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EVALUATION OF COMMUNITIES FOR WORK

Stage 3: Emerging Outcomes and Impacts Report Summary

1. Introduction

- 1.1 In September 2016, the Welsh Government (WG) appointed OB3, Dateb, People and Work and the Institute for Employment Studies to undertake an evaluation of its Communities for Work (CfW) initiative.
- 1.2 CfW is designed to respond to the Welsh Government's Tackling Poverty Action Plan 2013 by supporting long term unemployed and economically inactive adults and 16-24 year olds not in employment, education or training (NEET) to increase their employability and to move into or closer to employment. Over a five year period to 2020, CfW aims to support 47,500 people living in 52 areas which, between them, represent the 10 per cent most deprived communities in Wales. CfW is jointly funded by the WG, the Department for Work and Pensions (DWP) and the European Social Fund (ESF).
- 1.3 CfW is delivered at a local level by teams comprising specialist youth and adult mentors, employment advisers and triage support workers, who all work in community settings. Mentors and advisers seek to engage participants, to understand the factors that hinder them from working and to agree personal action plans, determined by their individual needs. Participants are then helped to access relevant support, training, job search activities and work experience opportunities.

2. Research aims and methodology

- 2.1 The three aims of the evaluation were to:
 - elucidate the theory of change for CfW and develop the logic model underpinning the programme
 - assess how the programme has been set up and how it is being operated
 - provide an indication of its overall effectiveness.
- 2.2 The evaluation was undertaken in three stages between October 2016 and February 2018. The work commenced with the elucidation of a theory of change and logic model for the CfW initiative and this formed the basis of the Stage 1 report, published in March 2017. The stage 2 report, published in December 2017, drew upon the theory of change to assess how the

programme was set up and how it was being implemented. This third and final report explores the progress made against targets and the effects of CfW upon participants.

2.3 The research that led to the production of this Stage 3 report involved:

- undertaking a review of programme documents and research reports relating to similar employability interventions
- analysing the database of CfW participants, as updated in January 2018
- interviewing strategic stakeholders and operational managers with an oversight of CfW
- undertaking a package of qualitative fieldwork in 10 out of a possible 52 areas. Within each area selected, the fieldwork undertaken included:
 - interviewing managers involved in the delivery of the programme
 - interviewing front line delivery staff
 - holding discussions with 70 former participants and continuing participants, selected purposively to ensure an over-representation of individuals who had achieved job or intermediate outcomes
 - reviewing the portfolios of 60 of the participants interviewed
 - triangulating evidence gathered from the various individuals interviewed and the portfolios reviewed
- drafting an Emerging Outcomes and Impacts Report.

2.4 It was envisaged when the research first commenced that data from the ESF Participant Survey would be available to inform this phase of the evaluation. In the event, delays in launching the Survey meant that data were not available in time and it was, therefore, necessary to adapt the approach to this final stage of the evaluation slightly in order to capture data along the lines of those which it had been intended the ESF Participant Survey would provide. Whilst data captured in this way cannot substitute for survey data (in terms of volume, coverage or reliability), they were used to identify and illustrate themes which are discussed in the Emerging Outcomes and Impacts Report.

3. Key findings

Developments to CfW since the Stage 2 Process Evaluation

3.1 CfW has developed and matured since the Stage 2 Process Evaluation Report was published. In particular:

- An updated Operational Guidance document, issued in October 2017, is considerably more comprehensive than the earlier edition and provides greater clarity in a number of key areas. The updated document was very much welcomed by front line delivery staff.
- Front line delivery staff also welcomed the introduction of a standardised needs assessment tool for use with participants.
- An emphasis by the Welsh Government on team targets and on bringing practitioners together to share experiences and good practice seem to have led to the better integration of front line delivery teams.
- The roll out of an electronic booking system (EBS) that allows front line staff to view the kinds of training courses on offer, to book participants onto specific provision and

to see the progress made or qualifications achieved by participants has been a huge step forward.

