessary to rely on other data for information about periods in work. In particular, HMRC records of tax credits, National Insurance and PAYE are an important source. Some of these data have very useful properties, for example, resulting from the obligation for tax credits claimants to notify changes of circumstances. However, some of these data relate to tax years and not necessarily to spells relevant to DWP's customer relationships.
- DWP's data are more satisfactory for Jobseeker's Allowance (JSA) customers; for other groups of benefit claimants, the data held are more limited. For example, only the 'primary condition' related to disability benefits is held, which inhibits understanding of health and mental health.
- long-term outcomes are important: for example, sustainability and progression in jobs are important for cost-benefit calculations.
- DWP's policies relate to social protection but identification of disadvantaged groups is not reliable at present, depending on disclosure by individuals when they interact with staff.

- Current policies are changing perceptions around the responsibility to 'work for those who can', with issues about how well members of the public understand conditionality, their obligations and measures such as sanctions.

Longitudinal research allows the analyst to track individual behaviour and attitudes over time and provides a greater understanding about the context in which choices are made and the factors that influence this decision-making. The advantages of longitudinal information can materialise in a number of ways, for example:

- Repeated studies with separate samples may under-state the extent of 'churn'. For example, we might observe that 70 per cent of mothers with children aged under 5 are in work at two points in time. Unless there was really no change, and exactly the same mothers were involved at both points in time, we may wish to know, for example:
 - How many were ever in work, either at time t0 or at t1?
 - Which of those in work at t0 had stopped working by t1?
 - How many of those working at t0 were working more hours by t1?
- Where changes in work status have occurred, what were the people doing previously? When people arrive at Jobcentre Plus to start a claim for benefits, there is often little information about their previous situation and they may not be forthcoming with information on their background that could influence which benefit they receive. What else changed alongside (or immediately prior to) the move out of or into work?
- Which people, and how many people, are persistently disadvantaged? What can the pattern of disadvantage tell us about the processes involved? What does the better identification of disadvantage over time tell us about measures that might address the persistence of disadvantage?
- What are the situations in which, over time, some people who appeared persistently disadvantaged have managed to improve their circumstances? To what extent has the improvement been attributable to official sources of advice and support?

Clearly, for some of these questions, retrospective data can be collected to overcome the main limitations of a static picture; but some of the changes tend to occur over periods too long for retrospective data to be considered reliable (e.g. greater than 18-20 months – even less for attitudinal data). In most of the situations mentioned above, data would need to be collected annually over four or more years for patterns of interest to emerge.

As well as providing information at a series of points in time, a longitudinal study provides opportunities to learn about the context in which an individual makes decisions. One important set of contextual factors may relate to others in the same accommodation. On the Families and Children Study (FACS), some information was obtained about the main respondent's partner, in person when

possible, or by proxy (asking further questions of the main respondent) if this was the best possible method. The same approach was also used on a number of surveys conducted as part of major evaluations, such as the New Deal for Disabled People. It is probably the case that an understanding of 'household' behaviour is most likely to emerge over a series of interviews.

While it can be seen that there are arguments in favour of longitudinal research, participants were keen to acknowledge that there are other sources of information that currently collect longitudinal data of interest to DWP, and some of which receive DWP funding. These would continue to complement any new research study that DWP might establish. For example, information about the lifetime implications of an insecure initial entry to the labour market following full-time education might be best answered by a birth cohort study, a very long-term study of the general population, such as Understanding Society or a longitudinal study focused on young people making the transition from education to employment, such as the Longitudinal Survey of Young People in England (LSYPE). In some cases, evidence collected in other countries may be used to inform DWP's policies; although care is required to ensure that due attention is given to the context in which behaviour occurs in different continents. Conversely, it would be essential to establish that any new survey added significant value to the information available from these existing sources.

1.3 Research objectives

In the context of the background described above, this scoping study set out with the aim of establishing whether a new longitudinal study of Jobcentre Plus and PDCS customers could add value to the existing data collection DWP undertakes and whether embarking on such a project could be considered a feasible proposition. Some of the important issues in making a decision to commission a longitudinal study are around:

- What sorts of mistakes or misinterpretations can be avoided?
- What additional insights might arise that could inform policy more effectively?
- Whether such insights are likely to emerge from other sources of information?

The research consequently aimed to meet the following key objectives:

- **Establishing data users' requirements:**
 - key research questions being addressed within the Department;
 - groups and sub-groups of customers of most interest to the Department;
 - types of data required to address these questions.
- **Understanding the data sources currently used:**
 - data sources used by different DWP divisions, including administrative data, existing survey research and destinations studies;

- gaps and limitations in available data;
- usability and accessibility of available data.
- **Establishing issues for longitudinal study:**
 - issues and customer groups benefiting from study over longer periods;
 - establishing Departmental research priorities;
 - forecasting issues central to future policy development.
- **Identifying a design for a longitudinal survey to meet these needs:**
 - who and how many the survey would sample;
 - what the survey would ask, using what method and how frequently;
 - how the data would be analysed and reported and by whom.
- **Identifying the key challenges to the design and set-up of the proposed survey:**
 - retaining a focus and future-proofing;
 - ensuring cross-departmental support;
 - achieving value for money.
- **Establishing the strategic aims of the longitudinal study:**
 - what it can collect that is not currently available;
 - what it can collect more efficiently or effectively than is currently collected;
 - impact on improving recording of employment outcomes.

1.4 Research approach

A necessary first step for the researchers was to identify who from within DWP it was most useful to include in the feasibility study. A number of stakeholders from key divisions within DWP were identified in consultation with the Strategy Unit. The following divisions represent the internal audience for the proposed longitudinal survey:

- the Skills Unit;
- Disability and Carers Division;
- the Delivery Directorate;
- Jobcentre Plus;
- Health, Work and Wellbeing Directorate;
- Disability and Work Division;
- Area Initiatives and Communities Division;
- Jobseekers Division;

- Parents and Employment Division;
- Jobcentre Plus Stewardship Unit;
- Information Directorate.

It was considered crucial to include the perspective of social researchers and other analytical staff (economists, statisticians and operational research staff) from these divisions for a number of reasons: Firstly, it was important to understand the range of research priorities that exist across the Department and identify any common or recurring areas. Secondly, it was necessary to gain an understanding of the level of support for the principle of the proposed longitudinal survey; for the survey to be a feasible proposition it will most likely require support and finance from across the Department. Finally, given that these stakeholders will necessarily be involved in developing the content and focus of the proposed longitudinal survey, their perspectives would be useful in identifying some of the key challenges to designing such a survey.

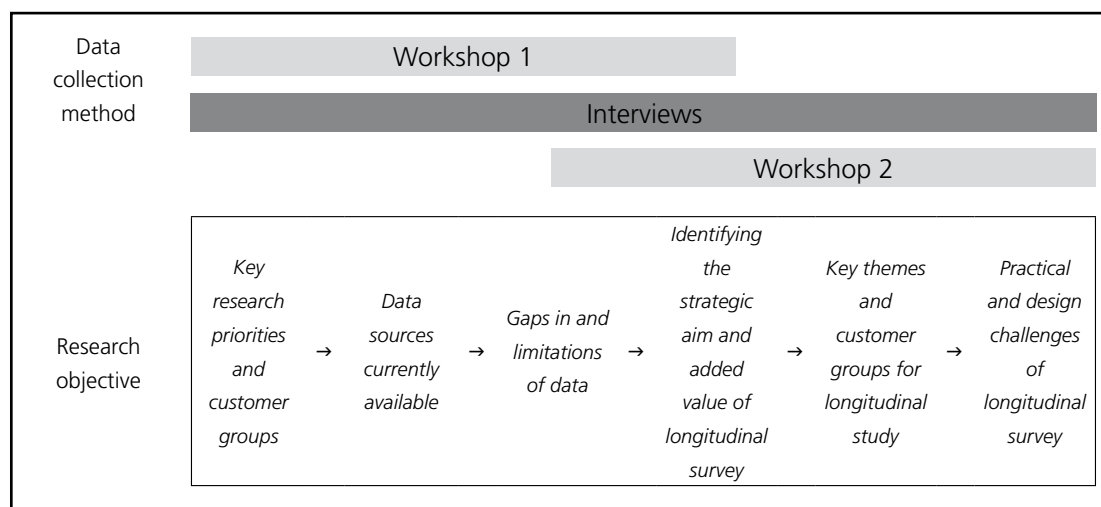
In addition to ensuring that the researchers collected perspectives from across the Department, it was also considered important to involve staff with different levels of seniority and different roles within each division. Of particular concern was to ensure that the perspectives of both data users and data providers were incorporated to enable the researchers to fully understand the existing data available to DWP and how it was currently used. Furthermore, assessing the added value of a longitudinal survey would require an understanding of how it might impact upon existing data – improving its usability or adding context for example – and how it might fill gaps in the existing data.

In order to capture these perspectives the original research approach proposed at the outset of the project comprised two distinct stages and methods. The main research activity proposed was a one-day workshop with data users to discuss the possible content and design of the proposed longitudinal survey. Prior to this, the research team was to conduct telephone interviews with the heads of research and analysis of each of the DWP divisions listed previously. The aim of the interviews was to assess the key data needs of all relevant divisions and how existing data is used to meet those needs. The interviews also aimed to gauge opinion across the Department about the key issues to be discussed at the workshops and inform the design of materials for that workshop.

In developing the topic guides for the interviews it was considered, in discussion with the Strategy Unit, that it would be a useful to also explore the data currently collected by the Department and how well this addresses some of the Department's priority research questions. It was, therefore, considered necessary to incorporate the perspectives of those directly involved with the maintenance of the WPLS. As a result, an additional workshop was added to the research design, which took place prior to the telephone interviews, bringing together staff responsible for managing the administrative data available to the Department with users of that data from key DWP divisions and external research and policy organisations. An

additional interview was also arranged to discuss issues around data linkage and data security with a representative from the Information Management Division of IfD. Having held the first workshop, researchers were able to conduct the telephone interviews with a greater understanding about the data sources that might be available to the participants and probe in more detail around issues to do with usability.

Figure 1.1 Research approach



With the addition of this workshop, the overall research approach is illustrated by Figure 1.1. The two workshops aimed to address particular research objectives with a number of stakeholders; the interviews aimed to address all of the research objectives from the individual perspective of those representing DWP divisions with a stake in the proposed survey.

1.4.1 Conduct and analysis

The research team used different approaches to conducting each stage of the research in order to generate data that would best address the research objectives. The different approaches are set out below.

- **Workshop 1:** The aim of this workshop was to gain a greater understanding of the data currently available through DWP administrative systems and those of other Government departments and how this data can be used to address current departmental research priorities. The workshop was introduced by a presentation from the Information Directorate (IfD) on the data available through the WPLS. Also present were key data users which enabled later discussion to focus on how this data currently addresses research priorities and where there are key gaps in the data. External data users were also present, contributing to discussions around the usability of the WPLS. The discussion was facilitated by Strategy Unit staff using session topic guides developed by the researchers detailing the key issues to be covered. The workshop was digitally recorded. An interim report, presented to the Department in February provides a detailed reflection of the discussion. (See Appendix A for the workshop programme and Appendix E for the interim report).

- **Telephone interviews:** The interviews aimed to gather the perspectives of the Head of Research and Analysis in each of the key DWP divisions. Interviews were structured around headings but also enabled open discussion about other issues participants thought relevant to the study (see Appendix B for the topic guide). These interviews were digitally recorded and researchers took notes during the interviews. The data was then summarised under the key headings to create a matrix of respondent data. Recordings were then interrogated to ensure the participant's full account had been represented by the summarised data. A question-based approach was used to analyse the matrix, with researchers identifying key elements of the summaries and categorising them to reflect the range of perspectives on, for example, the key research themes for each division. The findings from this analysis are reflected mainly in Chapter Two but some material appears in Chapter Four. These analyses informed the design of the programme and session guide materials for Workshop 2.
- **Workshop 2:** The aim of this workshop was to assess the strategic added value of commissioning and internally developing the proposed longitudinal survey. The workshop was attended by a mix of social researchers, statisticians and economists and was facilitated by NatCen researchers. Session topic guides were used to ensure that plenary and break-out sessions covered the ground necessary to address the relevant research objectives. The workshop addressed two key issues: Establishing user requirements in relation to longitudinal data; and meeting user requirements in the form of a longitudinal survey. The workshop's overall aim was to assess whether the proposal of a longitudinal survey was likely to be feasible in terms of challenges related to cost, practicalities of design and meeting expectations. The workshop was digitally recorded. Data collected at the workshop has been examined and researchers have used a question-based approach to address some of the key research objectives. Chapters 3 and 4 reflect some of the findings of this workshop.

This range of methods allowed the researchers to explore the perspectives of a range of individuals within the Department who would be impacted in a number of different ways by the development of the proposed longitudinal survey.

1.5 Report structure

The research approach described above is largely reflected in the structure of the report. Chapter 2, building on the findings of the interim report and additional analysis of the telephone interviews aims to establish the user requirements. To do so it addresses the context in which the longitudinal survey is being proposed by identifying priority research areas for the Department and assessing how well existing data sources available to DWP address these issues. It concludes with a brief discussion of the possible strategic aims of the longitudinal survey and areas in which it could add value. Chapter 3 focuses on meeting the user requirements, beginning with discussions of the research priorities identified in Chapter 2 that would benefit from longitudinal study. The remainder of this chapter aims to address

some of the key challenges identified in the second workshop for the design and practical implementation of the proposed longitudinal survey. Chapter 4 provides an overview of whether and in what circumstances the proposed longitudinal survey can meet the strategic aims proposed at the end of Chapter 2 and add value to the Department's existing data collection and research programmes by improving information available on the employment outcomes of its clients.

2 Establishing the requirements

In order to understand the context in which the proposed longitudinal study could add value to the Department's programme of research it was essential for the researchers to understand, firstly what the different Department for Work and Pensions (DWP) divisions wanted to know about whom; and secondly, how well these requirements are addressed by currently available data and research. This chapter describes the key research themes and client sub-groups identified by participants in the interviews and workshops and identifies where there are gaps and limitations in using the existing data to address these issues.

2.1 Key research themes

2.1.1 Substantive areas

Analysis of the data collected at the interview stage shows that participants discussed the key research themes in terms of either substantive areas or operational evaluation and the impact of both on employment outcomes, an overarching theme for the Department. These substantive areas, or employment-related outcomes, either affect or are affected by an individual's changing employment situation. The themes related to operational evaluation were more specifically concerned with assessing the impact of specific DWP interventions on employment outcomes or the improvement of their employment-related services, such as Jobcentre Plus procedures.

A number of divisions focus very specifically on improving the employment outcomes of a particular client sub-group, such as lone parents, or affecting a particular employment-related outcome, such as health and well-being. Consequently, each of these divisions identified a number of division-specific substantive areas that were of concern for their research programmes. For example, the Skills Unit unsurprisingly identified learning as a key theme and the assessment of its impact on employment outcomes as a priority. The Health, Work and Well-being Directorate were interested in how the health of clients can affect

employment outcomes but also how employment can impact upon the health of individuals who are not currently Jobcentre Plus customers. These cross-cutting themes were seen as impacting on individuals across the Department's customer base and having the most significant impact on relative employment outcomes.

In addition to the substantive areas, participants also viewed operational evaluation and improvement as key research themes. There was more significant overlap in this respect as all divisions were keen to understand the impact of their own interventions and the value for money of the programmes they have implemented. Specific areas of interest included the role of private provision and the impact of employment incentives, both of which form part of recent policy developments such as Employment Zones (EZs) and the Jobseekers Regime and Flexible New Deal (JRFND). Furthermore, divisions more specifically interested in service delivery, such as Jobcentre Plus, the Stewardship Unit and the Delivery Directorate, viewed customer satisfaction and customer experience as key research priorities, themes they saw as being distinct from the customer journey.

2.1.2 Research questions

Cross-departmental research priorities could also be seen as reflecting the kind of research questions the divisions are asking about their own substantive areas. Illustrating the research priorities in this fashion reveals a more consistent picture across the Department. Although participants expressed key thematic priorities for their own division, there was significant overlap with respect to what they actually wanted to find out about a specific employment-related outcome or intervention.

Figure 2.1 illustrates the key groups of research questions that emerged out of discussing key research priorities. This suggests that the design of the proposed longitudinal survey would have to ensure it could collect data relevant not only to a number of substantive policy areas but also able to address broader research questions.

