



University of
Nottingham

UK | CHINA | MALAYSIA

**‘Private good,
public bad’?
Delivering UK
employment
programmes for
disabled people**

Bruce Stafford



Introduction

- ‘Private good, public bad’
- Policy context

Two programmes

- NDDP PAS and Pathways to Work
- Their evaluation
- Impact findings

Discussion and conclusion





University of
Nottingham

UK | CHINA | MALAYSIA

Introduction



‘Private good, public bad’?

Expansion in role of private/third sectors in provision of public services with emergence of NPM/Reinventing Government

- More innovation, effectiveness, efficiency and choice than public sector provision

UK (+ elsewhere) social security and employment programmes have not been immune to contracting out services

However, what’s the evaluation evidence?

Using 2 UK disability employment programmes to gauge the evidence



Benefits

Majority of programme participants claim **work incapacity-related** benefits

- Often known as disability allowances or pensions, or invalidity benefits in other countries
- Awarded following a medical assessment
- Unlike some countries, work capacity assessment excludes other personal characteristics (e.g. educational qualifications) and environmental factors (e.g. demand for labour)
- There is no partial incapacity benefit



Other policies

UK also has disability benefits, and some will have claimed disability and work incapacity benefits

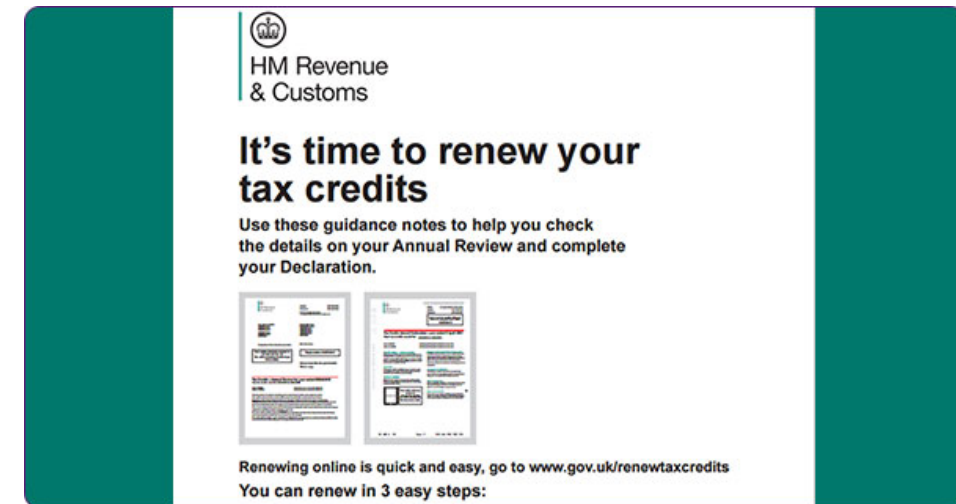
Other support is available to people with a health condition / disability to move into work e.g. Access to Work grants to pay for workplace adaptations

Wage supplements (tax credits)

National Minimum Wage

Anti-disability discrimination legislation

Are employment programmes for other client groups





University of
Nottingham

UK | CHINA | MALAYSIA

Two programmes

New Deal for Disabled People Personal Adviser Service (**NDDP PAS**) and Pathways to Work (**Pathways**)

Shared:

- Supply-side programmes
- Recipients of incapacity-related benefits
- Offered a personalise service
- **In some areas delivered solely by the public employment service and in others it was contracted-out**



Department
for Work &
Pensions



Differences

- NDDP PAS was voluntary; Pathways was mandatory for most **new** claimants (voluntary for existing claimants)
- Pathways offered more intensive support including a condition management support and a financial incentive (up to 1 year) for returning to work
 - ❖ Offered up to six interviews with an advisor (1st conducted with a PES advisor)



Both:

- **Summative** and formative
- Mixed methods

NDDP PAS

- Counterfactuals: *Surveys* - non-participants in the pilot areas and a comparative national survey of eligible incapacity benefit recipients
- Sample of benefit *administrative* data for those living in pilot areas vs. living elsewhere – impact estimate is for whole eligible population
 - ❖ Records for August 1995 to February 2000
 - ❖ But analysis limited to exits of >1 yr



