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Government

# Evaluation of the Working for Families Fund (2004-2008)

Poverty



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**EVALUATION OF THE WORKING  
FOR FAMILIES FUND (2004-2008)**

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# CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>1</b>
<b>CHAPTER ONE INTRODUCTION AND BACKGROUND</b>	<b>21</b>
1.1 What is the Working for Families Fund?	21
1.2 Structure of the Report and Methodology	24
<b>CHAPTER TWO ABOUT WFF CLIENTS</b>	<b>25</b>
2.0 Introduction	25
2.1 WFF Clients	25
2.1.1 Numbers of clients	25
2.1.2 Who referred clients to WFF?	28
2.2 Who Were Working for Families Clients?	29
2.2.1 Personal characteristics	29
2.2.2 Household circumstances	30
2.2.3 Qualifications, economic activity	32
2.2.4 SIMD	33
2.2.5 Clients in employment	34
2.2.6 Clients not in employment	35
2.2.7 Client aims	35
2.2.8 Barriers faced by clients	36
2.2.9 Barriers by aims	38
2.2.10 Overall analysis of client characteristics	41
2.3 Were They the Right Target Groups and did WFF Reach Them?	43
2.4 The Overall Approach to Support Given by WFF	44
2.5 Summary	46
<b>CHAPTER THREE CLIENTS' OUTCOMES</b>	<b>47</b>
3. Introduction	47
3.1 General Client Outcomes	48
3.2 Clients who achieved "Hard" Outcomes/Transitions	49
3.2.1 Measurement of 'Hard' Outcomes/Transitions	49
3.2.2 Type of 'Hard' Outcomes/transitions	50
3.2.3 Economic activity by 'Hard' Outcome/Transition	50
3.2.4 Further details of clients moving into full-time or part-time employment	52
3.3 Who Achieved 'Hard' Outcomes?	53
3.3.1 Descriptive analysis of clients who achieved a 'Hard' Outcome	53
3.3.2 Regression analysis of clients who achieved a 'Hard' Outcome	57
3.3.3 Transitions into full-time employment	61
3.3.4 Transitions into part-time employment	61
3.3.5 Transitions into training or education	61
3.3.6 Sustaining previous employment or education	61
3.3.7 Major cities (Glasgow, Edinburgh, Aberdeen, Dundee)	62
3.3.8 Non-major city local authorities	62
3.4 Clients who achieved 'Soft' Outcomes/ Intermediate Activities	63
3.4.1 Measurement of intermediate activities	63
3.4.2 Type and numbers of 'soft' intermediate activities	63
3.4.3 'Soft' intermediate activities outcomes	64
3.4.4 Descriptive analysis of characteristics of clients who achieved intermediate activities outcomes	64
3.5 Clients who improved their Employability: Distance Travelled – Employability Measures	65
3.5.1 Measurement of employability measures	65
3.5.2 Descriptive analysis of characteristics of clients who improved employability	66
3.6 Clients Who Did Not Achieve an Outcome	68
3.6.1 Descriptive analysis of characteristics of clients who exited with no outcome	69
3.7 Outcomes by Projects	70
3.7.1 Comparisons between WFF projects	70
3.8 Sustainability of Transitions	75
3.8.1 Sustainability of latest major Transition at three month follow-up	77

3.8.2	<i>Sustainability of latest major Transition at six month follow-up</i>	77
3.8.3	<i>Sustainability of latest major Transition at twelve month follow-up</i>	78
3.8.4	<i>Technical background</i>	78
3.8.5	<i>Characteristics of clients not sustaining an outcome at three months</i>	79
3.8.6	<i>Reasons why a positive Transition was not sustained</i>	80
3.9	Summary	81
<b>CHAPTER FOUR</b>	<b>COST-BENEFIT ANALYSIS</b>	<b>82</b>
4.	Introduction	82
4.1	Key Figures on Cost of WFF	82
4.2	Costs	83
4.2.1	<i>Costs per client</i>	83
4.2.2	<i>Cost per 'Hard' Outcome / Transition</i>	84
4.2.3	<i>Cost per client who experienced a 'Hard' Outcome / Transition</i>	85
4.3	Comparator Studies – Control Groups	87
4.4	Public Expenditure	91
4.5	Summary	92
<b>CHAPTER FIVE</b>	<b>IMPLEMENTATION AND OTHER ISSUES</b>	<b>93</b>
5.	Introduction	93
5.1	Summary of Key Implementation Issues	93
5.1.1	<i>Management through development/economic development departments</i>	93
5.1.2	<i>Partnership working</i>	93
5.1.3	<i>Key worker programmes</i>	94
5.1.4	<i>Other types of support projects</i>	94
5.1.5	<i>Flexibility and learning</i>	95
5.1.6	<i>Views of local authorities on what worked</i>	96
5.2	Rural-Urban Issues	97
5.2.1	<i>Characteristics of clients</i>	98
5.2.2	<i>Client outcomes</i>	99
5.2.3	<i>Referrals</i>	99
5.3	Use of Childcare	100
5.3.1	<i>Childcare questionnaire</i>	100
5.3.2	<i>Comments on childcare services</i>	102
5.3.3	<i>Overall comments about childcare and WFF</i>	102
5.4	Summary	102
<b>CHAPTER SIX</b>	<b>CONCLUSION AND RECOMMENDATIONS</b>	<b>104</b>
6.1	The Overall Impacts of the Funding	104
6.2	Were They the Right Target Groups and did WFF Reach Them?	105
6.3	Cost-Benefit Analysis	106
6.4	Implementation	107
6.5	Recommendations	108
<b>APPENDIX</b>	<b>AREA PROFILES</b>	<b>111</b>

# EXECUTIVE SUMMARY

## 1. INTRODUCTION AND BACKGROUND

This report summarises the Final Evaluation Report of the Working for Families Fund (WFF) programme from 2004-08. It was carried out by the Employment Research Institute, Napier University, Edinburgh, for the Scottish Government over this period. Over the four years the budget for WFF was £50 million, a total of 25,508 clients were registered, 53% of all clients (13,594) achieved 'hard' outcomes, such as employment, and a further 13% (3,283) achieved other significant outcomes.

WFF was established to invest in new initiatives to improve the employability of parents who have barriers to participating in the labour market, specifically to help them move towards, into, or continue in employment, education or training. It was a voluntary scheme on the part of clients. It supported the parents through helping them find sustainable childcare solutions and through providing or accessing other relevant employability-related support and services. In rural areas, support also combated barriers created by poor transport, limited services and the lack of a critical mass of clients. The programme was administered by 20 local authorities (LAs), operating through 226 locally based public, private and third sector projects<sup>1</sup>.

WFF contributed to the Scottish Government's commitment to: tackling poverty and disadvantage, by improving rates of employment and economic activity and; eradicating child poverty within a generation. In April 2008 WFF funding was streamlined into the Fairer Scotland Fund (FSF), which replaced WFF and six previous funds as part of the Government's budget concordat with local government.

In Phase 1 (2004-06) of the WFF programme, ten local authorities were awarded funding for two years. They covered 37% of the total Scottish population. The budget for Phase 1 was £10 million pa (£20m in total) although actual expenditure was under £13 million due to the considerable start up time for such a programme. In 2005 a further £15 million pa (£30m in total for two years) was announced for Phase 2 (2006-08). This was allocated to 20 local authorities (including the ten Phase 1 local authorities) from the 1st April 2006 which covered 79% of Scotland's population. So the overall WFF budget was £50m. The actual spend was £46 million.

Further details about this report can be found in the WFF Evaluation Final Report (2004-08) and other reports available at: <http://www2.napier.ac.uk/WFFE/> and <http://www.scotland.gov.uk/Topics/People/Social-Inclusion/17414/WFF/Intro>

This Executive Summary mirrors the Main Report and has six main sections:

- Section 1 Introduction;
- Section 2 Description of WFF Clients;
- Section 3 Client Outcomes;
- Section 4 Cost-Benefit Analysis;
- Section 5 Implementation and Other Issues;

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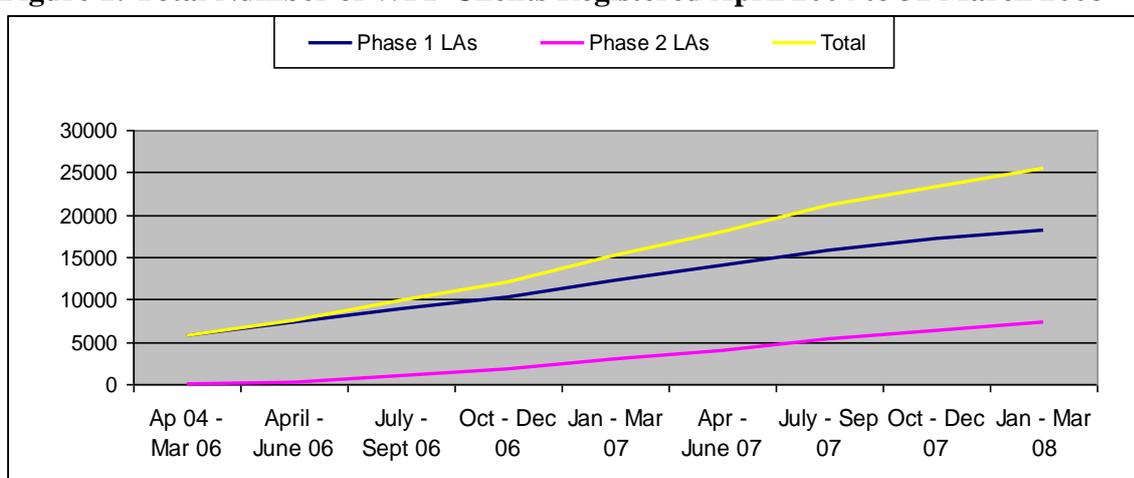
<sup>1</sup> Phase 1 LAs: Dumfries & Galloway, Dundee City, East Ayrshire, Glasgow City, Highland, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire, West Dunbartonshire. Phase 2: Aberdeen City, Aberdeenshire, Angus, Clackmannanshire, Edinburgh, City, Falkirk, Fife, Midlothian, South Lanarkshire, West Lothian.

## 2. ABOUT WFF CLIENTS

### *Numbers of clients*

The term WFF ‘client’ is used to denote a disadvantaged parent who registered and participated in WFF. Overall, WFF had a significant initial impact in 2004-2008 in terms of recruiting 25,508 clients in the twenty local authorities. Of these, 18,201 were registered with the ten Phase 1 Local Authorities and 7,307 with the ten Phase 2 local authorities. The numbers of new clients reduced during the final six months, mainly due to uncertainty as to the continuation of funding.

**Figure 1: Total Number of WFF Clients Registered April 2004 to 31 March 2008**



### *Who Referred Clients to WFF?*

Participation in WFF by clients was voluntary, so local partnership working was extremely important to the recruitment of clients. Referrals to WFF were generated from a wide range of agencies. In particular, 26% of referrals came from Job Centre Plus, indicating good joint working and also the presence of potential gaps in the availability of specific support for many of the WFF client group. Self-referrals (25%) were also important indicating effective local marketing and possibly a high level of self-motivation among many clients as they independently sought WFF support. As WFF developed, ‘word-of-mouth’ became more prominent in recruitment as clients told their family, friends and neighbours about the service.

### *Who are WFF clients, were they the right target groups and did WFF reach them?*

The target groups appear to have been carefully chosen and in general terms represented the most disadvantaged parents in Scotland. Local authority areas and budget allocations were based largely on the number and proportion of children living in households dependent on key benefits (Income Support and Income Based Jobseekers Allowance), while the incidences of multiple deprivation and rurality were also taken into account. There is considerable evidence on the disadvantages faced by such groups (see: Phase 1 Evaluation (2004-06) report). So the basic criteria for choosing the WFF target groups and areas were reasonable.

The WFF programme focused on disadvantaged parents, specifically:

- lone parents (who were pre-New Deal);
- parents on low incomes;
- disadvantaged parents with other stresses in the household that made it difficult to access and sustain employment, education or training, including disability, mental health and substance abuse problems.

As such, WFF has been successful in reaching a wide variety of clients, in different circumstances and with different individual aims and resources. Some key characteristics of the client groups were:

Lone parents -

- The majority of WFF clients were female (89%) and lone parents (71%).

Low incomes -

- 65% of clients lived in households where nobody was in paid employment, i.e. workless households.
- Many clients lived on a very low household income with 66% either claiming Income Support or having a partner/spouse claiming Income Support.
- The income of those in employment was low with 83% earning £200 or less per week take home pay and 37% of clients earning £100 or less per week.
- Clients' economic activity, when they first registered with WFF, varied with 36% of clients 'at home, caring for children', 24% in employment (either full-time or part-time), 28% registered unemployed, and 6% in training or education.

Parents with other stresses in the household -

- The children of clients were relatively young with 63% having one or more children aged under 5 years living in the household, compared to just 26% of households with children in Scotland, and 93% having a child under 12 years. Neither of these was, at the time, prime targets for New Deal for Lone parents.
- WFF clients had low levels of qualifications compared to the Scottish average with 69% of clients having qualifications equivalent to SVQ Level 2 or lower and 34% having either no qualifications or qualifications below SVQ Level 1 (compared to 15% with no or below SVQ level 1 qualifications in Scotland).
- Of the 76% not currently in paid employment, at the time of their registration with WFF, most had been unemployed for a considerable time, with 54% not having worked for over two years compared to the Scottish average of 34%.
- A significant proportion (43% of those who received sustained support from WFF) indicated at least one additional stress, e.g. mental or physical health problems, debt or money issues, housing problems, criminal record, etc.
- The local authority areas where WFF was delivered had high levels of multiple deprivation according to the Scottish Index of Multiple Deprivation. Six Phase 1 local authorities had more deprived data zones than the average for Scotland, and the two rural areas had around a third of Scotland's most deprived data zones in terms of accessibility. Of clients registered with WFF, 46% of them live in the most deprived data zones (53% of Phase 1 clients and 29% of Phase 2 clients, as Phase 1 local authorities have much greater levels of multiple deprivation), compared to 15% for Scotland as a whole. A high proportion of WFF clients therefore came from the most disadvantaged areas and WFF seems to have successfully targeted such pockets of deprivation. However, the projects were client group-led, not postcode-led, and this has

allowed disadvantaged parents in most local authorities to be supported regardless of where they live.

‘Active’ WFF clients represent around 20% of all people with children on Income Support or Job Seekers Allowance (JSA) in Scotland – a sizable contribution. However, the evidence suggests that while nearly all WFF clients were relatively disadvantaged compared to Scotland as a whole, within the spectrum of the WFF client group those with the poorest qualifications, lowest employability skills and greatest number of barriers were less likely to move into employment. Such particularly disadvantaged families require long-term support.

### ***What support was given by WFF?***

The WFF programme provided client-focused support tailored to each individual’s needs. WFF had its origins in a small pilot in Glasgow and Dumfries and Galloway in 2003-04, which explored ways of addressing childcare barriers to employment. A key finding of the pilot was that a programme of this sort should provide parents with one-to-one mentoring and support to address the range of barriers clients experienced, as well as addressing childcare needs. WFF initially focused on helping to remove childcare barriers to employment, but early on, in response to the needs of parents, developed a holistic approach in order to deliver flexible employability-related services (e.g. confidence building, training etc.)<sup>2</sup>.

The main support provided by WFF was based around ‘Key Workers’ who supported clients wishing to move into work, education or training by:

- helping them to improve their employability; and
- addressing childcare and other barriers standing in their way.

Clients were helped to improve their employability by establishing goals and producing a personal action plan that linked them to the various types of employability support available locally. Support included: personal development courses to boost confidence and self-esteem; education and training to improve skills and qualifications, including help in obtaining driving licences in rural areas; careers advice; money advice; and work experience – all helping the client to progress towards or into work. A second key element of WFF support was helping clients to identify and access the childcare they needed at each stage. Often this took the form of information and advice, linking them to an existing childcare place, but it also might have involved setting up additional, more flexible support, or providing financial assistance (e.g. paying one-off, ‘upfront’ nursery Registration fees, paying for childcare while a parent attended education or training, or for a short time until tax credits came through).

Support from WFF centred around three key stages:

- Pre-employment - supporting parents to improve their basic employability skills, confidence and attitudes;
- At Transition points - helping parents to make a Transition into employment, education, substantial training or volunteering (of at least 16 hours per week);
- Post-employment – providing support to sustain employment, for instance through a period of crisis (e.g. breakdown of childcare), and/or to improve their existing

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<sup>2</sup> The Scottish Government (Workforce Plus – an Employability Framework for Scotland) definition of employability is “The combination of factors and processes which enable people to progress towards employment, stay in employment, and ‘move on’ in the workplace”. A similar broad definition of employability is used in McQuaid, R.W. and C. Lindsay (2005) *The Concept of Employability*, *Urban Studies*, 42 (2), 197-219, and this informed the typed of client information used in the evaluation.

position (to move between jobs, to a more senior job, etc.). This was offered both to parents who engaged with WFF at the pre-employment stage and had successfully moved into employment, and to parents who were already in work when they first approached WFF.

WFF was designed to complement, not duplicate or replace, existing services and to work with local childcare partnerships and employment and employability focused partnerships to fill gaps in provision for the WFF client groups. The wide range of additional projects used or supported by WFF varied between different local authority areas (see WFF Phase One 2004-2006 Evaluation Report). The local authorities led and controlled WFF funding and strategy in their respective areas, contracting some Key Worker support for clients to relevant local organisations (including the local authorities themselves).

### *Example*

*Emma is a lone parent of four children. She was referred to WFF by her local Job Centre Plus adviser in Midlothian. Emma wanted to set up her own childminding business but there were many barriers in her way. She needed support and guidance in the right direction.*

*Emma and the Keyworker sent out registration forms to the Scottish Commission for Care. Emma went to her local Business Gateway and after discussing her business plan she got a "Start up" grant of £250. She also undertook a childminding training course, which offered professional training, advice and support and also allowed her to gain confidence and mix socially.*

*Six months on Emma is now running her own business as a registered childminder. She currently has several children in her care. Emma stated that without the support and help from the Keyworker she knew she would not be where she is today. There were many times she just wanted to give up but after a friendly chat with her Keyworker she gained the strength and motivation to keep going. (Name changed).*

*(From WFF Quarterly Newsletter, December 2007, edited, not written, by authors)*

## **3. CLIENT OUTCOMES**

### *General outcomes*

In total, 66% (16,877) of all clients registered up to 31 March 2008 had achieved an identified outcome, improving their employability and making progress towards sustained employment, training or education (Figure 2 below) by 31 March 2008. These included 'hard' Transitions into work etc., as well as verifiable significant progression towards improved employability. WFF had an overall target to increase the number of parents from disadvantaged areas and groups entering or moving towards employment by 15,000 for the two Phases combined by March 2008. This target set by the Scottish Government is a reasonable level for such a programme starting from scratch with a largely new set of client groups, and a new combination of economic development and childcare support workers and specialists. The success of the programme is reflected in its exceeding this target. This progress was tracked using three 'levels' of indicators for each client:

- a) *'Hard' Outcomes, i.e. Transitions* – The main measure of progress towards work was a 'hard' outcome. This was when a client made a Transition into work, education, and

significant training etc.<sup>3 4</sup> Clients can have more than one such Transition (e.g. moving into part-time work and then later into full-time work) and the main report analyses the highest Transition a client has achieved<sup>5</sup>.

- b) *'Soft' Outcomes, i.e. Intermediate Activities Outcomes* - these were important activities that contribute towards progress to employment etc., but which were not significant enough to be counted as a Key Transition. An example is the completion of a total of 20 hours or more accumulated personal development<sup>6</sup>. Only one outcome per client is reported here, so an Intermediate Activity Outcome is counted only if the client had not achieved a Transition.
- c) *Other 'Soft' Outcomes, i.e. Distance Travelled/Improved Employability* - these included the distance travelled towards entering employment, education or training, through improving a client's employability (e.g. increased confidence or other movement towards entering employment, education or training). This was measured through changes in a set of qualitative employability Likert scales (i.e. a 1 to 10 scale where 10 is the highest level<sup>7</sup>), which reflected a client's view of their confidence, for example. Lack of confidence is a major problem for disadvantaged parents, such as WFF clients, in returning to work. This information was collected in the Registration and Six-month Review forms, which sustained contact clients filled out. Only those who made improvements through this measure and had not achieved a Key Transition or an Intermediate Activity Outcome are included in this report.

*"My goal at the end of all this is to get into support work and what I find with [Project Worker] is she actually supports me ... in what I need to do, what I need to get. I've not got the qualifications, but I've lots of life skills and in-house training and other training I've been on, but I need [a qualification] in Social Care. That's what this three year training course is going to allow me to do." (Bernadette, 40.*

<sup>3</sup> Transitions include: entered full-time employment; entered part-time employment; entered self-employment; being able to take up a job offer; sustained activity (employment, education or training); improved current employment (gain promotion, change hours or pay, etc); moved into different employment (changed jobs, moved to a better paid job, etc); entered or completed education or training course of at least Six-Months duration; entered voluntary work of 16 hours or more a week.

<sup>4</sup> There are two types of Transitions: Key Transitions and Alternative Transitions. The latter included: ceased voluntary work; reduced employment (moved out of paid employment, decreased hours or take home pay or demotion) unwillingly; left education or training early; other; or left WFF/lost contact with client. Only Key Transitions are cited here and count towards the WFF overall target.

<sup>5</sup> The order of priority of Transitions follows the order in footnote 4. For example, if a client has experienced two Transitions, entered part-time employment and entered education, only entered part-time employment will be counted. Figures are slightly different from the Quarterly reports as they use the latest not highest Transition.

<sup>6</sup> Intermediate Activities Outcomes include: completion of structured work placement of 30 hours or more (equivalent of approximately at least one week full-time or two weeks part-time); completion of a total of 20 hours or more accumulated personal development, pre-vocational training, vocational training, educational activities, or development and skills training activities; and undertaking voluntary activity of 3 hours or more per week.

<sup>7</sup> Improvements in employability were also measured by responses to a series of 10-point Likert scales completed at the initial Registration with WFF and again 6 months after Registration. Three scales from the original forms were included in order to measure these improvements in employability: 'How would you rate your job skills (in relation to the type of work you are looking for or would like to do?); 'How confident are you when meeting new people?'; and, 'If you are not currently in work, how confident do you feel about starting work'. An improvement was registered if a client indicated a positive improvement on one or more of these scales.

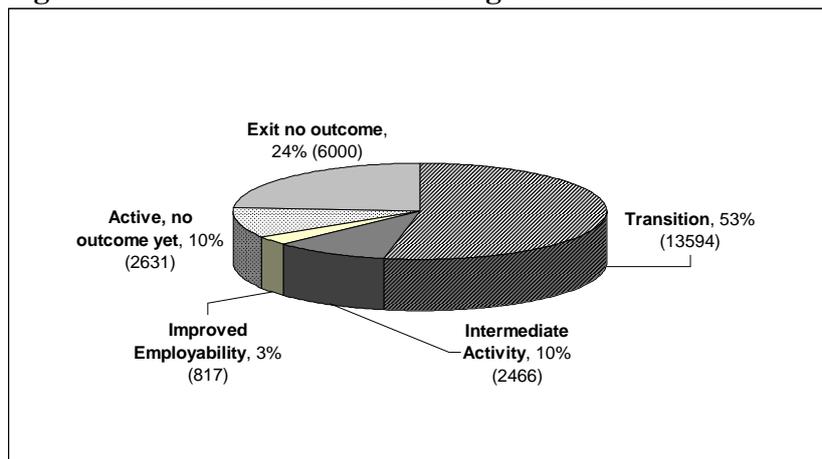
*Lone Parent. Situation before WFF: Unemployed/ Situation after WFF: Doing an SVQ. Children: two 15 years old. Qualifications: No qualifications, now working towards an SVQ. (Glasgow, Guidance Project Mental Health)*

Note: quotes are from the qualitative research carried out under Evaluation of Phase 1.

Figure 2 shows the numbers and percentages of clients in each of these three ‘levels’ of progress, as well as clients who registered with WFF during the previous six months but who have not had an outcome yet, and; clients who have exited WFF with no outcome recorded.

- 53% of all clients (13,594) achieved ‘Hard’ Outcomes/Transitions, e.g. a Transition for the client of moving into full-time or part-time employment; improving or sustaining employment; entering or completing education or training of at least 6 months duration; entering voluntary work of 16 hours or more a week.
- A further 10% (2,466) achieved progress through participating in ‘Intermediate Activities’, although they had not (yet) achieve a ‘hard’ Transition<sup>8</sup>.

**Figure 2: Outcomes of all clients registered to 31 March 2008**



- A further 3% (817) of clients recorded progress by making improvements in their employability skills, such as confidence, measured on a series of Likert Scales, at their six-month review, although they had not achieved a ‘Hard’ Outcome/ Transition or an Intermediate Activities outcome.
- 10% (2,631) of clients were still active with WFF, but had not yet achieved an outcome. 63% (1,662) of these clients had registered with WFF during the previous six months and in many cases little or no progress would be expected within this timescale, especially as many clients were far from work ready and therefore a longer period of support would be needed.
- 24% (6,000) of clients had exited or become inactive from WFF (i.e. were no longer receiving support) without achieving any of the above outcomes.

<sup>8</sup> Note that figures for this activity are likely to be below the actual level of activity undertaken, since during Phase 1 completion of the monthly monitoring form, where these activities were recorded, was not compulsory.

*"I wanted help in getting back to work. After having my children I was going through post natal depression, and she [the Parent Champion] helped me... it was her who helped me to go back into work. She has been a great encouragement. You know after being at home looking after your kids your confidence goes a bit... and she gave me the insight for going back in to work." (Emma, 42. Living with Partner/Spouse. Situation before WFF: Caring for her children. Situation after WFF: Relief work. Children: 19, 14, 12 and 3 years old. Left school at 16 with 2 O Grades. (Highlands, Parent Champion, Easter Ross))*

### ***Characteristics of clients achieving different outcomes***

The characteristics of clients who achieved different outcomes were examined, based upon the *highest* Transition they experienced (the Quarterly Reports used the *latest* Transition).

### **Descriptive statistics**

#### *Individual Characteristics*

- Women were significantly more likely to achieve a Hard Outcome/ Transition than men with 54% of women on the programme moving into or sustaining employment, education, training or voluntary work (over 16 hours) compared to 48% of men.
- The youngest (under 20 years) and oldest (those over 45 years old) age groups were significantly less likely to achieve a Transition than those aged 20 to 29 years (47% and 45% compared to 56%).
- A higher proportion of black clients, white British clients and those of Pakistani or Mixed Origin made a Transition compared to other groups (56%, 54%, 52% and 51% respectively), while Chinese people were less likely to make a Transition (26%).
- Significantly fewer clients with no qualifications made a Transition (46%) compared to 54% overall. Those with qualifications below or at SVQ1 were just below the average (51% and 52% respectively). Those with SVQ2 level qualifications had significantly more Transitions (59%), which was similar to those with higher SVQ levels (60%, 61% and 57% for those with their highest SVQ levels at 3, 4 and 5/degree respectively). This corresponds with much other literature indicating links between qualifications and employability. Note that when a full regression analysis (see below) accounting for the effects of other variables (such as age etc.) was undertaken, then a client having any qualification was again shown to be more likely to have a Transition.
- Those whose were employed (67%), or in education or training (69%), at the time of their initial registration, were more likely to make a Transition. Fewer of those who were registered unemployed (47%), and at home caring for children (49%) or adults (47%) made a Transition. Similarly those who were recorded as sick or disabled were least likely to make a Transition (32%).

### *Personal Circumstances*

- A higher proportion of clients with children aged under 12 years old made Transitions (54%) compared to those with secondary school aged children (46%). Unsurprisingly, only just over a quarter (26%) of clients who were pregnant made a Transition. Having fewer children was also associated with being more likely to make a Transition.
- A lower proportion of clients who had children with a 'Record of Needs', disabilities or health problems made a Transition (43% and 47% respectively, compared to 54% for clients whose children did not have either of these).
- A higher proportion of lone parents achieved a Transition (56%) compared to those in other types of households (49% of those with partner/spouse and 40% of those in 'other' households). In particular, those in lone parent working households or dual earner households were more likely to make a Transition (72% in a working lone parent household and 58% for dual earner household). This compared to 50% of those in households with one working, 42% of those in none working households and 51% of non-working lone parent households making a Transition.

Clients who achieved an Intermediate Activities outcome, improved employability or exited with no outcome, shared many characteristics. It would seem that these groups find it harder to move into employment, education or training. WFF seems to have had success with some of these clients (hence those who achieved an Intermediate Activity or improved employability, and indeed many who had achieved a Transition), but others have proved harder to keep engaged with the programme.

### **Characteristics of clients achieving different outcomes – Logistic Regression**

More in-depth analysis was carried out using logistic regressions. This is a technique which controls for the many characteristics of WFF clients, for instance young clients may have a lower likelihood of making a Transition, but this may be because they have young children and not because of their age, so the analysis accounts for this. Hence these more fully reflect which characteristics of the clients, or the characteristics of where they live, are most associated with having a Transition.

Those characteristics differ slightly between different types of Transition. To further identify the most important of these characteristics indicating the likelihood of someone having a Transition, three measures were used. First is whether we are confident that there really is a link between the characteristic and having a Transition (the significance level is 95% so we are confident that the relationship is not just chance); second we consider the strength of the effect (here we use an odds ratio of over 1.25 or under 0.75, so this characteristic at least increases or decreases the likelihood of having a Transition by at least a quarter (25%)); third, the relative reach of the impact, i.e. the characteristic is relevant for a large number of people (here the characteristic must be shared by at least 5% of the client population). Those that meet all three criteria and appear particularly important are marked \*.

The main characteristics *positively* linked to making a Transition of any sort include:

- having a qualification, of any sort (especially at least SVQ level 2\*);
- being a lone parent\*;

- having English as your mother tongue\*;
- being in any education at the point of registration (this is linked to having a Transition of completing education/training)\*;
- having a nationality other than that of a UK or EU citizen (such as asylum seekers or refugees);
- those living in living in Glasgow or North Ayrshire.

Key characteristics that are associated with a *reduction* in a client's likelihood of having a Transition are:

- being in rented, council, hostel or supported accommodation (i.e. non-owner occupier);
- having been out of employment for 2 months or more (and especially over 6 months\*);
- being aged under 20 year old;
- being over 45 years old\*;
- being self identified as disabled;
- having other household stresses (such as drug misuse)\*;
- being pregnant\*;
- having more than 2 children;
- having a disabled child.

### ***Links between WFF projects***

Clients joining the WFF programme were allocated a main project at the time of, or shortly after, registration. In most cases, this was a 'Key Worker' project (80%). In addition to the main WFF project, 60% of clients also accessed other projects: with 45% accessing other WFF projects and 15% accessing non-WFF projects (external agency services). Of those who accessed other projects, 35% were referred to one additional service, 39% to two or three, and 26% to four or more services.

Clients who accessed one or more additional projects were significantly more likely to achieve a Transition than clients who did not access any other projects (62% of clients who accessed WFF projects and 53% who accessed other agencies compared to 44% who did not access any additional services achieved a Transition). They were also less likely to exit WFF without an outcome (only 17% of clients who accessed WFF project/s and 23% who accessed other agencies exited with no outcome compared to 31% for those who did not accessed additional projects). This indicates that clients who received a 'package' of support (of at least a main project plus support from one or more other WFF projects) were much more likely to have a positive outcome.

### ***Sustainability of Transitions***

An important issue for WFF clients was whether they stayed in, or improved on, their employment after they got a job (or entered education etc.) – i.e. whether they sustained their Transition. In Phase 2, from 2006-2008, three months after a client experienced a 'Hard' Outcome/ Transition (into employment, education, training or sustained activity), they were followed up by their project worker (usually by telephone, but also by text or email as appropriate) and asked about their current activity. In this way, it was possible to ascertain the extent to which the Transitions were sustained, at least over the short-term. In addition, from September 2007, a sample of WFF clients whose latest major Transition was entering,

moving or improving employment<sup>9</sup> ('into employment') were followed up to ascertain if the Transition was maintained three, six and twelve months after it was achieved.

The follow-up of a sample of clients moving into employment showed that three months after the Transition was achieved the majority of clients (92%) had sustained it (from 1,476 responses). Six months after the Transition into employment was achieved, 90% of clients were still in employment (346 responses) and 89% of clients were still in employment twelve months after the Transition was achieved (263 responses)<sup>10</sup>.

Hence, for clients moving into employment, Transitions appeared to be sustained over twelve months, meaning that client's involvement with WFF has a long-term impact. It should be noted that WFF continued to support clients after they had moved into work and this is likely to have helped these clients to sustain their outcomes.

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<sup>9</sup> The data covers clients with a Transition into employment up to 31 March 2007 (with a 12 months follow up to 31 March 2008). Transitions analysed in this report are: entered full-time employment; entered part-time employment (16 to 29 hrs/wk); entered part-time employment (less than 16 hrs/wk); entered self-employment; being able to take up a job offer; moved into different employment; improved current employment.

<sup>10</sup> Quite a large number of people where contact was not achieved and the percentages refer to those maintaining a Transition divided by those where contact was achieved. Non-responses are excluded.

### *Characteristics of clients not sustaining an outcome at 3 months*

Further descriptive analysis was carried out on the relatively small number of clients who did not sustain an employment or training outcome after three months. The following groups of clients appeared to be less likely to sustain their Transition:

- young people (under 29 years);
- non-white ethnicity;
- those with very young children (under 3 years);
- those living in non-working households;
- sick/disabled people;
- those who had never worked;
- those with lower levels of qualifications;
- those with particular employability, childcare, transport and other barriers.

Sustaining long-term outcomes among these groups therefore may present particular challenges. A higher level of resources may be required in order to provide sustained support over a longer term post-Transition period for these groups, so that their chances of sustaining their outcomes are maximised.

## **4. COST BENEFIT ANALYSIS**

Figure 3 shows total WFF spending by Phase 1 and Phase 2 local authorities. These indicate that a considerable lead-in time is required for a programme such as this, as the budget was greatly under spent in 2004/05 (Year 1), but almost fully spent (92%) in Year 2 and over spent in Years 3 (105%) and 4 (118%).

**Figure 3: Actual Spend by Phase 1 and 2 local authorities**

	Actual Spend in 2004/05 @ 31.03.2005	Actual Spend in 2005/06 @ 31.03.2006	Actual Spend in 2006/07 @ 31.03.2007	Actual Spend in 2007/08 @ 31.03.08	Total Actual Spend in 2004-08 @ 31.03.08
<b>Phase 1 LAs</b>	£3,286,767	£9,173,121	£12,464,584	£12,541,760	£37,466,232
<b>Phase 2 LAs</b>			£3,260,960	£5,240,959	£8,501,919
<b>Total</b>	£3,286,767	£9,173,121	£15,725,544	£17,782,720	£45,968,152

For Phase 1 local authorities there was considerable under spend in their first year, followed by achieving their budget in year 2 and a 125% overspend in years 3 and 4 (note that this was permitted overspend as it represented a carry-over from Year 1). This indicates that the long-term budget might be reconsidered at a higher level than original, in terms of capacity to spend appropriately. Phase 2 local authorities followed a similar pattern with a large under spend in Year 1 and matching the budget in year 2. However, learning from Phase 1 local authorities and a longer lead in time meant that the relative under spend (they had a £5m budget compared to £10m for Phase 1) of Phase 2 local authorities was much lower.

### *Cost per 'Hard' Outcome / Transition*

Counting only the 'Hard' Outcome / Transitions (and only including the WFF budget, i.e. excluding other activities such as short-term training), then the cost of each Transition was on

average £2,546 over 2004-08. Some clients had more than one Transition. During 2007-2008 the cost per Transition was £2,022 (Figure 4).

There is a clear decrease in costs per Transitions as projects have improved efficiency and effectiveness, while there may be economies of scale coming into effect. In early years there can be quite high levels of fixed costs, particularly staffing, (plus start-up costs) and relatively few clients. It also suggests that support over a long period (over three years) may lead to greater cost efficiency and effectiveness than changing or launching programmes continually. It should be noted that over time clients will have, on average, increasing numbers of Transitions so this may slightly reduce the figures on costs in later years.

***Cost per client who experienced a ‘Hard’ Outcome / Transition***

If we consider just those clients who achieved a Transition (rather than the number of Transitions themselves) then the *costs per client who had a Transition* was £3,382 over the four years. These costs exclude the training and other costs provided by non-WFF support, and also were single year costs (clients may get support for more than one year, so the distribution of costs may not fully reflect the exact period of support received by a client). The costs fell each year, this strongly suggests that stable, longer term funding is likely to be much more efficient and cost effective for this type of programme.

**Figure 4: Cost per client who achieved a Transition by Phase 1 and 2 local authorities**

	Cost per Trans. in 2004/05 @ 31.03.2005	Cost per Trans. in 2005/06 @ 31.03.2006	Cost per Trans. in 2006/07 @ 31.03.2007	Cost per Trans. in 2007/08 @ 31.03.08
Phase 1 LAs	£18,465	£4,231	£3,652	£2,882
Phase 2 LAs			£3,390	£2,079
Aggregated	£18,465	£4,231	£3,594	£2,587

***Effects of additionality, deadweight, displacement and substitution***

When considering the effect of WFF we need to deduct what might have happened anyway. In other words we should look at the ‘additional’ net impacts of the policy after you have taken away ‘deadweight,’ and ‘displacement’ and ‘substitution.’ ‘Deadweight’ refers to those outcomes that would have happened anyway, even without WFF, ‘displacement’ and ‘substitution’ together measure the extent to which the benefits of a project are offset by reductions of output or employment elsewhere. The figures in the previous section assume zero ‘deadweight,’ so the results may overstate the impact of WFF as some parents would have gained, or moved towards, employment anyway.

