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Department for
**Employment
and Learning**
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Steps to Work

Evaluation of the Steps to Work programme

**A report prepared for the
Department for Employment and Learning by
KPMG**

February 2012

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Glossary

| | |
|-----------------|--|
| BBTA | Benefit Based Training Allowance |
| CMA | Contract Management Area |
| CMS | Client Management System |
| CVS | Community and Voluntary Sector |
| DETI | Department of Enterprise, Trade and Investment |
| DFP | Department of Finance and Personnel |
| DSD | Department for Social Development |
| E&SA | Employment & Support Allowance |
| ESA | Employment Service Adviser |
| ETI | Education and Training Inspectorate |
| FAST | Financial Audit and Support Team |
| FND | Flexible New Deal |
| GAP | Graduate Acceleration Programme |
| GB | Great Britain |
| HMRC | Her Majesty's Revenue and Customs |
| IB | Incapacity Benefit |
| IQ:RS | Improving Quality: Raising Standards |
| JC | JobCentre |
| JC/JBO | JobCentre /Jobs & Benefits office |

| | |
|--------------|---|
| JSA | Jobseeker's Allowance |
| JTP | Job Training Programme |
| KPI | Key Performance Indicator |
| LEMIS | Local Employment Intermediary Service |
| LFS | Labour Force Survey |
| LSDA | Learning and Skills Development Agency |
| LTU | Long Term Unemployed |
| ND25+ | New Deal 25+ |
| NDYP | New Deal for Young People |
| NEETS | Not in Education, Employment or Training |
| NI | Northern Ireland |
| NVQ | National Vocational Qualification |
| NWRC | North West Regional College |
| ORF | Output Related Funding |
| PAC | Public Accounts Committee |
| PfG | Programme for Government |
| PID | Project Initiation Document |
| PMDB | Programme Management and Development Branch |
| PSA | Public Service Agreement |
| QCF | Qualifications and Credit Framework |
| QPB | Quality and Performance Branch |

| | |
|-------------|---|
| ROSB | Regional Operations Support Branch |
| SATC | Short Accredited Training Course |
| STEM | Science, Technology, Engineering, and Mathematics |
| StW | Steps to Work |
| TfW | Training for Work |
| TL | Team Leader |
| TMS | Trainee Management System |
| VFM | Value for Money |
| VRQ | Vocationally Related Qualification |
| YTP | Youth Training Programme |

I Executive summary

I.1 Introduction

The Department for Employment and Learning appointed KPMG to undertake an evaluation of the Steps to Work (StW) programme in order to:

- Better inform the Department on the effectiveness, efficiency and equity of the programme.
- Examine how it improves the employability of participants and how it has helped them progress into the labour market.
- Make recommendations, if appropriate, to improve the future performance of the programme.

II.1 Overview of the Steps to Work programme

The StW programme was introduced in September 2008, succeeding the main New Deal programmes across most of Northern Ireland. The aim of StW is to assist people who are unemployed or economically inactive to find and sustain employment.

The programme is designed to offer a flexible three step menu-based approach with a focus on assisting customers into sustained employment. The menu-driven approach allows provision to be tailored to suit the needs of the individual and focuses on maximising their employability.

Participants on StW receive advice and guidance from the Department's Employment Service Advisers (ESAs) located in Jobs & Benefit offices/JobCentres across Northern Ireland. Provision for participants within the programme is delivered by Lead Contractors who are measured against targets set by the Department for Employment and Learning, with the emphasis being on securing paid sustained employment for the participant. Funding is based on an Output Related Funding (ORF) model which reinforces the aims of the programme and ensures Lead Contractors are paid on results rather than activities.

III.1 Labour market conditions

StW was launched at a point when the UK economy officially went into recession. Indeed, since late 2008, and coinciding with the commencement of the StW programme in September 2008.

Analysis of the labour market indicates the following:

- Since 2008, unemployment has risen substantially from around 4% to over 7% currently and there has been a 150% increase in the claimant count.

- Unemployment among young people (aged 18-24) has risen considerably faster, and the proportion of long term unemployed (LTU) has risen to almost 50% of all unemployed.
- More positively, economic inactivity rates have decreased to 27%, which is lower than that in September 2008.
- Notified vacancies have declined substantially from over 73,000 in 2008/09 to less than 50,000 in 2010/11, a notable decline of almost a third.

This means that StW operates in a very challenging economic climate, where the numbers of people becoming unemployed have increased and at the same time the number of notified vacancies has decreased, thereby reducing employment opportunities. Therefore, it is essential that StW provides an effective employment intervention notwithstanding the challenges of meeting its key target outcomes in the current economic climate.

IV.1 Steps to Work performance

Table i sets out an overview of the performance of StW based on performance targets and key financial indicators set at the outset of the programme.

Table i: Summary of performance targets and financial indicators

| Performance target* | Performance outcome | Commentary |
|--|---------------------|--|
| 25% to sustain employment for minimum of 13 weeks | 25% | Target achieved |
| 85% of these to sustain employment for minimum of 26 weeks | 86% | Target surpassed |
| Financial and effectiveness** | Performance outcome | Commentary |
| Cost per employment outcome | £4,608 | Greater VFM than ND25+ in NI. Cost per outcome is higher than for GB's former ND25+ but significantly less than the more recent FND costs. |
| Unit cost of programme delivery | £768 | Substantially greater VFM than ND25+ provision in NI and GB |

Source: *Occasional Paper - Improving Steps to Work Statistics, 2011/ **Department for Employment and Learning StW KPIs

The StW programme has met its 13 weeks sustained employment target, surpassed its 26 weeks sustained employment target, performed substantially better than FND in GB, and has achieved greater value for money. These are all very positive achievements especially given the current economic climate with ever rising unemployment and a decline in notified vacancies.

Findings on quality indicators suggest that those Lead Contractors who have been inspected are largely providing good quality provision and indicate that the Department has adopted a robust approach to contract monitoring.

In addition, the Department has implemented a range of recommendations made by the Public Accounts Committee (PAC) and has undertaken a programme of constant revisions to the programme and to specific aspects in light of KPI information and consultation with stakeholders. It is very likely that this has had a positive impact on improving the programme.

V.1 Consultation with Department for Employment and Learning Employment Service Advisers

Consultation was undertaken with frontline Department for Employment and Learning Employment Service Advisers (ESAs) via an online survey and a series of focus groups. Salient findings were:

- The majority of respondents were experienced Departmental ESAs suggesting that the programme is delivered by knowledgeable and experienced ESAs who should be able to develop an effective relationship with their StW participants.
- While respondents were positive about participants' chances of getting a paid job, over half of respondents (55%) did not consider that participating in StW would result in participants sustaining employment for a full 13 weeks.
- Over half of respondents (52%) believed StW did not meet the employability needs of the economically inactive or was sufficiently flexible to support those furthest from the labour market.
- Most respondents thought that participants would be better equipped to look for work but fewer respondents suggested that participants would actually do so.
- Overall, ESAs were positive about the strengths and practicalities of the StW programme but less optimistic about its effectiveness given the difficult economic climate, the benefits trap and that certain participants were unwilling to engage in the programme.

VI.1 Consultation with Department for Employment and Learning stakeholders

Consultation was undertaken with a range of Department for Employment and Learning managers involved at a policy or operational level. Salient findings were:

- All stakeholders considered that the StW programme was an improvement on previous employment interventions and that a focus on results (outcomes) and ORF was a positive development.

- Stakeholders considered that the programme was not meeting the needs of those most excluded from the labour market and this was due to a number of factors including the economic climate and the substantial rise in the JSA register.
- There was greater monitoring and more effective management of the programme.
- Programme Management and Development Branch (PMDB) (who maintain and develop the programme) had a more positive view of partnership working with Lead Contractors compared with operational managers.
- Stakeholders recognised that some strands were more effective than others were while some strands were underutilised.
- Stakeholder comments suggested that some frontline staff may not be delivering the programme in the flexible and relationship oriented manner that it was designed to be, while such an approach would become increasingly important.

VII.1 Consultation with Lead Contractors

Consultation was undertaken with Lead Contractors. Salient findings were:

- Lead Contractors indicated that they believed there was a strong partnership approach evident between them and then Department for Employment and Learning and that this was key to enable optimal delivery of the programme.
- A number of strengths were identified including the programme's focus on securing sustainable employment outcomes and the flexibility of the programme.
- Barriers included the volume of participants and the current economic climate as well as overcoming negative client attitudes.
- The Step Ahead element was viewed to be very beneficial in securing temporary waged employment for the hardest to help participants.
- Lead Contractors were positive about the breadth of Short Accredited Training Courses available as well as confidence and motivation elements.

VIII.1 Consultation with participants

Consultation was undertaken with 500 current participants via a structured face-to-face interview. Salient findings were:

- The majority of respondents indicated that they expected to get a job, felt no real pressure to apply for jobs or participate in a programme that they felt was unsuitable and believed that taking part in the programme would increase their chances of getting a paid job.
- Results on employability indicate that more respondents thought that they would be better equipped to look for work but a smaller percentage suggest that they will actually do so.

- The majority of respondents considered that being employed in any job was better than not working. The majority suggested that labour market conditions represented a greater barrier to them finding work than personal circumstances.
- This may help explain why over a third of respondents believed that StW made no difference to their chances of finding employment and why over half of respondents felt that StW was just a way of reducing unemployment totals, suggesting high levels of cynicism overall.
- Less than one third of respondents with a disability indicated that they had been asked about their additional needs.

IX.1 Consultation with employers

Consultation was undertaken with 120 employers who had offered work placements, employed an ex-StW participant with the Employer Subsidy and those who had not availed of the Employer Subsidy. Salient findings were:

- Respondents participated in the StW programme for a range of reasons and a quarter participated for altruistic reasons i.e. to help the unemployed retain their skills.
- Most respondents availing of the Employer Subsidy retained their ex-StW participant beyond the subsidy period while most respondents who offered a work experience placement subsequently employed that person.
- The vast majority of respondents were positive about the StW programme and, where applicable, the advice and services offered by JC/JBO Advisers and/or Lead Contractor staff.
- The majority of respondents considered that StW could help those who are unemployed. At the same time, most employers did not agree that there were many jobs available. This may explain why a small number did not agree that being on StW increases people's chances of finding a good job.

X.1 Conclusions and recommendations

Conclusions are made regarding the following:

Performance

The StW programme met its employment targets which indicates that StW is an effective employment intervention.

Economy and VFM

Employment outcome costs for StW have decreased when compared with costs for employment outcomes for ND25+ in Northern Ireland and, while they remain higher than the former ND25+ in GB, they are significantly less than the more recent FND costs.

PAC recommendations

The Department for Employment and Learning has implemented a range of PAC recommendations which have contributed to improving on the programme and providing more robust data on programme outcomes.

Deadweight

It is known from the StW Leavers' Survey that over a quarter of respondents (27%) got a job immediately after they left StW. Of these, over two-fifths (44%) considered that participation in StW had increased their chances of getting their job which suggests there is value added.

The Work Programme

While StW has met its targets and performed substantially better than FND, the lack of performance data on the Work Programme means it is not possible to determine if greater and more cost effective outcomes can be achieved from a more radical approach to employment intervention.

StW strands

The Employer Subsidy strand performed strongly and has been an effective means to securing sustained employment while the Step Ahead initiative was the second most successful strand. Outcomes from Back to Work placements, Essential Skills and Step 3 were low indicating all require review and revision.

Employer awareness

It was suggested that there should and could be greater involvement from employers but that there was a need to promote the programme with employers via a cohesive marketing campaign co-ordinated by the Department.

Demand

The majority of employer respondents were satisfied that candidates met their expectations, most considered that StW met their business needs and the majority were likely or very likely to participate on StW again.

Participants' views, expectations and satisfaction

Findings from a large scale participant survey indicated that the majority of respondents rated the programme positively over a range of dimensions including quality of support, advice and opportunities offered, usefulness of activities and work placement provision.

Employability

The majority of respondents thought that they would be better equipped to look for work but a smaller percentage of respondents suggested that they would actually do so.

Economically inactive

Survey results from current participants suggest the programme has had some positive impact on the employability of the economically inactive although a notable percentage of this cohort did not consider that their employability had increased. Consultation findings suggest that not all ESAs are using the more flexible and tailored support needed by those with significant barriers to employment.

Recommendations are made in relation to:

- Further monitoring of performance and monitoring of employment interventions in GB.
- Reviews specific aspects of provision.
- Considering the economically inactive and furthest from the labour market.
- ESA training.

1 Introduction

1.1 Introduction

The Department for Employment and Learning appointed KPMG to undertake an evaluation of the Steps to Work (StW) programme in order to:

- Better inform the Department on the effectiveness, efficiency and equity of the programme.
- Examine how it improves the employability of participants and how it has helped them progress into the labour market.
- Make recommendations, if appropriate, to improve the future performance of the programme.

1.2 Overview

The StW programme was introduced in Northern Ireland on 29th September 2008, succeeding the main New Deal programmes¹. The aim of StW is to assist people who are unemployed or economically inactive to find and sustain employment.

The programme is delivered as a three-step process:

- **Step 1** – Participants receive advice and guidance from Employment Service Advisers (ESAs) throughout the network of Northern Ireland JobCentres/Jobs & Benefits offices (JC/JBOs).
- **Step 2** – Longer term support consisting of work experience and work related training, as well as the opportunity to obtain nationally recognised qualifications or assistance for those interested in self-employment.
- **Step 3** – Follow up support and advice for mandatory participants who have not found work following completion of Step 2.

A detailed overview of the StW programme, the participant groups targeted and the features of each stage of the process is provided in Section 2 of this report.

1.3 Terms of reference

The objectives of this evaluation are to:

- Determine if StW actually drives out sustained employment outcomes in an effective and Value for Money way.

¹ New Deal continued to operate in the Department's Foyle and Lisnagelvin office areas (Contract Management Area 2) until June 2011 and therefore will not be covered by this Evaluation. Steps to Work was introduced in this area on 25th July 2011.

- Identify which aspects of the StW provision are working well and could be developed within the programme; and which areas of provision appear to be performing less effectively and require revision.
- Examine the effectiveness of the Step Ahead initiative, the temporary waged strand introduced due to the economic downturn. In particular, assess the impact this has had on participants' employability and the merit of its continued operation.
- Examine how effectively StW training and work experience provision is matched to the demand side of the local labour market.
- Examine the issue of deadweight, if any, within the employment outcomes of StW.
- Assess the extent to which employment has been sustained for 12 months or more.
- Assess the level of awareness/understanding of StW among the wider employer population.
- Assess how successful StW has been in meeting the employability needs of the economically inactive (Income Support, Incapacity Benefit, Employment and Support Allowance and non-benefit claimants).
- Examine the performance of StW against similar provision in GB.
- Collect and assess current participants' views to StW as a whole, to the various strands of StW, Employment Service Advisers (ESAs) and Contracted Providers.
- Examine the impact of StW on participants. Is there evidence that StW improves the employability of participants; has impacted on their motivation or job search activities; or has led to better/less focusing of participants to occupational areas suited to their aspirations and abilities; or are they more or less unlikely to look for work?
- Examine the extent to which StW has met the expectations of participants.
- Determine satisfaction levels of participants.
- When assessing performance account should be taken of any GB developments in relation to the Welfare to Work policy.
- Examine the extent to which ESAs are using/not using the more flexible and tailored support needed by those with significant barriers to employment.

Furthermore, this evaluation will also consider recommendations from the Public Accounts Committee (PAC) made in respect of the New Deal 25+ programme – specifically the following issues:

- The evaluation must contain advice/recommendations as to whether StW is proving to be sufficiently flexible to have a positive impact on those most excluded from the labour market. This issue must be fully considered.
- An examination of how providers' training and work experience provision is matched to the demand side of the local labour market.
- Examine the issue of deadweight, if any, within the employment outcomes of StW.

1.4 The need for this evaluation

This evaluation has been prompted by a number of factors, including:

- The StW programme has been in operation in Northern Ireland for approximately three years, having succeeded the main New Deal programmes, and to date there has been no formal evaluation.
- The introduction of the programme coincided with a notable increase in the unemployment register.
- The Step Ahead initiative was introduced due to the economic downturn and the Department for Employment and Learning wishes to assess its impact and the merit of its continued operation.
- In October 2009, the Northern Ireland PAC made a number of recommendations in respect of the New Deal 25+ programme and, while New Deal no longer operates², it is important to ascertain the extent to which PAC's recommendations have been applied to the StW programme.
- The Department's commitment to identify any improvements to government-funded schemes, ensure maximum impact for people who are unemployed and economically inactive and enhance Value for Money (VFM) of administrative procedures.

1.5 Methodology

The methodology was based on the following approach:

1.5.1 Project initiation

KPMG held a Project Initiation Meeting with the Department's Project Steering Group to discuss the scope and detail of the evaluation.

Following the Project Initiation Meeting, KPMG developed a detailed Project Initiation Document (PID). This contained a detailed project plan including milestones and reporting mechanisms.

1.5.2 Strategic context

KPMG undertook a desktop review of all relevant strategic documents and other relevant literature to ensure the evaluation team gained a properly informed perspective on the key issues to be addressed as part of this evaluation and to ensure the evaluation would take sufficient account of the wider strategic context.

1.5.3 Review of performance

KPMG undertook a review of various reports and performance and management information pertaining to the StW programme, including:

² Except in the Department's Foyle and Lisnagelvin office areas, up until June 2011, as indicated previously.

- The Department for Employment and Learning Key Performance Indicators (KPIs) and Department for Employment and Learning statistical information, including programme KPIs and the Statistical Bulletin Steps to Work (September 2011).
- Education and Training Inspectorate (ETI) Inspection Reports.
- NI labour market information, including key documents and reports from the Department and the Department of Finance and Personnel (DFP).

KPMG also compared StW performance against similar provision in GB i.e. Flexible New Deal (FND) and New Deal for Young People (NDYP) and New Deal 25+ (ND25+) for October 2008 to September 2009.

1.5.4 Consultation

KPMG undertook a comprehensive consultation exercise to assess the impact of the StW programme. Detailed discussion guides were developed and agreed with the Department for Employment and Learning Steering Group in advance and consultation was undertaken with the following key stakeholder groups:

- Department for Employment and Learning staff. This included:
 - Representatives from Programme Management and Development Branch (PMDB) and Regional Operations Support Branch (ROSB)
 - A sample of JC/JBO ESAs, Team Leaders and District Managers
 - Regional Managers
 - Representatives from the Department’s Quality and Performance Branch (QPB) and Financial Audit and Support Team (FAST).
- Education and Training Inspectorate (ETI) – interviews with representatives involved in inspecting Lead Contractors.
- Learning and Skills Development Agency – interview with a representative involved in supporting Lead Contractors.
- Lead Contractors - Interviews with the eight Lead Contractors delivering the programme across the nine Contract Management Areas.
- Employers - Telephone survey of 120 involved in StW.
- Participants – face-to-face interviews with 520 participants currently participating on StW.

1.5.5 Analysis

All information gathered was analysed in order to consider the efficiency and effectiveness of the programme.

1.5.6 Reporting

This report summarises the output from all stages of the fieldwork.

The following should be considered in relation to the tables and figures contained in this report:

- Percentages may not sum to 100 due to rounding.
- Percentages will sum to more than 100 for multiple response questions.
- Where the base cell is less than 100, the reader is asked to treat the results with caution.
- Base numbers may vary slightly as responses of 'don't know' and 'refusal' have been excluded.
- Weighted data is used when reporting on findings from the participant survey in order to take account of the over and under sampling by Steps.

The following should be considered in relation to the consultation findings contained in this report:

- Data from consultation interviews and focus groups has been categorised and analysed according to emerging themes. It is important to highlight that the views presented represent the commonly expressed views of stakeholders.
- In the main, key findings are reported where these were commented on, or expressed, by more than one consultee, or, in the case of a single comment, where this explains or elaborates further on commonly expressed views.
- It must be stressed that these findings are the comments and subjective views of stakeholders and we cannot verify their factual accuracy.
- Also, given the relatively small number of representatives consulted, care should be taken in the interpretation and assessment of qualitative findings.

1.6 Report structure

| Section | Content |
|------------|---|
| Section 2 | Overview of Steps to Work programme |
| Section 3 | Strategic context |
| Section 4 | Key statistical indicators |
| Section 5 | Consultation with Department for Employment and Learning management |
| Section 6 | Consultation with Department for Employment and Learning Advisers |
| Section 7 | Consultation with Lead Contractors |
| Section 8 | Consultation with employers |
| Section 9 | Consultation with participants |
| Section 10 | Conclusions and recommendations |

1.7 Acknowledgements

KPMG would like to thank those who have contributed to this evaluation report, particularly participants on the StW programme, employers participating in StW, Lead Contractors supporting the delivery of StW and Department for Employment and Learning staff.

2 Steps to Work programme

2.1 Introduction

This Chapter provides an overview of the StW programme, outlining the targeted participants and contract delivery arrangements. It also provides a brief overview of provision in Great Britain (GB), and related performance data.

2.2 Overview of the Steps to Work programme

2.2.1 Overview and participants

The StW programme was introduced in Northern Ireland in late 2008 in all but one Contract area³. At the outset, StW was designed to meet the needs of two specific groups of clients:

Mandatory clients

JSA claimants aged between 18 and 24 are required to participate in Steps to Work when they:

- have been claiming Jobseeker's Allowance (JSA) continuously for six months or more; or
- would have had a continuous claim to JSA for a total of six months or more, but for:
 - a period of interruption which did not exceed 28 days, or
 - a number of periods of interruption none of which exceeded 28 days.

JSA claimants aged 25 or over are required to participate in Steps to Work when they:

- have been claiming JSA continuously for 18 months or more; or
- would have had a continuous claim to JSA for a total of 18 months or more, but for:
 - a period of interruption which did not exceed 28 days, or
 - a number of periods of interruption none of which exceeded 28 days; or
- have been claiming JSA cumulatively for 18 months out of the last 21 months.

Voluntary clients

StW offers access to provision to voluntary participants aged 18 or over (16 or over for lone parents) for those on Incapacity Benefit, Employment and Support Allowance, Income Support, other benefits, and those economically inactive not in receipt of benefits. There is no qualifying eligibility period.

³ New Deal continued to operate in the Foyle and Lisnagelvin office areas, being replaced by StW in July 2011.

Individuals on JSA who have not yet reached the threshold for mandatory participation may also avail of StW provision on a voluntary basis. Step 1 provision is available to individuals from their first day on JSA. Step 2 provision is available to individuals who have been claiming JSA for 13 weeks or more. Furthermore, access to StW provision is available to those on the Department for Employment and Learning's Pathways to Work and progress2work programmes (the progress2work programme was subsumed within the Department's Local Employment Intermediary Service (LEMIS) from April 2011).

2.2.2 Programme design

The programme is designed to offer a flexible menu-based approach with a focus on assisting customers into sustained employment. The menu-driven approach allows provision to be tailored to suit the needs of the individual and focuses on maximising their employability. This means that a key component to the success of StW is the ability of ESAs to assess and identify the customer's barriers to employment, and for ESAs to use their knowledge, skills and discretion in agreeing with the participant the best way of addressing these barriers.

The key features of the flexible provision include:

- It's modular base, giving the Adviser discretion to 'mix n match' from a range of provision and flexible duration of voluntary participation to suit each individual's requirements.
- Accessibility to all economically inactive benefit claimants and non-benefit customers who are wishing to commence or return to work.
- Voluntary participation without the threat of sanctions (excluding Employer Subsidy), except for those JSA claimants who have a mandatory requirement to participate.
- The ability of Incapacity Benefit, Employment & Support Allowance, Income Support and other benefit customers to remain on their benefit while participating on StW.
- A weekly Training Allowance/Bonus offered as a financial incentive for all participants participating in Step Two provision of StW (excluding participants on the Step Ahead waged strand).