Pathways

- Difference-in-difference for first phase of contracting-out
- Counterfactual for the contract areas were the PES (JCP) areas
- Used telephone surveys of, and administrative data for, benefit recipients in 93 provider-led areas and 62 matched comparison areas
 - ❖ *Survey* respondents were eligible for Pathways between April and June 2007 (that is, before Phase 1) or between April and June 2008 (that is, after it was introduced)
 - ❖ *Administrative* data: 2 sources: DWP benefits data; and HMRC work history and tax data
- Impact estimates are for outcomes up to six months after the commencement of the benefit claim



- Low take-up - 18,166 people had a first interview between September 1998 and November 2000
- As a whole had relatively little impact on moving disabled people into employment
- Administrative data reveals variations in moves into employment within and between types of area
 - ❖ **Next slide** – fewer cases in contract areas, but they commenced later than the PES
 - ❖ But not a rigorous analysis – no controls for participant or area characteristics



NDDP PAS administrative data

Area	Participants ¹	Case loaded clients		Case loaded leavers		In work			
	No.	No.	% of participants	No.	% case loaded	No.	% of leavers	% of participants	% case loaded
<i>Tranche 1: Employment Service areas</i>									
Bolton	1,751	986	56	634	64	450	71	26	46
Bristol East and Bath	1,616	1,258	78	739	59	504	68	31	40
Central Sussex	1,377	819	59	576	70	263	46	19	32
Eastern Valleys	2,248	1,409	63	1,099	78	858	78	38	61
Lanarkshire	2,191	1,309	60	953	73	545	57	25	42
Sandwell	1,001	749	75	423	56	223	53	22	30
<i>Sub-total</i>	<i>10,184</i>	<i>6,530</i>	<i>64</i>	<i>4,424</i>	<i>68</i>	<i>2,843</i>	<i>64</i>	<i>28</i>	<i>44</i>
<i>Tranche 2: Contract areas</i>									
Bedfordshire	874	550	63	339	62	142	42	16	26
Mercia East	1,259	1,094	87	756	69	309	41	25	28
Newham	852	756	89	430	57	280	65	33	37
North Yorkshire	1,301	988	76	654	66	277	42	21	28
South Devon	1,824	1,133	62	796	70	397	50	22	35
South Tyneside	1,872	1,524	81	693	45	552	80	29	36
<i>Sub-total</i>	<i>7,982</i>	<i>6,045</i>	<i>76</i>	<i>3,668</i>	<i>61</i>	<i>1,957</i>	<i>53</i>	<i>25</i>	<i>32</i>
Total	18,166	12,575	69	8,092	64	4,800	59	26	38

Note ¹ Defined as number having an introductory interview with a personal adviser.

Taken from Loumidis *et al.*, 2001 Table 4.1, p82 (based on Employment Service administrative data).



Administrative data: average effect of 0.8 ppts for NDDP PAS as a **whole**, but not statistically significant ($p > .05$)

A logistic regression of surveyed participants' moves into work after meeting a NDDP PAS personal adviser shows that there was **no** statistically significant difference ($p = .86$) between participants in Employment Service and contract areas



Between December 2007 and October 2010, 573,990 people started the programme, of which 76 per cent were mandated to take part

Contractors did reduce the % of people claiming benefits vs PES (JCP)

- Contractors significantly reduced the proportion of benefits received by new and repeat Incapacity Benefit claimants by 1.8 ppts – 16.7% vs 14.9%, ($p=0$)

Survey and administrative data used to estimate moves into employment



Estimate based on	Unadjusted estimates		Adjusted estimates	
	Impact (percentage point)	p-value	Impact (percentage point)	p-value
Survey data	2.6	0.07	1	0.23
Administrative data	0.7	0.13	1	0.00

Note: Adjusted estimates are where HMRC employment records that are inconsistent with the benefit data records have been removed from the analysis.

