
Improving New Deal statistics using the Work and Pensions Longitudinal Study (WPLS)



New Deal Statistics Team

Information Directorate

27 October 2005

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Improving New Deal statistics using the WPLS

Summary

1. Progress on work to improve immediate destinations of the New Deal employment programmes was published on 15th July 2005, within the wider National Statistics paper 'DWP statistics transformed'¹. This paper provides more detail on the methods used to improve immediate destination measures for New Deal and the effects of these methods.

2. The Work and Pensions Longitudinal Study (WPLS) contains new information on both employment spells and benefit spells of New Deal participants. This allows for (i) improving currently published National Statistics on immediate destination on leaving New Deal; and (ii) identifying jobs gained amongst New Deal participants not recorded previously.

3. The improved immediate destination measures result in an additional 8 percentage points of leavers from New Deal for Young People (NDYP) and an additional 6 percentage points of leavers from New Deal for Long Term Unemployed (ND25plus) being recorded as leaving into employment. For the New Deal for Lone Parents (NDLP) the proportion of leavers to employment increases by 6 percentage points.

4. Improved jobs figures show that approximately 11 percent more individuals have obtained a job while on the NDYP, and an additional 7 percent more individuals have obtained a job while on ND25plus than currently reported, with over 18 percent more people obtaining jobs from NDLP than currently reported. A measure of the sustainability of employment for NDLP can also be obtained, with approximately 66 percent of all people obtaining jobs from this programme obtained a sustained job.

5. To allow for the improved destination information to be compiled and to ensure minimal levels of revisions to published statistics, data on leavers from New Deal, their immediate destinations, and the number of jobs gained will be

¹ http://www.dwp.gov.uk/asd/asd1/stats_consultation/modstats.pdf

published approximately five months after the reference period. However, statistics on the number of starters on New Deal will be available and published approximately two months after the reference period.

Section 1 – Introduction

6. The immediate destination on leaving New Deal is one of the main measures of success of the programme. Information on immediate destinations is published quarterly, as a National Statistic, for NDYP and ND25plus² and for NDLP³.

7. Information previously published was obtained from a number of administrative systems⁴ and also from information supplied by programme participants. However, some of the administrative systems are unable to incorporate 'late' information which will be missed if it is not recorded within the two week period after leaving New Deal. To an extent such deficits are filled by information provided by participants as they leave a programme. However participants are not obliged to inform the DWP of their subsequent status and some gaps remain.

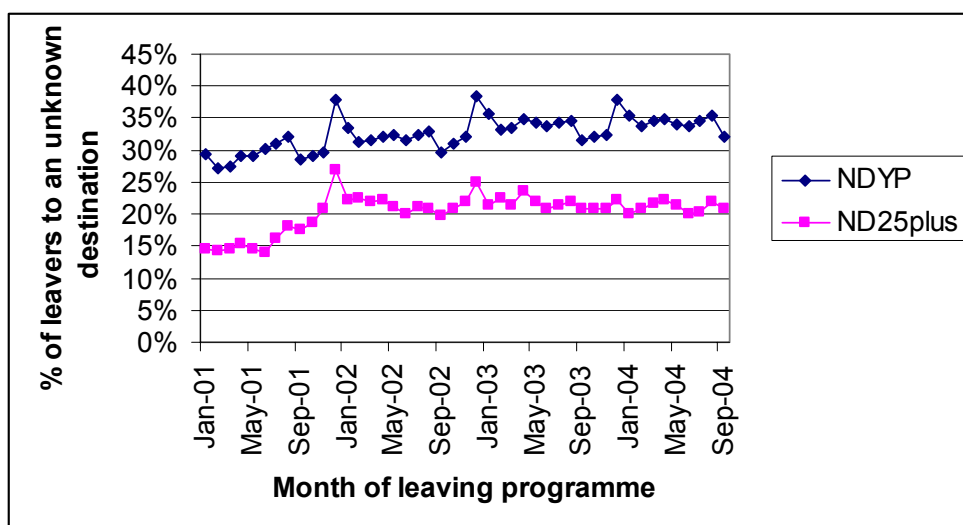
8. The gaps in immediate destinations information are recorded as leavers to 'unknown destination'. Figure 1 gives the monthly proportion of leavers to an unknown destination from NDYP and ND25plus over the period January 2001 to September 2004.