The StW programme comprises of three steps:

Step 1

Step 1 consists of a period of up to 16 weeks during which participants can avail of advice and guidance from an Employment Service Adviser based in a JC/JBO with the primary aim of helping them find work at the earliest opportunity. During this time, participants normally attend a two-week course called Core Gateway to develop confidence and motivation, and improve job search skills. Participants may also avail of a selection of other provision including short accredited training courses while on Step 1.

Step 2

Step 2 offers a wide range of longer-term support to find work. Participation on Step 2 strands generally lasts between 13 weeks and 52 weeks and normally requires attendance of 30 hours per week. Mandatory participants are required to participate in Step 2 for a minimum period of 13 weeks⁴. During Step 2 JSA, claimants receive Benefit Based Training Allowance (BBTA) equivalent to their former rate of JSA plus a top-up of £15.38 per week. All other participants receive a Training Bonus of £15.38 per week in addition to any benefits which are currently in payment. The following strands are delivered under Step 2:

- **Back to Work:** This lasts up to 13 weeks⁵ and consists of work experience as well as the opportunity to undertake relevant work-related training.
- **Employer Subsidy:** This is a financial incentive paid to an employer for the first 26 weeks of a participant's employment, with the aim of giving them the opportunity of a permanent job.
- **Essential Skills:** This element can last up to 26 weeks and focuses on improving participants' skills in reading, writing, numeracy or ICT, as well as helping them to gain a qualification whilst undertaking work experience.
- **NVQs:** Under this strand, participants had the opportunity to undertake a full NVQ in certain occupational areas at level 2 and with funding for up to 52 weeks. This strand was withdrawn in April 2011. However, any participant who had commenced an NVQ through StW by this date was able to complete the programme and qualification.
- **Qualifications:** Participants can undertake a VRQ at level 2 or 3, for up to a maximum of 26 weeks. The VRQ is normally undertaken along with a period of relevant work experience.⁶

Participants may also have up to 26 weeks to complete remaining units of an NVQ at level 2 or level 3 where these will contribute to the achievement of a full NVQ.

- **Graduate Acceleration Programme (GAP):** This provision is delivered within the qualifications strand and is targeted specifically at unemployed graduates. GAP aims to equip graduates who have been unable to find work in the current economic climate with the skills and experience needed by potential employers.
- **Self-Employment (Test trading):** Participants interested in setting up their own business are provided with the opportunity for up to 26 weeks Self-Employment 'Test trading' (a period to try out their business idea) with support and guidance from an organisation experienced in self-employment issues. Test trading is only available to those in receipt of benefits.
- **Step Ahead:** This is a temporary initiative, introduced in September 2009 in response to the economic downturn. It offers the long term unemployed and economically

⁴ This strand was reduced to a maximum of eight weeks from October 2011.

⁵ Ibid.

⁶ This strand was revised in October 2011 to align it with qualifications on the Qualifications and Credit Framework.

inactive who have been in receipt of benefits for 30 months or more temporary waged employment within the voluntary/community sector for up to 26 weeks.

- **Specialist Support:**
 - **Enhanced Support** is intended to provide one to one support for participants to help them overcome barriers or issues which may prevent them from gaining maximum benefit from their time on Steps to Work. Enhanced Support is delivered alongside any of the Step 2 strands of StW (other than Self-employment test trading). It is also available to those who find work to help ensure they sustain that employment.
 - Support is also provided to those with **previous work history or experience in the music industry** who are looking for a job in that occupational area. A Music Industry Adviser will provide the participant with advice and guidance regarding employment within the music industry. Similar to Enhanced Support this is not a stand-alone provision but is delivered alongside, and in addition to, another strand of Step 2 provision.

Step 3

All mandatory participants who have not found work following completion of Step 2 progress to Step 3 for six weeks. The aim of Step 3 is to provide follow up support and advice. During Step 3, participants may access a range of provision such as Core Gateway modules or Short Accredited Training Courses (SATCs) which they have not availed of during Step 1. The Employer Subsidy, Step Ahead and In-Work Enhanced Support strands are also available under Step 3 for participants who did not access these during their participation on Step 2.

2.2.3 Programme revisions

Since the commencement of StW, the Department has embarked on a constant programme of revisions and refinements to StW. These changes have been in response to the following:

- The economic climate - for example, the introduction of the Step Ahead initiative.
- Following consultation and feedback from staff in local JC/JBOs and in Lead Contractors – for example revisions to Core Gateway and SATCs.
- Other reviews – for example, an internal review of GAP.

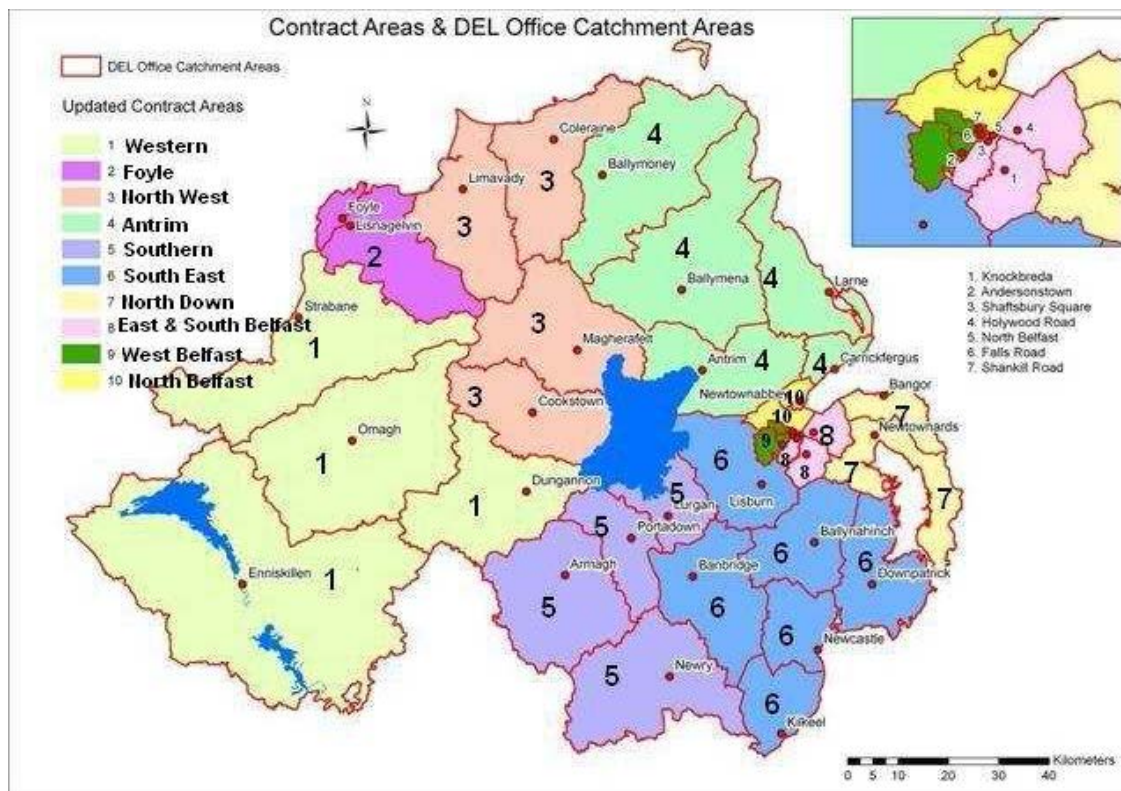
2.2.4 Programme delivery

Contract Management Areas

The StW programme is delivered by nine Lead Contractors across 10 Contract Management Areas (CMAs) throughout Northern Ireland, as indicated in Figure 1.

This was a fundamental shift in delivery model from 147 separate contracts for delivery of previous New Deal provisions to 10 contracts for StW.

Figure 1 Steps to Work Contract Management Areas



As noted previously, until June 2011, New Deal was still in operation within the Foyle CMA, leaving nine CMAs where StW was delivered over the period covered by this evaluation. For the purposes of this evaluation, the relevant areas and the Lead Contractors associated with each are listed in Table 1.

Table 1 Lead Contractor areas

| Contract Management Area | Lead Contractor |
|--------------------------|--------------------------------|
| Antrim ⁷ | TWL Training |
| Belfast (South and East) | TWL Training |
| Belfast (North) | North City Training |
| Belfast (West) | Springvale Learning |
| North Down | South Eastern Regional College |
| North West | Network Personnel |
| South Eastern | People 1 st |
| Southern | Wade Training |
| Western | South West College |

2.2.5 Contract arrangements

Lead Contractors receive funding from the Department for Employment and Learning for various aspects of StW provision, with a focus towards receiving output related funding (ORF) in respect of participants entering sustained employment. A brief overview of the key relevant aspects of the funding model is indicated below.

Step 1 provision

- **Core Gateway:** £40 daily rate.
- **Short Accredited Training Courses:** £30 daily rate plus travel expenses. Courses exceeding this can receive additional funding upon agreement by the District Manager, up to a maximum of £2,000.
- **Self-Employment Awareness Session:** £25 for each participant.
- **Go for it programme:** funding ranging from £50 - £150 for each participant.
- **Music Industry Adviser:** £150 for each participant.

Step 2 provision

- **Back to Work**
 - Start Fee of between £430 and £570, depending on period of time which participant has been referred to attend provision (up to 13 weeks)
 - Stage Payment of between £150 and £580 after six weeks of provision, again dependent on duration

⁷ TWL Training's contracts for Antrim and Belfast (South and East) ceased in June 2011. They were replaced in Antrim by A4e (Action for Employment) and in Belfast (South and East) by North City Training. Furthermore, North West Regional College (NWRC) was awarded the first StW contract for the Foyle Contract Management Area in July 2011.

- Output Related Funding of £1,000 for participants moving into employment within 13 weeks of leaving Back to Work and sustaining for a minimum of 13 weeks. A further £500 is received if sustained for a minimum of 26 weeks.
- **Essential Skills/Qualifications/Self-Employment**
 - Start Fee of £1,150 after four weeks attendance.
 - Stage Payment of £800 (Essential Skills)/ £550 (Qualifications and Self-Employment) after 13 weeks.
 - Output Related Funding is the same as that in Back to Work, with an additional £400/ £500 for achievement of the relevant qualification.
- **In Work Enhanced Support**
 - Start Fee of £300(pre-employment and in work)/ £150 (depending on whether received pre-employment support)
 - Stage Payments of £150 after 6, 12 and 18 weeks.

Other relevant issues

- **Childcare costs:** In some cases, these are eligible and Lead Contractors can arrange to pay the carer directly, subsequently reclaiming from the Department for Employment and Learning.
- **Travel costs:** Lead Contractors are responsible for the payment of weekly travel costs in excess of £4 to participants on Step 2 provision. Participants on the Self-Employment strand of Step 2 are not entitled to claim travel costs. Lead Contractors are paid a contribution to weekly travel costs for each participant on Step 2 provision.

2.3 Employment interventions and welfare reform in Great Britain

There have been significant and fundamental changes in employment intervention and wider welfare reform in Great Britain.

Flexible New Deal (FND) was introduced in October 2009 in half of GB's Jobcentre Plus districts to replace a range of New Deals for specific target groups. FND provided personalised employment support for up to 12 months (with the option of a six-month extension) to jobseekers who had been unemployed for 12 months, with some jobseekers entering FND earlier.

However, employment intervention underwent substantial change again in June 2011 following the introduction of the Work Programme which meant that FND and all existing New Deal provision were phased out. Indeed, New Deal programmes were seen to suffer from being too fragmented, with over-specified interventions and poor incentives which allowed providers to stay in business without delivering strong results.

The Work Programme was designed to address these weaknesses. The Department for Work and Pensions (DWP) states that the following main principles are at the heart of the Work Programme:

- Clear incentives to deliver results. Service providers are paid almost entirely for results which are defined as sustained job outcomes for participants and there are higher rewards for finding sustained employment for hard to help participants.
- Freedom for service providers. Local providers have been given new freedom to identify the most effective approach without prescription from government on the basis that they are best placed to identify the most effective way of helping people into sustained work. Furthermore, requirements for providers have been minimised as far as possible which is expected to facilitate them to be innovative and focus their resources where it will do most good.
- A long-term commitment. Contracts are for a five-year period to enable providers to develop and build long term partnerships with their local providers, and other partners, including local government.

The Work Programme represents a steep change for Welfare to Work through a number of developments including greater freedom for providers to tailor support to individual needs and an almost exclusively output related funding model.

More broadly, in Great Britain, the Coalition Government is implementing significant change to welfare, having concluded that work incentives are poor, and the welfare system is too complex. This entails three core components:

- Welfare Reform Bill 2011 – this introduces a wide range of reforms to make the benefits and tax credits system fairer and simpler by creating the right incentives to get more people into work by ensuring work always pays.
- Personal Independence Payment- this proposes to replace Disability Living Allowance for people of working age with a new benefit, Personal Independence Payment, from 2013.
- Universal Credit – this is a major feature of the Welfare Reform Bill which aims to simplify the current benefits system to make work pay.

It is too soon to comment on performance on the Work Programme but performance data is available for FND and NDYP and ND25+ for October 2008- September 2009 and is detailed in Table 2 and Table 3.

Table 2 Flexible New Deal performance

| Period | Starts | Short job outcomes ⁸ | % | Sustained job outcomes ⁹ | % |
|-------------------------|---------|---------------------------------|-----|-------------------------------------|-----|
| 5 Oct 2008 - 4 Oct 2011 | 407,690 | 75,250 | 18% | 49,740 | 66% |

Source: Delivery Directorate Report (November 2011)
<http://statistics.dwp.gov.uk/asd/index.php?page=ddfnd>

Table 3 Immediate destination¹⁰ on leaving New Deal in GB (October 2008-September 2009)

| Period | Leavers | Total employment | % |
|----------------------|---------|------------------|-----|
| Oct 2008 - Sept 2009 | 330,150 | 76,360 | 23% |

Source: Occasional Paper - Improving Steps to Work Statistics, 2011 (Table 10)
<http://www.delni.gov.uk/occasional-paper-improving-steps-to-work-statistics.pdf>

Official data from DWP indicates that over a sixth of participants (18%) commencing FND moved into sustained employment for at least 13 weeks, of which two-thirds (66%) sustained this employment for at least 26 weeks. Table 3 indicates that almost a quarter (23%) of leavers from NDYP and ND 25+ for October 2008 to September 2009 had an immediate destination of employment.

It remains to be seen if the Work Programme achieves greater performance than the New Deal programmes.

2.4 Summary and conclusions

KPMG notes the following:

- StW is now the main Department for Employment and Learning programme aimed at getting participants back into employment, having succeeded the previous New Deal programmes in most contract areas since September 2008 and is now in all contract areas from July 2011.
- StW is an employment focussed programme aimed at the unemployed and economically inactive and the elements contained within the programme are designed to offer a flexible menu-based approach with the ultimate aim of supporting participants into paid sustained employment.

⁸ Short job outcomes are defined as those jobs that have lasted 13 weeks with a minimum of 16 hours each week. Only one short job outcome can be claimed by any one provider during the participant's time on provision.

⁹ Sustained job outcomes are jobs of a minimum of 16 hours per week in employment for at least 26 weeks out of 30 with breaks in employment totalling four weeks or less.

¹⁰ GB immediate destination statistics only include employment and benefit spells which started within 14 days of leaving New Deal.

- The programme is delivered by nine Lead Contractors (following the appointment of NWRC), who are measured against targets set by the Department, with the emphasis being on securing paid sustained employment for the participant.
- There has been a fundamental shift in the Northern Ireland delivery model from 147 separate contracts for delivery of previous New Deal provisions to 10 contracts which has enabled the Department and Lead Contractors to work more effectively in partnership.
- Funding is based on an ORF model which reinforces the aims of the programme and ensures Lead Contractors are paid on results rather than activities. Further analysis of the statistics and measurements gathered by the Department is included at Chapter 5 of this report.
- There have been significant and fundamental changes in employment intervention and wider welfare reform in GB, with FND being replaced by the Work Programme and proposed changes to the benefits and tax credits system including the introduction of the Universal Credit, all designed to make work pay. This represents radical changes to employment intervention and the welfare system which aims to make work pay and where service providers are paid almost entirely for results. However, it is too soon to comment on the success or impact of these changes.

3 Strategic context

3.1 Overview

This chapter outlines the strategic fit of the StW programme with various employment-related Northern Ireland policies and strategies.

The following were reviewed:

| Section | Publication |
|---------|---|
| 3.2 | Northern Ireland Executive – Programme for Government 2008 – 2011 |
| 3.3 | Department for Employment and Learning – Corporate Plan (2008 – 2011) |
| 3.4 | Department for Employment and Learning – Success Through Skills – Transforming Futures (2011) |
| 3.5 | Lifetime Opportunities – Government’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland |
| 3.6 | Northern Ireland Assembly Public Accounts Committee – Report on Review of New Deal 25+ (2009) |

3.2 Northern Ireland Executive – Programme for Government 2008 – 2011

The Programme for Government 2008 – 2011 (PfG) in Northern Ireland outlined the Northern Ireland Executive’s priorities and the actions to be implemented in order to deliver progress in each identified priority area. It set out how policies and programmes delivered by different departments and agencies could be best combined to achieve agreed priorities.

The mission of the Northern Ireland PfG 2008-2011 was as follows:

“Our over-arching aim is to build a peaceful, fair and prosperous society in Northern Ireland, with respect for the rule of law and where everyone can enjoy a better quality of life now and in years to come. To achieve this we need to pursue an innovative and productive economy and a fair society that promotes social inclusion, sustainable communities and personal health and well-being. We must also do this in ways that protect and enhance the physical and natural environment and use resources as efficiently and sustainably as possible.”

The Executive identified the following five priorities within the PfG:

- Growing a dynamic, innovative economy.
- Promote tolerance, inclusion, health and well being.

- Promote and enhance our environment and natural resources.
- Invest to build our infrastructure.
- Deliver high quality public services.

Of specific relevance to the StW programme was the PfG's first priority – i.e. Growing a Dynamic, Innovative Economy. Under this priority, the PfG noted a need to:

“...address problems of economic inactivity and ill-health amongst the working age population and promote greater employment opportunities in rural areas and disadvantaged communities.”

In delivering the PfG's five priorities, the Executive developed a framework of 23 Public Service Agreements (PSAs), outlining the actions, outcomes and targets in relation to the five priorities. Of specific relevance to the StW programme were the following:

- **PSA 2 – Skills for Prosperity:**

“Ensure our people have the right skills to deliver economic prosperity now and in the future and increase skills and career choices in STEM¹¹ subjects”.

- **PSA 3 – Increasing Employment:**

“Subject to economic conditions, increase employment levels and reduce economic inactivity by addressing the barriers to employment and providing effective careers advice at all levels”.

- **PSA 7 – Making Peoples' lives better:**

“Drive a Programme across Government to reduce poverty and address inequality and disadvantage”.

These PSAs outlined a number of actions, outcomes and targets which provided a policy rationale for the StW programme. These included areas such as improving the skill levels of the workforce, increasing skills and career choices in STEM subjects, delivering a high quality employment service and helping people return to work. In relation to PSA 3, this included an action to evaluate the StW pilot schemes. Furthermore, the StW programme, with a focus on the unemployed and economically inactive, was clearly aligned with PSA 7.

3.2.1 Programme for Government 2011-2015

On 17 November 2011, the First Minister and deputy First Minister published the draft Programme for Government 2011-2015 for consultation.

It aims to highlight the actions the Executive will take to deliver their number one priority – a vibrant economy which can transform our society while dealing with the deprivation and poverty which has affected some of our communities for generations.

¹¹ STEM subjects are: Science, Technology, Engineering and Maths

- Growing a Sustainable Economy and Investing in the Future
- Creating Opportunities, Tackling Disadvantage and Improving Health and Well-Being
- Protecting Our People, the Environment and Creating Safer Communities
- Building a Strong and Shared Community
- Delivering High Quality and Efficient Public Services.

In relation to employment, the draft PfG's key commitments include supporting the promotion of over 25,000 new jobs (Department of Enterprise, Trade and Investment (DETI)) and supporting people (with an emphasis on young people) into employment by providing skills and training (Department for Employment and Learning).

Currently, the Executive is seeking the public's views on the draft document, with a deadline of 22 February 2012 for responses.

3.3 Department for Employment and Learning Corporate Plan (2008 – 2011)

The Department for Employment and Learning Corporate Plan (2008 – 2011) covered much of the same period as this evaluation and outlines the work of the Department and how it aligns with the Northern Ireland Executive's PfG for the same period.

Within this Corporate Plan, the Department outlined its vision for a *"...dynamic, innovative and sustainable economy where everyone achieves their full potential"*.

The Corporate Plan considered the Department's approach to areas including skills development, higher and further education and employment. Under employment, the Corporate Plan noted the Department's focus on assisting those who are economically inactive and those claiming Incapacity Benefit. At the time of the Corporate Plan being published, it was indicated that this focus was becoming more relevant as unemployment had been falling. (As Section 4 highlights, economic conditions have since changed).

The Corporate Plan referred to the trialling of the StW programme which was ongoing at the time of the Corporate Plan's publication. It was noted that StW was designed to be a *"...more flexible and targeted approach to helping clients prepare better for work"*.

The Corporate Plan also noted other areas of actions which were being taken and which are relevant in the context of the StW programme, such as the increase in intensity of Adviser training and the introduction of Employer Contact Managers to liaise closely with businesses.

The Department's focus on providing improved support to the economically inactive and hardest to reach within the labour market was noted in its conclusions on the relevant employment issues over the period 2008 – 2011:

“The period 2008 - 2011 is likely to see further significant change and development in this area. The focus on those who are unemployed and economically inactive to assist them into work will continue and it will be important to respond to the challenges by continuing to improve our service and develop provision which will target individuals’ barriers to work. More flexibility will be needed both in provision and how it is delivered.”

The StW programme was designed to align with aims and objectives indicated in the Department for Employment and Learning Corporate Plan and to assist in addressing the issues and challenges as outlined above.

Furthermore, the Corporate Plan noted that the Department for Employment and Learning would be the lead department on delivering PSA 2 (Skills for Prosperity) and PSA 3 (Increasing Employment) of the Executive’s Programme for Government.

3.4 Department for Employment and Learning Success through Skills – Transforming Futures (2011)

The Success through Skills Strategy looks at the current skills base, examines the skills needed in the future to grow the Northern Ireland economy and highlights areas for action. The document is a ten-year Strategy which sets out the long-term direction of travel by highlighting four strategic goals, namely:

- **Strategic goal 1:** Increase the proportion of those people in employment with Level 2 skills and above to 84-90% by 2020, from a baseline of 71.2% in 2008.
- **Strategic goal 2:** Increase the proportion of those people in employment with Level 3 skills and above to 68-76% by 2020, from a baseline of 55.6% in 2008.
- **Strategic goal 3:** Increase the proportion of those people in employment with Level 4-8 skills and above to 44-52% by 2020, from a baseline of 33.2% in 2008.
- **Strategic goal 4:** To increase the proportion of those qualifying from Northern Ireland Higher Education Institutions with graduate and post graduate level courses in STEM subjects (with an emphasis on physical and biological sciences, mathematical and computer science, engineering and technology) to 25 - 30% in 2020 from a baseline of 18% in 2008.

The Success through Skills Strategy outlines a number of challenges and issues which need to be addressed in the pursuit of these strategic goals, including the need to up-skill the labour force. Ensuring participants have the appropriate levels of skills to become more employable is a key aim of the StW programme and there are various elements of the programme where skills development is the primary objective.

Further to the above, the Strategy indicates the five broad themes under which the required actions are to be taken, all of which are relevant to the StW delivery:

- Understanding the demand for skills;
- Improving the quality and relevance of education and training;

- Improving productivity by increasing the skill levels of the workforce;
- Tackling the skills barriers to employment and employability; and
- Engaging stakeholders.

3.5 Lifetime Opportunities – Government’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland

Lifetime Opportunities is government’s Anti-Poverty and Social Inclusion Strategy for Northern Ireland. It was launched in November 2006 and replaces the previous anti-poverty and social inclusion strategy - New Targeting Social Need.