In order to estimate what might have happened if there had been no WFF programme, other comparisons were made. First, 219 randomly chosen parents across the 20 WFF LA areas were interviewed. Second, propensity score matching was used to compare the outcomes of WFF results for similar people in the national British Household Panel Survey database (up to 30<sup>th</sup> April 2006 as later data were not available at the time of writing). Third, WFF results were compared to studies of other, generally similar clients, and national statistics.

If we consider just those clients who achieved a Transition (rather than the number of Transitions themselves) then the *costs per client who had a Transition* was £3,382 over the four years (falling to only £2,587 by the last year). From the propensity scoring and other

evidence, it was considered that 50% of clients may have had a Transition anyway ('deadweight') even if they had not participated in WFF. This increases the average cost to £6,764 per client having a transition, over the four years, falling to £5,174 by the final year. However, this may be an over estimate as the 'deadweight' was calculated for those going from unemployment into work, and deadweight might be lower for some other Transitions (e.g. moving into education), although clear evidence on this is not available.

### *National statistics*

Considering national statistics, the number of lone parent benefit claimants in Phase 1 WFF areas fell at slightly greater rates than in the rest of Scotland, and Great Britain, from (February) 2004 to 2007 (-12.8% compared to -12.5% in the rest of Scotland and -7.1% in GB), although in year 3 (2006-07) when Phase 1 local authorities were well established in WFF, the number fell in Phase 1 local authorities by -3.2% compared to only -2.4% in the rest of Scotland and -0.7% in GB (NOMIS, 2008). The figures for Phase 2 local authorities are not very meaningful as during 2006-07 they were still setting up and had relatively few clients and few people making Transitions (indeed in 2006-07 Phase 2 local authorities experienced a fall in claimants of only -2.3% compared to -2.7% in non-WFF Local authorities).

Using data from the Inland Revenue (2008) on Child and Working Tax Credits<sup>11</sup> there appears to be a larger increase in parents in work and a larger decrease in parents out of work in WFF areas, and Scotland, compared to the rest of Great Britain<sup>12</sup>. Considering 'Recipient families receiving CTC and WTC in each local authority,' then in the years 2005-06 to 2007-08 (to April 2008) the percentages of families (with children) who were not working fell from 28.96% to 27.31% in Phase 1 WFF LAs, compared to a fall from 20.27% to 19.51% in the rest of Scotland (falling in both Phase 2 and the small non-WFF LAs) and nearly no change in the rest of Great Britain (24.81% to 24.41%, while Scotland as a whole fell from 23.99% to 22.87%). The converse of families with children in work, rose from 71.03% to 72.74% in Phase 1 LAs and 79.74% to 80.35% in the rest of Scotland and hardly any change in the rest of Great Britain. These figures also suggest that the Phase 1 LAs were correctly chosen for their far higher rates of workless families<sup>13</sup>.

### *Other factors in costs and benefits*

It is worth noting that these figures do not incorporate the considerable future positive outcomes that are likely to be achieved by WFF clients (which are expected to be high due to the nature of the clients), life time earnings of clients, and other benefits due to getting or changing employment, and education. The main financial benefits of those getting work were

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<sup>11</sup> Child Tax Credit (CTC) and Working Tax Credit (WTC) replaced Working Families' Tax Credit, Disabled Person's Tax Credit and Children's Tax Credit in April 2003. CTC is available to families with children aged up to 16, or up to 20 and in full-time non-advanced education or certain forms of training. WTC is available to people working for at least 16 hours a week if they have children, or have an illness or disability which puts them at a disadvantage in getting a job. Certain other adults also qualify - for example, if they are aged at least 25 and work for at least 30 hours a week.

<sup>12</sup> HM Revenue & Customs (2008) *Child and Working Tax Credits Statistics, Geographical analyses*, April 2008, HMRC, London <http://www.hmrc.gov.uk/stats/personal-tax-credits/menu.htm>

<sup>13</sup> A note of caution: it may be that the economy was more buoyant in relevant parts in some areas than others; having a high start rate of non-working parents may make it harder or easier to decrease this rate; and there may be data limitations. Further research would be useful to consider these issues in more depth, including matching similar LAs in the rest of Great Britain to the WFF LAD.

their increased incomes (life time earnings, as well as short-term wages and Working Tax Credit etc.). In the longer term people may get pay rises and/or improve their jobs and careers, so income is likely to grow over time for many of these clients compared to their starting wages.

The substantial ‘soft’ outcomes (e.g. short term training, greater employability skills, and more confidence) were not included in these calculations. These are also likely to lead to better lifelong earnings and to non-money costs and benefits (as some parents achieve improved mental health, suffer less depression, or feel better, as do their children). Further, those parents that are better educated will have associated benefits for their children and have more prosperous careers (and arguably better careers so helping to cut inter-generational disadvantage). Each soft outcome will lead to long-term benefits that are likely to be large. There may be some positive soft outcome effects from this on reducing spending on health and other social services etc. Of course, there may also be some costs due to the negative effects of working, for example, stress for working parents and less parent child interaction time.

The net Exchequer position in terms of benefit transfers suggests that the quantifiable gain to the Exchequer from WFF is modest, especially as the majority of those moving to employment will continue to receive benefits such as Housing Benefit and Council Tax Benefit, plus in-work benefits such as Child Tax Credit. This largely negates any savings made through reduced Income Support and JSA payments in the short-term. So overall the effect of the initiative in terms of taxes and benefits, excluding the cost of WFF, may be relatively neutral.

### ***Summary***

When comparator groups who did not get WFF support are considered, after ‘deadweight,’ displacement and substitution effects, the conclusion is that the WFF policy was effective in moving a substantial number of disadvantaged parents into or towards work, education or training.

## 5. IMPLEMENTATION AND OTHER ISSUES

The key features of WFF implementation included:

- LAs involved in WFF had a clear focus on moving disadvantaged parents towards, into, or continuing in employment, education or training in a significant way and on measuring the progress clients made at individual and aggregate levels.
- WFF funding and implementation was channelled through Economic Development departments in all but one local authority and this strategy clearly and successfully focused the remit upon employability and getting people into appropriate work, training and education.
- Projects and services in each local authority area were developed in partnership with a range of existing public, private and third sector service providers. Partnerships were essential in order to: develop projects and services efficiently and effectively, avoid duplication; provide appropriate services for clients with multiple, specialised support needs (e.g. for whom support for skill development, substance abuse and childcare issues could each be provided by a different agency); attract the referral of clients from other agencies to WFF.
- Development of Key Worker's programmes (dedicated link workers offering 'outreach' or peripatetic service to clients within a community) was central across all but one local authority area forming the 'hub' of local WFF delivery.
- Additional projects were developed by WFF to fill gaps in existing services and offer important services to clients in helping them move into or closer to employment, education or training that would not be available otherwise, thereby making WFF more effective.
- Flexible implementation allowed local authorities to adapt their proposals in the light of experience. WFF fostered continuous learning and sharing of information, experience and ideas between local authorities and the Scottish Government.

### *Rural-urban issues*

The majority of clients were identified as living in large urban areas (51%), with many of the remainder living in other urban areas (32%). Only 9% of clients lived in rural areas (5% in accessible rural and 4% in remote rural), 7% in accessible small towns and 2% in remote small towns. However, there were huge variations depending on local authority area, with a very high level of correlation between local authority area and the rural-urban location of clients. There were some noticeable differences in the types of clients depending on type of rural-urban location. Key differences included:

- Higher proportions of male clients outside large urban areas.
- Higher proportions of ethnic minority clients in large urban areas.
- Clients tended to be younger in large urban areas.
- Higher proportions of lone parents lived in large urban areas.
- Higher proportions of young children (0-4 years) in large urban areas.

- Higher proportions of clients indicated that they had children with either a ‘Record of Needs’ or with disabilities or health problems in more rural areas.
- Clients in accessible rural and remote rural tended to have slightly higher levels of qualifications.
- A lower proportion of clients in large urban areas reported facing all but one (caring) of the general barriers: employability and skills; transport or other.

A larger proportion of clients in large urban areas recorded a Transition (56%), with the lowest recorded in remote small towns (45%). However, a fairly high proportion of clients in large urban areas also recorded ‘inactive/exit no outcome’ (24%), the same as those in other urban areas, whereas only 16% of those in remote small towns were recorded as such.

### *Childcare*

When asked about their views in a survey carried out in March 2008, Co-ordinators within WFF local authorities felt that registered childminders, pre-school education, nurseries and registered after-school care were the most cost-effective and most useful in terms of helping clients into employment, education or training and sustaining these outcomes, although some, e.g. pre-school education is not important for full-time working due to its limited hours.

A lack of capacity and gaps in provision (over evenings and weekends, for children with additional needs and location) were mentioned as the most common problems in terms of accessing childcare and creating barriers that lead to jobs and other opportunities not being taken up. The price of childcare was also stated as a main barrier for parents (e.g. deposits/registration fees). Also stressed was a mismatch between clients starting work and having to pay for childcare, and receiving their first wages. It was highlighted that WFF had been very successful in helping parents with childcare costs for the first month. Also mentioned as challenging for parents were hours of work and finishing-time, use of public transport, and closing times for nurseries and registered after-school clubs. Consistent statistical data on the types and numbers of childcare places were not available over the period of WFF due to changing national survey methods and questions.

## **6. CONCLUSIONS AND RECOMMENDATIONS**

### *Summary of overall impacts of the funding*

Overall WFF had a significant impact over the whole WFF period (2004-08) and during Phase 2 (2006-08) in terms of:

- recruiting 25,508 clients in the twenty local authorities and;
- assisting 66% (16,877) of all clients registered to achieve an identified ‘Hard’ Outcome/Transition, improving their employability or to progress towards employment, training or education by 31 March 2008.

This met the target set by the Scottish Government and is a reasonable level for such a programme starting largely from scratch with a new set of client groups, and a new combination of economic development and childcare support workers and specialists. It is, however, useful to remember that the period 2004-08 was one with a generally buoyant economy and growth in overall employment and this may have been beneficial in increasing Transitions into work to a limited degree.

WFF successfully targeted support to improve the employability of specific disadvantaged parental groups: those who have difficulty entering or progressing in employment, education or training, due to a variety of stresses (disability, drug and alcohol misuse, mental health problems, etc.); those on low incomes and; lone parents pre-New Deal. It supported these parents by helping them find sustainable childcare solutions and providing access to other relevant employability-related services, across diverse geographical and economic areas covering much of Scotland.

WFF was innovative and effective in terms of: its particular target groups; the linking of childcare and support to improve the employability of clients; the activities of local projects; and flexibility in funding shown by the Scottish Government. It was a voluntary scheme on the part of clients, which showed that effective support of the right type, albeit in relatively good economic conditions, can result in a significant improvement in the employment and employability of disadvantaged parents.

A total of 42,214 children (up to 18 years) had parents/guardians taking part in WFF. Two thirds of these children (66%, 27,669) had parents/guardians that achieved a measurable Outcome. For 6%, their parents/guardians had registered in the previous 6 months, and were still active but had not yet recorded an outcome. For 28% of children their parents/guardians did not achieve an outcome. So a significant portion of children (27,669 in total) have benefited indirectly from WFF.

An important feature of the implementation of WFF was the continuous learning and sharing of information, experience and ideas. The evaluation process collected in-depth data that could be used to help monitor progress and to identify some of the relevant support needed by clients. Quarterly reports summarizing the main information across LAs were produced, roughly two months in arrears, so as to allow mutual comparison and learning. A Quarterly Newsletter, regular meetings between LA co-ordinators and between them and the Scottish Government as well as specific dissemination events were also carried out.

## ***Recommendations***

### **What should be supported?**

1. The effective combination of tackling both childcare and employability is an essential, successful, aspect of the WFF programme. Consideration should be given to extending this basic model into other initiatives that focus solely upon employability or childcare issues.
2. The employability and childcare support provided through WFF (although not necessarily the WFF name or organisational structure) should continue to be funded, under the Fairer Scotland Fund or otherwise, by the Scottish Government and Community Planning Partnerships, following local decisions on what is most effective and efficient in each area. WFF gave a clear focus for support and specialist skills were developed, so great care should be taken if future WFF based funding is spread to support a less co-ordinated set of services. The focus on the Key Worker models of providing consistent, flexible and tailored support for employability *and* childcare issues should be continued. Job Centre Plus should also consider the level and form of childcare support they can provide to parents.

3. Support should be extended to those parts of Scotland not currently covered by WFF (the 12 other Local Authority areas). In cases with an extension of WFF type programmes certain factors should be considered, in particular: lead-in time should be carefully considered when budgets are set, with the expectation that only a few staff may be employed and relatively few clients assisted in the first few months. Secondly, if extending WFF type support, training of project and local authority staff should be carefully considered and the issues of employability, childcare and partnership included. Thirdly, mechanisms need to be in place to ensure good practice is disseminated to both new local authorities and projects joining WFF, and for existing local authorities and projects.

4. Careful consideration should be given to providing stable, longer term funding for such programmes as the evidence suggests that this is much more efficient and cost effective. Initial set-up costs, together with more limited learning and experience, and relatively low numbers of clients in the early years, greatly reduces efficiency and raises costs per client and per outcome. This will have implications for support for policies in general and when interpreting the results of pilot studies. It also suggests that uncertainty about future funding can hinder efficiency and cost effectiveness.

#### **Who and what should be targeted?**

5. The targeting of this client group seems appropriate and should be continued. However, particular support is needed for those with major barriers including a lack of employability skills, as well as childcare provision. Additional help is needed for those in the greatest disadvantage due to low qualifications, disability among children. While WFF focused on disadvantaged parents in Scotland, within the WFF client groups there remained some who achieved less and may have required further support over a longer period. Assistance should continue to be given to clients after they have made a Transition for at least a year, so as to improve the sustainability of Transitions into work.

6. A prime focus of WFF type policies should be on 'hard' outcomes leading to major improvements in the position of clients (such as moves into or maintaining sustainable work, substantial training and education). This would provide a clear focus for staff working in the projects, other agencies and the clients themselves. However, 'soft' outcomes are also very important and should be recognised and supported for all participants, especially where they are part of a clear support package for those requiring long-term support in moving towards 'hard' outcomes.

### **How should services be delivered?**

7. WFF flexibility in terms of funding and implementation (at Scottish Government, local authority and project levels), is important and contributed to the provision of client-focused support, tailored to each individual's needs which lead to effectiveness in dealing with individual circumstances. Projects varied between different local authority areas and were designed to fill gaps in existing service provision in each area. Building in this type of flexible approach should be considered in future initiatives. As discussed earlier, the Key Worker model to support clients 'on the ground' was very effective in helping clients to make real progress through individualised holistic advice, support and motivation.

### **How can lessons be learned and disseminated?**

8. Important policies within the WFF that could usefully be supported and information on them more widely disseminated include: funding for childcare subsidy (financial support immediately after the return to work); the Key Worker model; the need for peripatetic and/or community-based interventions (especially in remote areas); appropriate support for specific types of clients (those with drug/alcohol issues). It is important that the lessons of the WFF are widely disseminated.

9. Community Planning Partnerships should be strongly encouraged to continue to collect a minimal level of common information on the successors of WFF in each area so as to allow continued comparisons and learning about what policies are effective.

10. Analysis of the WFF evaluation data should continue to be carried out and disseminated. Consideration should be given to storing the WFF evaluation data in a suitable archive for later research.

## CHAPTER ONE INTRODUCTION AND BACKGROUND

1.0.1 This report presents the Final Evaluation Report of the Working for Families Fund (WFF) programme up to the 31 March 2008 (Phase 1 was from April 2004 – March 2006 and Phase 2 from April 2006 - March 2008). It was carried out by the Employment Research Institute, Napier University, Edinburgh, for the Scottish Government.

1.0.2 Over the four years the budget for WFF was £50 million (the actual spend was £46 million), a total of 25,508 clients were registered, 53% of all clients (13,594) achieved ‘Hard’ Outcomes and a further 13% (3,283) achieved other significant outcomes.

1.0.3 WFF was established to invest in new initiatives to improve the employability of parents who have barriers to participating in the labour market. Specifically it was to help them move towards, into, or continue in employment, education or training. WFF was a totally voluntary scheme on the part of clients. The programme was administered through 20 local authorities and supported these parents through helping them find sustainable childcare solutions and through providing or accessing other relevant employability-related support and services. In rural areas, support sought to combat barriers created by poor transport, limited services and a lack of a critical mass of clients.

1.0.4 WFF contributed to: the Scottish Government’s ‘Closing the Opportunity Gap’ approach to tackling poverty and disadvantage, by improving rates of employment and economic activity and; to its commitment to eradicating child poverty within a generation. WFF funding was streamlined on 1 April 2008 in the Fairer Scotland Fund (FSF). The FSF replaced seven previous funding streams as part of the Government’s budget concordat with local government. The Scottish Government aims through the FSF to: support Community Planning Partnerships (CPPs) to work together to tackle area based and individual poverty and; reduce bureaucracy and administration, allowing CPPs to get on with tackling poverty and deprivation. Further details about WFF are available in the Phase 1 Evaluation Report, Quarterly reports and the WFF websites: <http://www2.napier.ac.uk/WFFE/> and <http://www.scotland.gov.uk/Topics/People/Social-Inclusion/17414/WFF/Intro>

### 1.1 What is the Working for Families Fund?

1.1.1 From the start of WFF it was recognised that clients needed support in terms of both sustainable childcare solutions and the provision and access to other relevant support and services to improve their employability. Initially in Phase 1 WFF focused particularly on helping to remove childcare barriers, but quickly developed a holistic employability approach to provide continuous support to parents<sup>14</sup>.

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<sup>14</sup> The Scottish Government (Workforce Plus - an Employability Framework for Scotland) definition of employability is “The combination of factors and processes which enable people to progress towards employment, stay in employment, and ‘move on’ in the workplace.” A similar broad definition of employability is used in McQuaid, R.W. and C. Lindsay (2005) The Concept of Employability, *Urban Studies*, 42(2), pp. 197-219, and this informed the types of client information used in the evaluation. This identified individual factors affecting an individual’s employability (literacy, health, skills, confidence); Personal circumstances (caring roles, household circumstances, chaotic lifestyle, debt, social capital); and External factors (availability of jobs, transport, benefits, services).

1.1.2 The WFF programme focused on disadvantaged parents, specifically:

- lone parents (who were pre-New Deal);
- parents on low incomes;
- disadvantaged parents with other stresses in the household that made it difficult to access and sustain employment, education or training, including disability, mental health and substance abuse problems.

1.1.3 The main WFF support was based around ‘Key Workers,’<sup>15</sup> who supported clients who wished to move towards, into, or continue in work, education or training through:

- helping them to improve their employability; and
- addressing childcare and other barriers standing in their way.

1.1.4 Clients were helped to improve their employability by establishing goals and producing a personal action plan that linked them to the various types of employability support available locally. These included: personal development courses to boost confidence and self-esteem; education and training to improve skills and qualifications; careers advice; money advice; and work experience – all helping the client to progress towards or into work. A second key element of WFF support was helping clients to identify and access the childcare they needed at each stage. Often this took the form of information and advice, linking them to an existing childcare place, but it also might have involved financial assistance (e.g. paying one-off, ‘upfront’ nursery Registration fees, paying for childcare while a parent attended education or until tax credits came through).

1.1.5 Support from WFF centred around three key stages:

- Pre-employment - supporting parents to improve their basic employability skills, confidence and attitudes;
- At Transition points - helping parents to make the Transition into employment, education, substantial training or volunteering;
- Post-employment – providing support to sustain employment, for instance through a period of crisis such as having a sick child shortly after the parent started work. This was offered both to parents who engaged with WFF at the pre-employment stage and had successfully moved into employment, and to parents who were already in work when they first approached WFF.

1.1.6 The local authorities led and controlled WFF funding and strategy in their areas, but the actual support for clients was provided by a variety of locally determined organisations (including the local authorities themselves) in each local authority area.

1.1.7 WFF was designed to complement, not duplicate or replace, existing services and to work with local childcare partnerships and employment and employability focused partnerships to fill gaps in provision for the WFF client groups. In some areas this meant developing employability related services, including short pre-vocational training, or helping clients to obtain driving licences, while elsewhere it involved setting up additional, often more flexible, childcare services such as childminding and sitter services.

1.1.8 Overall £50m of funding was available for WFF in Phases 1 and 2 (2004-08). In Phase 1 (2004/5-2005/6), ten local authorities (including the pilot authorities) were awarded funding for two years to develop services and projects often building upon the key lessons from the

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<sup>15</sup> The Key Worker model developed out of work undertaken by Glasgow City Council in the pilot stage.

pilot stage. They covered 37% of the total Scottish population. The budget for Phase 1 was £10 million pa (£20m in total) allocated as below, although actual expenditure was under £13 million due to the slow start up time for such a programme.

1.1.9 On 23 August 2005 a further £15 million pa for two years was announced for Phase 2 (2006/7-2007/8), allocated to 20 local authorities from the 1st April, including the ten Phase 1 local Authorities, and which covered 79% of Scotland's population. See details of the annual funding allocations for 2004 - 2008 below.

**Table 1.1 Annual budgets for Working for Families by local authority**

<b>Local Authority Area</b>	<b>Budget 2004/5-2005/6</b>	<b>Budget 2006/7-2007/8</b>
Glasgow City	£2.5 million per annum	£2.5 million per annum
North Lanarkshire	£1.5 million	£1.5 million
Renfrewshire	£1 million	£1 million
Dundee City	£1 million	£1 million
North Ayrshire	£1 million	£1 million
East Ayrshire	£600,000	£600,000
Dumfries and Galloway	£600,000	£600,000
Highlands	£600,000	£600,000
Inverclyde	£600,000	£600,000
West Dunbartonshire	£600,000	£600,000
Edinburgh	-	£750,000
Fife	-	£750,000
South Lanarkshire	-	£750,000
West Lothian	-	£450,000
Aberdeen City	-	£450,000
Falkirk	-	£450,000
Aberdeenshire	-	£350,000
Angus	-	£350,000
Midlothian	-	£350,000
Clackmannanshire	-	£350,000

1.1.11 Budget allocations were based largely on the number and proportion of children living in households dependent on key benefits (Income Support and Income Based Jobseekers Allowance), while the incidences of multiple deprivation and rurality were also taken into account.

1.1.12 WFF had an overall target for the two Phases which encompassed increasing the number of parents from disadvantaged areas, and groups entering or moving towards employment, through removing childcare barriers by 15,000, by March 2008.

1.1.13 This report relates to the WFF programme overall. It focuses primarily on the main quantitative information at the Scottish level. Other detailed and qualitative information is available in the Phase 1 Evaluation Report, Quarterly Reports and in local evaluations carried out for local authorities by various other organisations.

1.1.14 WFF had its origins in a small pilot in Glasgow and Dumfries and Galloway in 2003-04, which explored ways of addressing childcare barriers to employment. A key finding of the pilot was that a programme of this sort should provide parents with one-to-one mentoring and support to address the range of barriers clients experienced, as well as addressing childcare needs.

## **1.2 Structure of the Report and Methodology**

1.2.1 The data for this report were primarily gathered by the projects at the time of the registration of a client and then continuously through face-to-face meetings and sometimes by telephone until 2008 (unless contact was lost). Information was collated by local authorities and sent to the Employment research Institute one month after the end of each quarter. Clients were continuously monitored and followed-up. Additional surveys were carried out (e.g. on sustainability and childcare) by local authorities. Results were continuously fed back to local authorities on at least a quarterly basis through reports and Newsletters as well as regular meetings between local authorities, the Scottish Government and the evaluators. Considerable governmental and other secondary data and information were also analysed. Further details are available on the websites (above).

1.2.2 The report is divided in six main sections.

**Section 1 ‘Introduction and Background’** outlines what the Working for Families Fund (WFF) is, and explains the background to the local authorities who participated.

**Section 2 ‘About WFF Clients’** describes the clients who participated in WFF. In particular, this section examines the characteristics of the WFF clients (and compares them to the general population in Scotland). It also looks at whether WFF targeted the right groups, how effective the programme was at reaching these groups and the overall approach of WFF to clients (especially through the ‘Key Worker’ model).

**Section 3 ‘Client Outcomes’** looks at what these clients achieved through participation in WFF. This section then considers the types of clients who were more likely to achieve a range of different outcomes, including which clients achieved a ‘Hard’ Outcome (a Transition into employment, education, training or voluntary work of 16 plus hours per week), which achieved a soft outcome (an intermediate activity such as a short training course, or other improvement to their employability) and which did not achieve any outcome. It also compares clients’ outcomes by types of WFF project. This section also examines what projects were accessed by WFF clients and the impact these had on client outcomes. Finally it looks at the extent to which client work outcomes were sustained over time (after 3, 6 and 12 months).

**Section 4 ‘Cost-Benefit Analysis’** considers the costs and benefits of WFF and the potential impacts on public funding.

**Section 5 ‘Implementation and Other Issues’** sets out: a summary of implementation issues; an analysis of rural and urban issues surrounding the programme and; issues around the use of childcare associated with the programme.

**Section 6** presents the main ‘**Conclusions and Recommendations**’ of the evaluation.

## CHAPTER TWO ABOUT WFF CLIENTS

### 2.0 Introduction

2.0.1 This section outlines the numbers and characteristics of the clients registered with the Working for Families Fund (further information is presented in the WFF Quarterly Report to March 2008). The term WFF ‘client’ is used to denote a disadvantaged parent who registered with and participated in WFF.

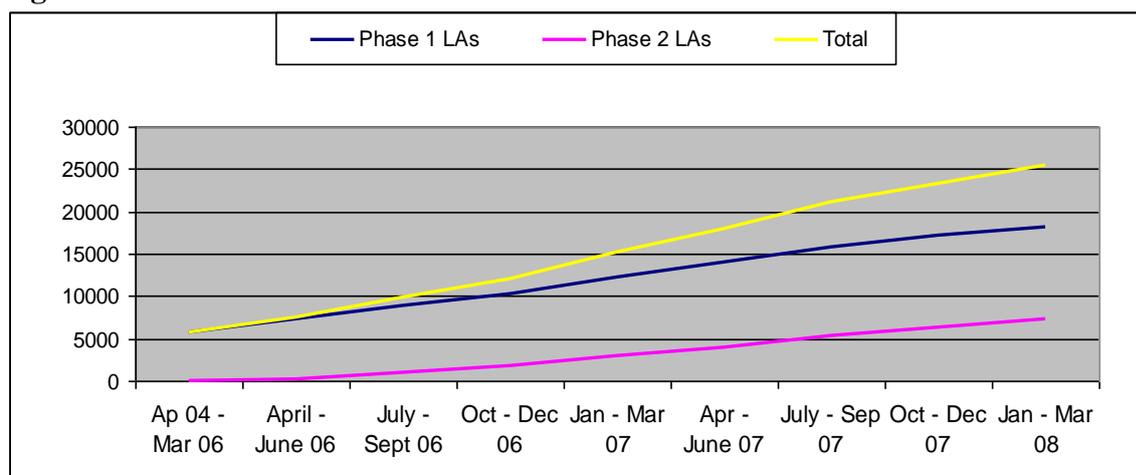
2.0.2 The chapter considers first, the numbers of clients in each area and where they were referred from. Second, it examines the characteristics of WFF clients in relation to the target groups, finding that the majority of clients were lone parents (pre-New Deal). Third it examines what clients wanted to achieve, their barriers to employment and the extent to which these barriers were reduced due to participation in WFF. The last section describes the overall approach of WFF to assisting clients (especially the ‘Key Worker’ model).

### 2.1 WFF Clients

#### 2.1.1 Numbers of clients

2.1.1.1 A total of 25,508 clients were registered up to 31 March 2008. Figure 2.1 and Table 2.1 below, show the number of clients by when they were registered. Glasgow had the largest number (5,076 clients) followed by North Lanarkshire (2,851) Dundee (1,933) and North Ayrshire (1,532). Note that areas were awarded differing levels of funding (see Section 1.1 above) and have different eligible populations, which will account for a large part of the variation in overall numbers of clients registered in each area (other factors influencing numbers include the specific types of clients targeted, local circumstances and the start dates for individual projects. 8 client records with missing or incorrect registration dates are excluded from the analysis.

**Figure 2.1: Total number of WFF clients 2004-2008**



Source: the source of all data is the WFF evaluation, unless otherwise specified.

**Table 2.1: Number of new clients registered to 31 March 2008 by area**

	Phase 1* Apr 04 – March 06	1 Apr to 30 June 06	1 Jul to 30 Sept 06	1 Oct to 31 Dec 06	1 Jan to 31 Mar 07	1 Apr to 30 June 07	1 Jul to 30 Sep 07	1 Oct to 31 Dec 07	1 Jan to 31 Mar 08	Total
<b>Phase 1 LAs</b>										
Dumfries & Galloway	251 29%	46 5%	77 9%	86 10%	87 10%	73 8%	114 13%	74 8%	67 8%	875
Dundee	472 24%	110 6%	153 8%	196 10%	174 9%	185 10%	235 12%	226 12%	182 9%	1933
East Ayrshire	475 32%	176 12%	202 14%	121 8%	153 10%	118 8%	97 7%	77 5%	62 4%	1481
Glasgow	1813 36%	421 8%	431 8%	338 7%	490 10%	390 8%	432 9%	335 7%	426 8%	5076
Highlands	327 36%	120 13%	63 7%	56 6%	89 10%	74 8%	66 7%	59 6%	59 6%	913
Inverclyde	366 35%	86 8%	93 9%	76 7%	139 13%	112 11%	79 8%	65 6%	18 2%	1034
North Ayrshire	510 33%	93 6%	117 8%	71 5%	152 10%	164 11%	212 14%	131 9%	82 5%	1532
North Lanarkshire	658 23%	232 8%	240 8%	277 10%	408 14%	344 12%	392 14%	207 7%	93 3%	2851
Renfrewshire	538 39%	112 8%	108 8%	109 8%	66 5%	113 8%	175 13%	86 6%	81 6%	1388
West Dunbartonshire	363 32%	67 6%	115 10%	113 10%	230 21%	108 10%	85 8%	37 3%	0 0%	1118
<b>Total Phase 1</b>	<b>5773 32%</b>	<b>1463 8%</b>	<b>1599 9%</b>	<b>1443 8%</b>	<b>1988 11%</b>	<b>1681 9%</b>	<b>1887 10%</b>	<b>1297 7%</b>	<b>1070 6%</b>	<b>18201</b>
<b>Phase 2 LAs</b>										
Aberdeen City		15 2%	53 8%	70 11%	143 22%	101 15%	108 16%	74 11%	101 15%	665
Aberdeenshire			3 0%	34 5%	116 17%	151 23%	140 21%	99 15%	122 18%	665
Angus		20 3%	72 12%	60 10%	87 15%	102 17%	79 14%	78 13%	86 15%	584
Clackmannanshire			80 16%	64 12%	114 22%	73 14%	57 11%	59 11%	68 13%	515
Edinburgh	8 1%	61 5%	73 7%	89 8%	152 14%	153 14%	220 20%	189 17%	174 16%	1119
Falkirk		94 14%	70 10%	60 9%	108 16%	102 15%	93 14%	72 11%	80 12%	679
Fife		6 1%	66 7%	128 13%	170 17%	147 15%	182 18%	132 13%	164 16%	995
Midlothian		12 3%	13 3%	36 9%	53 13%	67 16%	95 23%	75 18%	61 15%	412
South Lanarkshire		19 2%	155 17%	123 14%	140 16%	108 12%	150 17%	110 12%	85 10%	890
West Lothian		57 7%	137 17%	74 9%	102 13%	93 12%	118 15%	85 11%	117 15%	783
<b>Total Phase 2</b>	<b>8 0%</b>	<b>284 4%</b>	<b>722 10%</b>	<b>738 10%</b>	<b>1185 16%</b>	<b>1097 15%</b>	<b>1242 17%</b>	<b>973 13%</b>	<b>1058 14%</b>	<b>7307</b>
<b>Total</b>	<b>5781 23%</b>	<b>1747 7%</b>	<b>2321 9%</b>	<b>2181 9%</b>	<b>3173 12%</b>	<b>2778 11%</b>	<b>3129 12%</b>	<b>2270 9%</b>	<b>2128 8%</b>	<b>25508</b>

\* WFF Phase 1 commenced in April 2004 and ended on April 2006 for the ten LA (Phase 1 LAs), with the exception of Glasgow and Dumfries and Galloway which were part of a Pilot that started in 2003.

8 records with Registration Date erroneous are excluded from the analysis.

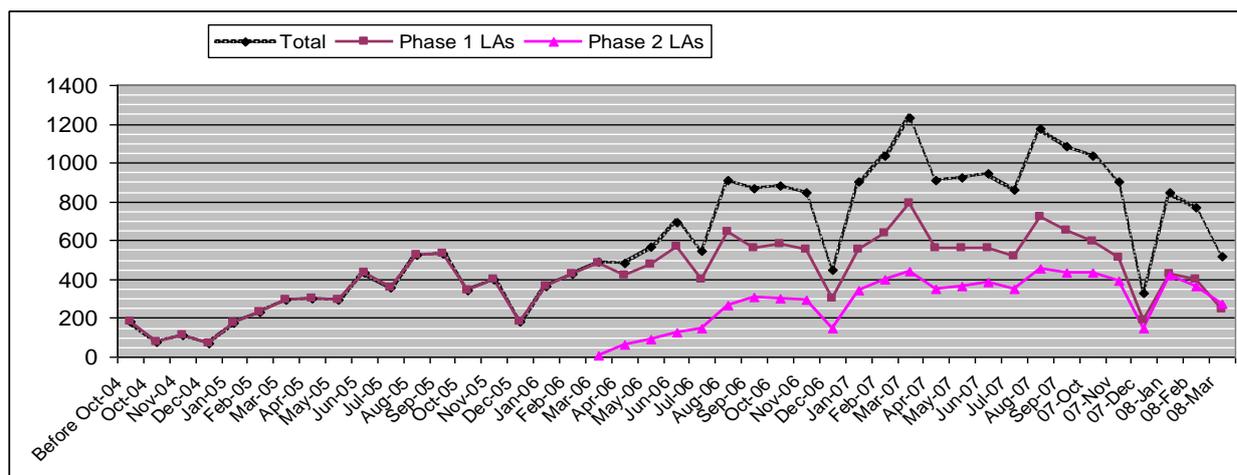
Note: Some of the client figures for each quarter differ slightly between quarterly reports. Every quarter all the data was sent to us by each local authority and may contain small variations due to modifications made at local authority level on the database, (due to a backlog on data entry, or necessary alterations).

2.1.1.2 18,201 (71%) of clients were registered with the ten Phase 1 local authorities (LAs) and 7,307 (29%) with the ten Phase 2 local authorities.

2.1.1.3 Overall, there was a rise in the total number of new registrations during 2005, 2006 and 2007. The size of growth in client numbers in each quarter appears to be steady with the exception of the last quarter each year and the second quarter of 2007, which all saw reductions in the numbers of new clients registering with WFF. Phase 1 local authorities experienced decreased numbers of new registrations in the first quarter of 2008, while Phase 2 local authorities experienced a slight increase.

2.1.1.4 Monthly figures (see Figure 2.2 below) show that decreases in the number of new registrations were concentrated in: July, October and December in 2005; July, September and December in 2006; and April, July and December in 2007. The reduction in number partly reflects a seasonal decline around the Christmas/New Year and School Term holidays. New registrations increased in the first month of 2008 but in both February and March new registrations decreased again. This decline in the first Quarter of 2008 is likely to be related to uncertainty in some areas about the continuation of the WFF programme and/or changes in preparation for the streamlining of funding under the Fairer Scotland Fund (FSF) on 1 April 2008.

**Figure 2.2: Number of new WFF clients registered each month (2004-08)**



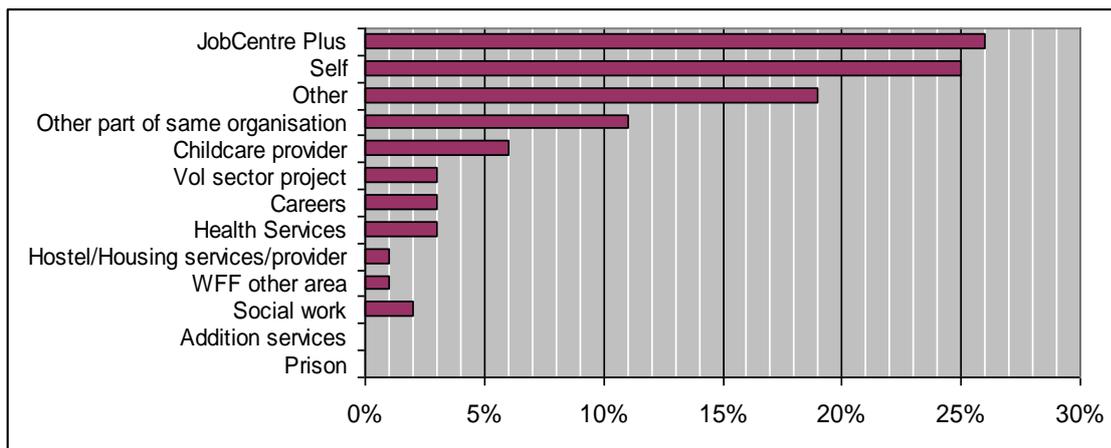
2.1.1.5 Local authorities were able to target their attention on different types of clients within the broad target categories, including focusing on clients who were in-work, out-of-work or who were a long way from the labour market. At the beginning of WFF, the focus was solely on areas of multiple deprivation, but this was broadened out to include other areas within the local authorities. This shift from a predominantly area based, to a geographically wider client group, allowed WFF to reach disadvantaged parents who did not live in areas of multiple deprivation. A quarter of clients (24%) were classified primarily as being in the Low Income category, 35% as Lone Parents, 12% as Other Stresses and 25% as multiple categories (with 4% choosing the ‘none of these categories’ option<sup>16</sup>).

