

Further Education and Benefit Claims - Emerging Findings from the Data Matching Project

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1 Introduction

- 1.1 The Education and Skills Act 2008 allowed the sharing of analytical data between the Department for Business, Innovation and Skills (BIS), the Department for Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC) to assess how effective training is in improving the employment and earnings outcomes of learners and helping them off benefits.
- 1.2 A joint DWP-BIS analytical project was set up to develop a matched database incorporating key datasets across the three departments. Data matching began in January 2009 with a Proof of Concept exercise and is planned to be carried out on an annual basis in due course. The matched data has the potential to provide important measures of the impact of skills training for the unemployed and a better understanding of what is delivered to whom.
- 1.3 The results presented here should not be used out of context or in place of established statistical series describing the overall volumes and characteristics of learners or claimants. The established headline publications for these volumes provide the authoritative sources of information on benefits and on learning.

For statistics on post-16 education and skills:

http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_current/

For statistics on benefit caseloads and flows data:

<http://statistics.dwp.gov.uk/asd/index.php?page=tabtool>

- 1.4 The developmental statistics presented are based on investigative work to provide an early insight into how the data may be used and what it can tell us. Further work is needed to develop and implement a robust methodology and to produce a range of appropriate and refined outputs. Details of the challenges faced in using the data are also presented. These include coverage issues, data quality and technical data issues such as unmatched learners and variable match rates.
- 1.5 If you require more information on the data or how it should be used contact:

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- 1.6 The data presented covers the period from 2005 to 2010 so it is important to bear in mind the context of changing provision and claimant volumes. Over this time there has been a recession, followed by a weak recovery, resulting in a higher volume of benefit claimants and changing skills provision in response. There have also been changes to benefits structure, including withdrawal of Incapacity Benefit and introduction of Employment Support Allowance (ESA), and the movement of lone parents with older children to

Jobseeker's Allowance (JSA)¹. The patterns observed are therefore greatly affected by the context within which they are set.

2 Data Matching and Coverage

2.1 Statisticians in the DWP's Information Directorate (now Information, Governance and Security Directorate) matched the following datasets:

- **Individualised Learner Record (ILR)** data containing information on Skills Funding Agency funded further education provision, from 2002/03 to 2009/10
- **Work and Pensions Longitudinal Study (WPLS)** dataset. The WPLS is a long established dataset which comprises DWP benefit data and earnings and employment data from HMRC:
 - **P45 employment data**, an administrative dataset collated by HMRC from income tax records from 1998/99
 - **P14 earnings data**, a further HMRC administrative dataset sourced from tax processing from 2003/04
 - **National Benefits Database (NBD)** covering benefit records from 1999
 - **DWP Master Index** benefit database from 1999.
 - **Labour Market System (LMS)** referrals administrative data

2.2 Robust methods are used to ensure both anonymity of records and a reliable matching process. A description of the process can be found in **Appendix B** of this document.

2.3 To date approximately 16 million people have been matched. Of the 16 million matched, 14 million have an HMRC employment record and 10 million have a benefit record.

Match Rates

2.4 The match rates have shown to be high and consistent over time. The percentage of learners who have been successfully matched to a benefit and/or an employment record is generally above 80% for Learner Responsive and University for Industry (UFI) learning, and over 90% for Employer Responsive and Programmes for the Unemployed. While the match rates are good, they may never reach 100% for the following reasons:

- Some learners will not have a benefit and/or employment record.
- Due to data quality issues and data mismatches, not all learners who have a benefit and/or employment record may be picked up by the data matching process.

¹ For further information on Employment and Support Allowance, please see <http://www.dwp.gov.uk/policy/welfare-reform/employment-and-support/>. For further information on lone parents, please see <http://www.dwp.gov.uk/policy/welfare-reform/lone-parents/>. Skills Funding Agency information on provision for the unemployed is available at <http://pfu.skillsfundingagency.bis.gov.uk/> and historical information on Programmes for the Unemployed is available at <http://webarchive.nationalarchives.gov.uk/20110207094234/http://pfu.skillsfundingagency.bis.gov.uk/>

This means that absolute figures presented here from matched data will undercount total volumes relative to the headline sources.

- 2.5 More details on the match rate and match quality can be found in **Appendix B**.

Coverage of the Analysis

- 2.6 The analysis in this document is focused on learning activity funded by the Skills Funding Agency in England that started during an out-of-work benefit spell, covering learning that started between 2005/06 and 2009/10. All analysis is presented on an academic year basis, which runs from 1 August to 31 July.
- 2.7 The analysis is restricted to learners who were aged 19 to 64 at the start of their training. These training starts may have been referred by Jobcentre Plus, or indeed individuals may have self-referred.
- 2.8 All figures presented are rounded to the nearest 100. Figures below 50 are suppressed.
- 2.9 Where figures are given as a proportion of overall learner numbers (for example the percentage of learners claiming benefits), there is an implicit assumption that the benefit and employment characteristics of the matched group are representative of all learners. In reality it's likely there will be at least some small differences.
- 2.10 Also presented in this paper is initial exploratory work on employment rates. This aspect of the data is still under investigation by both departments to develop methods for measuring employment from the dataset.
- 2.11 Although not presented in this document the data matching also covers HMRC earnings data and all ILR provision including Adult and Community Learning and European Social Fund funded learning.
- 2.12 A detailed description of the coverage and methodology used can be found in **Appendix A**.

Description of Measurement Units

- 2.13 This paper includes tables showing numbers at claimant, benefit spell, learner, learning aim and training spell levels.

Claimants: A claimant is defined as an individual who claims a DWP benefit. There is a single record per claimant in any one academic year, regardless of whether they had more than one benefit spell, or undertook multiple training spells.

Benefit Spells: A benefit spell is defined as a continuous period of time receiving the same benefit type. There can be multiple benefit spells per claimant, either of the same benefit type or different ones.

Training Spell: A training spell is defined as a single period of training an individual undertakes with one provider. Within this spell there may be one or more learning aims. An individual may undertake more than one training spell within each benefit spell.

Learners: When an individual starts a programme of learning with a Further Education (FE) provider they are allocated one or more learner records relating to the learning they undertake. BIS report activity in terms of numbers of learner records. An individual can have several learner records if they participate in learning at several providers and/or under several provision types, i.e. the number of learners recorded will not directly relate to the actual number of individuals. A learner will appear in each year they started a learning aim.

Learning Aims: An aim is the term used for a course a learner is studying and is presented in the year the learning started. Examples of aims include BTECs, NVQs and individual GCSEs and A Levels. Many learners will be studying for several aims at once, or consecutively, as part of a programme of study that defines the training spell.

- 2.14 Table 1, below, shows how the units differ across these definitions. The data is presented for those who have started training whilst on benefit by academic year.

Table 1: Illustration of how Measurement Units differ by Academic Year

Unit	2006/07	2007/08	2008/09	2009/10
Claimants	257,300	273,500	329,000	435,600
Benefit Spells/Claims	264,100	281,800	339,700	449,900
Training Spells	277,000	298,800	364,700	484,000
Learners	342,700	365,100	426,600	553,300
Learning Aims	787,500	879,900	971,400	916,100

1. Figures for 2005/06 for all measurement units are not currently available.
Source: ILR-WPLS Matched Data

- 2.15 The claimant level provides what would be described as a unique individual level or person level. Analysis has shown that in 5% of cases a claimant has

more than one learner record in the matched dataset. Analysis at learner level is therefore likely to slightly overstate the number of people involved in training. However it is the basis on which Skills Funding Agency provision is normally counted, so is used when looking at the type of provision and for analysis of FE providers.

- 2.16 Training spells have been constructed to provide a unit with which the outcomes can be related, defining start and end dates which reflect the full period of the training activity with a provider. The number of learners is up to 25% higher than the number of training spells. Use of the training spell concept also reduces some of the double counting by grouping the learning done across years into a single spell of training.
- 2.17 Table 1 also shows that very few claimants have more than one benefit spell in an academic year, with around 10,000 claimants on average having more than one benefit spell. There can be multiple training spells within a benefit spell, however generally this is not the case. The ratio of training spells to benefit spells being 1.1 to 1.
- 2.18 The number of courses, or learning aims, studied within a training spell is around 2.5 on average for the period shown, although the number peaked at 2.9 in 2007/08 and reduced to 1.9 in 2009/10. This will be a result of the changes in the nature of the training being delivered to this group over the period.

People Claiming Benefit who Undertook Training

- 2.19 Table 2 shows the number of claimants in England aged 19-64 who have started Skills Funding Agency funded training by academic year. This is the best estimate of the number of people claiming benefits who undertook training.

Table 2: Claimants on Skills Funding Agency Funded Courses by Academic Year (Claimants)

	2005/06	2006/07	2007/08	2008/09	2009/10
Claimants	378,800	257,300	273,500	329,000	435,600

Source: ILR-WPLS Matched Data

- 2.20 The number of claimants starting Skills Funding Agency funded courses fell substantially between 2005/06 and 2006/07 before increasing by 70% between 2006/07 and 2009/10. This increase was particularly pronounced between 2008/09 and 2009/10 when the number of claimants starting training grew by around a third to 436,000.
- 2.21 As discussed in paragraph 1.4 this change cannot be viewed in isolation as it is affected by both the number of people on benefit as a whole and the number of people in learning. The following two sections put the change in context.