The Strategy highlights a number of challenges including eliminating poverty and social exclusion and tackling Area Based Deprivation.

It specifically identifies the challenge of tackling inequality in the labour market, by creating employment as a route out of poverty and promotes equality of opportunity for all in accessing employment. Indeed the Strategy claims “inequalities in the labour market persist, including those based on religion, gender and disability. Policy and legislation must be used as a means of removing barriers to participation in the labour market”. A key commitment within the Strategy is therefore to work towards providing support to address barriers to employment for every unemployed or economically inactive person who wants it.

3.6 Northern Ireland Assembly Public Accounts Committee – Report on Review of New Deal 25+ (2009)

In 2009, the Public Accounts Committee (PAC) of the Northern Ireland Assembly produced a report reviewing New Deal 25+. New Deal 25+ was a mandatory ‘welfare to work’ programme established in 1998 and which aimed to help long-term unemployed adults, aged 25 and over, to improve their employability and get into work. The programme, which offered work experience and training, had three stages:

- **Gateway** – a period of initial assessment and job search, lasting up to four months;
- **Options** – a period of training and/or work experience, lasting up to six months; and
- **Follow-through** – a further period of job search, lasting up to six weeks.

By the end of March 2007, some 74,000 participants had passed through ‘New Deal 25+’, at a cost of around £69 million to the Department.

The PAC report indicated that New Deal 25+ brought a number of benefits to the long-term unemployed, while also noting that the overall employment impact of the programme was very limited and often short-lived. It noted that one of the main weaknesses of ‘New Deal 25+’ was its “one size fits all” approach. Consequently, the programme failed to address the specific barriers to employment experienced by many participants at an individual

level. As a result, the employment outcomes for the programme, which were its primary aim, were very modest – on average, only 18 percent of leavers found a job.

The PAC report noted that the StW programme was in the process of being developed and it highlighted the importance that StW was to be more flexible than New Deal 25+ and allow for more tailored support for participants. As such, the PAC included a number of recommendations within its report which it believed would assist in ensuring future schemes, such as StW, would achieve better employment outcomes and value for money than New Deal 25+. These recommendations are outlined in Table 4.

Table 4 PAC recommendations

| No. | Recommendation |
|-----|--|
| 1 | The Department’s performance in getting ‘New Deal 25+’ participants into unsubsidised employment was very disappointing. However, the Committee welcomes the more challenging employment target that has been set for StW and recommends that the Department includes, as an objective, a progressive annual increase in employment outcomes, over the life of the programme. |
| 2 | The Committee recommends that the Department carries out research to determine the net economic impact of Steps to Work, to assess whether the benefits to the taxpayer of getting people into work through the programme are greater than the costs of doing so. |
| 3 | It is a matter of concern that a significant level of deadweight may exist within the employment outcomes of Steps to Work. The Committee recommends that the Department carries out research into this issue, with a view to determining the actual employment impact of the new programme. |
| 4 | The shortcomings in the Department’s performance measurement of ‘New Deal 25+’ undermined its ability to effectively manage and report on the programme. This must not be replicated in ‘Steps to Work’. The Committee recommends that the Department ensures as a matter of urgency that, for its new programme, it has a fully comprehensive and consistent set of performance measures and that these are publicly reported on a regular basis. |
| 5 | The substantial level of unknown destinations of leavers, which undermined the evaluation of ‘New Deal 25+’, must not be allowed to develop under Steps to Work. The Committee recommends that the Department takes immediate steps to obtain the required data from the Social Security Agency and HM Revenue and Customs. If necessary, this should include raising, at ministerial level with HMRC, the difficulty of obtaining information from that Department. |
| 6 | The Committee recommends that, in order to obtain a more meaningful assessment of the extent to which StW results in sustained employment, the Department measures the level of job outcomes more frequently, over a |

| No. | Recommendation |
|-----|---|
| | significantly longer period than six months. |
| 7 | The Committee recommends that the Department regularly benchmarks the StW programme with similar programmes in Great Britain, working around any differences in methodologies or approaches as required. The Committee would also like the Department to set, as an objective, a significant reduction in the differential in employment outcomes compared with Great Britain. |
| 8 | The Committee notes the Department’s assurances that StW can provide the more flexible and tailored support needed by those with significant barriers to employment. The Committee recommends that the Department establishes an effective monitoring and evaluation regime to ensure that the greater flexibility offered by StW is actually working in practice and having a positive impact on those most excluded from the labour market. |
| 9 | If the Department is to meaningfully progress the essential skills issue in Steps to Work, it has to establish the extent of the problem and do so as a matter of urgency. It must also make a much greater effort to promote the uptake of essential skills than was evident in ‘New Deal 25+’. The Committee recommends that the Department reviews its procedures in this regard, with a view to ensuring that all participants with essential skills needs receive the relevant training and support. |
| 10 | It is clear that much remains to be done by the Department to overcome the barriers to employment experienced by many of the long-term unemployed. The Committee recommends that the Department, in conjunction with DSD, undertakes research into the nature of the “benefits trap” within Steps to Work, determines the extent to which it is impacting on the programme, and considers how best it can be eliminated. |
| 11 | It is unsatisfactory that the poor performance of several Consortia was accepted without effective challenge. The Committee recommends that the Department adopts a more rigorous approach in managing provider contracts under StW including, where necessary, the replacement of poor performers. The Committee also recommends that contract extensions are given in exceptional circumstances only, and are subject to the proven ability of the provider to meet the standard. |
| 12 | The Committee recommends that the Department increases the level and breadth of employer engagement in Steps to Work. As an essential element of this, the Department must look afresh at how it can best counter the negative perceptions of many employers about the long-term unemployed. |
| 13 | If StW is to enjoy greater success than ‘New Deal 25+’, it must engage with those sectors where there are genuine employment opportunities. The Committee recommends that the Department closely monitors how its training and work experience provision is matching up with the demand side of the labour market. |

| No. | Recommendation |
|-----|--|
| 14 | The Committee finds that some employers appeared to use 'New Deal 25+' as a source of low cost labour, rather than filling vacancies on a permanent basis. The Committee recommends that the Department takes action to prevent a similar situation developing within Steps to Work. |

4 Labour market conditions

4.1 Overview

This chapter outlines the prevailing labour market conditions in Northern Ireland prior to, and since, the introduction of StW.

It also draws comparisons between Northern Ireland's performance in the labour market against that of the UK in general and of certain regions in the UK which are regarded as similar in nature to Northern Ireland. As an indicator, the North East (NE) region has been selected, as its economic profile is most similar to NI's.

4.2 Labour market conditions

The Department of Finance and Personnel (DFP) reports on key labour market statistics through, for example, the Labour Force Survey (LFS) and the claimant count. Findings from these are the primary source of data for the purpose of this section of the evaluation.

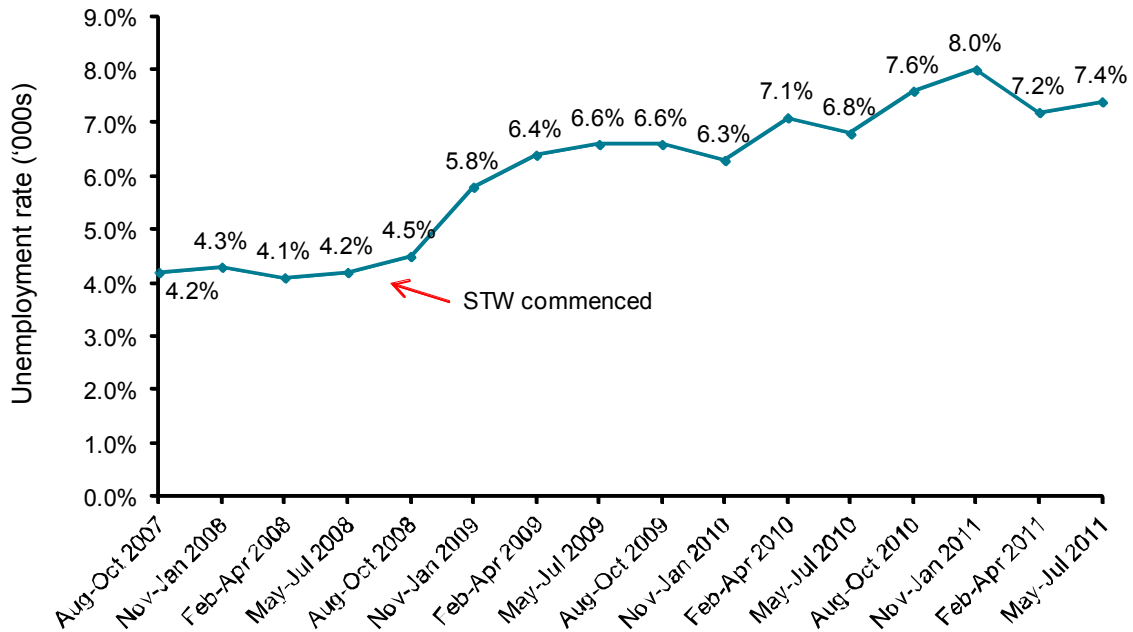
The LFS is a quarterly sample survey providing information on labour market structure, employment/unemployment, economic activity and groups within the labour market. The claimant count records the number of people claiming unemployment-related benefits. The series has been used as a main indicator of labour market activity since the 1970s and figures are derived from records of claimants held at Jobs & Benefits offices/Social Security Offices.

The following sub-sections present key information and statistics in relation to the Northern Ireland labour market in recent times, before, during and after the introduction of StW in late 2008.

4.3 Northern Ireland unemployment rate

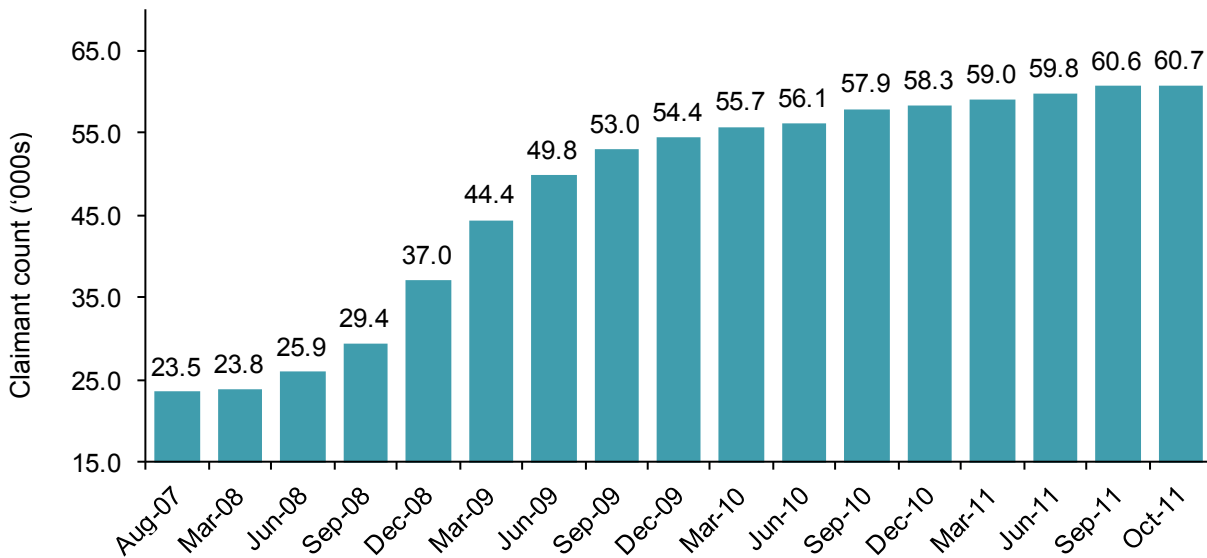
Figure 2 indicates the rate of unemployment in Northern Ireland over the four-year period from August 2007 to July 2011 while Figure 3 presents the claimant count from August 2007 to October 2011.

Figure 2 NI unemployment rate (seasonally adjusted)



Source: DFP Labour Force Survey

Figure 3 NI claimant count (seasonally adjusted)



Source: NOMIS

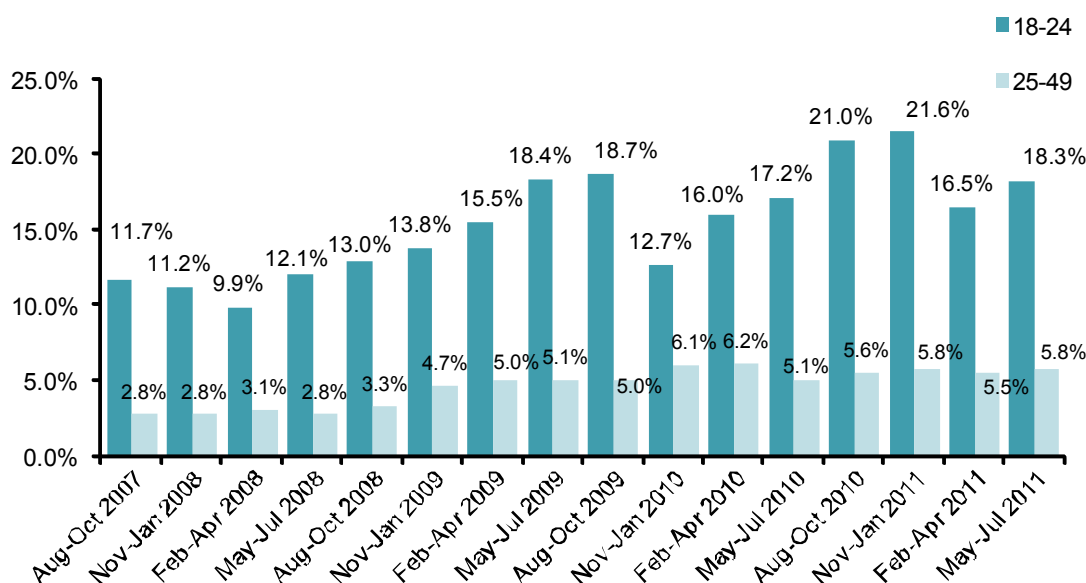
Salient points to be noted from the above:

- Unemployment was relatively steady in the 18 months leading up to the commencement of the StW programme, fluctuating at around 4%.
- The economic downturn was beginning to take effect, with the UK economy officially going into recession in the fourth quarter of 2008. This coincided with the commencement of the StW programme in late 2008.
- The impacts of this downturn are therefore reflected in the increase in unemployment rates in Northern Ireland, with rates rising rapidly, to a peak of 8.0% in the period November 2010–January 2011. Unemployment was 7.4% for July–September 2011.
- Over the same period, the Northern Ireland claimant rate increased from approximately 24,000 claimants at the commencement of the StW programme to over 60,000 claimants, an increase of 150%.

4.4 Northern Ireland unemployment rate, by age group

Figure 4 indicates unemployment in Northern Ireland over the four-year period from August 2007 to July 2011, split across the 18-24 and 25-49 age groups.

Figure 4 NI unemployment rate, by age group (not seasonally adjusted)



Source: DFP Labour Force Survey

Salient points to be noted from the above:

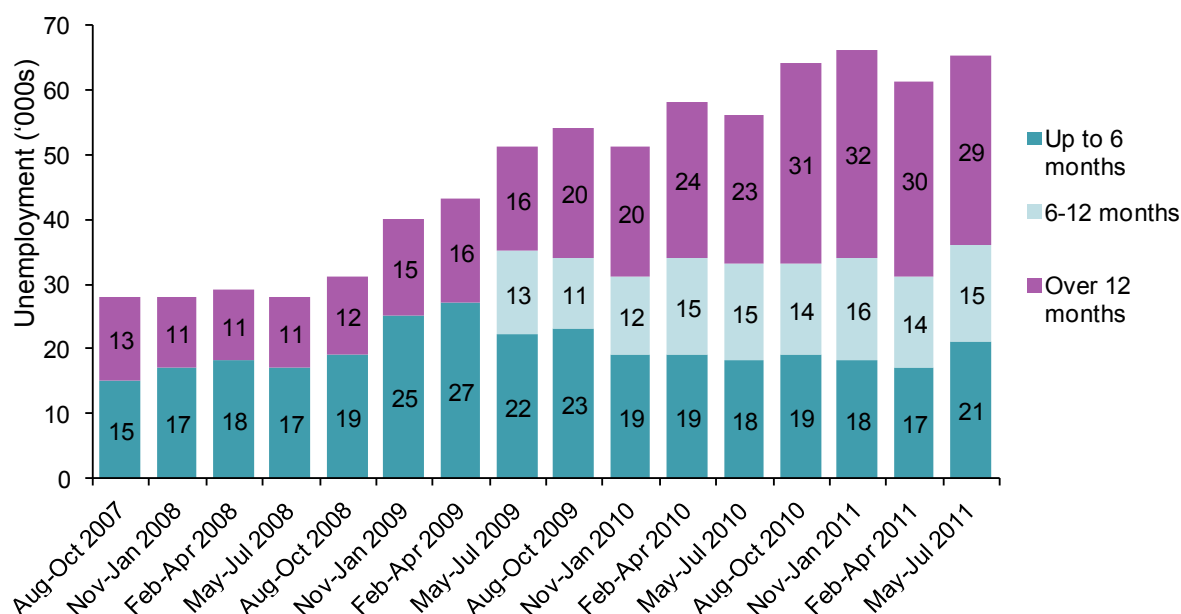
- Unemployment rates have been considerably higher among the 18-24 age group when compared to the 25-49 age group, over the four-year period considered.
- Unemployment in the 18-24 age group has risen considerably, from 13.0% in August–October 2008 to 18.3% in May–July 2011 (reaching a peak of 21.6% in November

2010–January 2011). The rise in unemployment coincided with the introduction of StW in late 2008.

4.5 Northern Ireland unemployment by duration

Figure 5 indicates unemployment in Northern Ireland over the four-year period, split by duration of unemployment.

Figure 5 Unemployment by duration (not seasonally adjusted)



Source: DFP Labour Force Survey

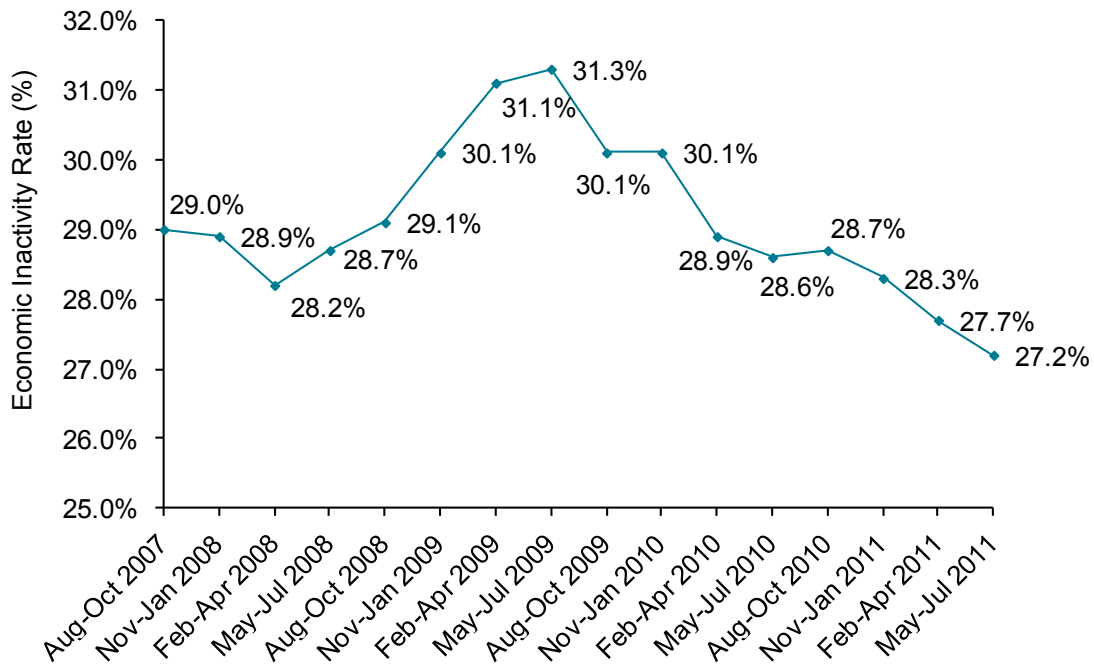
Salient points to be noted from the above:

- As well as displaying the general increase in unemployment over the analysis period, Figure 5 indicates that the long-term unemployed (LTU) (i.e. those unemployed more than 12 months) is now a greater proportion of the overall unemployed than was evident a few years ago.
During the quarter May- July 2011, of the approximately 60,000 unemployed in NI, circa 29,000 (around 48%) were unemployed for longer than 12 months.
- The actual number of those short-term unemployed (i.e. less than 6 months) has remained relatively stable over the period (around 15,000–20,000), excluding a notable fluctuation around the first half of 2009, where numbers reached almost 30,000.

4.6 Northern Ireland economic inactivity rate

Figure 6 indicates the economic inactivity rate (of those in the working age group 16 – 64) in Northern Ireland over the four-year period. The economically inactive are those people without a job who have not actively sought work in the last four weeks and/or are not available to start work in the next two weeks.

Figure 6 Economic inactivity rate



Source: DFP Labour Force Survey

Salient points to be noted from the above:

- As with the unemployment trends noted previously, the economic inactivity rate was relatively stable in the 18 months preceding the commencement of the StW programme.
- The level of economic inactivity increased considerably throughout the second half of 2008 and the first half of 2009, reaching a peak of 31.3% in May-July 2009.
- Since this peak, the economic inactivity rate has declined steadily to the recent level of 27.2% in May-July 2011.

4.7 Northern Ireland vacancies by occupational area

Table 5 indicates the level of notified vacancies¹² in Northern Ireland, by occupational area¹³, over the previous three financial years.

Table 5 Northern Ireland vacancies by occupational area

| SOC 2000 occupational area | 2008/09 | | 2009/10 | | 2010/11 | |
|--------------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
| | Total | % | Total | % | Total | % |
| Managers and Senior Officials | 3,016 | 4% | 2,436 | 4% | 2,305 | 5% |
| Professional | 1,685 | 2% | 2,219 | 4% | 1,694 | 3% |
| Associate Professional and Technical | 10,265 | 14% | 6,655 | 12% | 5,034 | 10% |
| Administrative and Secretarial | 6,428 | 9% | 4,101 | 7% | 3,919 | 8% |
| Skilled Trades | 5,998 | 8% | 4,243 | 8% | 4,442 | 9% |
| Personal Service | 6,957 | 10% | 5,749 | 10% | 5,779 | 12% |
| Sales and Customer Service | 18,300 | 25% | 14,786 | 27% | 11,842 | 24% |
| Process, Plant & Machine Operatives | 4,454 | 6% | 3,042 | 6% | 3,353 | 7% |
| Elementary ¹⁴ | 16,082 | 22% | 11,604 | 21% | 10,711 | 22% |
| Total | 73,185 | 100% | 54,835 | 100% | 49,079 | 100% |

Source: Department for Employment and Learning Vacancies Statistical Bulletin, August 2011

Salient points to be noted from the above:

- Notified vacancies fell in all occupational groups from 2008/09 to 2010/11, with the exception of the Professional occupational area, where the number of vacancies rose in 2009/10, before dropping back to near its initial level in 2010/11.
- Each occupational area maintained a relatively constant proportion of the total over the three-year period.
- The two occupational areas of Sales and Customer Service and Elementary accounted for almost half of all vacancies across each of the three years under consideration.

¹² Vacancies notified are all vacancy positions notified and added to JC/JBOs. Notified is subdivided by financial years which run from 1st April to 31st March.