Figure 2.1 Departmental research questions

Outcomes	<ul style="list-style-type: none"> – What are the factors affecting job outcomes for different sub-groups of Jobcentre Plus clients? – What is the relative importance of DWP interventions compared to other external circumstances such as personal circumstances or attitudes towards work in determining these outcomes?
Journey – Progression and sustainability	<ul style="list-style-type: none"> – What are the customer journeys onto, out of and back onto benefits? – For Jobcentre Plus customers getting into work what is their career progression and employment sustainability and satisfaction?
Attitudes and aspirations	<ul style="list-style-type: none"> – What is the role of attitudes towards work and personal motivation in actually finding a job? – How do changes in circumstances affect people’s motivations and aspirations for themselves and their family? (linked to ‘breaking poverty cycle’ below)
Equality	<ul style="list-style-type: none"> – How can DWP equalise outcomes and provide suitable services for different client groups?
Service delivery	<ul style="list-style-type: none"> – How effective are Jobcentre Plus processes and how can they be improved? – How do different customer groups experience DWP initiatives and services?
Policy development	<ul style="list-style-type: none"> – How will the changing policy regime (JRFND) affect different customer groups and how will they experience the new aspects of private provision, conditionality and mandatory participation?
Wider impact	<ul style="list-style-type: none"> – How does DWP activity affect the wider lives of its customers and broader questions around life chances, social mobility, child poverty, social interactions and aspirations?

Tying these substantive areas and research questions together is an ambition to identify what works in achieving high-quality, sustained employment outcomes. To understand this, divisions felt it necessary to better understand the impact of DWP interventions relative to exogenous employment-related outcomes and factors such as, health, housing, attitudes and personal circumstance. These research questions consequently fit broadly into two categories:

- What happens to customers while they are interacting with Jobcentre Plus or the benefits system and how can their experience be improved?
- What happens to individuals who move off benefit and into work or to people who move out of employment into benefit and what are the factors that contribute to these transitions?

It was identified that this overarching priority and the other key themes that lie beneath it are driven by a number of factors. Firstly, participants noted that priorities were determined at ministerial level, citing headline policy themes such as ‘changing aspirations to work’ and ‘perceptions about when and for whom

work is possible'. More specifically, strategic objectives and performance targets also play a role in determining the research priorities of different divisions and the Department as a whole, particularly around equality. Finally, key research themes are also driven by wider policy agendas, ensuring that the Department contributes to broader cross-government objectives, such as the commitment to eradicate child poverty by 2020.

2.2 Key groups

The key groups identified throughout the research process were determined at the first level by the relevant DWP division or the type of benefit they receive and then also by demographic or personal characteristics. A number of these groups are considered important as a result of recent policy changes or emerging policy agendas. For example the interest in those on particular types of benefit is particularly acute given the imminent implementation of JRFND; it appears that the Department is particularly keen to understand the impact on customers that move from Income Support (IS) and Incapacity Benefit (IB) to Employment Support Allowance (ESA) as a result of the new regime.

Figure 2.2 Key customer groups/sub-groups

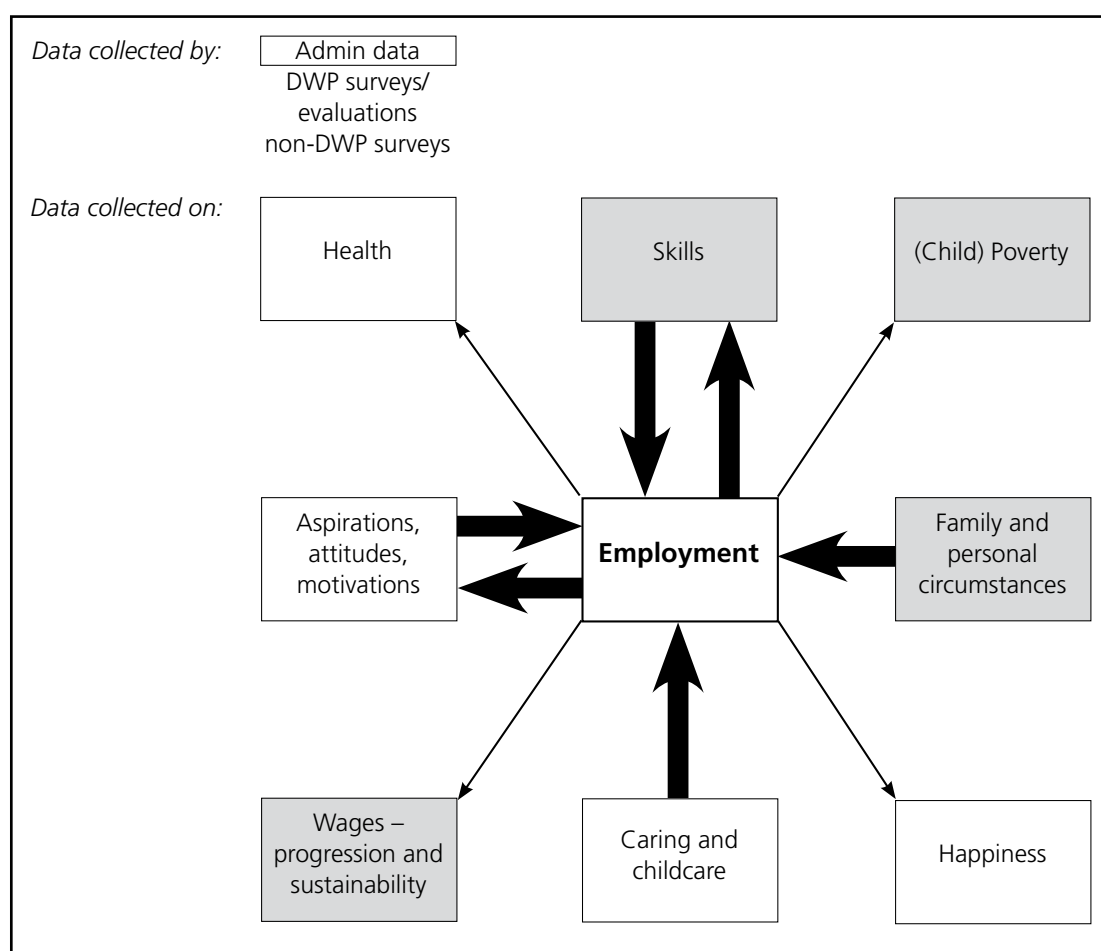
Divisional groups	Lone parents Disability Other health conditions Carers Communities
Types of benefit or programme	Jobseeker's Allowance (JSA) IS IB/ESA Other Jobcentre Plus customers not on benefit Employment zone customers
Demographic groups	Those approaching retirement age Those not in education, employment or training (NEETs) Families and households Minority ethnic groups
Marginalised/vulnerable groups	PSA 16 groups, including: Offenders under probationary supervision Care leavers at age 19 PSA 8 groups: Low-skilled, seasonal workers Migrants and refugees

The inclusion of a number of 'hard to reach' or 'hard to help' groups reflects some of the key research questions identified in the previous section. These relate to evaluating the outcomes of interventions and understanding the attitudes of customers for all sub-groups and working towards ensuring that no groups are

left out. In addition, a key target for the Department is to obtain more information on those individuals who have multiple disadvantages.

An important way that the proposed longitudinal survey could add value is by allowing analysts to explore the impact of, and response to, a number of simultaneous disadvantages rather than specific types of disadvantage in isolation. Participants suggested that many customers who are disadvantaged in one respect are likely to be disadvantaged in others. Some participants suggested that a focus on key groups or breaking down customers into sub-sets that are too specific is unsuitable; it is more important, it was argued, to ask questions that identify the key characteristics of certain groups rather than assuming the Department already knows who they are.

Figure 2.3 Data available on others outcomes affecting and affected by employment outcomes



This diagram was developed during one of the break-out sessions at the second workshop. Each of the outside boxes represents a key employment related outcome in which the Department has an interest in collecting data on. The arrows represent the potential causal relationship of these outcomes with employment. The legend illustrates the type of data that is currently collected on these outcomes. For example, no data is currently collected on 'happiness'; wage data is currently collected by administrative systems and bespoke surveys.

2.3 Gaps and limitations in existing data

To address the research priorities detailed above DWP staff noted four distinct sources of data or research currently used:

- administrative data, predominantly that which is incorporated into the Work and Pensions Longitudinal Study (WPLS) and the National Benefits Database;
- existing large-scale longitudinal surveys such as the DWP Families and Children Study (FACS) and Understanding Society, formerly the British Household Panel Survey (BHPS);
- commissioned programme surveys or evaluations focusing on particular interventions;
- commissioned secondary analysis on the above sources.

As noted in the introduction to this report, the WPLS contains large amounts of administrative data on DWP customers from DWP and HMRC databases. This provides crucial data for all DWP divisions on the benefits received by customers, the programmes they may be involved with and data related to the earnings upon which customers pay income tax. The data allows analysis to be conducted of a customer's benefit status and National Insurance (NI) and level of earnings (provided they reach the NI contribution threshold) over a period of time, providing a nominal picture of their employment status over time. Using information on tax credits, incorporating data such as Jobseekers' Agreements from the Labour Market System (LMS) or medical assessments involved with ESA, analysis can be conducted of other customer circumstances or characteristics. The coverage of the WPLS is virtually complete with respect to the number of customers appearing on the system. There are also plans for additional data from other Government departments (though restricted to that of DWP customers) to be fed into the system related, for example, to learning and skills from the Department for Business Industry and Skills (BIS) or interventions from other bodies such as the Ministry of Justice (MoJ). This data has also been used in destinations studies that have provided important information on benefit destinations, providing an insight into the sustainability of work destinations for different DWP customer groups.

Other longitudinal surveys, some of which are run or supported by Department, inevitably include customers of DWP in their sample. These large-scale surveys may provide some data around personal circumstances and attitudes that cannot be captured by administrative data sources. These types of evidence were seen primarily as providing contextual information in which to situate the more focused findings of some of the Department's commissioned research. These programme-specific surveys provide insights into the workings of current interventions or the impacts of recent policy changes. A number of surveys have, for example, been commissioned over more than a decade as part of the evaluation of the New Deal for Lone Parents (NDLP). Although some such surveys are available to DWP analysts for secondary analysis, notably the NDLP postal survey, this is by

no means always the case; nor is the documentation felt to be particularly good. Furthermore, interview participants also described the use of surveys conducted by other Government departments where these focused on a specific group of interest. For example, it was noted that data from surveys conducted by the MoJ could be useful if linked back into administrative data from the WPLS. Finally, some participants noted commissioning secondary analysis on some of the above sources. One study worth noting is examining the Department's capacity to estimate how employment programmes compare in terms of the earnings and duration of employment they achieve and in terms of the how accurately these outcomes are estimated.

2.3.1 Gaps

Despite the extensive use of the above data sources by DWP researchers and analysts, participants discussed significant gaps in knowledge that impact upon the Department's ability to address some of the key substantive areas and research questions as identified. Figure 2.3 provides a summarised illustration of how participants at the second workshop felt some of the key substantive areas are covered by existing sources of data and research. A significant amount of data is available on earnings, predominantly from HM Revenue & Customs (HMRC) data fed into the WPLS, but also through some programme-specific surveys. Despite this, there are still gaps in the coverage of earnings data as the administrative processes of HMRC only pick up those individuals that earn over the NI threshold. While HMRC data provides DWP with detailed information for those flowing off benefits that find mid- to long-term employment, it provides more limited information on those on low incomes or who are employed only temporarily. Furthermore no data is provided on the types of employment customers move into. The diagram shows other key substantive areas that are only served by one type of data source or, alternatively, where the Department has little or no access to data on the issue. For example, health was viewed as a cross-cutting priority, particularly in the light of the evolving policy agenda around improving employment outcomes for those on IB, yet currently very little data is collected on it routinely by Jobcentre Plus staff. Participants did note that limited data on statutory sick pay is available from HMRC and that it may be possible for information from the new Work Focused Interviews (WFIs) to be incorporated into the WPLS, though neither is currently incorporated into the WPLS. However, detailed longitudinal analysis on the relationship between health and employment outcomes is not currently available. Equally, data on skills and personal circumstances are currently only collected in relation to specific programme-related research.

The work that has been conducted on destinations also has some limitations: Firstly, the use of administrative data means that it provides an accurate reflection of whether people moved into work and that this can be disaggregated by a number of variables including client group and ethnicity. However, around 30 per cent of destinations remain unknown where people are no longer in contact with the administrative processes that generate the data held in the WPLS. While it is known that these individuals have not returned to benefit, it is not known

whether they are in a form of informal work, are supporting themselves by other means or face some form of exclusion from the system. The Department is currently working to address this issue. A second issue is that the destinations research conducted so far provides information on 'where' but not on 'why': it can be shown that lone parents have work outcomes almost on a par with other jobseekers but destinations studies usually do not shed light on whether this is a reflection of additional support or interventions provided to lone parents.

It is also clear that the Department lacks data on the impact of employment outcomes on wider social questions that are of cross-governmental concern. Although some nominal data on child poverty is available to the Department through looking at Child Tax Credit or from DWP surveys such as FACS and the Family Resources Survey (FRS), longitudinal analysis on the relationship between child poverty and future employment chances is not currently available. Furthermore, the impact of employment outcomes on personal happiness and well-being is not studied by any of the available data sources.

With respect to the administrative data, it was made clear in the first workshop that there are certain types of data that the system will never be able to collect, that which is not subject to administrative procedures. Most significantly, this relates to the second category of research questions noted above: where new customers come from and where former customers go on to. The Department is also keen to understand what factors influence who flows on and off benefits and Jobcentre Plus programmes. In particular, external factors such as changes in family or personal circumstances that may affect employment outcomes cannot be picked up by administrative procedures; changing family structures make linkage of administrative records by family particularly difficult to execute. Additionally, attitudinal data around motivations and aspirations for work are not recorded in administrative processes. Both of these types of data would require sensitive and well-designed survey questions. Furthermore, there are gaps in the administrative data with respect to the information it can provide on some key sub-groups. Data-users reported that it was difficult to extract, from the WPLS, data on groups such as ethnic minorities and lone parents as the data is not always collected or (as occurs with some of the PSA 16 customers) requires the self-identification of the customer during meetings with Jobcentre Plus staff. As noted above, the Department also has an interest in individuals who are not currently customers but are vulnerable to becoming customers, either through losing their jobs or becoming incapable of continuing work. By definition, these are also groups that administrative data is unable to provide information on.

2.3.2 Limitations

The data that is provided by the WPLS also has certain limitations. It was acknowledged by the Information Directorate (IfD) that the data generated through jobcentre staff and that received from HMRC was subject to error. In the case of HMRC's data, it is reliant upon the accurate compliance of employers. Furthermore, HMRC's interest is around the financial year and tax and NI and

this drives the manner in which the data is collected. Specifically noted was the potential for inaccurate reporting of start and end dates for employment for spells lasting less than 12 months, with some having no exact start dates. In addition, there is a time-lag on the receipt of the data. Simple P45/46 data may be returned quicker than data from a typical survey but earnings data is only available on a financial year basis and is available much later. In addition, the periodicity with which it is collected provides only spell-based data which can limit the potential for longitudinal analysis. It was also acknowledged by IfD that to conduct some of the analysis that the WPLS data is capable of requires extensive cleaning of certain datasets. The usability of the WPLS is discussed further in the next section.

Where survey data may be able to fill some of the gaps in administrative data, there are also certain limitations to how it can be used: Firstly, the samples used in programme-specific surveys are often too small to incorporate a large enough sub-set of some of the key customer groups mentioned above. For example, while a survey of the New Deal for Young People would be able to record ethnicity, the number of people from an ethnic minority actually included in the sample is unlikely to be large enough to conduct robust analysis. Secondly, surveys are carried out by different divisions and developed with different research aims in mind. Consequently, the lack of consistency across different datasets rules out the conduct of cross-departmental or comparative analysis across the whole client group on a theme such as attitudes, despite attitudinal data being collected by numerous programme-specific surveys.

2.4 Using the WPLS

The WPLS is used by a wide range of stakeholders within DWP and externally. Its coverage of benefit claims is extremely good but in most cases users also want to know about employment spells, which are less complete. Also, a number of issues were raised at the first workshop and throughout the interviews about the ease of using the data to address some of the key research questions described above: Firstly, it was acknowledged that the sheer volume of data and the different formats in which it can be presented can put some analysts off even trying to engage with it. In some cases, it has been decided to commission surveys instead. Additionally, it was suggested that there is reluctance amongst some DWP analysts to use SAS², the statistical package that is used for holding and managing WPLS data.