3 Benefit Context

3.1 Table 3, below, puts the learning done whilst on a benefit spell in context by comparing to the overall number of open benefit claims within that year.

3.2 Further information about each of the different benefits can be found on the Direct Gov website: <http://www.direct.gov.uk/en/index.htm>.

Table 3: Benefit Spells by Benefit Type, Training Status and Academic Year (Benefit Spells)

Benefit Type		2006/07	2007/08	2008/09	2009/10
Jobseeker's Allowance	Spells with Training	109,300	119,500	181,900	306,100
	All Benefit Spells	2,507,800	2,542,600	3,680,200	4,045,000
	% with training	4%	5%	5%	8%
Employment Support Allowance	Spells with Training	-	-	6,300	26,200
	All Benefit Spells	-	-	377,200	803,200
	% with training	-	-	2%	3%
Incapacity Benefit	Spells with Training	57,400	58,600	52,800	32,700
	All Benefit Spells	2,413,900	2,407,100	2,069,300	1,693,000
	% with training	2%	2%	3%	2%
Income Support	Spells with Training	88,000	94,900	91,100	78,800
	All Benefit Spells	2,224,600	2,226,500	2,095,000	1,904,100
	% with training	4%	4%	4%	4%
Severe Disablement Allowance	Spells with Training	7,200	6,600	5,300	3,900
	All Benefit Spells	212,700	200,600	189,400	179,100
	% with training	3%	3%	3%	2%
Pension Credit	Spells with Training	2,200	2,200	2,300	2,000
	All Benefit Spells	195,100	197,800	212,500	218,100
	% with training	1%	1%	1%	1%
Total	Spells with Training	264,100	281,800	339,700	449,900
	All Benefit Spells	7,554,100	7,574,700	8,623,600	8,842,400
	% with training	4%	4%	4%	5%

1. Benefit spells with training are based on matched data only. Match rates vary by training provision but are generally over 80%. All benefit spells are figures for total volumes. Numbers and proportions of benefit spells with training are therefore likely to be underestimated.

2. There may be multiple training spells within each benefit spell.

3. Benefit totals are spells and therefore not comparable with the claimant count or other published snapshot benefit data.

4. Figures for 2005/06 at benefit spell level are not currently available.

Source: ILR-WPLS Matched Data

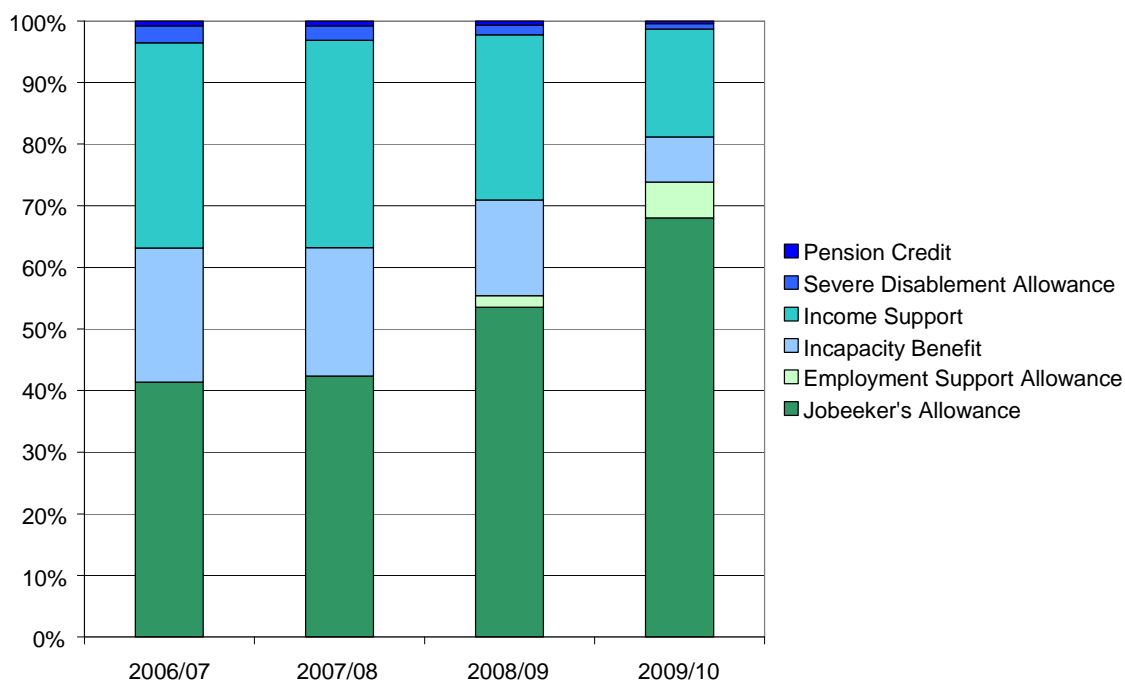
3.3 Similar to the claimant figures, from 2006/07 the number of benefit spells that had training increased by around 70% to just under 450,000 by 2009/10. The most dramatic annual increase was between 2008/09 and 2009/10 when the number increased by almost one third.

3.4 Overall the proportion of benefit spells with training in 2009/10 was only slightly higher than in 2006/07, increasing from 4% to 5%. This is the case despite a large increase in the total number of benefits spells over this period.

3.5 There are participants undertaking training from across the range of out-of-work benefits, both active and inactive. As would be expected, the active benefit, JSA, had the greatest number of benefit spells with training. The movement from Incapacity Benefit to the new ESA from 2008 can also be seen in the figures.

3.6 Chart 1, below, shows the type of benefit that claimants were receiving whilst in training, by academic year.

Chart 1: Benefit type for benefit spells with training (Benefit Spells)

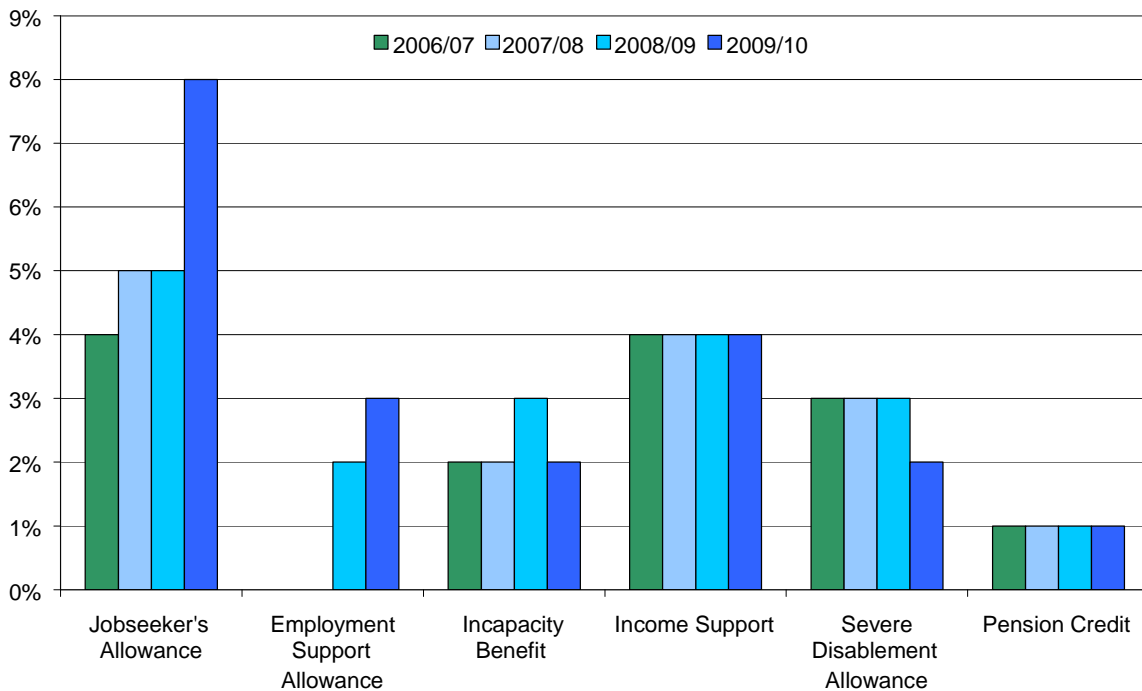


Source: ILR-WPLS matched data

3.7 An increasing proportion of all benefit spells that have a training spell are JSA, underlining the policy emphasis on active benefits and training. Indeed JSA accounts for over two thirds (68%) of the six benefit types under consideration. The volume of JSA spells increased by a lower proportion than the volume of those with training, which more than doubled over the period.

3.8 Chart 2, below, shows the proportion with training for the different out-of-work benefit spell types by year.

Chart 2: Percentage of benefit spells with training, by benefit type (Benefit Spells)



Source: ILR-WPLS matched data

- 3.9 In contrast to the declining proportion of SDA spells associated with training, the proportion of JSA spells with training increased, in particular between 2008/09 and 2009/10 from 5% up to 8% of spells. This is likely to be predominantly due to the Programmes for the Unemployed being specifically targeted at this group.
- 3.10 The proportion of Income Support and Incapacity Benefit spells with training stayed fairly flat at around 4% and 2% respectively since 2006/07.