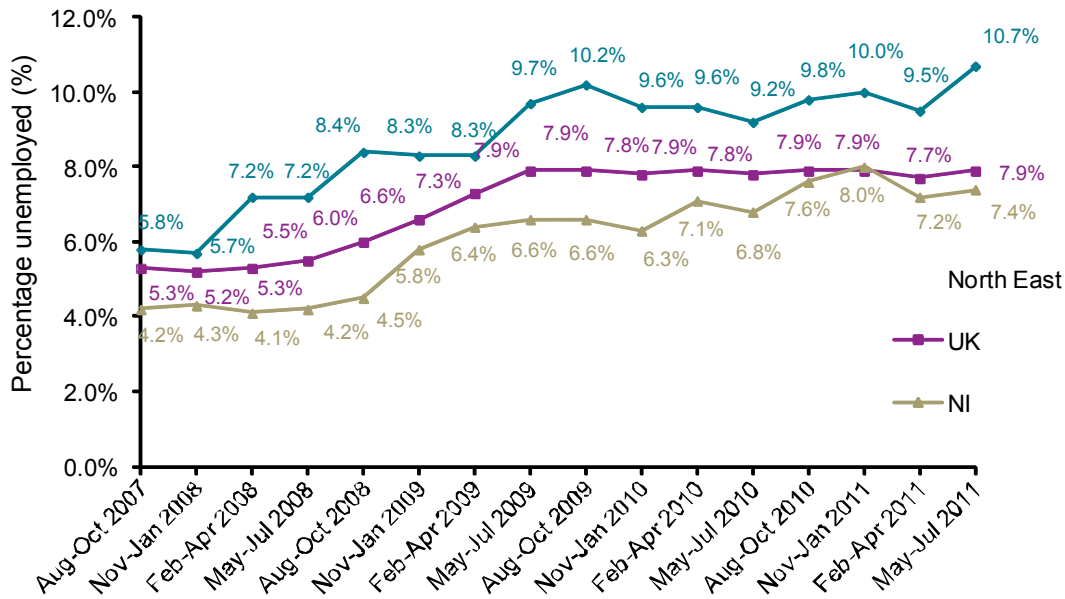
¹³ As per Standard Occupational Classification 2000 (SOC 2000)

¹⁴ Elementary Occupations generally require education to be completed to compulsory level and include jobs such as cleaning and bar work.

4.8 National comparisons

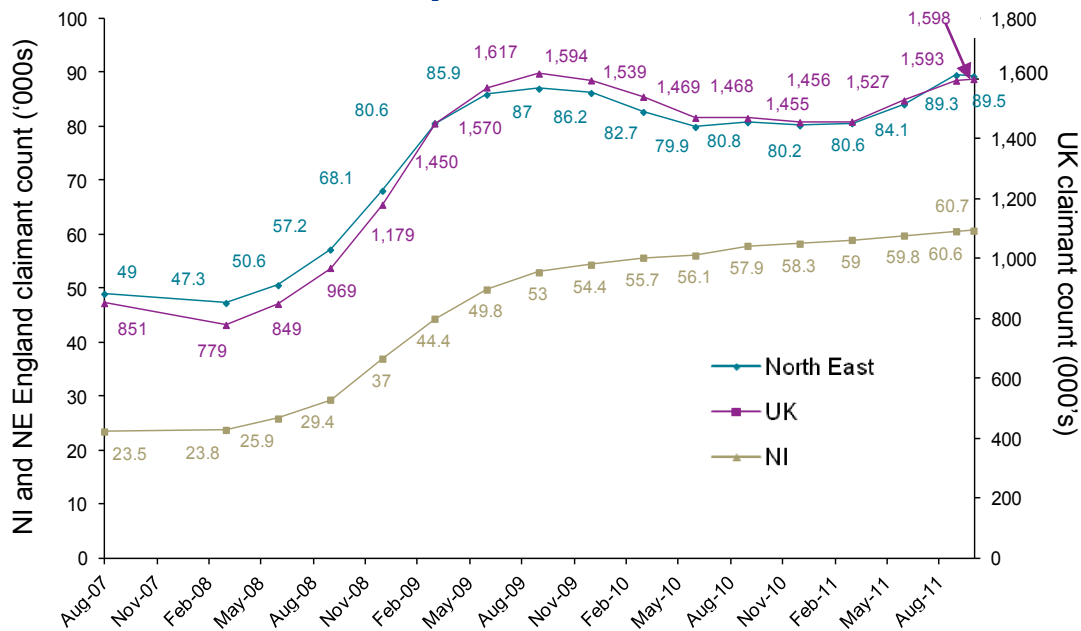
Figures 7 and 8 indicate the relative unemployment rates and Figure 9 indicates the inactivity rates in the UK, NI and the North East of England over the four-year period from August 2007 to July 2011 and claimant counts to October 2011.

Figure 7 Unemployment rate comparisons



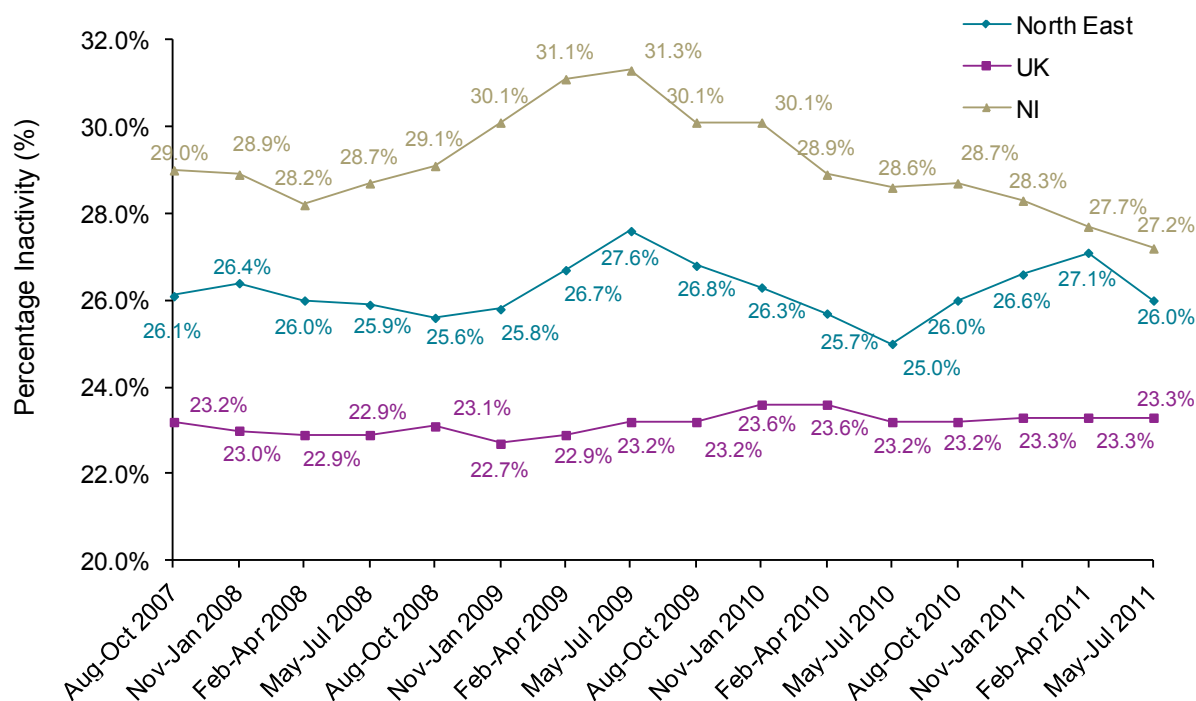
Sources: DFP Labour Force Survey, Office of National Statistics

Figure 8 Claimant count comparisons



Sources: NOMIS

Figure 9 Inactivity rate comparisons



Sources: DFP Labour Force Survey, Office for National Statistics

Salient points to note from the previous graphs include:

- The trends in unemployment in Northern Ireland have broadly followed that of the UK and of the North East region.
- The unemployment rate in Northern Ireland has been below the UK average for the analysis period. However, over recent times, it has converged closer to the UK average, reaching approximately 8% in early 2011.
- Northern Ireland experienced a higher percentage increase in the claimant count than the UK or the North East over the period and this has been a more consistent increase than in the UK or the North East.
- The level of economic inactivity in the Northern Ireland economy has been more volatile over the analysis period than that of the North East and considerably more than that of the UK, which has remained broadly stable (around 23% over the five years). The analysis indicated that the economic inactivity rate in Northern Ireland has been consistently well above the UK average, with the NI rates varying from approximately 27% to 31% over the period.

When compared to the North East, the Northern Ireland inactivity rate has typically been higher also, but not to the same extent as over the UK average. As noted previously, the Northern Ireland rate has been more volatile. However, while the

general trend has been broadly similar to that of the North East, the gap has narrowed significantly recently.

4.9 Summary and conclusions

The data in this chapter indicates that StW was launched at a point when the UK economy officially went into recession. Indeed, since late 2008, and coinciding with the commencement of the StW programme in September 2008:

- Unemployment has risen substantially from around 4% in 2008 to over 7% currently.
- There has been a 150% increase in the claimant count.
- Unemployment among young people (aged 18-24) has risen considerably faster, and the proportion of long term unemployed (LTU) has risen to almost 50% of all unemployed.
- More positively, economic inactivity rates have decreased to 27%, which is lower than that in September 2008.
- Notified vacancies have declined substantially from over 73,000 in 2008/09 to less than 50,000 in 2010/11, a notable decline of almost a third.

This means that StW operates in a very challenging economic climate, where the numbers of people becoming unemployed have increased and at the same time the number of notified vacancies has decreased, thereby reducing employment opportunities.

Therefore, it is essential that StW provides an effective employment intervention notwithstanding the challenges of meeting its key target outcomes in the current economic climate.

5 Steps to Work performance

5.1 Introduction

This chapter presents key statistics and performance indicators on the StW programme. It also reviews a number of outputs and performance indicators arising directly from the delivery and operation of the StW programme.

In delivering the StW programme, the Department for Employment and Learning captures key performance indicators (KPIs) in relation to the following:

- Performance.
- Financial and effectiveness.
- Quality.

This indicates that the Department has implemented the PAC's recommendation regarding setting StW performance measures and publicly reporting on these.

Each of these KPIs is explored in the following subsections.

In addition, the Department for Employment and Learning produces a quarterly Statistical Bulletin on Steps to Work¹⁵ and has produced an Occasional Paper – Improving Steps to Work Statistics (Using Department for Social Development (DSD) Benefits Data and HM Revenue (HMRC) and Customs Employment Data)¹⁶. Salient information is highlighted from these documents in relation to StW performance¹⁷.

5.2 Performance

At the outset of the StW programme, the Department for Employment and Learning developed the following two overarching key targets to measure the performance of the programme:

- Target 1 - 25% of leavers to find employment (within 13 weeks of leaving) and to sustain that employment for a full 13 weeks.

¹⁵ Department for Employment and Learning's StW Client Management System (CMS) enables the Department to monitor sustained employment for 13 weeks and 26 weeks of leaving the programme. However, leavers do not have to inform the Department if they find work on leaving StW therefore not all moves into employment are recorded by the Department. Data from CMS is used for the Department for Employment and Learning's quarterly Statistical Bulletin. See <http://www.delni.gov.uk/stw-stats-bulletin-statistics-sept-11>

¹⁶ DSD and HMRC data supplements the information recorded on the Department for Employment and Learning's CMS and has enabled the Department to produce revised statistics for immediate destinations on leaving StW and employment outcomes. See <http://www.delni.gov.uk/occasional-paper-improving-steps-to-work-statistics.pdf>

¹⁷ Note that data tables in this section report on different time periods and/or are from different sources.

- Target 2 - 85% of those who have sustained employment for a continuous period of 13 weeks to retain that employment for a further additional 13-week period i.e. total duration of 26 weeks sustained employment.

5.2.1 Target 1 – Sustained employment for 13 weeks

Table 6 highlights the performance of the StW programme against Target 1.

Table 6 All participants who moved into unsubsidised employment sustained for 13 weeks based on Department for Employment and Learning/HMRC data (September 2008 to September 2010)

| Year/quarter of leaving | Total leaving StW | Moved to unsubsidised employment | % of total leaving | Sustained 13 weeks | % of total leaving |
|-------------------------|-------------------|----------------------------------|--------------------|--------------------|--------------------|
| 2008/09 | 4,517 | 1,158 | 26% | 882 | 20% |
| 2009/10 | 14,683 | 4,701 | 32% | 3,817 | 26% |
| Apr-Jun 10 | 4,543 | 1,492 | 33% | 1,230 | 27% |
| Jul-Sep 10 | 4,913 | 1,628 | 33% | 1,277 | 26% |
| Total | 28,656 | 8,979 | 31% | 7,206 | 25% |

Source: Occasional Paper - Improving Steps to Work Statistics (Table 5)¹⁸

As seen from Table 6, the percentage of participants leaving the StW programme who moved into sustained employment for at least 13 weeks has reached the programme's target of 25% of leavers finding and sustaining employment. This suggests that StW has been as effective as originally anticipated, despite the fact that the economic backdrop has changed dramatically, and for the worse, and that the programme targets were set in pre-recession times. This is a positive finding.

Mandatory and voluntary breakdown

Table 7 indicates how the total performance against Target 1 is split between mandatory and voluntary participants.

¹⁸ <http://www.delni.gov.uk/occasional-paper-improving-steps-to-work-statistics.pdf>. See paper for further definitions and notes to readers.

Table 7 Participants sustaining employment for 13 weeks based on Department for Employment and Learning/HMRC data (September 2008 to September 2010) – mandatory and voluntary breakdown

| Participant category | Total leaving StW | Moved to employment | % of total leaving | Sustained 13 weeks | % of total leaving |
|----------------------|-------------------|---------------------|--------------------|--------------------|--------------------|
| Mandatory | 19,423 | 5,846 | 30% | 4,635 | 24% |
| Voluntary | 9,233 | 3,133 | 34% | 2,571 | 28% |
| Total | 28,656 | 8,979 | 31% | 7,206 | 25% |

Source: Department for Employment Learning additional analysis based on Occasional Paper - Improving Steps to Work Statistics

As can be seen from Table 7, the majority of participants (68%) leaving StW are mandatory participants but voluntary participants have a slightly higher percentage sustaining employment for at least 13 weeks (28% compared with 24%).

5.2.2 Performance outcomes by Steps to Work activity – 13 weeks

Table 8 indicates performance against Target 1 across Step 1 and Step 2 strands.

Table 8 All participants who moved into unsubsidised employment sustained for 13 weeks based on Department for Employment and Learning/HMRC data (September 2008 to September 2010)

| Last activity prior to leaving | Total leaving StW | Moved to employment | % of total leaving | Sustained 13 weeks | % of total leaving |
|--------------------------------|-------------------|---------------------|--------------------|--------------------|--------------------|
| Step 1 | 19,599 | 6,203 | 32% | 4,869 | 25% |
| Employer Subsidy | 1,605 | 1,261 | 79% | 1,133 | 71% ¹⁹ |
| Step Ahead | 51 | 26 | 51% | 25 | 49% |
| Self-Employment | 474 | 221 | 47% | 183 | 39% |
| Qualifications | 515 | 162 | 31% | 126 | 24% |
| NVQ | 988 | 244 | 25% | 206 | 21% |
| Essential Skills | 596 | 99 | 17% | 75 | 13% |
| Back to Work | 4,828 | 763 | 16% | 589 | 12% |
| Total | 28,656 | 8,979 | 31% | 7,206 | 25% |

Source: Department for Employment and Learning additional analysis based on Occasional Paper - Improving Steps to Work Statistics

¹⁹ It is noted that participants can move from the various strands to Employer Subsidy and successful outcomes are subsequently recorded against Employer Subsidy.

Table 8 indicates there is considerable variation in performance across Step 1 and across Step 2 strands against the overarching target of sustaining employment for 13 weeks after leaving the StW programme.

Performance for Step 1 suggests this is an effective intervention. The Employer Subsidy, Step Ahead and Self-Employment strands have performed very strongly. Outcomes achieved from the remaining Step 2 strands and specifically Back to Work are low suggesting that revisions are required to these to help improve employment outcomes. It is noted that Essential Skills is a stepping-stone to other strands, therefore high employment outcomes are not expected from this specific strand.

The Step Ahead strand is of particular interest for this evaluation, given that it was introduced as a temporary initiative and in response to the economic downturn. Data from Table 8 indicates that almost half of participants (49%) leaving this strand moved into employment and sustained this for 13 weeks. This suggests the Step Ahead initiative has performed above Target 1 set by the Department for Employment and Learning i.e. 25% of leavers to find employment. This supports a case to retain this strand, especially given that the economic downturn continues. It should however be noted that just 51 participants have left the programme from Step Ahead at this stage and the outcomes from this strand should therefore be monitored when more data become available.

5.2.3 Target 2 – Sustained employment for 26 weeks

Table 9 highlights the performance of the StW programme against Target 2 (i.e. 85% of those who have sustained employment for a continuous period of 13 weeks to retain that employment for a further additional 13-week period i.e. total duration of 26 weeks sustained employment).

Table 9 All participants who moved into unsubsidised employment sustained for 26 weeks based on Department for Employment and Learning/HMRC data (September 2008 to March 2010)

| Year of leaving | Total leaving StW | Sustained 13 weeks | Sustained 26 weeks | | |
|-----------------|-------------------|--------------------|--------------------|--------------------|-------------------------|
| | | | Total | % of total leaving | % of sustained 13 weeks |
| 2008/09 | 4,517 | 882 | 744 | 16% | 84% |
| 2009/10 | 14,683 | 3,817 | 3,289 | 22% | 86% |
| Total | 19,200 | 4,699 | 4,033 | 21% | 86% |

Source: Occasional Paper - Improving Steps to Work Statistics (Table 7)

Table 9 shows that the performance was above the target of 85% of leavers finding and sustaining employment for 26 weeks. This is a positive finding.

Mandatory and voluntary breakdown

Table 10 indicates how the total performance against Target 2 is divided between mandatory and voluntary participants over the programme period to date.

Table 10 Participants sustaining employment for 26 weeks based on Department for Employment and Learning/HMRC data (September 2008 to March 2010) – mandatory and voluntary breakdown

| Participant category | Total leaving StW | Sustained 13 weeks | Sustained 26 weeks | | |
|----------------------|-------------------|--------------------|--------------------|--------------------|-------------------------|
| | | | Total | % of total leaving | % of sustained 13 weeks |
| Mandatory | 12,445 | 2,911 | 2,426 | 19% | 83% |
| Voluntary | 6,755 | 1,788 | 1,607 | 24% | 90% |
| Total | 19,200 | 4,699 | 4,033 | 21% | 86% |

Source: Department for Employment and Learning additional analysis based on Occasional Paper - Improving Steps to Work Statistics

Similar, to performance outcomes at 13 weeks, this demonstrates that voluntary participants have performed better with 90% of voluntary participants sustaining unsubsidised employment for at least 26 weeks.

5.2.4 Performance by Steps to Work activity – 26 weeks

Table 11 indicates performance against Target 2 for Step 1 and Step 2 strands.

Table 11 All participants who moved into unsubsidised employment sustained for 26 weeks based on Department for Employment and Learning/HMRC data (September 2008 to March 2010)

| Last activity prior to leaving | Total leaving StW | Sustained 13 weeks | Sustained 26 weeks | | |
|--------------------------------|-------------------|--------------------|--------------------|--------------------|-------------------------|
| | | | Total | % of total leaving | % of sustained 13 weeks |
| Step 1 | 13,845 | 3,345 | 2,792 | 20% | 83% |
| Self-Employment | 266 | 120 | 115 | 43% | 96% |
| Employer Subsidy | 975 | 681 | 636 | 65% | 93% |
| NVQ | 543 | 107 | 98 | 18% | 92% |
| Back to Work | 2,900 | 335 | 296 | 10% | 88% |
| Qualifications | 304 | 68 | 60 | 20% | 88% |
| Essential Skills | 366 | 43 | 36 | 10% | 84% |
| Step Ahead | 1 | 0 | 0 | 0% | 0% |
| Total | 19,200 | 4,699 | 4,033 | 21% | 86% |

Source: Department for Employment and Learning additional analysis based on Occasional Paper - Improving Steps to Work Statistics

Table 11 demonstrates that the Self-Employment strand remained the most successful in terms of 26 weeks sustained employment. The Employer Subsidy and NVQ strands performed strongly. Back to Work and Qualifications strands performed relatively well against Target 2 suggesting that, while fewer participants moved into employment in the first instance, the majority managed to sustain this for 26 weeks. Step 1 had the lowest percentage of sustained employment outcomes of 26 weeks. No outcomes are recorded for the Step Ahead initiative although this may reflect timing differences and that initiatives which were set up during the programme, such as Step Ahead, have not been able to generate a considerable level of statistics against Target 2.

5.2.5 Sustained employment – 52 weeks

Table 12 highlights the percentage of leavers who sustained employment for at least 52 weeks.

Table 12 All participants who moved into unsubsidised employment sustained for 52 weeks based on HMRC data only (September 2008 to December 2009)²⁰

| Year/quarter of leaving | Sustained 13 weeks | Sustained 52 weeks | |
|-------------------------|--------------------|--------------------|-------------------------|
| | | Total | % of sustained 13 weeks |
| 2008/09 | 486 | 397 | 82% |
| Apr-Jun 09 | 493 | 370 | 75% |
| Jul-Sep 09 | 645 | 461 | 71% |
| Oct-Dec 09 | 699 | 508 | 73% |
| Total | 2,323 | 1,736 | 75% |

Source: Occasional Paper - Improving Steps to Work Statistics (Table 9)

This demonstrates that 75% of all leavers during the period September 2008 to December 2009 sustained employment for at least 52 weeks.

5.2.6 Performance by Steps to Work activity – 52 weeks

Table 13 indicates performance by StW activity at 52 weeks.

²⁰ Table 12 is based on HMRC data only as Department for Employment and Learning does not record outcomes at 52 weeks.

Table 13 All participants who moved into unsubsidised employment sustained for 52 weeks based on HMRC data only (September 2008 to December 2009)²¹

| Last activity prior to leaving | Sustained 13 weeks | Sustained 52 weeks | |
|--------------------------------|--------------------|--------------------|-------------------------|
| | | Total | % of sustained 13 weeks |
| Step 1 | 1,631 | 1,173 | 72% |
| Back to Work | 216 | 182 | 84% |
| Employer Subsidy | 325 | 269 | 83% |
| Qualifications | 41 | 31 | 76% |
| NVQ | 64 | 48 | 75% |
| Self-Employment | 22 | 16 | 73% |
| Essential Skills | 24 | 17 | 71% |
| Step Ahead | 0 | 0 | 0% |
| Total | 2,323 | 1,736 | 75% |

Source: Department for Employment Learning additional analysis based on Occasional Paper - Improving Steps to Work Statistics

There was wide variation across Step 1 and Step 2 strands. Although few participants moved into paid employment from Back to Work, the majority of them (69%) sustained this for 52 weeks. It is too soon to comment on the Step Ahead initiative.

5.2.7 Comparison with StW Leavers' Survey

In order to comment further on StW performance, consideration was given to alternative sources of information on StW outcomes.

In May 2011²² the Department for Employment and Learning undertook a survey of 1,000 leavers from the StW programme which captured information on leavers' current activity.

Findings from this survey suggested that at the time of the survey, over a quarter of respondents (28%) were in employment (16 hours or more per week, including self-employment). Over a quarter of respondents (27%) got a job immediately after they left StW. Of these, over two-fifths (44%) considered that participation in StW had increased their chances of getting their job.

²¹ Table 13 is based on HMRC data only as the Department for Employment and Learning does not record outcomes at 52 weeks.

²² Reporting in late 2011.

Furthermore, it is positive to note that over half (53%) of those currently in employment had been employed for 12 months or more and the majority of those employed (84%) were employed in a permanent position. Similar to the trend in StW official statistics, voluntary StW participants were more likely to be in employment (35% compared to 24% who were mandatory StW participants).

Overall, findings from the leavers' survey suggest that the outcomes obtained from the StW programme are more positive than that indicated in official statistics²³.

5.2.8 Deadweight

While employment intervention programmes have the potential to generate additional jobs, there are risks of deadweight. Deadweight is the expenditure to promote a desired activity that would in fact have occurred without the expenditure. Generally, deadweight is regarded as undesirable.