² See <http://www.dwp.gov.uk/asd/ndyp.asp>

³ See <http://www.dwp.gov.uk/asd/ndlp.asp>

⁴ For NDLP, destinations information comes solely from the Labour Market System (LMS), used for inputting client records in Jobcentres. For NDYP and ND25plus, destinations are obtained from LMS, the Joint Unemployment and Vacancies Operating System (the system for recording claims of Jobseeker's Allowance), with other information being obtained from the system used for paying subsidies to employers who offer subsidised employment opportunities, forms obtained from providers of other training opportunities within the programme, and forms filled in by leavers from Jobseeker's Allowance.

Figure 1: Monthly proportion of leavers to unknown destinations from NDYP and ND25plus



9. Sample surveys⁵ have shown that a significant number of leavers from these programmes who are recorded as leaving to an unknown destination, do actually leave to employment. Therefore, the significant proportions of leavers to unknown destinations are likely to lead to under-estimates of proportions of leavers to employment.

10. Destinations information for NDLP is obtained from information recorded by personal advisers on the LMS system. Although not at the level of unknown destinations for NDYP and ND25plus, the proportion of leavers to an unknown destination for NDLP is significant, with some 18 percent recorded as an unknown destination.

⁵ See "Destination of Leavers from NDYP and ND25plus", DWP Report 206, September 2004 (<http://www.dwp.gov.uk/jad/2004/206sum.pdf>).

Section 2 - The Work and Pensions Longitudinal Study

11. The Work and Pensions Longitudinal Study (WPLS) contains data from the DWP on employment programme and benefit spells, as well as Her Majesty's Revenues and Customs (HMRC) data on spells in employment. This data contains:

- *all spells on most of the employment programmes that have been running since 1998,*
- *most benefit spells since May 1999, and*
- *all spells in employment since April 1998, for which P45/P46 forms are provided.*

12. There are some known gaps in the WPLS data - because of the way the benefits spells are recorded, some short spells will not be included. Jobs for which no tax is paid are also not included.

The WPLS, to the end of December 2004, contained approximately 105 million records, including:

- 65 million spells on employment, as recorded in HMRC records, where the record is able to be matched to someone on the DWP data;
- 5 million spells on employment programmes; and
- 35 million spells on benefits

13. A number of issues were identified during quality assurance of the WPLS data. The main issues were:

- (i) employment spell start dates after end dates;
- (ii) missing employment spell start and/or end dates;
- (iii) retrospection of employment spell data;
- (iv) employment spell records with strong evidence that the spell is actually a benefit spell;
- (v) quality of 'fuzzy' matching between HMRC and DWP data.

14. For all of these issues, a decision on how to proceed was made. These are explained in more detail in Appendix A.

Section 3 – How WPLS is used to improve immediate destination data

15. The WPLS has allowed improved immediate destination data to be developed in order to improve the accuracy of the published New Deal statistics. The main improvements are:

- To use the employment spell data from the WPLS to capture job entries that are not currently included in the New Deal databases, and
- To use benefits data to give a better indication of the number of leavers who claim benefits upon leaving the programme. The benefits data will also allow a breakdown of the type of benefit claimed, which is not currently available.

16. The WPLS does not measure every employment spell in the country (see paragraph 12 above) and so it isn't possible to disregard a destination of employment even if there is no employment spell record on the WPLS. Similarly, a destination of claiming inactive benefits cannot be disregarded if there is no matching benefit record on the WPLS, as some short benefit claims are not included. Information from the WPLS is, therefore, used to supplement the current destinations information.

17. The method used for obtaining the new destinations measure is described in detail in Appendix B. The datasets are initially cleaned and then combined, so that any spell on the WPLS that takes place in the 2 week period⁶ after leaving the New Deal programme is included. This enables the destination information from the WPLS to be combined with the current information, to give the improved measure.

18. A consequence of the improved destination measure is that more than one destination may be obtained for a programme leaver. For this reason a new destination category, Employment/Benefits, is included in the improved destination figures. This shows the number of people who had evidence of both employment and benefit claims, which may indicate people obtaining part time employment.

⁶ This period is consistent with the time period considered in the current destinations measures.

Section 4 - How using WPLS will impact on other statistics

19. The new destinations measures will result in a number of additional job entries being identified, and this will affect the published statistics of the number of people obtaining jobs from the programme. This will result in increases to the published figures, as all jobs currently recorded will still be included. The jobs figures are obtained separately from the destinations measures, and the method for doing so is described in detail in Appendix C.

