

# Review of Additional Points, 2003-2004

This report presents the main results emerging from a research study conducted by the Policy Research Institute, Leeds Metropolitan University and Jobcentre Plus Analytical Division. Its main purpose was to provide an early indication of the extent to which the revised Additional Points (AP) system, an element of the Jobcentre Plus Job Entry Target (JET) system, was working towards meeting its ultimate objective of improving the chances of job entry for people living in the most deprived areas and/or areas with a relatively high concentration of ethnic minority groups.

The research included interviews and/or focus group with a range of Jobcentre Plus managers and staff in eight Jobcentre Plus Districts. In addition, performance data were analysed in order to examine the extent to which changes in the AP system were associated with trends in job entries in different areas and among different customer groups.

## The Additional Points system

The Job Entry Target (JET) system that has been in operation in Jobcentre Plus since 2002/03 is based upon the awarding of point scores which differ according to the category of customer for whom a job entry is secured. In order to reflect the Public Service Agreement (PSA) and Performance and Resources Agreement (PRA) targets in relation to deprived areas, the points system has incorporated additional points related to the area of residence of the customer.

Associated with the revised additional points mechanism, districts which contained LAD or LAW areas were allocated additional resources in the form of the ability to recruit additional staff, within a national reallocation, resulting in a net gain of 1000 additional posts within the LAD and LAW areas.

## Overview of Findings

- The analysis suggested that the impact of AP might vary according to the nature of the District itself. Distinctions were drawn between LAD, LAW and LAD/LAW areas, and between Districts which had a high, medium or low concentration of different types of AP area.
- Analysis of Jobcentre Plus performance data revealed a number of findings which suggest that the AP system has led to a relative improvement in job entry performance in the LAD, LAW and LAD/LAW areas.
- There is also evidence from the quantitative analysis of an increasing focus in the LAD and LAW areas on the higher priority customer groups however, found that front line staff felt that they had not changed their behaviour as a direct result of the introduction of AP.
- The AP system did lead to some re-allocation of resources on the part of District and local managers towards activities designed to increase job entries and point scores in AP areas. The research revealed a range of activities that had been put in place, particularly in LAW areas, as a result of the additional staff made available to Districts affected by AP.
- Most case study Districts noted that they had made extensive efforts to ensure that post codes were recorded correctly and that all job entries by customers in AP areas were 'captured' by the LMS (management information) system.
- Evidence from this research suggests that the combination of AP and additional resources has helped Jobcentre Plus Districts to increase their activity in the LAD and (particularly) the LAW areas.

# Executive Summary

This report presents the main results emerging from a research study conducted by the Policy Research Institute, Leeds Metropolitan University and Jobcentre Plus Analytical Division. Its main purpose was to provide an early indication of the extent to which the revised Additional Points (AP) system, an element of the Jobcentre Plus Job Entry Target (JET) system, was working towards meeting its ultimate objective of improving the chances of job entry for people living in the most deprived areas and/or areas with a relatively high concentration of ethnic minority groups.

The research involved visits to eight Jobcentre Plus Districts, including interviews and/or focus group with a range of Jobcentre Plus managers and staff. In addition, performance data were analysed in order to examine the extent to which changes in the AP system were associated with trends in job entries in different areas and among different customer groups.

## **The Additional Points system**

The Job Entry Target (JET) system that has been in operation in Jobcentre Plus since 2002/03 is based upon the awarding of point scores which differ according to the category of customer for whom a job entry is secured. In order to reflect the Public Service Agreement (PSA) and Performance and Resources Agreement (PRA) targets in relation to deprived areas, the points system has incorporated additional points related to the area of residence of the customer.

For the operational year 2002/03 two additional points (henceforth AP) were added to a customer's points score in 30 LADs with the most disadvantaged labour market, and the next 30 LADs with the highest concentrations of ethnic minority population. These additional points were applicable to all customers other than those already in employment.

A number of changes to AP were implemented in the operational year 2003/04. Additional points were applicable in 30 LADs with a disadvantaged labour market

and 258 Wards (LAW) with a high ethnic minority population and high unemployment rate

In these specific areas additional points were added by giving a 50% uplift to a client's normal points score (with the exception of people unemployed for less than 6 months, where a 100% uplift was given and employed clients, where no additional points were given).

Associated with the revised additional points mechanism, districts which contained LAD or LAW areas were allocated additional resources in the form of the ability to recruit additional staff, within a national reallocation, resulting in a net gain of 1000 additional posts within the LAD and LAW areas.