- There has been an increase in the uptake of centrally procured and managed training provision. However provision remains patchy, and the procured provider continues to work with CfW managers and front line teams to find ways of putting on viable training provision across the whole of Wales.
- The concern felt by many CfW staff surrounding the closure of the CF programme seems to have dissipated with new arrangements being put in place with minimal disruption to CfW.
- The growing numbers of individuals participating in CfW and achieving outcomes means that Excel may no longer be the most appropriate software for the programme database.

Programme Performance to Date - Engagements

- 3.2 By October 2017, over 12,000 individuals had engaged with CfW since the programme's launch in May 2015, representing over 2,500 in East Wales and over 9,500 in West Wales and the Valleys.
- 3.3 The overall numbers of Priority 1 participants (economically inactive and long term unemployed) stood at 86 per cent of the numbers profiled by October 2017, whilst engagements among Priority 3 participants (young people who are NEET) was particularly encouraging, at 141 per cent of the numbers profiled.
- 3.4 Across all participant groups, performance in West Wales and the Valleys was a little stronger than that in East Wales.
- 3.5 However, the profiles set assume a steep rise in engagements between mid-2017 and the programme's closure in 2020 and the overall numbers of Priority 1 participants engaged by October 2017 fell some way short of the numbers necessary to achieve the programme's overall engagement targets. In contrast, Priority 3 engagements were ahead of the numbers needed to achieve the 2020 targets.
- 3.6 Whilst engagement numbers for long term unemployed and economically inactive participants are clearly behind where they need to be in order to meet the programme's 2020 targets, there is room for optimism that engagements will increase and that this will go some way to closing the gap with the programme end targets.
- 3.7 There has been considerable variation in engagements between CfW areas, though it was not possible to definitively identify why performance in some areas was stronger than in others. Factors associated with strong performance seemed to include: skilled, experienced and well connected front line delivery teams; conducive relationships between CfW delivery team members; strong links to partner organisations and access to suitable community outreach premises; and the programme having had the time to become established.
- 3.8 In terms of CfW's success in reaching specific groups of the population:
 - The balance of men and women engaging with CfW largely mirrors the wider population, though women make up a slightly higher proportion of Priority 1 participants than men (possibly reflecting CfW's success in engaging economically inactive mothers whose children are approaching school age) and men make up a higher proportion of Priority 3 participants than women.
 - People aged over 54 years of age make up a smaller proportion of participants than might be expected.

- A large majority of participants have no or low skills.
- The proportion of participants who have work limiting health conditions is higher than the general population, but the difference is not as great as might be expected, given CfW's focus upon economically inactive individuals.
- The proportion of participants from black and ethnic minority groups is higher than the general population in East Wales, but is slightly lower in West Wales and the Valleys.

Participants' Barriers, Aspirations, Motivation and Support

- 3.9 The barriers to work faced by CfW participants vary considerably and are often multiple and interrelated. The barriers faced included very practical ('situational' or 'indirect') barriers such as having care responsibilities (overwhelmingly, childcare), lacking transport to get to work, lacking qualifications or work related skills and having work limiting health conditions. Direct barriers faced included low levels of self-confidence and mental health issues, most commonly feelings of anxiety and/or depression.
- 3.10 The level of motivation to find work varied from one participant to another, with motivation often linked to the barriers faced and the ease with which they could be overcome. CfW is more easily able to help participants overcome some barriers, for example by meeting the costs of training or providing equipment needed for particular jobs. Other, typically direct barriers, require participants to understand the nature of the issues they face and to demonstrate considerable commitment to overcoming them, sometimes over a protracted period.
- 3.11 Whilst there are examples of participants overcoming complex barriers as a result of their involvement with CfW, the support most commonly received by participants revolves around helping them develop CVs and undertake job-search activities, suggesting that the programme has been most successful in reaching participants who are comparatively work ready, but has yet to address more complex or entrenched barriers to employment.
- 3.12 A key feature of CfW is the time available to advisers/mentors to work with individual participants to understand the barriers they face, their aspirations and motivations and to tailor the support provided, as necessary. The time available and flexibility of the support provided by CfW was seen as a distinct advantage over mainstream employability provision and it was clear that advisers/mentors are trusted and respected by participants.
- 3.13 Training is also an important feature of CfW, with participants mainly undertaking short courses that provide basic accreditation relevant to a range of workplaces. Training that led to participants securing licences necessary to work in certain industries was also a crucial step on the road to employment for some.
- 3.14 Some participants undertook volunteering or work experience placements, generally in fields directly related to the kinds of jobs to which they aspired. Work/volunteering placements were seen as a means of developing certain skills, of building individuals' confidence and of demonstrating capability and reliability. However, some participants were reluctant to undertake unpaid work experience/volunteering.
- 3.15 Less use than had been envisaged was made of the barriers fund or of childcare support.