4 Learning Context

- 4.1 This section puts the learning done by claimants in context of the overall number in Skills Funding Agency funded learning within the matched dataset, rather than just those which are also in receipt of a DWP benefit.
- 4.2 The data in this section is presented at the learner level. Equivalent information provided at benefit spell level, giving consistency with Section 3, can be found in **Appendix C**.
- 4.3 The analysis is presented by provision type to show what type of learning is being done by claimants and the funding source. For example Learner Responsive is generally academic and classroom based while University for Industry learning is done online. Employer Responsive relates to those in employment, while Programmes for the Unemployed is aimed specifically at the unemployed.
- 4.4 Table 4, below, presents the number of learners starting learning whilst on benefit alongside all matched learners by type of provision and year.

Table 4: Learner Starts by Provision Type, Benefit Status and Academic Year (Learners)

Type of Provision		2005/06	2006/07	2007/08	2008/09	2009/10
Learner Responsive	Starters on Benefit	345,800	277,600	261,300	274,200	295,700
	All Starters	1,779,900	1,266,500	1,204,200	1,076,800	1,002,400
	% on Benefit	19%	22%	22%	25%	29%
University for Industry	Starters on Benefit	72,200	53,400	69,200	69,800	59,100
	All Starters	192,600	119,800	147,500	133,800	117,400
	% on Benefit	38%	45%	47%	52%	50%
Programmes for the Unemployed (and other related Employer Responsive training) ¹	Starters on Benefit	-	6,000	22,000	40,100	171,400
	All Starters	-	9,100	27,400	51,000	200,600
	% on Benefit	-	65%	80%	79%	85%
Employer Responsive (excluding PFU and related training)	Starters on Benefit	1,600	5,700	12,500	42,500	27,100
	All Starters	71,600	226,900	394,700	809,500	653,200
	% on Benefit	2%	3%	3%	5%	4%
Total	Starters on Benefit	419,600	342,700	365,100	426,600	553,300
	All Starters	2,044,100	1,622,200	1,773,800	2,071,100	1,973,600
	% on Benefit	21%	21%	21%	21%	28%

1. Training types included here under the Programmes for the Unemployed category are listed in **Appendix A**.

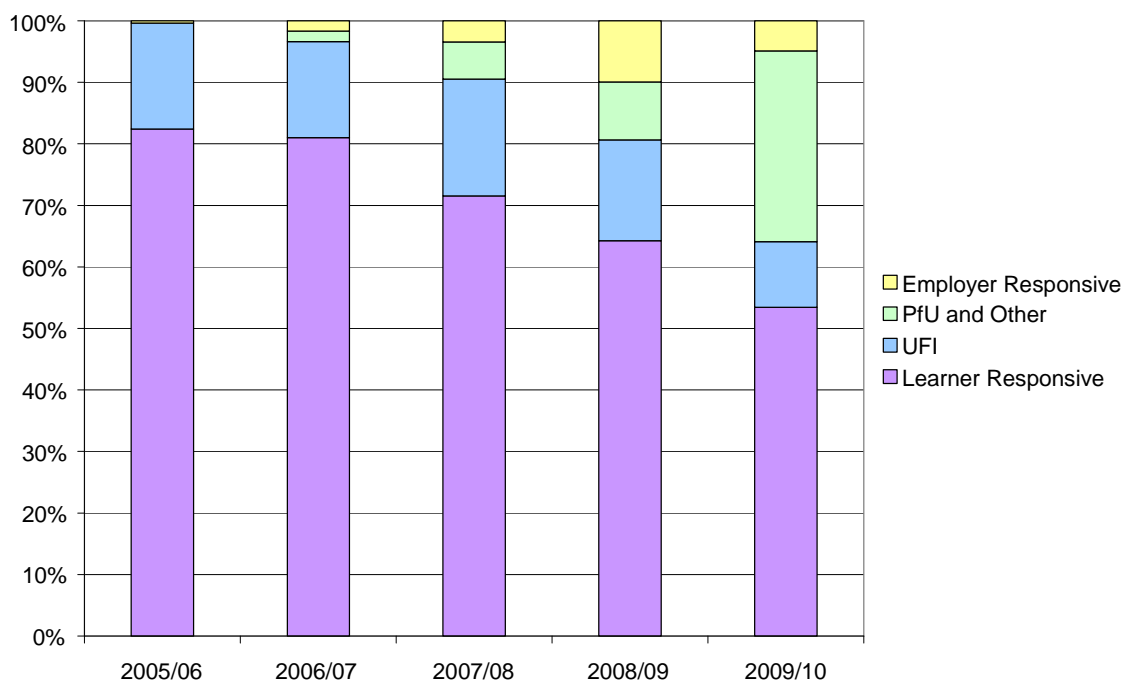
2. An individual may be counted as learning under more than one provision type and in more than one year. See Section 2 for further details.

3. The total numbers of starters in this table are derived from the matched dataset. They will not match those published in BIS' Statistical First Release on Post 16 Education and Skills as not all learners will have been matched to a benefit and/or employment record - see paragraph 2.4 for more information.

Source: ILR-WPLS Matched Data

- 4.5 The table shows that the reduction in the number of learners on benefit between 2005/06 and 2006/07 was largely due to a reduction in the number of learners overall. This reduction was due to funding being targeted at longer, higher level courses and away from shorter, lower level courses.
- 4.6 The introduction of Programmes for the Unemployed in 2007/08 and subsequent increase in volume of learners increased both the number of starters on benefit and proportion of all starts that were by benefit claimants in 2009/10 when the proportion was 28%, up from 21% in 2008/09.
- 4.7 The proportion of learners who were on benefit when they started training increased across all provision types in the latest three years; however the extent of this was partly dependent on the type of funding. For example, Employer Responsive training is clearly aimed at those in employment and so a measure of those on benefit at the start of this type of training will underestimate the extent of their interaction with the benefit system. Despite increases in the proportion of learners on benefit in this group the volume of learners is relatively small in comparison with provision aimed at the unemployed.
- 4.8 In terms of where the funding comes from for learners on benefit, this is more clearly demonstrated by Chart 3, below.

Chart 3: Provision type for learners starting learning whilst on benefit (Learners)

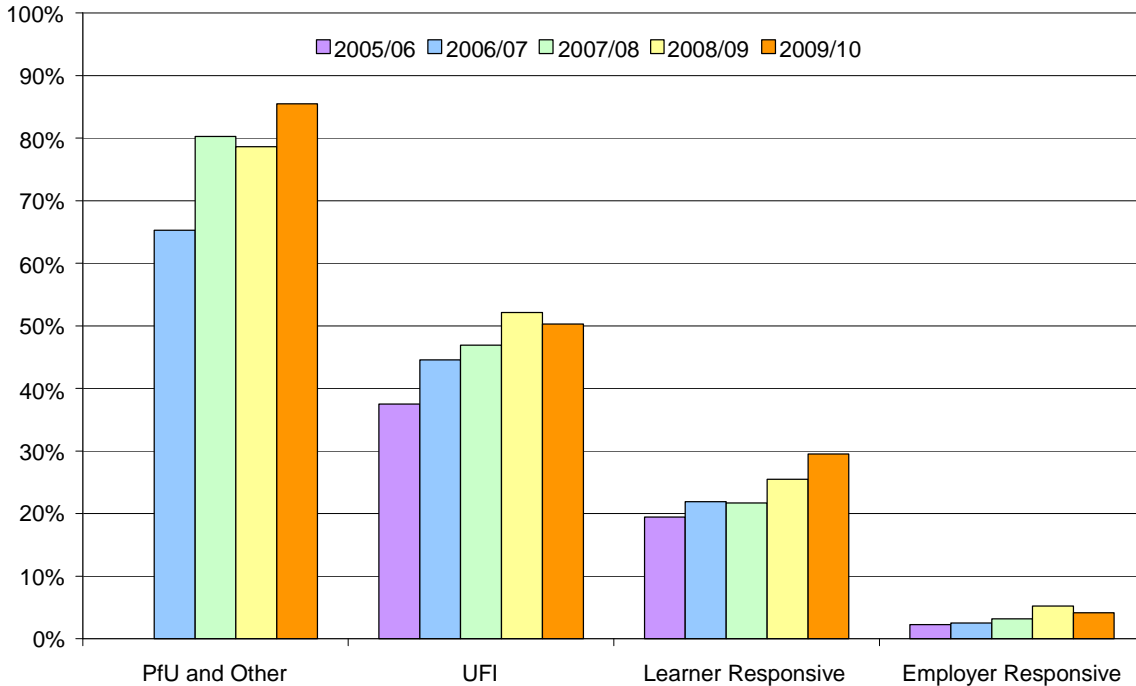


Source: ILR-WPLS matched data

4.9 Although by far the largest proportion of funded claimants drew on Learner Responsive funding, there were a significant number of claimants on University for Industry (UFI) courses in all years. The proportion funded through Programmes for the Unemployed, which were specifically targeted at those on benefit, grew rapidly between 2008/09 and 2009/10 with almost 30% of the learning done by claimants funded in this way. This has coincided with a reduction in the proportion funded through Learner Responsive from 81% of starters in 2006/07 to 53% in 2009/10.