## **Summary of main findings**

### **Awareness and understanding of AP**

- The vast majority of staff in LAD and LAW areas are aware of the existence of the AP system. Awareness is greatest among management staff and lowest among benefit processing staff
- Managers tend to articulate the rationale for AP in terms of its link with PSA and related strategic objectives
- Front line staff members are less likely than managers to be knowledgeable about the details of the AP system and tend to articulate its rationale in terms of rewards for harder work with more difficult clients
- The vast majority of respondents felt that the AP system is relatively straightforward to understand and operate
- Staff at all levels expressed support for the principles of the AP system, but some concern was expressed about its implications for equity and customer service

### **Link between AP and targets**

- In all cases, Districts and local offices experienced increases in their annual points targets as a consequence of their ability to earn AP

- The consequence of this, in most cases, was for respondents to express disappointment and to suggest that any incentive effect of AP was neutralised by higher targets
- LAW areas appeared to express more positive views about the potential for AP to assist them to achieve the higher targets that were set
- The most common response in LAD areas was that AP made little difference because of increased targets
- The use of job entries as the sole measure of achievement was questioned by some, with a suggestion that measures of 'distance travelled might be more appropriate. While this is a wider issue for Jobcentre Plus, it has particular relevance in AP areas, which contain relatively high concentrations of 'hard to reach' groups.
- There was a call for the greater use of local knowledge, together with the most recent Census information, in setting targets and in designating LADs and LAWs

#### **AP and resource allocation**

- All LAD and LAW areas received additional staff resources in 2003-2004 linked to their AP status
- For many of the LADs it was very difficult to identify the additional resources as they were tied up with overall staffing decisions that – in many cases – meant net reductions in staffing
- The additional resource in LAW areas was easier to identify due to the relatively small size of most LAWs and a requirement that Districts put together Action Plans for the use of additional resources in LAW areas
- A range of additional activities were introduced, particularly in LAW areas, focusing on outreach work, targeting LAW clients, working with employers and building local links and partnerships
- Additional activities in LAD areas were more limited, with a focus on actions to ensure the correct recording of postcodes
- Respondents suggested that AP had little impact on the allocation of existing resources at District and office level

- AP-related activities were clearly helping to raise the profile of Jobcentre Plus with external partners and there were calls for the initiative to continue in order that these relationships can be developed further

#### **Impact of AP on staff behaviour**

- In general, members of front line staff did not feel that their behaviour had changed as a result of AP status
- There were some indications that the behaviour of advisors had been affected by AP, at the margins
- Behaviour of staff was affected by AP in a number of subtle ways that may lead to improved performance in the future, for example greater awareness of higher points groups, more involvement of benefit processing staff and a more positive attitude towards partnership working
- The overwhelming view of managers and staff was that the main factors influencing the behaviour of staff and overall performance are the resource allocation decisions of managers and the development of systems and processes

#### **Impact of AP on job entries**

- Respondents to the qualitative research suggested that AP had not directly affected job entry performance to date and that the impacts would take some time to become apparent
- Analysis of performance data, however, revealed a number of findings that are compatible with the idea that AP is positively associated with job entry performance in LAD and LAW areas:
  - Job entries in LADs, relative to non-LAD/LAW job entries, have shown a continuous year on year improvement since April 2002.
  - The five 'New' LADs have, since October 2003, begun to show a significant increase in job entries relative to non-LAD/LAW job entries compared to 2002/03.
  - The LAWs have been outperforming their previous two years' ratio of non-LAD/LAW job entries since June 2003. There does appear to have been a time lag, but not to the

- extent as that experienced in the 'New' LADs.
- Job entries as a proportion of customer base, and the changes in job entry composition over the past few years, show signs that LADs and LAWs have an increasing bias toward the higher priority groups - above and beyond that for non-LAD/LAWs.
  - In terms of total job entries achieved, all of the LADs and LAWs are performing better than the non-LAD/LAWs and the gap between them has widened this year. Total job entries have fallen in all areas this year, but the LADs have seen the smallest relative fall in performance, and the LAWs have performed relatively better than the 'New' LADs.
  - AP do not appear to have affected growth/decline in absolute ethnic minority job entries in ethnic minority LAWs, relative to rest of country LAWs.
  - Future work is required in order to analyse whether any impact on job entries is sustained or improved, and to establish the causes of parity differentials between EM and ROC LAWs.

## **Implications**

The relatively short period of time for which the revised AP system had run at the time of this review makes it difficult to draw definitive conclusions. However, there are strong indications that the use of AP within

the context of the points-based performance and target system plays an important role in signalling to Jobcentre Plus managers and staff that addressing the problems faced by customers living in deprived areas and areas with high concentrations of black and ethnic minority groups is a high priority for the organisation.

- The research suggests that any future performance measurement and management system should build on the lessons of AP and incorporate some element of differential based upon the area of residence of customers
- Serious consideration should be given to the designation of all AP areas on the basis of wards rather than local authority districts
- Any future AP system should continue to be linked with the allocation of additional resources
- The allocation of all additional resources should be linked with a requirement for Districts to put together an Action Plan
- Due consideration should be given to the need for continuity in the AP system and the designation of priority areas, particularly at the ward level, with the suggestion that LADs or LAWs should be designated for at least two years