20. The availability of the data used for the new destinations measures will affect the timeliness of the published statistics. The least up-to-date data used will be benefits information, which feeds into the WPLS from the 100% Benefits Database. This data is currently available approximately 5 months after the end of the period to which it relates.

21. Another delay is in the employment records from the WPLS. Although the data is nominally up-to-date, there are significant delays in obtaining all records from employers, with some records coming in months and even years after the employment began. In practice, the publication schedule due to the availability of the benefits data will allow sufficient time for the majority of the employment records to come through, although there is the possibility that some late records may lead to changes in the destinations for leavers from years previously.

Section 5 - Proposed figures after using WPLS

22. The overall proportions of leavers to each new and current destination for NDYP and ND25plus up to May 2005 are given in Table 1. One of the key differences between the two sets of figures is the increase in the total proportion of leavers leaving to employment (up 8 percentage points for NDYP and up 6 percentage points for ND25plus). This comes mainly from a reduction in the proportion of leavers to unknown destinations (down 8 percentage points for NDYP and 7 percentage points for ND25plus). Both programmes also show a slight increase in the proportion of leavers to inactive benefits compared to the current figures.

Table 1: Immediate destinations of participants leaving NDYP and the re-engineered ND25plus up to May 2005

New (WPLS) measure			Current measure		
Destination	% programme leavers*		Destination	% programme leavers*	
	NDYP	ND25plus		NDYP	ND25plus
Employment	42	29	Employment	38	26
Employment & Benefit	4	3			
Returned to JSA	12	27	Returned to JSA	13	29
Other Benefits	14	20	Other Benefits	11	16
of which,					
IS	2	2			
IB	2	3			
IB and IS	7	12			
Other Known	7	7	Other Known	7	8
Unknown	22	14	Unknown	30	21

* Totals may not add to 100% due to rounding

23. The corresponding figures for NDLP are given in Table 2, with the current categories shown alongside the new categories which are most similar. The total proportion of leavers to employment is 6 percentage points higher in the new figures, with a significant proportion of the leavers to employment also claiming benefits. The other main difference between the figures is the creation of new categories in the new figures, with these showing whether or not there was a benefit record that continued after leaving

the programme. There is a significant proportion of leavers who remain on IS after leaving, and this, together with the new “Off Benefits” category, gives a more accurate depiction of the destinations than the current measures, as the new measures are obtained from actual benefits information.

Table 2: Immediate destinations of participants leaving NDLP up to May 2005

New (WPLS) measure		Current measure	
	% of programme leavers*		% of programme leavers*
Employment	42	Employment	50
Employment & Benefit	13		
Benefits - IS	37	Transfer to Other Bens	1
Benefits - Other Bens	1	Other Reasons	31
Off Benefits/Unknown	6	Ineligible	1
		Unknown destination	18

24. The total numbers of people recorded as obtaining jobs from NDYP, ND25plus and NDLP are given in Table 4. The inclusion of the WPLS data leads to a significant increase in the proportion of individuals being found to have obtained a job whilst on the programmes – approximately 11 percent more individuals have obtained a job while on the NDYP, and an additional 7 percent more individuals have obtained a job while on ND25plus than currently reported, with over 18 percent more people obtaining jobs from NDLP than currently reported. A measure of the sustainability of employment for NDLP can also be obtained, with approximately 66 percent of all those obtaining jobs from this programme obtaining sustained jobs.

Table 3: Current and New Jobs figures for NDYP, ND25plus and NDLP up to May 2005

		Total	Sustained
NDYP	Current	571,650	453,540
	New	631,690	537,190
ND25plus	Current	227,320	176,750
	New	243,584	199,930
NDLP	Current	346,070	N/A
	New	410,050	269,040

Section 6 – Timing of releases and reference dates

25. The paper ‘Transforming DWP statistics’ published on 15th July included details to changes to the publication schedule of DWP statistics. New Deal statistics come within the scope of this change.