In terms of deadweight regarding the employment outcomes of StW, it is challenging to assess what participants would have done otherwise given that StW is a mandatory programme for the majority of participants. In terms of exploring the issue of deadweight within the employment outcomes of StW, consideration was given to two sources, namely the Department for Employment and Learning's Leavers' Survey and JSA off-flow statistics.

StW Leaver's Survey

It is known from the StW Leavers' Survey that over a quarter of respondents (27%) got a job immediately after they left StW. Of these, over two-fifths (44%) considered that participation in StW had increased their chances of getting their job which suggests there is value added. Overall, 42% of all respondents agreed that StW had improved their chances of getting a good job and 86% of those who got an NVQ qualification thought it would be useful in helping them to get a job.

JSA off-flows

Consideration was given to examining JSA off-flow statistics and examination of the proportion of claimants signing off the JSA register and moving into employment for two specific groups of clients at different lengths of unemployment – pre-eligibility for StW and once they met the mandatory requirements.

However, there were some restrictions in doing so in an accurate and robust manner. JSA off-flow data is gathered from forms completed by JSA leavers and NOMIS reports that the completion levels of these forms has decreased, reducing the accuracy of this data. In addition, some benefit recipients are captured both in JSA data and again in StW statistics i.e. are in effect double-counted which restricted the ability to reliably compare employment outcomes for JSA claimants who did not avail of StW and JSA StW clients.

²³ Official statistics measure outcomes based on those moving into employment within 13 weeks of leaving StW, and this was not the case in the leaver's survey.

It is suggested that the Department for Employment and Learning explores the feasibility of undertaking further research on the employment outcomes of StW clients to help determine the actual amount of deadweight.

5.2.9 Comparison with GB New Deals

Table 14 and Table 15 illustrate the comparison in outcomes between StW in NI and FND and NDYP and ND25+ in GB.

Table 14 Sustained employment outcomes for StW in NI and FND in GB

| Outcome | GB target ²⁴ | GB ²⁵ actual | NI target | NI ²⁶ actual | Variance between NI and GB actual |
|------------------------|-------------------------|-------------------------|-----------|-------------------------|-----------------------------------|
| Sustained for 13 weeks | 55% | 18% | 25% | 25% | NI +7% |
| Sustained for 26 weeks | 50% | 66% | 85% | 86% | NI +20% |

Source: GB data: Delivery Directorate Report, <http://statistics.dwp.gov.uk/asd/index.php?page=ddfnd>
NI data: Occasional Paper - Improving Steps to Work Statistics (Table 5 and 7)

Table 15 Immediate destination on leaving StW in NI and New Deal for Young People and New Deal 25+ in GB (October 2008 - September 2009)

| Period Oct 2008 - Sept 2009 | Leavers | Unsubsidised employment | |
|---|---------|-------------------------|-----|
| | | Total employment | % |
| GB New Deal for Young People and New Deal 25+ | 330,150 | 76,360 | 23% |
| NI StW | 11,145 | 2,412 | 22% |

Source: Occasional Paper - Improving Steps to Work Statistics, 2011(Table 10)

Table 14 shows that performance on StW was notably greater than FND. Indeed, in terms of sustained employment for 26 weeks, performance outcomes in NI were substantially greater than in GB. Performance on FND was low and was substantially below expectation. Table 15 shows that performance on StW for October 2008 - September 2009 was lower than that achieved by the New Deals in GB, albeit the difference was marginal.

²⁴ This was not a target per se but an expectation and contractors were expected to identify a realistic outcome in their tender submission which could be greater than or less than this expectation, depending on the local economy and labour market.

²⁵ 5 October 2008-4 September 2011.

²⁶ September 2008-June 2011.

However, comparison is not clear-cut as it is necessary to highlight the following differences, all of which limit the scope to benchmark performance between NI and GB.

- FND in GB had significant and fundamental differences regarding target group, eligibility and the nature and extent of provision and was not across all of GB.
- There are differences in how data is recorded and reported which limits comparison. For example, FND outcomes are reported as a percentage of starts while StW are reported as a percentage of leavers. New Deal outcomes only include employment which started within 14 days of leaving the programme while StW includes employment commenced while on StW or within 14 days of leaving.
- The percentage of leavers with an unknown destination was substantially higher for NDYP and ND25+ than for StW (26% compared with 8%).

An additional consideration is that the unemployment rate in Northern Ireland has been below the UK average while the level of economic inactivity in Northern Ireland has been considerably more than that of the UK.

Nevertheless, statistical data illustrated in Table 14 indicates that StW has performed more effectively than FND, suggesting it is a more effective employment intervention.

5.3 Financial and effectiveness

At the outset of the StW programme, the Department for Employment and Learning developed the following indicators:

Financial indicators:

- Cost per employment outcome (cost of programme divided by number of job outcomes).
- Unit cost of delivery (cost of programme divided by number of participants).

Effectiveness Indicators:

- Percentage of economically inactive participants availing of StW as measured by the percentage of leavers who were on Incapacity Benefit/Employment and Support Allowance/Income Support.
- Percentage of participants leaving Step 1 who have an immediate destination of employment.
- Percentage of participants leaving Step 3 who have an immediate destination of employment.
- Percentage of those leaving the programme that have a known destination.
- Percentage of participants that express satisfaction with StW²⁷.

²⁷ Information in relation to this Key Performance Indicator is not available formally via the Department's published statistics.

5.3.1 Financial indicators

Table 16 indicates the cost incurred per employment outcome (i.e. that which is sustained for 13 weeks) and the unit cost of delivery of the StW programme, over the period September 2008 to March 2010.

Table 16 StW financial indicators

| Indicator | Amount |
|---|--------|
| Cost per employment outcome (sustained for 13 weeks)* | £4,608 |
| Unit cost of programme delivery | £768 |

Source: Department for Employment and Learning StW KPIs; *Based on combined Department for Employment and Learning/DSD/HMRC data (not previously available)

Table 17 sets out comparison costs for other New Deal provision.

Table 17 New Deal financial indicators

| Programme | Unit Cost | Employment Outcome |
|--------------------|----------------------|-----------------------------------|
| New Deal 25+ (NI)* | £1,300 | £6,800 |
| ND25+ (GB)** | £1,000 to £1,200 | £2,850 to £4,000 |
| FND (GB) | £1,530 ²⁸ | In excess of £5,000 ²⁹ |

Sources: *Northern Ireland Audit Office, Review of New Deal 25+, May 2009

** <http://www.dwp.gov.uk/docs/fnd-event-slides.pdf>

Regarding unit cost, comparison with costs for StW indicates that StW is a more economical programme with substantial improvements in unit costs when compared with previous ND25+ provision in Northern Ireland and in GB.

Cost per employment outcome for StW is lower when compared to New Deal 25+ in Northern Ireland, but greater than New Deal 25+ in GB.

Unit costs and employment outcome costs for FND in GB have not as yet been published. The Department for Work and Pensions published an “Ad hoc Analysis of FND costs”²⁹ in January 2012, which shows total FND programme costs and the number of those who found sustained employment for 13 weeks or more. These figures would indicate that employment outcome costs for FND are in excess of £5,000 and are significantly more than StW employment outcome costs.

This suggests that a focused ORF model for Lead Contractors has been effective in improving value for money regarding unit costs. Employment outcome costs have

²⁸ It is highlighted that this was anticipated costs and details on actual unit costs have not been reported.

²⁹ http://research.dwp.gov.uk/asd/index.php?page=adhoc_analysis

decreased but, while these are higher than the former ND25+ in GB, they are less than the more recent FND costs.

Tables 18 to 21 outline the performance of StW across a number of operational effectiveness indicators, over the period September 2008 to June 2011.

Table 18 Leavers on Incapacity Benefit/ Employment and Support Allowance/ Income Support

| Period | % of leavers - economically inactive |
|-----------------------------|--------------------------------------|
| September 2008 – March 2009 | 15% |
| April 2009 – March 2010 | 8% |
| April 2010 – March 2011 | 6% |
| April 2011 – June 2011 | 6% |

Source: Department for Employment and Learning StW KPIs

Table 18 indicates that the percentage of economically inactive participants who availed of StW has decreased over time. Given that the unemployment level in general has steadily increased since 2008, it would be expected that economically inactive participants would form a smaller proportion of the total number of participants. The actual number of economically inactive leavers has increased from 1,216 in 2009/10 to 1,274 in 2010/11.

The Department for Employment and Learning monitors the numbers of economically inactive participants starting and leaving the programme and their employment outcomes. However, given that the level of economic inactivity in Northern Ireland remains higher than that of the UK (27% compared with 23%), it would be pertinent for the Department to determine if StW is not being offered or promoted to the economically inactive, or if it is promoted but not being taken up by this group.

Table 19 indicates that the percentage of Step 1 leavers with an employment destination has improved over the lifetime of StW. This is particularly positive given that unemployment has risen rapidly while the number of notified vacancies has declined substantially.

Table 19 Step 1 and 3 leavers with an immediate destination of employment

| Period | Leavers with an employment destination ³⁰ | |
|-----------------------------|--|--------|
| | Step 1 | Step 3 |
| September 2008 – March 2009 | 11% | 6% |
| April 2009 – March 2010 | 14% | 2% |
| April 2010 – March 2011 | 17% | 3% |
| April 2010 – June 2011 | 19% | 3% |

Source: Department for Employment and Learning StW KPIs

Conversely, the percentage of Step 3 participants with an employment destination, which was low to begin with, has decreased over the lifetime of StW. This suggests that these participants faced additional barriers or challenges which were possibly exacerbated in the current climate but that Step 3 was not an effective intervention for these participants.

Table 20 indicates that the Department for Employment and Learning has become more effective in capturing known destination information for a greater percentage of leavers from StW, at a time when the numbers entering and leaving the programme have increased. This suggests better data capture which is important in terms of measuring outputs and the impact of StW.

Table 20 StW leavers with a known destination

| Period | % of leavers – known destination |
|-----------------------------|----------------------------------|
| September 2008 – March 2009 | 67% |
| April 2009 – March 2010 | 77% |
| April 2010 – March 2011 | 90% |
| April 2010 – June 2011 | 92% |

Source: Department for Employment and Learning StW KPIs

Further improvements, including use of DSD benefits data and HMRC employment data, mean that 94% of destinations are now known.

Information in relation to the participant satisfaction KPI has not been formally published by the Department for Employment and Learning at the time of reporting. However, data from the Department for Employment Learning's Leavers' Survey and the current participant survey undertaken by KPMG are demonstrated in Table 21.

³⁰ Figures from Step 1 are based on all leavers from Step 1 and includes those who progress onto Step 2 while Step 3 is leavers from programme from Step 3.

Table 21 Participant satisfaction with StW

| Participants | Very or fairly satisfied |
|--------------|--------------------------|
| Leavers* | 64% |
| Current ** | 74% |

Source: *Department for Employment and Learning Leavers' Survey, 2011; **KPMG StW Participant Survey

This demonstrates that satisfaction levels are high. Current participants have a higher level of satisfaction than leavers do although the reasons for this are not known.

5.4 Quality

The Department for Employment and Learning monitors a number of indicators regarding quality and these are outlined in Table 22³¹ along with their outcomes.

Table 22 StW quality indicators

| Quality indicator | Performance outcome |
|--|---|
| Achieve a satisfactory or higher rating on provider self-assessment - Improving Quality: Raising Standards (IQ:RS) | During 2009/10, all nine Lead Contractors achieved at least a satisfactory rating for their IQ:RS submission. |
| Achieve a grade 4 or higher rating on an ETI report | During the period April 2009 – March 2010, three out of three Lead Contractors inspected achieved a grade 4 or higher. ETI reports tend to indicate that participants visited in the workplace are in good quality work experience placements, well matched to their individual needs and supported well by the employers. |
| Achieve a satisfactory level of compliance on FAST inspection reports | During the period Sept 2009 – March 2010, three out of four Lead Contractors inspected achieved a satisfactory level of compliance. |
| Achieve a satisfactory or higher level of performance and compliance with contract requirements on Quality and Performance Branch (QPB) inspection reports | During 2009/10, all nine Lead Contractors achieved at least a satisfactory standard of performance and compliance against contract requirements. |

Source: Department for Employment and Learning StW KPIs

³¹ <http://www.delni.gov.uk/index/finding-employment-finding-staff/fe-fs-help-to-find-employment/stepstowork/stw-key-performance-indicators/quality-indicators-for-steps-to-work.htm>

Table 22 indicates that the programme has performed relatively favourably against the Quality Indicators developed by the Department for Employment and Learning. This is a positive endorsement of Lead Contractor provision and suggests there are no substantial quality issues with services provided by current Lead Contractors during 2009/10. It also demonstrates that the Department Employment and Learning has undertaken a methodical approach to monitoring and reporting on quality.

In addition, it is known that the Department for Employment and Learning has not renewed contracts in cases of under-performance, again indicating that a more robust approach to managing provider contracts as recommended by PAC has been adopted.

5.5 Summary and conclusions

Table 23 summarises the Department for Employment and Learning's StW targets and performance to date.

Table 23 StW quality indicators

| Performance target * | Performance outcome | Commentary |
|--|----------------------------|---|
| 25% to sustain employment for minimum of 13 weeks | 25% | Target achieved |
| 85% of these to sustain employment for minimum of 26 weeks | 86% | Target surpassed |
| Financial and effectiveness ** | Performance outcome | Commentary |
| Cost per employment outcome | £4,608 | Greater VFM than ND25+ in NI. Cost per outcome is higher than for GB's former ND25+ but significantly less than the more recent FND costs |
| Unit cost of programme delivery | £768 | Substantially greater VFM than ND25+ provision in NI and GB |
| Economically inactive leavers | 6% | % decreasing but number increasing |
| Step 1 immediate employment destination | 16% | Improving outcomes |
| Step 3 immediate employment destination | 3% | Decreased outcomes |
| Known destination | 92% | Substantial improvements in data capture |
| Satisfaction Levels - Current participants - Previous participants | 74% 64% | High satisfaction levels |
| Quality indicator ** | Performance outcome | Commentary |
| Satisfactory or higher on IQ:RS reports | 9 out of 9 | Positive |
| Grade 4 or higher on ETI reports | 3 out of 3 | Positive |
| Satisfactory level of compliance on FAST inspection reports | 3 out of 4 | Less positive |
| Satisfactory or higher on QPB inspection reports | 9 out of 9 | Positive |

Source: *Occasional Paper - Improving Steps to Work Statistics, 2011/ **Department for Employment and Learning StW KPIs

Overall, statistical data and comparison with GB's FND shows that the StW programme has met its 13 weeks sustained employment target and surpassed its 26 weeks sustained employment target and has performed substantially better than FND in GB. This is a positive achievement especially given the current economic climate with ever rising unemployment and a decline in notified vacancies.

Findings on financial indicators indicate that value for money has improved when compared with the previous ND25+ provision in Northern Ireland and FND in GB. Quality indicators are positive suggesting that those Lead Contractors who have been inspected are largely providing good quality provision and indicate that the Department for Employment and Learning has adopted a robust approach to contract monitoring.

The positive indicators on quality combined with StW achieving its employment targets suggest that, while the current climate has presented enormous challenges, the programme has been an effective and efficient employment intervention.

In addition, the Department for Employment and Learning has implemented the following PAC's recommendations, as demonstrated in Table 24.

Table 24 PAC recommendations

| No. | Recommendation |
|-----|---|
| 4 | Setting StW performance measures and publicly reporting on these. |
| 5 | Obtaining information from DSD benefits data and HMRC employment data which means that 94% of destinations are now known. |
| 6 | Measuring the level of job outcomes more frequently, over a significantly longer period than six months. |
| 7 | Benchmarking the StW programme with similar programmes in Great Britain, working around any differences in methodologies or approaches as required. |
| 11 | Adopting a more rigorous approach in managing provider contracts under StW including, where necessary, the replacement of poor performers. |

Finally, and as noted in Chapter 2, Department for Employment and Learning has undertaken a programme of constant revisions to the programme and to specific aspects in light of KPI information and consultation with stakeholders. It is very likely that this has had a positive impact on improving the programme.

6 Consultation with Department for Employment and Learning Advisers

6.1 Introduction

This chapter sets out the findings from consultation with frontline staff, Employment Service Advisers (ESAs) and Team Leaders (TLs) involved in the delivery of the StW programme in JC/JBOs.

All frontline ESAs and TLs were invited to participate in an anonymous online survey to obtain quantitative feedback on staff's views on the programme. The online survey was distributed via email to approximately 500 frontline staff. A total of 126 surveys were completed, giving a response rate of 25%.

The online survey asked staff about their views and comments on the following:

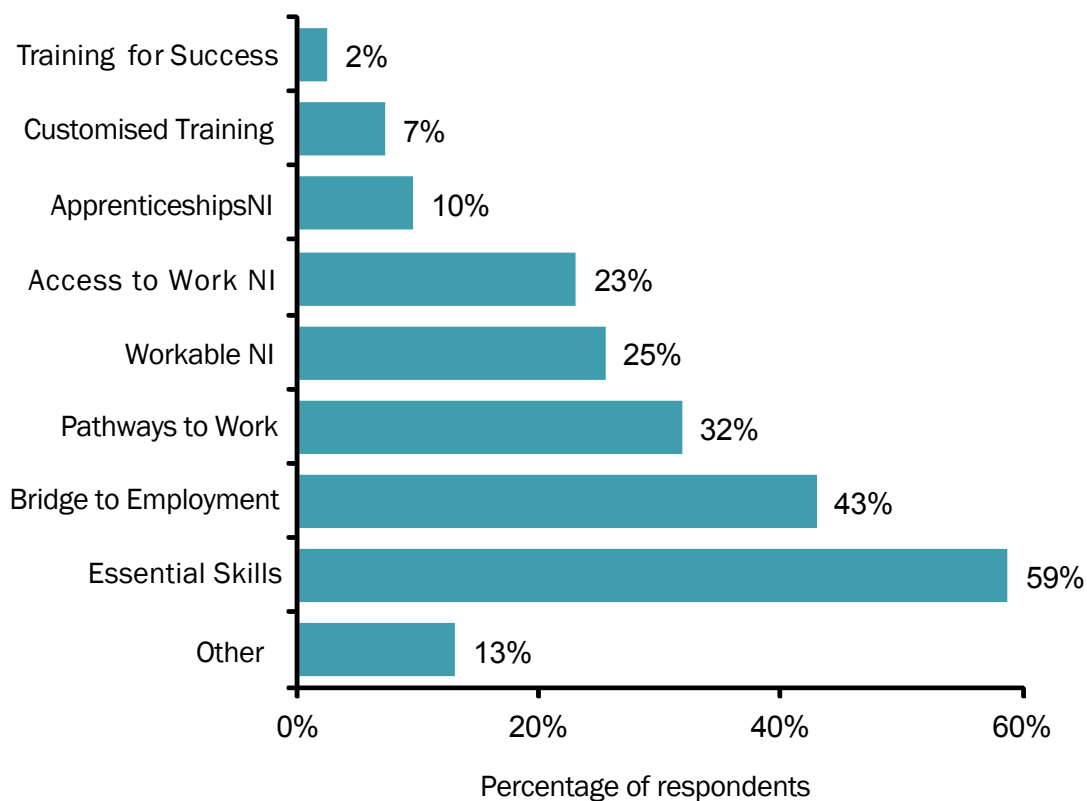
- Intervention programmes and length of time advising.
- Perceptions of their role on the programme.
- The performance of the programme.
- Employers' perceptions of the programme.
- Any other comments.

A series of focus groups were held subsequently to help probe survey responses in more detail and determine the level of agreement or conditions of agreement associated with specific views. This approach was taken given the importance of the role of frontline staff in the initial delivery of the programme.

6.2 Profile of respondents

All respondents indicated that they worked on the StW programme. In addition, the majority (73%) worked across a range of other Department for Employment and Learning work interventions as demonstrated in Figure 10.

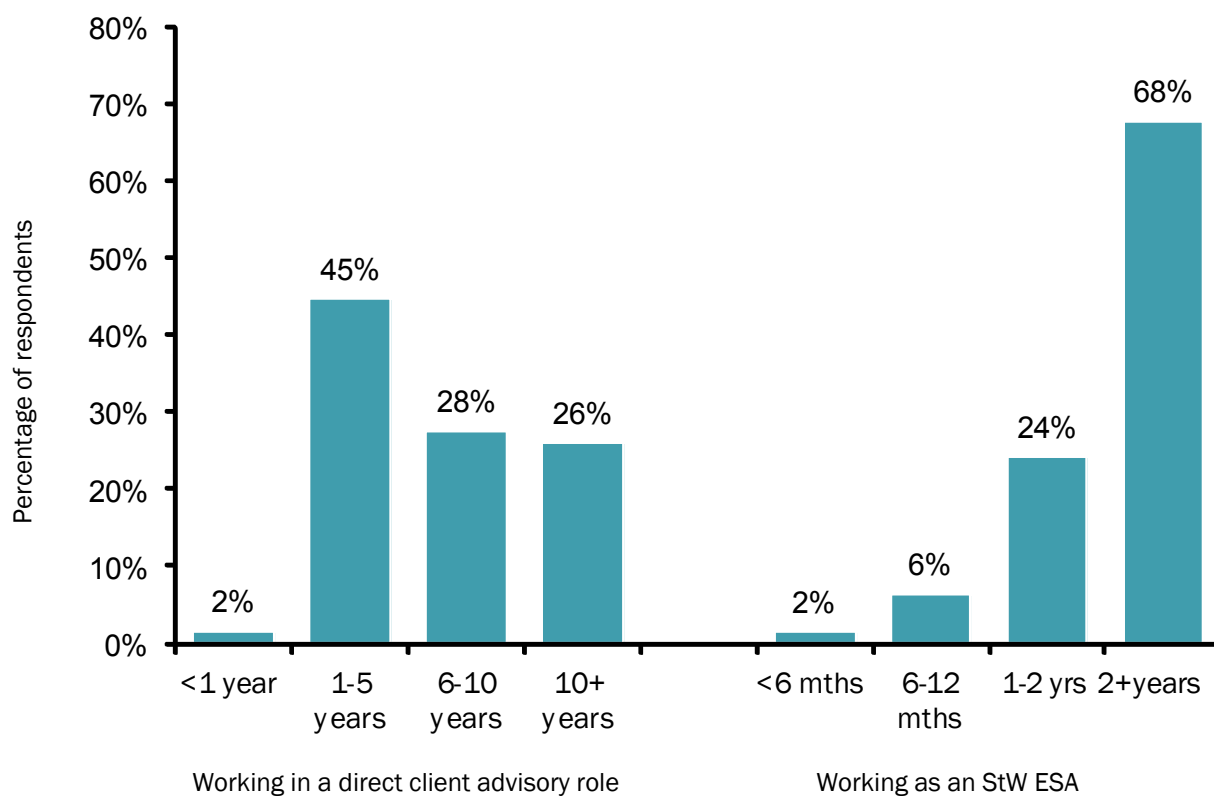
Figure 10 Intervention programmes



On average, respondents spent just over half of their time (54%) advising on the StW programme. However, responses varied from 5% to 100% of time.

The vast majority of respondents (98%) had been working in a direct client facing role for more than one year, and the majority (54%) had more than six years experience. With regards to the StW programme, again, the majority (68%) indicated that they had been involved for two or more years in a direct client advisory role as demonstrated in Figure 11.