4.10 Chart 4, below, looks at the percentage of learners who were on benefit by academic year.

Chart 4: Percentage of learners on benefit by provision type and year (Learners)



Source: ILR-WPLS matched data

- 4.11 The programmes designed for claimants clearly had a very high proportion of learners on benefit and UFI also has significant interaction with more than half of learners starting courses whilst on benefit in 2008/09 and 2009/10.
- 4.12 While we might expect all those studying through PfU and related courses to be on benefit while learning this was not be the case for certain groups such as those at risk of redundancy who remained in work. Some learners will be on Training Allowances rather than benefits – i.e. upon starting full time learning the claimant ends their benefit claim and moves on to a Training Allowance². Training Allowance data is not included in the NBD. While some attempt has been made to negate the impact of this, the figures are likely to underestimate the proportion of learners on benefit.
- 4.13 It is clear that whilst the majority of learners on benefit started Learner Responsive provision, they made up a much smaller, although increasing, proportion of the total learner starts on further education courses.

² Where it is felt that full-time Jobcentre Plus approved training is critical to getting a job and where there is no part-time solution that would satisfy the JSA labour market conditions, a jobseeker can be moved from Jobseeker's Allowance onto a training allowance of an equal amount. This is a maintenance allowance payable out of public funds. From Autumn 2010 claimants who have been in receipt of JSA for six months or more and are referred to training of up to and including 30 hours per week can remain on JSA rather than transferring to a training allowance as long as the training does not exceed a maximum duration of eight weeks. Individuals can self-refer to training and continue to receive JSA providing the training does not exceed 16 hours per week. Jobseekers participating in the training element of sector-based work academies remain in receipt of JSA and are not moved onto a training allowance.

5 Referrals to Skills Funding Agency Funded Training

- 5.1 Where a Jobcentre Plus adviser assesses a claimant as having a training need to help them move into employment, the adviser can refer the individual to training. This is not the only route to training - an individual can take up training without being referred by an adviser.
- 5.2 As claimants are referred to broad types of training rather than specific single learning aims, this section is based on training spells to indicate a period of learning.
- 5.3 Table 5, below, shows the number of training spells that are referred each year, relative to those undertaken without referral. Under the definition adopted in the analysis at present, if a claimant is referred to a type of training and then starts on that training within 13 weeks, the spell is counted as referred. It is assumed that a longer gap between a referral and a start implies the start is not a direct result of that referral.

Table 5: Number of Training Spells by Referral Status and Academic Year (Training Spells)

Academic Year	Not Referred Spells	Referred Spells	All Spells	Percentage Referred
2006/07	271,000	6,000	277,000	2%
2007/08	284,500	14,300	298,800	5%
2008/09	338,000	26,700	364,700	7%
2009/10	379,500	104,400	484,000	22%

1. Figures for 2005/06 at training spell level are not currently available.

Source: ILR-WPLS Matched Data and LMS Referrals Data

- 5.4 A growing proportion of training spells undertaken by this group were following a referral. The annual referral rate has increased to over one in five in 2009/10. This is a huge increase from only 7% in 2008/09 however it will have been boosted by the introduction of Programmes for the Unemployed, which were focussed on JSA claimants referred to training by advisers.

6 Learner Responsive

- 6.1 This section provides details about the level of learning and funding for learners who started Learner Responsive training in 2009/10. Broadly speaking Learner Responsive is college based learning, which made up 60% of learning aims or 62% of training spells in Further Education in 2009/10. The focus on this provision is due to this volume and the substantial nature of the courses.

Level of Learning

- 6.2 Table 6, below, shows a breakdown of learning aims by qualification level and benefit type for Learner Responsive training delivered to benefit claimants. This shows the level of all training being undertaken, regardless of what else is being studied within the same training spell.

- 6.3 An aim can either contribute to the specified level or are classified as full at that level. As such Full Level 2 comprises for example 5 grade A*-C GCSEs, an NVQ2 or equivalent qualification, whereas if this is not full it could be a single GCSE at that level. Likewise Full Level 3 are given as those which are 2 A levels, a NVQ3 or equivalent, whereas level 3 may be only one A level.

Table 6: Level of Learning by Benefit Type – Learner Responsive 2009/10 Academic Year (Aims)

Level	Jobseeker's Allowance	Employment Support Allowance	Income Support	Incapacity Benefit	Severe Disablement Allowance	Pension Credit	All Benefit Types
Level 1 and Entry - SFL	30,900	7,300	36,000	21,100	5,200	600	101,000
Level 1 and Entry - ESOL	16,000	2,700	18,000	3,700	100	200	40,600
Level 1 and Entry - Other	48,500	11,600	41,000	32,100	9,900	1,600	144,800
Level 2	33,400	6,000	31,100	12,800	700	500	84,500
Full Level 2	23,300	2,500	20,300	5,100	100	100	51,600
Level 3	9,900	1,200	6,700	2,700	100	100	20,800
Full Level 3	12,900	1,500	13,500	3,200	100	100	31,300
Level 4 +	1,300	100	700	300	-	-	2,500
Unassigned	20,900	4,700	21,800	15,200	5,800	700	69,100
All Levels	197,300	37,800	189,000	96,100	22,000	3,800	546,000

1. Unassigned courses are largely mandatory aims taken to compliment academic studies, for example tutorial sessions.

2. This table is provided split by age group in **Appendix D**.

Source: ILR-WPLS Matched Data

- 6.4 Benefit claimants were most likely to be doing courses at level 1 and entry, with 52% studying at this level compared to 46% for all learners. This does vary by benefit type ranging from 48% of JSA learners studying courses below level 2 to 69% for SDA.
- 6.5 Those on benefit were much more likely to be studying Skills for Life learning aims than learners in general at 18% compared to 13% overall. Although less likely to be studying courses at non-full level 2, those on benefit were marginally more likely to be studying Full Level 2 courses at 9% compared to 8% for all learners. JSA and Income Support in particular showed a high percentage of Full Level 2 learning aims started at 12% and 11% respectively. These groups also showed a comparable proportion of learning aims at Full Level 3 with 7% of aims started by JSA and Income Support at that level, the same percentage as for all learners.
- 6.6 Table 6a, below, shows the highest level being studied during the training spell.

Table 6a: Highest Level of Learning by Benefit Type – Learner Responsive 2009/10 Academic Year (Training Spells)

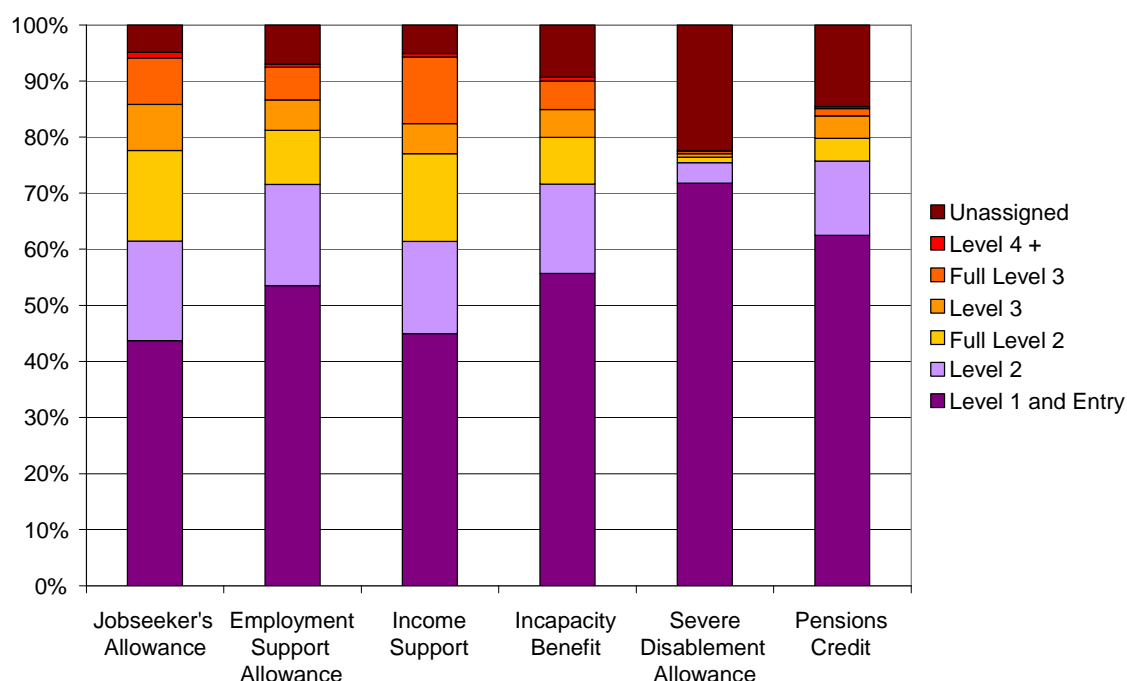
Level	Jobseeker's Allowance	Employment Support Allowance	Income Support	Incapacity Benefit	Severe Disablement Allowance	Pension Credit	All Benefit Types
Level 1 and Entry	53,200	10,900	44,300	26,900	8,900	1,500	145,700
Level 2	21,600	3,700	16,200	7,700	500	300	50,000
Full Level 2	19,600	2,000	15,400	4,000	100	100	41,200
Level 3	10,000	1,100	5,300	2,400	100	100	19,000
Full Level 3	10,100	1,200	11,700	2,500	100	-	25,500
Level 4 +	1,300	100	600	300	-	-	2,400
Unassigned	5,900	1,400	5,000	4,500	2,800	300	20,000
All Levels	121,700	20,400	98,500	48,300	12,400	2,400	303,700

1. Unassigned courses are largely mandatory aims taken to compliment academic studies, for example tutorial sessions.
Source: ILR-WPLS Matched Data

6.7 The table shows that, once we take account of multiple aims in training spells, the predominant highest aim being taken within training spells was at level 1 and entry. JSA claimants, who are closest to being job ready, had a lower proportion studying level 1 and entry as their highest aim (44%), however for inactive benefits this proportion is higher. 78% of SDA claimants had their highest aim this level.