<sup>16</sup> Most clients fitted into one or more of the available categories: parent on low income; parent with other stresses in the household; lone parent. Around half of those recorded as not fitting in any of these categories (‘none of these’) did specify their personal situation (reason for joining WFF).

## 2.1.2 Who referred clients to WFF?

2.1.2.1 Local partnership working and joint working were extremely important to the recruitment of clients, and referrals to WFF were generated from a wide range of agencies. Figure 2.3 shows the percentages of clients according to the agencies that referred them to WFF. The WFF co-ordinators and projects in each area made considerable, continuous efforts to recruit new clients through working with other agencies (including Job Centre Plus and various departments of the LA, such as Social Work), which led to referrals from a variety of other sources.

**Figure 2.3: Percentage of clients registered by agency referred from (2004-06)**



- Job Centre Plus was the highest source of referrals (26%), indicating both good joint working and the presence of some potential gaps in the availability of specific support for many of the WFF client group.
- The second highest source of referrals (25%) were self-referrals, indicating effective local marketing and that possibly ‘word-of-mouth’ became more prominent in recruitment as WFF developed and as clients told their family, friends and neighbours about the service. It also probably indicates a high level of self motivation amongst these clients.
- 11% were referred from other parts of the project’s organisation and 6% from childcare providers. Small numbers of referrals (3% or less) came through Voluntary sector projects, Careers Services, Health Services, Social Work, Hostel Accommodation or Housing Services, other WFF local authorities, Addiction/Drug Services and Prison. 19% of referrals came from ‘other’ sources than the ones identified or have been incorrectly allocated to this category by the project data collectors<sup>17</sup>.

<sup>17</sup> ‘Other’ referral sources were sometimes specified.

*“A couple of years ago I had trained as a childminder, but it didn’t come off. And then the Jobcentre and... One Plus [an organisation for lone parents] put me in contact with WFF because initially when I started up I had literally no money and I needed childcare.... I was determined to improve my life, and have something that belonged to me. And I wanted to be self-employed and I wanted to have a job that belonged to me - I wasn’t answerable to anybody else and I was in charge of it. And they really helped me.” (Helen, 39. Living with Partner/Spouse. Situation before WFF: part-time dinner lady, to fit in with children. Situation after WFF: self-employed as a registered Childminder. Children: 6 and 3 years old. Qualifications: HNC Catering Management. (North Lanarkshire Childcare Mentor))*

Note that most quotes are taken from the qualitative research carried out under Evaluation of Phase 1.

## 2.2 Who Were Working for Families Clients?

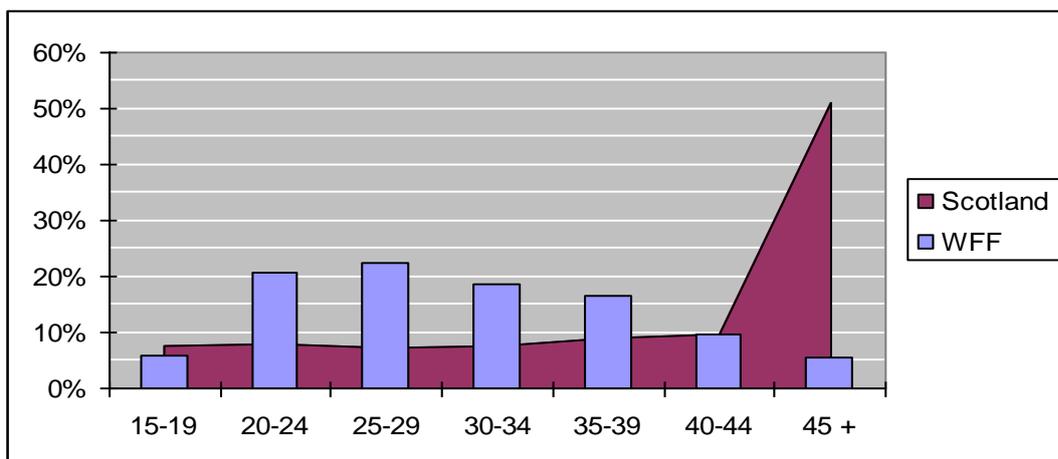
2.2.1 This section examines the characteristics of clients that accessed WFF across all of the 20 local authority areas, and compares them (where possible) to the general population in Scotland.

### 2.2.1 Personal characteristics

2.2.1.1 WFF clients were predominantly female (89%), which compares to 52% females in the general population in Scotland<sup>18</sup>.

2.2.1.2 The average age of clients was 30.6 years. The youngest was 14 years old and the oldest (a grandparent) was 71 years. As expected, the age profile of WFF clients was much younger than for the general population of Scotland, with a predominance of clients around the ages of 20-39 years (Figure 2.4).

**Figure 2.4: Age of WFF clients compared to the population in Scotland (mid-year population estimates 2006)\***



\* Source: NOMIS

2.2.1.3 The vast majority of clients were EU citizens (97%), 'White British' (94%) whose main language was English (94%). Ethnic minorities made up a slightly higher proportion of

<sup>18</sup> From mid-year population estimates Scotland 2006, NOMIS.

WFF clients than in the general population of Scotland as a whole (4% compared to 2% in Scotland), although there are differences depending on the type of ethnicity (see Table 2.2 below). For instance, there were eight times as many clients of ‘Black’ ethnic origin participating in WFF than in the Scottish population as a whole, slightly higher proportion of clients of Pakistani origin, but fewer Chinese (0.2% compared to 0.32% in Scotland).

**Table 2.2: Ethnic origin of clients compared to Scotland (percentages)**

	White	Black	Indian	Pakistani	Other S. Asian	Chinese	Mixed	Other
<b>SCOTLAND</b>	97.9	0.15	0.29	0.62	0.15	0.32	0.25	0.18
<b>WFF</b>	95.7	1.2	0.4	0.9	0.1	0.2	0.3	1.2

Source: Census 2001

**Example**

*Emma is a lone parent of four children. She was referred to WFF by her local Job Centre Plus adviser in Midlothian. Emma wanted to set up her own childminding business but there were many barriers in her way. She needed support and guidance in the right direction.*

*Emma and the Keyworker sent out registration forms to the Scottish Commission for Care. Emma went to her local Business Gateway and after discussing her business plan she got a “Start up” grant of £250. She also undertook a childminding training course, which offered professional training, advice and support and also allowed her to gain confidence and mix socially.*

*Six months on Emma is now running her own business as a registered childminder. She currently has several children in her care. Emma stated that without the support and help from the Keyworker she knew she would not be where she is today. There were many times she just wanted to give up but after a friendly chat with her Keyworker she gained the strength and motivation to keep going. (Name changed).*

(From the WFF Quarterly Newsletter, December 2007)

**2.2.2 Household circumstances**

2.2.2.1 WFF clients were predominantly lone parents, lived in workless households (whether or not they had a partner) and had poor qualifications.

2.2.2.2 The majority of WFF clients lived in lone parent households (71%). However, of households with dependent children in Scotland, only 25% lived in lone parent households (Table 2.3 below). 27% of WFF clients lived in households with married or co-habiting partners compared to 69% in Scotland. So relatively speaking far more WFF parents were lone parents.

**Table 2.3: Percentage with dependent children by household type, WFF compared to Scotland**

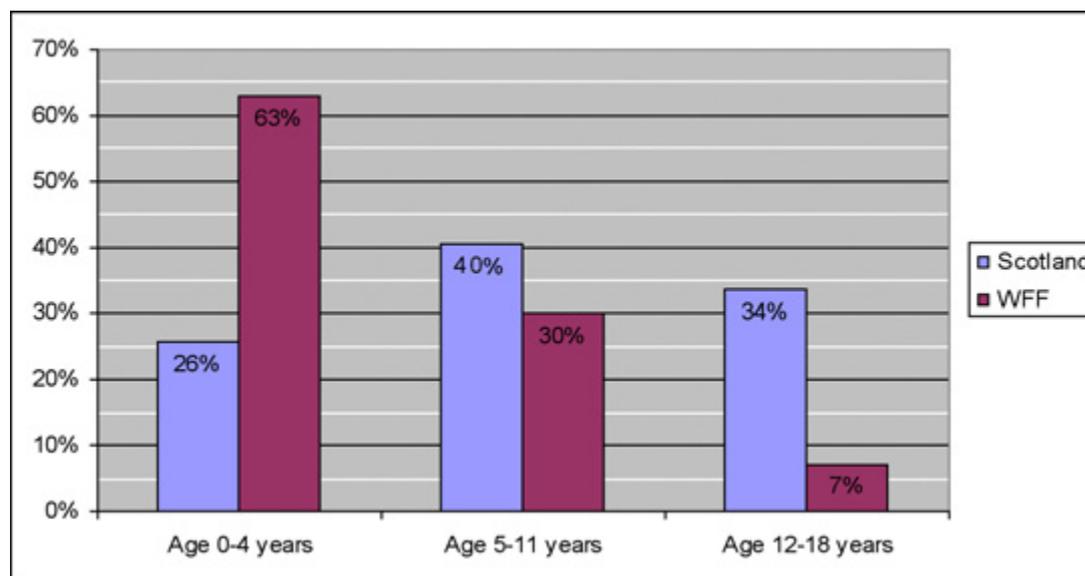
	Lone Parents	Married/Cohabiting Couple with dependent children	Not in a Family
<b>SCOTLAND</b>	25%	69%	6%
<b>WFF</b>	71%	27%	2%

Source: Census 2001

Note that figures for Scotland are drawn only from households with children.

2.2.2.3 The average number of children (aged under 18 years) per household for WFF clients was 1.7, with 7 children being the maximum in any one household. WFF clients tended to have younger children than in the Scottish population as a whole (see Figure 2.5, below) with 63% having one or more child aged under 5 years old compared to 26% for households with children in Scotland.

**Figure 2.5: Age of youngest dependent children in the household: WFF clients and Scotland (Census 2001)**



2.2.2.4 A small minority of clients had additional care responsibilities: 6% had one or more children with disabilities or with a chronic or severe health problem; and 2% cared for other non-child dependents (e.g. parents, partners or other relatives). WFF clients (5%) were much more likely to have a child with a Record of Needs (children receiving additional support at school because of learning difficulties, disabilities or behavioural problems) than the average for Scotland’s state schools (2%).

2.2.2.5 Nearly two-thirds (65%) of WFF clients lived in workless households - where nobody was in paid employment. This compares to only 14% of households with dependent children across Scotland. Few WFF clients in couples lived in households where both parents were working (5%) compared to 55% in Scotland (Table 2.4 below).

**Table 2.4: Work in households by family type (for parents of dependent children) (percentages)**

Area	Couple			Lone Parent	
	Both parents working	One parent working	No parents working	One parent working	No parent working
<b>SCOTLAND</b>	55%	22%	6%	8%	8%
<b>WFF</b>	5%	14%	9%	17%	56%

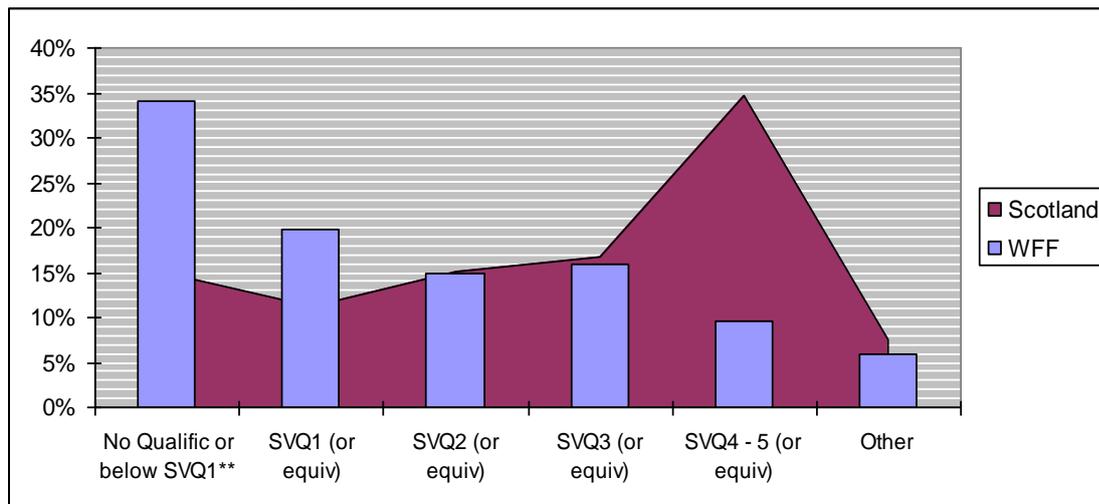
Source: Census 2001

*“And then John (my partner) he got paid off... They [WFF] have helped John back to work, driving lessons when we could not afford them when he was out of work. They got him through his test.... He now works in Tesco and he needs to drive there and he usually works nights, which is handy because I used the car through the day. Because we are never in, if I have the kids we are always away. And it’s worked well because he is part time so it does not interfere with what I’m doing. But definitely I wouldn’t be sitting here if it wasn’t for WFF. I’m really, really pleased.” (Pam, 39. Living with Partner/Spouse. Situation before WFF: working in the Co-op. Situation after WFF: moved into full time self-employment - childminding. Children: 7 years old. Qualifications: none. (East Ayrshire, WMA))*

### 2.2.3 Qualifications, economic activity

2.2.3.1 A lack of qualifications is often high linked to unemployment or low employability. WFF clients had low levels of qualifications compared to the Scottish average (see Figure 2.6 below): 69% had qualifications equivalent to SVQ Level 2 or lower (compared to 41% in Scotland); and 34% of clients had either no qualification or qualifications below SVQ1 (compared to 15% in Scotland).

**Figure 2.6: Percentage of clients registered by type of qualification (%) compared to Scotland (Annual Population Survey 2006)\***

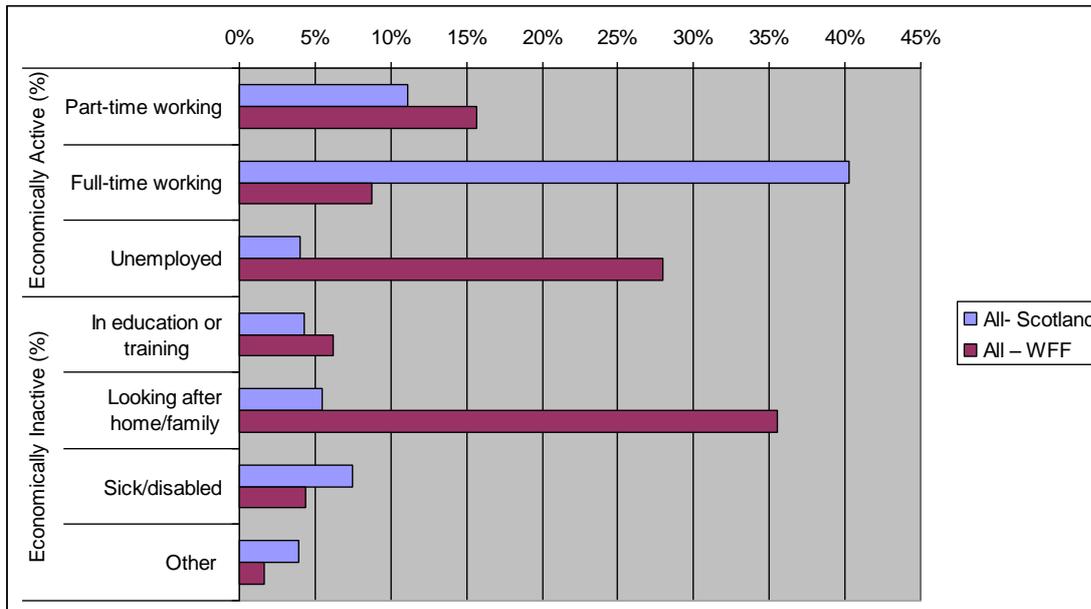


\* Source: NOMIS

\*\* NOMIS only take into account No Qualifications – WFF take into account No Qualifications (24%) and Qualifications below SVQ1 (10%)

2.2.3.2 The economic activity of clients at their initial registration with WFF varied. However, Figure 2.7 (below) shows that a much lower proportion of clients were in full-time employment than for Scotland as a whole (9% compared to 40%), although there were more clients who worked part-time (16% compared to 11%). A much higher proportion of clients were unemployed (28% compared to 4%) or looking after the home or family (36% compared to 6%). A slightly higher proportion of clients were in education or training (6% compared to 4%), but fewer who were sick or disabled (4% compared to 7% for Scotland).

**Figure 2.7: WFF clients (at the time of initial registration for WFF) by economic activity, compared to Scotland (Census 2001) (percentage)**



Source: Census 2001

*“My goal at the end of all this is to get into support work and what I find with [Project Worker] is she actually supports me... in what I need to do, what I need to get. I’ve not got the qualifications, but I’ve lots of life skills and in-house training and other training I’ve been on, but I need [a qualification] in Social Care. That’s what this three year training course is going to allow me to do.” (Bernadette, 40. Lone Parent. Situation before WFF: Unemployed/ Situation after WFF: Doing an SVQ. Children: two 15 years old. Qualifications: No qualifications, now working towards an SVQ.(Glasgow, Guidance Project Mental Health))*

## 2.2.4 SIMD

2.2.4.1 The Scottish Index of Multiple Deprivation (SIMD), presented at data zone level<sup>19</sup>, identifies small area concentrations of multiple deprivation across all of Scotland (for details see: <http://www.scotland.gov.uk/Topics/Statistics/SIMD/>). The SIMD 2006 (used in the analysis below) is formed by 37 indicators in seven domains.

2.2.4.2 Table 2.5 below shows that 15% of the population in Scotland lived in the 15% most deprived data zones, compared to 17% of the population in WFF local authorities (i.e. WFF LAs had slightly more people living in areas of multiple deprivation. However, nearly half (46%) of clients registered with WFF lived in the 15% most deprived Scottish data zones. The figure shows that WFF seemed to have successfully targeted pockets of deprivation.

<sup>19</sup> Scotland is divided into a total of 6,505 data zones. Data zones have a median population size of 769 and are ranked from most deprived (1) to least deprived (6,505).

**Table 2.5: Population and WFF clients living in the 15% most deprived SIMD data zones (DZ)**

	Total Population*		WFF Clients	
	in the 15% most deprived DZ	% of Total Population	in the 15% most deprived DZ	% of Total Clients
WFF Phase 1 LAs	521459	26%	8902	53%
WFF Phase 2 LAs	195388	9%	2047	29%
Total WFF	716847	17%	10949	46%
Scotland	751130	15%		

\* SOURCE: Scottish Government – SIMD 2006

2.2.4.3 Of those 10,949 clients living in the 15% most deprived data zones, 67% (7320) achieved a WFF Outcome<sup>20</sup> (Table 2.6 below), to the same level as the 67% of all WFF clients. So living in the most severe areas of multiple deprivation did not appear to be a disadvantage overall. This may reflect the: greater level of existing support that WFF clients could utilise in the more deprived areas; holistic approach being particularly effective for disadvantaged parents in areas of severe multiple deprivation; fact that most WFF clients not in the worst 15% multiple deprivation areas were still in areas of considerable deprivation. (Note that a further factor is that Phase 1 local authorities had been operating for longer than Phase 2 local authorities and had greater levels of Transitions into work partly as a result of operating longer).

**Table 2.6: Number of WFF clients living in the 15% most deprived SIMD data zones (DZ) who have achieved an outcome**

	WFF Clients living in the 15% most deprived DZ	
	Achieved an Outcome	% of total clients in the 15% most deprived DZ
WFF Phase 1 LAs	6064	68%
WFF Phase 2 LAs	1256	61%
Total WFF	7320	67%

Note: Clients with missing post code (311)

and postcodes with no matching data zone (1209) have been excluded.

2.2.4.4 Two thirds of clients in the 15% most deprived data zones lived in ‘large urban areas,’ 28% lived in ‘other urban area,’ 4% in ‘accessible’ or ‘remote small towns’ and 2% in ‘accessible’ or ‘remote rural areas.’

### 2.2.5 Clients in employment

2.2.5.1 Of those who were employed at registration, most earned a low income: 83% earned £200 or less per week take home pay and 37% of clients earned £100 or less per week. Exact comparisons across Scotland were not readily available because (a) national figures are based on gross income per week, whereas WFF figures are based on net income per week, and (b) WFF figures are categorised into pay bands rather than continuous (e.g. mean averages cannot be calculated).

2.2.5.2 However, WFF clients do appear to be lower paid than generally across Scotland. Average gross salaries for full-time employees in Scotland were £467 per week gross,

<sup>20</sup> WFF Outcome includes: achieving a Major Key Transition or an Intermediate Activity Outcome or an increase in the Employability Measures.

whereas only 15% of full-time employed WFF clients earned over £250 per week suggesting WFF clients were much lower paid (Table 2.7 and 2.8 below).

**Table 2.7: Weekly take home pay (net) for WFF clients in employment**

	Weekly take home pay (NET)					
	Full-time Employed		Part-time Employed		Full and Part-time Total	
Up to £100	99	5%	1912	53%	2011	37%
£101 to £200	981	52%	1551	43%	2532	46%
£201 to £250	514	27%	105	3%	619	11%
over £250	280	15%	41	1%	321	6%
Total	1874	100%	3609	100%	5483	100%

Note: 276 records with missing wage for full-time employment and 308 records with missing wage for part-time employment have been excluded from analysis.

**Table 2.8: Median weekly earning of full-time employees 2006**

	Scotland 2006 (£/week gross)*
Men	467
Women	376

\*Source: Scottish Economic Statistics 2007.

## 2.2.6 Clients not in employment

2.2.6.1 Of clients who were not employed, many lived on a very low income. 66% either claimed Income Support or their partner/spouse claimed Income Support compared to less than 18% across Scotland. Over 8% of WFF clients claimed JSA, compared to 1% in Scotland.

2.2.6.2 Of the 76% of clients who were not currently in paid employment, many had not worked for a considerable time (Table 2.9 below): 54% had not worked in over two years, compared to 34% across Scotland. This suggests many clients were some distance away from being able to enter the labour market. However, slightly fewer (non-employed) WFF clients had never worked (10%) compared to Scotland (12%).

**Table 2.9: Long-term unemployment or never worked among WFF clients registered unemployed, compared to Scotland (Census 2001)**

	Who have never worked (%)	Who are very long-term unemployed* (%)
All - Scotland	11.9	33.6
All - WFF	10.5	54.2

Source: Census 2001 \* 2 years or more.

Includes only people aged 16 -74 for both Census and WFF data.

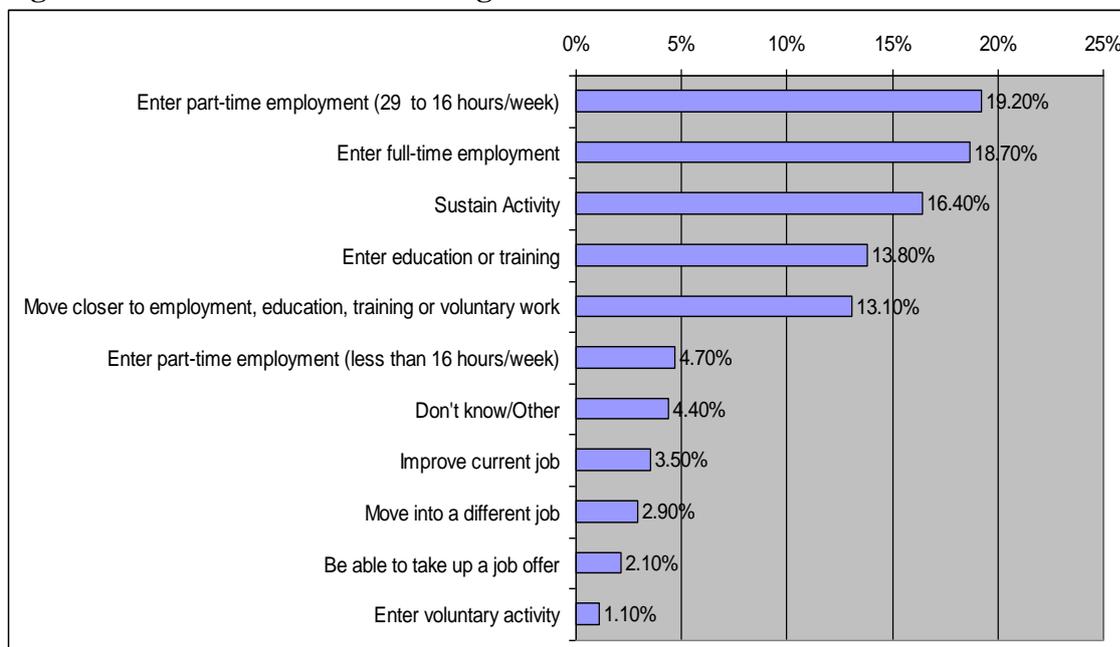
## 2.2.7 Client aims

2.2.7.1 All clients were asked when they initially registered for WFF what the main outcome they wished to achieve through participating in WFF was. Based on feedback from Phase 1, a series of options were available from which the client could select. Figure 2.8 (below) shows that the most popular aim of WFF clients was to enter employment (38%), in particular part-time employment (19%). Sustaining current economic activity (16%) and entering education or training (14%) were also popular. A significant majority (13%) of clients wished to move closer towards being able to consider entering employment, education, training or voluntary work and we would expect these clients to be furthest from the labour market. 4% of clients

indicated that they did not know their aim, or had some other aim, while relatively small proportions sought other outcomes such as to: improve a current job; move to another job; or be able to take up a job offer or to enter voluntary work.

*“It’s made me feel that there is more to life than just being in the house and stuck on benefits. There is a lot more to life, and I just want to give the bairns [children] a better life. It’s going to give me a lot more independence. I am really looking forward to just working. Working and making my own money, and not being on the benefits. That’s what I’d really like to come off, it’s the benefits. I just really like to be independent and give something back.” (Lucy, 39. Lone Parent. Situation before WFF: unemployed single parent. Situation after WFF: moved into self-employment, coming off benefits. Children: 11, 8 and 7 years old. Qualifications: no qualifications (East Ayrshire, Clients into Work))*

**Figure 2.8: Client aims at initial registration**



### 2.2.8 Barriers faced by clients

2.2.8.1 Many clients faced barriers that prevented or hindered them from progression towards their goal (see Table 2.10 below). These barriers were explored for those clients who received more than brief or minimal support or contact with WFF (termed ‘Sustained clients’ - the 75% of clients who received more in-depth support, generally indicating that they were not immediately ready to enter employment).

2.2.8.2 A comprehensive list of 26 possible barriers was available from which clients could select and only 2% indicated they felt none of the barriers were a factor (9% of respondents did not answer the question, possibly because some recent registrations may have not completed this part of the paperwork).

2.2.8.3 In broad terms, various types of caring responsibilities were felt to be a factor for many clients (72%), with 65% also feeling that opportunities and their own skills were an

issue. Some form of transport was a factor for 34%, and 43% of clients experienced one or more ‘Other issues’ as a barrier (for example, debt, housing or disability).

2.2.8.4 Table 2.10 (below) lists 26 the barriers that clients were asked about and the proportion of clients who indicated each was a factor preventing or hindering their progression towards their goal.

2.2.8.5 In particular, responsibility for caring for child(ren) was considered a factor for many clients (61%), followed by the cost of childcare services (44%). Lack of qualifications (mentioned by 36%), lack of experience (33%), lack of confidence (30%) and lack of skills (29%) were also employability factors hindering many clients.

2.2.8.6 Inability to drive was considered the transport issue most mention by people as preventing them progressing towards their goal (25%), while of the ‘Other issues,’ benefit and debt problems were considered factors for 19% of clients.

**Table 2.10: Barriers to progression for sustained contact WFF clients**

<i>Opportunities and Skills</i>	No.	Yes
Lack of the sort of jobs that I am looking for	2613	13.7%
Lack of well enough paid jobs	2111	11.1%
Discrimination by employers	971	5.1%
Lack of qualifications	6849	35.9%
Lack of skills	5471	28.7%
Lack of experience	6305	33.1%
Lack of confidence	5779	30.3%
Responsibility for caring for child (ren)	11580	60.8%
Responsibility for caring for adults	436	2.3%
Lack of childcare services	5318	27.9%
Cost of childcare services	8442	44.3%
Lack of private transport	2599	13.6%
Lack of public transport	1565	8.2%
Cost of public transport	2691	14.1%
Inability to drive	4701	24.7%
Benefit issues	3466	18.2%
Debt and/or money problems	3617	19.0%
Housing problems	1723	9.0%
Learning disabilities	259	1.4%
Literacy difficulties	822	4.3%
Numeracy difficulties	601	3.2%
Alcohol/substance abuse	474	2.5%
Criminal/police record	595	3.1%
Physical disability	350	1.8%
Physical health	723	3.8%
Mental health	1869	9.8%

People were asked to tick all that applied.

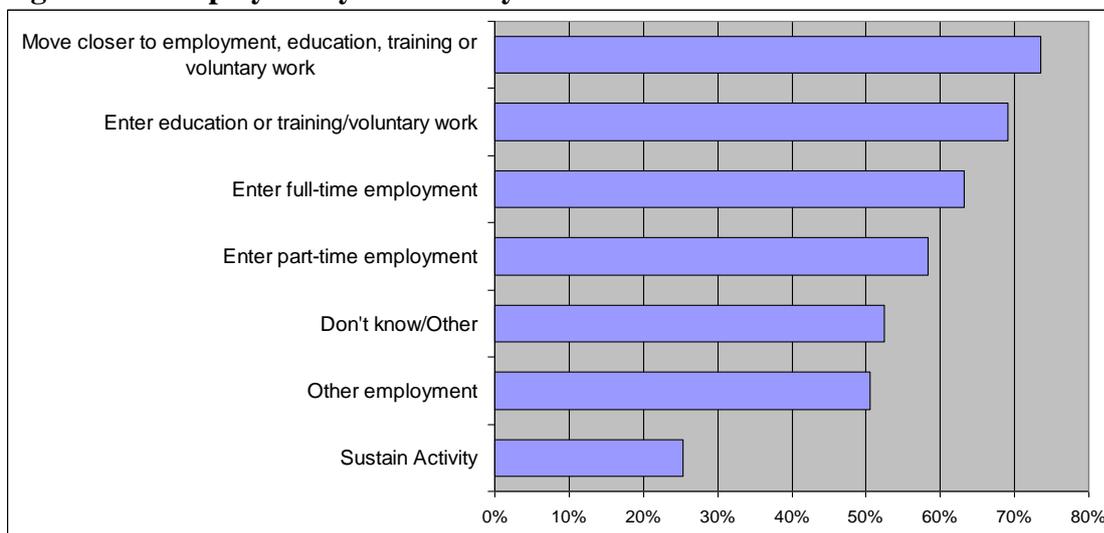
*“I had personal experience although I didn’t have any qualifications, coming through different issues and barriers myself through my childhood and my parents and things like that. And I wanted to go into that line of work myself, and I thought I’ll have to get qualifications, but Kelly [project worker – name changed] suggested that I go on the Positive Options for Parents course to build up my confidence because I haven’t done anything for ten years or so, I think it was the last time I had a job. So I started that and then just kind of started opening wee doors and ideas and things like that.” (Sarah, 28. Lone Parent. Situation before WFF: at home. Situation after WFF: done POP, ILM, SVQ2 Community Development. Children: 8 and 5 years old. Qualifications: no qualifications. (North Lanarkshire, Job Shuttle))*

### 2.2.9. Barriers by aims

2.2.9.1 The extent to which employability, caring, transport or ‘other’ issues were identified as barriers varied depending on the particular main goal of the client.

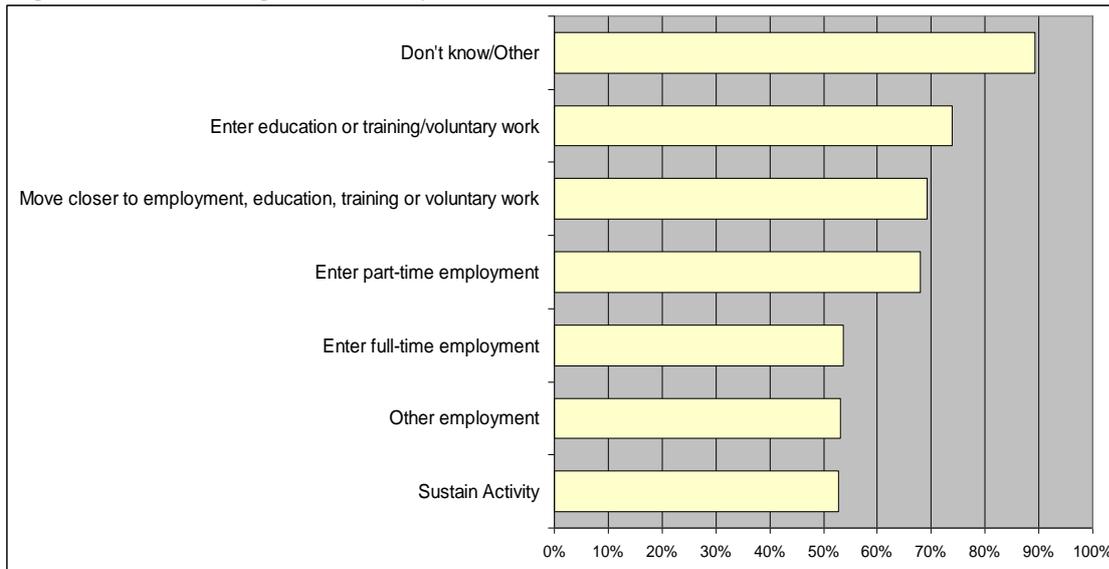
2.2.9.2 Employability issues were identified as barriers by a greater proportion of clients whose aim was to ‘Move closer to employment, education, training or voluntary’ (74%) and those who wished to ‘Enter education or training or voluntary work’ (69%) than by clients whose aim was to ‘Sustain activity’ (25%) (see Figure 2.9). As expected, the groups who were furthest from being ‘job ready’ were therefore more likely to identify that their employability skills were a problem, whereas for clients already engaged in the labour market, employability skills were less of an issue.

**Figure 2.9: Employability barriers by aims of the client**



2.2.9.3 Caring issues were identified as barriers by a high proportion of all clients (Figure 2.10). However these were particularly high for those whose aim was unclear e.g. ‘Don’t know/other’ (89%) and those wishing to enter training/education/ voluntary work (74%). It was lowest for those aiming for ‘other’ employment (53%) and to sustain activity (53%).

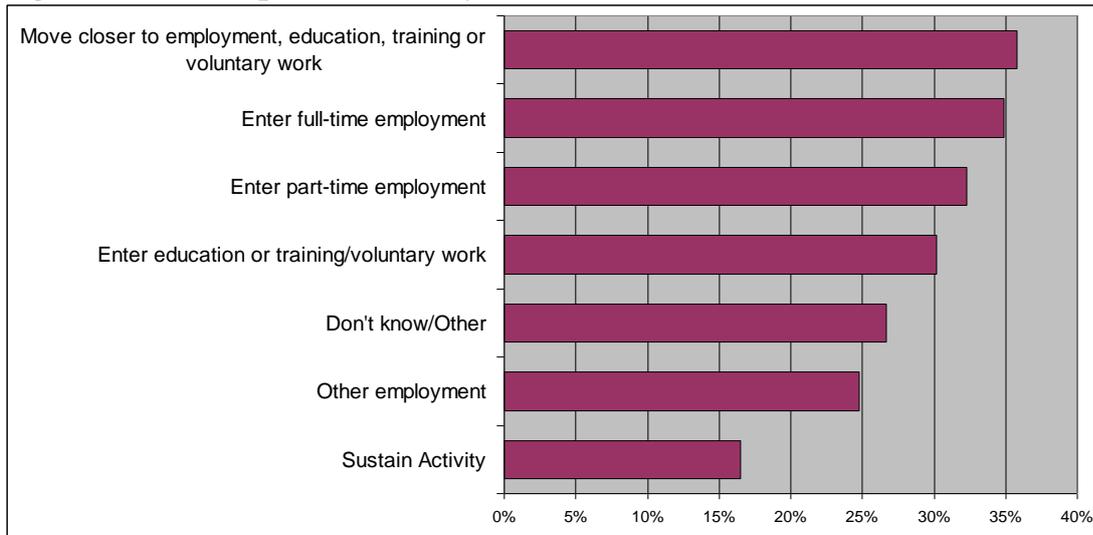
**Figure 2.10: Caring barriers by aims of the client**



2.2.9.4 This suggests that care should be taken when childcare issues are identified as a main issue for people, as in some cases a lack of clarity of their goals may also be important. Reasons why a higher proportion of clients, who were unclear about their aims identified caring as a barrier could be: they recognised generally that options were not available to them because of these barriers, but had not yet formulated what they wanted to achieve; they were unclear, or lacked confidence in their own longer terms goals or skills or had less previous experience of work, and so saw childcare support through WFF as a more immediate initial step; childcare was the barrier to them progressing or other factors were the real main barriers and childcare was one aspect they felt could be resolved through WFF; and/or only after they resolved the childcare issue would they focus on other issues. Those who wished to achieve ‘other’ employment outcomes such as improve employment and change jobs, were perhaps more likely to have resolved caring issues previously or to recognise that they would be able to resolve childcare issues once they had greater income. Fewer clients who wished to enter full-time employment also identified caring as a barrier. Perhaps this is because they had not yet recognised that caring would necessarily a problem (until they actually came to make the Transition), perhaps their children were older so childcare was less of an issue; but it may be because a higher proportion of these clients tend to be men and it may be that some assume their partner would provide the childcare needed. Within the report time constraints, not all of these issues could be followed up.