Figure 11 Experience

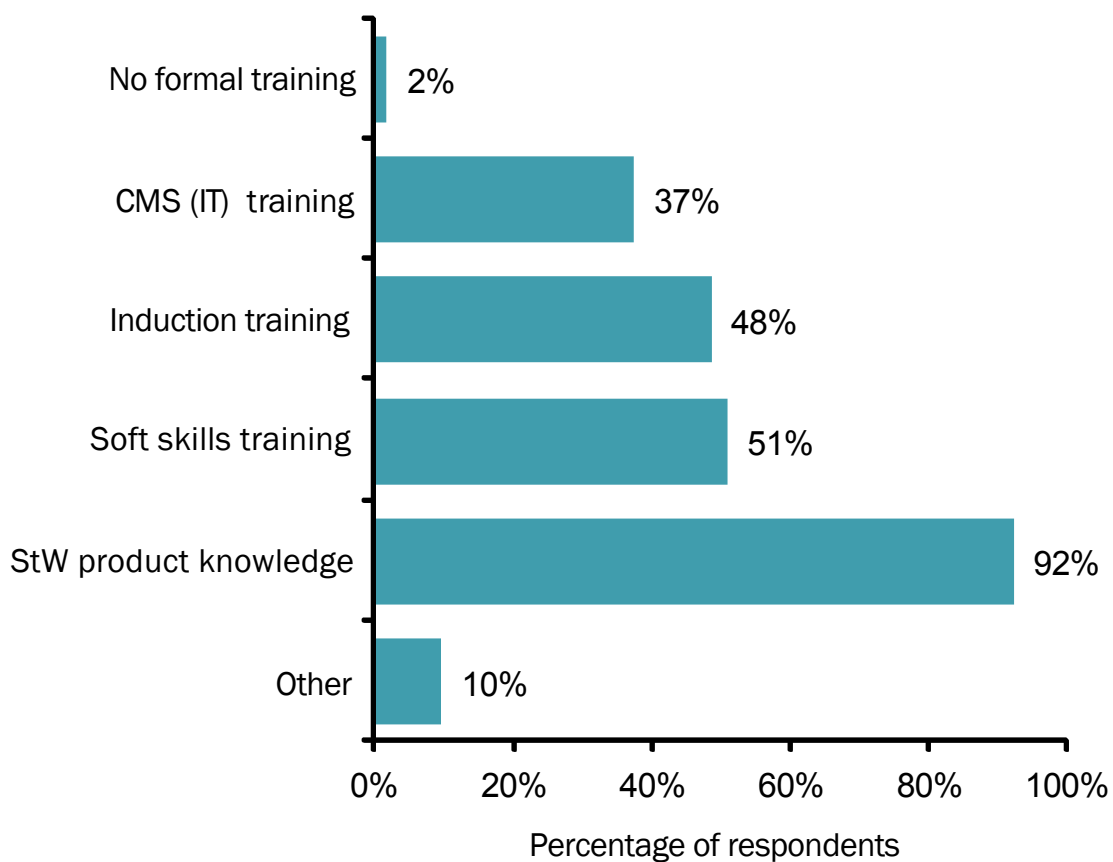


This indicates that the majority of respondents were experienced Department for Employment and Learning ESAs and specifically were experienced on the StW programme.

6.3 Training and support

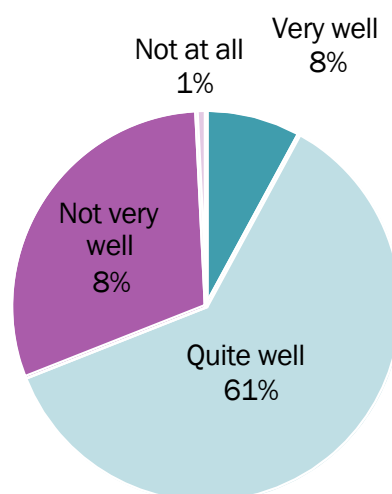
Respondents indicated a range of training received to help prepare them for their StW ESA role. As demonstrated in Figure 12, StW product knowledge was the most frequently cited form of training received.

Figure 12 Training



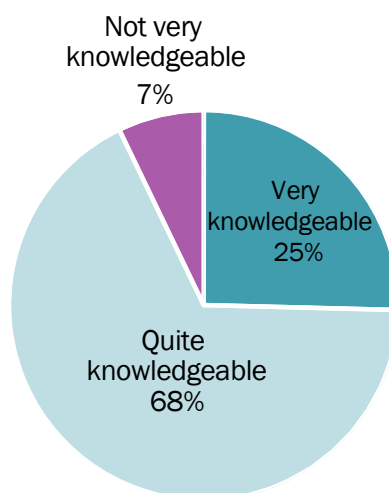
It is positive to note that over two thirds (69%) of respondents felt that the StW training prepared them quite well or very well for their role. However, it is noted that almost one third (31%) considered they were not very well or not at all prepared. This suggests there is a need to improve on the training provided.

Figure 13 Effectiveness of training



However, when asked how knowledgeable they felt when providing advice to StW participants, the vast majority (93%) said they felt quite knowledgeable or very knowledgeable. A small number of respondents, (7%) indicated that they did not feel very knowledgeable.

Figure 14 Knowledgeable about StW

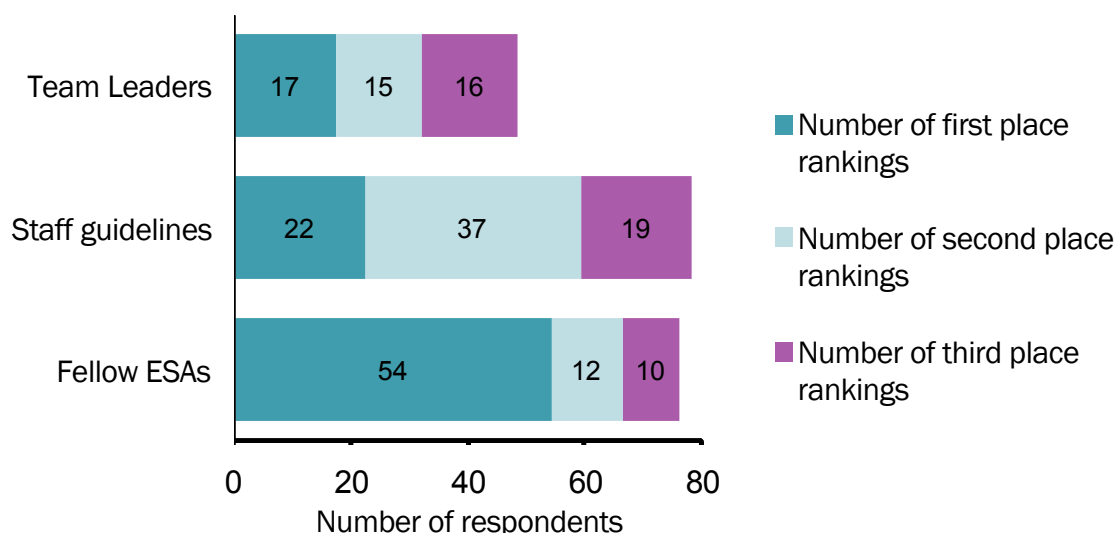


This suggests that, while almost one third (31%) did not positively rate the StW training, most go on to consolidate their knowledge successfully on the job. This may also reflect that many are experienced and knowledgeable on a range of Department for Employment and Learning interventions.

Respondents were asked about the sources of support available to them, ranking which sources of support they found most useful. Fellow ESAs, staff guidelines and Team

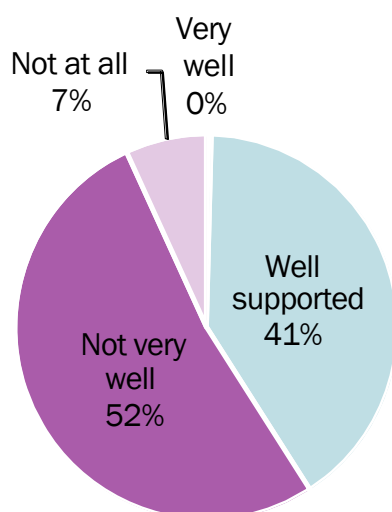
Leaders were the top three ranked answers, with staff guidelines being the most frequently ranked answer and fellow ESAs being ranked first by the largest number of respondents.

Figure 15 Support to ESAs



In addition, over two-fifths of respondents (41%) indicated that they felt well supported by PMDB and by ROSB. However, a higher percentage replied negatively, indicating that they did not feel at all or very well supported.

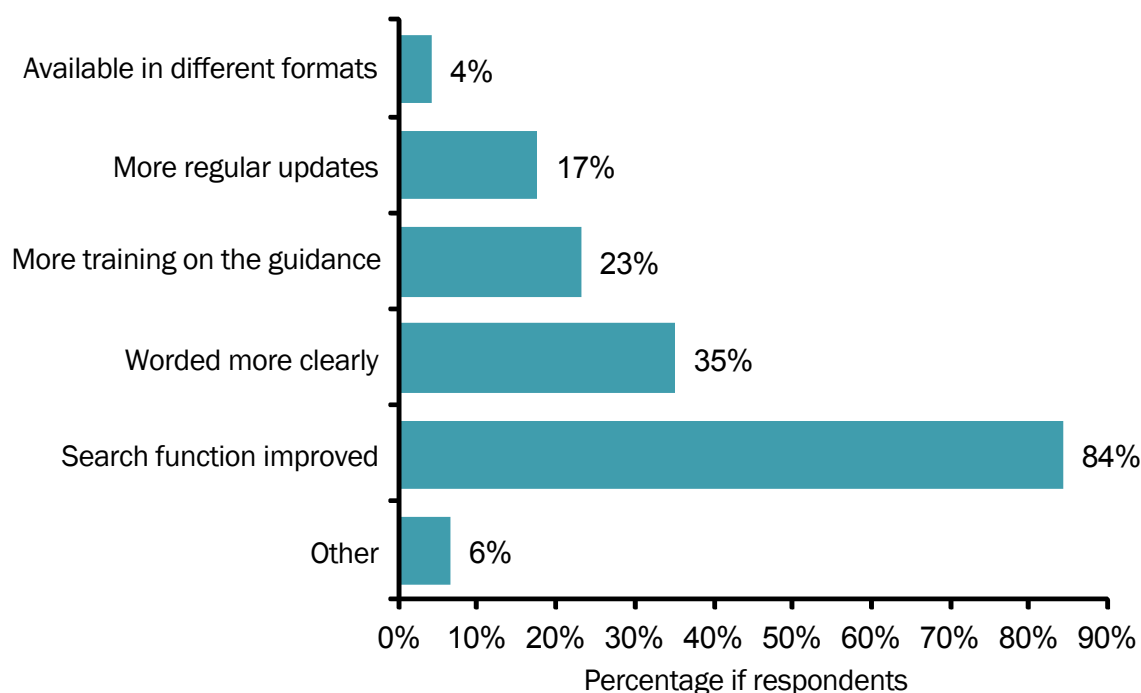
Figure 16 PMDB/ROSB support



The majority of respondents (83%) stated that they felt the StW guidelines were either very useful or quite useful. However, issues about the practicality of these guidelines were raised by the remaining 17% of respondents who considered that the guidelines were not very useful. In these cases, the most common explanation was that the staff guidelines were not user friendly and so were difficult and time consuming to navigate.

It is therefore not surprising that, when asked how the guidance could be improved, having the search function improved to make it easier to find the relevant information was the most frequently selected suggestion. This is demonstrated in Figure 17.

Figure 17 Improvements to staff guidance



Other methods to improve staff guidance included making it more specific as it was considered by some respondents to be vague at times and therefore open to interpretation, and to highlight changes in red font.

The theme of training and support was examined in more detail in the series of focus groups with ESAs/TLs. ESAs/TLs who had experience with other employment intervention programmes were more positive about the initial StW training provision as they found it easier to follow than those who had little or no prior experience. Many ESAs/TLs suggested that, for less experienced staff, the StW training should be supported by a short period of job shadowing, rather than only consolidating training by learning on the job. The consensus from the focus groups was that the training had improved since the programme first started, perhaps as trainers became more knowledgeable and confident in their delivery.

With regards to support from PMDB and ROSB, some ESAs/TLs highlighted that a relatively recent change to communication and contact meant that they had to email queries which was not always the most appropriate or effective method. This was particularly so when ESAs had participants with them and required an immediate response. However, some ESAs/TLs indicated that in these cases they continued to phone PMDB and ROSB who were generally accessible. A related issue was PMDB's and ROSB's responses to queries. Some ESAs/TLs expressed dissatisfaction with responses, citing that on occasions

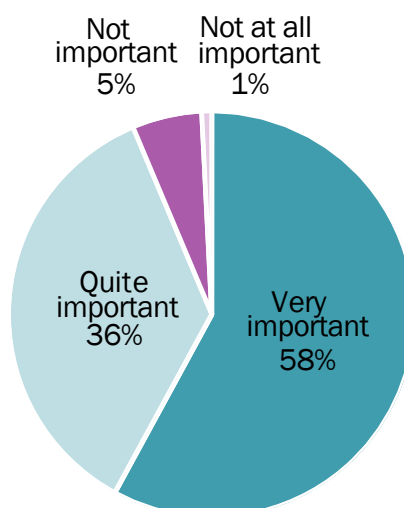
PMDB/ROSB tended to quote the guidelines rather than give a definitive answer or at the very least a steer on interpretation.

The Department may want to examine if the volume of queries to PMDB and ROSB is considered to be high and what type of queries are being made most frequently to determine if the volume and nature of queries reflect a lack of clarity in the guidelines, a training need, issues with local support in JC/J&Bos or a lack of confidence among ESAs.

6.4 Programme delivery

Figure 18 shows that over half of respondents (58%) considered it to be very important to the success of the StW programme that participants always saw the same ESA throughout their time on the programme.

Figure 18 Continuity of ESA



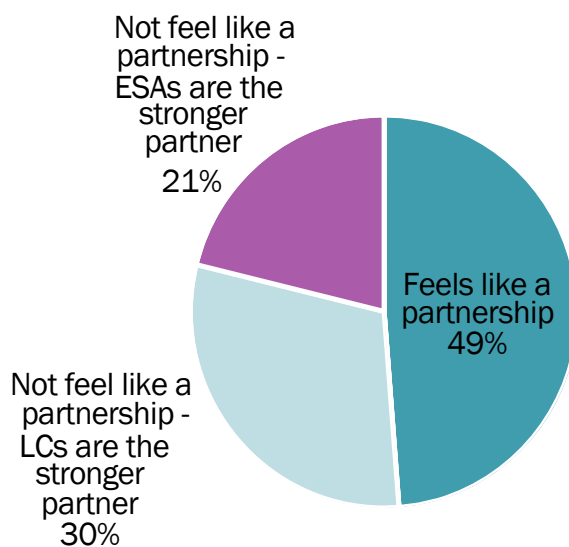
Furthermore, the vast majority of respondents (92%) said this was almost always the case on the StW programme. This is a positive finding as it suggests that ESAs should be able to develop an effective relationship with their StW participants and so be better placed to understand their needs and support them to identify an effective action plan for getting back to work.

6.5 Link with Steps to Work contractors

Respondents reported that they were in regular contact with their Lead Contractors, mostly daily or at least weekly and that most contact was through telephone calls.

Partnership working is a key aspect of the delivery of the StW programme. Therefore, it was interesting that there was a notable split in opinion among respondents about the extent to which their relationship with StW Lead Contractors was a partnership.

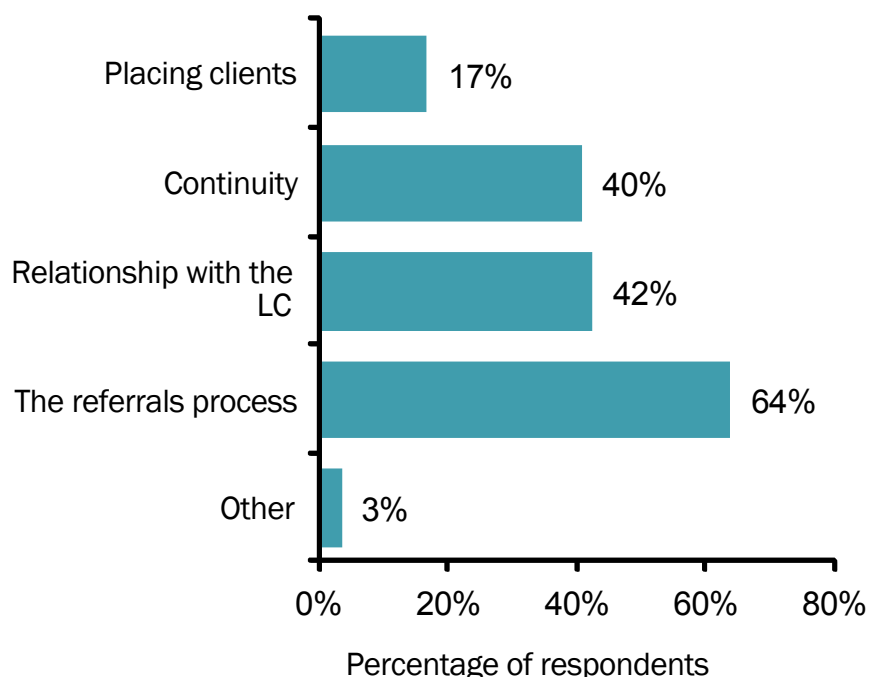
Figure 19 Partnership with Lead Contractors



As demonstrated in Figure 19, just over half of all respondents (51%) indicated that it did not feel like a partnership. It is also interesting that, among these respondents, views were split on who was the stronger partner, with the majority of these respondents (59%) considering that this was the Lead Contractors.

Figure 20 shows what respondents considered to be the key strengths regarding their contact with their Lead Contractors, with the referrals process being the most frequently cited strength.

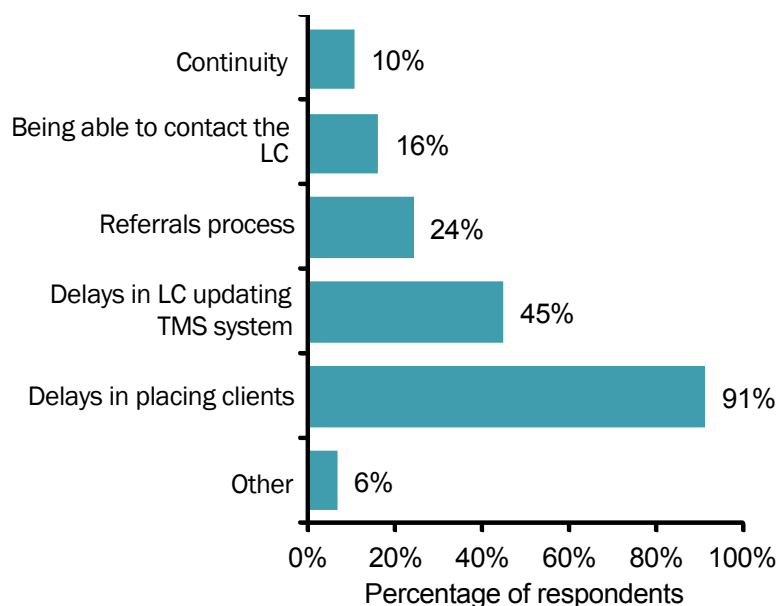
Figure 20 Key strengths regarding contact with Lead Contractor



Respondents' working relationship with their Lead Contractor and dealing with the same person were also considered to be key strengths. It is likely that dealing with the same person helps develop good working relationships and this was confirmed in the focus groups with ESAs/TLs.

It is perhaps not surprising that, when asked about the main challenges in terms of relationships with Lead Contractor, delays in placing participants was the most frequently cited challenge, followed by delays in updating the Trainee Management System (TMS). Indeed, delays in placing participants were cited by twice as many ESAs than any other issue.

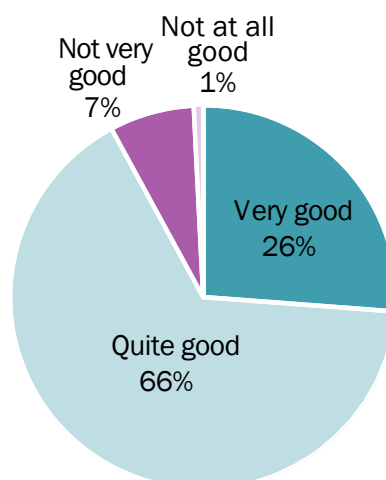
Figure 21 Challenges in relationship



While delays in placing participants possibly reflects the increased numbers coming onto the programme and the associated challenges of matching this with levels of provision, it is not clear why there are delays in Lead Contractors updating the TMS. The Department may wish to look at this issue.

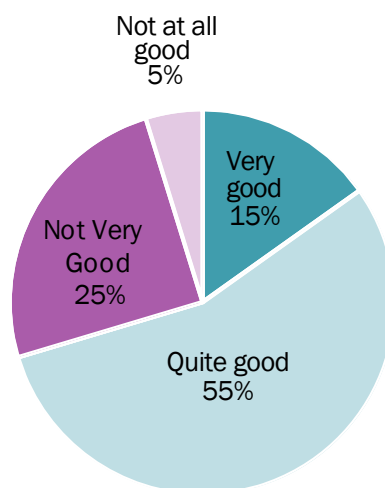
However, overall findings suggest the relationship between respondents and their Lead Contractors was strong as demonstrated in Figure 22. It is positive to note that the majority of respondents (66%) described their relationship with the Lead Contractor in their area as quite good and over a quarter (26%) described it as very good. Interestingly, this was a little more pronounced among those ESAs who considered the Lead Contractors to be the stronger partner (95% of these ESAs described the relationship as quite good or very good).

Figure 22 Relationship with Lead Contractors



Furthermore, as demonstrated in Figure 23, the majority of respondents rated their Lead Contractors positively, with over half (55%) judging them to be quite good with a further (15%) rating them as very good. However, it is noted that almost a third (30%) of respondents rated their Lead Contractor as not very good or not at all good.

Figure 23 Lead Contractors' rating



The relationship with Lead Contractors was explored in more detail in the focus groups. ESAs/TLs had different experiences depending on their local Lead Contractor, with some ESAs highlighting they had effective working relationships with their Lead Contractors while other ESAs raised concerns about their Lead Contractors.

A number of ESAs/TLs felt some Lead Contractors needed to do more to obtain a greater number of placements, and to obtain better quality placements. They considered that this was necessary in order to address delays in placing participants. Furthermore, some

ESAs/TLs suggested that there should be greater linkages and cooperation between Lead Contractors to help secure speedier placements.

Some ESAs/TLs believed the system for evaluating Lead Contractor performance should be more challenging. For example, they considered that instances where participants found placements themselves should not be recorded as an outcome for Lead Contractors. They also considered that tougher sanctions should be used against poorly performing Lead Contractors. This was a theme across a number of the focus groups, not only those areas which had had a change of Lead Contractor (following some performance concerns.)

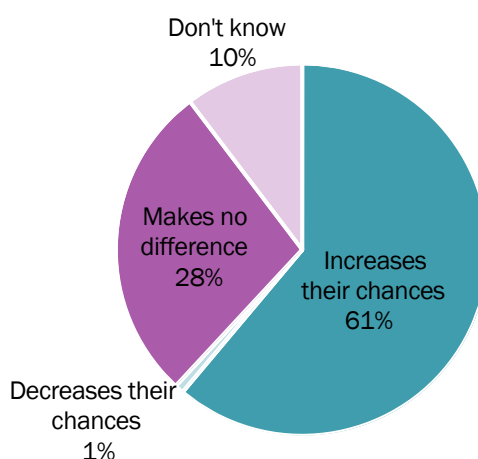
ESAs/TLs who indicated having very positive experiences with their Lead Contractors primarily attributed this to being able to build up a good relationship with them. This meant that ESAs were able to deal with the same person each time, and they suggested that this greatly improved the referral process. This confirmed findings from the online survey.

Interestingly, many ESAs/TLs expressed some sympathy and understanding for the challenges faced by Lead Contractors, both in terms of dealing with increasing participant numbers, and in securing work placements and employment outcomes for StW participants in a difficult economic environment.

6.6 Performance of Steps to Work

Figure 24 shows that the majority of respondents had a positive opinion of the StW programme with 61% believing the programme increased participants' chances of getting a paid job.