Programme Performance to Date - Outcomes

- 3.16 Since the programme's launch, a total of 3,467 individuals have progressed into work having engaged with CfW, comprising 742 in East Wales and 2,725 in West Wales and the Valleys.

- 3.17 Overall, job outcome achievements in respect of Priority 1 participants (economically inactive and long term unemployed) stood at 98 per cent of the profiled figures, though performance in respect of economically inactive participants was a little stronger than that for long term unemployed participants. Job outcome achievement was particularly encouraging among Priority 3 participants (young people who are NEET), with the overall achievement standing at 192 per cent of the level profiled.
- 3.18 Across all participant groups, job outcome performance relative to profiles was a little stronger in West Wales and the Valleys than that in East Wales.
- 3.19 As was the case for engagements, however, the profiles set assume a steep rise in job outcomes between mid-2017 and the programme's closure in 2020 and the overall numbers of Priority 1 participants progressing into work by October 2017 fell some way short of the numbers necessary to achieve the programme's overall job outcome targets. In contrast, Priority 3 job outcomes were ahead of numbers needed to achieve the 2020 targets.
- 3.20 The shortfall against the Priority 1 job outcomes target for 2020 is attributable in large part to the weaker than hoped for performance in engaging Priority 1 participants. However, this has been offset to a large degree by a higher than expected 'conversion rate', particularly among economically inactive participants. The conversion rate achieved thus far also compares favourably with performance across employability projects funded under the 2007-2014 ESF Programmes in Wales, pointing to CfW's effectiveness in addressing barriers to employment.
- 3.21 Performance to date suggests that CfW will exceed its Priority 3 job outcomes targets by some margin, but fall some way short of its Priority 1 job outcomes targets. There is, nevertheless, some room for optimism that job outcomes for Priority 1 participants will continue to improve and go some way to closing the gap with the programme end targets.
- 3.22 Like engagements, job outcomes performance varies considerably from one CfW area to another. Again, it was not possible to identify definitively why performance in some areas should be stronger than in others. Factors associated with strong performance seemed to include: strong performance in relation to engagements; buoyant local labour market conditions; skilled and experienced staff who had been in post long enough to allow time for engagements to be translated into outcomes; effective team working at the front line; strong partnerships with the wider support system; and relevant and accessible training provision.
- 3.23 Overall, participants who engaged with CfW for three months or less were more likely to have progressed into work than individuals who stayed on the programme for longer. This is attributable in part to the fact that advisers (who it was intended would work with individuals deemed to be less than 12 months from employment) were appointed some time before mentors (who it was intended would work with individuals 12 months or more from employment). However, it might also indicate that CfW is engaging at least some individuals who would be able to progress into work with less support and who could be served by mainstream sources.
- 3.24 Whilst it was accepted that there will inevitably be an element of deadweight to any programme of this nature, any deadweight attached to CfW is likely to be minimal, given the nature of the client group targeted.
- 3.25 The proportion progressing into jobs exceeded the programme's benchmark level across almost every target group of participants in some cases by a considerable margin. Below this headline level:
- A slightly higher proportion of men than women progressed into employment upon leaving CfW.