2.2.9.5 Transport issues were identified as barriers by a greater proportion of clients whose aim was to ‘move closer to employment, education, training or voluntary work’ (36%), ‘enter full-time employment’ (35%) or to ‘enter part-time employment’ (32%) (Figure 2.11). However, transport was only a barrier to 26% of clients who aimed to ‘sustain activity.’ It is likely that transport barriers are highly related to other factors (especially residence and location of possible job, and local transport availability particularly in rural areas).

**Figure 2.11: Transport barriers by aims**



2.2.9.6 ‘Other’ issues such as benefit/debt issues, housing problems, learning disabilities, numeracy or literacy difficulties, alcohol/substance abuse, criminal record, physical disability or physical or mental health were identified as barriers by a greater proportion of clients whose aim was to ‘move closer to employment, education, training or voluntary work’ (52%) (Figure 2.12). Fewer clients seeking ‘other employment’ than moving into full-time or part-time employment or to ‘sustain activity’ identified these other issues as barriers (30% and 26% respectively). Unsurprisingly, clients who were likely to be less ‘job ready’ were more likely to identify ‘other’ barriers, since these were likely to be serious impediments to moving directly into employment. Fewer clients who were already in employment or wanting to sustain their current activity identified ‘other’ barriers, which is as expected since these barriers would make obtaining a job/other activity difficult to start with.

2.2.9.7 What clients would like to achieve through their participation in WFF varied widely, although entering full- or part-time employment were the most mentioned. Some clients, however, wished to take steps that would enable them to ultimately achieve employment, such as moving into training or education, or to enhance their ability to make progress. Many clients faced childcare barriers which hindered their progression, while many also faced a series of other employability or other barriers to employment when they joined WFF. Many clients were not ‘job ready’ at point of registration, either because they lacked employability skills or faced other barriers that hindered their ability to make progress (Figure 2.12 below).

**Figure 2.12: ‘Other’ barriers by aims**



### 2.2.10 Overall analysis of client characteristics

2.2.10.1 In summary, WFF clients were predominantly female, lone parents with pre-school children and many lived in workless households. Although ethnic minorities were slightly over represented compared to Scottish averages, WFF clients were predominately white. They had relatively low levels of qualifications. The economic activity of clients when they joined WFF varied widely, including being employed, unemployed, in training/education, sick/disabled, and those looking after children (and adults) at home. However, much higher proportions were not employed compared to the Scottish population in general and those that were in employment were on low incomes.

#### ***WFF numbers compared to need in those on income support and JSA***

2.2.10.2 In February 2007 there were 89,440 people with children on Income Support in Scotland and 7130 on Job Seekers Allowance (JSA), giving a total of 96,570 (assuming no households claimed both). If we assume that at 31 March 2007 there were 15,203 WFF clients of which approximately 11,686 were ‘actively engaged or had had a Transition,’ then this would represent about 12% of all parents on Income Support or JSA. If we take the number of ‘active’ WFF clients at 31 March 2008 at 19,508 and assume the number on Income Support and JSA had not changed (data are not currently available, but the number is probably lower) then WFF would represent 20% of all parents on such benefits – a sizable contribution.

#### ***WFF clients faced combined employability and childcare issues***

2.2.10.3 The two major strands of the WFF programme were to help clients with childcare and employability issues. While nearly all WFF clients suffer disadvantage in either or both of these issues, it is useful to identify those who suffer *particular* disadvantage in each or both of these areas. This can assist in analysing potential broad recommendations relating to those most disadvantaged in these areas. The matrix a simple, general overview of those with major and minor childcare and employability issues.

2.2.10.4 The matrix (Table 2.11 below) identifies the numbers and proportions of clients who fall into each of the following categories: minor employability issues; major employability issues; minor childcare issues and; major childcare issues.

- Clients with major employability issues were defined as those who either: (a) had no qualifications or qualifications of below NVQ1 or equivalent; (b) had been out of the labour market for 2 or more years; and/or (c) identified one or more barriers relating to employability (this latter information was only available for sustained contact clients only).
- Clients with major childcare issues included those who either: (a) had three or more dependent children aged under 18 years; (b) youngest child was under 5 years olds; and/or (c) identified one or more barriers relating to childcare or eldercare (this latter information was available for sustained contact clients only).

Of course many clients without these characteristics might still have other major childcare or employability issues, but this is just a broad overview.

**Table 2.11: Numbers of clients by employability - childcare issues**

	Minor Childcare Issues		Major Childcare Issues		Total
Minor Employability Issues	I	1392 (5.5%)	II	5172 (20.3%)	6564 (25.8%)
Major Employability Issues	III	3209 (12.6%)	IV	15735 (61.7%)	18944 (74.3%)
Total		4601 (18.1%)		20907 (82.0%)	25508 (100%)

(a) Major Employability Issues: No qualifications or qualifications below NVQ1; unemployed for 2 years or more; or SCC and one or more employability and skills barriers. Minor Employability Issues: none of above criteria met.

(b) Major Childcare Issues: 3 or more children under 18 years; youngest child under 5 years; or SCC and one or more caring barriers. Minor Childcare Issues: none of the above criteria met.

Percentages are rounded.

2.2.10.5 The majority of clients, as one would expect with a programme of this nature, faced major childcare issues (82%). Nearly three-quarters of clients faced major employability issues (74%). Some 61.7% of clients faced both major childcare and employability issues; 20.3% faced major childcare but relatively minor employability issues; 12.6% faced minor childcare but major employability issues; and 5.5% faced both relatively minor childcare and employability issues. This further indicates that WFF is engaging overwhelmingly with clients who faced major childcare and/or employability issues, the types of issues it was set up to support.

2.2.10.6 In total, 65% of those with minor employability issues had achieved a Transition, compared to 49% of those with major employability issues. 53% of both those with minor and major childcare issues had achieved a Transition. Hence employability issues appear particularly important in achieving 'Hard' Outcomes. Some 60% of those in Quadrant I (i.e. the section containing both minor employability and childcare issues) achieved a significant Transition in or into work, training or education (see Section 3.0.2 for details); as did 66% of those in Quadrant II (minor employability and major childcare issues); 50% in Quadrant III (major employability and minor childcare issues); and 49% in Quadrant IV (both major employability and childcare issues). This emphasises the importance of support concerning a client's employability that is needed to complement purely childcare support.

2.2.10.7 Of clients who achieved a Transition, those with minor employability issues did so in the shortest average timescale. Those in Quadrant I took 66 days, those in Quadrant II took 70 days; while those with greater employability issues took 92 days in Quadrant III and 112 days in Quadrant IV (major employability and childcare issues). This indicates that those with combined major issues, the large majority of WFF clients, require a greater period of support. It also illustrates the importance of improving the employability of clients as well as childcare.

## **2.3 Were They the Right Target Groups and did WFF Reach Them?**

2.3.1 The target groups appear to have been carefully chosen by the Scottish Government at the start of WFF, and in general terms represented the most disadvantaged parents in Scotland. Local authority areas and budget allocations were based largely on the number and proportion of children living in households dependent on key benefits (Income Support and Income Based Jobseekers Allowance), while the incidences of multiple deprivation and rurality were also taken into account<sup>21</sup>. There is considerable evidence on the disadvantages faced by such groups (see Phase 1 Evaluation report). So the basic criteria for choosing the WFF target groups and areas were reasonable.

2.3.2 The vast majority of WFF clients were drawn from the key target groups (Pre-New Deal lone parents; parents on low incomes; and parents with other stresses in the household). As such, WFF has been successful in reaching a wide variety of clients, in different circumstances and with different aims and resources.

Lone parents (pre-New Deal):

- The majority of WFF clients were female (89%) and lone parents (71%).
- The children of clients were relatively young with 62% having one or more children aged under 5 years living in the household compared to just 21% of households with children in Scotland.

Parents on low incomes:

- 65% of clients lived in households where nobody was in paid employment (workless households).
- Many clients lived on a very low household income with 66% either claiming Income Support or having a partner/spouse claiming Income Support.
- The income of those in employment was low with 83% earning £200 or less per week take home pay and 37% of clients earning £100 or less per week.
- The economic activity of clients was varied with 36% of clients ‘at home, caring for children,’ 24% in employment (either full-time or part-time), 28% registered unemployed, and 6% in training or education.

Parents with other stresses in the household:

- WFF clients had low levels of qualifications compared to the Scottish average with 69% of clients having qualifications equivalent to SVQ Level 2 or lower and 34%

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<sup>21</sup> The rural areas (Highland and Dumfries and Galloway) did not meet these criteria, although parents there had other additional disadvantages. Clackmannanshire did meet these criteria but was excluded from Phase 1 on the basis of their small absolute size and hence numbers in these groups.

having either no qualifications or qualifications below SVQ Level 1 (compared to 15% with no qualifications in Scotland).

- Of the 76% not currently in paid employment, most had been unemployed for a considerable time, with 54% not having worked for over two years compared to the Scottish average of 34%.
- A significant proportion (43%) indicated at least one additional stress (mental or physical health problems, disabilities, debt or money issues, housing problems, criminal record).
- A large proportion of WFF clients lived in areas of high multiple deprivation according to the Scottish Index of Multiple Deprivation. Six Phase 1 local authorities had more deprived data zones than the average for Scotland, and the two rural areas had around a third of Scotland's most deprived data zones in terms of accessibility. Of clients registered with WFF, 46% of them lived in the 15% most deprived data zones, compared to 15% for Scotland as a whole. WFF seems to have successfully targeted pockets of deprivation.

2.3.3 WFF programmes have had to be very flexible in their approaches to helping clients because of the wide range of clients and needs. While this has presented a challenge in some areas, it has also been a key strength of the programme.

## **2.4 The Overall Approach to Support Given by WFF**

2.4.1 The WFF programme provided client-focused support tailored to each individual's need. The majority of clients (80%) were allocated a 'Key Worker,' part of whose job was to link the clients into other specialist services where needed. In most local areas Key Workers also provided assistance to develop tailored packages of childcare to suit their clients' needs. In addition, the WFF programme delivered a wide range of additional projects that could be accessed by clients if required. These additional projects varied between different local authority areas and were designed to fill gaps in existing service provision in the area (see WFF Phase 1 2004-2006 Evaluation Report).

2.4.2 An illustration of the type of support that might be available to a client is shown in Figure 2.13 below. The particular package offered was tailored to clients needs, accessing both services provided by internal and external agencies. In this example a client's core support is provided by a key worker, with additional services being provided by other agencies. The childcare subsidy provided by WFF enabled the client to access the services of an external childcare provider.

2.4.3 'Key Worker' programmes were those that used dedicated link workers (offering 'outreach' or peripatetic service to clients within a community) who formed the main point of contact for an individual client. This provision was central to the WFF programme across all the local authority areas.

2.4.4 Key Workers took a 'holistic' perspective of the client and worked to build up a trust relationship, becoming familiar with their personal and employability issues. The Key Workers acted as a support, giving advice and guidance when they were competent to do so and linking the client into other specialist services when needed, while remaining in contact with the client throughout their time with WFF.

2.4.5 Key Workers supported clients who wished to move into work, education or training through:

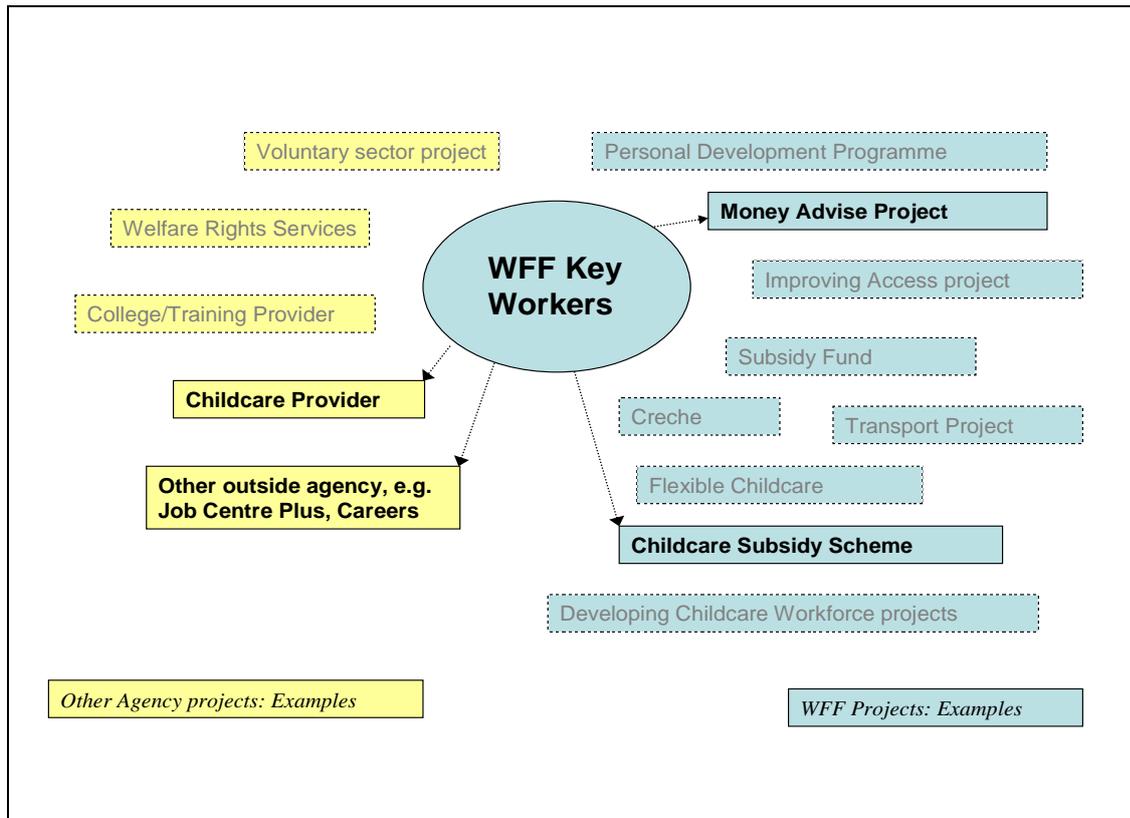
- helping them to improve their employability;
- addressing childcare issues and;
- dealing with other barriers that stood in their way (e.g. debt/money issues and transport).

2.4.6 Clients were helped to improve their employability by establishing goals and producing a personal action plan that linked them to the various types of employability support available locally. These included: personal development courses to boost confidence and self-esteem; education and training to improve skills and qualifications; careers advice; money advice; and work experience – all helping the client to progress towards or into work. Key Workers helped co-ordinate and ‘join up’ these services for individual clients.

2.4.7 A second key element of WFF support was helping clients to identify and access the childcare they needed at each stage. Often this took the form of information and advice, linking them to an existing childcare place, but it might also have involved financial assistance (paying one-off ‘upfront’ nursery registration fees, childcare while a parent attended education or training, or childcare for a short time until tax credits came through).

2.4.8 Hence the Key Worker provided a central point of contact and continuity with a client so that they could be supported to improve, where appropriate: their confidence and feelings of self worth; ability to manage family life, family issues, stress; develop skills related to their employability; develop a network to help them gain work, training, volunteering and develop employment related and other social networks; provide greater control over their decisions; and provide an incentive to continue improving their employability and employment.

**Figure 2.13: Support provided by WFF: an example of the range of services that may be available to and accessed by a client**



## 2.5 Summary

The term WFF ‘client’ is used to denote a disadvantaged parent who registered and participated in WFF. Overall, WFF had a significant initial impact in 2004-2008 in terms of recruiting 25,508 clients in the twenty local authorities. Of these, 18,201 were registered with the ten Phase 1 Local Authorities and 7,307 with the ten Phase 2 local authorities. The numbers of new clients reduced during the final six months, mainly due to uncertainty as to the continuation of funding.

The WFF programme focused on disadvantaged parents, specifically: lone parents (who were pre-New Deal); parents on low incomes; parents with other stresses in the household that made it difficult to access and sustain employment, education or training, including disability, mental health and substance abuse problems.

The main support provided by WFF was based around ‘Key Workers’ who supported clients wishing to move into work, education or training by helping them to improve their employability and addressing childcare and other barriers standing in their way.

## CHAPTER THREE CLIENTS' OUTCOMES

### 3. Introduction

3.0.1 This section considers the progress that WFF clients have made towards work, training or education, i.e. the outcomes they experienced.

3.0.2 The indicators of progress towards employment, training or education used in WFF were one set of 'Hard' Outcomes and two measures of 'softer' outcomes.

- d) 'Hard' Outcomes, *i.e. Key Transitions* - The main measure of progress towards work was a 'Hard' Outcome. This was when a client made a Transition into work, education, and significant training.<sup>22 23</sup> Clients can have more than one Key Transition (e.g. moving into part-time work and then later into full-time work) and this report analyses the Highest Transition a client has achieved<sup>24</sup>. This information was collected in the Transitions Form.
- e) 'Soft' Outcomes, *i.e. Intermediate Activities Outcomes* - these were important activities that contribute towards progress to employment etc., but which were not significant enough to be counted as a Key Transition. An example is the completion of a total of 20 hours or more of accumulated personal development<sup>25</sup>. Only one outcome per client is reported here, so an Intermediate Activity Outcome is counted only if the client had not achieved a Key Transition. This information was collected on the Intermediate Activities Form

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<sup>22</sup> Key Transitions included: entered full-time employment; entered part-time employment; entered self-employment; being able to take up a job offer; sustained activity (employment, education or training); improved current employment (gained promotion, changed hours or pay); moved into different employment (changed jobs, moved to a better paid job); entered or completed education or training course of at least Six-Months duration; or entered voluntary work of 16 hours or more a week.

<sup>23</sup> There are two types of Transitions recorded: Key Transitions and Alternative Transitions. Alternative Transitions include: ceased voluntary work; reduced employment (moved out of paid employment, decreased hours or take home pay or demotion) unwillingly; left education or training early; other; or left WFF/lost contact with client. Only Key Transitions count towards WFF overall target. For the rest of the report the term Transition will refer to 'Key Transitions' only, unless otherwise specified.

<sup>24</sup> The order of priority of Transitions follows the order in Section 3.2.1.2 below. For example, if a client has experienced two Transitions, entered part-time employment and entered education, only entered part-time employment will be counted.

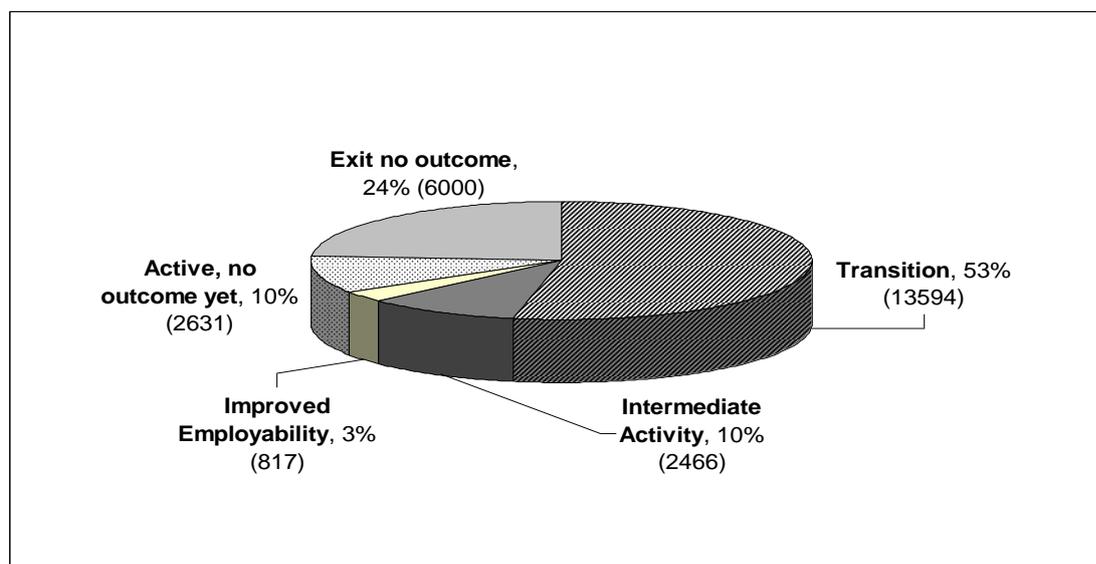
<sup>25</sup> Intermediate Activities Outcomes include: completion of structure work placement of 30 hours or more (equivalent of approximately at least one week full-time or two weeks part-time); completion of a total of 20 hours or more accumulated personal development, pre-vocational training, vocational training, educational activities, or development and skills training activities; or undertaking voluntary activity of 3 hours or more per week.

f) *Other 'Soft' Outcomes, i.e. Distance Travelled/Improved Employability* - these included the distance travelled towards entering employment, education or training, through improving a client's employability (e.g. increased confidence or other movement towards entering employment, education or training). This was measured through changes in a set of qualitative employability Likert scales (i.e. a 1 to 10 scale where 10 is the highest level<sup>26</sup>), which reflected a client's view of their confidence, etc. Lack of confidence is a major problem for disadvantaged parents, such as WFF clients, in returning to work etc. This information was collected in the Registration and Six-month Review forms, which sustained contact clients, filled out. Only those who made improvements through this measure and did not achieve a Key Transition or an Intermediate Activity Outcome are included in this report.

### 3.1 General Client Outcomes

3.1.1 In total, two-thirds (66%, 16,877) of all clients registered up to 31 March 2008 had achieved an identified 'hard' or 'soft' outcome, improving their employability and making progress towards sustained employment, training or education (Figure 3.1 below<sup>27</sup>) by 31 March 2008<sup>28 29</sup>.

**Figure 3.1: Outcomes of all clients registered to 31 March 2008**



<sup>26</sup> Improvements in employability were measured by responses to a series of 10-point Likert scales completed at the initial Registration with WFF and again 6 months after Registration. Three scales from the original forms were included in order to measure these improvements in employability: 'How would you rate your job skills (in relation to the type of work you are looking for or would like to do?);' 'How confident are you when meeting new people?'; and, 'If you are not currently in work, how confident do you feel about starting work.' An improvement was registered if a client indicated a positive improvement on one or more of these scales.

<sup>27</sup> Note that no specific targets for outcomes were set for Phase 1, as, due to the slightly different nature of the programme in each area, the early estimates in local authority proposal documents were only considered as indicative and so were not gathered in a consistent manner into an overall total.

<sup>28</sup> As many of the clients who registered in the last period would not have had time to have made a Transition or had 'soft' outcome, the number of Transitions per clients is a very slight underestimate.

<sup>29</sup> Note that the Quarterly Reports figures are for the *Latest* Transition, while this report uses the *Highest* Transition, therefore numbers for Outcomes will be slightly different.

- 53% of all clients (13,594) achieved ‘Hard’ Outcomes, i.e. a Transition.
- A further 10% (2,466) achieved an Intermediate Activity Outcome and had not achieved a Transition<sup>30</sup>.
- A further 3% (817) of clients recorded a valid improvement in at least one of eight employability measures between registration and Six-Month<sup>31</sup>, but had not achieved a Transition or an Intermediate Activity Outcome.
- 10% (2631) of clients were still active with WFF, but had not yet achieved an outcome. Many of these clients (63%, 1662) had registered with WFF during the previous six months and in many cases little or no progress would be expected, especially as many clients were far from work ready.
- 24% (6000) of clients had exited from WFF (were no longer receiving support) without achieving any of the above outcomes.

### 3.2 Clients who achieved “Hard” Outcomes/Transitions

#### 3.2.1 Measurement of ‘Hard’ Outcomes/Transitions

3.2.1.1 ‘Hard’ Outcomes/Transitions could be recorded for the same client at *different* points in time, and more than one Transition could be recorded at the *same* point in time (for instance, someone moving into part-time employment and beginning a training course at the same time, and then later moving on to a full-time job). Note that the WFF target to increase the numbers of parents moving into or towards employment relates to the numbers of clients not the number of Transitions experienced.

3.2.1.2 For the purpose of this evaluation, where a client had experienced Transitions at more than one point in time, only *one* Transition has been included. The ‘Hard’ Outcome/Transition included is the *highest* level of Transition based upon a ranking reflecting the broad objectives of WFF. The order of priority used for ranking Transitions was as follows:

- entered full-time employment;
- entered part-time employment;
- entered self-employment;
- being able to take up a job offer;
- moved into different employment (changed jobs, moved to a better paid job);
- improved current employment (gain promotion, change hours or pay);
- sustained activity (employment, education or training);
- entered or completed education or training course of at least six months duration;
- entered voluntary work of 16 hours or more a week.

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<sup>30</sup> Note that figures for this activity are likely to be below the actual level of activity undertaken, since during Phase 1 completion of the monthly monitoring form, where these activities were recorded, was not mandatory due to a primary focus on ‘Hard’ Outcomes.

<sup>31</sup> Valid Six-month Review refers to Six-Months Reviews where contact with clients was achieved.

3.2.1.3 Hence moving into work is considered ‘higher’ than, say, entering or completing education. It was necessary to assign an order to Transitions so that the data could be analysed by the number of clients who have experienced Transitions (and not just the number of Transitions). The order of priority given to Transitions is not intended to reflect a value judgement on any specific choice by an individual (part-time work may be more appropriate than full-time work at a given time for example).

### 3.2.2 Type of ‘Hard’ Outcomes/transitions

3.2.2.1 As state above, 13,594 clients achieved a ‘Hard’ Outcome/ Transition (53% of all clients). Of these 54% (7295) went into employment, 24% (3323) were able to sustained activity and 4% (649) were able to take up a job offer, improve employment or move into different employment. A breakdown of the ‘Hard’ Outcomes achieved is contained in Table 3.1 below.

**Table 3.1 – Type of ‘Hard’ Outcome achieved to 31 March 2008**

	Frequency	Percentage
Entered full-time employment	2803	21%
Entered part-time employment (between 16-29 hrs/week)	3553	26%
Entered part-time employment (less than 16 hrs/week)	619	5%
Entered self-employment	320	2%
Able to take up a job offer	189	1%
Moved into different employment	174	1%
Improved current employment	286	2%
Sustained Activity	3323	24%
Entered/completed Education or Training	2249	17%
Voluntary work (of at least 16 hrs/wk)	78	1%
Total	13594	100%

3.2.2.2 Overall, there was an average (mean) of 101 days between initial client Registration and their first Transition (Table 3.2 below).

**Table 3.2: Mean average length (days) between registration and FIRST Transition to 31 March 2008**

	N	Mean	Std. Deviation	Minimum	Maximum
Phase 1 LAs	10191	123.23	146.54	0	1094
Phase 2 LAs	3456	79.33	98.34	0	612
Total	13647	101.28	122.44	0	1094

Note: those Transitions in which the recorded Transition date was previous to the Registration date were excluded (235).

### 3.2.3 Economic activity by ‘Hard’ Outcome/Transition

3.2.3.1 Clients were asked for their economic status at the point of Registration and at the point of Transition. Table 3.3 shows the change in clients’ economic status at Registration (up to 31 March 2008) compared to the type of highest Transition achieved (up to 31 March 2008).

**Table 3.3: Economic activity at point of registration (up to 31 March 2008) by *highest* key transition (up to 31 March 2008)**

	Type of HIGHEST Key Transition												Total
	1	2	3	4	5	6	7	8	9	10			
Full-time	247 17%	77 5%	8 1%	39 3%	10 1%	65 4%	82 6%	885 61%	38 3%	4 0%		1455	
Part-time	167 6%	452 17%	66 3%	42 2%	21 1%	87 3%	164 6%	1447 55%	186 7%	0 0%		2632	
<i>All Working (FT+PT)</i>	414 10%	529 13%	74 2%	81 2%	31 1%	152 4%	246 6%	2332 57%	224 5%	4 0%		4087	
Training/Education	128 12%	117 11%	39 4%	10 1%	4 0%	2 0%	5 0%	441 42%	306 29%	4 0%		1056	
Sick/Disabled	94 27%	97 28%	20 6%	13 4%	3 1%	2 1%	1 0%	26 7%	89 25%	5 1%		350	
Registered Unemployed	1103 33%	1223 36%	151 4%	80 2%	59 2%	2 0%	9 0%	161 5%	579 17%	22 1%		3389	
Carers for children/Adults	979 23%	1485 34%	315 7%	126 3%	84 2%	11 0%	17 0%	275 6%	980 23%	40 1%		4312	
Other	44 22%	37 18%	8 4%	8 4%	3 1%	4 2%	4 2%	62 31%	29 14%	2 1%		201	
<b>Total</b>	<b>2762 21%</b>	<b>3488 26%</b>	<b>607 5%</b>	<b>318 2%</b>	<b>184 1%</b>	<b>173 1%</b>	<b>282 2%</b>	<b>3297 25%</b>	<b>2207 16%</b>	<b>77 1%</b>		<b>13395</b>	

Note 1: Economic Activity at Registration Point was missing for 199 Key Transition records

***HIGHEST Key Transitions***

- |   |   |    |   |
|---|---|----|---|
| 1 | Into a full-time job                      | 6  | Moved into different employment                   |
| 2 | Into a part-time job (16 to 29 hours)     | 7  | Improved employment                               |
| 3 | Into a part-time job (less than 16 hours) | 8  | Sustained Activity                                |
| 4 | Into self-employment                      | 9  | Entered/completed training or education           |
| 5 | Able to take up a job offer               | 10 | Entered Voluntary Work of 16 hours or more a week |

3.2.3.2 There were 3,727 more clients in employment and 1,151 more clients in education/training at their Transition point than at the time of registration, representing over 19% of all WFF clients (4,878 clients)<sup>32</sup>.

### *3.2.4 Further details of clients moving into full-time or part-time employment*

3.2.4.1 Clients who moved into employment were asked for details of these activities (for clients registered and making Transitions up to 31 March 2008). The analysis below excludes clients who did not agree to the use of their data at their registration.

3.2.4.2 The most common occupations into which WFF clients moved were Sales and Customer Services (29%, 2,221), followed by Other Personal Services (18%), Administration and Secretarial (14%) and Elementary Services (14%). Some 9% (661) of clients moved into childcare occupations.

3.2.4.3 Unsurprisingly, the most common industries which WFF clients moved into were Wholesale, Retail Trades and Repairs (23%, 1,744) and Health and Social Work (18%). Some 13% also went into Other Services. These areas had shown job growth across Scotland and also often contained jobs with more flexible shift patterns, suitable for those with childcare responsibilities<sup>33</sup>.

3.2.4.4 Some 41% (2,898) of clients entering, moving or improving employment at their highest Transition recorded their average hours as 30 or more per week. 32% recorded their hours as being less than 30 but more than 16 per week, 24% were working up to 16 hours per week and 3% recorded their hours as variable.

3.2.4.5 In terms of the average weekly take home pay for clients whose highest Transition was into full-time employment, 52% (1,338) reported earning a weekly take home pay of between £101 and £200. 28% (665) earned £201 to £250, 13% (320) earned over £250 per week and some 3% (77) up to £100 per week. Half (50%, 1,812) of whose highest Transition was into part-time employment, reported earning between £101 and £200 per week and almost half (47%, 1,696) earned less than £100 per week. 2% (83) earned £201 to £250 and 16 clients earned more than £250 per week. For full-time workers these were similar to the pay levels of WFF clients at the time of their registration (see Section 2.2.5), but were somewhat higher for part-time workers, although care is needed with the figures (these pay rates refer to people at different times over the life of WFF).

3.2.4.6 Direct comparisons across Scotland were not readily available (see Section 2.2.5). However, WFF clients do appear to be lower paid than generally across Scotland. Average gross salaries for full-time employees in Scotland were £467 per week gross, whereas only 13% of

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<sup>32</sup> Some clients in full-time and part-time employment moved into full-time and part-time jobs at their Transition, suggesting they changed job. These figures exclude those clients who did not make a Transition.

<sup>33</sup> According to official NOMIS data (16/1/08), employment in Scotland in the Retail and Health sectors rose by around 3.8% and 7.6% respectively, which was higher than the total employment increase of 3.4% during the life of WFF.

clients who achieved a Transition into full-time employment earned over £250 per week, suggesting WFF clients were much lower paid.

*“I wanted help in getting back to work. After having my children I was going through post natal depression, and she [the Parent Champion] helped me... it was her who helped me to go back into work. She has been a great encouragement. You know after being at home looking after your kids your confidence goes a bit... and she gave me the insight for going back in to work.” (Emma, 42. Living with Partner/Spouse. Situation before WFF: Caring for her children. Situation after WFF: Relief work. Children: 19, 14, 12 and 3 years old. Left school at 16 with 2 O Grades. (Highlands, Parent Champion, Easter Ross)*

### 3.3 Who Achieved ‘Hard’ Outcomes?

#### 3.3.1 Descriptive analysis of clients who achieved a ‘Hard’ Outcome

3.3.1.1 Characteristics of clients who achieved a ‘Hard’ Outcome, (i.e. a Transition, such as one into employment, education, training or voluntary work of over 16 hours per week) are now discussed. The figures are based on basic cross-tabulations of data and are statistically significant according to chi-square<sup>34</sup> tests at the 95% significance level, unless otherwise stated. It should be noted that many characteristics may be linked so the following section uses logistic regression to ‘control’ for the effects of a wider range of different characteristics and give a fuller view of factors associated with Transitions.

3.3.1.2 The various factors linked to clients having a Transition are set out under three general overlapping groups of: individual characteristics (an individual’s employability skills and attributes); personal circumstances (contextual socioeconomic factors related to individuals’ social and household circumstances that affect their ability to get a job match); and external factors (other external factors, such as demand and enabling factors, which help connect employers and job seekers)<sup>35</sup>.

#### *Individual characteristics*

3.3.1.3 Women were significantly more likely to achieve a Transition than men with 54% of women on the programme moving into or sustaining employment, education, training or voluntary work (over 16 hours) compared to 48% of men (see Table 3.4).

3.3.1.4 The average (mean) age of clients achieving a Transition was very similar to those not achieving one, 30.37 years compared to 30.90 years. However, analysis by age band shows that

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<sup>34</sup> A Chi-squared test shows if there is a statistically significant difference between two variables (such as between the number of men and women having a Transition). A 95% significance level means we are 95% sure that there really is a difference between the men and women, and that the difference we measure is not just due to chance.

<sup>35</sup> See for instance: McQuaid, R.W. and C. Lindsay (2005) “The Concept of Employability,” *Urban Studies*, 42, 197-219. The Phase 1 Evaluation Report contained a review of research and policy literature.

the youngest (under 20 years) and oldest (those over 45 years old) age groups were significantly less likely to achieve a Transition than those aged 20 to 29 years (47% and 45% compared to 56%).

3.3.1.5 A higher proportion of black clients, white British clients and those of Pakistani or Mixed Origin made a Transition compared to other groups (56%, 54%, 52% and 51% respectively), while Chinese people were less likely to make a Transition (26%).

3.3.1.6 Significantly fewer clients with no qualifications made a Transition (46%) compared to 54% overall. Those with qualifications below or at SVQ1 were just below the average (51% and 52% respectively). Those with SVQ2 level qualifications had significantly more Transitions (59%), which was similar to those with higher SVQ levels (60%, 61% and 57% for those with their highest SVQ levels at 3, 4 and 5/degree respectively). This corresponds with much other literature indicating links between qualifications and employability. Note that when a full analysis (Section 3.3.2) was undertaken accounting for the effects of other variables (such as age) then a client having any qualification was again shown to be more likely to have a Transition.

The overall importance of having a lack of qualifications is clear as 24% of all WFF clients had no qualifications, but they made up 28% of those not making a Transition and only 20% of those making a Transition. When this is disaggregated further, they made up only 20% of those getting full-time jobs, 22% of those in education/training, 22% of those moving into part-time work and 18% of those sustaining an activity.

3.3.1.7 Those who were employed (67%), or in education or training (69%), at the time of their initial registration, were much more likely to make a Transition. Fewer of those who were registered unemployed (47%), and at home caring for children (49%) or adults (47%) made a Transition. Similarly those who were recorded as sick or disabled were least likely to make a Transition (32%). Greater attachment to the labour market was also associated with making a Transition, as those with a longer time out of the labour market (and also those having never worked) had fewer Transitions: Those who had been unemployed up to 6 months were more likely to make a Transition (60%) compared to those unemployed for 6 months up to a year (57%), those unemployed for 1 up to 5 years (51%), those unemployed for 5 years or more (41%) and those who had never worked (including those caring for children or in education etc.) (39%).

3.3.1.8 Clients whose aim at registration was to 'move closer to employment, education, training or voluntary work' were much less likely to make a Transition (25%) compared to clients with other aims. In particular, those whose aim was to sustain current activity were most likely to achieve a Transition (71%). Clients whose aim was to be able to take up a job offer, to improve current employment or to move to a different employment were more likely to make a Transition (60%) compared to those whose aim was to enter employment (54%). Those whose aim was to enter full time employment were slightly more likely to make a Transition (55%) than those aiming to enter part time employment (52%).

## *Personal Circumstances*

3.3.1.9 A higher proportion of clients with children under 5 and those with children aged 6 to 11 made Transitions (54% each) compared to those with secondary school aged children (46%). Unsurprisingly, only just over a quarter (26%) of clients who were pregnant made a Transition. Having fewer children was also associated with being more likely to make a Transition.