Figure 24 Participants' prospects

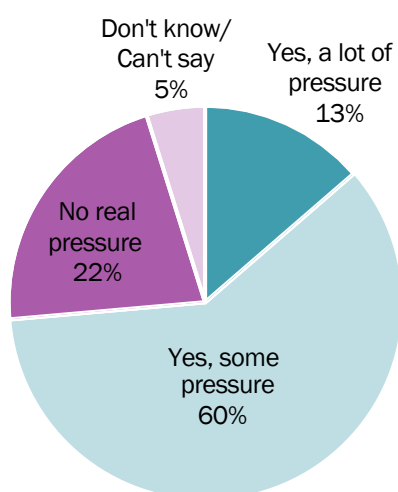


However a notable percentage, over a quarter (28%), disagreed, believing StW made no difference to participants' chances of getting a paid job.

Of the respondents who disagreed, over a quarter of them (29%) considered this was due to the economic climate and that employers could not provide full-time employment for StW participants. However, almost one quarter of them (23%) suggested StW made no difference because the participants themselves were unwilling to work. In particular, a small number of respondents referred to the challenges posed by some mandatory StW participants who simply see the programme as a purely necessary cycle and return to benefits as soon as possible.

Figure 25 shows that almost three quarters of ESA respondents (73%) considered that participants were under some or a lot of pressure to participate in an element of the programme that was unsuitable.

Figure 25 Pressure on StW participants

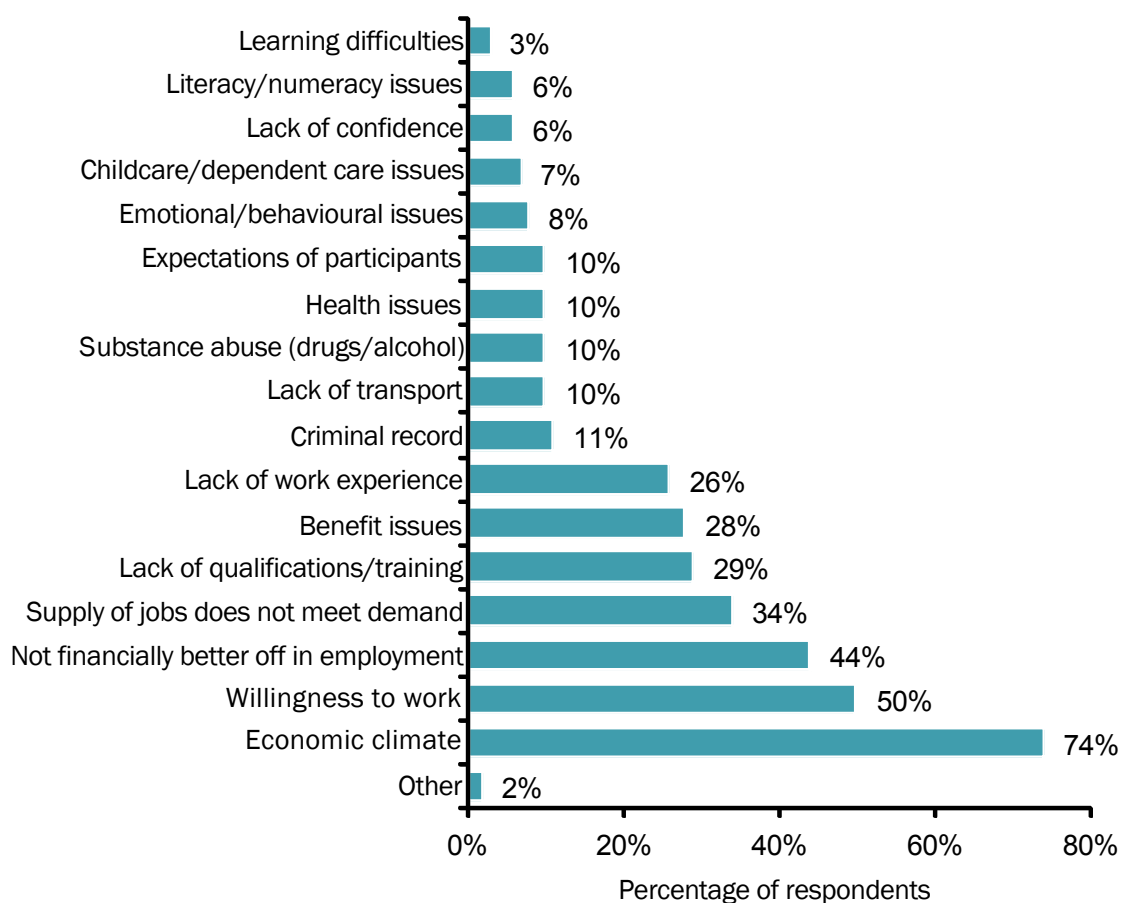


This is not entirely surprising given that the programme is mandatory for most participants. This suggests that ESAs put participants forward for activities which they suspect may be inappropriate and not meet their needs although, as noted in Figure 24, the majority of respondents believed the programme increased participants' chances of getting a paid job.

6.7 Barriers

All respondents were asked to consider what they felt were the three main barriers to StW participants finding work and to rank these.

Figure 26 Main barriers



It is not surprising that the current economic climate was the most frequently identified barrier. This was followed by willingness to find work and the benefits trap. Other barriers included homelessness and debt issues. Figure 27 shows the three most frequently identified barriers and their ranking.

Figure 27 Top three barriers



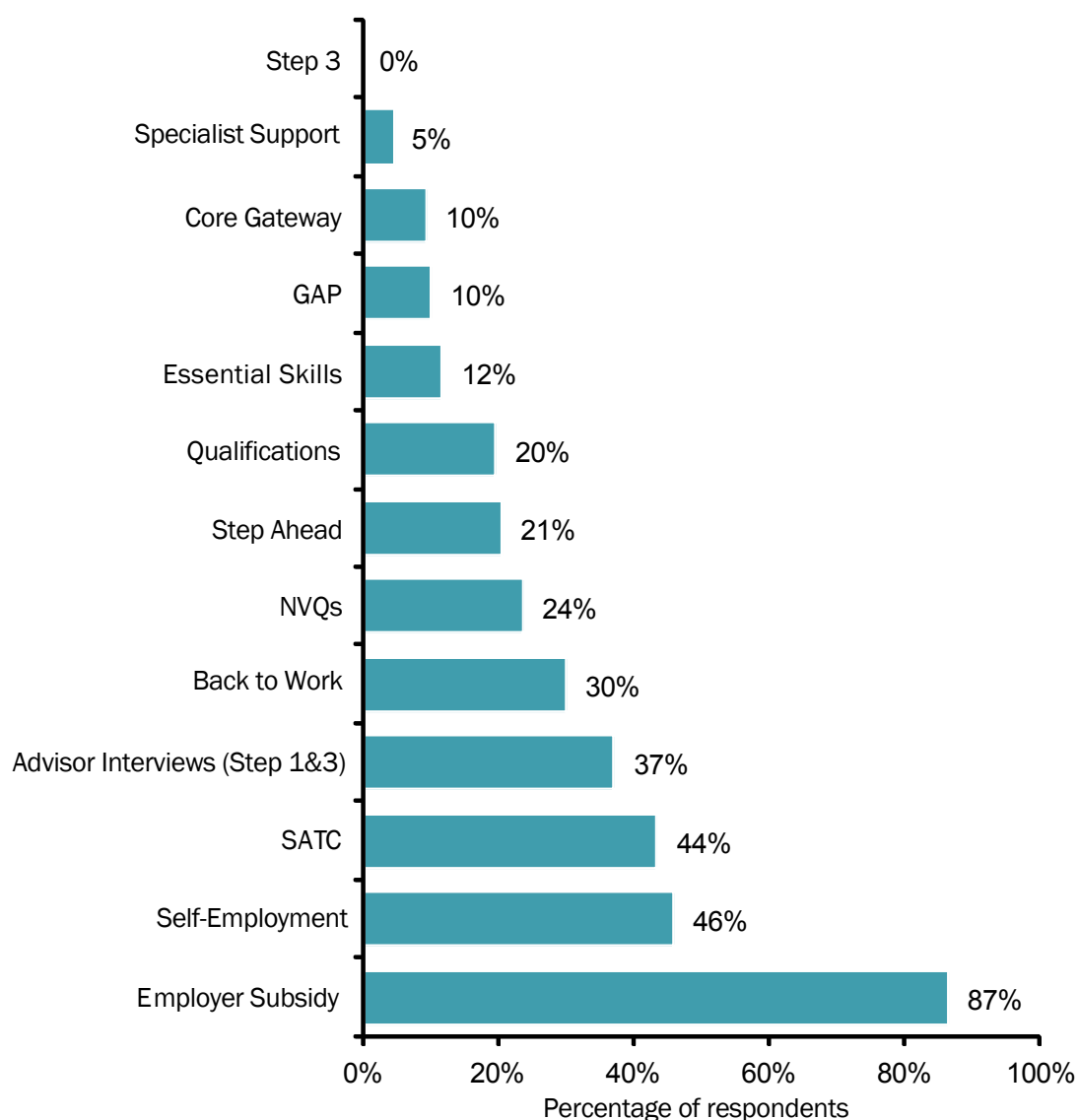
Over half of respondents (55%) indicated that participating in StW did not result in participants sustaining employment for a full 13 weeks. This contrasts with a previous finding where well over half (61%) of respondents said they believed StW increased participants' chances of getting a paid job (see Figure 24). This suggests that many respondents considered that the StW programme should increase participants' chances of finding a job but that it may not be enough to overcome significant challenges to participants sustaining that employment.

This theme was explored in more detail in the focus groups. Some ESAs/TLs believed that the programme had strong potential to help the long-term unemployed break the benefit cycle by reintroducing them to the routine of work and getting them used to having more money than when on benefits. However, in all the focus groups there was strong agreement that there would always be some participants who are not willing to work and who will never fully engage in any programme. This suggests that StW is not having a positive impact on those with attitudinal barriers to employment.

6.8 Sustained employment outcomes

Figure 28 demonstrates which aspects of StW that respondents felt work best in terms of achieving sustained employment outcomes.

Figure 28 Sustaining employment outcomes



This shows that the Employer Subsidy was considered the most effective aspect of the StW programme, followed by Self-Employment option and SATC considered the third most effective aspect. This is not surprising and corresponds with data from the Department for Employment and Learning's official Statistical Bulletin.

This theme was further discussed in the focus groups. Many ESAs/TLs recognised the importance of the Employer Subsidy for creating opportunities for participants and some noted that it was particularly important in a difficult economic environment. However, various ESAs/TLs commented on the potential for employers or those employers deemed not to be in need availing of the Employer Subsidy when they considered that it was not necessary.

For example, a number of ESAs/TLs questioned why large employers could avail of the Employer Subsidy, suggesting that such employers should not be eligible. Furthermore, a large number of ESAs/TLs indicated frustration with some instances where they considered employers constantly used Employer Subsidy or offered work placements for participants but subsequently never created permanent jobs. This is pertinent given the PAC criticisms on New Deal [#14] that some employers used the programme as a source of low cost labour rather than filling vacancies on a permanent basis.

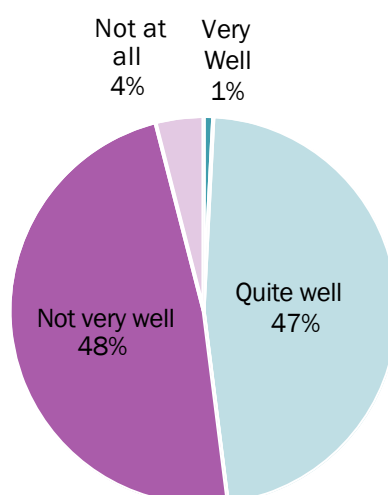
Findings from the focus groups indicate that some ESAs/TLs considered that this remained the case with StW, which could suggest that the Department has not taken sufficient action to address this issue. However, it is noted that ESAs are responsible for approving and monitoring the Employer Subsidy i.e. this initiative is fully within their control (as opposed to being administered/approved by Lead Contractors) and so therefore ESAs can prevent any misuse. The Department may wish to revisit the training and guidance on Employer Subsidy to ensure ESAs are fully aware of their role and responsibilities. At the same time, the Department may wish to revisit the eligibility criteria to determine if these should be tightened to maximise the effectiveness and economy of this intervention.

6.9 Economically inactive

Respondents were also asked about the extent to which they thought that StW met the employability needs of the economically inactive (e.g. Income Support, Incapacity Benefit, Employment and Support Allowance and non-benefit claimants).

Figure 29 shows that just over half of respondents (52%) responded negatively, believing StW did not perform well for this specific participant group.

Figure 29 Employability needs of economically inactive



Previously, 61% of respondents stated that they believed StW increased unemployed participants' chances of getting a job (see Figure 24). However, the findings demonstrated

in Figure 28 suggest that respondents were less optimistic about StW benefiting the economically inactive.

Similarly, just over half of respondents (53%) did not consider that StW enabled them to offer more flexible and tailored support to those with significant barriers to employment.

Indeed, a notable proportion of ESAs/TLs from the focus groups believed that, in theory, StW was a flexible programme allowing participants to choose which direction they wanted to take. However, they stated that, in reality, the programme could be very rigid as it had to follow specific steps and activities which were reinforced by its mandatory nature.

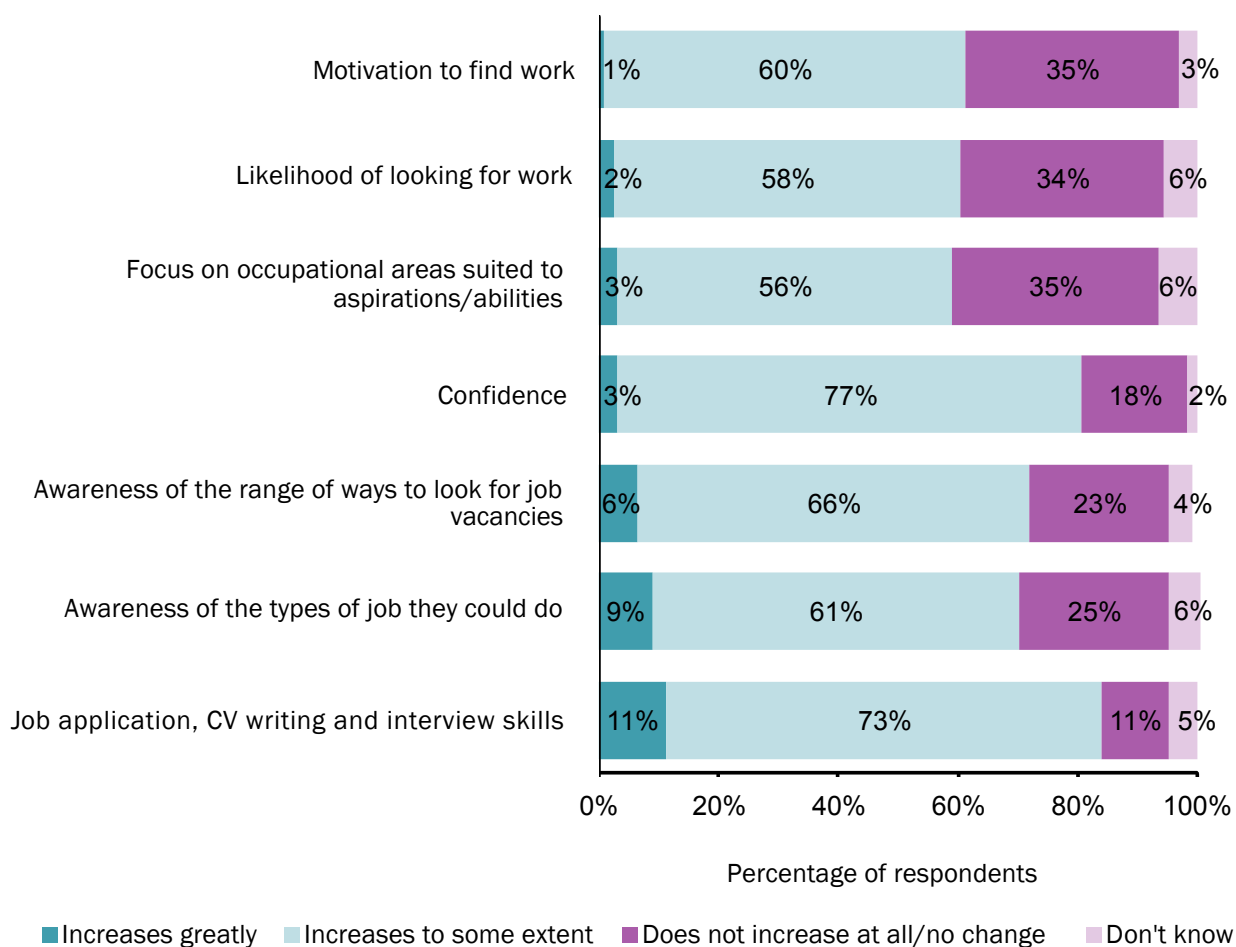
For example, a number of ESAs/TLs noted that participants with additional challenges such as alcohol or drug problems had to complete Core Gateway when it would be better if there was a more specific programme to address their additional needs. Similarly, many ESAs/TLs considered that some types of participants did not benefit from Core Gateway, examples being those who had experience at interviews and CV writing. There was general agreement across all the focus groups that participants were more likely to engage in aspects of the programme if they felt such activities were well suited to their needs. It was clear from the consultation that ESAs/TLs did not share to the same extent PMDB's views that the programme was flexible and that flexibility was a core design component. This possibly reflected that ESAs had large (and increasing) caseloads and that StW was mandatory for most participants. This in turn appeared to result in a transactional oriented engagement with some participants rather than a relationship oriented engagement.

ESAs/TLs welcomed planned changes to StW to allow them more flexibility and discretion in deciding which activities within the programme participants should complete, such as proposed changes to Core Gateway. It was also positive and reassuring to ESAs that the Department for Employment and Learning policy branch had responded positively to their previous feedback. At the same time, a number of ESAs/TLs suggested that increased discretion required increased trust and confidence from the Department for Employment and Learning management who should resist questioning every decision taken by ESAs/TLs. This suggests there are some tensions between some ESAs/TLs' interpretation of guidelines and use of discretion and levels of challenge or scrutiny from management.

6.10 Employability

The StW programme aims not only to get participants back into full-time employment but also to improve their employability in the longer term. ESAs were asked for their views on the impact for participants of engaging on StW activities across a range of dimensions associated with employability. The results are detailed in Figure 30.

Figure 30 ESA views on participants' employability

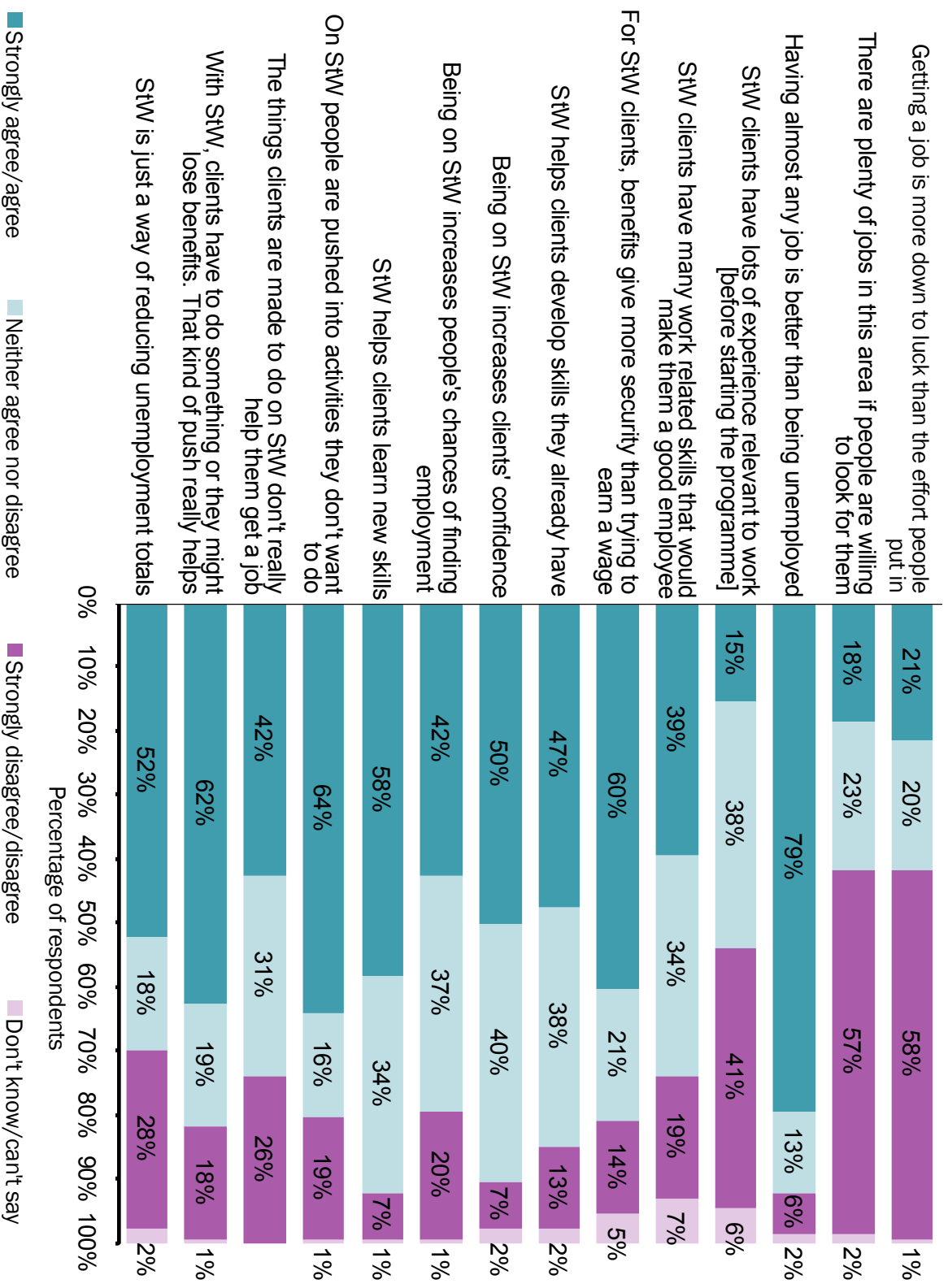


It is encouraging that the majority of respondents considered that the StW programme increased participants' employability.

However, it is noted that over one third of respondents indicated that participation on StW did not increase participants' motivation to find work (35%), their focus on occupational areas suited to their aspirations or abilities (35%), or the likelihood of them looking for work (34%). This suggests that most respondents thought that participants would be better equipped to look for work but fewer respondents suggested that participants would actually do so. This is an interesting finding as it suggests that respondents considered that StW increases participants' knowledge of job hunting but does not necessarily affect a positive change in their job hunting behaviour which could lead to paid employment. It is not clear if respondents considered that this was due to the availability of jobs or willingness to work, but the current economic climate was the most frequently identified barrier followed by willingness to find work (see Figure 26).

Finally, respondents were asked for their views on a range of positive and negative statements about the StW programme. The results are demonstrated in Figure 31.

Figure 31 ESA views of StW and employment



These findings show:

- Just over two fifths of respondents (41%) disagreed with the statement that StW participants had lots of experience relevant to work before starting the programme. However, it is encouraging to see that almost two fifths of respondents (39%) agreed that participants had many work related skills that would make them a good employee.

This suggests that respondents believed participants have transferable employability skills (such as team working, problem solving and flexibility) but lack occupational or sector experience.

- Furthermore, almost half of respondents (47%) believed StW helps participants develop the skills they already have and over half (58%) believed the programme helped participants learn new skills. Additionally, half of respondents believed StW increases participants' confidence. This is possibly why a notable percentage (42%) believed StW increased people's chances of finding employment.
- However, a similar percentage (42%) agreed that the things participants are made to do on StW did not really help them get a job. It is important to note that almost a third (31%) of respondents were uncommitted on this issue.

It is interesting that the majority of respondents (62%) believed that the threat of losing benefits was a push to participants that really helped, but at the same time, marginally more respondents (64%) suggested participants are pushed into activities they do not want to do. This may explain why over half of respondents (52%) agreed with the statement that StW was just a way of reducing unemployment totals.