- A markedly higher proportion of participants aged 55 and over progressed into jobs in East Wales than in West Wales and the Valleys.
 - A greater proportion than expected of participants with no or low level qualifications achieved job outcomes. However, participants with qualifications at level 3 and above were the most likely to progress into work, whilst those with no qualifications at all were the least likely to do so.
 - Whilst numbers were low overall, the proportion of participants from black and minority ethnic groups progressing into employment was substantially above the benchmarks set.
 - Job outcomes were weakest among participants with work limiting health conditions.
- 3.26 The absence of ESF Participant Survey data means that it is not possible for us to comment with certainty about the quality or sustainability of the jobs into which participants progressed. However, our qualitative fieldwork would suggest that those who progress into employment were satisfied with the jobs they secured and, to a slightly lesser extent, with their level of income since starting work. Nevertheless, our fieldwork would suggest that participants generally progressed into low paid and sometimes precarious employment, which raises concerns about the longer term sustainability of some job outcomes, particularly where other barriers to employment are at play.
- 3.27 The case was made for an element of in-work support, where that is needed to sustain job outcomes.
- 3.28 As at October 2017, relatively few programme leavers had achieved qualifications. The modest level of performance may owe something to qualifications outcomes being attributed to other programmes during CfW's early days and to a lag in the delivery and recording of qualifications. Whilst it is possible that some ground will be made up as the programme matures, there must be at least an element of doubt over the likelihood of CfW meeting its 2020 qualifications outcomes target.
- 3.29 Performance in relation to Priority 3 progression into education or training targets has also been modest and again, it seems unlikely that the overall target will be met by the programme end.
- 3.30 Whilst our qualitative fieldwork with participants cannot be considered statistically robust, it points to CfW having positive effects upon particular aspects of participants' attitudes towards or approach to finding work. It also points to CfW having positive effects upon wider aspects of participants' lives, not least their sense of well-being and their resilience to deal with the barriers to work they faced.

Programme Costs and Value for Money

- 3.31 Programme costs to October 2017 fell some way short of the costs that might be expected at that stage in the programme's life, principally because it took longer to establish CfW than originally anticipated. It is likely that costs will increase at a faster pace as the programme is fully rolled out.
- 3.32 Given that CfW is still live, this evaluation does not attempt to undertake any analysis of the return on investment which the programme offers. It does, however provide some early insight into the value which CfW represents by comparing the costs of key output and outcome indicators to those planned and those of other employment/employability interventions.
- 3.33 At this stage in the programme's life, the costs per Priority 1 participant are somewhat higher than the benchmark costs implied in the business plans. These higher costs per participant can be attributed to engagements thus far being further behind the overall programme

targets than costs to date are behind the programme budget. It might be expected that the costs per participant will come closer into line with expectations as recruitment gathers momentum and the costs of mobilising the programme are absorbed over time.

- 3.34 The costs per Priority 3 participant were lower than benchmark costs, in part because of the substantially stronger performance in terms of Priority 3 engagements across both East Wales and West Wales and the Valleys.
- 3.35 The cost per job outcome in respect of Priority 1 was very much in line with the 2020 business plan benchmarks, which in turn, were consistent with the average cost per job outcome across Welsh ESF funded adult employability interventions during the 2007-13 programming period.
- 3.36 The cost per Priority 3 job outcome was substantially below the benchmarks implied in the business plans. This is attributable to the strong Priority 3 job outcome performance across both regions, which meant the ratio of staff costs to job outcomes was lower than anticipated.

Recommendations

- 3.37 The report concludes by making nine recommendations relating to:
 - 1 The on-going monitoring of engagements to ensure that early action is taken if the rate of engagements does not increase as anticipated.
 - 2 Increasing the focus of advisers' time upon Priority 1 participants in order to ensure that Priority 1 engagement and outcome targets are met.
 - 3 Adopting shadowing arrangements across front line delivery teams in order to improve performance in cluster areas where performance to date seems to be lagging.
 - 4 Ensure that pressure to achieve headline targets does not come at the expense of efforts to target 'harder to reach' participants.
 - 5 Continuing to act upon recommendations made in the Process Evaluation report, specifically in terms of strengthening arrangements for working with local JCP teams and implementing plans for engagement with other referral sources.
 - 6 The on-going monitoring of outcomes to ensure that early action is taken if the rate of outcomes does not increase as anticipated.
 - 7 Establishing a CfW database to replace the existing spreadsheets.
 - 8 Discussing with WEFO the possibility of further re-profiling budgets towards the end of the programme.
 - 9 Ensuring that CfW+ is fully integrated with CfW to ensure that those who have not been able to sustain job outcomes are able to re-engage with support.

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