3.3.1.10 A lower proportion of clients who had children with a ‘Record of Needs,’ disabilities or health problems made a Transition (43% and 47% respectively, compared to 54% for clients whose children did not have either of these).

3.3.1.11 A higher proportion of lone parents achieved a Transition (56%) compared to those in other types of households (49% of those with partner/spouse and 40% of those in ‘other’ households). In particular, those in lone parent working households or dual earner households were more likely to make a Transition (72% in a working lone parent household and 58% for dual earner household). This compared to 50% of those in coupled households with one working, 42% of those in none working coupled households and 51% of non-working lone parent households making a Transition.

3.3.1.12 A lower proportion of clients who indicated that they faced barriers to achieving their aim made a Transition, with the notable exception of those with childcare barriers, where this trend was reversed. A higher proportion of those who indicated childcare barriers (50%) made a Transition than those who did not indicate these barriers (48%). This suggests that when childcare barriers are identified, WFF has been successful in removing these and therefore facilitating a Transition. Clients who achieve a Transition are less likely to face a range of other (non-childcare) barriers, such as employability issues, transport problems or other issues.

3.3.1.13 Clients who generally scored higher on all employability and childcare ‘Likert’ measures were more likely to have a Transition.

*“That was the way I felt ‘cos I was on my own since I’ve split with my partner and I was looking after my son on my own, practically on my own even when I was with him. And I thought to myself, I should just look after my child, but I thought to myself ‘no, I want to do some training’ ‘cos all the qualifications I’ve got are out of date. I need to get new up-to-date qualifications and through Childcare Buddies I am actually able to do that. I am actually going to do the ECDL (European Computer Driving Licence). So it is great, really is. And they are all my friends as well.” (Annemarie, 32. Lone Parent. Situation before WFF: Unemployed – unable to work due to sickness and disability – and caring for her children. Situation after WFF: moved into a training course. Child: 2 years old. Qualifications: HNC in Office and Secretarial Studies. (Renfrewshire, Childcare Access Fund)*

**Table 3.4: Summary: descriptive statistics on characteristics of clients achieving different outcomes with WFF**

	Gender	Age	Qualifications	Ethnicity	Children	Household Type	Employment status at start	Client Aims (a)	Barriers to employment etc. (b)	Employability Measures (d)
<b>Transition Achieved</b>	Female	Younger (20 to 29 years old)	Qualifications above SVQ1	White Black Pakistani Mixed Origin	<ul style="list-style-type: none"> <li>• Under 12 years.</li> <li>• Not pregnant.</li> <li>• Fewer children.</li> <li>• Children NOT with Record of Need (RoN)/Health</li> </ul>	<ul style="list-style-type: none"> <li>• Lone parents.</li> <li>• Working Lone parent,</li> <li>• Dual earner households</li> </ul>	<ul style="list-style-type: none"> <li>• Employed or in training/ed.</li> </ul> Less time away from labour market.	<ul style="list-style-type: none"> <li>• To sustain current activity;</li> <li>• To enter Full-time or other employment</li> </ul>	Caring	8 higher scores (higher levels of employability and access to childcare)
<b>Intermediate Activities Achieved</b>	Female	Older (35 to 44 years old)	Fewer qualifications (No qualification or below SVQ1)	Non-white Black	<ul style="list-style-type: none"> <li>• 12 years or older.</li> <li>• More children.</li> <li>• Children with RoN/Health</li> </ul>	<ul style="list-style-type: none"> <li>Partnered.</li> <li>• Unemployed households.</li> </ul>	<ul style="list-style-type: none"> <li>• Sick/disabled, unemployed, caring for kids/adults</li> </ul> More time away from labour market	To move closer to the labour market	Employability. Caring Transport. Other issues (c)	8 lower scores (lower levels of employability and access to childcare)
<b>Improved Employability</b>	-	Young (under 20 years)	Fewer qualifications (No qualification, SVQ1 or below)		<ul style="list-style-type: none"> <li>• 12-17 years old?</li> <li>• Pregnant.</li> <li>• More children.</li> <li>• Children with RoN/Health</li> </ul>	<ul style="list-style-type: none"> <li>• Other Households</li> <li>• Couple none working.</li> </ul>	<ul style="list-style-type: none"> <li>• Sick/disabled; caring for kids/adults</li> </ul> More time away from labour market	<ul style="list-style-type: none"> <li>• To move closer to the labour market</li> <li>• To enter education/training/voluntary work</li> </ul>	Employability Caring Transport Other issues	7 lower scores (lower levels of employability and access to childcare)
<b>Exit/Inactive No outcome</b>	Male	-	Fewer qualifications (No qualification, SVQ1 and below)	White	<ul style="list-style-type: none"> <li>• 12 years or older</li> <li>• More Children.</li> <li>• Children with RoN/Health</li> </ul>	<ul style="list-style-type: none"> <li>• Partnered &amp; Other</li> <li>• Unemployed households</li> </ul>	<ul style="list-style-type: none"> <li>• Sick/disabled; Caring for kids/adults, unemployed</li> </ul> More time away from labour market	<ul style="list-style-type: none"> <li>• To move closer to the labour market</li> <li>• To enter education or training</li> </ul>	Employability Transport Other issues	8 lower scores (lower levels of employability and access to childcare)

(a) Clients were asked to state the main outcome that they wished to achieve through participating in WFF

(b) Clients were asked to indicate from a list of 26 factors which ones prevented or hindered them from progressing towards their stated aim. The 26 factors clustered into 4 types of barriers relating to: Employability issues; caring responsibilities; transport problems; and other issues.

(c) Other issues includes: benefit/debt problems; housing; literacy/numeracy; learning disabilities; alcohol/substance abuse; criminal record; physical disability; mental or physical health.

(d) Employability measures consisted of 10 Likert scales (from 1-10) were clients rated themselves on employability skills and access to childcare.

## *External Factors*

These include the availability of levels of local job opportunities, childcare, transport and so on. They are included in the logistic regressions.

### *3.3.2 Regression analysis of clients who achieved a 'Hard' Outcome*

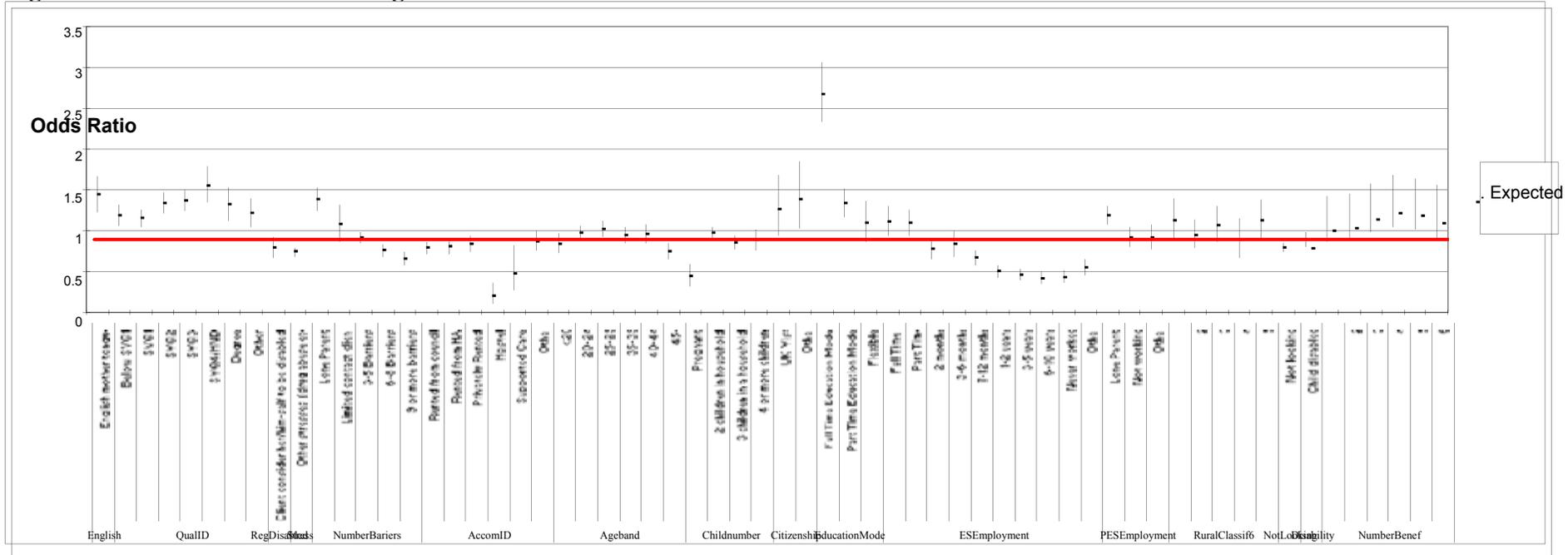
3.3.2.1 This section reports on the logistic regression results for Transitions ('Hard' Outcomes) – the analysis controls for the many characteristics of WFF clients for instance young clients may have a lower likelihood of making a Transition, but this may be because they have young children and not because of their age, so the analysis accounts for this. Hence it considers more fully which characteristics of the clients, or where they live, are most associated with having a Key Transition. The results show how each characteristic (at registration) of a client affects the probability that they will undergo a Transition, (a move into or improve their work, training or education). In summary, the statistical models use binary logistic regression which take account of (control for) the other client characteristics when considering the effects of each individual characteristic.

3.3.2.2 Table 3.5 shows the results of the model for those clients who underwent any type of Transition. (So, after taking into account all the other characteristics in the model, the factors associated with making a Transition into full-time employment include having higher levels of qualifications and/or being male; while factors associated with being less likely to make a Transition into full-time employment include considering oneself to be disabled, being unemployed for 2 months or more at the time of registration).

3.3.2.3 Figure 3.2 shows the results graphically. Variables which appear below the red horizontal line mean that clients with this characteristic are less likely to have a Transition than clients who do not have this characteristic (e.g. clients who consider themselves to be disabled are less likely to have a Transition). Variables that are above the red line (having qualifications at level SVQ3) mean that clients with these characteristics are more likely to have a Transition compared to the base case. For SVQ the base case is having no qualifications. In other words having any qualification increases the probability of you having a Transition, even after we have taken into account the other characteristics like the client's age, number of children and so on. A 95% significance level is used in the analysis below. It is important to note that being less likely to have a Transition means that this is the case compared to other WFF clients and is not necessarily the case compared to other parents in Scotland. So for example, young people might be less likely to have a Transition than other WFF clients, but this does not mean that they are less likely to have a Transition compared to other young parents who are not in WFF.

3.3.2.4 In other words, Figure 3.2 shows the expected likelihood of the client making a Transition (the dot) and a range of possible values (the upper and lower 'arms') within which we are 95% confident of this being the right figure. So a dot above the red line means that that characteristic is associated with a greater likelihood of having a Transition (e.g. moving into work). A narrow set of 'arms' means that the estimate of this effect is very precise.

**Figure 3.2 Characteristics affecting all Transitions**



**BASE LINES OR REFERENCE LINE**

AREA	Renfrewshire
ENGLISH	English is not a mother tongue
QUALID	No qualification
REGDISABLED	Not disabled
STRESS	No other stresses
NUMBERBARRIERS	1-2 barriers
ACOMID	Owned
AGEBAND	30 to up to 35 years

Points above the red line indicate that this characteristic is positively associated with a client having a Transition. The further the point is above the red line, the greater the effect of the characteristic on the likelihood of having a Transition. Points below the red line indicate that this characteristic is negatively associated with a client having a Transition. The 'tails' indicate the area around the point within which there is 95% confidence around the estimate of the point.

**Table 3.5: Regression summary of characteristics of clients achieving different outcomes with WFF**  
(only statistically significant variables (95% level) are shown)

	Gender	Age	Qualification	Ethnicity / Citizenship	Children	Child disabled	House- hold type	Employment status at start	Mother tongue	Health	Education mode	Stress	Accom- modation	Care for non-child	Partner Employ- ment
<b>Transitions All</b>		>45 (-) <20 (-)	Any qualifications (+)	Other Non UK/EU citizen (asylum seeker, refugee) (+)	Pregnant (-) > 2 children (- )	Child disabled (-)	Lone parent (+)	Unemployed for 2 months or more (-) Never worked (-) Full-time or part- time work at registration (-)	English as mother tongue (+)	Disability/ Poor health (-)	In education at registration (+)	Other stress in house- hold (e.g. drugs) (-)	Not owner occupier (-)		
<b>Full-time Employ- ment</b>	Male (+)		Qualifications above SVQ1 (+)		> 1 child (-) especially 4+ children			Unemployed for 2 months or more (-) Never worked (-)		Disability (-)	In education (-)	Other stress in house- hold (-)			
<b>Part-time 16-29 hours</b>	Female (+)		Degree (-)		Pregnant (-) 2 children (+)		Lone parent (+)	Unemployed for 3 years or more (-) Never worked (-) Full-time or part- time work (-)		Disability (-)	In education (-)	Other stress in house- hold (-)	Hostel (-)		
<b>Part-time &lt;16 hours</b>	Female (+)							Never worked (-) Full-time or part- time work (-)							
<b>Training or education</b>	Female (+)		Any qualification less than degree (+)	Non UK citizen/ Visa holder (+)			Lone parent (-)	Full-time or part- time work (-)			In education (-)				Not working or other (- )
<b>Sustained</b>	Female (+)				Pregnant (-)	Child disabled (-)		Unemployed for 1 year or more (-) Full-time or part- time work (+)	English as mother tongue (+)		In education (+)	Other stress in house- hold (-)	Council or Housing Assoc (-)	Care (+)	

Example: Female (-) means that we are 95% confident that being female means a client is LESS likely to have a Transition into (e.g.) full-time employment.

Female (+) means that we are 95% confident that being female means a client is MORE likely to have a Transition into (e.g.) part-time employment

3.3.2.5 Figure 3.2 shows that some of the characteristics most *positively* linked to making a Transition of any sort include:

- having an educational qualification, of any sort;
- being a lone parent;
- having English as your mother tongue;
- being in any education at the point of registration (this is linked to having a Transition of completing education/training);
- having a nationality other than that of a UK or EU citizen (such as asylum seekers or refugees);
- and also those living in living in Glasgow or North Ayrshire.

3.3.2.6 Key characteristics that *reduce* a client's likelihood of having a Transition are:

- being in rented, council, hostel or supported accommodation (i.e. non-owner occupier);
- having been out of employment for 2 months or more;
- being aged under 20 or over 45 years old;
- being self identified as disabled;
- having other household stresses (such as drug misuse);
- being pregnant;
- having more than 2 children;
- having a disabled child.

3.3.2.7 Three components were used to identify the most important characteristics that indicate the likelihood of someone having a Transition.

- First is whether we are confident that there really is a link between the characteristic and having a Transition (the significant level is 95% so we are confident that the relationship is not just chance).
- Second we consider the strength of the effect - here we use an odds ratio of over 1.25 or under 0.75, so this characteristic at least increases or decreases the likelihood of having a Transition by at least a quarter (25%).
- Third, the relative reach of the impact, i.e. the characteristic is relevant for a large number of people - here the characteristic must be shared by at least 5% of the client population.

3.3.2.8 Using these three criteria, a few characteristics appear to be particularly important for policy which this is not to underplay the other characteristics and issues of course. The main positive issues were:

- having an educational qualification, but especially one of at least SVQ 2 (having higher qualifications than these was influential but affected relatively few people);
- having English as your mother tongue;
- being in part- or full-time education at the point of registration;
- being a lone parent.

3.3.2.9 Using these criteria, the main negative issues were:

- having been out of employment for more than 6 months;
- being aged over 45 years old;
- having other household stresses (such as drug misuse);
- being pregnant;
- being in a hostel or supported accommodation was very influential but affected relatively few people.

### *3.3.3 Transitions into full-time employment*

3.3.3.1 The different types of Transition are now considered individually. From the analysis (see Table 3.5 for a summary) it is clear that qualifications make Transitions into full-time employment more likely and generally the higher the level of education the more likely that there will be a Transition into full-time employment. Being male is also positively associated with a Transition into full-time employment.

3.3.3.2 The respondent is less likely to have a Transition into full-time work if s/he considers themselves to be disabled and/or has other household stresses, has been unemployed for 2 or more months, has never worked, was in education at registration (this is unsurprising as these clients will likely continue in education rather than move to full-time work), and/or has more than one child (especially has 4 or more children).

### *3.3.4 Transitions into part-time employment*

3.3.4.1 Being female and/or a lone parent or having 2 children is significantly associated with a Transition into part-time employment of 16-29 hours. For part-time work under 16 hours the strongest association is being female.

3.3.4.2 Being in part-time or full-time employment at registration means that clients are less likely to make the Transition into part-time employment. Other factors associated with making the Transition into part-time work less likely are: not looking for work; having a high number of barriers; being pregnant; having a degree (as degree holders appear to prefer longer hours); being stressed; considering themselves to be disabled; being in full or part-time education at the time of registration; and/or living in a hostel. For part-time work under 16 hours it is never having worked, or having being in full or part-time work at registration.

### *3.3.5 Transitions into training or education*

3.3.5.1 Being female and/or a UK Visa holder and/or having any qualification less than a degree all significantly associated positively with the likelihood of undergoing a Transition into education.

3.3.5.2 There is a statistically significant (at the 95% level as with all these statistics) negative association of Transition into education or training with being in full or part-time education at the time of registration, being in education at the point of their original registration (i.e. completed or moved into another course), being a lone parent or having a partner who is not working.

### *3.3.6 Sustaining previous employment or education*

3.3.6.1 A sustained Transition is significantly more likely if the respondent is in full-time education and/or full or part-time employment. English being their mother tongue and/or being female are factors also associated with sustaining their previous situation. Provision of care for non-child dependents is also positively associated with sustained activity.

3.3.6.2 Being pregnant, having a child who is disabled, having other household stresses, being unemployed for a year or more and living in a Council or Housing Association house all make sustaining a position significantly less likely.

### *3.3.7 Major cities (Glasgow, Edinburgh, Aberdeen, Dundee)*

3.3.7.1 In cities similar characteristics are linked to having Transitions as with the total WFF client population. Having no qualifications, self and child disability, suffering other stresses (e.g. drugs related); being out of work for at least three months, partner being out of work, being under 20 or over 45 years old, having more than two children or being pregnant, or having over 6 barriers all make a Transition less likely. Factors associated with having a Transition include having qualifications, owning their own home, having English as a mother tongue and/or being in education or work at the time of registration.

3.3.7.2 For Transition into full-time work is more likely if the client has English as a mother tongue, is female and/or is qualified to at least SQV2 level. Associations with no Transitions are registered disabled, renting from a housing association, having three or more children, being in part-time education, being out of work and having other dependents.

3.3.7.3 Receiving child or parental care and/or a number of barriers to work and/or being aged 40 years or more make sustaining work more likely as does being in full or part-time work. Not sustaining work is associated with being of minority ethnic origin, living in rented accommodation

3.3.7.4 For Transitions into training or education in cities, the number of barriers to work means that moving into training or education is more likely as does not being a UK citizen and already being in education. Low income and/or full-time employment make moving to training or education less likely.

### *3.3.8 Non-major city local authorities*

3.3.8.1 While many factors are similar to those in the major cities, being registered as disabled, being under 20 years old, or living in private rented accommodation do not appear to be significantly associated with not having a Transition. Conversely, having over three barriers is negatively associated with having a Transition. Unlike in the cities, being in employment at the time of registration is not associated with having a Transition, while being a lone parent is positively associated with having a Transition (where this has no significant effect in the cities). Otherwise the other factors are similar to major cities.

3.3.8.2 Having qualifications makes Transitions into full-time employment more likely. Being female and/or out of work and/or receiving numbers of benefits and/or having more children make such a Transition less likely.

3.3.8.2 Being in full or part-time employment and/or partner not working makes sustaining employment more likely. As does owning ones own accommodation and/or being female and/or having English as mother tongue and/or receiving child care or parental care or both. Negative associations appear with the number of benefits.

3.3.8.2 Transitions into training or education are significantly more likely if the respondent is female, is already in education and has a qualification less than degree level and/or is in the age range 20 to 29. Transitions into training or education are less likely if the respondent is in full or part-time employment and/or their partner is not working.

### **3.4 Clients who achieved ‘Soft’ Outcomes/ Intermediate Activities**

#### *3.4.1 Measurement of intermediate activities*

3.4.1.1 From April 2006 new categories of Intermediate Activities were added to the database in order to more fully capture the steps clients were taking as they progressed towards employment<sup>36</sup>. Therefore the Intermediate Activities reported only fully represent those from April 2006, and under counts those from 2004-06.

3.4.1.2 The Intermediate Activities include: work placements; short personal development courses; non-accredited training (pre-vocational training, vocational training, educational activities, development and skills training activities); and volunteering. These are important as the majority of WFF clients were classed as ‘far from the labour market’ and their progress towards employment was likely to be ‘stepped’ (e.g. moving from a confidence building personal development programme, to a short vocational course, to part-time work). These Intermediate Activities represent a positive step towards education or employment.

3.4.1.3 Those who achieved a ‘high’ enough level of Intermediate Activities<sup>37</sup> could also count towards the WFF targets of moving 15,000 parents from disadvantaged areas and groups into or towards employment. Those who achieved a Transition and the required level of Intermediate Activities Outcomes were counted towards the target only as having achieved a Transition - so as to avoid double counting.

3.4.1.4 The analysis of Intermediate Activities does not include those clients where the Registration date (in the Registration Form) was missing or erroneous. The analysis also excludes activities which have not been completed or were not recorded as being completed (e.g. records with total hours and duration and/or hours missing have been excluded as total hours of activity cannot be determined).

#### *3.4.2 Type and numbers of ‘soft’ intermediate activities*

3.4.2.1 The total number of Intermediate Activities to 31 March 2008 was 13,605. 92% of activities took place since April 2006 as expected, due to the reasons stated above. This table only reflects individual Intermediate Activities, not accumulated training or development.

3.4.2.2 61% (8,296) of the activities that clients took part in were non-accredited training or educational activities, 24% (3,243) were accredited training or education of less than six-month duration, 6% (836) of activities were classified as ‘other’ type of activity that substantially improves clients’ skills/employability, 6% (786) were voluntary activities and 3% (444) were work placements.

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<sup>36</sup> Since April 2006 details of clients who took part in an Intermediate Activity were systematically recorded. Before April 2006 Intermediate Activities were recorded in the Monthly monitoring form, however this form was not compulsory so data are not complete.

<sup>37</sup> Intermediate Activities Outcomes were: completion of structured work placement of 30 hours or more (equivalent of approximately at least one week full-time or two weeks part-time); completion of a total of 20 hours or more accumulated personal development, pre-vocational training, vocational training, educational activities, or development and skills training activities; and undertaking voluntary activity of 3 hours or more per week. See Section 3.0.2.

### *3.4.3 'Soft' intermediate activities outcomes*

3.4.3.1 Some 2,041 clients achieved an Intermediate Activity Outcome up to the 31 March 2008. The vast majority of clients, 89% (4,217), completed 'Accumulated activity of 20 hours or more,' 6% of clients completed a 'Work placement of 30 hours or more' and 5% completed 'Voluntary Work of 3 to 16 hours a week.'

3.4.3.2 Of those 4,217 clients that achieved an Intermediate Activity Outcome, 2,466 had NOT achieved a Key Transition (up to 31 March 2008). These 2,466 clients count towards the overall WFF target. The majority of these outcomes achieved were 'Accumulated activity of 20 hours or more' (91%, or 2,254 clients).

### *3.4.4 Descriptive analysis of characteristics of clients who achieved intermediate activities outcomes*

3.4.4.1 Characteristics of clients whose highest achievement through WFF was an intermediate activities outcome are described below (and summarised in Table 3.4 above). The figures used are based on cross-tabulations of data and are statistically significant according to chi-square results to the level of 95% unless otherwise stated.

3.4.4.2 A slightly higher proportion of women achieved an intermediate activities outcome (10%) than men (8%).

3.4.4.3 The average age of clients achieving an intermediate activities outcome was older (31.31 years) than other clients (30.62 years).

3.4.4.4 Higher proportions were non-white clients, particularly Indian (16%) and Chinese (15%) clients.

3.4.4.5 Clients with older children (particularly secondary school age) were more likely to achieve intermediate activities outcomes (12%), particularly compared to those with children under 3 years (9%), which ties in with the older age of clients.

3.4.4.6 Clients who had children with a Record of Needs (14%) or with disabilities or health problems (11%) were more likely to make an intermediate activities outcome than those without (9%). This may be because they are taking these activities as 'stepping stones' to increasing their employability as a move into, say, part-time employment may be too great a step at this time.

3.4.4.7 Clients living with their spouse or partner were slightly more likely to achieve intermediate activities outcomes (11%) than lone parents (10%), although household working situation was more likely to determine the outcome, with 12% of those in non-working couple households and 11% of non-working lone parent households achieving an intermediate activities outcome compared to 8% of dual earning households and 3% of working lone parent households. Again this appears to be a case of these clients doing Intermediate Activities while the other clients move more directly into having a Transition (such as moving into work).

3.4.4.8 Clients whose economic activity at registration was 'not in employment' were more likely to undertake an intermediate activity, with 17% of those who were sick/disabled and

13% of those at home caring for children doing so, compared to just 4% of those in full-time or part-time employment. Those who have been out of the labour market for longer or have never worked were also more likely to make an intermediate activity (16% and 14% respectively).

3.4.4.9 A higher proportion of clients with no qualifications or qualifications below SVQ 1 achieved an intermediate activity (12%) compare to other clients.

3.4.4.10 A much higher proportion of clients whose aim at registration was to ‘move closer to employment, education, training or voluntary work’ achieved an intermediate activities outcome (23%).

3.4.4.11 A higher proportion of clients achieving an intermediate activities outcome had barriers relating to employability and skills, caring, transport and ‘other’ barriers.

3.4.4.12 Clients with an intermediate activities outcome also scored lower in all employability and childcare ‘Likert’ measures than other clients.

3.4.4.13 This suggests that clients with lower employability and greater barriers were making progress through taking relevant intermediate activities as ‘stepping stones’ to increasing their employability. This compared to other clients with stronger employability, who were more able to move into, say, part-time employment or other Transition.

### **3.5 Clients who improved their Employability: Distance Travelled – Employability Measures**

#### *3.5.1 Measurement of employability measures*

3.5.1.1 As discussed above, in addition to measuring ‘Hard’ Outcomes, indicators such as actual Transitions to employment, and Intermediate Activities such as short term training, eight Likert scale questions were designed in order to measure other ‘soft’ outcomes, (i.e. client progress, particularly where no ‘Hard’ Outcomes had yet been achieved). These ‘employability’ measures asked about clients’ confidence, job skills, benefits and childcare issues. The score ranged from 1, the poorest level, to 10, the most positive. A key purpose of the Six-month Review was to track changes in clients’ progress where no ‘Hard’ Outcomes have occurred (e.g. Transitions).

3.5.1.2 In order to measure progress, clients’ scores on each Likert Scale responses taken at the time of the client’s initial Registration were compared with those given during the Six-month Review (and later reviews and Transitions)<sup>38</sup>. This provided a figure which represented movement (either positive or negative) on each scale, indicating likely client progress towards greater employability<sup>39</sup>. These measures particularly, but not only, focused on client confidence, which is important to a group such as disadvantaged parents, many of whom have been out of work for some time.

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<sup>38</sup> For clients registered from April 2004 (with the exception of Glasgow and Dumfries and Galloway which had clients from January 2004 as they were part of the WFF pilot) to 31 March 2008.

<sup>39</sup> This figure indicates movement (positive or negative) along each scale. Each figure was obtained by subtracting an individual client’s scores on each Likert Scale at their Registration from their scores at their latest Six-month Review.

3.5.1.3 The analysis indicates that clients had experienced improvements in each of these areas. In particular, improvements were noted in ‘organising childcare services for children,’ ‘awareness of childcare services’ and ‘knowledge of Benefits’ (with a change between 1.5 and 1.7) as might be expected in a programme such as WFF.

3.5.1.4 The smallest absolute increase was experienced in ‘access to informal (family and friends) childcare’ with only a 0.5 increase from registration to latest Six-Month review (this smallest increase is unsurprising as WFF would have limited impact upon such informal access). All measures showed an increase, although ‘confidence about the quality of local childcare services’ and ‘confidence about starting work’ rose slightly less (0.9 and 0.8 increases) compared to ‘confidence of their employability skills’ and ‘confidence in meeting new people’ (with 1 point change).

3.5.1.5 At Registration the lower scores on ‘awareness of childcare services’, ‘organising childcare services for children,’ ‘access to informal childcare’ and ‘knowledge of benefits’ (all scoring between 4.7 and 5.2) indicate that, in general, clients felt less able or confident about these aspects than about others. However, all of these measures improved, especially ability to ‘organising childcare services for children,’ ‘awareness of childcare service,’ and ‘knowledge of benefits,’ by the latest Six-Month review, by which time scores on ‘organising childcare services for children’ and ‘knowledge of benefits’ had raised to 6.6. On average, clients seemed moderately confident of their employability skills in terms of meeting new people, job skills and confidence about starting work (each scoring between 6.2 and 6.8 at registration and between 7.2 and 7.6 at latest Six-Month review).

3.5.1.6 However, it is important to note that because relevant data must be available on both forms, and because clients who indicated ‘not applicable’ were excluded, total numbers of clients for which a movement was recorded was smaller than the numbers completing a Six-month Review.

### *3.5.2 Descriptive analysis of characteristics of clients who improved employability*

3.5.2.1 Characteristics of clients who improved on one or more of eight employability measures during their contact with WFF (and did *not* achieve a Transition or intermediate activities outcome) are described below (and summarised in Table 3.4 above). The figures used are based on cross-tabulations of data and are statistically significant according to chi-square tests at the 95% level unless otherwise stated.

3.5.2.2 Gender or ethnic origin was not significantly associated with improving employability.

3.5.2.3 Although there were no significant differences in the mean average age between clients who improved their employability and other clients, a breakdown by age category shows that a higher proportion of younger clients, less than 20 years old, (6%) improved their employability compared to the average for all age groups (3%).

3.5.2.4 Clients with more children were more likely to improve their employability (1.8 children compared to 1.7), as were clients who were pregnant (11% compared to 3%). Clients with children aged 12 to 17 years were slightly more likely to improve employability (4%)

than clients with younger children, although actual differences were relatively small with 3.2% improving employability overall.

3.5.2.5 Clients with children who had a 'Record of Needs' or with disabilities or health problems were more likely to improve their employability (4% and 5% respectively, compared to 3% for others).

3.5.2.6 Clients who lived in 'other' households were more likely to improve their employability (7%) than those in lone parent households (3%) or living with spouse or partner (4%). Household working situation also made a difference to the outcome. In particular, a higher proportion of clients in couple households were nobody worked, improved their employability (5%).

3.5.2.7 Clients whose economic activity at registration was 'sick' or 'disabled,' 'at home caring for children' or 'adults or registered unemployment' were more likely to improve their employability than those already in employment or in education or training. Clients who had a lower attachment to the labour market in terms of time away of employment, or having never worked, were also more likely to improve their employability.

3.5.2.8 Lower levels of qualifications were associated with improving employability with 4% of those with no qualifications doing so.

3.5.2.9 Clients whose aim at registration was to sustain activity or enter full-time employment were less likely to improve employability than clients with other aims, particularly those who aimed to 'move closer to employment, education, training or voluntary work.'

3.5.2.10 A higher proportion of clients who improved employability had barriers across all general categories.

3.5.2.11 Clients who improved employability also, on average, scored lower on 7 out of eight of the employability and childcare measures.

3.5.2.12 Again it is important to note that clients with higher initial employability (e.g. those without children with 'Record of Needs' were more likely to make a Transition and so not be counted in this analysis of improved Likert scale measures of confidence etc.). As with Intermediate Activities outcomes it suggests that clients with lower employability and greater barriers were making progress increasing their employability through participating in WFF, even though they may not yet have achieved an Intermediate Activities outcome.

*“I had a fantastic experience and learned a lot in the last few days. The training has made me more confident as a person.”*

*“The training was great and gave me more confidence in myself and my abilities.”*

*“I was surprised that I had the skills the NHS were looking for all along and didn't even realise it.”*

*(Developing employment routes for Edinburgh parents with NHS Lothian)  
(From eValuate – the WFF Quarterly Newsletter, December 2007)*

### **3.6 Clients Who Did Not Achieve an Outcome**

3.6.1 When a client ceased to get support from WFF, either because they had achieved a major Transition or because of some other reason, they were asked the main reason for their exit and this was recorded on an Exit Form. Where a client had not been in contact with WFF for a reasonable amount of time (determined by the project worker) this was also recorded as an exit.

3.6.2 Of the clients who recorded ‘No Outcome,’ 31% (2589) were still recorded as actively receiving support from WFF and may therefore yet achieve an outcome. The remainder (5856, 69%) were recorded as ‘inactive’ and therefore no longer in contact with WFF and unlikely to achieve an outcome. Of these latter clients, 87% had recorded an exit from the programme, although there was no information for 13%.

3.6.3 Average time to exit was 210 days (just under 7 months). As project workers had discretion as to when an exit was recorded where no contact could be made with a client, this figure must be treated with some caution. However, it does indicate at least rough times to exit. 13% of clients who exited with no outcomes left within the first two months and likely had limited contact with WFF. 52% of exits occurred within the first 6 months since registration and 86% in the first year.

3.6.4 Table 3.6 shows that the vast majority of exits recorded were ‘Ceased Contact with WFF’ (78%), with a further 8% of clients who no longer wished to continue receiving support from WFF. Some 2% of clients were recorded as having moved out of the geographical area.

3.6.5 Only small proportions (and actual numbers) of the exits were for other reasons, such as personal relationship issues (2%), change in aspirations (2%), health issues (2%); pregnant/new baby (1%). A small number had been referred onto other (non-WFF projects) (less than 1%). Less than 1% of clients recorded an exit because of either: financial issues; childcare issues; or change in economic activity.

**Table 3.6: Clients who recorded ‘no outcome’: reasons why they exited from WFF**

Exit Type	Frequency	Percentage
Referred to WFF in another LA area	9	0.2
Referred to another non WFF project	44	0.9
Moved out of area	115	2.3
Childcare issues	36	0.7
Pregnant/new baby	62	1.2
Personal/relationship issues	74	1.5
Financial issues	30	0.6
Health	75	1.5
Change in economic activity	16	0.3
Change in aspirations	90	1.8
No longer wish to received support	382	7.7
Contact ceased	3864	77.6
Other	184	3.7
Total	4981	100.0
Missing	875	
Total	5856	

3.6.6 Since the vast majority of clients were recorded as ‘Ceased Contact with WFF,’ and actual numbers of other responses are low, it is not possible to draw further conclusions. Clients who responded with another reason are more likely to represent those clients who maintained better contact with project workers. Similarly, it is not possible to, accurately, further analyse if certain types of clients exited WFF for different reasons.

3.6.7 Given the limitations of the data on exits this analysis has focused on examining characteristics of clients who did not achieve an outcome, rather than characteristics of clients who exited for particular reasons.

### *3.6.1 Descriptive analysis of characteristics of clients who exited with no outcome*

3.6.1.1 Characteristics of clients who exited from the WFF programme without achieving any kind of outcome (e.g. into employment, education, training, voluntary work; intermediate activity or improved employability) are now discussed. The figures used are based on cross-tabulations of data and are statistically significant according to chi-square results to the level of 95% unless otherwise stated.

3.6.1.2 Men (27%) were more likely to exit with no outcome than women (23%).

3.6.1.3 A client’s age or their ethnicity was not significantly associated with exited with no outcome.

3.6.1.4 A higher proportion of white clients exited without an outcome (23% compared to 21% for non-whites), although ethnicity was not significant when broken down further by different ethnic categories.

3.6.1.5 A higher proportion of clients with secondary school age children exited with no outcome (25%) compare to those with younger children (between 22% and 24).

3.6.1.6 Clients who had children with a ‘Record of Needs’ (28%) or with disabilities or health problems (26%) were more likely to exit with no outcome than clients whose children did not (23% have a disability or health problems).

3.6.1.7 Clients living with a spouse/partner exited with no outcome (25%) more often than those in lone parent households (23%). This was particularly the case for clients who were also not working at registration with 28% of clients in non-working couple households, 24% in one-working couple households exiting with no outcome compared to 29% of clients in dual earning households. While 24% of clients in non-working lone parent households exited with no outcome, only 18% of clients in working lone parent households did so.

3.6.1.8 Clients who indicated their economic activity at registration as either registered sick or disabled, unemployed or at home caring for children or adults were more likely to exit with no outcome (32%, 25%, 24% and 24% respectively) than other clients. Additionally, attachment to the labour market also reduced chances of exiting without an outcome since a lower proportion of clients who were in employment exited with no outcome (19% for those both in full-time and part-time employment), compared to clients who had been unemployed for 5 years or more (27%) or had never worked (27%).

3.6.1.9 A higher proportion of clients with no qualifications or qualifications below SVQ 1 exited with no outcome (27%) than those with higher levels of qualifications.

3.6.1.10 More clients whose aim at registration was to move closer to employment, education, training or voluntary work exited with no outcome (31%), suggesting that those who were further away from the labour market were more likely to leave WFF without achieving an outcome.

3.6.1.11 A higher proportion of clients who exited with no outcome had barriers relating to employability and skills, transport and ‘other’ barriers.

3.6.1.12 Clients who exited with no outcome generally scored lower on all employability and childcare Likert measures than clients who achieved an outcome or who were still receiving support from WFF.