It was also acknowledged by IfD that using WPLS can be complex. They were keen to point out, however, that support is available for analysts using the administrative data although the service is not frequently used. In fact, it appeared that analysts at the first workshop were not aware of support that was available beyond the standard guidance documents, which are necessarily broad given the wide range

² SAS has the ability to handle hierarchical data structures. SPSS and STATA, which more social researchers have experience of using, need data to be in less complex 'flat-files'.

of data and uses they can be put to. Finally, because of the wide range of uses and users of WPLS it is often used in completely unique combinations and on the basis of ad hoc assumptions developed by the individual analyst. It was acknowledged that there currently exists no central place to record the outcomes and results from uses of WPLS data and no standard set of assumptions that can be used to provide some coherence to analysis conducted on similar issues. There was agreement that there would be value in the Department engaging in discussions around these methodological issues, synthesising user experience to update user documentation and improve the understanding of, and efficiency of use of, the WPLS.

In the first workshop, tentative proposals were aired about convening various user groups to facilitate this learning process and improve the capacity of analysts more generally to engage with the data:

- a user group of internal analysts may promote efficiency and shared learning of conducting analysis with WPLS and identify training needs;
- a group promoting the administrative support that is available to researchers would also be useful in improving the communication between those generating the WPLS and the users;
- an external group was also suggested as potentially being able to play an advisory role outside DWP advising on the use of administrative data more generally.

2.5 Potential added value of a longitudinal survey

This chapter has, to this point, aimed to identify the Department's requirements for addressing its key research questions. This section outlines four strategic aims that were identified in the second workshop and that the proposed longitudinal survey may potentially address. The chapter discusses how such an approach might add value to the Department's existing knowledge base and programme of research. The following chapter assesses the implications of the key challenges of design and implementation of a proposed longitudinal survey for achieving some of these strategic aims and, therefore, adding value.

2.5.1 Replacing existing programme evaluation surveys

Consideration was given to whether the proposed longitudinal survey could ultimately replace a significant amount of the programme-specific research that is conducted by different divisions. Were this to be the case it would increase the likelihood of the proposal being supported by these divisions as they would be more prepared to contribute financially to the survey if it was ultimately cost neutral. Beyond the issue of cost, were a longitudinal study capable of replacing existing programme-specific surveys it would facilitate comparative analysis across interventions and sub-groups. It would also be possible to generate sub-samples for particular small groups which are not present in sufficient numbers in individual surveys. Currently, inconsistency in data collection, timing and definitions makes

it impossible to get the same benefit from pooling across separate surveys. The argument made against this, however, is about the ability of the longitudinal survey to provide evidence of outcomes and for people who participated in a programme at a specific time. For example, the Pathways to Work evaluation needed to follow a specific cohort of new claimants, with little scope for flexibility. Although in theory new pilots could be timed to coincide with waves of data collection, it would be unrealistic to believe that this would happen to any significant extent. It is of course also important to note that programme evaluations generally consist of more than just a survey of users; they usually include cost-benefit analyses, impact assessments or qualitative research with service providers. However, where a substantial survey of users is required as part of the evaluation design, this usually accounts for a substantial proportion of the total costs.

Another potential benefit of a longitudinal survey would be the availability of baseline estimates. Frequently in programme evaluations there is a need for information on the outcomes of customers prior to the introduction of a new programme or policy. However, the time available to do this can be very limited indeed, constraining the survey design/timing. A good example of this was the evaluation of Pathways to Work; although little time was available before the pilots started to operate, it was possible to conduct telephone surveys in advance of roll-out in the first three areas but this depended on availability of a sample source (BIS, a database whose properties were little known at the time), of previously-tested questions from a recent survey of the incapacity benefits population carried out for another evaluation (NDDP) and capacity in the contractor's Telephone Unit. Where this combination of circumstances did not arise, the longitudinal survey would be able to offer high quality data on the group of benefit recipients on whom a programme was being targeted, providing both some descriptive information and some 'without programme' data on the rate of movement into work among the population.

Alternatively, while there may be limited scope for replacing programme-specific surveys, it is possible that the proposed survey could provide a template for other studies that remain necessary to provide the coverage of specific groups of customers who have been involved in specific locations (e.g. pilot areas) and at specific times. It could provide standard definitions and sub-groups to be used to design samples and survey questions. This could add value to the overall research programme of the Department in terms of how the data produced by specific surveys can be used rather than in terms of reducing overall costs.

2.5.2 Filling knowledge gaps

Section 2.4 detailed a number of key substantive issues and research questions that are not currently addressed by existing administrative data sources or survey research. A second potential strategic aim for the proposed longitudinal survey is, therefore, to attempt to provide data that fills these gaps. Currently, data that is generated by administrative processes is not sufficient to explain the myriad factors that might affect an individual's employment outcome or labour market journey. Survey research that does address some of these issues around personal

circumstances or attitudinal data tends to have a broader remit to study wider society rather than DWP customers and consequently, does not provide the level of detail required by the Department on how these factors might interact with employment outcomes. This is either because the sub-sample comprising DWP customers of interest is too small or because they are imperfectly identified. A survey that focused entirely on current or previous DWP customers could potentially collect this data. Most crucially it could explore external factors that affect employment outcomes and, against this, assess the relative impact of DWP interventions. Furthermore, it could provide attitudinal data on the relationship between employment outcomes and motivations for work and the impact of this on the cycle of poverty or joblessness within families. Finally, it would potentially allow the Department to gain an understanding of what happens to people on journeys from benefit to employment and, potentially, back to benefit.

There are also key customer sub-groups about which participants feel the Department does not have enough information. Administrative data, as noted, does not consistently record characteristics such as ethnicity, while other survey research is unlikely to incorporate within its sample a large enough sub-set of, for example, those leaving care aged 19, to conduct any rigorous analysis. The proposed longitudinal survey could have the capacity to ensure that significant findings on these groups could be generated by boosting its sample at various stages. For groups which cannot be identified in the sampling frame, this would probably entail screening on a significant scale.

2.5.3 Improving the usability of existing data

In the early stages of the study, consideration was given as to how the proposed longitudinal survey might be able to enhance the administrative data. For example, the proposed survey would provide an accurate record of job outcomes for all customer groups. In this sense, the survey would have the potential to improve the Department's knowledge of the size of the gaps of coverage in the WPLS. Some participants in the first workshop were unsure that this should be the purpose of the survey. Alternatively, it was suggested that the survey should provide 'understanding' of processes (albeit on a limited sample) and that the WPLS, with coverage of the whole claimant population, could be mapped on to this better understanding. It was proposed, therefore, that by providing a detailed picture of a representative sample drawn from the population, a longitudinal survey may be able provide additional context in which to understand the administrative data and make it more useable.

Related to this, we recommend that a linked administrative dataset should be generated, that covers the sample for the longitudinal survey. It would be possible for the administrative data to be a super-set of the survey's sample, to allow subgroup behaviour to be explored in cases where the survey's sample has too few cases for satisfactory quantitative analysis.

One very specific way in which the proposed survey and the administrative data could complement each other is through the analysis that has been conducted on

destinations using the WPLS. Analysis that could be conducted on data collected by the proposed survey would be able to explore further some of the patterns and relationships identified by the latest destinations research. In this respect, a longitudinal survey would be able to address some of the questions of causation raised by the destinations research and add value to that information.

2.5.4 Providing an overall understanding of customer base and Department impact

It was suggested by participants that the Department currently has only a limited understanding of their overall customer base. While the administrative data provides virtually complete coverage of the customer base, the gaps and limitations in the data it provides have also been acknowledged. Conversely, programme-specific research provides detailed information on a particular customer group or intervention. Yet these studies, participants suggested, often take place in isolation and operate on different research designs and underlying assumptions limiting the extent to which findings can be used comparatively.

There is potential added value, therefore, in the Department having a more detailed overarching understanding of its client base, which would facilitate greater understanding of how the Department can have a greater impact in areas of key strategic importance. Currently, certain departmental divisions have responsibility for a specific sub-group, often a group disadvantaged in a particular way. However, as noted in previous sections, participants suggested that a significant number of DWP customers experience multiple disadvantages and require interventions from a number of sources. Providing an overarching picture of the entire customer base could facilitate detailed analysis of not only the interaction between customer's disadvantages but also between the Department's separate interventions to overcome disadvantages. It would be of use to the Department to understand how an intervention focusing on one disadvantage impacts on other disadvantages. This kind of analysis would have the potential to contribute to more joined-up service delivery across DWP and possibly with other Departments.

2.5.5 Overlaps with Understanding Society

The Economic and Social Research Council (ESRC) Understanding Society project is designed to be the world's largest national 'socio-economic panel'. Many countries have such research projects, including most of the countries of Europe. The BHPS is one of the longer-running of these and its members are being incorporated into the sample for Understanding Society.

As well as contributing to academic knowledge, a project such as Understanding Society will be able to provide extensive material for 'evidence-based policy'. An essential feature is the fact that it is all-inclusive and not restricted to those of working age or to parents with children or those claiming benefits. The large sample size, 40,000 households and over 100,000 adult respondents, will allow it to be used to analyse groups such as the larger ethnic minorities as well as larger groupings of Jobcentre Plus customers, such as unemployed people or disabled people who claim benefits.

Set against these positive features, the study has to cover a number of domains of social life and it has to maintain the engagement of its sample members, which means conducting interviews that are relatively short. As well as behaviour, it also has to record attitudes. The consequence of this is that Understanding Society will be extremely well suited to those analysts who wish to link across a series of domains as there will be something on each one of a large number of topics. It will also be very good at putting individual domains in their broader social context. DWP is one of the departments that has the most to gain from linkage of Understanding Society to administrative data.

On the other hand, it is difficult to see that Understanding Society would provide a means of understanding or evaluating a DWP programme such as Lone Parent Obligations. This evaluation will require a sample drawn to focus on a very specific group in the population. Suppose this group represents one-quarter of one per cent of households; that would be 100 households in Understanding Society. While we could identify which these households were, the questionnaire for Understanding Society cannot include questions on involvement in Jobcentre Plus services and certainly cannot include any of the specific features of the intervention, such as information and support offered in advance of the change from one benefit to another. While there will be other DWP programmes that operate on a larger scale, the key limitation of using Understanding Society in this way is the lack of an opportunity to collect information that covers the relationship between the individual and the programme.

It should also be noted that Understanding Society creates a favourable environment for the running of a DWP longitudinal survey. As well as potential methodological innovations around complementary approaches to data collection and more efficient sample management systems, there will be a variety of other spin-offs. One of these will be new 'established questions', or well-proven ways of asking people about certain sorts of events and experiences. Another benefit will be a greater degree of awareness of longitudinal analysis methods and additional sources of comparative data. It is unlikely, however, that Understanding Society will provide significant information to DWP by way of answers to operational questions and about the workings of specific programmes.

3 Meeting the requirements and key challenges

3.1 Key themes and customer groups for longitudinal study

The two key elements of the proposed survey are that it is overarching with respect to client groups from Jobcentre Plus and the Pension, Disability and Carers Service (PDCS) and that it is longitudinal in nature. These two aspects could facilitate the study of some of the Department's key research priorities as identified in the previous chapter.

Interview and workshop participants were keen to stress the need for longitudinal study of the journeys customers make into and out of work. This would provide a more detailed picture of the determinants of staying in work and the determinants of remaining on benefits. The information participants would be keen for the survey to collect would also be around the type of jobs those flowing off benefits were moving into, for example, in what types of occupation, with what sort of employer and the hours they were working. In addition, participants in both the interviews and the second workshop were keen that attitudinal data around motivations and aspirations be collected by the survey. This was deemed a potentially important factor affecting whether people stayed in work, particularly when linked with information on the type of jobs being taken. This sort of information would have the potential to address the key questions identified by a number of participants around the factors affecting sustainability and progression.

Two key employment-related outcomes were considered as potentially benefiting from longitudinal study: health and skills. Participants noted that the changing nature of health conditions requires longitudinal study in order to understand the relationship with employment outcomes. One concern was improving the understanding of the journey of individuals that go on sick leave and then return to employment or make a claim for incapacity benefits. The importance of a long-term perspective was also considered of value as at present there is an acceptance

of the need to invest in skills and work experience to enable participants to achieve sustainable improvements in their employability. There has been little direct evidence in the UK that investments in human capital will be translated into more sustained employment-related outcomes. A longitudinal study of those in contact with Jobcentre Plus would provide new information on the relationship between skills and employment with respect to the low-skilled and low-paid in particular.

Although speaking predominantly on behalf of their divisions, participants noted that benefits of the proposed survey would also emerge as a result of it providing an overarching client profile. A number of participants commented that the Department does not have a consistent understanding of the personal and demographic characteristics of the entire customer base. This is a consequence of studies being commissioned specifically for individual interventions. In the interviews, it was considered that an overarching longitudinal study would have the potential to explore the relative impact of different interventions and also provide an understanding of customers' transitions between different types of benefit or employment programme. The latter aspect is of particular relevance given the changing policy regime and redefining of the boundaries of eligibility for different benefits. In addition, other participants suggested that specific sub-groups would benefit from longitudinal study, notably some of the disadvantaged and marginalised groups, about which relatively little is currently known, such as ex-offenders or people that are currently homeless. A benefit of studying these groups within the same survey would be the potential to collect information about people with multiple disadvantages and understand the relationships between different disadvantages and employment over long periods.

Participants also suggested that the Department would benefit from understanding the context in which individuals make employment choices and the circumstances or factors that might restrict those choices.³ The level of detail that longitudinal study enables could provide a more rounded picture of employment and social participation and a better understanding of the relationship between employment outcomes and wider social issues such as poverty, fluctuations in the economic cycle and 'softer' issues, including happiness and well-being.

The remainder of this chapter discusses the challenges identified in designing a longitudinal survey that would be able to address a combination of the research questions and priorities outlined above. A number of broad issues are likely to affect the design and efficacy of a longitudinal study:

- sample size is an important influence on costs and the extent to which key sub-groups can be adequately represented;
- the 'time resolution' – the intervals between data collection – is an important influence on data quality and costs;

³ While the Families and Children Study (FACS) addressed 'barriers to work' from the outset, the questions were revised following a development effort at Wave 8.

- length of interview will be a trade-off between costs and the breadth or depth of information deemed necessary to collect and in practice is limited to a maximum time it is possible to prolong an interview while maintaining the co-operation of most respondents;
- duration of the panel will need to be sufficient to ensure changes can be measured over a relatively long period of time.

3.2 Sample design and size

It was suggested that the basis for sampling would be customers who had been claiming benefit at some time in the previous one to two years. There was some discussion around alternative ways of defining eligibility. It was noted that a cross-section of claimants tends to emphasise those with longer-term claims. It would be important to ensure that a sufficient number of 'flow' customers were also included, both in terms of those starting claims and those leaving benefit. However, there was a consensus that the sample would be derived from records of benefit claims, whatever the design and structure of the sample.

The issues related to sample design and maintenance are some of the most challenging. This is because there are a number of ways of classifying the overall population that would be of use to the Department and there are also a large number of sub-groups that divisions within the Department with different priorities would wish to be sampled in sufficient numbers as part of the proposed survey. As outlined in previous sections, participants identified a number of key groups of interest to the Department, many of which are suitable for longitudinal study. A key concern for participants was the inclusion of sufficient numbers of recipients of the major benefits, including Jobseeker's Allowance (JSA), Income Support (IS) and Incapacity Benefit (IB)/Employment Support Allowance (ESA).

An alternative way to segment the largest of the 'mainstream customer groups' would be to apply the labels that emerged out of the recent Gregg Review (2008):

- 'work-ready', broadly comparable to the current JSA client group;
- 'progression to work', covering many in the IB/ESA and IS groups, as well as 'harder to help' claimants of JSA;
- 'no conditionality', broadly covering people not expected to be ready for work within a horizon of three to four years, some of whom may continue to have a low probability of being able to work at the end of that period of time.

Whichever way the groups are distinguished, one of their key features is that their membership is not static. In the former categorisation, participants identified a number of possible transitions customers could make from one type of benefit to another, notably with a desire for understanding more about why people move in a particular direction between IB and JSA under the new policy model. Although participants did not refer to the labels employed in the Gregg Review, it was

made clear that movement between the groups can occur in both directions. It is not necessary for such movement to run via the progression to work category. An individual may become work ready on recovering from an accident, or an accident may occur to someone who was previously work-ready and mean that conditionality is inappropriate, at least for a period of time. It was a concern amongst some of the interview participants that it could be difficult to ensure that a sample would be able to consistently include a sufficient number from each of these groups. At the second workshop, however, participants were more optimistic about this by using techniques to ensure that the sample includes more individuals who are repeat customers of the Department, such as sampling in more deprived areas, for example.