6.8 Chart 5, below, presents this information showing the proportion of training spells at each level by benefit type.

Chart 5: Highest qualification level studied by benefit type - 2009/10 academic year (Training Spells)



Source: ILR-WPLS matched data

6.9 Approximately one sixth of JSA spells were associated with non-full level 2 learning and a further sixth Full Level 2. This proportion was double that who had undertaken non-full level 3 learning (8%) and a further 8% with Full Level 3. Although learning undertaken whilst on benefit is much more likely

to be at a lower level, not all benefits followed this pattern. The learning undertaken whilst in receipt of Income Support shows that over one in ten studied at Full Level 3. However the diverse nature of Income Support claimants means caution should be exercised when drawing conclusions from this.

Fee Remission

6.10 The ILR can be used to identify learners who have interacted with the benefits system and look at the extent of fees remission. This indicates whether the learning aim was paid for and if it were not, the reason why it was not.

6.11 Learners may have been eligible for fee remission for a variety of reasons such as being in receipt of out-of-work benefits, studying basic skills courses and first Full Level 2 and Full Level 3 courses. In addition some courses do not charge a fee and providers have some discretion over who and what to charge.

6.12 Table 7, below, shows the main reason recorded for why fees were waived, by benefit type. There may be several reasons for the fee remission but only one is recorded, therefore we wouldn't expect all fees to be waived due to being on out-of-work benefits even where the learner is receiving them.

Table 7: Fee Remission Reason by Benefit Type - 2009/10 Academic Year (Aims)

Benefit Type	Fees Waived				Level 2/3 Entitlement	No Fee	Fee Paid	All Aims
	Benefit	Skills for Life	Local Policy	Other				
Jobseeker's Allowance	105,300	32,900	21,200	9,900	7,900	8,700	11,400	197,300
Employment Support Allowance	13,500	6,700	4,100	2,400	1,100	7,500	2,400	37,800
Income Support	101,500	39,800	19,100	7,400	6,200	9,400	5,700	189,000
Incapacity Benefit	30,800	20,700	15,700	4,100	2,000	13,700	9,100	96,100
Severe Disablement Allowance	9,900	5,100	4,000	700	-	1,300	1,000	22,000
Pension Credit	2,100	600	500	100	-	300	300	3,800
All Benefit Types	263,200	105,800	64,600	24,600	17,200	40,900	29,800	546,000

Source: ILR-WPLS Matched Data

6.13 The largest proportion of the main reasons for fees being waived was due to the learner being on benefit. This varies considerably by benefit type with over half of aims started by JSA and Income Support learners waived for this reason compared to nearer 30% for ESA and Incapacity Benefit.

6.14 The second largest reason was that the aims were Skills for Life. This accounted for around a fifth of all courses started by benefit claimants with little variation by benefit type. Skills for Life courses are set to address basic skills needs and therefore are provided free of charge.

6.15 A large proportion of courses also have no fee. This was particularly the case for ESA where 20% of courses have no fee and for Incapacity Benefit where 14% of the courses started have no fee. Courses with no fee tend to be supplementary to the main learning aim a learner is doing, which would have a fee. Examples of these supplementary aims are tutorials and small units that make up a wider programme of learning.

6.16 Table 7a then summarises this information in terms of whether learners paid any fees during their training spell. When aims are aggregated into spells some parts of the spell may have involved fees and others subject to full fee remission.

Table 7a: Fees Paid by Benefit Type - 2009/10 Academic Year (Training Spells)

Benefit Type	All Fees Paid	Some Fees Paid	No Fee Paid	All Spells
Jobseeker's Allowance	6,100	2,200	113,400	121,700
Employment Support Allowance	1,200	400	18,800	20,400
Income Support	2,200	1,300	94,900	98,500
Incapacity Benefit	3,700	1,800	42,800	48,300
Severe Disablement Allowance	400	200	11,800	12,400
Pension Credit	100	100	2,200	2,400
All Benefit Types	13,700	6,100	284,000	303,700

Source: ILR-WPLS Matched Data

6.17 The large majority of benefit recipients undertake further education training without fees needing to be paid. Only 5% of training spells by JSA claimants required payment of all fees, rising marginally to just under 7% when payment of some fee was required. Only Incapacity Benefit is associated with higher proportions where a fee is paid, over one in ten. However, the learning undertaken by those in receipt of Incapacity Benefit is wider ranging and more likely to include courses not eligible for fee remission.

7 Apprenticeships

7.1 As discussed in the learning context section, looking at benefit status on the first day of learning does not provide the most useful measure of the number of learners who have interacted with the benefit system for employer based learning. This section demonstrates an alternative approach, looking at apprentices who were claiming benefit at some point in the six months prior to learning.

7.2 Table 8, below, shows the number of apprentices aged 19 to 64 who claimed benefit in the six months prior to learning by benefit type and age group. Figures are provided at Framework level which covers the full spell of learning and is therefore similar to the training spell definition used in earlier sections.

Table 8: Apprentices who Claimed Benefits in the 6 months before Training by Benefit Type – 2009/10 Academic Year (Frameworks)

Benefit Type	19 to 24	25 to 64	19 to 64
Incapacity Benefit	200	300	500
Income Support	1,500	600	2,100
Jobseeker's Allowance	16,900	2,700	19,600
Other	600	200	900
All Benefits	19,200	3,800	23,000
All Apprentices	110,600	46,700	157,300
% Benefit	17%	8%	15%

Source: ILR-WPLS Matched Data

7.3 Around one sixth of apprentices aged 19-24 claimed benefit in the six months before starting training. This was more than double the proportion of over 25s, of whom 8% were benefit claimants. The vast majority of these individuals were receiving JSA.

7.4 Table 9 then shows this information split by learning level.

Table 9: Apprentices aged 19 to 64 who Claimed Benefits in the 6 months before Training by Learning Level – 2009/10 Academic Year (Frameworks)

	Level 2	Level 3 and Higher	All Levels
Benefits	18,200	4,900	23,000
All Apprentices	97,700	59,600	157,300
% Benefit	19%	8%	15%

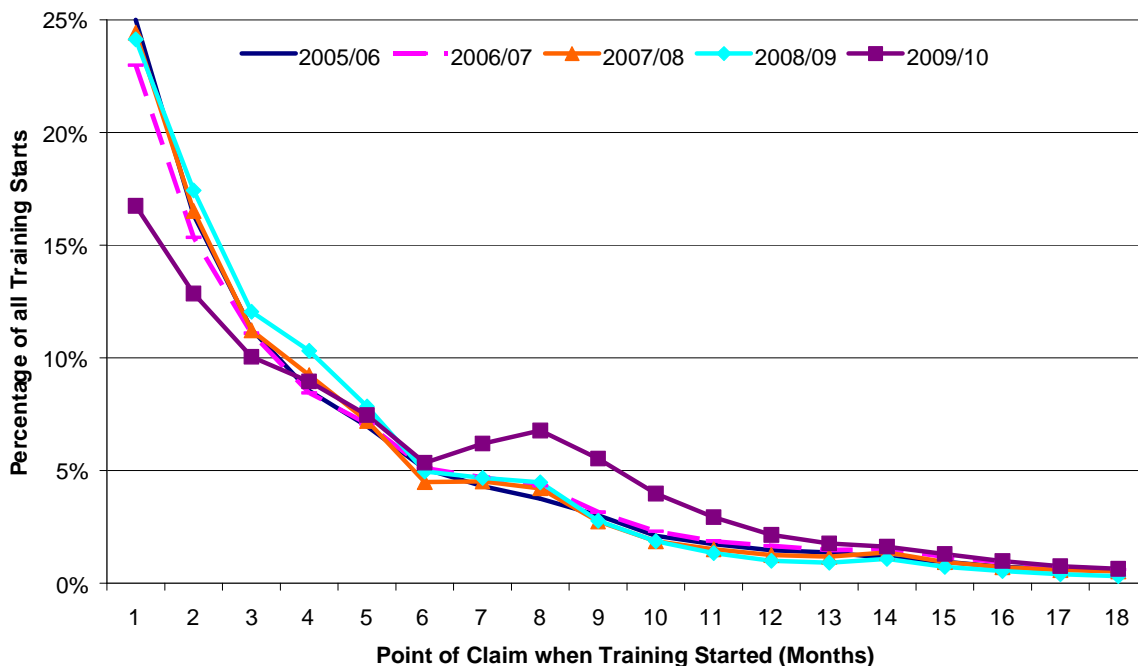
Source: ILR-WPLS Matched Data

7.5 Those in training at level 2 were much more likely to have been on benefit in the 6 months before training than those studying at higher levels, almost one fifth compared to less than one in ten. This seems intuitive given that those who are out of work tend to have a lower skill base.