26. To allow for the processing of 100% benefit data and HMRC employment data, and to minimise subsequent retrospection, statistics on the number of current participants, on leavers from the programmes and their immediate destinations, and on the number of jobs gained will be published some five months after the reference period. This is because the new immediate destinations measure relies heavily on 100% benefit data which will be five months ‘out-of-date’. However, for statistics on the number of starts to the programme the reference period will be just three months before publication. This reference date will also apply to New Deal statistics not yet within the scope of this work (i.e. NDDP and ND50+) and Employment Zones. The table below summarises this information for the next two scheduled publications.

Programme	Publication Date	Statistics	Reference Date
NDYP ND25plus NDLP	27 Oct 05	Current participants Leavers Immediate Destinations Jobs gained	end May 2005
NDYP ND25plus NDLP	27 Oct 05	Starts	end Aug 2005
NDDP; ND50+; NDP	27 Oct 05	All statistics	end Aug 2005
NDYP ND25plus NDLP	end Jan06	Current participants Leavers Immediate Destinations Jobs gained	end Aug 2005
NDYP ND25plus NDLP	end Jan06	Starts	end Nov 2005
NDDP; ND50+; NDP	end Jan06	All statistics	end Nov 2005

Section 7 – Future Developments

27. The developments described in this paper make extensive use of the WPLS to improve the statistical information on the New Deal programmes. Although not within the scope of this work, statistics published on the NDDP, ND50+ and Employment Zones programmes will be developed and improved along the same lines as those described in this paper for NDYP, ND25plus, and NDLP.

28. The WPLS will continue to be developed and new data which could further improve the statistical information on New Deal will be incorporated as and when it becomes available and when rigorous quality assurance checks have been completed. Data from HMRC on people receiving Working Tax Credits is due to be incorporated during 2005. In addition, further development work on how HMRC data with incomplete employment start and/or end dates can be used will take place during 2005. These are just two examples of how, in the future, additional data may be used.

Appendix A: Using incomplete employment records data

The employment data contains a number of records which have since been updated, so these are removed from the data set. Also, a number of records with illogical dates, e.g., start dates after end dates, are removed. A more significant problem with the employment data involves records that have missing start dates (recorded as April 6th of the financial year in which the job started) or missing end dates (recorded as April 5th of the financial year in which the job ended). It was decided not to use the job record if the start dates are missing as it would not be possible to ensure that the job took place in the required period after leaving the New Deal programme. This, together with the other changes given above, results in 17.8 million records being excluded from the data that is used.

An additional problem with the employment data is the quality of the fuzzy matching that is required to link the HMRC and DWP data. A total of 3.4 million IR records have a matching that is deemed to be insufficient to be sure that these records relate to the same person, so these records are further excluded from the data that is used.

An identified problem with the HMRC data is that it includes a number of records which relate to benefit spells, so these need to be excluded in order to just consider actual spells in employment. A marker has been added to the WPLS which identifies these cases and they are excluded from the matching process. This step resulted in an additional 9.7 million HMRC records being excluded, leaving a total of 34.25 million HMRC records.

Appendix B: Methods for improving immediate destination

NDYP/ND25plus

The following methodology was used to obtain the destinations information for NDYP and ND25plus:

- 1) All leavers from the appropriate New Deal database are stored, including their unique identifier, their date of leaving the programme and their recorded destination.
- 2) The WPLS data is cleaned to remove employment records:
 - where the employment record starts on the same day as a benefit spell,
 - where the employer ID variable indicates that the employment record really is a spell on benefit,
 - where the matching between the inland revenue data and the benefits and programmes spells is insufficient to be confident that the spells are for the same person in both data sets, and
 - where the employment start date is recorded as April 6th.
- 3) All job, benefit and employment programme spells are recorded from the WPLS, and the type of spell, start and end dates of the spell and the unique identifier of the person are retained. Each type of spell is assigned an “outcome” value, where 1=Employment, 3=Inactive Benefits, 4=Other Known and 6=Return to JSA.
- 4) The WPLS spells are matched to the New Deal spell if the spell definitely took place at some stage in the 2 weeks after the New Deal leaving date. Jobs with an April 5th end date are only included if the start date is in the 2 weeks after leaving New Deal. Employment spells are only included if the job started after the New Deal start date.
- 5) Only the most recent spell within the 2 week period after leaving is retained for each type of outcome. If there is evidence of Employment (outcome=1) as well as benefits (outcome=3 or 6), then the destination is recorded as Employment/Benefits (outcome = 2) if the benefit spell continues

to the end of the 2 week period or beyond the end of the job spell. If the benefit spell finishes before the end of the job spell (and doesn't last at least 2 weeks after the end of New Deal) then the destination is recorded as Employment (outcome = 1).