Understandably, each interview and workshop participant was also keen for any longitudinal survey to sample a sufficient number of customers for which their division has direct responsibility, such as lone parents and disabled people. In addition to representative samples of these groups, some participants considered that the longitudinal survey should give special attention to groups facing particular challenges in seeking to work, as a result of factors such as weak demand for labour in their area, criminality, addictive behaviour or discrimination by employers against disabled people and members of ethnic minorities. The assumption was that where there are specific policy initiatives, there is a particular need to inform policy development with greater insights into the processes at work that have outcomes we identify as hardship and disadvantage. There was an acceptance in the interviews that a significant challenge for the design of the proposed survey would be incorporating all the sub-groups of interest to different divisions within the Department in a cost effective manner. It was generally agreed that boost samples would have to be used to ensure that an appropriate proportion of the sample had certain characteristics. It was clear that negotiation would have to take place around which sub-groups were to be boosted. A practical question considered in the second workshop was whether these 'boost' samples would be selected on the basis of location or personal attributes or both. It was argued by some participants that recent thinking suggests that regionality is less of a factor in employment outcomes than personal or demographic factors such as ethnicity, age, housing tenure, skills or motivation.

Putting these considerations into a statement of sample size and structure, and including all the groups referred to in Figure 1.1), we suggest the following:

- at the outset, a sample in the range 2,000 to 3,000 in each of the three categories identified by Professor Paul Gregg (or, alternatively, in receipt of each of the major benefits);
- still referring to these groups, at least 500 individuals from each of a number of minority ethnic groups, including:
 - Black Caribbean and African people;
 - South Asian people (Indian, Pakistani and Bangladeshi); and

- in addition, at least 300 individuals in a range of groups facing particular disadvantages in the labour market and/or requiring more specialised support:
 - recent migrants to the UK, including refugees and asylum seekers;
 - those with addiction problems, including those undertaking drug treatment;
 - those with criminal convictions/community orders/periods of custody;
 - those with moderate to severe mental health problems;
 - those with moderate to severe learning disabilities.

This implies the sample would include a total of some 6,000 to 9,000 'mainstream customers'. This would allow reasonably large sub-groups of 300-500 when each of these samples is disaggregated by region, age and family or type of tenure. The 'core sample' would include some members of the groups that will also be boosted. We envisage a further 1,000 members of main ethnic minorities, about 1,500 members of other disadvantaged groups. Additionally, some interview participants pointed out that it would be a challenge to identify a sufficient sub-set of some of the groups the Department may wish to include. A number of personal characteristics considered as important to include are not currently collected by administrative records and sometimes require self-reporting. For example, information about those leaving care is not available to the Department for Work and Pensions (DWP) and somebody entering a jobcentre would not be required to disclose this information unless they chose to do so. It is recognised that there are issues around identifying, from administrative records, those with special difficulties in the labour market. It is possible this would require additional checks being carried out at jobcentres (or using centrally-held Labour Market System (LMS) data) to identify some groups with more complex criteria for selection or possibly the use of a screening survey.

The suggested sample sizes are put forward partly as a basis for estimating costs. These numbers seem likely to allow for both general coverage of the main customer groups and for those involved in mainstream services. For example, these numbers would allow for some regional analysis, a large number of age bands, or fewer age bands within gender, and a reasonable degree of scope to conduct analysis that reflects the diversity of DWP's customers. However, the overall and sub-group sample sizes would need to be considered in the light of policy concerns and funding at the time of launching the study. It is possible that additional samples would be selected to enable the longitudinal survey to be used as part of the evaluation of specific programmes. Where programme impacts are expected to be modest, it can be necessary for survey samples to be larger than we have suggested in this section.

3.2.1 Sample maintenance

Were the proposed survey to be established, it was agreed at the second workshop that the sample would be selected from records generated by DWP operations – principally through Jobcentre Plus. It was identified that a key advantage of this route is that the entire sample selected at the outset can be tracked over time, both via administrative records on their benefit and tax credit claims and by interviewers.

It was acknowledged that some attrition is inevitable with a large-scale survey of the sort being proposed. However, those with more disordered lives, including a number of the groups mentioned above, are some of the most difficult to trace over time. As noted above, some interview participants were keen to point out that actually identifying some of the groups the Department may wish to include a sufficient sub-set of would, itself, be challenging.

Despite these possible barriers, several ways of ensuring the sample remains large enough for analysis were suggested:

- oversampling at the outset, so a reasonable sample size remains after some years;
- frequent, small-scale, ‘refreshment sampling’, aiming to replace those lost via attrition, such as movers, as well as seeking to represent new claimants and younger people;
- less frequent ‘replacement’ samples.

The last of these is inherent in the ‘rotating panel’ design, which was discussed in both workshops.⁴ The main advantage of starting a fresh panel every three, four or five years is that this is initially more representative of the population than a panel that has been running for some years. As a result, it mitigates the effect of the previous panel sample having become less representative as attrition occurs. One example of a comparable study that uses this approach is the Canadian Survey of Labor and Income Dynamics (SLID).

It is difficult to make sure that smaller refreshment samples are really serving to replace the people lost through attrition. For example, FACS used an approach that aimed to make sure the sample in each local area reflected two sorts of change:

- new families, that is where existing residents had a first child;
- in-migrants, where a family moved to the area in which the sample had been selected.

At the same time, movers who could be traced to other areas continued to be interviewed and were not identified as a separate group in the sample. Families

⁴ A common feature of the ‘rotating panel’ design is that sample members are ‘retired’ from the panel after a period of five, six or more years; however, the essential point is that fresh cohorts start at intervals.

in which no child continued to qualify for Child Benefit were 'aged-out' of the sample. It is important that each of these rules is evaluated carefully, bearing in mind what the sample will look like over a period of years, rather than just at the start. There are advantages and disadvantages that need to be balanced. Over a period of, say five years, it is quite possible that ageing of the original sample affects its representativeness in ways that may be quite significant for analysis.

Further techniques to improve sample maintenance in longitudinal research that are not generally used with one-off studies include:

- study newsletters, drawing attention to the value of the research;
- change of address cards;
- financial incentives for initial and repeat participation;
- retention of address information (since people who move may return to previous addresses);
- collection of 'stable addresses', that is details of relatives or friends who might be able to assist with re-contacting the respondent if they are no longer at the address where they were interviewed on the previous occasion;
- address scans on benefit systems.

3.3 Questioning mode and question types

Longitudinal data collection is considered more complex to design than one-off surveys. Firstly, participants are required to give consistently detailed accounts over an extended period of time and, secondly, policy interventions might change across the lifetime of a study, which can make it difficult to ensure consistency across the entire period.

Discussions in workshop 2 identified a number of factors that need to be given consideration when choosing data collection methods: Firstly, as with the sample design, important choices will have to be made in deciding on what issues to cover. A range of topics, as identified in Chapter 2, would need to be covered but, equally, sufficient detail is required on each topic to gain a longitudinal understanding. Furthermore, to ensure this continuity of data, carefully developed questions need to be in place from the first wave of data collection; changing questions, it was argued, should only be considered if there is a significant reason to do so. All of these considerations have implications for the timetable and overall cost of the survey. During the second workshop it was proposed that while the first interview and further interviews every one or two years might be relatively long, some of the subsequent data collection encounters could be shorter, as many questions would not require repetition at each wave. Another option considered was to divide the survey into core questions and optional modules with the latter included less regularly or as a one-off collection of cross-sectional data. This flexibility, participants considered, would be useful in allowing different

divisions or, potentially, other Government departments to 'buy-in' to a set of questions using the overarching survey as a vehicle to collect data on a specific issue such as skills or health.

Error and recall were also raised as issue to consider in longitudinal data collection. It would be important to identify spurious change, where an error by the respondent or interviewer may lead to a change appearing to have happened when it has not; this makes it especially important to design checks to resolve inconsistencies during the interview. The technique of dependent interviewing, in which the respondent is reminded of the answer they gave at a previous interview, was mentioned as a way of enabling real changes to be distinguished within the data. It was noted, however, that this requires careful application and very thorough briefing of interviewers to make sure it is used in appropriate ways.

One distinction that would apply to data collection is between the data current at the date of interview and continuous tracking of some behaviour between interviews. Information about the time of interview might well include, for example, details of income from sources other than work and would probably be limited to a recent period or a month. Event history techniques – a work history in particular – are required to cover the entire period of the study and up to two or three years in advance of it. As well as changes in work status, the continuous record needs to include episodes of training and changes in marital status and accommodation. A number of questions would be included for every period of employment, even those that were short-lived. These questions should include details of how vacancies were found, whether help was received in obtaining jobs and the reasons for jobs having ended. There is an argument that it may be beneficial for data quality to use periods of one week as the 'resolution' for an event history, even where the analysis is likely to be based on periods no shorter than one month.

The point of longitudinal research is to be able to identify changes. Having the time-line of the work history and associated changes makes it possible to ask respondents to be more accurate about when other significant changes occurred than they would otherwise be able to do, for example, asking whether a change happened before or after they changed jobs.

An area of potential difficulty is retrospective questions about a previous period of programme participation. Participants may find it difficult to name the initiative under which they took part, and so it is necessary for the programme to be identified through descriptions of activities and the names of provider organisations. Very brief periods of participation can increase the difficulty of identifying past participation. However, at least for programmes delivered via Jobcentre Plus, there may be administrative records that provide a means of corroborating the information collected in interviews. There tend to be greater difficulties with identifying contracted provision. If the interest were solely in who had participated it would be possible to rely mainly on administrative data; but typically, there is an interest in asking people something about their experiences of programmes and this makes it necessary to identify programmes during the interview.

3.3.1 Mode of data collection

The use of face-to-face interviews was considered as imperative for the main, regular data collection exercises. Participants argued that the level of data quality and detail collected in this manner cannot be achieved by other modes of collection. The main justification is related to the range of information to be collected. However, the use of interviewers may also offer advantages in terms of maintaining contact with people who move, in that the interviewer can make inquiries to trace some such people (in many cases, people who move may remain in the same local area).

Despite the advantages of face-to-face interviews, discussions in the second workshop suggested that there are circumstances where telephone interviews might be more appropriate. Bearing in mind the point made in the previous section that not all questions need be repeated on each encounter, participants suggested that in some cases face-to-face interviews could be augmented by telephone interviews. The main purpose would be to obtain information on some recent customer experience that takes place during the period between face-to-face interviews. As such, it may not apply to the entire sample but would be more cost effective than arranging face-to-face interviews (without attempting to include the same level of detail gained through that method). An example given in the workshop was that it might be used in the event that someone who has not been claiming benefits makes a new claim, to discuss the process of claiming while the process remains clear in the mind of the sample member.

It was also considered that there would be potential in future to collect some types of data by means of internet self-completion (not necessarily based on computers, but using other means of communication, such as TVs linked to the internet via cable or hand-held devices). This might, initially, replace telephone interviews for some sample members for the sort of information just discussed. Although this would probably not feature in the research for the first one or two rounds of data collection, it was clear from the discussions in the second workshop that in designing the proposed survey the Department would need to pay close consideration to emerging data collection technology.

3.4 Frequency of data collection

It was considered that each sample member would usually be interviewed annually. As noted above, there may be merit in having additional, short telephone interviews between these main interviews. This would enable collection of detailed reactions to be recorded about specific types of customer experiences. As such, it was suggested in the second workshop that such interviews could be triggered via administrative records and might usually involve a minority of sample members. Although the fieldwork period for 'main', face-to-face interviews needs to run for several months (to maximise the response rate, including making sure that virtually all sample members may be contacted), there could also be an advantage

in a policy of seeking interviews with each respondent in the same month each year. This would standardise the reference period for questions and thus, makes analysis more straightforward.

If the overall sample size was to be around 10,000 or over, there would be merit in considering whether to make fieldwork continuous (as with the Family Resources Survey (FRS) and Understanding Society). It was noted by participants in the second workshop that the merits of this approach would need to be established on the basis of the actual sample design to be used. Fieldwork could be organised on a quarterly basis and each quarter's sample would be a nationally representative sample. Participants suggested that the advantage of this approach would be that as seasonal patterns can be important in labour market research, a continuous design avoids concentration on a particular time of year. It will be important to develop a policy on whether to include people who cannot be interviewed on one or more occasions. On FACS, the sample member would be re-contacted in the year following an unproductive outcome. If this too was unproductive the person ceased to be a member of the fieldwork sample. In theory, the ability to find the person's address in administrative records could be used to make it possible to conduct a further follow-up interview some years later, subject to the person being traced and being willing to take part in a further interview.

NatCen outlined the idea of establishing a 'universal dataset' based on administrative data. This would complement information collected in survey interviews. It would be important to maximise the value of existing data in administrative systems. This database could allow the future behaviour of the person to be tracked, even though they were no longer being interviewed.

3.5 Analysis and reporting

3.5.1 Analytical expertise

There was little discussion at the workshops about the analytical approaches that might need to be taken with a complex dataset of the sort inevitably collected by the proposed survey. Given the workshop setting and the varying levels of analytical expertise and experience in attendance, this was probably not an appropriate subject matter for discussion. Despite this, consideration was given (notably in the first workshop) to the extent to which the Department has the capacity to do the analysis internally and make the most use of the data already collected as administrative records. In the first workshop, it was suggested that data users at DWP would have significant training needs to make full use of this kind of data. This was seen as a potentially useful investment to improve the overall analytical skills of the Department, particularly in the light of data security considerations and moves to do more internally rather than buy-in expertise. There were, however, some reservations aired as to whether a training programme could be relied upon to ensure that the Department had the capacity to make full use of the data. Firstly, it was felt that a training programme of this sort is the kind

of project that would be likely to be shelved as priorities change or some more pressing political concern arises. Equally, other participants noted that unless the individuals that received the training used it as part of their everyday jobs, rather than only when they wished to use this dataset, it would perhaps be of limited effectiveness. A support mechanism for those who had taken the training but not used or developed the skills since would most likely still be required.

An alternative way in which to ensure the data is used to its full potential was considered to be the creation of a dedicated team to manage all the data. Some participants felt that there was no point continuing with the development of the survey if a commitment to such a team could not be made. The experience of the team of people dedicated to the FRS has been a successful one as they are on hand not only to conduct core analysis but also provide support to others in the Department using the data. In order to clarify what analysis other users need to do, it often requires the kind of detailed expertise that can only be provided by someone working with the dataset every day. Some participants were keen to stress, however, that in setting up this survey, the Department should take account of the additional support these teams actually offer. Providing the necessary resources for this role should be made part of their terms of reference. It was also noted in the second workshop that the Department could also buy-in this sort of analytical expertise as it does with other surveys that it funds. An example of this arrangement is the Families and Children Study Analysis Programme (FACSAP) under which analysis was commissioned externally. It appeared, however, that the Department might be able to ensure greater added value from the survey were it to have the capacity to conduct this analysis internally. Summing up, it was recognised that realising the expected benefits of the new data would depend on sufficient resource being available to exploit it fully.

The following sections briefly discuss some of the analytical approaches that might be used in compiling reports on a new longitudinal survey, without considering whether the Department would have the internal capacity to conduct such analysis or would need to contract the appropriate expertise from outside the Department.

3.5.2 Representative sample analysis

The purpose of such analysis is to be able to extrapolate from the survey sample to the whole of the 'claimant population' or customer base for Jobcentre Plus at a point in time. The survey is treated in the same way as a cross-sectional sample. As well as allowing analysis across all customer groups, it is anticipated that sub-groups would be distinguished according to the type of benefit claimed and other aspects of claimant behaviour. This approach might well be the basis for annual reports, discussed in Section 3.5.5.

It is envisaged that weighting would be used in all analysis. For cross-sectional purposes, it might be the case that administrative records would be used as a basis for establishing the overall characteristics of the population. Weighting would also be provided to allow longitudinal analysis.

3.5.3 Trajectory analysis

As compared with cross-sectional analysis, at the other extreme in complexity is a 'trajectory analysis', in which the overall sample is disaggregated into people who had similar starting points, intermediate states and outcomes. The purpose of this analysis is to identify the personal characteristics, customer experiences and other factors that are statistically related to changes that occur in sequence over a period of years. A multinomial regression is one approach to such analysis, although sub-group sizes required to get significant relationships probably dictate that the transition patterns are fairly generalised.