8 Point of Benefit Claim when Learning Starts

8.1 The point of the benefit claim that individuals start training is strongly determined by the policy of the benefit received. Chart 6, below, shows these starts for the active benefits of JSA and the ESA work related activity sub-group (WRAG) by academic year. These are the benefits where work related training is generally focussed and which are now subject to the skills conditionality policy.

Chart 6: Point of benefit claim when training started – JSA / ESA WRAG (Benefit Spells)



Source: ILR-WPLS Matched Data

- 8.2 Around half of training starts occurred within 3 months of the benefit claim start in 2005/06 to 2008/09. In the 2009/10 academic year the figure was around 40% with a more pronounced increase in the proportion of starts from the six month point of claim, corresponding to the Six Month Offer Programme for the Unemployed. In previous years the effect of reaching the six month trigger point for additional support is seen (due to doing training through New Deals), but it is not as pronounced.
- 8.3 Training starts in Chart 6 are for all training types, which are predominantly Learner Responsive, but the change in pattern is driven by the increase in Programmes for the Unemployed in 2009/10 (seen in table 4).
- 8.4 Further investigative analysis of destinations of Programmes for the Unemployed participants is found in **Appendix E**.

9 Investigation of Employment Status Using the Matched Data

- 9.1 The matched dataset enables employment rates to be calculated for learners at different times relative to the training event. This is subject to a number of challenges in the quality of the data and development of the methodology applied. A full description of the completeness of coverage and accuracy of employment dates can be found in **Appendix F** along with some indicative analysis of all matched Learner Responsive learners using partially cleaned data, which illustrates potential uses of the data.
- 9.2 Although there is a moderate amount of uncertainty in the underlying data, initial analysis of the raw data suggests there is much potential. General patterns in employment status by provision type are exhibited in the way we would expect given the policies in force. Known employment patterns by qualification level shown in Labour Force Survey data are also replicated in this data. However further investigation is required to establish methodologies to produce accurate employment rates.
- 9.3 The key challenge in producing accurate estimates is the uncertainty of a proportion of the employment start and end dates, which can cause overlaps between benefit and employment records. The key issue for this subset of records is therefore that, while they are accurately indicating a spell of employment, some aspect of the timing of the spell is not clear and may therefore give contradictory information when looking at precise dates or durations. While under certain circumstances this is a valid outcome, the scale of overlap is not insignificant and further work is needed to ensure that we can be sufficiently confident in estimates of the employment status at any given point in time.
- 9.4 There is scope to carry out extensive cleaning of the data in order to realise this potential, taking into account characteristics of the different sources involved and using the more certain information, such as benefit spell dates, to make assumptions about the less certain information, such as employment spell dates. DWP and BIS analysts are currently examining

these options and expect to be able to establish robust measures during the coming year.

10 Future Plans

- 10.1 BIS and DWP are continuing to work together to refine the methodology for producing the various estimates and analyses that can be supported by the matched data. A key next step is to determine the best method for deriving employment rates at various intervals following learning – **Appendix D** sets out some of the data issues under consideration as part of this work.
- 10.2 Alongside this, work is being done to explore the value of the data not included in this document such as the HMRC earnings data and data on European Social Fund and Adult and Community Learning.
- 10.3 Further external statistical research is also under way to deliver refined analyses relating to this area. This includes impact analysis of the Employability Skills Programme and further development of the methodologies that have been proposed by previous BIS research into long term outcomes of Skills Funding Agency funded training:

<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/r/11-1037-reporting-on-employment-earnings-experimental-matched-data>

<http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/l/11-1035-long-term-effect-of-vocational-qualifications.pdf>

Appendix A – Analysis Methodology

Age: 19 to 64 at the start of training.

Geography: The matched data covers England only as the ILR relates to English institutions only.

Benefits: Out-of-work benefits are defined as:

- Jobseeker's Allowance
- Employment and Support Allowance
- Income Support
- Incapacity Benefit
- Severe Disablement Allowance
- Pension Credit – men aged 60-64

Further information about each of the different benefits can be found on the Direct Gov website: <http://www.direct.gov.uk/en/index.htm>.

Training Provision and Programmes:

- Learner Responsive (Classroom Based and Academic)
- University for Industry (UFI) (Online Learning)
- Employer Responsive (Apprenticeships and Workplace Learning)
- Programmes for the Unemployed and Other Employer Responsive
 - Six Month Offer
 - Response to Redundancy
 - Employability Skills Programme
 - Young Person's Guarantee – Work Focussed Training
 - Young Person's Guarantee – Routes into Work
 - Skills for Jobs
 - Local Employment Partnerships
 - Other Pilots and Projects

This is training included in BIS's [Statistical First Release](#) on Post 16 Education and Skills, plus a small amount of training that is provided explicitly for JCP claimants through the European Social Fund.

Further information on these programmes can be found on the Skills Funding Agency website at:

<http://webarchive.nationalarchives.gov.uk/20110207094234/http://pfu.skillsfundingagency.bis.gov.uk/programmes/>.

Learning Period: Courses that started in the period from 1 August 2005 to 31 July 2010 inclusive.

Benefit Status: Records where the learning start date is during the benefit spell or a day after the benefit spell ends. The additional day is used to ensure full-time training (16 hours plus a week) is included where a claimant moves off benefit and onto a Training Allowance. Training Allowance data is included where analysis is at benefit spell or training spell level but not at learner or aims level.

Appendix B - Matching Process, Data Coverage and Quality

Matching Process

The match is carried out by DWP's Information Directorate working in partnership with BIS, DWP Partnerships Division and the FE Data Service to ensure data is transferred efficiently and securely and appropriate quality assurance is carried out prior to the data being used.

The match relies on a mixture of National Insurance Number (NINO) and fuzzy matching using person details as described below.

The ILR has been matched to the DWP Master Index and HMRC P45 using NINO and five personal details fields: Initial of Forename, Soundex³ of Surname, Date of birth, Postcode Sector and Gender.

For a match to be counted one of the following criteria must have been met:

- NINO matches and at least 3 of personal details match; or
- NINO does not match but FIRST TWO letters of forename, soundex of surname, date of birth all match, plus one of either gender or postcode; or
- NINO does not match but date of birth, gender and FULL postcode (i.e. not postcode sector) all match.

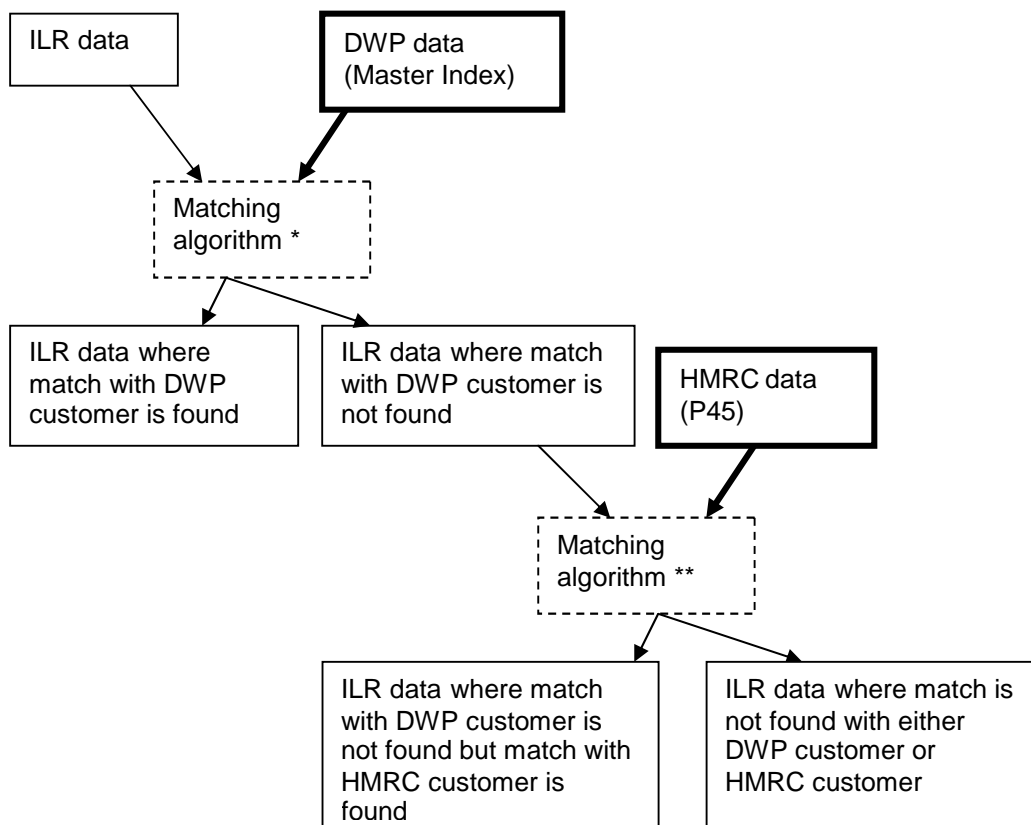
The records are then coded to indicate the strength of the match using a traffic light system. The strongest match is where there is a direct match on the National Insurance Number and three or more personal detail fields, with the weakest accepted match where date of birth, gender and full postcode match.