## **3.7 Outcomes by Projects**

### *3.7.1 Comparisons between WFF projects*

#### *3.7.1.1 Main Project*

3.7.1.1.1 Clients joining the WFF programme were allocated a main project at the time of, or after registration. The main project was defined as the one which took the main responsibility for monitoring the client. In most cases, this was a ‘Key Worker’ project (80%), although there were a range of other types of projects that acted as the main project (Table 3.7).

3.7.1.1.2 Some of these other projects operated like a Key Worker but with a particular focus. For instance, 4% were in projects classed as ‘Improving Access to Training and Education.’ These types of projects generally provided intensive holistic support to some of the most disadvantaged of clients e.g. Rosemount Lifelong Learning. A further 3% of clients were

based in projects classed as ‘Developing childcare workers or provision,’ where many clients received holistic support to enable them to train and pursue employment in the childcare sector.

3.7.1.1.3 The Key Worker approach would appear to be particularly effective since many of the positive client outcomes can be linked to Key Worker involvement (most clients in WFF had contact with a Key Worker) and specifically 55% of clients registered through a Key Worker programme, achieved a ‘Hard’ Outcome compared to 46% on non-Key Worker projects (although these figures need to be viewed with care as in many areas most or all clients were registered through Key Worker projects but received assistance from others). It should be noted that main projects were very closely tied to LA area or particular forms of disadvantage and so these may influence the results.

**Table 3.7: Clients’ main project**

Main Project	Frequency	Percentage
Transport	262	1.1
Subsidy Fund	206	.8
Working with employers	11	.0
Improving Access to Training/Educations	950	3.8
Volunteers	136	.5
Supporting Young Parents	548	2.2
Health, Disabilities, Drug/Alcohol	786	3.2
Money Advice - Low Income	167	.7
Hard to reach with a barrier	133	.5
Crèche	95	.4
Childminding	120	.5
Flexible Childcare	46	.2
Developing Childcare Workers/Provision	844	3.4
Key Workers	19716	79.5
Childcare Subsidy	272	1.1
Advice/Guidance in Childcare	1	.0
Personal Development	280	1.1
Job Information/Resources	65	.3
Improving access to Employment	85	.3
Outside Agency - Childcare Provider/Information	16	.1
Outside Agency – Careers	3	.0
Outside Agency - College/Community Education	2	.0
Outside Agency - Voluntary Agencies/Sector	46	.2
Outside Agency - Government Initiative	1	.0
Outside Agency - WFF other area	3	.0
Outside Agency – Other	1	.0
Total	24795	100.0
Missing	713	
Total	25508	

3.7.1.1.4 Main projects (other than classified under ‘Key Worker’) which worked with particularly disadvantaged groups were associated with a lower proportion of clients making a Transition. For instance, 40% of clients whose main project was ‘Improving Access to Training/Education’ achieved an outcome (in these projects there was greater control of the outcomes as there may have been a guaranteed training place, while those in employment related projects may had no such guarantee). The figures for achieving a Transition were lower elsewhere: 23% with ‘Supporting Young Parents’ projects; 34% with ‘Health, Disabilities, Drug/Alcohol’ projects; 24% with ‘Hard to reach with barrier;’ and only 22% of

clients with ‘Volunteers’ projects. However, 49% in ‘Volunteers’ projects achieved an intermediate activity (which would be expected with this kind of project).

3.7.1.1.5 Some projects experienced a relatively high proportion of clients who exited WFF without an outcome. These included clients with: ‘Money Advice’ projects (52%); ‘Crèche’ projects (46%); ‘Subsidy Fund’ projects (43%); ‘Flexible Childcare’ projects (31%); and ‘Improving Access to Employment’ projects (30%). Aside from ‘Improving Access to Employment’ projects, these projects only offer specific support and not a holistic client-centred approach. By themselves these appear of limited effectiveness with clients, although as part of a package they may be vital (see below).

### *3.7.1.2 Referrals*

3.7.1.2.1 In addition to accessing the main WFF project, many clients (60%) also accessed other projects. 45% accessed other WFF projects with a further 15% accessing external agency services (non-WFF). Of these, 35% were referred to one other additional service, 39% to two or three other services, and 26% to 4 or more other services.

3.7.1.2.2 Figure 3.3 below shows the number of clients who were referred to different types of services. It reveals a wide variety of different services (both additional WFF services as well as outside agency services) that were being accessed, which is to be expected in a holistic client-focused programme. The most accessed WFF service was money advice, with 14% of all clients referred to it. Feedback in Phase 1 reported a high demand for this service. Childcare subsidy fund was accessed by 13% of clients which may seem low given the nature of the WFF programme, although feedback from local authorities suggests that childcare support was only an issue when clients made a Transition, and even there, support needed was not necessarily financial. Local authorities were requested (from January 2007) to keep a record of when advice and guidance was provided to clients on childcare. Only 3% of clients were recorded as receiving this support. However, it seems highly improbable that such a small number were assisted, and it may be that this was not adequately recorded. Included under ‘Outside Agency –Other’ are referrals to: IEF and unspecified ‘Others.’

3.7.1.2.3 In terms of outcomes, Figure 3.4 shows that clients who accessed one or more additional projects were significantly more likely to achieve a Transition than clients who did not access any other projects (62% of clients who accessed WFF projects and 53% who accessed other agencies compared to 44% who did not access any additional services achieved a Transition). They were also less likely to exit WFF without an outcome (only 17% of clients who accessed WFF project/s and 23% who accessed other agencies exited with no outcome compared to 31% for those who accessed no additional projects).

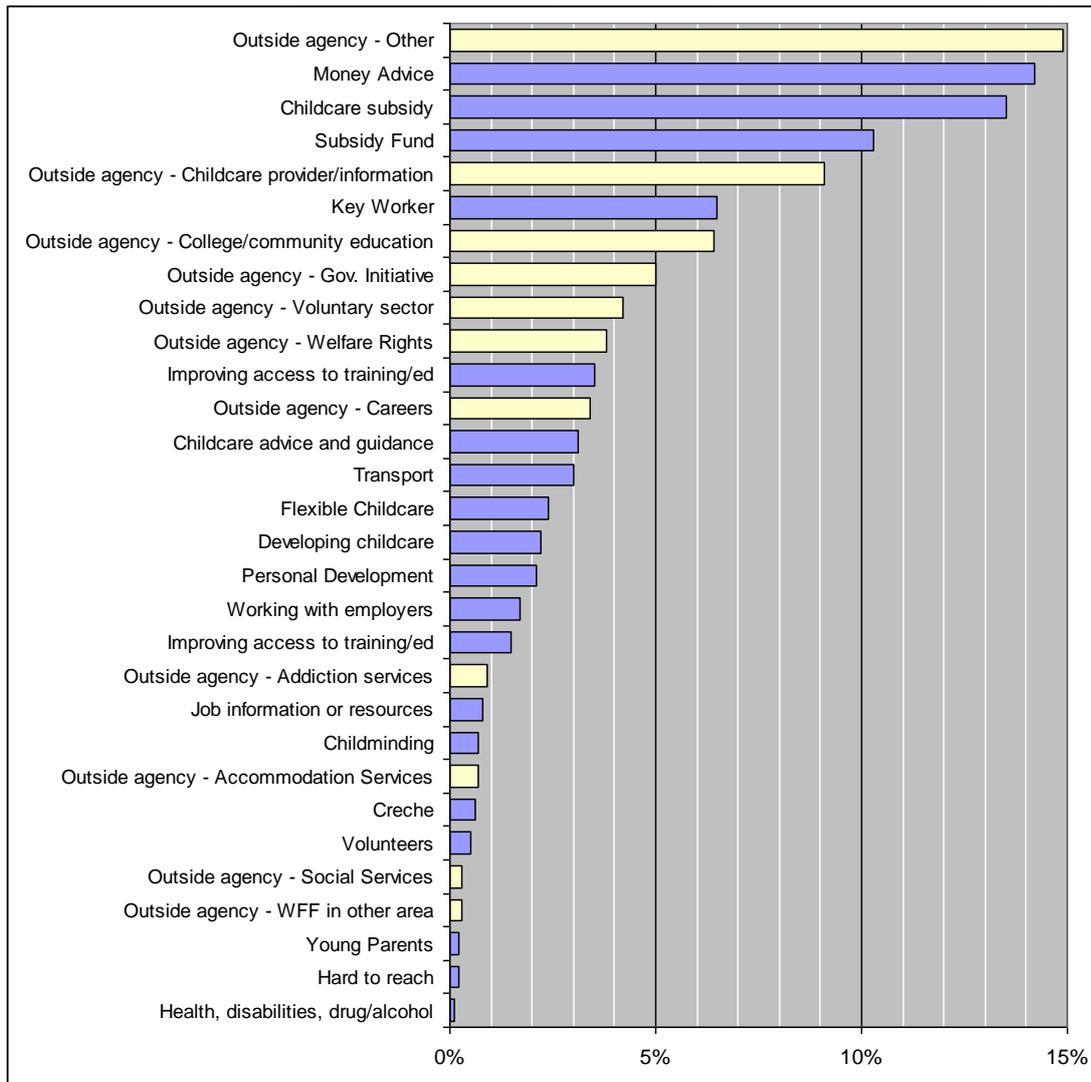
3.7.1.2.4 This would strongly indicate that clients who received a ‘package’ of support (of at least a main project plus support from one or more other WFF projects) were much more likely to have a positive outcome.

3.7.1.2.5 In terms of individual types of projects which were accessed (in addition to main projects), clients who accessed the following were significantly more likely to have a Transition:

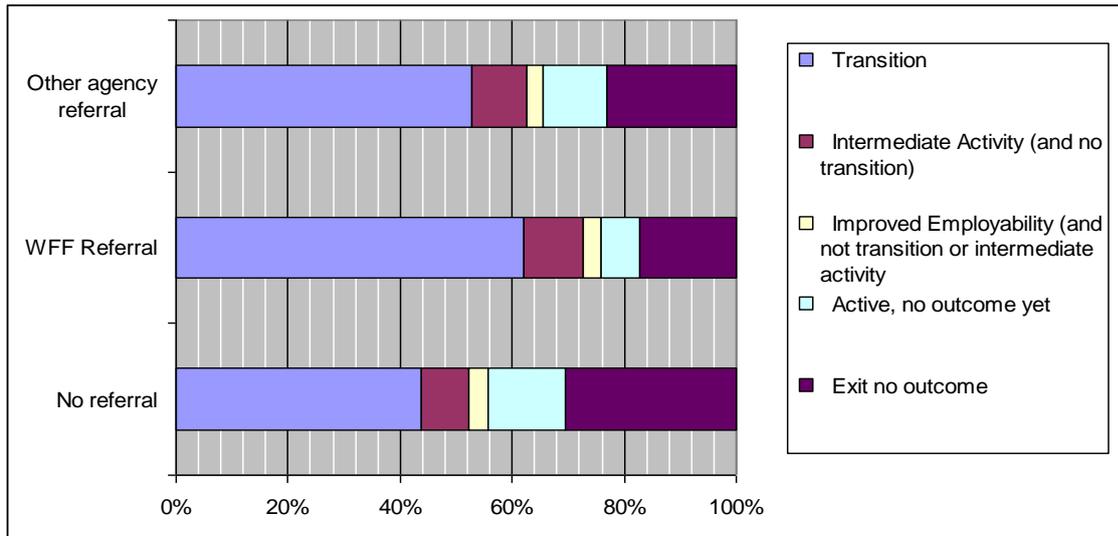
- Transport (66%)
- Subsidy Fund (67%)
- Working with Employers (67%)

- Money Advice (61%)
- Flexible Childcare (66%)
- Developing childcare workers (65%)
- Childcare Subsidy (80%)
- Improving Access to employment (70%)

**Figure 3.3: Percentage of all clients being referred by WFF to referral agency**



**Figure 3.4: Clients who accessed (where referred to) other services by outcome achieved**



3.7.1.2.6 In many cases, clients who also accessed these projects were less likely to exit the WFF programme with no outcome. This, points to the importance of each of these projects as part of a ‘package’ of support tailored to individual client needs.

3.7.1.2.7 Types of projects accessed which were associated with being less likely to make a Transition were:

- Childminding (36%)
- Personal development (37%)

3.7.1.2.8 However, clients who accessed these projects were not necessarily more likely to exit with no outcome. Clients who accessed childminding projects were slightly less likely to exit without an outcome (21% compared to 24%), but more likely to achieve an intermediate activity (36% compared to 10%), which may mean that many of these clients are currently ‘in progress.’

3.7.1.2.9 Clients who accessed personal development projects, however, were not more likely to exit with no outcome, but more likely to have achieved an intermediate activity (31% compared to 9%). This may reflect the difficulties of working with clients groups who are a long way from the labour market (since those who are least ‘job ready’ are probably likely to be accessing personal development projects) and the length of time that it takes to move them on.

3.7.1.2.10 In summary, the Key Worker project was the main project for most clients and was successful in terms of clients achieving a ‘Hard’ Outcome (e.g. Transition in employment, education, training or voluntary work of 16 hours plus per week), although these figures need to be viewed with care as in many areas, most or all of clients were registered through Key Worker projects but received assistance from others). In addition, clients often accessed a wide range of other services (either additional WFF projects or an external agency service) and this was also associated with clients achieving ‘Hard’ Outcomes and being less likely to exit the WFF programme without any kind of outcome (including ‘soft’ outcomes).

3.7.1.2.11 This suggests that clients with lower employability and greater barriers were making progress through taking relevant intermediate activities as ‘stepping stones’ to

increasing their employability. This compared to other clients with stronger employability, who were more able to move into, say, part-time employment or other Transition. This suggests that providing a ‘package’ of support which was tailored to individual clients was a particularly effective approach.

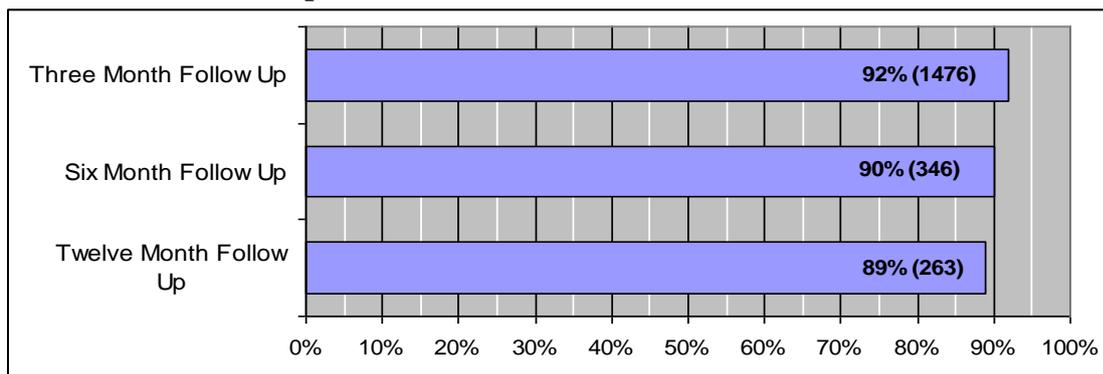
### 3.8 Sustainability of Transitions

3.8.1 An important issue for WFF clients is whether they stayed in, or improved on, their employment after they got a job (or entered education, etc.) – i.e. whether they sustained their key Transition. In Phase 2, three months after a client noted a ‘hard’ Transition outcome, they were followed up by their project worker (usually by telephone, but also by text, email or other means, as appropriate) and asked for their current activity. In this way, it was possible to ascertain the extent to which the Transitions were sustained, at least over the short-term. In addition, a sample of WFF clients whose latest major Transition was entering, moving or improving employment<sup>40</sup> (‘into employment’) were followed up three, six and twelve months after the Transition was achieved.

3.8.2 The data covered clients with a major Transition into employment<sup>41</sup> up to 31 March 2007 (with a 12 months follow up to 31 March 2008).

3.8.3 Figure 3.5 below shows that, three months after the Transition was achieved, the majority of clients (92%) had sustained the Transition. Six months after the Transition into employment was achieved, 90% of clients were still in employment and 89% of clients were still in employment twelve months after the Transition was achieved. Note that there were quite a large number of people where contact was not achieved and the percentages refer to those maintaining a Transition divided by those where contact was achieved. Non-responses are excluded.

**Figure 3.5: Sustainability of client’s latest Transition into employment at three, six and twelve month follow-up.**



<sup>40</sup> Major Transitions analysed in here are: entered full-time employment; entered part-time employment (16 to 29 hrs/wk); entered part-time employment (less than 16 hrs/wk); entered self-employment; being able to take up a job offer; moved into different employment; improved current employment.

<sup>41</sup> ‘Into employment’ refers to: entering employment, moving employment or improving employment.

**Table 3.8: Number of major Transitions (to 31 March 2007, based on latest Transition) and sustainability at three, six and twelve months follow-up**

	Transition into employment	Three Month Follow Up			Six Month Follow Up			Twelve Month Follow Up		
		Total Followed	Sustained Transition	Not Sustained	Total Followed	Sustained Transition	Not Sustained	Total Followed	Sustained Transition	Not Sustained
Dumfries Galloway	96	68 71%	91%	9%	37 39%	95%	5%	38 40%	95%	5%
Dundee	258	137 53%	82%	18%	38 15%	82%	18%	20 8%	85%	15%
East Ayrshire	272	138 51%	96%	4%	39 14%	85%	15%	0 0%		
Glasgow	809	409 51%	96%	4%	89 11%	94%	6%	108 13%	93%	7%
Highlands	137	65 47%	94%	6%	14 10%	93%	7%	13 9%	69%	31%
Inverclyde	99	38 38%	71%	29%	0			0 0%		
North Ayrshire	203	166 82%	97%	3%	38 19%	87%	13%	42 21%	79%	21%
North Lanarkshire	356	175 49%	92%	8%	22 6%	95%	5%	0 0%		
Renfrewshire	100	4 4%	100%	0%	6 6%	100%	0%	6 6%	100%	0%
West Dunbartonshire	111	39 35%	95%	5%	23 21%	91%	9%	15 14%	100%	0%
<b>Total Phase 1 LAs</b>	<b>2441</b>	<b>1239 51%</b>	<b>93%</b>	<b>7%</b>	<b>306 13%</b>	<b>91%</b>	<b>9%</b>	<b>242 10%</b>	<b>89%</b>	<b>11%</b>
Aberdeen City	31	5 16%	100%	0%	0					
Aberdeenshire	13	1 8%	100%	0%	0					
Angus	44	35 80%	89%	11%	19 43%	89%	11%	16 36%	88%	13%
Clackmannanshire	48	43 90%	88%	12%	9 19%	89%	11%	3 6%	67%	33%
Edinburgh	71	47 66%	96%	4%	13 18%	100%	0%	8 11%	100%	0%
Falkirk	96	64 67%	91%	9%	12 13%	83%	17%	3 3%	100%	0%
Fife	85	64 75%	92%	8%	11 13%	82%	18%	14 16%	86%	14%
Midlothian	9	5 56%	100%	0%	0			0		
South Lanarkshire	79	23 29%	87%	13%	13 16%	92%	8%	9 11%	89%	11%
West Lothian	105	70 67%	91%	9%	0			0		
<b>Total Phase 2 LAs</b>	<b>581</b>	<b>357 61%</b>	<b>91%</b>	<b>9%</b>	<b>77 13%</b>	<b>90%</b>	<b>10%</b>	<b>53 9%</b>	<b>89%</b>	<b>11%</b>
<b>Total</b>	<b>3022</b>	<b>1596 53%</b>	<b>92%</b>	<b>8%</b>	<b>383 13%</b>	<b>90%</b>	<b>10%</b>	<b>295 10%</b>	<b>89%</b>	<b>11%</b>

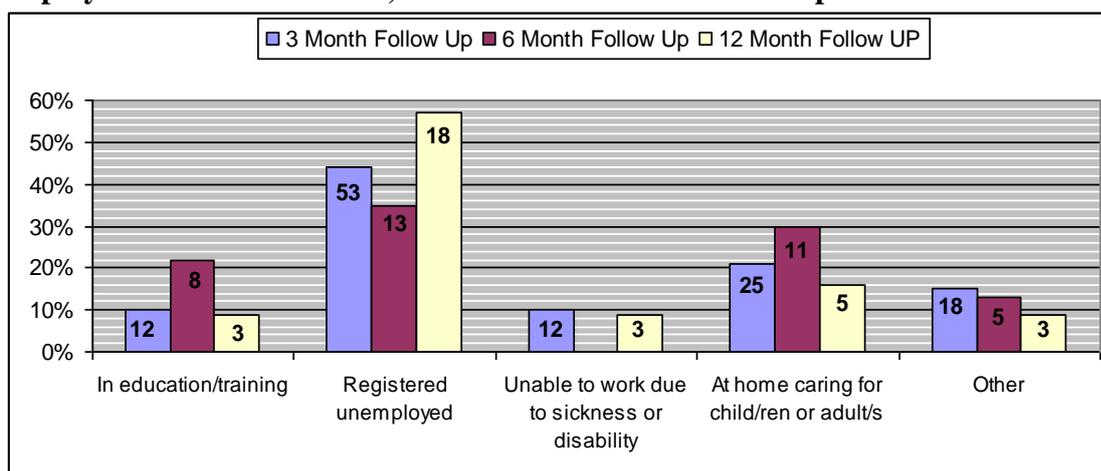
Note: records with economic status at 6 Month follow up missing (59) have not been included on the table; records with economic status at 12 Month follow up missing (170) have not been included on the table. The Transition considered is the client's latest Transition (not the first one they had after joining WFF).

### 3.8.1 Sustainability of latest major Transition at three month follow-up

3.8.1.1 Table 3.8 below shows that 3,022 clients achieved a major Transition into employment up to 31 March 2007. 1,596 (53%) of these clients were followed up after three months. The majority of these clients, 92% (1,476), sustained the Transition they had achieved, while only 8% (120) did not sustain the Transition. It should be noted that WFF continued to support clients after they had moved into work and this is likely to have helped these clients to sustain their outcomes.

3.8.1.2 Of those 120 clients who did not sustain the Transition, 53 (44%) were registered unemployed, 25 (21%) were at home caring for child/ren or adult/s, 10 (12%) were in accredited education or training of at least six month duration (which could be considered a positive progression), 12 (10%) were unable to work due to sickness or disability, and 18 (15%) specified 'Other' economic situation (Figure 3.6).

**Figure 3.6: Economic situation of clients who did not sustain the Transition into employment at time of three, six and twelve month follow-up**



### 3.8.2 Sustainability of latest major Transition at six month follow-up

3.8.2.1 Of the 3,022 clients who achieved a major Transition into employment, 383 (15%) were followed up after six months. Of those, 90% (346) sustained the Transition into employment, while 10% (37) did not sustain the Transition<sup>42</sup>. There were many variations between areas as Table 3.7 below shows. Note that 59 clients were followed up but clients Economic Situation was missing, therefore these records have been excluded from the analysis.

3.8.2.2 Of those 37 clients who did not sustain the Transition, over a third (13 or 35%) were registered unemployed, 11 were at home caring for child/ren or adult/s, 8 were in accredited education or training of at least six month duration, and 5 specified 'Other' economic situation (see Figure 3.5).

<sup>42</sup> It should be noted that there are potential statistical biases in the results: those not contactable may be at work (many contact attempts were during the day) or may have moved and perhaps were not in work.

### *Examples*

*Emily was struggling to open a hairdressing salon in the small village where she stays. She required after school help and holiday cover for her small son to allow her to spend time and effort on her business. WFF help with childcare has gone on for a period of months and has made a significant contribution to free up Emily's finances at a crucial point of her career. She is now running a successful business which is a boon to the village.*

*Sue was married with two small children and training to be a nurse to give her family a better standard of living as her husband earned a low pay. Sue was quite determined to do this but she had used up her small allocation of funding for childcare and was daunted at the price of childcare. She approached WFF in North Ayrshire and discovered that WFF would cover her childcare, allowing her to relax and get on with the training. Sue is now training to be a nurse, confident that her children are being well looked after. WFF also supported her childminder getting her registration through in time. (Names changed).*

(From the WFF Quarterly Newsletter, September 2007)

### *3.8.3 Sustainability of latest major Transition at twelve month follow-up*

3.8.3.1 Of the 3,022 clients who achieved a major Transition into employment, 295 (10%) were followed up after twelve months. Of those, 89% (263) sustained the Transition into employment, while 11% (32) did not sustain the Transition. Note that 170 clients were followed up but clients' Economic Situation was not recorded and therefore these records have been excluded from the analysis.

3.8.3.2 Over half of the 32 clients who did not sustain the Transition, were registered unemployed (18 or 56%) at the time of the follow-up, 5 were at home caring for child/ren or adult/s, 3 were in accredited education or training of at least six month duration, 3 were unable to work due to sickness or disability, and 3 specified 'Other' economic situation (Figure 3.6).

### *3.8.4 Technical background*

3.8.4.1 Every client who achieved a major Transition<sup>43</sup> was followed up three months after achieving it. The tracking of clients six and twelve month after the latest Transition was started only from September 2007. Local authorities were requested to follow up at least 10% of clients that had a six and twelve month follow-up due before September 2007. Since September 2007, local authorities tracked at least 20% of clients whose six month and twelve month follow ups were due during that month. Therefore figures for clients whose six and/or twelve month follow-up was due before September 2007 could be smaller than figures after September 2007. The figures for Phase 2 local authorities are, as expected, smaller than for Phase 1.

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<sup>43</sup> Entered full-time employment; entered part-time employment (16 to 29 hrs/wk); entered part-time employment (less than 16 hrs/wk); entered self-employment; being able to take up a job offer; moved into different employment; improved current employment; sustained activity; entered accredited education or training of at least six month duration; entered voluntary work of at least 16 hrs/wk.

### *3.8.5 Characteristics of clients not sustaining an outcome at three months*

3.8.5.1 Further analysis was carried out on the 3-month follow-up data in order to ascertain what other factors were statistically significantly associated with clients who did not sustain an employment or training outcome (based on chi-square to the level of 95% significance)<sup>44</sup>. These included the following.

3.8.5.2 There were no statistically significant differences based on gender. Younger clients (under 29 years old) were less likely to sustain an employment or training outcome. Non-white clients were less likely to sustain an outcome with 16% not doing so compared to 9% of whites.

3.8.5.3 Clients with younger children in the household (aged under 3 years) were the least likely to sustain an employment/training outcome (10% did not) whilst 7% of those with a youngest child of primary school age (age 5 to 11 years) maintained an employment or training outcome. This was probably related to the additional care demands associated with younger children, although limited childcare in many areas for the under 3's may also be a factor.

3.8.5.4 Although type of household in itself (e.g. lone parent, living with spouse or partner) was not significantly associated with sustaining an outcome, those in non-working households were less likely to sustain an outcome (10% of non-working lone parents and 14% of non-working couple households did not maintain an outcome, compared to working lone parents (5%), both working couple households (3%) and one working couple household (7%)). This may be related to difficulties associated with the Transition away from benefits and possibly into tax credits.

3.8.5.5 Employed clients were more likely to sustain an outcome (only 4% of those in full-time and 5% of those in part-time employment did not do so) than those not in employment (13% of those in training or education; 9% registered unemployed; 10% those caring for children at home; and 18% of those sick or disabled). The lower level of sustainability among the sick or disabled possibly reflects a range of issues associated with their employment, for instance, additional health problems. However, it must be remembered that the vast majority still maintained their outcome.

3.8.5.6 Those clients who had never worked were even less likely than those out of work but with previous employment to sustain an outcome (with 17% not doing so).

3.8.5.7 Clients with lower levels of qualifications were less likely to sustain a positive outcome, and in particular, those with no qualifications or qualifications below SVQ Level 1 were less likely to sustain an employment outcome (12%). This could be partly linked to their

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<sup>44</sup> Note that this analysis was carried on all clients who achieved a 'hard' Transition (where data are available) including those that moved into employment, education or training or voluntary work of 16 hours or more per week. As the three-month follow-up was not required in Phase One, only Transitions recorded in Phase Two of the programme are included in the analysis that follows. Additionally, Transitions that were recorded after 31 December 2007 have been excluded, since the three month time period had not elapsed and follow-ups after this period are likely to be missing. It is important to note that a large proportion of responses to the three-month follow-up were missing (41%), which means no follow-up information was recorded for these clients. Issues such as main language may be a factor in some cases.

skills and ability or to the types of jobs that those with low level of qualifications attained. (low paid and low rewarding jobs, more temporal short-term and less stable work in terms of hours) which could result in difficulties for clients to sustain such work.

3.8.5.8 Clients whose aim at registration was to enter employment and/or training and education were more likely to sustain their outcome, in particular those seeking employment (take up a job offer, improve current job or move into a different job). However, those whose main aim was to 'move closer to employment, education, training or voluntary work' were much less likely to sustain an outcome (with 17% not doing so). This may indicate that perhaps these clients were not quite ready for employment or education/training when they achieved a Transition and therefore this could not be sustained for long.

3.8.5.9 Clients who faced barriers which hindered their progression towards their goal were less likely to sustain a three-month employment or training outcome. In particular, the lack of certain 'employability' skills seems to be important, for instance: lack of qualifications; lack of skills; lack of experience; lack of confidence were all significantly associated with sustainability of client outcomes. This suggests that clients with particular employability barriers are less likely to sustain an employment or training outcome.

3.8.5.10 Responsibility for caring for child(ren) and lack of childcare services were also significant. All the transport barriers were associated with clients not sustaining a Transition. Among 'other issues,' benefit issues, housing problems, literacy and numeracy difficulties, alcohol/substance abuses, criminal/police record, physical disability and mental health were significant, although relatively small numbers for some other categories may have rendered them insignificant.

3.8.5.11 Clients who felt more confident about meeting new people; who better rated their job skills; who felt more confident about starting or maintaining paid work were all significantly more likely to sustain an employment/training outcome over the three month period. Clients who better rated their own awareness of childcare availability, ability to organise childcare and confidence in the quality of childcare were also more likely to sustain an employment or training outcome at three months.

### *3.8.6 Reasons why a positive Transition was not sustained*

3.8.6.1 The three month follow-up form also asked respondents who had not sustained a positive outcome to specify the reason why not. Open-ended responses were coded and 58% of those who had not sustained a positive outcome had completed this section. There were a wide variety of reasons why the Transition was not sustained, including childcare reasons (15%); temporary contract expired and not renewed (12%); personal health or child health issues (9%). Some clients left employment because the hours of employment were inflexible or unsuitable (6%). Other reasons included: becoming pregnant; personal or domestic reasons; unhappy in the job; relocated, being fired or made redundant; employer having difficulties and bereavement. 14% of respondents were unwilling or unable to specify an exact reason.

### **3.9 Summary**

In total, 66% (16,877) of all clients registered up to 31 March 2008 had achieved an identified outcome, improving their employability and making progress towards sustained employment, training or education by 31 March 2008. A range of individual characteristics, personal circumstances and external issues were associated with a client's likelihood of achieving or not achieving a Transition. These included: positive factors such as: having an educational qualification; having English as your mother tongue; being in part- or full-time education at the point of registration; or being a lone parent. Factors associated with a lower likelihood of having a Transition include: having been out of employment for more than 6 months; being aged over 45 years old; having other household stresses (such as drug misuse); being pregnant; or being in a hostel or supported accommodation was very influential but affected relatively few people.

## CHAPTER FOUR COST-BENEFIT ANALYSIS

### 4. Introduction

4.0.1 This section analyses the costs and benefits of the WFF Programme. It first considers some of the public expenditure effects of WFF, and then estimates the additional contribution of WFF by comparing WFF results with what may have happened without the policy.

### 4.1 Key Figures on Cost of WFF

#### *Clients achieving 'Hard' Outcome / Transitions*

4.1.1 Out of the 25,508 clients joining WFF by the fourth year, up to March 2008, 7,814 had entered full or part-time employment, 3727 of whom had not been in employment at the time of their registration (see Section 3.2). Of these, 2,762 entered full-time employment (1,307 of whom had not been in full-time employment at the time of their registration) and 4,095 entered part-time employment (1,463 of whom had not been in part-time employment at the time of their registration). A further 3,297 sustained employment, 282 improved employment and 1,151 entered or completed training (over 6 months) or education. As discussed elsewhere, these figures slightly under estimate the effect of WFF, as many clients who registered towards the end of the programme would not be expected to have had a Transition into employment, training or education by the end of March 2008.

4.1.2 There were 42,214 children (under 18 years old) whose parents/guardians took part in WFF. Two thirds of these children (66%, 27,669) had parents/guardians that achieved a WFF Outcome. For 6%, their parents/guardians were registered in the previous 6 months and were still active but not yet had a Transition, and for 28% their parents/guardians did not achieved an outcome. Hence around 27,669 children benefited indirectly from WFF, a not inconsiderable contribution towards the UK and Scottish governments' goals of reducing child poverty.

#### 4.1.3 *Budget for scheme*

- £50m over the four years 2004-08 (April 2004 to March 2008) - £10m pa (covering 10 local authorities) in 2004-06 and £15m pa 2006-08 (covering 20 local authorities). The Actual expenditure over the four years was: £45,968,152.
- Table 4.1 shows the actual spend for WFF in total and by Phase1 and Phase 2 local authorities. This indicates that a considerable lead-in time is required for a programme such as this, as the budget was greatly under spent (34%) in 2004/05 (Year 1), but almost fully spent (92%) in Year 2 and over spent in Years 3 (105%) and 4 (118%). This flexibility in carrying forward under spend to be used in later years was very beneficial to the operation of WFF.

**Table 4.1: Actual spend by phases 1 and 2 local authorities**

	Actual Spend in 2004/05 @ 31.03.2005	Actual Spend in 2005/06 @ 31.03.2006	Actual Spend in 2006/07 @ 31.03.2007	Actual Spend in 2007/08 @ 31.03.08	Total Actual Spend in 2004-08 @ 31.03.08
<b>Phase 1 LAs</b>	£3,286,767	£9,173,121	£12,464,584	£12,541,760	£37,466,232
<b>Phase 2 LAs</b>			£3,260,960	£5,240,959	£8,501,919
<b>Total</b>	£3,286,767	£9,173,121	£15,725,544	£17,782,720	£45,968,152

- For Phase 1 local authorities, there was considerable under spend in their first year, followed by achieving their budget in year 2 and a 125% overspend in years 3 and 4 (note that this was permitted overspend as it represented a carry-over from Year 1). This indicates that the long term budget might be reconsidered at a higher level than original, in terms of capacity to spend appropriately. Phase 2 local authorities followed a similar pattern with a large under spend in Year 1 and matching the budget in year 2. However, learning from Phase 1 local authorities and a longer lead in time meant that the relative under spend (they had a £5 million budget compared to £10 million for Phase 1) of Phase 2 local authorities was much lower.

4.1.4 Hence a major lesson is that budgets should take account of relatively slow start-ups, but that there was capacity within the final year of Phase 2 to spend at rates higher than original budgeted (£17.8 versus a budget of £15 million). Also there is a need to allow adequate time for the development of new projects, the setting up of structures and partnerships with other key actors, and the recruitment of staff etc. A lead-in time of *at least* six months may be needed once the decision to grant funding to local authorities has been made and communicated to them.

## 4.2 Costs

### 4.2.1 Costs per client

4.2.1.1 The cost per client (total cost divided by total client numbers) varied by LA area partly due to different types of clients, levels of support offered (e.g. whether they were sustained or limited contact clients) and different local circumstances. In addition the costs per client appear to be much higher during the start up phase (and so those local authorities who were slower to start than others may exhibit higher average costs over the first year). The costs decreased significantly once local authorities had passed the first, start-up, year and the variation between local authorities decreased considerably. Hence a more accurate picture is presented by the Year Four figures (2007-08) where costs per client were £697 (compared to £1,957 in Year Two and £2,878 in Year One for Phase 1) (Table 4.2). These figures should not be taken as a totally accurate cost of supporting a client, as those depend upon the type of clients, when they registered, how much support they received, the costs of other non-WFF public support they received for training, and how the costs were allocated between years. (for example, a client may have received considerable support over several years, but only made a Transition in Year 3, so the Year 3 figures appear more positive than they really are – although note that most clients make their first Transition after around 3 months so this is not the main explanation for the differences between years. However, with these caveats the aggregate figures do give some indication of costs.

4.2.1.2 The cost per client by Phase 1 and 2 local authorities. The cost per client greatly reduces for Year 3 and 4 Phase 1 (£1,016 and £700) as expected from a well settled programme in its fourth year running (due to learning effects, opportunities to improve efficiency, effectiveness and smoother joint working and economies of scale as the number of clients rose). What was not so expected was the comparatively small cost of Year 1 for Phase 2 local authorities (£1,122). It seems that the different characteristics of the local authorities of Phase 2 compared to the ones of Phase 1 together with the application of learning from Phase 1, a longer run-in period before the start of the programme and effective marketing resulted in a relatively larger number of clients joining the first year of Phase 2 than the first year of Phase 1, and hence lower costs per client given the relatively large initial ‘fixed’ costs (mostly staffing).

**Table 4.2: Cost per client by phases and local authorities**

	Cost per Client in 2004/05 @ 31.03.2005	Cost per Client in 2005/06 @ 31.03.2006	Cost per Client in 2006/07 @ 31.03.2007	Cost per Client in 2007/08 @ 31.03.08
Phase 1 LAs	£2,878	£1,957	£1,016	£700
Phase 2 LAs			£1,122	£717
Aggregated	£2,878	£1,957	£1,037	£697

#### 4.2.2 Cost per ‘Hard’ Outcome / Transition

4.2.2.1 Counting only the ‘Hard’ Outcome / Transitions (and only including the WFF budget, i.e. excluding other activities such as short term training) the cost of each Transition was on average £2,546 over 2004-08. Some clients had more than one Transition (see below)<sup>45</sup>. Table 4.3 shows the cost per ‘Hard’ Outcome / Transitions by Phase 1 and 2 local authorities. By the final year the cost per Transition was £2,022.