A preliminary step is the identification of trajectories. One approach to this is to classify the status of each respondent at each interview. Where the respondent's status at each observation is labelled with a letter of the alphabet, a string of characters can be used to describe a sequence of statuses. When these strings are sorted, it is possible to identify the more common sequences. A common issue is that many of the sequences are experienced by small numbers of sample members and the amount of detail needs to be reduced. This indicates the need for some systematic process (e.g. latent class analysis or similar) by which the most similar cases are aggregated into more general patterns of behaviour.

3.5.4 Paired-transitions analysis

A logistic regression analysis may also be used to identify the factors associated with those who made a change at a specific point in time. This is often referred to as a paired transitions analysis, since it involves those respondents for whom information is available at two points in time. We can visualise a cross-tabulation in which a series of states is used and the sample members are classified at the two points in time. On the 'leading diagonal' of the table, we find those people who had the same status on both occasions. Those people 'off the diagonal' have made a transition. A logistic regression may be used to identify the factors associated with:

- not changing;
- changing in a particular way; or
- given a common initial state:
 - changing in one way, versus;
 - changing in a different way.

3.5.5 Reporting

Following on from the discussion about what the Department would be able to do with the data it collects, consideration was given to how best this could be reported. This discussion revolved around two existing reporting models for the English Longitudinal Study or Ageing (ELSA) and FACS. Following each wave of data collection for ELSA a book is produced comprising a series of papers by commissioned authors, each of whom looks at a specific aspect of the data.

Participants felt that it was useful to have a standardised and expected output that data-users could rely upon to be published on a regular basis. An alternative approach is currently taken by FACS. This produces an annual 'source book' containing a standardised analysis covering most of the themes in the dataset. This provides a reference document, in which the data is consistently arranged and available, for example, for answering parliamentary questions. This format may also assist other analysts to conduct further longitudinal analysis. It was felt that decisions around reporting would have to be incorporated into overall decisions around costs, as the first option described above provides a definite output but also require commitments to fund the commissioning of pieces each year. The second option assumes that divisions within DWP or other separately funded organisations will want to use this data and conduct their own analysis on it to produce the added value this survey could provide.

One of the points made in the workshop session was that timeliness of outputs is important. It was agreed that the data is likely to be used more if the outputs are available rapidly and that comparable studies that have a longer reporting schedule are used to address less time sensitive data. The FRS currently takes 18 months to return any results and FACS currently takes around nine months to report from the end of fieldwork. This was considered a suitable timeframe given that these data are not used to monitor the impact of any specific intervention; rather it is more about having the latest data on, for example, income distribution. It was also noted at the second workshop that the time taken is necessary for the significant amount of data checking, editing and preparation involved in production of the final dataset. Conversely, turnaround time is much more important for studies like the LFS that aim to provide up to date information on unemployment levels. It was felt that this study is more likely to require a turnaround similar to the Labour Force Survey (LFS) rather than the FRS or FACS. Despite this, it was noted that if the proposed survey goes ahead then it will inevitably produce a complex dataset and that a realistic target should be set for a reporting schedule. Participants also noted that the Work and Pensions Longitudinal Study (WPLS) results take six months to be published so a timeframe between nine and 12 months would be considered satisfactory for this type of study.

3.6 Practical issues

A longitudinal survey along the lines indicated in this report is a substantial undertaking. We discuss some of the practical implications in the following section. In this part of the report we wish to note several key points that are topical at the time of drafting.

3.6.1 Budget

Participants did not feel able to discuss any specifics about the possible budget available for this proposed survey at the second workshop. There were, however, some useful discussions on what would have to be considered in setting a realistic

budget and how the finance might be raised. It was mentioned that a useful model upon which to estimate the possible budget required for this study would be the Longitudinal Disability Survey (LDS), which is being commissioned by the cross-departmental Office for Disability Issues (ODI). This is possibly an undertaking of a similar scale and complexity and would provide an overall figure with which to begin estimating the cost for the proposed survey. Although some participants suggested that the survey would have to be costed within the boundaries of the Department's current research budget, others suggested that were a case to be made that the survey could provide significant added value then money could potentially be found from elsewhere. As one participant noted, it is a case of balancing the amount of additional funding required against the added value the data could provide for the Department.

An additional issue discussed was the scope for the survey to add value for other Government departments and therefore, be funded across Government. Participants suggested a number of departments that would be able to benefit from the study and may therefore be willing to contribute. These included Department for Innovation, Universities and Skills (DIUS) if the survey could include significant questions on skills and also the Ministry of Justice (MoJ) if the sample included sufficient individuals that are also clients or recent clients of their services. Models currently exist for surveys funded by this type of arrangement. FACS has received contributions from other departments at different times and the LDS required cross-government funding to be established. While participants believed there was potential to receive funding from other departments, there was a concern that the entire survey should not be dependent upon funding from other departments as a more stable funding arrangement is required to ensure the set-up and longevity of the core aspects of the survey. It was suggested that other departments' involvement would be more useful in providing extra funding for extra question modules.

As a relatively new undertaking, a longitudinal study may be difficult to launch at a time of financial constraints. Participants suggested that launching a survey of this kind in the current climate might be difficult unless it could provide real cost savings by replacing other work. The general view was that this was unlikely as other surveys that are currently planned would still take place and others that required more timely focused information would also continue to be commissioned in the future. For practical reasons, it was suggested that the survey would most likely have to be launched to coincide with the three year spending review cycle. However, given the scale and duration of the survey it was also considered that commitments for this study would have to sit outside this cycle. The example of FACS in the period up to Wave 4 shows that it is possible to run a longitudinal survey on the basis of annual budgets, though there are appreciable disadvantages of doing this, in terms of constraints on the ability to make the research truly 'longitudinal'. A minimum funding period for a longitudinal study is probably similar to the current spending rounds of three to four years. Decisions on renewal of the funding in these circumstances need to be taken at least 12 months before expiry of the most recent funding arrangement.

3.6.2 Data security

There are two distinct issues related to data security that would need to be considered in planning the proposed longitudinal survey. The first issue relates to using the WPLS to generate the sample. The team managing the proposed survey will need to ensure that formal data protection procedures as outlined by the Information Management Division at the Information Directorate (IfD) are understood from the outset of this project. According to an interview conducted for this study, all requests for the use of admin data are considered in relation to the principles of the Data Protection Act 1998, with particular attention paid to the phrasing of the consent questions asked as part of the sampling and recruitment exercise. The IfD would manage the process of identifying the sample using a sample specification drawn up by the researchers. This could be a time-consuming process and involve data scrambling; if the sample is to be drawn from particular postcodes then this would also require 'fuzzy matching'. An exercise of equivalent complexity for the FRS lasted around three months and would need to be factored into any project timetable.

The second issue related to data security is the protection of the data actually collected by the survey. The proposed survey would need to operate enhanced data security measures, taking advantage of opportunities provided by advanced IT procedures, which would enable the secure holding, transfer and processing of data. The principle must be established from the outset that risks of data loss need to be identified and assessed. This is likely to involve data being split to minimise the potential for harmful disclosure, with rigorous procedures being applied to data that directly identifies sample members, such as names, addresses and other contact details. These are particularly relevant considerations given recent high profile breaches of data security. While the subsequent restrictions on data release have caused delays for a number of research projects planned for last year and this year, it was considered at the second workshop that data security procedures are likely to have improved significantly by the point at which any data would be required for the proposed survey. Certainly it would be necessary to have these issues fully resolved before committing to any significant investment.

3.6.3 Data linkage

The proposed survey design assumes that extensive use may be made of administrative records. This is subject to respondent permission and probably implies that this permission would be sought at the start of interviews.⁵ Those unwilling to allow their survey data to be linked might be given a second chance to agree at the end of the initial interview and if they were still unwilling, their

⁵ We understand that a project has been running within DWP to draw together information on best practice in obtaining permission for data linkage.

data would not be used for the longitudinal survey.⁶ One consequence of this is that there become two types of analyst: those with access to the full linked data, and those who are given access to a more limited version of the data, in which potentially disclosive data fields are removed or modified.

A further issue around the consent of data linkage is the extent to which the survey can be linked to the data from other Government departments. Again, it was suggested in interviews that this would require carefully designed consent questions in plain English and thorough notes for interviewers. Currently, there are legal avenues for data linkage between the DWP and some departments but not others. If, for example, the survey required data from the Department for Children, Schools and Families (DCSF) then currently, there is a legal gateway so the consent form would have to be explicit about this potential usage. For linking to data sources on ex-offenders, however, this is likely to be less problematic as they are often asked whether they want to use DWP services when they are released from custody, so the Department may already have much of that data. These considerations would have to form part of the developmental work for the proposed survey. There may be a need to balance the potential added value of linking in additional data, and the possible impact on survey response of a broader consent question.

⁶ One of the precedents for this approach was used on the survey of National New Deal for Lone Parents (NDLP), which included participants and a comparison sample. In gaining permission, it was made clear that the Department's research team would have access to identifiable survey records. The number of sample members who refused at this point was a negligible part of the overall sample (Lessof, Phillips *et al.*, 2003) On the other hand, work on the FRS has gained far lower consent rates – this may be related to the particular nature of the data collected in the FRS.

4 Next steps and recommendations

4.1 Could the proposed longitudinal survey add value?

The question of whether a new longitudinal survey adds value needs to consider a number of issues including the extent to which:

- the proposed survey can replace existing (usually smaller) surveys commissioned by the Department for Work and Pensions (DWP), often associated with major evaluations;
- existing longitudinal surveys, managed by other organisations, but to which DWP contributes financially, and which cover the same or similar ground;
- the data collected can improve the understanding and usability of other datasets;
- issues and groups currently under-explored can be investigated by the proposed survey;
- a greater understanding of the Department's overall client group.

The four possible strategic aims for the proposed survey identified at the end of Chapter 2 would generate added value in these areas if pursued. Although these aims are not mutually exclusive and a longitudinal survey would probably be required to fulfil at least one of these aims, the following sections discuss assessments made by this research team on the added value of pursuing each of these aims.

4.1.1 Replacing existing programme evaluations

Quantitative research is inevitably a fairly long-term undertaking. This means that it is probably not appropriate to ask which of the currently-planned major surveys could be replaced by a new longitudinal study, since it seems unlikely that it will

be able to deliver findings in the period when most of the planned surveys are expected to be completed.⁷ Some participants argued that programme evaluations will almost always need to cover participants and other eligible groups at a time that is dictated by the programme's implementation timetable and geography. The same is likely to apply for some destinations surveys linked to programmes (as opposed to general inquiries about outcomes for those in a particular benefit stream), where the question will always focus on a specific group of participants who completed the programme or left benefits over a period of time. On some occasions, it might be possible that the organisation of the fieldwork of the proposed longitudinal survey could have a good match with the requirements of a specific programme or the data collection programme could be adjusted to improve the goodness of fit, for example, with a one-off sample in a set of pilot areas (in a case where the established subject coverage was appropriate). Once the longitudinal survey is in detailed planning, it may be possible to align it with the new policy initiatives that are in planning at around the same time. Furthermore, it was suggested in the second workshop that any programme-specific surveys that continued to be commissioned could take the same question set as the proposed longitudinal survey, which would mean that the data collected would form part of a more coherent overall set of information. The process of consultation across the Department would be the mechanism by which the potential for co-ordination of research on specific programmes with the longitudinal survey would be identified.

Consequently, there is likely to be some added value by pursuing this strategic aim yet it would be difficult to quantify at this stage. Equally, discussions in the second workshop suggested that it was unlikely that a high proportion of the costs of running a new longitudinal study could be directly offset by it providing for the needs of researchers involved with even the more mainstream programmes and major client groups. In the programme of interviews and workshops we noted no specific examples in which it was suggested that there would be scope for a new longitudinal survey to take the place of other programme-specific research. Large programmes will probably continue to be able to justify the data collection exercises they require to inform evaluations.

4.1.2 Filling knowledge gaps

A central issue is the extent to which any other longitudinal dataset can provide the kind of information detailed in Chapter 2 on experiences of participating in Jobcentre Plus programmes and related programmes that are provided under contracts with external providers. It has been demonstrated elsewhere in this report that there are key research questions that the Department is not able to address longitudinally with the use of the Work and Pensions Longitudinal Study (WPLS) alone. It is necessary, therefore, to assess some of the other sources available to the DWP or to which the Department currently contributes.

⁷ There are, of course, some exceptions, with some currently planned studies being expected to continue for five years or more (e.g. Lone Parent Obligations).

We understand that Understanding Society will seek to gain respondents' permission for data linkage. This already occurs on the English Longitudinal Survey of Ageing (ELSA) and was an established feature of FACS; many programme evaluation surveys have also sought permission for linkage). If a high proportion of respondents consent to linkage, this means that limitations on recording programme participation and benefit receipt through surveys would be mitigated. This is likely to provide some information on employment outcomes following participation in DWP interventions. A distinct advantage of both Understanding Society and ELSA is that they cover a wide range of relevant information on behaviour, giving very fruitful opportunities for analysis. But the wide range of topics to be included limits the depth of detail that may be collected on any one of the subject areas. In particular, there is unlikely to be any detail on the experiences of taking part in DWP interventions or useful attitudinal information on the system of out of work benefits and the responsibilities of claimants.

The Office for Disability Issues is proposing to undertake a longitudinal survey of disabled peoples' experiences. This is a cross-departmental initiative and seems likely to have to adopt a similar approach to Understanding Society in terms of the wide range of topics to be covered in each interview. Consequently, we think that this will have constraints on the amount of in-depth information it will be able to collect regarding customer experiences.

The Families and Children Study 1999-2008 (FACS) has included questions about customer experiences, with particular reference to claiming tax credits. However, much of the analysis has been carried out in-house by HM Revenue & Customs (HMRC), including analysis using linked administrative records. We think these analyses would potentially provide examples of the types of insight into customer experiences that a custom-designed longitudinal study can provide and the ways in which such research can give insights into operational processes. However, as the material has not been published we are unable to cite examples from this source.

Equally important as part of the context in which a new longitudinal study may be launched is the question of whether the Family Resources Survey (FRS) and the Labour Force Survey (LFS), in both of which DWP are major stakeholders, will continue to exist in a similar form to that at present. For example, we assume that policy questions such as prevalence of poverty would continue to be addressed via the FRS. That sort of question will also be addressed by Understanding Society. It is arguable that cross-sectional studies (such as the FRS and LFS) have some advantages in providing snapshot estimates (at the same time as these snapshots are of limited value for understanding processes) because they are not affected by attrition over time.

To summarise, even if maximum opportunities are taken to link administrative data to such surveys, it seems unlikely that studies such as those described above will be able to answer the research questions identified in this report that are specific to DWP's interests around customer experiences and outcomes. The existence of major research programmes does, however, need to be acknowledged. As far as

possible, it will be good practice to draw on established ways of asking questions, so that a new longitudinal study would be consistent with other research. Equally, it will be important to compare research findings with these other sources and avoid any unnecessary duplication.

4.1.3 Improving the usability of existing data

It is possible that the longitudinal survey would help DWP to exploit its administrative data. At the most general, because the study would track representative samples, it would improve the ability of DWP's analysts to identify processes and to account for the behaviour of customers. This would, in itself, address the difficulty of deriving such a broad understanding of DWP's customers on the basis of administrative data. The survey would be explicitly aimed at addressing gaps in other data, such as employment outcomes and earnings data, that have been obstacles to wider use of administrative records. Secondly, the longitudinal analysis would encourage comparable use of the administrative data; once a dataset exists it provides opportunities for analysis and data linking that may not have been previously foreseen. Thirdly, we think that the provision of examples of analysis would promote wider use of administrative records as, potentially, might the improved training of DWP data users if the kind of training programme noted above were to take place. Of course, such models would not come solely from the longitudinal survey. Academic and other studies of Understanding Society might well provide examples of analysis that could be replicated using the DWP longitudinal study, in order to understand additional aspects of behaviour and attitudes that were of interest to DWP.

4.1.4 Providing an understanding of customer base and Department impact

Over the longer-term, the longitudinal study would generate information from a representative sample of the entire customer base on experiences and behaviour that spans the range of interventions. We think this should be the primary basis on which its value should be judged. As well as increasing understanding of customer experiences, such information also has the potential to improve the delivery of the Department's overall programme of work. To some extent, this 'knowledge gap' exists because of the way in which much of the other research has tended to be designed around specific interventions. One of the broadest aspects of the proposed survey is that it would place an emphasis on evaluation of 'mainstream services'. By this, we mean the body of working practices that accounts for the majority of the day-to-day business of Jobcentre Plus. An example of a core element of working practice is the Restart Interview, which in some form has been carried out for two decades. It is possible to argue that, with emphasis on innovative programmes aimed at specific client groups, working methods that affect larger numbers of customers may tend to be given less attention in research.