The matching algorithm is based on established processes and was developed through an iterative process and was tested for accuracy.

Currently there is no attempt to rematch learners who have failed to match in the past, although the latest employment and benefit data for those learners who previously matched is transferred each quarter.

The flow diagram below illustrates the steps taken in the overall matching process:

³ SAS function which turns a surname into a code representing what it sounds like, which allows some flexibility for different spellings e.g. Wilson=Willson



DWP analysts are given access to DWP customer data, HMRC data for DWP customers, and ILR data for DWP customers for cases where a match is found at *.

BIS analysts are to be given access to DWP customer data for cases where a match is found at * and HMRC data for cases where a match is found at either * or **.

All records accessed for analysis are anonymised so that individuals cannot be identified. The personally identifying records used in the actual matching process are accessed under strict security controls.

Match Rates

The table below shows the percentage of learners who have been successfully matched to either a DWP or HMRC record by ILR provision type and academic year.

Table 10: ILR match rate by provision type and year (Learners)

Provision Type	2005/06	2006/07	2007/08	2008/09	2009/10
Learner Responsive	80%	79%	83%	82%	84%
University for Industry	79%	80%	84%	83%	86%
Employer Responsive	93%	91%	93%	95%	95%

Source: ILR-WPLS Matched Data

There is a good match rate across all provision, generally over 80% for University for Industry and Learner Responsive and over 90% for Employer Responsive.

The higher match rates for Employer Responsive provision are likely to be due to mandatory collection of National Insurance Number which provides the most direct

and powerful means to achieve a match. It is also helped by the fact that a majority of learners will be in employment if studying in this provision type and as such are likely to match to the HMRC data.

For Learner Responsive provision National Insurance Number is only collected for around a fifth of learners and also a significant proportion of learners are studying full-time and so less likely to be in employment or on benefit at the time of studying, which prevent the match rate being higher.

Potential issues with the Match

The match rate is fairly stable across a range of demographics. There are though certain groups for which the rates are marginally poorer than overall.

Match rates are poorer for the 'White Other' ethnic group. A large proportion of this category are non-UK nationals and as such less likely to interact with the employment and benefits system. There is also a lower match rate for the Chinese ethnic group. We believe this is partly due to the difficulties of matching Chinese names.

The youngest learners also have a slightly poorer match rate. It's probable that this is due to them being less likely to have been in employment or on benefit. If they have been in employment they are more likely to be low earners and so less likely to be in the PAYE tax data.

Offender learning is recorded in the ILR. Often no personal details are collected or the learner postcode is set to the prison or parole office for offenders learners. This means very few offenders will match and the quality of the match is much lower than average when a match is found.

Data Coverage and Quality

Once the match is established, the next step is to merge the different data files on the basis of the person level record linkage defined by the matching. The coverage of the different datasets is set out below.

Benefit Data

Benefit data is taken from the underlying payments systems and supplemented by the information entered by advisers. This data therefore captures basic information accurately, but non-compulsory fields in either the labour market system or the payment system may be incomplete. Due to the size and technical complexity, these systems are not accessed directly, but at regular intervals scans are taken that build up a longitudinal picture from repeated snapshots of the data.

Start dates are entered on to the system and are accurate dates of benefit payment, thus provide certain timing and duration of benefit claim. However, while JSA dates have very few discrepancies, due to the way the data is scanned the end dates recorded for other benefits may diverge to some extent from the events they are recording. The potential discrepancy varies from up to two weeks for ESA to up to six weeks for IB.

Employment Data

The employment and earnings administrative data largely covers only those who pay tax through PAYE through employer submission of P45 and P14. The core purpose of this process is to collect tax from those who are eligible to pay it through this mechanism, as such there is not complete coverage due to the taxation system. Individuals who are low earners and fall below the tax threshold may not be included if their records are not included in the data provided to HMRC, although for large employers these are thought to be included due to methods of data transfer.

In addition any earnings recorded through Self Assessment (SA) will not be in the data. The lack of SA data means that the Self-Employed will not be in the data and the earnings of the highest paid are likely to be underestimated as they are most likely to have additional earnings recorded through SA.

For the purposes of collecting taxes accurate start dates are not required, just the fiscal year and earnings. Therefore a number of returns are found to be missing start dates due to the employer not forwarding a timely P45. The default dates recorded in the dataset are either 6th of April (the first day of the tax year), or where only an end date is known as the day before that end date. Similarly for records where the employment is known to have come to an end within a tax year but the end date is not known the record is given a default 5th April end date, the last day of the tax year.

In addition there are several instances of duplicate start dates where more than one employment spell starts on the same day, or conversely duplicate end dates where more than one employment spell ends on the same day. These may arise from administrative processes occurring within HMRC, e.g. in relation to tax credits.

Learner data

The Skills Funding Agency requirements for personal data vary by the type of provision provided. For Work Based Learning National Insurance Number is recorded for more than 90% of learners compared to around 20% for Learner Responsive, while it is not collected at all for UFI and ACL.

Other personal details fields have high completion rates although there is some use of defaults where information is not known and particular groups such as offender learners have information withheld.

The dates of learning can be assumed accurate to within a week. Key data fields are tied to funding therefore there is a strong incentive for providers to ensure the information returned is accurate.

As the data sharing only covers Skills Funding Agency funded learning it does not include learning done outside of England and it also excludes learning funded through the Higher Education route.

Time lags

All data used in this process is drawn from administrative sources, which take time to process and collate. There are therefore lags between the reference period and availability of the dataset for analysis.

Benefit data taken from the National Benefits Database has lags in completeness. Additional clerical claims, appeals and other complex situations add to the changes in later versions of the database. This retrospection in the data means initial records appear after three months while the timescale for complete data is approximately six months.

Employment data is matched to DWP data on a regular basis. There are cleaning rules applied to this data, which identify old records when updated with new information. As new information can come through about a job after it has ended this is a source of constant change, although the data is considered complete after six months.

Learner data is collated from returns by colleges with the provisional data collected to date generally published on a quarterly basis. Returns are not complete until up to six months after the end of the academic year, which runs from 1st August to 31st July.

Appendix C – Provision Type (Benefit Spells)

This section reproduces Table 4 but at the benefit spell level to allow comparison with the benefit context section. It shows the types of provision claimants went on duration their benefit spell.

Table 11: Benefit spells by Provision Type and Academic Year (Benefit Spells)

Benefit Type	Provision Type	2006/07	2007/08	2008/09	2009/10
Jobseeker's Allowance	Learner Responsive	68,800	59,400	83,200	104,700
	UFI	33,000	37,300	45,500	39,800
	Programmes for the Unemployed	5,400	17,800	33,200	149,300
	Employer Responsive	2,200	5,000	20,000	12,300
	Total	109,300	119,500	181,900	306,100
Employment Support Allowance	Learner Responsive	-	-	3,800	19,000
	UFI	-	-	1,200	2,600
	Programmes for the Unemployed	-	-	400	2,400
	Employer Responsive	-	-	1,000	2,200
	Total	-	-	6,300	26,200
Income Support	Learner Responsive	75,000	75,400	68,600	63,300
	UFI	11,100	12,900	9,800	5,900
	Programmes for the Unemployed	100	2,300	3,500	4,100
	Employer Responsive	1,800	4,400	9,100	5,500
	Total	88,000	94,900	91,100	78,800
Incapacity Benefit	Learner Responsive	48,000	46,000	39,900	26,700
	UFI	7,800	7,800	5,600	1,900
	Programmes for the Unemployed	100	1,100	1,400	1,300
	Employer Responsive	1,600	3,600	6,000	2,800
	Total	57,400	58,600	52,800	32,700
Severe Disablement Allowance	Learner Responsive	6,900	6,300	4,800	3,700
	UFI	300	200	100	100
	Programmes for the Unemployed	-	-	-	-
	Employer Responsive	100	100	300	200
	Total	7,200	6,600	5,300	3,900
Pension Credit	Learner Responsive	1,800	1,800	1,700	1,600
	UFI	300	300	200	100
	Programmes for the Unemployed	-	-	-	100
	Employer Responsive	100	100	300	200
	Total	2,200	2,200	2,300	2,000
All Benefits	Learner Responsive	200,400	188,900	202,100	218,900
	UFI	52,600	58,400	62,500	50,400
	Programmes for the Unemployed	5,500	21,300	38,500	157,400
	Employer Responsive	5,600	13,200	36,600	23,100
	Total	264,100	281,800	339,700	449,900

1. Figures for 2005/06 at benefit spell level are not currently available.
Source: ILR-WPLS Matched Data

Appendix D – Level of Learning (Additional Age Group Splits)

This section provides additional age breakdowns of Table 6. These are provided given the common policy interest in these groups, in particular relating to skills entitlements.