4.2.2.2 There is a clear decrease in costs per Transition as projects have improved efficiency and effectiveness, while there may be economies of scale coming into effect. In early years there can be quite high levels of fixed costs, particularly staffing and plus start-up costs and relatively few clients. One lesson is that the costs and support for programmes such as WFF take time to achieve efficiency and should be considered over the long-term and not short-term. It also suggests that support over a long period (over three years) may lead to greater cost efficiency and effectiveness than changing or launching new programmes continually. It should be noted that over time clients will have, on average, increasing numbers of Transitions per client, so this may slightly reduce the figures on costs in later years.

**Table 4.3: Cost per ‘Hard’ Outcome / Transition by phases 1 and 2 local authorities**

	Cost per Trans. in 2004/05 @ 31.03.2005	Cost per Trans. in 2005/06 @ 31.03.2006	Cost per Trans. in 2006/07 @ 31.03.2007	Cost per Trans. in 2007/08 @ 31.03.08
Phase 1 LAs	£15,955	£3,077	£2,473	£2,074
Phase 2 LAs			£3,169	£1,906
Aggregated	£15,955	£3,077	£2,591	£2,022

<sup>45</sup> Note also that this slightly overstates the cost per Transition as on average it takes three months for a client to reach a Transition, so if all clients registering in the last three months were excluded then the cost would fall.

### 4.2.3 Cost per client who experienced a 'Hard' Outcome / Transition

4.2.3.1 If we consider just those clients who achieved a Transition (rather than the number of Transitions themselves) then the *costs per client who had a Transition* was £3,382 over the four years, 2004-08 (but only £2,587 by the last year). These costs exclude the training and other costs provided by non-WFF support, and also were single year costs (clients may get support for more than one year, so the distribution of costs may not fully reflect the exact period of support received by a client). The costs fell each year, this strongly suggests that stable, longer term funding is likely to be much more efficient and cost effective for this type of programme.

**Table 4.4 Cost per client who experienced a 'Hard' Outcome / Transition by phases 1 and 2 local authorities**

	Cost per Trans. in 2004/05 @ 31.03.2005	Cost per Trans. in 2005/06 @ 31.03.2006	Cost per Trans. in 2006/07 @ 31.03.2007	Cost per Trans. in 2007/08 @ 31.03.08
Phase 1 LAs	£18,465	£4,231	£3,652	£2,882
Phase 2 LAs			£3,390	£2,079
Aggregated	£18,465	£4,231	£3,594	£2,587

### *Effects of additionality, deadweight, displacement and substitution*

4.2.3.2 When considering the effect of WFF we need to deduct what might have happened anyway. In other words we should look at the 'additional' net impacts of the policy after you have taken away 'deadweight,' and 'displacement' and 'substitution.' 'Deadweight' refers to those outcomes that would have happened anyway, even without WFF, 'displacement' and 'substitution' together measure the extent to which the benefits of a project are offset by reductions of output or employment elsewhere. The figures in the previous section assume zero 'deadweight,' so the results may overstate the impact of WFF as some parents would have gained, or moved towards, employment anyway.

4.2.3.3 Table 4.5 shows the cost per client adjusted by 'deadweight'. From the propensity scoring (see below: 4.3.12, 4.3.17) considered that from the WFF clients who underwent a Transition as many as 50% may have done so without participating in the project. If we consider just those clients who achieved a Transition (rather than the number of Transitions themselves) and assume that half would have had a Transition anyway, then the *costs per client who had a Transition* was £6,764 over the four years and down to £5,174 by the final year (and £4,158 in Phase 2 LAs, who generally had less disadvantaged clients in terms of areas of multiple deprivation). This may be an over estimate as the 'deadweight' was calculated for those going from unemployment into work, and deadweight might be lower for some other Transitions (e.g. moving into education), although clear evidence on this is not available.

**Table 4.5 Cost per client who experienced a ‘Hard’ Outcome / Transition by phases 1 and 2 local authorities (considering ‘deadweight’ at 50%)**

	Cost per Trans. in 2004/05 @ 31.03.2005	Cost per Trans. in 2005/06 @ 31.03.2006	Cost per Trans. in 2006/07 @ 31.03.2007	Cost per Trans. in 2007/08 @ 31.03.08
Phase 1 LAs	£36,930	£8,462	£7,304	£5,764
Phase 2 LAs			£6,780	£4,158
Aggregated	£36,930	£8,462	£7,188	£5,174

4.2.3.4 ‘Substitution’ effects are where some WFF clients will take jobs that may have gone to other people and so may substitute for other job seekers. Many of the jobs taken by WFF clients were relatively low entry level posts, so some substitution may occur (although if these jobs would have been taken by, say, in-migrants from the EU Accession countries or elsewhere, then they would not be substituting for UK residents). There is no clear evidence on any substitution effects.

4.2.3.5 In addition, ‘displacement’ can arise as some firms may get an advantage from employing WFF clients and this could lead to job losses in competitors. There are no reliable estimates for displacement, but displacement in WFF is likely to be small<sup>46</sup>.

4.2.3.6 The average WFF figures are influenced by the relatively low Glasgow cost figures (which may perhaps be attributed partly due to the presence of a strong existing employability support infrastructure, the use of a particularly effective WFF model and its very effective management, and possibly economies of scale).

### *Benefits*

4.2.3.7 It is worth noting that these figures do not incorporate the considerable future positive outcomes that are likely to be achieved by WFF clients (which are expected to be high due to the nature of the clients), life time earnings of clients, and other benefits due to getting or changing employment, and education (see below). The main financial benefits of those getting work were their increased incomes (life time earnings, as well as short-term wages and Working Tax Credit). In the longer term people may get pay rises and/or improve their jobs and careers, so the income is likely to grow over time for many of these clients.

4.2.3.8 The substantial ‘soft’ outcomes (short term training, greater employability skills and more confidence) were not included in these calculations. These are also likely to lead to better lifelong earnings and to non-money costs and benefits (as some parents achieve improved mental health, suffer less depression, or feel better, as do their children). Further, those parents that are better educated will have associated benefits for their children and have more prosperous careers (and arguably better careers for their children, possibly helping to cut inter-generational disadvantage). Each of these will lead to long-term benefits that were likely to be large. There may be some positive effects from this on reducing spending on health and other social services etc. Of course, there may also be some costs due to the

<sup>46</sup> Displacement is often considered as occurring due to reduced labour costs for supported employers, with other employers losing business and jobs as a result. However, as WFF included no wage subsidy and also WFF clients are available to all employers, it is unlikely that there was any significant displacement between firms.

negative effects of working (such as stress for working parents and less parent child interaction time).

4.2.3.9 In addition to the 'Hard' Outcome / Transitions, WFF directly 'creates' a large number of jobs in the local authorities and projects through people working for directly and indirectly for WFF. There will also be some multiplier effects of the WFF expenditure (as WFF workers, clients and childcare providers spend some of their extra WFF related income on other things such as additional shopping). These effects have not been taken into account in the above figures.

4.2.3.10 On balance, therefore, taking into account deadweight, displacement and substitution, it is considered that the costs per Transition estimate above will be slightly higher than if these were included. The positive effects of progress towards work in the short term and the likely benefits to income and health in the longer term may be significant.

### **4.3 Comparator Studies – Control Groups**

4.3.1 In order to estimate what might have happened if there had been no WFF programme, other comparisons were made. First, 219 randomly chosen parents across the 20 WFF LA areas were interviewed. Second, propensity score matching was used to compare the outcomes of WFF results for similar people in the national British Household Panel Survey (BHPS) database. Third, WFF results were compared to studies of other, generally similar clients, and national statistics.

#### *4.3.2 Random Sample*

The 219 randomly chosen parents provided a control group (similar people living in similar, generally disadvantaged, areas but who had not received support from WFF). The sample was spread among the 20 WFF LA areas approximately in proportion to the WFF clients in each LA. None of the interviewees had participated in WFF. All but eleven of the interviewees were currently considering employment or substantial education/training (95%). Hence we can compare what happened to them with what happened to WFF clients and so identify a very rough estimate of deadweight effects (i.e. outcomes that would probably have happened anyway, even without WFF)<sup>47</sup>.

4.3.3 Analysis indicated that this control group were on average slightly more disadvantaged (e.g. in qualification terms) than WFF clients in general, and so matched the more disadvantaged WFF clients. In the control group 16% were registered disabled compared to 3.5% in the study group. However in terms of children having a record of needs the match was similar (6.8% in the control group and 5% among WFF clients). In regard to housing 65.2% rented from their council or a housing association comparing closely to the 63% of WFF clients. But when qualifications are considered 50.9% of the control group stated that they had none whereas this was the case in only 24.2% of WFF clients. When employment at the start of the programme was examined 72.6% of WFF clients were unemployed whereas 95% of the control group were unemployed. 13.2% of WFF clients were in some form of education while only 8.2% of the control group were. 54.7% of WFF clients were characterised as low income and for the control group the percentage was significantly higher

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<sup>47</sup> The Control Group interviews were carried out in autumn 2006 for Phase 1 and spring 2007 for Phase 2 local authorities. There was little evidence of any major changes to employment etc. opportunities in the LA areas between when the survey was taken and during the WFF period.

at 69.4%. In the control group 85.3% reported suffering from stress while 74.3% of WFF clients reported suffering from stress.

4.3.4 In order to examine if the WFF policy intervention led to significantly more Transitions than would have occurred if there had been no intervention a matched sample was created using propensity scoring. Propensity score matching is widely used in the social sciences, particularly in labour market studies to form matched samples one of which undergoes a treatment and the other does not. See for example studies by Bryson<sup>48</sup>, Dehijia and Wahba<sup>49</sup> and Heckman<sup>50</sup>. Under this method the propensity of having a particular characteristic in each group is ascertained using logistic regression and the probabilities obtained are used to draw matches from each sample. In this case the probability of being a lone parent was computed and calliper matching was used. In this case a match was taken if the propensity score was within plus or minus 0.001 in each sample (as the random survey had exactly the same questions as the WFF data, a high degree of precision can be used). The idea behind this is that similar propensity scores implies similar characteristics of the subject from which the score was generated.

4.3.5 Applying this method gave two groups with 668 drawn from WFF clients and 198 drawn from the control group. 52% of WFF clients underwent a Transition either into work or into education while only 18% of the control group underwent a Transition. (This difference is significant at the less than 1% confidence level).

4.3.6 The conclusion is that the treatment is effective and that WFF did increase the number of people having a 'hard' Transition compared to what would have otherwise be expected<sup>51</sup>. It should be remembered that this relates particularly to the more disadvantaged part of the WFF client group.

4.3.7 Other forms of comparison are also worth exploring. For example, measuring the relative performance of WFF against other employability programmes focussed on those further from the labour market. This comparison is not straightforward due to key difference in types of clients, circumstances, outcomes, policies and methodologies of different programmes. WFF, in particular, serves a specific range of client groups.

#### 4.3.8 *British Household Panel Survey*

The Transition rates into employment from non workforce active status of those on WFF were compared to those in the British Household Panel Survey. The latest data which are available in the BHPS is from 1<sup>st</sup> September 2005 to 30<sup>th</sup> April 2006. Registration in WFF began in July 2004 but numbers in the survey did not build up until 1<sup>st</sup> January 2005 so a more complete comparison between BHPS and WFF is difficult until the next wave of BHPS data is released. However, noting this, annual Transition rates are derived and compared between the BHPS and WFF. Respondents in the BHPS from inner and outer London, South

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48 Bryson A., Doresett R., and Purdon S. (2002). The use of propensity score matching in the evaluation of active labour market policies, Working Paper No. 4, HMSO, London.

49 Dehijia R., and Wahba S. (1999). Causal effects in nonexperimental studies: Reevaluating the evaluation of training programmes, *Journal of American Statistical Association*, 94(448), 1053-1062.

Dehijia R., and Wahba S. (2002). Propensity score-matching methods for nonexperimental causal studies, *The Review of Economics and Statistics*, 84(1), 151-161.

50 Heckman J., Hidehiko I., and Todd P. (1997). Matching as an econometric evaluation estimator: Evidence from evaluating a job training programme, *Review of Economic Studies*, 64(4), 605-654.

<sup>51</sup> The control group is small and matching of WFF clients to the British Household Panel survey was also undertaken.

East and the South West are excluded from the analysis as it was considered that economic activity in these regions is in some ways different from the rest of Great Britain. From 1<sup>st</sup> September 2004 until 1<sup>st</sup> September 2005 the Transition rate from unemployed status to employed status in the BHPS was 36.3% and from 1<sup>st</sup> September 2005 until December 2005 this was 57.9%.

4.3.9 In an attempt to carry out a more robust comparison individuals were matched using propensity scoring (see 4.3.4 above). In this individuals from each survey are matched according to their probabilities of behaving in a certain manner. In this case the characteristic chosen was their probability of renting accommodation rather than owning (the variable of being a lone parent was not used as the relevant numbers quickly became too small). The probabilities were computed using binary logistic regression to obtain predictions of them renting accommodation. Gender, age, qualifications (none, 'O' grade, Higher/'A' level and post school) and if the respondent considered themselves disabled, were used as explanatory variables. These models correctly predicted 75.5% of tenure type in the BHPS data, whereas in the WFF data 82% of tenure was correctly predicted. The individuals were matched if their probabilities lay within plus or minus 0.002 of each other and this led to 1202 matched individuals in the BHPS data set and 2115 in the WFF data set.

4.3.10 Comparing the matched individuals' Transition rates from 1<sup>st</sup> September 2004 until 1<sup>st</sup> September 2005 in the BHPS gave a Transition rate into employment of 40.6%. Taking the matched individuals from the WFF dataset the Transition rates over the period 1<sup>st</sup> January 2005 to 31<sup>st</sup> December 2005 gave a Transition rate of 58.3%. So we would have expected 40.6% of people with these characteristics to have moved into work, but for WFF clients the actual comparable rate was 58.3%.

4.3.11 Thus it appears that WFF increases the Transition for those not working to employment (either part- or full-time) by around 30% over the Great Britain average excluding London and the South East and West (so the 'deadweight,' which would have happened anyway, is estimated at 70%). This is 'deadweight' compared to other existing policies elsewhere in Great Britain (not to the case of no policies). So compared to no policies the 'deadweight' would be lower.

4.3.12 There are important caveats that need to be considered. First, this Propensity Score matching excludes the many other WFF 'hard' and 'soft' outcomes as data availability in the BHPS did not allow the comparison of non work related outcomes (such as moving into education or substantial training), although WFF appeared very successful in these areas also. Second, those who already had a job when they registered are excluded, yet many of these had significant outcomes. Third, the period used is relatively early in the WFF programme (and evidence elsewhere in this report clearly shows the slow rate of start-up of the programme in terms of client recruitment and Transitions, so using later BHPS data, when it becomes available, would possibly indicate a greater effect of the WFF programme). Fourth, the comparison is between those receiving WFF support and those elsewhere in Britain who are receiving other types of support, and so is not comparing WFF clients with a case of no support (i.e. it is not comparing WFF with the case of no policy intervention). *Hence the actual level of 'deadweight' is likely to be smaller than the 70% suggested for based upon this BHPS based propensity score matching and a figure around 50% is more realistic (this takes account of the other Propensity Score Matching results, results for other studies and an estimate of the effects of policies elsewhere, see below).*

#### 4.3.13 *Other Studies*

The closest equivalent Scottish employability programme of recent years is probably the New Futures Fund (NFF), Phase 2 of which was evaluated in 2005. This programme aimed to improve the employability of jobless people on Benefits, particularly those aged 16-34 and was therefore working with a particularly vulnerable client group. The evaluation to October 2004 shows that, in terms of outcomes, 51% of NFF clients achieved a positive output on a broad definition, with 15% of these entering employment or self-employment<sup>52</sup>. These were broadly comparable figures to WFF overall, with WFF performing better in terms of moves into employment. It could be argued that many NFF clients might have been more vulnerable than WFF clients. So on balance, the results for WFF appear broadly comparable with those for NFF.

4.3.14 An overall additionality rate of 50% was used in the New Deal for Lone Parents evaluation<sup>53</sup>.

#### 4.3.15 *National statistics*

Considering national statistics, the number of lone parent benefit claimants in Phase 1 WFF areas fell at slightly greater rates than in the rest of Scotland, and Great Britain, from (February) 2004 to 2007 (-12.8% compared to -12.5% in the rest of Scotland and -7.1% in GB), although in year 3 (2006-07) when Phase 1 local authorities were well established in WFF, the number fell in Phase 1 local authorities by -3.2% compared to only -2.4% in the rest of Scotland and -0.7% in GB (NOMIS, 2008). The figures for Phase 2 local authorities are not very meaningful as during 2006-07 they were still setting up and had relatively few clients and few people making Transitions (indeed in 2006-07 Phase 2 local authorities experienced a fall in claimants of only -2.3% compared to -2.7% in non-WFF Local authorities).

4.3.16 Using data from the Inland Revenue (2008) on Child and Working Tax Credits<sup>54</sup> there appears to be a larger increase in parents in work and a larger decrease in parents out of work in WFF areas, and Scotland, compared to the rest of Great Britain<sup>55</sup>. Considering 'Recipient families receiving CTC and WTC in each local authority,' then in the years 2005-06 to 2007-08 (to April 2008) the percentages of families (with children) who were not working fell from 28.96% to 27.31% in Phase 1 WFF LAs, compared to a fall from 20.27% to 19.51% in the rest of Scotland (falling in both Phase 2 and the small non-WFF LAs) and nearly no change in the rest of Great Britain (24.81% to 24.41%, while Scotland as a whole fell from 23.99% to 22.87%). The converse of families with children in work, rose from 71.03% to 72.74% in Phase 1 LAs and 79.74% to 80.35% in the rest of Scotland and hardly any change in the rest of Great Britain. These figures also suggest that the Phase 1 LAs were correctly chosen for their far higher rates of workless families. There are some notes of caution: it may be that the

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<sup>52</sup> Scottish Enterprise (2005) 'Evaluation of the New Futures Fund Initiative', SE: Glasgow.

<sup>53</sup> Evans, M., Eyre, J., Millar, J. and S. Sarre (2003) New Deal for Lone Parents: Second Synthesis Report of the National Evaluation, report for DWP, Bath University.

<sup>54</sup> Child Tax Credit (CTC) and Working Tax Credit (WTC) replaced Working Families' Tax Credit, Disabled Person's Tax Credit and Children's Tax Credit in April 2003. CTC is available to families with children aged up to 16, or up to 20 and in full-time non-advanced education or certain forms of training. WTC is available to people working for at least 16 hours a week if they have children, or have an illness or disability which puts them at a disadvantage in getting a job. Certain other adults also qualify - for example, if they are aged at least 25 and work for at least 30 hours a week.

<sup>55</sup> HM Revenue & Customs (2008) *Child and Working Tax Credits Statistics, Geographical analyses*, April 2008, HMRC, London <http://www.hmrc.gov.uk/stats/personal-tax-credits/menu.htm>

economy was more buoyant in relevant parts in some areas than others; having a high start rate of non-working parents may make it harder or easier to decrease this rate; and there may be data limitations etc. Further research would be useful in to consider these issues in more depth, including matching similar LAs in the rest of Great Britain to the WFF ones.

*4.3.17 Hence on all three forms of comparison, WFF appeared to be effective compared to the option of not having WFF. The level of 'deadweight' is estimated conservatively at 50%.*

#### **4.4 Public Expenditure**

4.4.1 Based upon the actual figures gathered in the study and estimates of taxes and benefits paid we estimated the effects of the WFF programme on client incomes, potential tax receipts by the Treasury and the reduction in benefit payments resulting from clients moving into work. The data were based upon all those who registered by 30 March 2007 and comparing their average characteristics with those who made a Transition by 31 June 2007. The gap of six months has been chosen because the average length of time between Registration and Transition is 3 months, so assuming a fairly normal distribution, most people who were likely to have a Transition in a reasonably short period will have had one between registration and six months later. So the data seek to compare roughly a 'normal year' (note the period before 30 September 2004 had relatively few clients and was in the start up phase, and these clients were included).

4.4.2 The average weekly wage of those working at the time of their Registration was £139.40 and at their Key Transition was £144.55 (i.e. people seemed to be getting entry or low level jobs before WFF and those on WFF were getting similar jobs – as expected).

4.4.3 The weekly increase in Gross pay due to WFF clients moving into work is estimated at £4,270,773 pa, including £435,000 income tax and national insurance payments. If we assume, that 50% of the Transitions would have happened anyway ('deadweight') then the savings would be of the order of £2.1million In addition to this increase in taxes paid (which is likely to increase over time), there will also be a decrease in government spending on benefits for people moving into work. Estimates were made for decreases in Income Support and other Benefits payments, although many of those finding work will receive Child Tax Credit so total benefits/ tax credits paid by the Exchequer are unlikely to fall by much. The net effect on public expenditure is likely to be small (especially given the average low level of wages).

4.4.4 Further analysis was carried out on the full WFF population to March 2008. This adopted the following approach of calculating:

- i) Baseline total benefit payments were calculated for the client group at registration.
- ii) Total benefit payments were estimated for the client group at the point of Transition, based on a sample of those who completed a follow-on questionnaire three months after a major Transition. Around half of the clients experienced a major Transition, the remainder were assumed to have no change in status.
- iii) The net change in benefit payment was calculated by subtracting the payments made before and after the Transitions.

4.4.5 The net Exchequer position in terms of benefit transfers suggests that the quantifiable gain to the Exchequer from WFF is modest, mainly due to the fact that the majority of those

moving to employment will continue to receive benefits such as Housing Benefit and Council Tax Benefit, plus in-work benefits such as Working Tax Credit. This largely negates any savings made through reduced Income Support and JSA payments in the short-term. The estimated equivalent annual saving of £2,733,172 (or £1.37 million with 50% 'deadweight'), mostly made up of reduced Income Support (but also some reductions on Job Seekers Allowance (JSA), Housing Benefits and Incapacity Benefits). This is a relatively modest figure given that this is based on over 25,000 clients – and equivalent to around £109 per client per annum.

4.4.6 So overall the effect of the initiative in terms of taxes and benefits, excluding the cost of WFF, may be relatively neutral. However, long term benefits and wider social gains (e.g. life time earnings of clients) are not included and are likely to be significant. Improvements in well-being, health, psychological and other benefits ,or costs, to parents and children etc. were not measured but are likely to be high.

## **4.5 Summary**

4.5.1 When comparator groups without WFF support are considered, together with 'deadweight,' displacement and substitution effects, then the conclusion is that the WFF policy support is effective.

4.5.2 Overall the effect of the initiative in terms of taxes and benefits, excluding the cost of WFF, may be relatively neutral. However, long term benefits and wider social gains (for example life time earnings of clients, health, psychological and other well-being improvements for parents and their families) are not included and are likely to be significant.

## CHAPTER FIVE IMPLEMENTATION AND OTHER ISSUES

### 5. Introduction

5.0.1 This section briefly discusses some of the key issues concerning the implementation of WFF (more details and discussion are also available in the Phase 1 Evaluation). This is followed by discussions of rural-urban issues in WFF and then major childcare issues arising during WFF. It was crucial that LAs involved in WFF had a clear focus on moving disadvantaged parents towards, into, or continue in employment, education or training in a significant way, and on measured the progress clients made at individual and aggregate levels.

### 5.1 Summary of Key Implementation Issues

#### 5.1.1 *Management through development/economic development departments*

5.1.1.1 WFF funding and implementation was channelled through Economic Development departments/sections, who had employability as a main area of expertise and activity, in all except one local authority. Focusing services on the end goals of progress towards work, education or training, rather than intermediate services such as childcare provision *per se*, appears to have been very successful. This approach: focused the remit of projects clearly upon employability and getting people into appropriate work, training and education; clearly signalled to clients, other agencies and other local authority departments that the aim of support was improved employability; was able to build upon existing skills in employability and in partnership working in the area of employability and upon existing partnerships with key service providers; and used staff who ‘spoke the same language’ with other employability orientated agencies. To ensure childcare barriers were addressed it also required joint working with childcare specialists and bodies and in most areas close links were made with local Childcare Partnerships as well as local providers.

#### 5.1.2 *Partnership working*

5.1.2.1 Projects and services in each local authority area were developed in partnership with a range of existing service providers. Effective partnerships with other services were vital in order to:

- develop projects and services efficiently and effectively and avoid duplication;
- provide appropriate services for clients with multiple, specialised support needs (e.g. for whom support for skill development, substance abuse and childcare issues could each be provided by a different agency);
- attract the referral of clients from other agencies to WFF.

5.1.2.2 Many areas carried out extensive mapping exercises of existing services at the beginning of the development period in order to determine availability of existing childcare provision and employability related support, and to identify any gaps that could potentially be filled by WFF. These areas were able to strategically determine what projects needed to be developed from an early stage. This generally avoided establishing projects that had to be later abandoned due to lack of demand or problems with delivery organisations. Other areas

that did not carry out such a thorough exercise at the beginning, often found that such a review of services became necessary and carried out the mapping at a later stage.

### *5.1.3 Key worker programmes*

5.1.3.1 'Key Worker' programmes were those that used dedicated link workers (offering 'outreach' or peripatetic service to clients within a community) who formed the main point of contact for an individual client. This provision was central to the WFF programme across all the local authority areas, except one (which later adopted a form of Key Worker model).

5.1.3.2 Key Workers took a 'holistic' perspective of the client and worked to build up a trust relationship, becoming familiar with clients' personal and employability issues. The Key Workers acted as a support, giving advice and guidance where they were competent to do so and linking the client into other specialist services where needed, while remaining in contact with the client throughout their time with WFF. In addition, in most local areas key workers also provided assistance to develop tailored packages of childcare to suit their clients' needs.

5.1.3.3 The Key Worker approach would appear to be particularly effective since many of the positive client outcomes can be linked to Key Worker involvement (most clients with WFF had contact with a Key Worker) and specifically 46% of clients registered through a Key Worker programme achieved a 'Hard' Outcome compared to 30% on non-Key Worker projects. Although these figures need to be viewed with care as in many areas most or all of clients were registered through Key Worker projects but received assistance from others.

### *5.1.4 Other types of support projects*

5.1.4.1 Whilst WFF began as a programme designed primarily to break down childcare barriers for disadvantaged parents, most clients had multiple barriers to overcome; therefore a holistic employability service approach was developed to provide continuous support to help parents towards, into and after employment, education or training. Early on in the implementation of WFF it became apparent that additional support was required for parents in areas such as personal development, money advice and transport.

5.1.4.2 The WFF programme therefore developed a range of distinct projects to help with childcare and to address other barriers. Specific issues addressed through distinct projects included: transport; improving access to training; volunteering; health and disabilities; money advice; supporting young parents, parents in education, lone parents; outreach with hard to reach groups; childcare subsidy schemes; developing childcare workers and childminders; and flexible childcare and crèches.

5.1.4.3 The distinct projects aimed to fill gaps in existing services and offer important services to clients in helping them move into or closer to employment, education or training that would not be available otherwise, thereby making WFF more effective. They normally did not work in isolation but rather as joined up services to ensure interlinking client support. Hence the types of project developed in different areas varied depending on: the existing service provision; types of partnerships with existing providers; and perceived client needs/demand within an area.

### ***Example - Employer Links***

*In North Lanarkshire, WFF Employment Links Project aims to link local employers who are experiencing recruitment or retention difficulties and WFF eligible clients who are looking to enter employment.*

*Kwik Fit Financial Services was chosen as an initial employer for the project to engage with for two main reasons. Firstly, as an employer they were experiencing difficulties in recruiting and retaining employees in a number of roles within their call centre. Secondly they are one of the few employers in the area with childcare facilities on site. They have a 114 place nursery, Little Fitters, catering for children from six weeks to pre-school and also have out of school care provision for any children of school age.*

*As an initial pilot, a four week training course was devised around preparing clients for employment within Kwik Fit and 12 WFF clients were selected for the course from our existing client base. The training involved personal development elements such as confidence and self esteem building, personal presentation and team working. Work focused elements were also a key part of the training and included: customer care for call centres; expectations of work within Kwik Fit; and IT training to ensure skills were updated.*

*Support with childcare and transport through WFF was also provided to allow clients to attend the course within a community setting. Throughout the four week training period, clients visited the call centre and were given a tour of the facilities, had the opportunity to listen into calls with existing staff employed in the areas and were visited by senior staff from Kwik Fit at the course venue. On completion of the course the clients were then supported through telephone interviews and guaranteed face to face interviews.*

*Excellent partnership working between Kwik Fit and WFF was key to the success of the programme. One of the main barriers to the success of this project was that the posts offered by Kwik Fit were full time and many WFF parents were looking for part time opportunities. However agreement was reached on job share opportunities which would allow successful candidates to work on a part time basis instead. All twelve clients who completed the course were successful in gaining employment and have now started work within Kwik Fit's call centre.*

*(From the WFF Quarterly Newsletter, June 2007)*

#### *5.1.5 Flexibility and learning*

*5.1.5.1 The WFF programme was implemented by the Scottish Government in a flexible way, allowing local authorities to adapt their proposals in the light of experience. This was particularly important as WFF was a new programme where there had been little experience of linking childcare and employability on this scale.*

*5.1.5.2 An important feature of the implementation of WFF was the continuous learning and sharing of information, experience and ideas. The Scottish Government facilitated quarterly meetings of the twenty local authorities to discuss common issues. A sharing of good practice conference was held part-way through Phase 1. Statistics from the evaluation process covering client numbers, characteristics, sources of referrals, etc. were regularly shared, on a quarterly basis, around 2 months in arrears, so local authorities and projects could identify trends and patterns across the whole of WFF, compare their own figures and take any action they considered relevant.*

### *5.1.6 Views of local authorities on what worked*

*5.1.6.1* A questionnaire concerning the WFF evaluation process and operation was sent in March 2008 to each LA co-ordinator (quotes used below are from respondents). Local authorities were asked to rate different aspects of the evaluation on a scale from 1 ('very useful') to 5 ('not useful at all'), and to respond to various questions regarding WFF operation. The response rate was 70% (14 out of 20). The evaluators concur with these views.

*5.1.6.2 Implementation of WFF* - The Key worker project, money advice and the personal development and childcare funds were the projects more cited in terms of what has worked best. Some local authorities also mentioned Phase 1 experience (lessons learned and successful evidence) as important for implementation success in Phase 2. Partnership working was also recognised as important for implementation success, as partners "had the experience and links to launch the programme successfully." Finally, the flexibility of the fund (in terms of the uses of funding at a local level by Key Workers) was stressed by various local authorities as important for the success of WFF as it has allowed "a person centred approach," "to engage with parents who would not normally have accessed our service" and to "establish suitable projects to meet the need of WFF clients."

*5.1.6.3 Supporting clients 'on the ground' to make real progress* - Various local authorities mentioned the Key workers model as the ideal approach to successfully support clients, together with the support given by money advice and the various funds. As mentioned, various local authorities supported the "great flexibility in the way the money was spent," and being "able to fund the gap where no other agency could." The holistic and individualised support available to clients was cited by various local authorities. WFF clients were those who often fell between the cracks (those who couldn't get help because they did not meet the criteria for other programmes). Clients from the Jobcentre Plus were, in a way, at the end of their journey (and already had adequate employability skills compared to other WFF clients) so the help they (those referred from Job Centre Plus) needed was primarily with childcare. In terms on how best to advertise WFF and to get referrals and partners on board, it seemed that formal or informal individual engagement with groups and organisations worked best. Key Workers had a key role in this as they talked and linked up with local contacts, groups, networks and partners.

*5.1.6.4 Operation of WFF* - Real partnership working, external and internal, was mentioned by all local authorities as one of the keys to success in terms of the operation of WFF. Various local authorities mentioned the "passion, commitment and drive of the WFF core staff team, project staff and our partners" as the key to WFF success, and also the flexibility of the project which was able "to adapt when appropriate" by having support without being prescriptive.

*5.1.6.5 Scottish Government (SG) support* - Every LA stressed the high level of support coming from the SG, which was always there if needed. Clear targets and regular updates from the SG were welcomed and also valued was the respect, trust and openness of the relationship with the SG. Regular Co-ordinator meetings were regarded as extremely helpful "to allow networking and sharing good practice" and one LA suggested that "perhaps more frequent individual meetings for feedback would be useful."

*5.1.6.6 WFF's influence towards employment/training/education of clients compared to WFF having not existed* - Almost one third of the respondents ranked it as 10 and half of the

respondents ranked as 9 (on a scale of 1 to 10 where 1 is ‘no difference’ and 10 is an ‘enormous difference’) the difference that WFF made to clients in terms of progress towards employment/training/education compared to the case of WFF not having existed. So there was extremely strong support concerning the impact of WFF from the provider Local Authorities. Flexibility of SG funding, for instance in terms of carrying forward underspends, was noted by some.

5.1.6.7 *WFF effectiveness compared to other similar policies* –local authorities indicated that the flexibility of the project “to be creative in how (to) deliver the service” and to be able to fill gaps in provision was key to the effectiveness of WFF in helping parents compared to other similar policies. Also important was flexibility in terms of clients’ engagement with the project, eligibility criteria and boundaries. Most local authorities mentioned the type of support given as crucial to WFF effectiveness: support which was not time bound, responded to clients’ needs quickly and efficiently, which “took a holistic approach” and was individualised. In terms of projects that contribute to WFF effectiveness, the Key worker model was mentioned, together with childcare support and client aftercare. Local authorities also stressed that WFF has been effective due to its partnership working.

5.1.6.8 *The best ways to help disadvantaged parents to progress towards employment/training/education* – Local authorities again mentioned the Key Worker project, money advice, the personal development fund and the childcare fund more often as the ones that have helped most. Client aftercare and developing childcare services (e.g. crèches, childminders, etc.) were also cited. Overall local authorities suggested the continuation of initiatives which have been developed and that have shown results. In general terms “an individual support plan tailored to (the client’s) particular needs” was thought the best way to help parents, recognising that “there is no set formula that will work for large groups.” Flexible childcare solutions should also be made available. One LA said that the fact that WFF was not a target driven service “contributed massively to the way in which the help was given to the clients.” However, a Phase 2 local authority noted the pressure of the need to meet their targets as being important.

## **5.2 Rural-Urban Issues**

5.2.1 This section considers WFF from a rural-urban dimension, in particular, the characteristics of clients, outcomes and referrals in each type of area. Findings must be treated with caution as rural-urban is highly correlated with the local authority area.

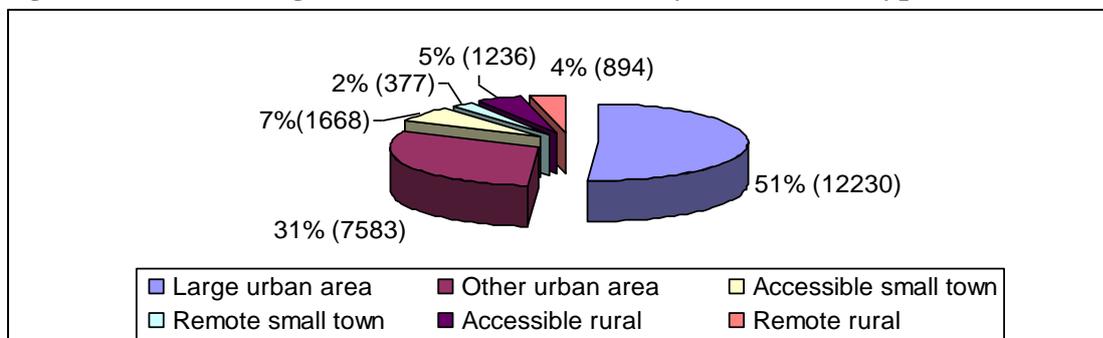
5.2.2 Figure 5.1 shows the numbers and proportions of WFF clients by type of urban-rural area. The majority of clients were identified as living in large urban areas (51% compared to 39% in Scotland<sup>56</sup>), with many of the remainder living in other urban areas (32% compared to 29%). Only 9% of clients lived in rural areas (5% in accessible rural and 4% in remote rural compared to 13.1% and 5.6% in Scotland respectively), 7% (compared to 10.4%) in accessible small towns and 2% (compared to 2.6% in Scotland) in remote small towns. Hence large urban areas were over represented compared to the population as a whole (although not compared to the particular WFF client group of disadvantaged parents).

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<sup>56</sup> Scottish Executive (2003). Social Focus on Urban Rural Scotland 2003 Edinburgh.

5.2.3 However, there were huge variations depending on local authority area. For instance, unsurprisingly nearly 100% of clients in Dundee and Glasgow were recorded as living in ‘large urban areas,’ with several other areas drawing the majority of their clients from these types of locations (North Lanarkshire, 81%, Renfrewshire, 91%, Aberdeen City, 99%, Edinburgh, 98%). Other areas drew clients mainly from ‘other urban areas,’ including: Inverclyde (99%), North Ayrshire (82%), Angus (68%), Clackmannanshire (73%), Falkirk (83%), Fife (69%), Midlothian (72%), South Lanarkshire (60%) and West Lothian (69%). Many areas had some clients drawn from ‘accessible small town’ locations, with the highest proportion registered in Clackmannanshire (23%), West Lothian (22%) and Fife (21%). Only two areas had any significant numbers of clients classed as living in ‘remote small towns’ (24% of clients in Highlands and 19% of those in Aberdeenshire). While several areas had clients from ‘accessible rural’ locations, Aberdeenshire had the most with 29% of clients drawn from these locations. Many areas had no clients from ‘remote rural locations’ (13) and of those who did, most were registered in Highlands (44%) and Dumfries and Galloway (30%).