An overview of the entire customer base would also be able to provide a synoptic view across all customer groups, including groups that may be under-represented

in existing research. This is likely to be advantageous for reviews of equality policy implications of current service delivery arrangements, particularly in light of recent policy changes: it was noted in the second workshop that the move to a single working-age benefit might require a single survey tool to study that population. Furthermore, and linked to the previous section on improving the usability of the administrative data, the data collected by the proposed survey would provide a rationale for extracting a specific cohort sample of claimants from the administrative data. It seems reasonable to suppose that an extract of data should be simpler to analyse. Over time, experience of analysis can be built up across the various stakeholder divisions of DWP. It may also have the potential to ensure close to 100 per cent coverage of key outcomes and impacts.

4.1.5 Summary

In summary, and reflecting the nature of the discussions in the workshops, it seems the question of 'added value' is around the merits of the Department having a new uniformity of coverage across customer groups, including provision for boosted samples of key groups with particular needs. It is difficult at this time to gauge the possible degree to which evaluations of major programmes could be incorporated in the design. Arguably, this should only take place if it can be done without compromising the breadth of coverage of customer groups and the depth of detail around attitudes and customer experiences. If DWP continue to commission separate programme evaluation surveys, the added value of a new longitudinal survey would depend, to an extent, on the commitment to using a consistent question set across all surveys.

4.2 Factors affecting the feasibility of the proposed survey

Participants in the second workshop argued that in terms of design and resources a new longitudinal survey of Jobcentre Plus customers is feasible. The first part of this chapter provides some recommendations on how the survey might be designed and the implications of this for the resourcing and financing of the study. However, feasibility of design and cost are necessary but not sufficient conditions to ensure the support for the survey to be forthcoming. The second half of this chapter briefly considers additional points that may be critical in determining whether a longitudinal study can be carried out.

4.2.1 Overall research design

Some important issues will be around the design of the longitudinal study, in terms of the basis on which the sample members will be selected. This involves specifying what the primary purpose of the study is going to be. We are not able to make a firm recommendation on this point but rather can raise a number of the options that will need to be considered. As one option, the sample could be based on a cohort of new or repeat claims that start during a specified period of

time. That approach would give emphasis to 'flow' customers. Another option would be an 'outflow' sample of people terminating claims over a period of time (though that would have some obvious drawbacks, as compared with an in-flow sample). The opposite extreme to a flow sample would be to take a snapshot of ongoing claims on a particular date, which would emphasise 'stock' customers, in effect over-sampling people with longer than average claim durations. Other potential considerations may involve selecting people who have shown evidence of repeated claims and unstable periods in work. Further to this point, one might wish to exclude or under-represent people who were outside the mainstream of Jobcentre Plus customers (such as those in professional occupations). Those selected for boost samples might be selected on a different basis, possibly drawing on Labour Market System (LMS) information combined with benefit records. It is not envisaged that it will be possible to identify multiple disadvantages in records held by DWP; such sample members would need to be identified in the course of asking questions. The sampling choices probably need to be informed by analysis of existing data, as well as through further discussion among DWP researchers and other officials.

We recommend that consideration be given to the 'rotating panel' design. The main feature is the understanding that sample members have a limited involvement in the panel, and we suggest a suitable period would be six years. In the fourth year, a second cohort would be established alongside the first. In the seventh year, when the initial cohort was dropped, a third sample would be selected, so that from year four there would always be two samples in the dataset, which could be combined for some analyses as well as being compared for others. This would presumably be located in the original set of sample points to contribute to fieldwork efficiency and to minimise the risk that the sample differs in some systematic way related to the selected local areas. While the survey samples would have a limited period of years in which they would be followed up annually, the administrative data record can continue for longer periods. It might be possible to organise a further interview after some years, for example in the tenth year from the first wave.

One of the advantages of a planned renewal of the sample is that it allows for new cohorts to be established, with a design that is appropriate at that time in the light of changing policy priorities. With a single cohort, its demographic profile changes over time simply as a result of ageing. For example, the lone parents with pre-school children become a sample of parents with school-age children. If there is too much replacement of the sample, the longitudinal design and analysis are made complicated. Periodic selection of a new cohort seems the best compromise and preferable to annual replacement of some of the sample.

We assume that the sample members would all have been Jobcentre Plus customers within a period of up to a year or two in advance of the first stage of data collection. It seems difficult to justify the inclusion of people who are very unlikely to receive Jobcentre Plus services. The sample design would, however,

provide for groups of key interest to be boosted, perhaps on the basis of their likelihood of making relatively intensive use of jobcentres or contracted providers.

One of the properties of a longitudinal sample is that it can provide samples for other, complementary studies. This seems likely to occur in terms of qualitative research, and this might well be justified to add further insights into particular aspects of customer experiences. Just as when following up the FRS, the existing information represents an important resource for researchers, both in selecting the sample and in making use of the additional data.

To have any added value, the proposed survey will necessarily be large-scale and complex in order to meet the needs of the Department. There are, however, potential drawbacks to surveys of this size that it will be important for the Department to consider in advance. Firstly, experiences of other large-scale surveys suggest that the project as a whole can become unwieldy and difficult to manage. A consequence of this can be that staff employed to work on the survey spend a greater proportion of their time merely maintaining the survey than they do conducting or assisting with analysis; equally, a complex dataset can deter those with less analytical expertise from tackling the data. It will be necessary for the Department to allocate appropriate resources in terms of head-count and expertise to the team managing the proposed survey. This will ensure that the survey remains primarily focused on addressing the Department's strategic objectives.

4.2.2 Cost

As noted in Chapter 3, only limited discussion around the budget for the proposed survey was possible during the course of this scoping study. In order to facilitate this discussion within the Department, we have provided some initial estimated costs for a specific survey design. This could act as a starting point for the Department's discussions in the kind of budget it deems necessary or feasibly available for this project. We do not feel qualified to comment on costs of staff time and associated expenses within DWP or Jobcentre Plus. The costs are stated on the basis of an initial three-year panel. The costs for further years would depend on the policy about sample refreshment and trends in survey costs, which of course are affected by inflation and potential changes in working methods.

In the discussion in Section 3.2, we suggested specifications for the 'core sample', both of which have the same set of boost samples on the basis of the discussions of key groups in the interviews and workshops. To recap:

- core samples of 2,000 for each of 'work-ready', 'progression to work' and 'inactive' groups (or, alternatively of 'unemployed', 'disabled/limited availability for work' and 'inactive' groups), with an alternative design for 3,000 in each of these three groups; plus
- a boost sample consisting of 500 Black and 500 South Asian customers;
- a boost sample of 1,500 customers, drawn from disadvantaged groups such as those with addiction problems, offenders and those with no permanent accommodation.

In the first variant, the core and boost achieved sample would be 8,500 in the first year. Assuming a policy of some sample replacement with new/additional customers each year, we assume 8,000 interviews in the second and 7,500 interviews in the third year. The overall cost is estimated at £4.55 million over three years. The following approximate annual costs apply (Treasury financial years, assuming the first round of data collection was taking place in the second half of 2009):

- Year one: £1.50 million;
- Year two: £1.45 million;
- Year three: £1.40 million;
- Year four: £0.20 million.

In the second variant, the overall cost would be £5.7 million. With annual achieved samples of 11,500, 10,000 and 9,400, the approximate costs each year would be as follows:

- Year one: £1.95 million;
- Year two: £1.80 million;
- Year three: £1.75 million;
- Year four: £0.20 million.

One of the major elements of these costs would be a contractor's research team. We have envisaged that the team would be virtually dedicated full-time to the project, consisting of:

- Research Director (with around seven years' experience and over);
- Senior Researcher (one or two people, three years' experience and over);
- Researcher (two or three people, varied time in post but usually less experienced than Senior Researcher).

The estimates included in the figures above are a basic allowance for the research team. No allowance has been made for their time commitments to vary between the years, although the first year would tend to have a heavier workload in development and testing, while later years would provide more opportunities for analysis and reporting. Across the three years, the first variant has an overall cost estimate for the research team of just over £0.8 million, and the larger sample would involve a marginal increase to just under £0.85 million. These estimates include some allowance for production of annual reports. The costs of the research team would have to be greater if the role included a significant need to manage the reconciliation of the research interests of different customer groups within DWP and Jobcentre Plus. We have assumed that this would be one of the functions of an in-house research team at DWP. Nevertheless, it is apparent that multi-client projects do tend to have more scope for making extensive demands on an external research management team.

There may be merit in considering additional roles of data manager and as 'Head of Analysis', at Research Director level. While these roles may not be needed at the outset, they would be useful once significant holdings of data have been developed. The 'data manager' role may be located at DWP (as with the FRS) or with a contractor's team. Given there would be a plan to integrate (anonymised) administrative records, there may be advantages in this role being located within DWP. The role also involves being able to provide information on any query about data and analysis, whether this be around documentation (*'what was the exact wording of the question used to collect this variable?'*), data management or weighting. The Head of Analysis role would be involved with more advanced data issues, such as setting the policy on data imputation. However, the main purpose of this role is to conduct a range of advanced analyses on the data and to manage the work of other analysts. The analyses conducted by the research team may serve, in part, as a source of working methods for others to apply to their specific policy areas. This role might also cover the production of an annual report (similar to those produced on FACS), whose purpose is to make a series of standardised analyses available soon after the end of data collection and data preparation.

While these broad estimates make allowance for inflation (up to around two to three per cent per annum) and are based on a detailed (but hypothetical) specification, it is emphasised that further costing work would be required in the light of detailed requirements. For example, it has been assumed throughout that a named sample would be provided to the contractor, selected according to a range of agreed criteria. However, alternative sampling methods (screening in particular) might be preferable for some of the sample groups and would have implications for costs.

4.2.3 Managing the study

Senior management support is clearly a vital prerequisite for funding and staffing. One model would be a 'collective' funding arrangement in which policy divisions with the most significant gains to be made contribute varying amounts from an existing budget allocation. Probably a more satisfactory arrangement would be one in which the funds are assigned in a prior step. Experience shows that drawing on multiple sources of funding is not really compatible with running a long-term research project, as there is no assurance that key components of the funding will remain forthcoming.

During the second workshop, some consideration was given to how a team might be structured to manage the proposed survey. It was suggested that a project management team would need to be established with an identity that goes beyond the temporary secondment of research staff from divisions that will, in time, need their staff to return to other duties. This is a 'balancing act' as the team will need to establish and maintain relationships with the policy divisions and personal experience of these policy divisions is likely to be an invaluable attribute of the senior staff. On the other hand, as an argument for a more long-term project management team, the research team within DWP would be an important source

of continuity and expertise. An external contractor organisation or consortium would also hold similar knowledge and could, to some extent, mitigate the effects of turnover among DWP's research staff. Establishing links to DWP's interests in other major longitudinal studies will also be a key role for the research team.

A key task for the project team will also be to build into the project plan and timetable the implications of the Department's data security measures. Interviews for this study suggested that it will be important to ensure that the relevant people from the Information Directorate (IfD) are engaged with this project from the outset to understand all the potential data security issues. The turnaround for projects of this size can be lengthy but delays can be minimised if potential requests for booster samples, for example, are known in advance, preferably at the beginning of the project.

The FACS Analysis Programme (FACSAP) provides one model of the arrangements that can be established to promote use of the dataset by academics and other experts outside DWP, while serving the analytical interests of the Department. It must also be envisaged that the new dataset would be used by researchers involved in most of the major evaluations of specific programmes, in addition to any purpose-designed studies they might require.

Taking this point a step further, it will be essential to plan a programme for dissemination of findings from the research study. Some of the most significant audiences for the research will be researchers and policy officials within DWP and Jobcentre Plus. It will be important to stimulate and support the use of anonymised data within the Department. This dissemination should include 'feedback' mechanisms to enable staff to influence the topic coverage and the way in which reports are organised. This may be provided through a project management board on which the various internal customers are represented.

A wide range of external users will also be interested in the anonymised data, and may appreciate similar mechanisms to support their use of the data and to influence the future development of the study. Consideration might be given to inclusion of one or two external members on the management board, perhaps one representing academic interests and another representing the perspective of advocacy organisations that engage in research.

4.2.4 Managing expectations

At this stage, prior to detailed development of the survey design and the required negotiations between different divisions within the Department, it is not possible to state exactly what the proposed survey would be able to provide, or what its limitations would be. The scope of the data and thus, of analyses drawing on the longitudinal survey, would depend on the ability to link a number of types of administrative records with the survey. The value of these administrative records in their own right should not be underestimated. We anticipate that an extract from the extensive databases held by the Department, organised as a representative sample across all client groups, given additional quality control and documentation,

might well provide encouragement for users to make better use of the data already available within the Department. Linking the factual information from these records with high-quality survey information regarding attitudes, experiences of Jobcentre Plus and other related services, jobsearch behaviour, perceived barriers to work and outcomes would provide a resource with great potential for analysis.

An important question is whether a combined dataset, drawing on administrative records as well as surveys, and building up over time, should be used for performance management, in addition to its value as a resource for research and evaluation. One way of looking at this is that it is not just innovative services that deserve to be evaluated but that mainstream services should be evaluated in very similar ways. A situation in which the longitudinal survey became an integral part of a performance management system would put any discussion of resources on a different footing, as compared with the data being used exclusively as a research resource. However, the latter appears the most likely scenario and so is the basis on which we are approaching the question of expectations.

A feature of longitudinal research is that it takes time for a dataset to be able to be used for identification of processes. This is what longitudinal research is all about, but it has to mirror the speed at which changes take place in people's lives. For many individuals, change is very gradual and would be hardly perceptible over, say, three years. A longitudinal survey probably needs to run for four or five years before the most interesting processes become apparent. The upshot of this is that it takes an investment of several years before some of the research outputs that are the distinctive point about a longitudinal study would start to emerge.

It is also important to appreciate that a nationally-representative study will have quite modest sample sizes within local areas and within specific client groups. In both cases, additional samples may well be required to enable, for example, an evaluation of a pilot study being launched in six or ten Jobcentre Plus districts to gain any real value from the longitudinal survey. The question is really about whether increasing the sample size in the pilot areas, and perhaps among some counterpart districts that were selected as a counterfactual situation, would be attractive in terms of the marginal cost of adding to the longitudinal survey, as compared with a stand-alone study. This assumes that the topic coverage of the questionnaire would probably meet the requirements of such an evaluation. But if this is not the case, the longitudinal survey probably does not offer a means of getting more from a given level of expenditure.

4.2.5 Political change

As noted throughout this report, embarking on a study the size of the proposed longitudinal survey will require careful and lengthy preparation. If the Department were to choose to do so in mid-2009, the survey would be unlikely to be up and running before April 2011. It is known that a general election must be called before the survey would have been launched. The potential advent of a new administration has implications for the practicality of designing and establishing

this study at this point in time. Though not explored as part of this study, the Department must consider the impact of potential political changes.

Recent policy changes have followed a specific path towards personalisation and a focus on individual needs as opposed to provision for generic customer types. Equally, the recent introduction of conditionality and mandatory training to the benefits regime have developed in line with a desire for the Department not only to support those out of work but actively work to enable people to return to work and remain in work. A number of the substantive themes that might be the focus of the longitudinal survey emerge from these strategic aims. If a change in administration were to mean a different strategic direction, this could affect the value of the survey.

4.3 Next steps for the Department

This report has presented findings on the broad issues associated with developing the longitudinal study. Further developmental work is required at a more detailed level to fully assess the feasibility of the longitudinal study. Before it can commission such a survey the Department will need to address a number of key issues and questions.

4.3.1 What budget is available for a given added value?

Any decisions on investing in a new longitudinal survey will be judged on the quality of what the survey is able to deliver or the gaps it is able to fill. The key determining factor in whether the longitudinal survey is a feasible proposition is whether its added value can be demonstrated in a way that secures finance for at least the initial stages of the project and, where possible, guarantees funding for a sustained period of time. Assessing this will require a decision framework for managing the trade-offs for the competing perspectives.

The business case is inevitably based, to a significant extent, on the added value of the longitudinal perspective. In turn, achieving a longitudinal perspective would be reliant on continuity of funding. There are a number of barriers to securing such long-term funding. It was acknowledged at the second workshop that it can be difficult to secure funding for programmes of work that run beyond the comprehensive spending reviews. It may be necessary, however, for the commissioners or designers to be reasonably confident of the availability of funding in future years to make a business case for the proposed survey. In addition, as noted in Section 4.2, the prospect of political change before the survey itself would be up and running may affect how confident the Department could be about sustaining finance for the project.