6) The outcomes information obtained from the WPLS, as described above, is combined with the destinations from the New Deal database. If there is evidence from the WPLS of benefits and employment (outcome = 2), or if there is conflicting evidence from the WPLS and New Deal database as to whether the destination is employment or benefits, then the final destination is recorded as being to Employment/Benefits⁷. The remaining final destinations are then assigned in an hierarchical manner:

- i) if the destination or outcome is Employment then the final destination is Employment
- ii) otherwise, if the destination or outcome is Other Benefits then the final destination is Other Benefits
- iii) otherwise, if the destination or outcome is Other Known then the final destination is Other Known
- iv) otherwise, if the destination or outcome is Returned to JSA then the final destination is Returned to JSA
- v) otherwise, if the destination is Unknown and there is no evidence of a destination on the WPLS, the final destination is Unknown

NDLP

The following methodology was used to obtain the destinations information for NDLP:

- 1) All leavers from the NDLP database are stored, including their unique identifier, their date of leaving the programme and their recorded destination.
- 2) Employment spells are removed as in Step 2) for the NDYP/25plus destinations. Each type of spell is assigned an "outcome" value, where 1=Employment (where there is a job spell from the WPLS), 3= Benefits

⁷ It is insufficient to check that the WPLS shows no benefits claim at this time as the WPLS doesn't record all short benefits claims, i.e., where the start and end dates of a spell both fall between consecutive scans of benefit recipients.

(where there is a benefit spell on the WPLS) and 4=Off benefits (where there is a spell on an employment programme, but no spell on benefits).

3) The WPLS spells are matched to the NDLP spell if the spell took place at some stage in the 2 weeks after the NDLP leaving date. Jobs with an April 5th end date are only included if the start date is in the 2 weeks after leaving New Deal. To allow for the 2 week run-on of IS claims after obtaining a job, the IS spell is required to last an additional 2 weeks, in order to be matched to the end of the NDLP spell.

4) If there is evidence of Employment (outcome=1) as well as benefits (outcome=3) for a person in the 2 weeks after leaving NDLP, then the destination is re-recorded as Employment/Benefits (outcome = 2). Only the best destination, i.e., the one with the lowest value of "outcome", is retained for each spell.

5) The currently recorded destination, (i.e. the "dest" variable from the NDLP evaluation database, and the outcomes obtained in Step 4) are combined to create the final destinations. These are assigned in an hierarchical manner:

i) if the destination is to employment (dest = 1 or dest = 4) and the outcome is to benefits, or if the outcome is to Employment/Benefits then the final destination is recorded as being to Employment/Benefits,

ii) otherwise, if the destination or outcome is employment then the final destination is Employment,

iii) otherwise, if the outcome is to Benefits then the final destination is Benefits,

iv) otherwise, if the outcome is Off benefits or the destination is Unknown then the final destination is Unknown.

Appendix C: Methods for improving job information

- 1) All starters from the appropriate New Deal database are stored, including their unique identifier, their dates of starting and leaving the programme and the type of job obtained on the spell (sustained, unsustained or no job).
- 2) The WPLS employment data is stored, including the start and end dates of the spell and the unique identifier of the person. This data is cleaned to remove employment records:
 - a) where the employment record starts on the same day as a benefit spell,
 - b) where the employer ID variable indicates that the employment record really is a spell on benefit,
 - c) where the matching between the inland revenue data and the benefits and programmes spells is insufficient to be confident that the spells are for the same person in both data sets, and
 - d) where the employment start date is recorded as April 6th.
- 3) The WPLS employment spells are matched to the New Deal spell if the spell started while the person was on New Deal or in the 2 weeks after the New Deal leaving date. The sustainability of the job is determined as follows:
 - a) For NDYP/25plus, a job is sustained if there is no JSA claim during the 13 weeks after starting the job (to be consistent with the current sustainability criteria for these programmes).
 - b) For NDLP, a job is sustained if it lasts at least 13 weeks.
- 4) A person is recorded as having obtained a job on the spell if there is evidence of a job on either the New Deal database or on the WPLS. If the job is sustained from either source, it is recorded as being sustained, otherwise it is unsustained.