Taken from: Knight *et al.* (2013), Tables 2.2, 2.3, 4.2, and 4.3



Evaluation team tentative state contractors may have had a small +ve impact vs JCP

- However, are data issues with the administrative data
 - ❖ Although it's a larger sample size (vs. survey), it excludes the self-employed and those on very low earnings

Why a difference?

- Differences in number of interviews received
 - ❖ Higher % having 1st and 6th interviews in contract areas
 - ❖ Compatible with contractors both 'parking' harder to serve participants and devoting more resource and service on those closer to the labour market ('creaming')



University of
Nottingham

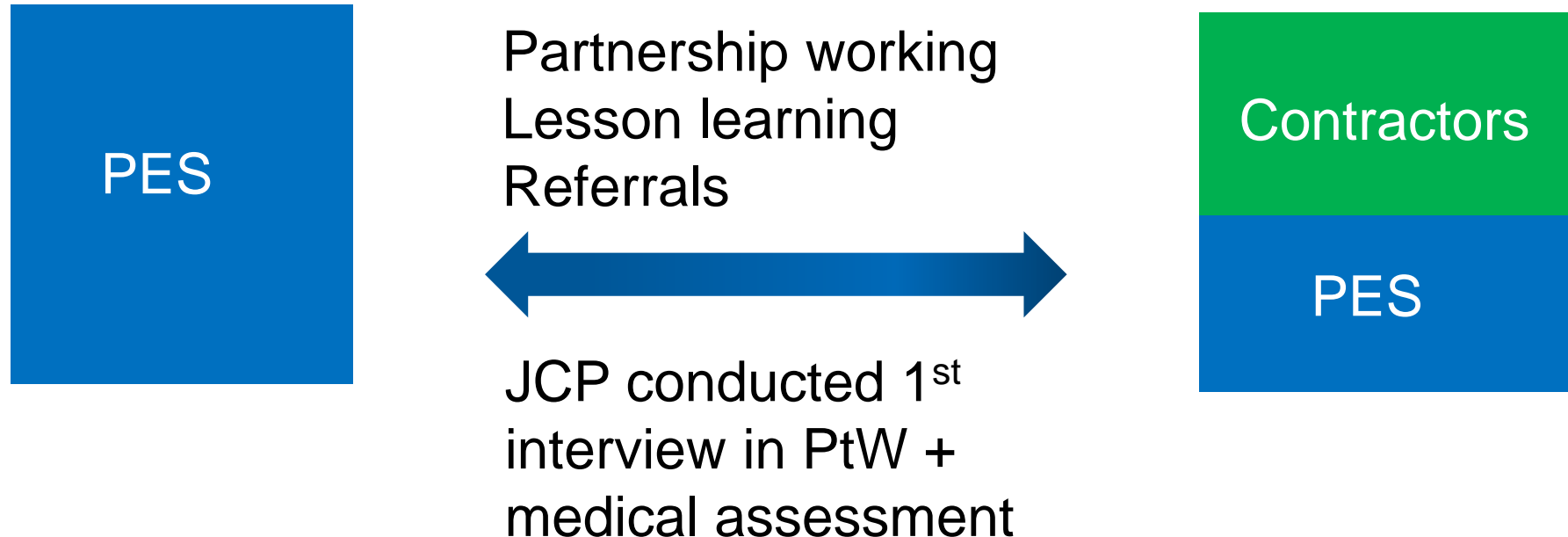
UK | CHINA | MALAYSIA

Discussion and conclusion

2 evaluations don't provide a straightforward answer to 'private good, public bad'

- Are methodological and analytical issues

Is no simple dichotomy:





Whilst differences in the number of interviews received in Pathways in contractors and PES areas, other support interventions were similar – limits the service differential

So, no conclusive and rigorous evidence that contractors out-performed the PES for disability employment programmes in the UK

- Yet government continues to contract-out such provision



Bruce Stafford

International Centre for Public and Social Policy

School of Sociology and Social Policy

The University of Nottingham

University Park

Nottingham

NG7 2RD

Room: B41, LASS

Tel: 0115 846 7439

Email: Bruce.Stafford@Nottingham.ac.uk

Web: nottingham.ac.uk/Sociology/StaffLookup/bruce.stafford and
sites.google.com/site/profbrucestafford