Given these potential barriers to securing necessary funding, the Department needs to consider the minimum budgetary requirements for the development of a survey that still has the capacity to add value. A budget for development work is needed, covering the period of one to two years prior to the launch of data

collection. In order to ensure that this finance can be secured, DWP's 'research team' will need to take forward the business case for the survey, based on a more complete specification of the sample, questionnaire and analysis designs. This will require further consultative exercises including the identification of the scope for existing data needs to be met in future by the longitudinal survey.

One exercise that would help estimate the potential gains of a longitudinal survey could be to evaluate administrative records as a basis for longitudinal analysis of customer behaviour. What this should be able to show is the degree to which individuals switch between benefits or move between Jobcentre Plus districts or cycle between programmes without getting jobs. The point of this analysis is that it can be carried out at little cost and would help to identify how much change in behaviour a longitudinal survey can be expected to show, based on a particular design in terms of sample coverage, sample size and the duration of each respondent's participation in the research. This can be viewed as an attempt to simulate the longitudinal survey over a period of four or five years for example. This would be invaluable in showing more explicitly what those funding the survey could expect it to provide.

4.3.2 What could the longitudinal survey replace?

Piloting and testing will be necessary to assess exactly what types of recent or planned destinations studies could be replaced by the survey and the extent of any associated net cost savings to the Department's research budget. The scope of this study has only allowed generalised statements of potential added value of the survey to be made in this report. What is required is the working through of tangible examples of programme-specific surveys to assess the impact on the sample size of incorporating these groups into the proposed survey. This is particularly important for surveys that focus on marginalised groups or other groups that are small in number. Attrition rates for these groups will also have to be considered. Working through these examples will provide a clearer understanding of what sample size the proposed survey would have to achieve as a minimum to replace a specified set of programme-specific work.

4.3.3 What groups could it feasibly cover?

Any assessment of the value of the survey will require greater detail to be provided through examples of pilots with specific client groups. A strand of development work could usefully focus on identifying the population for each of the key customer groups as identified by this study. This could provide the Department with a starting point of how large the sample for the proposed survey would have to be in order to cover all of these groups. If this sample is deemed unmanageable or too expensive to recruit and maintain, a series of scenarios could be developed with different combinations of the key groups incorporated into the sample. This would provide the Department with a framework in which to make decisions about which groups are priority, taking into account strategic objectives, how much is already known about these groups and the possible relevance of data on

certain groups for other Government departments. Attrition and consent issues would also have to be considered in relation to a number of the key groups that have been identified.

4.3.4 Can a coherent set of questions be developed around behaviour and attitudes that is appropriate for the customer base?

In order to develop a coherent and consistently relevant question set, further development work is necessary in a number of areas. Firstly, further understanding of the customer experiences is required in order to improve outcomes. One aspect of this point is that customer experiences are shaped by individuals' experiences in other domains, such as in their relationships with financial services providers, employers, as tenants or home-owners and as users of public services such as health and education. In particular, it was felt that it would be important to establish and understand the different 'types' of customer and to set out a 'behavioural model' that would help clarify the Department's thinking about the factors affecting how and why customers leave and enter employment, their journey while on benefits, and how the benefits system impacted on those transitions. While some of this information could be gathered through analysis of existing data and research literature, qualitative research is ideally placed to build on the existing insight of DWP staff in order to provide a deeper understanding of these issues. Undertaking this work would significantly enhance the development of a longitudinal survey as well as providing other information benefits for the Department.

Development work might also include further research on conditionality and related features such as sanctions. A key question in this context is the extent to which service delivery arrangements may be linked with social exclusion. While much evaluation research is about those who participate, an emerging issue is the extent to which potential participants are deterred by some of the requirements of the programme. In other countries, there is evidence that some eligible people actively decide to avoid taking up the services offered, even if this means forgoing a benefit claim or some other services available for participants.⁸ The question is how those adversely affected may be identified, since they are not, by definition, available through participant records.

These strands of development work would provide evidence in assessing the efficacy of a generic question set for a sample as broad and diverse as the sample for the proposed survey will necessarily be.

⁸ Blank, R. (2007). *Improving the safety net for single mothers who face serious barriers to work*. Woodrow Wilson School of Public and International Affairs, Princeton University, Princeton, N.J. and the Brookings Institution, Washington, D.C.

4.3.5 Where would the survey be housed?

The launching of a major new longitudinal study is a substantial task. A theme to emerge from the workshops was that the undertaking of the proposed survey could represent an attempt by the Department to operate a more coherent approach to the way in which it manages longitudinal datasets. However, it was also identified that there is an absence of an obvious 'home' for the research within DWP (at least as research staff are currently organised). One option may be to develop a new team, along similar lines to the management of the FRS. However, it is not clear to us whether this team might be located within Jobcentre Plus or within a particular Policy Division or as part of the Strategy Unit. Interviews suggested that divisional heads can see some benefit from the proposed survey for their own division but that a more strategic vision is needed to realise the maximum added value of the survey.

Consequently it appears that the survey requires a research team that spans the main policy divisions. Participants in the second workshop were wary of pursuing this line of thinking too far. For example, there was concern that a central team may become isolated from substantive policy issues and too focused on technical issues. Furthermore, given some of the potential constraints on the feasibility of this study identified in the previous section, the home for the survey would not only have to be cross-divisional, but would also need to be headed by a team or individual with significant cross-divisional influence.

Appendix A

Workshop 1 topic guide

JCP Scoping Study Preliminary workshop session topic guides

1. Initial discussion of the DWP position paper

Aims of discussion: For participants to respond to the general content of the DWP position paper, circulated prior to the meeting.

- Establish key areas of consensus
- Establish key areas of disagreement

2. Understanding user requirements

Aim: to think broadly and strategically about the key research questions and areas of interest for the Department and address how stakeholders can go about answering these questions with current data/research available.

Discussion: the research questions that are important to the Department.

- What are they
- Which are immediate, which long-term
- Are they Department-wide or Division-specific
- What drive this agenda

Discussion: Does the data currently collected (admin or survey) answer these questions.

- Which are not answered
- Why – data incomplete or questions not addressed
- Will this situation change in near future (change in WPLS and Household Panel Survey)

3. Addressing gaps and limitations

Aim: to identify and prioritise key gaps in the data currently collected and data planned for collection in the future; address the limitations of and practical considerations in using the existing data collected by the Department.

Discussion: Establish key substantive gaps, coverage gaps and issues of usability/linkage.

Substantive gaps

- Attitudinal data of customers
- Long-term progression of customers
- Wage data – at what sort of wages do customers go back into work
- Family circumstances, other changing life/household conditions
- Level of skills, training and qualification of customers
- Synchronising data with changes in circumstances

Coverage gaps

- Data on disadvantaged groups
- Minority ethnic groups
- Breakdown by employment type/sector and provider

Practical limitations

- Changing geography of some initiatives, JCP, postcodes
- Data from private contractors (JRFND)
- Lack of documentation

Usability/linkage

- Is the data useful for tracking longitudinally
- Data security

Summarise

- Which of these gaps fundamental
- Which of these gaps/limitations consequence of lack of training/co-ordination

4. Cost-benefit of LS

Aim: to identify key areas in which a LS will add value to existing data and future plans for collecting data, and to consider some of the key costs and benefits of embarking on such a project.

Discussion: Establish key areas in which LS can add value, priority gaps to fill or types of data to collect i.e. assume a LS has been commissioned, what should it look like.

- NatCen will provide broad costing figure for longitudinal surveys of particular size
- Data security
- Priority substantive question areas
- Priority groups to specifically sample for, possibility of boosters
- Linkage and overlap, should LS bring other studies together
- Cost effectiveness: limitations of the survey against added value

5. Round-up and summary of discussion

Aim: to consider what the scale/scope of a survey might be considering all of the previous discussions, what will be key substantive and demographic areas it will need to cover and across what timeframes.

Discussion: Implications of the above for design of proposed longitudinal survey.

- Key questions for LS design
- Necessary scale/scope of LS
- Cost implications

Appendix B

Telephone interviews topic guide

Labour Market Activity of Jobcentre Plus Customers: A Scoping Study for a Longitudinal Quantitative Survey

Topic Guide – final 29.11.09

The interviews aim to address the following research objectives:

- Type and efficacy of data/information that already collected/exists in DWP division
- Potential 'additionality' of new longitudinal survey in supporting this

1. Introduction

- Introduce self and NatCen
- Briefly explain aims and nature of research
- Interview to understand DWP research priorities and how currently met (by Division)
- Explain that interviews will inform materials for main workshop
- Agree duration for interview (30-40 minutes)
- Seek permission to record

2. Background and role of interviewee

- Position and department/unit
- Roles and responsibilities (involvement with other divisions?)

3. Key research questions

Aim: to understand the key research priorities for the Department and the specific divisions to allow assessment of needs and gaps.

- Key substantive research questions for Dept and Division
- Key customer groups on whom information required and why
- How are these derived? (Policy, DSOs, external factors, other research)

4. Scoping what data/information is collected/exists already in the Division

Aim to find out the data that is already available/collected that the interviewee currently works specifically with. For each survey or data source explore (see pro forma):

- *Collection:* who collects the data and how
- *Sample:* who it samples/involves who it omits/misses
- *Substance:* what subjects/areas it collects data on
- *Timeframes:* if a longitudinal study, for how long it runs/will run & how it changes over time
- *Cost effectiveness:* cost vs. value of information generated
- *Linkages:* what the data is/or can be linked to (admin data) & feasibility of linking (e.g. availability of/NINO, data gaps, data transfer/security questions)
- *Limitations:* for current and perceived future information needs

5. Potential value and 'additionality' of the new survey

Aim to explore information/analysis needs not met by existing data, particularly the ways a longitudinal survey would enhance the information/opportunities for analysis.

The proposed longitudinal survey

- Key substantive gaps (developing policy areas)
- Key coverage gaps (hard to reach groups)
- Added value/data of longitudinal survey
- Relationship with admin data and other surveys

6. Closing

- Thank for time
- Describe next steps and final outputs of the research

Appendix C

Workshop 2 topic guide

Jobcentre Plus Longitudinal Survey Scoping Study Session Guide for Main Workshop

This workshop brings together the operational users of existing DWP administrative data and surveys from across the department. It has three main objectives:

- to understand the user requirements, their data needs;
- to establish some key parameters for the proposed longitudinal survey
- to identify the key challenges and whether the LS is feasible

This document provides a guide to each session and key prompts for facilitators to ensure the group covers the main issues that will allow the above objectives to be met

10.15

Introductory session

Welcome from Strategy Unit study commissioners

- aims of commissioning
- process
- timetable

A presentation by NatCen

- research objectives
- research approach
- activity so far and main findings
- specific aims and objectives of this workshop

10.45

Session 1: Establishing user requirements

This session will attempt to establish the user requirements for administrative and survey generated data across DWP (establishing expectations to be managed in the process of design). Identifying gaps in existing data and weaknesses with respect to ease of use of data currently collected will highlight areas in which the proposed longitudinal survey can add value and which areas should be prioritised.

10.45

Break-out sessions: key cross-departmental research questions and gaps in and limitations of data

Establishing key research questions in the department – what do they want/ need to know about JCP customers, such as the type of data, collected on whom and how often/accurately this is collected. This session also aims to address the extent to which existing data/surveys allow researchers/analysts to address these questions? Assess data gaps/limitations with respect to key customer and client groups of DWP, substantive gaps in existing information or areas where data not collected and usability/presentation of data

The group will break into two and discuss one from issues 1 and 2 and both groups will discuss the third issue:

- 1 The extent to which existing data is able to address questions around **customer journeys and outcome**

Prompts

- What do they want to know about journeys?
- Into and out of what?
- Factors affecting off-flow/on-flow
- Relative importance of DWP interventions vs. personal circumstances
- Issues of progression and sustainability
- What is the impact on this of changing policy development?

- 2 The extent to which existing data is able to address questions related to **customer attitudes, motivations and aspirations**

Prompts

- The importance of personal motivation on finding work
- Attitudes towards JCP interventions, staff
- How do personal circumstances affect motivations?
- How does work change motivations and aspirations for selves and family
- Impact on wider questions of standard of living

- 3 The extent to which existing data is able to provide information on **key customer groups**

Prompts

- DWP divisions, disability, lone parents, carers, youth, etc...
- Demographics, age, ethnicity
- Type of benefit
- IB to ESA/JSA – those affected by recent policy changes
- Those just outside margins of benefit, vulnerable to losing job
- Marginalised groups
- Sub-cohorts

Each group to feed back their thoughts and comment on those of the others.

11.45

Break-out sessions: where could a longitudinal survey add value, priority question areas and customer groups

Where could the longitudinal survey add value – can we prioritise cross-departmental research areas and customer groups that would be of most use to existing policy/future strategy, the most under-research areas and sub-groups.

Here the group will break into two and discuss one of the following issues per group:

- 1 What are **priority research areas, questions, issues** a LS would have to address to add value (partic any missed from discussions in previous break-outs)

Prompts

- Link back to discussions of previous break-out groups, but ask why important and how to prioritise

- 2 What are the **key customer groups, sub-groups and demographic groups** that a LS would have to address to add value (partic any missed from discussions in previous break-outs)

Prompts

- Link back to discussions of previous break-out groups, but ask why important and how to prioritise

Each group to feed back their thoughts and comment on those of the others.

13.30

Session 2: Meeting user requirements

This section of the workshop aims to assess the design/methodological and practical challenges associated.

13.30

Break-out sessions: considerations for designing the proposed longitudinal survey

The aim here is to consider some of the key questions raised in designing a survey of this type, some of the main trade-offs necessary, while retaining what is realistic.

The group will break into two and discuss one from issues 1 and 2 and both groups will discuss the third issue:

- 1 Sampling considerations around size, representativeness, access etc...

Prompts

- Sample frames – named vs households
- Sample size – implications for cost and sub-cohort analysis and reporting
- Representativeness – can the survey represent the key groups, Booster options, cost and identification implications
- Response rates – impact of question design, invasive questioning
- Fixed cohort – dealing with attrition, refusal, refresher panels
- Data security/release – Experiences of problems

- 2 Data collection methods and question design

Prompts

- Mode of delivery – face to face, telephone, CAPI or a combination
- Comparison of these methods – cost, rapport, organising
- Frequency and time periods – optimal periods and why, issues of recall
- Type of data collected
- Developing questionnaire structure
- Practical/ethical considerations of using admin data to feed into interview
- Should avoid appearing as test of participants' knowledge
- Details would be developed by successful contractor

3 Analysis and reporting

Prompts

- Reporting format – what to produce?
- Option of specific secondary analysis reports
- Determine user requirements around ease of use
- Substantive areas for secondary analysis
- Constraints around how quick reports can be turned around
- Plans/options for dissemination
- Who should be using the data?

14.30

Break-out sessions: practical considerations around timing, budget and meeting needs

Addressing the practical issues with putting together a cross-departmental survey of this magnitude – what are the necessary conditions for it to take place, getting buy-in from sufficient number of parties.

The group will break into two and discuss one from issues 1 and 2 and both groups will discuss the third issue:

1 Timing and budget

Prompts

- Cost effectiveness vs. individual sub-group or programme specific surveys
- Overall value for money against the added value
- Timing relative to other large pieces of work already or planned to be commissioned
- Others...?

2 Data security and data linkage

Prompts

- Administrative data – consent if used for sample generation
- Questions around permission
- Linking in with other Department data when sample are subject to their interventions
- Comparative analysis with existing survey data?

3 Meeting needs and managing expectations

Prompts

- Managing expectation and multi-stakeholder perspectives
- Being realistic about what can be collected v cost, burden
- Trade-off between depth of data and speed of reporting
- Feasibility of reaching cross-departmental agreement

16.00

Round-up and summary of discussion

Would a longitudinal survey add value and is it a feasible proposition?

This session aims to identify any wider strategic benefits a LS might have the Department and whether it is a feasible proposition given the challenges highlighted throughout this study.

Prompts on benefits

- Joining together isolated survey data from different programmes/interventions
- Allowing comparison
- Compliment/contextualise admin data
- More cost effective

Prompts on challenges

- Designing manageable survey that still fits all requirements
- Time and cost in relation to other work
- Is the LS a feasible proposition? Can it add sufficient value to justify the cost?