**Figure 5.1: Clients registered to 31 March 2008 by rural-urban type**



### 5.2.1 Characteristics of clients

5.2.1.1 There were some noticeable differences in the types of clients depending on the type of rural-urban location. Key differences are summarised as follows:

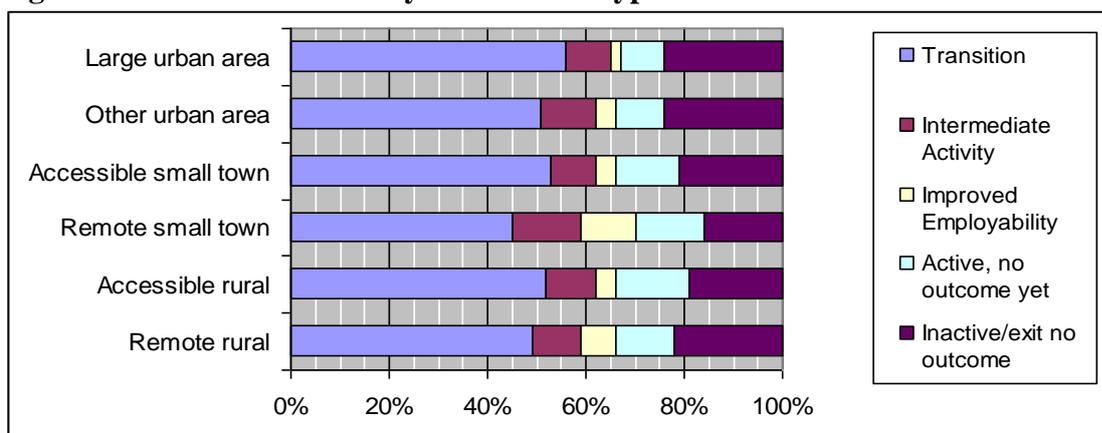
- There was a higher proportion of male clients outside large urban areas, with the highest proportion coming from remote rural locations (22%) compared to just 7% in large urban areas. This may reflect more limited accessibility to other programmes aimed at these groups (e.g. Job Centre Plus).
- There were significantly higher proportions of ethnic minority clients in large urban areas (8%) compared to all other locations.
- There were variations in ages of clients depending on rural-urban location: clients tended to be younger in large urban areas, with average age, in general, increasing with rurality.
- The highest proportion of lone parents lived in large urban areas (76%). The more rural the area, the fewer lone parents, and conversely, more clients living with a partner/spouse. In remote rural areas, for instance, 52% of clients lived with partner/spouse, compared to just 22% in large urban areas.
- The age of the parent’s youngest child increased with the level of rurality. 13% of clients had their youngest child aged 12-18 years in remote rural areas compared to just 6% in large urban areas. However, the highest proportion of those with very young children (0-4 years) were in large urban areas (66%) compared to 53% in remote rural.
- A higher proportion of clients indicated they had children with either a ‘Record of Needs’ or with disabilities or health problems in more rural areas.

- Economic activity also varied depending on rural-urban location. A higher proportion of clients in other urban areas (32%) and accessible small towns (32%) were unemployed, at the point of initial registration, compared to either those in large urban areas (26%) or those in more rural areas (23% in accessible rural and 22% in remote rural areas).
- Clients in both accessible and remote rural areas tended to have slightly higher levels of qualifications. A high proportion of clients in remote small towns had no qualifications or below SVQ1 (42%), although these locations are concentrated in two local authority areas.
- Except for the caring barrier, a lower proportion of clients in large urban areas reported facing all of the general barriers: employability and skills; transport or other. 83% of clients in remote rural locations reported issues with employability and skills compared to 62% in large urban areas. However, more clients in urban areas reported facing caring barriers (74% in large urban areas and 73% in other urban areas) compared to less than 70% in other locations. Unsurprisingly, clients in remote areas were more likely to report transport barriers (54% in remote rural and 52% in remote small town) compared to other areas, in particular large urban locations were only 28% reported such issues. Outside large urban areas, more clients also reported ‘other’ barriers, with 51% in both remote rural and remote small towns reporting other barriers compared to 40% in large urban areas.

## 5.2.2 Client outcomes

5.2.2.1 We have seen earlier that different types of clients tended to achieve different outcomes, and this is reflected in the rural-urban dimension. Clients in large urban areas recorded the highest proportion of Transitions (56%), with the lowest recorded in remote small towns (45%). However, a fairly high proportion of clients in large urban areas also recorded ‘inactive/exit no outcome’ (24%), the same as those in other urban areas, whereas only 16% of those in remote small towns were recorded as such (see Figure 5.2). Overall there were some, but generally not large, differences in the likelihood of having a Transition according to the rural—urban split.

**Figure 5.2: Client outcomes by rural-urban type**

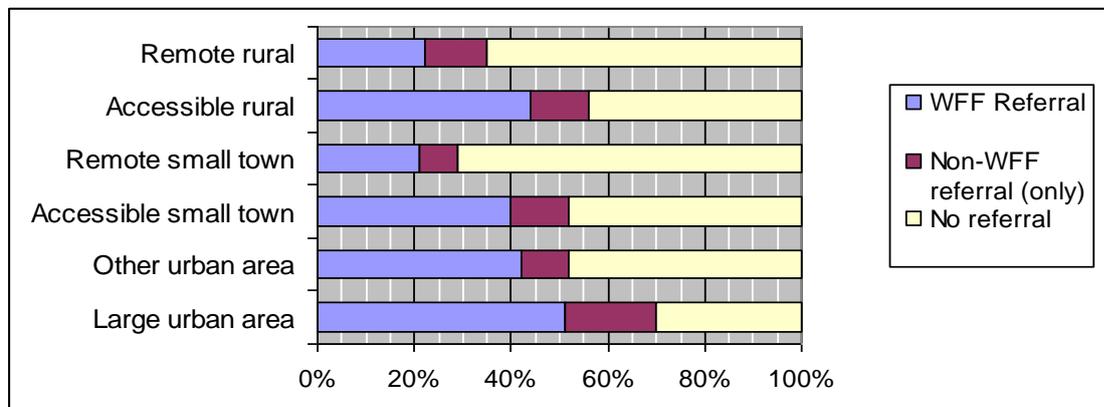


## 5.2.3 Referrals

5.2.3.1 Referral rates to other WFF projects and to external agencies varied considerably depending on rural-urban location. For instance, while 70% of clients in large urban areas

were referred, while only 35% of clients in remote rural and 29% in remote small towns were. Much of this related to lower rates of referrals to other WFF projects (See Figure 5.3). This may reflect higher levels of accessibility to other WFF projects and to external agencies, especially in large urban areas.

**Figure 5.3: Referrals by rural-urban type**



5.2.3.2 In summary, further analysis shows significant differences in the characteristics of clients, their outcomes and levels of referrals based on the rural-urban location of clients. However, given the high level of correlation between local authority area and rural-urban location, these differences may also reflect different approaches within the local authority areas. The question remains, though, to what extent varied approaches within areas have been adopted precisely because of the differences in rural-urban issues.

## 5.3 Use of Childcare

5.3.1 As mentioned in Section 1, from the start of WFF it was recognised that clients needed support in terms of both sustainable childcare solutions and the provision and access to other relevant employability-related services. Some of the childcare support given to parents was recorded. As different local authorities record clients' access to WFF services in different manners, interpretation of these records should be taken with some caution. In addition, the nature of the childcare element in WFF is such that it could be said to run through the whole client process in many different ways. Further discussion of these issues is available in the Phase 1 Evaluation report.

### 5.3.1 Childcare questionnaire

5.3.1.1 To complement the existing information on childcare, a short questionnaire was sent in March 2008 to each LA co-ordinator (quotes used below are from respondents). Local authorities were asked to rate childcare services on a scale from 1 ('not sustainable') to 5 ('extremely sustainable') according to various aspects of WFF. The response rate was 15 out of 20 (75%). It is worth noting that childcare services served people under different circumstances with differing needs and therefore the importance of each service is different according to each case. It was also stressed that: "*childcare alone never helps a parent into a Transition – (it is) a supporting mechanism – childcare is subjective according to parents' circumstance.*"

With those comments in mind, what follows is a summary of the results.

5.3.1.2 In terms of helping parents to *sustain* a Transition into employment, education/training or voluntary work, over half of local authorities rated registered childminders and just under half nurseries and registered after-school care, as ‘very sustainable’ services. Sitter services and mother and toddler groups were classified as ‘not sustainable’ by at least two thirds of local authorities.

5.3.1.3 In term of *cost-effectiveness* for the WFF programme, sitter services were rated as ‘not sustainable’ by 9 out of 12 (75%) of local authorities. Registered childminders and pre-school education were most often rated as ‘very sustainable’ and nurseries and registered after-school care were most often rated as ‘sustainable’. Informal childcare was most often rated as ‘not sustainable’ but a quarter of respondents rated them as ‘extremely sustainable.’ This contradiction is better explained by a quote from one of the co-ordinators: “*Informal childcare is highly cost effective but there is often a hidden cost*” as it “*can be unreliable and break down at short notice.*”

5.3.1.4 In terms of helping parents into *key Transitions in general*, 7 out of 15 (47%) of respondents ranked nurseries as ‘very sustainable,’ Sitter services and mother and toddler groups were rated as ‘not sustainable’ by the majority of local authorities for Transitions in general and for each type of Transition. Informal childcare was rated as ‘sustainable’ and ‘fairly sustainable’ by 4 out of 10 each (40%) of local authorities. This could reflect reliability, for a number of reasons, on informal childcare as the pick up/drop off/link from/to/between registered childcare.

5.3.1.5 In terms of helping clients *into full-time employment*, 8 out of 14 (57%) of local authorities rated nurseries as ‘very sustainable.’ Registered childminders and registered after-school care were most often rated as ‘very’ and ‘extremely sustainable.’ Pre-school education is likely to be less important for full-time working due to its limited hours.

5.3.1.6 In terms of helping clients *into part-time employment (16 to 29 hrs/wk)* 7 out of 14 (50%) of local authorities rated nurseries as ‘very sustainable.’ Registered after school care was most often rated as ‘extremely sustainable.’ Registered childminders and pre-school education were most often rated as ‘very sustainable.’

5.3.1.7 For *part-time employment of less than 16 hrs/wk*, 6 out of 12 (50%) respondents ranked nurseries as ‘very sustainable.’ Registered after-school care, pre-school education and registered childminders were most often ranked as ‘very sustainable.’ Crèches were considered ‘not sustainable’ by over half (6 out of 11) of respondents.

5.3.1.8 In terms of helping clients into *full-time education or training*, nurseries were ranked ‘extremely sustainable’ by almost half of the local authorities (6 out of 13).

5.3.1.9 For parents going into *part-time education or training*, nurseries and registered childminders were most often rated as ‘extremely sustainable.’ Pre-school education was most often rated as ‘sustainable.’ Crèches were rated by a third of local authorities as ‘fairly sustainable,’ perhaps because “*crèches are useful for short training courses where it is more convenient to have childcare on site*”.

5.3.1.10 In terms of helping clients into *voluntary work*, pre-school education, nurseries and registered after-school care were most often rated as ‘very sustainable’ (by just over a third of local authorities).

#### 5.3.2 *Comments on childcare services*

5.3.2.1 A summary of comments by local authority WFF co-ordinators on each childcare service regarding WFF requirements is provided on Table 5.1 (below).

#### 5.3.3 *Overall comments about childcare and WFF*

5.3.3.1 Lack of capacity and gaps in provision (evenings, weekends, for children with additional needs, geographical) were mentioned as the most common problem in terms of accessing childcare, creating a barrier that leads to jobs and other opportunities not being taken up. The price of childcare was also stated as a main barrier for parents (e.g. deposits/registration fees, etc.). Also stressed was a mismatch between clients starting work and having to pay for childcare, and receiving the first pay check. It was stressed that WFF had been very successful in helping parents with childcare costs for the first month. Other challenges for parents included hours of work and finishing-time, use of public transport, and the closing times for nurseries and registered after-school clubs. Overall, these issues were cited as key problems for families balancing/juggling the needs of children at different stages.

## 5.4 Summary

There is a range of lessons to be learned on how to make employability and childcare support integrated and work well together. Issues such as partnership, clarity of focus and flexibility are crucial. Lessons have been learned and applied on types of childcare that appear to be more effective and cost-effective.

**Table 5.1: WFF - childcare services summary of comments**

	Times of service	Flexibility	Cost-effectiveness	Others
Sitter Services	Out of hours, wrap around care	Very	No, due to high cost	Impractical for most requirements; requires several weeks vetting before sitter could attend
Crèche	Short periods	Not very	Very cost effective during group work; can be expensive when there is only one child	Useful for short training courses where it was more convenient to have childcare on site. Crèches work well for training but are unsustainable for work
Registered Childminders		Very, although generally for daytime shifts and not for unsocial hours		Important in helping parents sustain a Transition
Pre-school education	Short periods	Restrictions around timescales	No charge to parents so it is very cost effective for WFF as the services are supplied anyway by LAs	Few parents are able to access full-time local authority pre-school nursery care and part-time places only offer up to 3 hours per day (a limited option even for parents in part-time options)
Nursery	Restrictions around timescales		Cost effective for WFF as it is refunded when tax credits come through	Joining fee and others costs can be prohibitive for some parents
Mother and toddler groups	Not really childcare as parents have to be present.			
Registered after-school care	Regular day-shift hours		Very cost effective for WFF as the services are supplied anyway by LAs and is manageable for parents to sustain	
Informal services	Flexible		Highly cost effective but there is often a hidden cost	Can be unreliable and break down at short notice

### 6.1 The Overall Impacts of the Funding

6.1.1 Overall WFF had a significant impact over the whole WFF period (2004-08) and during Phase 2 2006-08 in terms of:

- recruiting 25,508 clients in the twenty local authorities and;
- assisting 66% (16,877) of all clients registered to achieve an identified 'Hard' or other significant Outcome, to improve their employability or to progress towards employment, training or education by 31 March 2008.

This met the target set by the Scottish Government and is a reasonable level for such a programme starting (except in Glasgow and Dumfries and Galloway where there had been pilot projects) from scratch with a largely new set of client groups, and a new combination of economic development and childcare support workers and specialists.

6.1.2 It successfully targeted support to improve the employability of disadvantaged parents - those who have difficulty entering or progressing in employment, education or training because of disability, drug and alcohol or mental health problems, those on low incomes and lone parents pre-New Deal. It supported these parents by helping them find sustainable childcare solutions and providing access to other relevant employability-related services, across diverse geographical and economic areas covering much of Scotland.

6.1.3 WFF was innovative and effective in terms of its particular target groups, the linking of childcare and support to improve the employability of clients, the activities of local projects and flexibility in funding shown by the Scottish Government. It was a voluntary scheme on the part of clients, which showed that effective support of the right type, albeit in relatively good general economic conditions, can result in a significant improvement in the employment and employability of disadvantaged parents.

6.1.4 In total, just over half (53% or 13594) of all clients achieved an identified 'Hard' Outcome by 31 March 2008 - improving their employability and making progress towards sustained employment, training or education<sup>57</sup>. A further 10% (2466) had received significant training of over 20 hours, work experience or other support (Intermediate Activities Outcomes) and 3% (817) had showed measured improvements over six months in employability measures of their confidence, etc. So two-thirds (66% or 16,877 clients) had a measured improvement.

6.1.5 This was a high rate of verified outcomes given the nature of the client groups (their qualification levels were generally much below the Scottish average).

6.1.6 Of the 7,814<sup>58</sup> who were in full or part-time employment at their Highest Transition, 3,727 had *not* been in employment at the time of registration. Of these, 2,762 entered full-

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<sup>57</sup> Of these: 17% had moved into full-time work; 23% moved into part-time work over 16 hours; 51% had other work related improvements (e.g. other part-time, self employment, sustained employment were able to continue in current employment having faced a recent 'crisis' which threatened this employment); 18% had entered or completed training or education; 1% had entered voluntary work.

<sup>58</sup> 7,944 client entered full or part-time employment at their Highest Transition, but only 7,814 had economic activity recorded at the point of registration (130 missing records).

time employment (1,307 of whom had not been in full-time employment at the time of their registration) and 4,095 entered part-time employment (1,463 of whom had not been in part-time employment at the time of their registration). A further 1,151 entered or completed training (over 6 months) or education. It is, however, important to remember that 2004-08 was a period with a generally buoyant economy and growth in overall employment and this may have been beneficial in increasing Transitions into work to a limited degree.

6.1.7 There were 42,214 children<sup>59</sup> whose parents/guardians took part in WFF. Two thirds of these children (66%, 27,669) had parents/guardians that achieved a WFF Outcome. For 6%, their parents/guardians were registered in the previous 6 months and were still active but not yet had a Transition, and for 28% their parents/guardians did not achieve an outcome. Hence around 27,669 children benefited indirectly from WFF.

6.1.8 Some of the characteristics most linked to making a Transition of any sort (using 95% significance levels) include:

- having an educational qualification;
- having English as your mother tongue;
- being in any education at the point of registration;
- being a lone parent;
- having 'other' nationality (such as asylum seekers or refugees);
- and also those living in Glasgow or North Ayrshire.

6.1.9 Key characteristics that reduce a client's likelihood of having a Transition are:

- being in rented, council, hostel or supported accommodation (i.e. non-owner occupier);
- having been out of employment for 2 months or more;
- being aged under 20 or over 45 years old;
- being self identified as disabled;
- having other household stresses (such as drug misuse);
- being pregnant or having more than 2 children;
- having a disabled child.

## **6.2 Were They the Right Target Groups and did WFF Reach Them?**

6.2.1 WFF clients were predominantly female, lone parents of childbearing age with pre-school children and many lived in workless households (whether or not they had a partner). They were predominately white, although ethnic minorities were slightly over represented compared to the Scottish average. They had relatively low levels of qualifications.

6.2.2 The evidence suggests that most WFF clients experienced multiple barriers to progressing towards work, especially identified caring responsibilities for child(ren) (identified by 62% of WFF clients).

6.2.3 The WFF target groups appear to have been carefully chosen and in general terms represented the most disadvantaged parents in Scotland. Local authority areas and budget allocations were based largely on the number and proportion of children living in households

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<sup>59</sup> Children up to 18 years.

dependent on key benefits (Income Support and Income Based Jobseekers Allowance), while the incidences of multiple deprivation and rurality were also taken into account. There is considerable evidence on the disadvantages faced by such groups, so the basic criteria for choosing the WFF target groups and areas were reasonable.

6.2.4 The vast majority of WFF clients were drawn from the key target groups (Pre-New Deal lone parents; parents on low incomes; and parents with other stresses in the household). In addition clients generally had much lower qualifications than the Scottish average, relatively young children, high rates on Income Support and lived disproportionately in areas with high levels of multiple deprivation (46% of WFF clients lived in the 15% most deprived data zones). As such, WFF has been successful in reaching a wide variety of clients, in different circumstances and with different aims and resources.

6.2.5 In addition, overall, the children of clients were relatively young with 92% of clients having one or more children aged under 12 years living in the household and 62% having a child aged under 5 years old. None of these were, at the time, prime targets for the New Deal for Lone parents. So WFF appears to be supporting lone parents of younger children who wish to progress towards work, training and education. The projects were client group, rather than postcode-led, and this allowed disadvantaged parents in most local authorities to be supported regardless of where they live.

6.2.6 However, the evidence suggests that while nearly all WFF clients were relatively disadvantaged, within the spectrum of WFF client group, those with the poorest qualifications, lowest employability skills and greatest number of barriers were less likely to move into employment. So such particularly disadvantaged clients require longer term support.

6.2.7 Those with low levels of employability, for example having no qualifications or a disability, were more likely than others to achieve an Intermediate Activities Outcome (such as 20 hours of short courses etc.).

6.2.7 A quarter (25%) of clients were self-referrals, indicating a possibly high level of self motivation for them, but this leaves a large majority (75%) who were attracted through other agencies (including Job Centre Plus at 26%). Together with the low educational levels and employability of WFF clients, it is unlikely that a large share of the positive outcomes is due to WFF simply attracting relatively high achievers.

### **6.3 Cost-Benefit Analysis**

6.3.1 The actual spend for WFF in total and by Phase 1 and Phase 2 local authorities indicate that a considerable lead-in time is required for a programme such as this, as the budget was greatly under spent in 2004/05 (Year 1), but almost fully spent (92%) in Year 2 and over spent in Years 3 (105%) and 4 (118%).

6.3.2 For Phase 1 local authorities there was considerable under spend in their first year, followed by achieving their budget in year 2 and a 125% overspend in years 3 and 4 (note that this was permitted overspend as it represented a carry-over from Year 1). This indicates that the long term budget might be reconsidered at a higher level than original, in terms of

capacity to spend appropriately. Phase 2 local authorities followed a similar pattern with a large under spend in Year 1 and matching the budget in year 2.

6.3.3 The cost per client (total cost divided by total client numbers) varied by LA area partly due to different types of clients, levels of support offered (whether they were sustained or limited contact clients) and different local circumstances etc. In addition the costs per client appear to be much higher during the start up phase (and so those local authorities who were slower to start than others may exhibit higher average costs over these two years). The costs decreased significantly once local authorities had passed the first, start-up, year and the variation between local authorities decreased considerably.

6.3.4 If we consider just those clients who achieved a Transition (rather than the number of Transitions themselves) then the *costs per client who had a Transition* was £3,382 over the four years 2004-08 (but only £2,587 by the last year). After including 'deadweight' (what would have happened anyway, at 50%) then the *costs per client who had a Transition* was £6,764 over the four years and down to £5,174 by the final year (and £4,158 in Phase 2 LAs, who generally had less disadvantaged clients in terms of areas of multiple deprivation etc.). These costs exclude the training and other costs provided by non-WFF support, and also were single year costs (clients may get support for more than one year, so the distribution of costs may not fully reflect the exact period of support received by a client). The evidence strongly suggests that stable, longer term funding is likely to be much more efficient and cost effective for this type of programme. It also suggests that uncertainty about future funding can hinder efficiency and cost effectiveness.

6.3.5 Other figures that are not incorporated include the considerable future positive outcomes that are likely to be achieved by WFF clients (which are expected to be high due to the nature of the clients), life time earnings of clients, family and personal benefits and other benefits due to getting or changing employment, and education etc.

6.3.6 When comparator groups without WFF support are considered (using Propensity Matching techniques), the conclusion is that the WFF policy support is effective (WFF did increase the number of people having a 'hard' Transition compared to what would have otherwise be expected).

## **6.4 Implementation**

6.4.1 The way WFF was implemented contributed to its success. There was considerable learning across the network of local authorities which was supported by regular quarterly meetings of all the co-ordinators, the Newsletter etc.

6.4.2 The Key Workers model of support appeared useful. It supported clients who wished to move into work, education or training through:

- helping them to improve their employability; and
- addressing the childcare and other barriers that stood in their way.

6.4.3 There appears to be an overall high level of co-operation and joint working across sectors within WFF, with many projects operated by the third sector and most referrals of clients coming from other agencies (in particular 26% were referred by Job Centre Plus). The approach of continuous information sharing across areas with regular co-ordinators'

meetings, appears to have helped cross-learning and problem solving across the local authorities and to have helped improve the efficiency and effectiveness of projects.

6.4.4 In all but one area, WFF programmes were based within Economic Development Departments of local authorities who worked with relevant specialist agencies. This choice of location appears to have been successful in merging both employability and childcare support. It focused the services on the end goals of progress towards work, education or training, rather than intermediate services such as childcare provision per se; built upon departments with skills in partnership working in the area of employability and upon existing partnerships with key agencies; and used the ability of staff to ‘speak the same language’ with other employability orientated agencies.

6.4.5 There are other lessons to be learned in relation to the speed of implementation. The initial start-up phase was fairly slow during the first six months and the number of new clients fell over the Christmas/New Year period. Evidence indicates that the time needed to get projects fully operational was longer than originally expected (it appears to be around twelve months before a peak of new clients each month is reached). This is partly due to WFF being a new type of initiative involving: cross disciplinary and departmental work, with among others economic development, childcare and education staff; multi-agency; hiring staff where there is often a limited pool of suitably experienced and qualified staff; and generally setting up new projects or forming new partnerships with existing organisations. Setting up a service from scratch could also be more costly and time-consuming, as opposed to buying into an existing similar service from within or out with the local area.

6.4.6 The long lead-in time for many projects was particularly true for childcare provision. Childcare infrastructure projects could be expensive, have a long development time and be subject to considerable paper-work (e.g. that involved in Care Commission approval).

## **6.5 Recommendations**

### ***What should be supported?***

1. The effective combination of tackling both childcare and employability is an essential, successful, aspect of the WFF programme. Consideration should be given to extending this basic model into other initiatives that focus solely upon employability or childcare issues.
2. The employability and childcare support provided through WFF (although not necessarily the WFF name or organisational structure) should continue to be funded, under the Fairer Scotland Fund or otherwise, by the Scottish Government and Community Planning Partnerships, following local decisions on what is most effective and efficient in each area. WFF gave a clear focus for support and specialist skills were developed, so great care should be taken if future WFF based funding is spread to support a less co-ordinated set of services. The focus on the Key Worker models of providing consistent, flexible and tailored support for employability *and* childcare issues should be continued. Job Centre Plus should also consider the level and form of childcare support they can provide to parents.
3. Support should be extended to those parts of Scotland not currently covered by WFF (the 12 other Local Authority areas). In cases with an extension of WFF type programmes certain factors should be considered, in particular: lead-in time should be carefully considered when

budgets are set, with the expectation that only a few staff may be employed and relatively few clients assisted in the first few months. Secondly, if extending WFF type support, training of project and local authority staff should be carefully considered and the issues of employability, childcare and partnership included. Thirdly, mechanisms need to be in place to ensure good practice is disseminated to both new local authorities and projects joining WFF, and for existing local authorities and projects.

4. Careful consideration should be given to providing stable, longer term funding for such programmes as the evidence suggests that this is much more efficient and cost effective. Initial set-up costs, together with more limited learning and experience and relatively low numbers of clients in the early years, greatly reduces efficiency and raises costs per client and per outcome. This will have implications for support for policies in general and when interpreting the results of pilot studies. It also suggests that uncertainty about future funding can hinder efficiency and cost effectiveness.

#### ***Who and what should be targeted?***

5. The targeting of this client group seems appropriate and should be continued. However, particular support is needed for those with major barriers including a lack of employability skills, as well as childcare provision. Additional help is needed for those in the greatest disadvantage due to low qualifications, disability among children, etc. While WFF focused on disadvantaged parents in Scotland, within the WFF client groups there remained some who achieved less and may have required further support over a longer period. Assistance should continue to be given to clients after they have made a Transition for at least a year, so as to improve the sustainability of Transitions into work.

6. A prime focus of WFF type policies should be on 'Hard' Outcomes leading to major improvements in the position of clients (such as moves into or maintaining sustainable work, substantial training and education). This would provide a clear focus for staff working in the projects, other agencies and the clients themselves. However, 'soft' outcomes are also very important and should be recognised and supported for all participants, especially where they are part of a clear support package for those requiring long-term support in moving towards 'Hard' Outcomes.

#### ***How should services be delivered?***

7. WFF flexibility in terms of funding and implementation (at Scottish Government, local authority and project levels), is important and contributed to the provision of client-focused support, tailored to each individual's needs which lead to effectiveness in dealing with individual circumstances. Projects varied between different local authority areas and were designed to fill gaps in existing service provision in each area. Building in this type of flexible approach should be considered in future initiatives. As discussed earlier, the Key worker model to support clients 'on the ground' was very effective in helping clients to make real progress through individualised holistic advice, support and motivation.

#### ***How can lessons be learned and disseminated?***

8. Important policies within WFF that could usefully be supported and information on them more widely disseminated include: funding for childcare subsidy (financial support immediately after the return to work); the key worker model; the need for peripatetic and/or

community-based interventions (especially in remote areas); appropriate support for specific types of clients (those with drug/alcohol issues). It is important that the lessons of WFF are widely disseminated.

9. Community Planning Partnerships should be strongly encouraged to continue to collect a minimal level of common information on the successors of WFF in each area so as to allow continued comparisons and learning about what policies are effective.

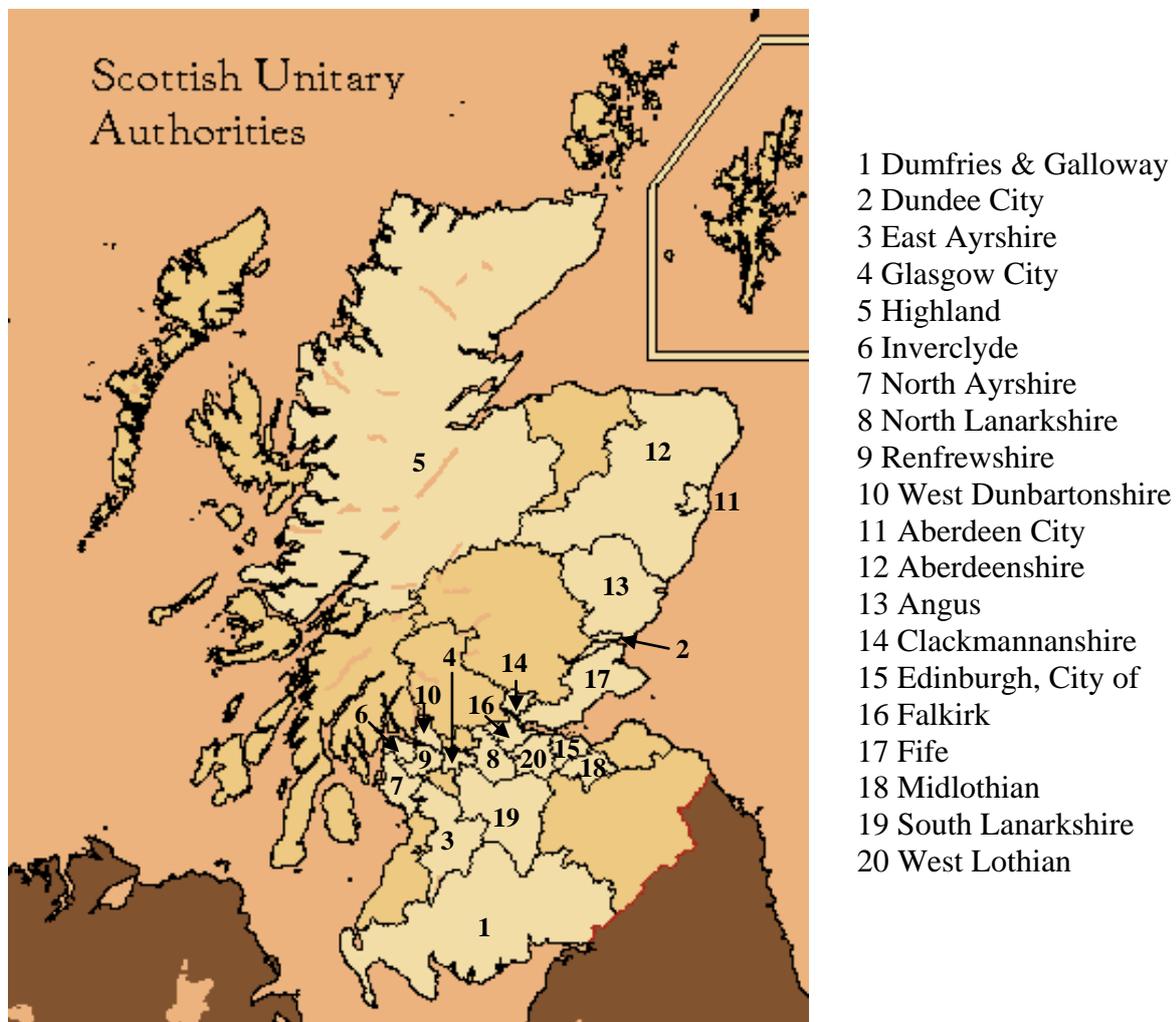
10. Analysis of the WFF evaluation data should continue to be carried out and disseminated. Consideration should be given to storing the WFF evaluation data in a suitable archive for later research.

## APPENDIX

## AREA PROFILES

### *Map of WFF areas*

The map below shows the twenty Scottish local authorities that took part in WFF.



### *Description of the areas*

Of the 20 local authorities, Glasgow, Dundee, Aberdeen City and Edinburgh are considered urban areas. Angus, Highlands, Dumfries and Galloway, Aberdeenshire and East Ayrshire are considered rural areas. The rest are a mixture between rural and urban.

In the Census 2001, the resident populations of the areas range from a highest of 577,869 people in Glasgow to a lowest of 48,077 in Clackmannanshire (see Table A1 below).

Glasgow had the largest number of dependent children and parents (116708 and 106340 respectively) and Clackmannanshire had the least (10923 and 10683 respectively). The number of parents follows the same pattern. The number of Children as % of Total

Population was greatest in West Lothian (24%) and smallest in Aberdeen City and Edinburgh (18%) (See Table A1 below).

42% of all dependent children in Glasgow lived in lone parent families, the highest proportion out of the 20 areas, followed by Dundee with 36%. The lowest proportion was in Aberdeenshire with 14% of dependent children living in lone parent families.

West Lothian had a slightly higher percentage of population on the 0 to 19 years age band compare to other local authorities (27%). Edinburgh and Aberdeen City had, compare to other local authorities, slightly higher population age 20 to 64 (63%). Dumfries and Galloway, Angus and Dundee had a slightly greater percentage of over 65s compare to other local authorities.

Compare to the Scottish average Gross Weekly Pay, Highlands ranked the lowest (89% of the Scottish Average or £320) and Glasgow ranked the highest (113% of the Scottish Average or £405).

In terms of non-working households, Glasgow scored the highest for non-working lone parent households (19% compare to 4% in Aberdeenshire) and for couple households with both parents not working (12% compare to 8% or less in other local authorities).

Dundee had the highest percentage of pupils entitled to free school meals (26%) compare to Aberdeenshire with the lowest (6%).

The unemployment rate (as a proportion of the economically active) was highest in Glasgow (7.7%) and lowest in Aberdeenshire (3%). Job density was lowest in Clackmannanshire (0.51 jobs per person) and higher in Aberdeen City (1.32 per person).

The Scottish Government report has further information on delivery of WFF in each local authority area. It can be found at:

<http://www.scotland.gov.uk/Topics/People/Social-Inclusion/17414/WFF/wfflaevaluation>

Phase 1 WFF Evaluation Report also contains area profile for Phase 1 local authorities.

	Population 30 June 2004	Persons per Sq Km	% of Children		Work in Households by Family Type (for Parents of Dependent Children)					Working Age Population*	Economically Active rate	Unemploy ment rate **
				in lone parent family	Couple			Lone Parent				
					both working	one parent working	no parents working	working	no working			
<b>SCOTLAND</b>	5,062,011	65	21%	25%	55%	22%	6%	8%	8%	3,213,341	80%	5.2%
Aberdeen City	212,125	1142	18%	24%	56%	24%	4%	8%	7%	137,000	83%	4.2%
Aberdeenshire	226,871	36	23%	14%	60%	28%	4%	5%	4%	146,700	85%	3.0%
Angus	108,400	5	21%	21%	59%	23%	5%	7%	6%	64,900	84%	5.2%
Clackmannanshire	48,077	303	23%	26%	53%	23%	7%	8%	9%	30,500	78%	5.5%
Dumfries & Galloway	147,765	23	21%	19%	58%	24%	6%	6%	6%	86,500	82%	4.6%
Dundee City	145,663	2435	20%	36%	50%	18%	8%	11%	13%	89,100	78%	6.8%
East Ayrshire	120,235	95	22%	24%	55%	23%	8%	6%	8%	73,600	76%	6.4%
Edinburgh, City of	448,624	1701	18%	25%	57%	21%	5%	8%	8%	314,300	81%	5.1%
Falkirk	145,191	488	21%	25%	58%	21%	6%	8%	7%	93,600	83%	5.0%
Fife	349,429	264	22%	24%	56%	22%	6%	8%	7%	222,700	81%	6.1%
Glasgow City	577,869	3293	20%	42%	39%	19%	12%	11%	19%	386,200	71%	7.7%
Highland	208,914	8	22%	20%	57%	24%	6%	7%	6%	131,000	83%	3.7%
Inverclyde	84,203	525	22%	31%	53%	20%	6%	10%	11%	50,300	77%	7.0%
Midlothian	80,941	229	23%	24%	61%	20%	4%	8%	7%	48,600	85%	4.7%
North Ayrshire	135,817	153	22%	29%	50%	23%	8%	8%	11%	82,200	78%	7.4%
North Lanarkshire	321,067	683	23%	28%	52%	22%	8%	8%	10%	204,100	79%	5.6%
Renfrewshire	172,867	662	21%	27%	58%	19%	5%	9%	9%	106,200	79%	4.9%
South Lanarkshire	302,216	171	22%	24%	57%	21%	6%	8%	8%	192,000	80%	4.8%
West Dunbartonshire	93,378	588	22%	33%	53%	18%	7%	10%	12%	57,400	79%	6.6%
West Lothian	158,714	371	24%	23%	59%	21%	5%	7%	7%	105,900	85%	5.0%

\*SOURCE: NOMIS – (Midyear Population Estimates, 2006) (Crown Copyright)

\*\* Model-based unemployed (% is a proportion of economically active and for those aged 16 and over).

(1) % for Economically Active and Inactive are for those of working age (16-59/64). Percentages are a proportion of total working age population (except for unemployment rate).

SOURCE: NOMIS - Annual Population Survey (Apr 2006-Mar 2007)



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