Age 19 to 23

Table 12: Level of Learning by Benefit Type – Learner Responsive 2009/10 (Aims)

Level	Jobseeker's Allowance	Employment Support Allowance	Income Support	Incapacity Benefit	All Benefit Types
Level 1 and Entry - Other	14,700	3,600	7,800	8,200	34,300
Level 1 and Entry - SFL	11,100	2,500	7,700	5,900	27,300
Level 1 and Entry - ESOL	2,100	200	1,100	100	3,500
Level 2	10,800	1,300	7,400	1,600	21,100
FL2	8,700	800	5,900	1,000	16,400
Level 3	2,800	300	1,600	300	4,900
FL3	6,300	600	4,500	700	12,200
Level 4+	200	-	100	-	300
Unassigned	8,000	1,900	5,900	4,800	20,500
All Levels	64,700	11,200	41,800	22,600	140,400

Source: ILR-WPLS Matched Data

Age 19 to 24

Table 13: Level of Learning by Benefit Type – Learner Responsive 2009/10 (Aims)

Level	Jobseeker's Allowance	Employment Support Allowance	Income Support	Incapacity Benefit	All Benefit Types
Level 1 and Entry - Other	16,500	3,900	9,200	9,500	39,100
Level 1 and Entry - SFL	12,200	2,700	9,200	6,900	31,100
Level 1 and Entry - ESOL	2,500	200	1,400	200	4,400
Level 2	12,000	1,500	8,700	1,900	24,000
FL2	9,700	900	6,900	1,200	18,600
Level 3	3,100	300	1,900	300	5,600
FL3	6,800	700	5,200	800	13,500
Level 4+	300	-	100	-	400
Unassigned	8,700	2,000	6,700	5,500	22,900
All Levels	71,800	12,200	49,300	26,200	159,600

Source: ILR-WPLS Matched Data

Severe Disablement Allowance and Pension Credit are not claimed by people in these age groups and hence not shown in the tables.

Appendix E – Programmes for the Unemployed Benefit Off Flows

This section provides some initial analysis of the destinations of individuals who have undertaken certain Programmes for the Unemployed training.

Analysis is provided at aims level, however it should be taken as indicative only given that there may be multiple aims to a training spell. The appropriateness of measuring destination from the end of a learning aim is dependant on that being the final aim in the training spell. Further work is ongoing to refine this analysis.

The Employability Skills Programme and the Six Month Offer are aimed at unemployed individuals, whereas Response to Redundancy is aimed at those who are at risk of unemployment. Further information on these programmes can be found on the Skills Funding Agency website at:

<http://webarchive.nationalarchives.gov.uk/20110207094234/http://pfu.skillsfundingagency.bis.gov.uk/programmes/>.

Official statistics on starts to Six Month Offer can be found at:

http://statistics.dwp.gov.uk/asd/index.php?page=6month_offer.

Table 14, below, shows the percentage of learners on benefit at the start of learning compared to the percentage 13 weeks after the learning ended.

Table 14: Benefit Destination of Training Participants 2009/10 (Training Spells)

Programme	% Claiming Benefit at Start of Training	% Claiming Benefit 13 weeks after Training Ended	% Point Change
Employability Skills Programme	97%	80%	-17%
Six Month Offer	96%	73%	-23%
Young Persons Guarantee - Routes into Work	98%	61%	-37%
Young Persons Guarantee - Work Focused Training	98%	63%	-36%
Response to Redundancy	83%	54%	-29%

Source: ILR-WPLS Matched Data

Across all programmes the percentage who were on benefit 13 weeks after the end of the learning aim was significantly lower than at the start, indicating likely movement into employment for many who undertook training.

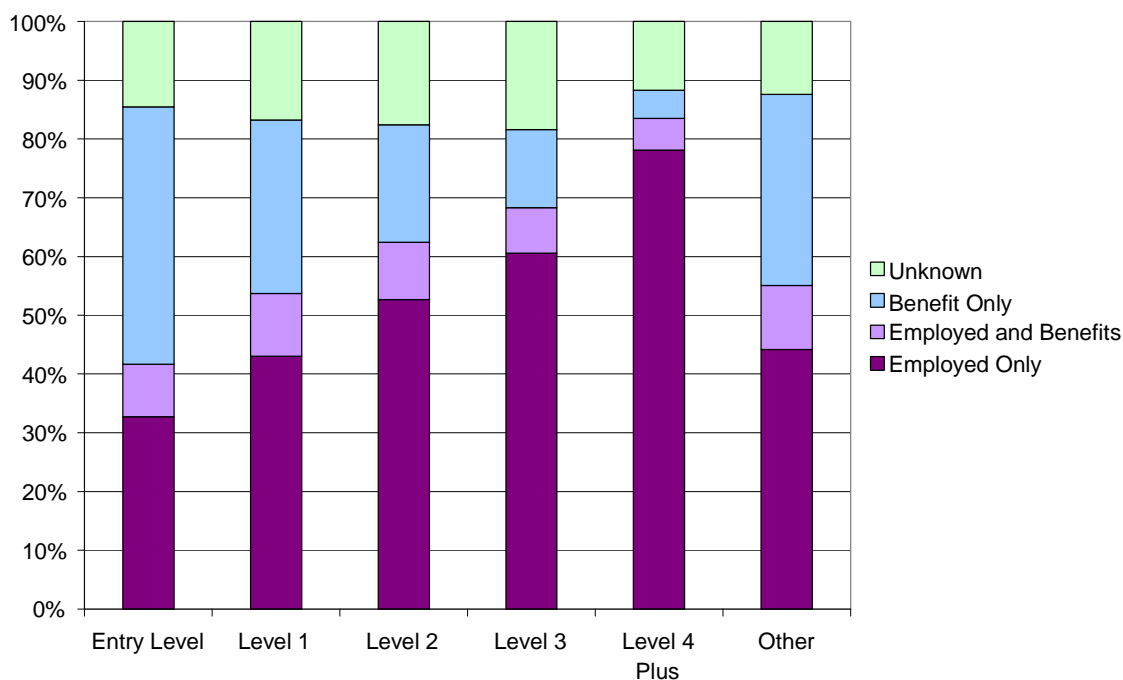
The Young Persons Guarantee programmes showed the largest falls with less than two thirds of those who started training claiming benefit 13 weeks after training ended compared to 98% at the start of training. Employability Skills Programme showed the smallest change with the percentage claiming benefit 13 weeks after training ended being 17 percentage points lower than at the start of training.

Appendix F – Employment Data Issues and Potential

Appendix F complements Section 10 by presenting analysis of the employment data with only partial data cleaning to remove non-current and non-employment related records. This demonstrates the potential uses of the data and also illustrates some of the issues that are being addressed in the methodological work currently under way. While we know there will be some issues with the datasets in their raw form, with some anomalous data present, the basic analysis conducted so far suggests that the results generated are generally found to be within expected patterns.

Chart 7, below, demonstrates this point when looking at employment rates six months after learning ended, split by the highest level studied.

Chart 7: Employment Status six months after learning ended by highest level studied 2009/10 (Aims)



Source: ILR-WPLS Matched Data

As would be expected, those completing studies at the higher levels are most likely to be employed after training, while those studying at the lowest levels are most likely to be on benefits. With each rise in level there is an increase in the proportion employed and a reduction in those on benefit. Due to the high proportion of level 3 learners who continue full-time study at University following FE learning it likely that employment figures for these learners are lower than otherwise might be expected.

Although the results of this basic analysis demonstrate relative levels that would seem intuitively to be reasonable, the unknown element and the cases where employment and benefit claims appear to occur at the same time illustrate a key issue that we are aware of with the HMRC information in the matched dataset. This is the use of default employment start and end dates for some of the records in the

HMRC dataset and the impact this has on our understanding of an individual's status at any given point in time. The majority of default dates in use cover the following situations:

- **6th April Start Dates** when an employment start date is unknown, the start date is set to 6th April in the year that the employment record is found
- **5th April End Dates** when an employment end date is unknown, the end date is set to 5th April in the year that the employment record is found
- **Zero or One Day Jobs** when HMRC are notified of the end date of an employment they didn't have a record for, they set the employment start date to be a day before the given end date

In addition there are several instances of **duplicate start dates** where more than one employment spell starts on the same day, or conversely **duplicate end dates** where more than one employment spell ends on the same day.

BIS and DWP are conducting further research to understand the scope to carry out extensive cleaning of the data in order to address these issues. This will consider how we might:

- Make decisions about how to treat duplicate employment records
- Adjust employment dates based on benefit spell dates, where necessary, for the same individual and use the distributions of durations, start dates, and end dates from complete records to impute some of the missing information in the incomplete records
- Determine whether some employment records should not be used at all
- Understand the quality of estimates based on cleaned datasets

Once we have established a rule set for cleaning the employment records, we would expect the analysis to be more complete and contain fewer anomalous results.

A further consideration in understanding the quality of the estimates we are able to produce is the incomplete coverage of employment by the HMRC data. The low paid who have earnings below the personal tax threshold are unlikely to be included. The extent of this in the matched dataset may be exacerbated by employment entered by benefit recipients being part-time or low paid. Further work will be undertaken in the future to address this.

While it is unlikely that it will be possible to resolve all of the data issues in the short to medium term, the analysis and research to date suggest that the planned work on cleaning will deliver a powerful dataset that can produce stable and robust estimates of employment. In addition longer term changes to the way that the benefit and employment systems interact through the introduction of Universal Credit is likely to have a positive impact on this analysis.