Appendix D

Study participants

Workshop 1	Telephone interviews	Workshop 2
<p>DWP Information Directorate – 3 participants Strategy Unit – 1 participant Delivery Directorate – 1 participant Disability and Work Division – 1 participant Flexible New Deal – 1 participant</p> <p>External expert 2 participants</p> <p>NatCen 3 participants</p>	<p>Representatives from Disability and Work Division Jobseekers Division Work Welfare and Equality Group Jobcentre Plus Stewardship Unit Area Initiatives and Communities Division Jobcentre Plus Skills Information Directorate Delivery Directorate</p>	<p>DWP Disability and Work Division – 3 participants Disability and Carers Benefits – 1 participant Office for Disability Issues – 1 participant Parents Employment Division – 3 participants Skills – 1 participant Jobseekers Division – 1 participant Jobcentre Plus Stewardship Unit – 1 participant Area Initiatives and Communities Division – 2 participants Jobcentre Plus – 1 participant Strategy Unit – 1 participant</p> <p>NatCen 5 Participants</p>

Appendix E

Interim report

Scoping Study for a Longitudinal Survey of Jobcentre Plus customers Interim Report – NatCen December 2008

This note aims to provide a detailed progress report following the first workshop that was held as part of this scoping study and outline some of the next steps for the project.

Introduction

NatCen was commissioned by the Department for Work and Pensions (DWP) Strategy Unit to conduct a study scoping the potential value and usefulness of a quantitative longitudinal survey that would map the 'customer journey' and labour market activity of DWP working age client groups from Jobcentre Plus and the Pension, Disability and Carers Service (PDCS). As part of this study, a workshop was held in order to understand the range and nature of administrative data currently collected by the Department and assess the capacity of this data for fulfilling the Department's knowledge requirements around Jobcentre Plus and PDCS customers and labour market activities. The workshop brought together key staff involved in managing the administrative data available to the Department with users of that data from a number of DWP divisions and external research and policy organisations.

This report outlines some of the key points raised at the workshop. The workshop opened with a presentation from the Information Directorate (IfD) on the range and nature of administrative data currently collected and identified changes to be made in the near future. This was followed by a brief discussion around the use and limitations of these data. A more explicit discussion of gaps in the data then took place, leading on to how the proposed longitudinal survey might be able to fill some of these gaps and complement the existing administrative data and survey work.

This workshop did not explore fully the strategic research objectives of the Department or key research questions it is required to answer with respect to Jobcentre Plus and PDCS customers. Much of the discussion was rooted in the existing data and what it can and cannot do, therefore this report discusses what data there is, how well it is understood, how usable it is, where there are gaps and where the proposed longitudinal survey could add value. The report concludes with a brief discussion of some of the challenges of designing such a survey and the next steps for the project in designing a second workshop.

Discussion of the Work and Pensions Longitudinal Study⁹

The administrative data currently used by the Department are contained within a database called the Work and Pensions Longitudinal Study (WPLS) (See Annex 1). Data is fed into the WPLS from a number of sources: administrative data on benefit claims from DWP systems; administrative data on employment, earnings, savings, tax credits and pensions from HM Revenue & Customs (HMRC) systems; operational data from DWP customer activities. This generates a huge and complex resource of spell-based data, meaning data relating to individual spells on benefit or employment, or specific administrative processes – data bringing together information on different spells for the same customer requires linking records together, usually using the (encrypted) customer NINO. Moreover, the main datasets are frozen at particular points in time in order that secondary analysis can be conducted which is consistent with published information. WPLS has, since January 2004, aimed to provide an overall picture of DWP customers.

The use of HMRC data is restricted to data relating to current or past DWP customers. This facilitates analysis of DWP customers' benefit status over a period of time and also a nominal picture of their employment status over time and their taxable earnings. Analysts can also incorporate data from the Labour Market System (LMS) to further identify customer circumstances using bespoke extracts. More recently tax credit data (Working Tax Credit and Child Tax Credit) have been fed into the WPLS providing additional data relating to the family circumstances of those interacting with that particular system. There are proposals to implement a new operational system that will return data from Jobcentre Plus on a daily basis. Finally, consideration is also being given to improving data linkage between the WPLS and the administrative data collected by other Government departments, such as educational qualifications and information from the Ministry of Justice around prisoners, ex-offenders and fraud and error – though there are no legal gateways for the latter as yet.

As the WPLS stands, the coverage of DWP customers as a whole is considered to be 'virtually complete' with respect to the number of customers that appear in the system. Longitudinal analysis can be conducted on types of benefit, wage

⁹ This section is based on the presentation by IfD and subsequent discussion in the workshop, as well as material found in WPLS Overview – version 1.1.

data and other circumstances for certain cohorts of Jobcentre Plus customers in particular. In addition, it was acknowledged that the potential for further usage of P14 earnings data could be explored. Despite this, there are certain limitations to using the WPLS that relate specifically to the rationale for, and manner of, data collection. With HMRC data there is a significant time-lag as some information, including crucial details of hirings and separations through employer P46/45 returns, are sometimes supplied to HMRC in arrears. Furthermore, this data is collected for tax purposes and so it only has limited use for DWP purposes. For example, it is not essential for HMRC to know precisely when an employee began a spell of employment; as a result, a significant proportion of records have no exact start date recorded but only the tax year in which employment began. Some of the gaps arising from time-lags or absent data, including around start and end dates for employment, can be narrowed down by combining different elements of the WPLS but the analysis becomes increasingly based on estimates.

Following the position laid out by IfD, brief discussion of the WPLS raised a number of issues that are discussed in greater detail in the subsequent sections:

- It is the fundamental properties of the data that limit its use, i.e. it is not weakness or lack of clarity but the fact that the data is derived from processes with different aims that limits the capacity and usability of WPLS.
- There are internal issues around using the data that is available, the capacity of many DWP analysts to fully engage with the data and lack of awareness of the support that is available for users.
- It was emphasised that the proposal of a longitudinal survey should not attempt to 'calibrate' the administrative data, a task that is far beyond the scope of a survey given the complexity of WPLS; instead, the role of a longitudinal survey would be primarily to increase understanding of customer behaviour, which will contribute to the increased use of administrative data, though it may also be able to understand and quantify the inevitable gaps in WPLS if designed in a certain way.
- In this context, a longitudinal survey could provide an opportunity to: a) collect data that is not subject to administrative processes; b) supplement and contextualise existing data and information; and c) provide regular and structured information on the Jobcentre Plus/PDCS client base while remaining flexible to changing policy context.

Addressing gaps and limitations

Throughout the course of the discussion, it transpired that there was a certain amount of misunderstanding about the capability of the administrative data, particularly in respect to what it could actually be expected to produce. What might be considered weaknesses of the WPLS may actually be better described as limitations of the fundamental properties of the data rather than errors in the system or deficiencies in collection. The data themselves are subject to the

constraints of the administrative procedures by which they are generated. It was acknowledged that this scoping study offered an opportunity for users to better understand the parameters of the administrative data and to develop realistic expectations about what it can produce. A clearer understanding of the capacity of the WPLS suggests that gaps in the data fall under one of three headings.

- what the administrative data can never collect;
- what the administrative data does not and is unlikely to collect; and
- what the administrative data collects but is difficult to manage and/or analyse.

The limitations of using the data that is incorporated into the WPLS relate to the fundamental properties of the data sources feeding into it and a lack of skills or resources within the Department to fully engage with the data.

Gaps and limitations

As indicated above, the nature of the WPLS means that it is not possible to collect certain data and information that is not subject to administrative processes. Changes in personal or family characteristics, for example, are difficult to identify from the WPLS though they may have a significant impact upon work activity, such as increasing informal caring responsibilities. Attitudinal data about Jobcentre Plus customers and work at different points can also not be collected through administrative processes. This is important for understanding the impact of a number of recent policy changes around conditionality and personalisation of services. Finally, administrative data is unable to provide an understanding of the types of jobs Jobcentre Plus customers enter, their satisfaction with these jobs or why they either progress through employment or leave employment and return to benefit.

There are also a number of areas where the administrative procedures provide only partial data. Firstly, because the data on earnings is collected for tax purposes, those earning under the taxable threshold for a particular tax year may not be included; alternatively, large employers will routinely include all their employees as this is easier than treating some in different ways, so the disaggregated data is not available. It is likely that Jobcentre Plus customers would be over-represented in this group, particularly those moving off benefit into paid employment. Furthermore, the data provided by HMRC provides annual income which cannot be disaggregated to identify how many hours the individual works nor at what hourly rate. Equally, error in reporting by employers leads to inaccuracy in data on start and end dates. There are other data types, such as health-related data and information on skills and qualifications that could be incorporated into WPLS if it were linked to other Government data sources. Information could be taken from Work Focused Health Related Assessments and fed into administrative systems; information from the Learning and Skills Council might also be fed into the WPLS through data collected through the European Social Fund, plans for which are well underway.

Data on specific customer groups that are important to the Department's strategic objectives or particular programmes can also be difficult to extrapolate from the WPLS. These included the particular benefit claimants such as those moving from Incapacity Benefit (IB) to Employment Support Allowance (ESA) and lone parents, as well as other demographic groups such as PSA 16 groups¹⁰, ethnic minorities, the low-skilled and vulnerable groups such as refugees.

Despite these gaps and limitations, the point was made that with enough work, such as matching or triangulating different datasets, it may be possible to fill some of these using the administrative data. It was also acknowledged, however, that only certain users would be capable of manipulating the data in this way and even then it would not necessarily be an efficient use of resources. It also needs to be recognised that where data are created by innovative combinations of sources, without an independent survey source it may be difficult to assess the success of the exercise.

Usability

The WPLS is used by a wide range of stakeholders within DWP and externally. Some of those at the workshop raised a number of issues around the usability of the data that is available. Firstly it was acknowledged that the sheer volume of data and the different formats in which it can be presented can put some analysts off even trying to engage with the data, often commissioning surveys instead. Additionally, it was suggested that there is reluctance amongst some DWP analysts to use SAS, the statistical package that analyses WPLS data.

It was also acknowledged by IfD that using WPLS can be complex. They were keen to point out, however, that support is available for analysts using the administrative data although the service is rarely used. In fact, it appeared that analysts at the workshop were not aware of support that was available beyond the standard guidance documents, which are necessarily broad given the wide range of data and uses they can be put to.

Finally, because of the wide range of uses and users of WPLS it is often used in completely unique combinations and on the basis of ad hoc assumptions developed by the individual analyst. It was acknowledged that there currently exists no central place to record the outcomes and results from uses of WPLS data and no standard set of assumptions that can be used to provide some coherence to analysis conducted on similar issues. There was agreement that there would be value in the Department to engaging in discussions around these methodological issues, synthesising user experience to update user documentation and improve the understanding and efficiency of use of the WPLS.

¹⁰ This includes young adults leaving care; adult offenders under probation supervision; adults with moderate to severe mental health problems; and adults with learning disabilities known to councils (generally those with moderate to severe learning disabilities).

Tentative proposals were aired about convening various user groups to facilitate this learning process and improve the capacity of analysts more generally to engage with the data:

- A user group of internal analysts may promote efficiency and shared learning of conducting analysis with WPLS and identify training needs.
- A group promoting the available administrative support would also be useful in improving the communication between those generating the WPLS and the users.
- An external group was also suggested as potentially being able to play an advisory role outside DWP advising on the use of administrative data more generally.

Note that any user group would ideally need to be user-driven in order to be truly useful. There was in the past an IfD-led user group which discontinued due to lack of interest from users.

Added value of a longitudinal survey

In the context of these discussion around the capability and limitations of the WPLS, the focus of the workshop turned to some key areas in which the proposed longitudinal survey could add value to the existing body of data and survey research available to the Department's analysts.

The customer 'journey' – the Department is keen to get a picture of the range of customer journeys from benefit to benefit, benefit to work and back again and understand the factors that affect these outcomes. A longitudinal survey would be able to track a single cohort through a number of transitions and assess the factors determining the nature of an individual journey, which is crucial for evaluating which programme interventions have been successful. This is currently difficult to achieve through the WPLS.

Nature of labour market activity – recent policy has broadened in focus from just getting people into work to progressing customers into sustainable employment. To assess this requires detailed wage data, accurate start and end dates for employment rates, in-work training, details of promotion and informal skills training and evidence on attitudes towards job satisfaction. Many of these variables are not, or only partially, covered by the WPLS. A longitudinal survey would be able to provide evidence on work destinations, detailed wage data and the perspective of the individual themselves on their progression or otherwise.

Changes in personal circumstances/local contexts

Evidence suggests that factors outside Jobcentre Plus interventions also have a significant impact on people's ability to find work. Changes in personal circumstances, for example around health, relationships, households composition and forms of social capital can also contribute to moving people into work or

conversely, onto benefit. Furthermore, factors specific to local labour markets might also affect outcomes for Jobcentre Plus programmes. These changes in circumstances are not subject to administrative procedures and cannot be explored using the WPLS. A longitudinal survey would have the potential to track changes in personal circumstances and possibly identify relevant local factors that affect people's ability to find work.

Hard to reach/help groups

The data collected by the WPLS can enable analysis of different customer groups distinguished by the type of benefit they receive but it cannot isolate groups on the basis of other demographic characteristics. It was clear from the discussion in the workshop that the experiences of certain hard to reach groups are of interest to the Department, particularly as some programmes are targeted specifically at these groups. Furthermore, with the development of the Jobseekers Regime and Flexible New Deal the Department will be keen to track the experiences of those moving from programmes tailored toward group needs, such as lone parents or people on IB, into the new personalised model. A longitudinal survey could design a sample with some of these groups in mind and collect longitudinal data on their experiences of the new policy.

Assessing the impact of wider socio-economic trends

A further suggestion made at the workshop was that a regular and structured data collection mechanism like a longitudinal survey could have the potential to assess the impact on Jobcentre Plus customers of changes in socio-economic conditions. The discussion was based primarily on understanding the impact of the current economic downturn on Jobcentre Plus customers and the impact of Jobcentre Plus programmes, but a longitudinal survey with a flexible design could provide data on the impact of other trends as they emerge.

Survey design challenges – implications for the second workshop

There are evidently a number of areas in which the proposed survey could add value. However, individually and taken together, these represent significant challenges in designing a survey that can actually deliver the data required. A number of challenges and some potential solutions were discussed:

- It will be difficult to capture all the hard to reach groups identified without having a huge sample that is difficult/expensive to manage/administer – options to boost or weight the sample should be explored; this will probably be easier for some groups, such as ethnic minorities who are identified, even if imperfectly, in the WPLS than with others, e.g. those with learning difficulties, who are not.

- In order to capture longitudinal data around the 'customer journey' the survey will need to retain a specific focus rather than operating as a general omnibus survey; i.e. it should focus on capturing detailed data around specific issues that have cross-departmental relevance and break this down by different customer groups rather than a survey that attempts to cover a whole range of issues some of which only have relevance to specific divisions. The specificity should come from the sub-cohort analysis.
- There are a number of methodological challenges with longitudinal surveys of this kind that will need to be considered such as attrition and recall – one option would be to explore the 'rotating panel' design, in which each sample member is interviewed for a period of four to seven years, but a fresh sample is generated every three to four years, alongside the previous sample. An example of the use of this design is the Canadian 'Survey of Labor and Income Dynamics' (SLID).
- Issues of data security will also have to be carefully considered as will questions around the ethics of re-contacting people for further research.
- Designers of the survey will need to think carefully about the key time periods for data collection. It was considered that a survey over three years might best serve the Department's needs, given that if Jobcentre Plus customers are progressing for more than three years, the Department are more likely to be able to pick people up in the administrative data. Other changes may only manifest themselves over a longer period of time such that a period of five years might be more suitable if it was methodologically feasible.
- Question types could include: testing subjective against objective data; exploring other forms/types of social advancement and well-being beyond work; quality and satisfaction of work.
- An option for the survey design that would allow standard longitudinal data collection and the flexibility to respond to changing objectives or conditions would be developing core question modules (providing a picture of the overall customer base) and optional modules (which can provide specific and cross-sectional data) that could follow programmes or sub-groups.
- In terms of sampling, it would be important to focus on the bottom-end of Jobcentre Plus customers in terms of wages as those at the higher end and those further progressed would be picked up by HMRC data – a focus on immediate destinations that are not picked up by WPLS. The appropriateness of this would, however, depend on the extent to which it was possible to combine survey and administrative data.
- It was acknowledged, however, that this approach could create additional sampling challenges in identifying and contacting this group. Additionally, using wages in this way may be confusing an outcome with a useful sampling criterion, which may affect representativeness.

To be able to address fully the questions raised above, the second workshop will need to consider, more clearly, the Department's research questions and priorities in this area and the practical design considerations.

Annex 1