- The majority of respondents (79%) agreed that having almost any job was better than being unemployed, which suggests that respondents appreciate the value of work over welfare. At the same time, over half of respondents (60%) accepted that, for their participants, benefits can give more security than trying to earn a wage. This suggests that respondents acknowledge that for many of their participants there is a culture of benefit dependency.
- In addition to this, the majority of respondents (57%) disagreed that there are plenty of jobs available if people are willing to look for them.

Benefit dependency and a shortage of jobs make it very challenging for some participants to move into work and it would seem that respondents recognise this.

Overall, ESAs were positive about the strengths and practicalities of the StW programme but less optimistic about its effectiveness in a difficult economic climate and at tackling the benefits culture of certain participants who were unwilling to engage in the programme.

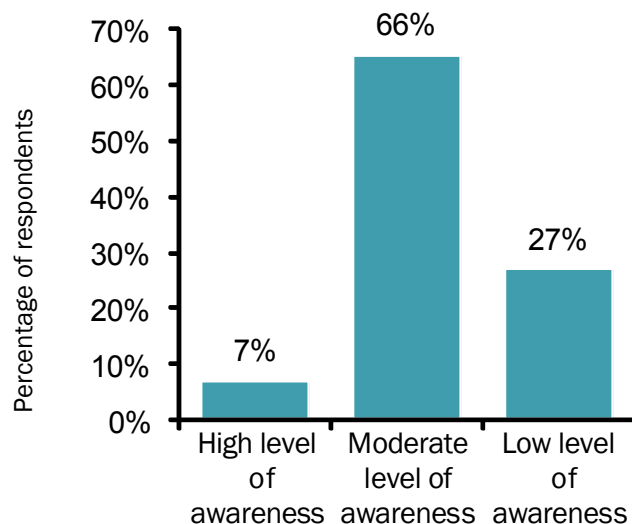
6.11 Comments on employers' perception of Steps to Work

Respondents were asked for their views and opinions of employers' perceptions of the StW programme.

Most respondents had infrequent contact with employers. Almost two thirds of respondents (63%) had contact monthly or less frequently, and almost a third (30%) indicated that contact depended on the needs of the participant or employer. Only 7% indicated regular weekly contact.

Despite low level of contact, most respondents (66%) believed that there was a moderate level of awareness of StW among employers in their area.

Figure 32 Employer awareness



Meeting employer requirements

On the issue of how well the StW programme prepared participants for working with employers, respondents' opinions were relatively divided.

Over half of respondents (55%) believed that StW training (Qualifications/ SATC/ Core Gateway/ etc) met the requirements of employers either quite well or very well. However, a notable percentage, just under half (45%), disagreed with this.

A large number of ESAs/TLs across all the focus groups expressed disappointment that NVQs were no longer available on StW and felt strongly that these had been an effective part of the programme, increasing participants' skills, confidence and motivation to find work. Moreover, a small number of ESAs/TLs suggested that, without NVQs, some participants could not aim for higher paid jobs and so were more likely to remain in the benefits trap where they were financially better off on benefits than they would be in low paid employment. However, at the same time almost all ESAs/TLs accepted that the dropout rate among participants doing NVQs was high, suggesting it was not overall a cost effective option. Some ESAs/TLs were optimistic about the VRQs on offer but insisted more needed to be done to ensure employers recognised these qualifications.

Survey findings indicate that respondents were more positive about StW work experience. A higher percentage of respondents, almost two-thirds (64%), believed that the StW work experience provision met the requirements of employers very well or quite well while just over one third (36%) disagreed.

Regarding work placements, some ESAs/TLs suggested that if these were longer, then this would give employers more time to get to know participants and could increase the

likelihood of sustained employment. Again, this is an interesting finding, especially given proposed changes to reduce work placements to eight weeks.

6.12 Summary and conclusions

- The majority of respondents were experienced Department for Employment and Learning ESAs working across a range of Department for Employment and Learning employment interventions. Most had been involved in StW for two or more years and spent just over half of their time (54%) advising on the StW programme. The vast majority (93%) said they felt quite knowledgeable or very knowledgeable suggesting that most are able to consolidate their knowledge successfully on the job, despite any perceived shortcomings in the training provision. Furthermore, the vast majority of respondents (92%) said that participants always saw the same ESA throughout their time on the programme.

This suggests the programme is delivered by knowledgeable and experienced ESAs who should be able to develop an effective relationship with their StW participants and so be better placed to understand their needs and support them to identify an effective action plan for getting back to work.

- The relationship between respondents and their Lead Contractors was positive. While delays in placing participants created some frustrations, ESAs/TLs were not unsympathetic to the challenges faced by Lead Contractors.
- While respondents were positive about participants' chances of getting a paid job, over half of respondents (55%) did not consider that participating in StW would result in participants sustaining employment for a full 13 weeks.

This suggests that many respondents consider that the StW programme should increase participants' chances of finding a job but that it may not be enough to overcome significant challenges to participants sustaining that employment. The hardest to help and those unwilling to work were highlighted.

- Over half of respondents (52%) believed StW did not meet the employability needs of the economically inactive. Furthermore, over half of respondents (53%) did not consider that StW was sufficiently flexible for those furthest from the labour market suggesting that StW was unlikely to have a positive impact on this group.
- In terms of improving employability, most respondents thought that participants would be better equipped to look for work but fewer respondents suggested that participants would actually do so. This suggests that StW increases participants' knowledge of job hunting but does not necessarily affect a positive change in their job hunting behaviour which could lead to paid employment.
- Overall, ESAs were positive about the strengths and practicalities of the StW programme but less optimistic about its effectiveness given the difficult economic climate, the benefits trap and that certain participants were unwilling to engage in the programme.

7 Consultation with Department for Employment and Learning stakeholders

7.1 Introduction

This chapter presents the findings from a series of consultations undertaken with a range of Department for Employment and Learning stakeholders involved in the management and oversight of the programme.

Interviews were undertaken with the following key stakeholder groups:

- Interviews with PMDB (n=3).
- Interviews with Regional Managers (n=2).
- Interviews with representatives from ETI (n=2).
- Interview with representative from Financial Audit and Support Team (FAST) (n=1).
- Interview with representative from QPB.
- Focus group of a sample of JC/J&Bo Managers and District Managers (n=18).
- Interview with Learning and Skills Development Agency³² (n=1).

Stakeholders were asked about the following:

- StW processes
- Strengths and challenges
- Relationships and support
- Outcomes and impact
- Links with employers
- Any other comments.

7.2 Key findings

Findings from the individual interviews and focus group were categorised and analysed according to emerging themes.

Given the small number of representatives consulted, care should be taken in the interpretation and assessment of findings. In the main, KPMG has reported on key findings where these were commented on, or expressed, by more than one consultee, or, in the case of a single comment, where this explains or elaborates further on commonly expressed views.

³² LSDA is not part of the Department for Employment and Learning, but receives funding from the Department to support and develop Lead Contractors while ETI is part of DENI and provides inspection services for DENI, the Department for Employment and Learning and DCAL.

The following sub-sections provide a synopsis of the key findings from the consultations.

7.2.1 Focus of the programme and performance

There was consensus that the programme was an improvement on previous employment interventions. All stakeholders considered that the focus on employment outcomes was a key and positive attribute of the programme and this was a positive differentiation from previous employment interventions.

The focus on employment was reinforced by a range of measures including ORF for employment outcomes; more robust contract management arrangements which had tackled underperformance; publication of key performance indicators and statistical bulletin including Lead Contractor outcomes; and nuances around the language associated with StW, for example, the programme title, use of the expression participants rather than trainees.

However, it was considered that the programme has not met its performance targets³³ although it was highlighted that employment outcomes had improved despite a more challenging job market. Despite this, some stakeholders suggested that the programme “needed to do better”.

It is noted that the Department for Employment and Learning has watched developments in GB, and the rollout of the Work Programme. However, a number of matters have meant that the Department has no plans to adopt a similar approach in Northern Ireland yet. This includes a lack of performance data on the success of the Work Programme, the capacity or ability of Lead Contractors working in Northern Ireland to adopt a greater risk focused approach along with greater financial rewards.

7.2.2 Management and monitoring

PMDB considered there was greater monitoring of the programme evidenced by SMT monitoring, continuous review, contract management (and action over poor performance) and publication of KPIs and the StW Statistical Bulletin. Indeed a number of stakeholders highlighted that the StW Statistical Bulletin was a very positive development as it provided clear evidence of performance and facilitated comparison among Lead Contractors/CMA. The smaller number of Lead Contractors was viewed as a key strength. The change in delivery model from 147 separate contracts to 10 CMAs (delivered by nine Lead Contractors) helped to improve communication, partnership working and overall administration of the programme underpinned by flexible contracts which meant changes could be introduced easily.

7.2.3 Partnership working

PMDB considered there was a strong partnership between the Department for Employment and Learning and Lead Contractors. However, some operational managers considered that there was an unequal partnership, and considered that Lead Contractors were the stronger partner. In part, this was due to perceptions that the Department had been too slow in responding to poor performance with some Lead

³³ Note, consultation took place prior to publication of the Department for Employment and Learning's Occasional Paper and update performance data.

Contractors and that on occasions some Lead Contractors were not held sufficiently to account for specific aspects of their performance. Examples included waiting times and providing quality work placements. It was also highlighted that PMDB met regularly with Lead Contractors but there was no similar and regular forum for operational managers, and they suggested there could be greater links between them and PMDB.

Some managers were critical of their Lead Contractor's provision, again citing a need to substantially reduce waiting times and increase provision of quality placements. At the same time, many stakeholders, including managers, recognised the strengths among their Lead Contractors and the improvements in delivery over the duration of StW. This led many stakeholders to rate their relationships with Lead Contractor as positive overall.

7.2.4 Flexibility

Views differed on flexibility. PMDB tended to view the programme as flexible (citing, for example, that participants can step on and off the programme). However, operational managers did not consider it a very flexible programme. Managers considered that the mandatory nature of the programme meant that it was not flexible to deal with the increased numbers while the components of the programme constrained tailoring provision according to need. This meant that too often the programme was seen as a transactional arrangement between ESAs and participants i.e. ESAs processed participants through a menu of programmes, rather than a relationship oriented approach.

A key challenge arose with those unwilling to work but who could not be moved off the programme towards alternative provision. Managers highlighted the challenges of dealing with mandatory participants, who were unwilling to actively participate and so are ultimately "recycled". Some stakeholders suggested that participants should be mandated once only, although it was recognised that another intervention would then be required for this group which raised other challenges.

There were clear views expressed that only a small amount of resource should be spent on those considered to be unwilling to work. One suggestion was that a separate and limited intervention should be designed for such clients, as StW did not increase the likelihood of these clients moving into employment.

7.2.5 Those most excluded from the labour market

All stakeholders acknowledged the principle behind employment interventions was to help the "hardest to help". However, most acknowledged there were substantial challenges associated with doing so. For example, the rise in the unemployment register resulted in a broader range of participants, increased competition for jobs and greater choice for employers. This meant that often those "hardest to help" fell further behind. In addition, the broader range of participants and an associated ORF model meant that "easier to assist" participants often tended to be more readily supported (both by ESAs and Lead Contractors).

Therefore, there was a clear view among many stakeholders that, while StW had many strengths, it did not meet the needs of the "hardest to help".

7.2.6 Participant numbers

Some managers acknowledged that the increased numbers on the programme resulted in a processing exercise for clients rather than a quality customer focused service which was then compounded by substantial backlogs in some cases with some participants waiting long periods before progressing through the programme.

Managers suggested separate programmes or possibly new strands within StW for specific groups. However, they recognised the issues associated with creating too many different employment interventions tailored for specific client groups and the impact on frontline ESAs. Equally, they recognised the challenges associated with providing a tailored customer focused service given the numbers and profile of different types of participants.

Some stakeholders suggested separate provision was required for “quick win” participants who are willing to work and easier to engage with on StW, but that this did not mean that graduates and professionals were always more able to self-assist, given the challenging job market.

7.2.7 Voluntary participants

Despite the rise in the number of mandatory participants, there was consensus that voluntary clients should be able to participate on the programme, and, in large part, this was to prevent such clients becoming despondent and moving into long-term unemployment. At the same time, managers considered that voluntary participants were more likely to find paid employment than mandatory participants were.

7.2.8 Employers

Most stakeholders considered there should and could be greater involvement from employers. Many indicated there was a need to promote the programme with employers and this needed to be a cohesive marketing campaign between the Department and Lead Contractors. Some stakeholders suggested that some large employers do not engage with StW or local JC/JBOs, either because of lack of awareness of services and calibre of possible candidates (e.g. recruitment support) or because of perceived bureaucracy or because of the large number of stakeholders one organisation must engage with, especially if located across Northern Ireland.

Other stakeholders suggested there was a need for greater engagement with local councils and the civil service to offer work placements. The introduction of regeneration projects with social clauses was seen as a positive development. Overall, managers recognised the difficulties in encouraging employers to participate, with some considering that employers used the current economic climate as an excuse not to engage while other managers cited practical issues for smaller employers such as insurance for work placements.

7.2.9 StW strands

Many of those consulted suggested the **Step Ahead initiative** was not an effective intervention for the long-term unemployed³⁴ i.e. those perceived to be furthest from the labour market, as it occurred too late. Indeed, it was suggested that the “hardest to help” were less well supported now and stakeholders spoke of the “unemployable” and an “underclass” emerging. However, there was a reluctance to expand Step Ahead to all sectors, specifically private sector employers, a view being that “employers did not appreciate what they got for free”.

Many stakeholders suggested that the **Employer Subsidy** should be promoted more, given its effectiveness in obtaining employment outcomes. However, some stakeholders acknowledged that there was a need to ensure the Employer Subsidy was not misused and a few suggested that the rationale for the Employer Subsidy, i.e. as part of a package of support, was lost. It was suggested that this could be related to Lead Contractors proactively promoting Employer Subsidy in order to secure employment outcomes especially given the challenges in the current economic climate and their ORF model.

Quality work placements were seen as a key success factor. Some stakeholders suggested that employers should pay a nominal amount (e.g. £20 per week) to take participants on work placement, but there should be no costs associated with taking the long-term unemployed and those with additional barriers, thereby providing an incentive for employers to engage with specific harder to help groups.

Some stakeholders expressed disappointment regarding cessation of **NVQs** and highlighted that ESAs considered they had less to offer some participants. In part, this was because the Qualifications and Credit Framework (QCF) was not recognised by sufficient employers suggesting more needs to be done to promote this.

Some stakeholders highlighted that **Enhanced Support** was underutilised and indeed it was suggested by some that this could be due to reluctance on the part of some ESAs to promote it as some considered it “easy money” for Lead Contractors. Additionally, it was highlighted that the confidence and motivation module in Step 1 was underutilised, provision was of variable quality and its very title acted as a barrier to participation in the programme. At the same time, it was suggested that this module, if implemented well, could have a positive impact on participants’ motivation and willingness to work.

7.2.10 Frontline resources

There was recognition that ESAs were stretched due to increases in the JSA register and acknowledgement that there would be no substantial increase in resources. Some stakeholders considered that the level of administration and paperwork was unnecessary and had a demoralising impact on frontline staff and suggested there was scope to streamline some paperwork, and reduce bureaucracy. It was also suggested that there needed to be a more effective way of managing ESAs’ caseloads beyond the current approach which was characterised as “number of participants/ESAs=caseload”.

³⁴ These views were expressed at a point in time when only limited information was available on outcomes achieved from the Step Ahead strand.

It was recognised that Team Leaders had a crucial role in managing and overseeing ESAs and their workloads.

Some stakeholders suggested that ESAs should work with those closest to the labour market, with Lead Contractors focusing on those “hardest to help”. This led some stakeholders to suggest that some changes could be made to the role of the ESA including taking some activities off Lead Contractors and for these to be done by ESAs and vice versa. One area suggested was for ESAs to provide enhanced support/mentoring. Some managers considered the staff guidelines to be too open to interpretation at times leading to inconsistencies in practice across different offices.

Issues in relation to frontline resources are particularly pertinent as successful operational delivery is dependent on ESAs. Comments on managing caseloads, interpretation of guidelines and previous comments on a transactional oriented approach suggest that some frontline staff may not be delivering the programme in the flexible and relationship oriented manner that it was designed to be. Information in Chapter 4 on the labour market suggests that a more proactive approach to caseload management, a greater focus on a relationship oriented approach and confidence when interpreting guidelines to ensure an effective and flexible programme will be required in order to maintain current StW performance outcomes. The Department for Employment and Learning should consider what additional training and development support is required for ESAs to help ensure this can occur

7.3 Summary and conclusions

- All stakeholders considered that the StW programme was an improvement on previous employment interventions and that a focus on results (outcomes) and ORF was a positive development.
- At the same time, all stakeholders considered that the programme had not met performance targets (at the time of consultation) and specifically was not meeting the needs of those most excluded from the labour market.

In part, this was attributed to the challenges associated with the economic climate, a substantial rise in the JSA register providing a broader range of participants and greater choice for employers all of which meant those easier to assist were more readily supported and were more appealing in an ORF model. This may also explain why there was consensus that voluntary clients should be able to participate.

- It is positive to note that there was greater monitoring and more effective management of the programme, although operational managers considered that the Department had been slow to act on underperformance on some occasions.
- PMDB had a more positive view of partnership working with Lead Contractors compared with operational managers. In part, this highlighted operational challenges regarding waiting times and providing quality work placements but also highlighted a desire for a regular forum and greater links between operational managers and PMDB. However, overall, both PMDB and operational managers highlighted positive working relationships with Lead Contractors.
- Stakeholders recognised that some strands were more effective than others were while some strands were underutilised. At the same time, most stakeholders considered there should and could be greater involvement from employers and a

need for greater engagement with local councils and the civil service to offer work placements.

- Comments on managing caseloads, interpretation of guidelines and previous comments on a transactional oriented approach suggest that some frontline staff may not be delivering the programme in the flexible and relationship oriented manner that it was designed to be, while such an approach would become increasingly important.

8 Consultation with Lead Contractors

8.1 Introduction

This chapter presents the findings from a series of consultations undertaken with the eight Lead Contractors who participated in the Steps to Work programme. It sets out the details of each contractor and the regional area for which they are responsible for Steps to Work provision.

The chapter then presents the detailed findings from the consultation process, under a number of key headings. Specifically, Lead Contractor feedback is outlined in relation to the following key areas:

- Steps to Work processes.
- Relationships and support with key stakeholders.
- Strengths and challenges of the programme.
- Outcomes and feedback in relation to individual elements of the programme.

8.2 Lead Contractor network

Table 25 indicates the nine contract areas for delivery of the Steps to Work programme and the Lead Contractor associated with each area.

Table 25 Lead Contractor area

| Contract area | Lead Contractor |
|--------------------------|--------------------------------|
| Antrim | TWL Training |
| Belfast (South and East) | TWL Training |
| Belfast (North) | North City Training |
| Belfast (West) | Springvale Learning |
| North Down | South Eastern Regional College |
| North West | Network Personnel |
| South Eastern | People 1 st |
| Southern | Wade Training |
| Western | South West College |

8.3 Steps to Work processes, relationships and support

The Lead Contractors were consulted with in relation to their views on the linkages with key stakeholders on the StW programme (e.g. Department for Employment and Learning, JC/JBOs and employers). They were consulted with in terms of their relationships with these stakeholders and how well the processes in place within the StW programme operate within this stakeholder framework. Furthermore, Lead Contractor opinions on the support they receive from the Department for Employment

and Learning management (including PMDB and QPB) were also sought during the consultations. The findings in relation to the previously outlined areas are noted in the subsequent sections.

8.3.1 Linkages with the Department for Employment and Learning

The majority of the Lead Contractors believed that there was a strong partnership approach between them and the Department in the overall delivery of the programme. Furthermore, many viewed this as being key to successful programme delivery and enabling the programme to be delivered effectively and efficiently at both an operational and programme management level.

In relation to the suitability of communication from the Department for Employment and Learning, over half of the Lead Contractors were satisfied in terms of the timeliness and clarity of their communications with the Department. However, a few Contractors did feel that communications could be further improved through implementing a number of changes. These included ensuring that JC/JBOs and Lead Contractors are informed of proposed changes to the programme at the same time, so that no information gap exists between any parties. Broadly, however, it was viewed that the quality of communication was positive and enhanced the partnership approach between the Lead Contractors and the Department, as noted above.

Some Lead Contractors were disappointed that softer outcomes, such as confidence and motivation building, were not recognised to any extent in an ORF model, despite such outcomes being an important step to improving employability among participants. At the same time, Lead Contractors appreciated that the overarching aim of the programme was to get participants into employment and therefore the natural emphasis by DEL to focus on and hence fund employment outcomes.

8.3.2 Linkages with JC/JBOs

Most Lead Contractors indicated that they had good working relationships with the JC/JBOs and that, in general, the processes and linkages between them operated efficiently. However, some Lead Contractors noted that there was some variation in relationships, processes and practices across JC/JBOs within their own area although they recognised this reflected the flexible nature of the programme and discretion/interpretation of user guidelines. In general, however, they confirmed that these variations did not impact negatively on the overall delivery of the programme.

The Lead Contractors acknowledged the challenges faced by JCs/JBOs arising from the increased claimant count. However, many of the Lead Contractors suggested that the increase in participant numbers had led to deterioration in the quality of some Action Plans. This was in relation to the poor level of detail occasionally included within the Action Plans and also through receiving Action Plans with unrealistic career goals and/or in sectors with few employment opportunities and where there was no realistic secondary goal included in the Action Plan to pursue.

Most Lead Contractors indicated that they had experienced instances which suggested that some JC/JBO Advisers were not always fully knowledgeable of the processes and intricacies of the programme. It was suggested that this was because of newly appointed staff in some cases but other cases suggested some training needs.

8.3.3 Linkages with employers

Most Lead Contractors thought that employers were satisfied generally with the StW programme and the calibre of participants put forward. They recognised that employers had a greater and broader choice of participants now than perhaps previously.

However, Lead Contractors noted they were finding it increasingly difficult to secure placements. This was due to the increased numbers required but also because some employers were unable to accept placements, especially in cases where they had recently made some of their own employees redundant.

Nearly all of the Lead Contractors noted that the Employer Subsidy was being increasingly utilised, possibly reflecting the economic climate and financial challenges to businesses. This was viewed positively as most Lead Contractors considered that the Employer Subsidy attracted employers who would not otherwise have participated in the programme. Interestingly, one Lead Contractor considered that the Employer Subsidy was not useful in sourcing additional employers and employment opportunities. Furthermore, Lead Contractors noted that the outcomes from the Employer Subsidy strand were noticeably greater than those achieved from the other Step 2 strands.

Most Lead Contractors felt that awareness of the programme among employers generally was low. They believed this led to reluctance with some employers to participate in certain cases, as some employers did not have a working knowledge of the programme and its potential benefits. Lead Contractors suggested that a wider marketing campaign to promote the programme, targeted at employers, would be beneficial in increasing awareness and subsequently participation.

8.4 Strengths of the programme

The Lead Contractors praised various different aspects of the StW programme and delivery. Some of the salient findings not indicated previously are presented below.

Programme aims

- All of the Lead Contractors considered that the **focus on securing sustainable employment** for participants was a positive attribute of the programme and an enhancement on previous programmes. They indicated that this was beneficial to all stakeholders and focussed all those involved in the programme on optimising employment outcomes for participants. Lead Contractors believed that this focus was evident throughout the programme delivery and various elements and also in all communications/ liaisons with relevant stakeholders.

Programme structure

- The majority of Lead Contractors were positive about the breadth of courses available and the variety of options available to participants. They believed that this opened the possibilities to participants to follow a number of different options in a wide range of industries and sectors.
- Similarly, around half of the Lead Contractors praised the general flexibility of the

programme, especially compared with previous employment schemes, in terms of the ability to offer a wide variety of services all aimed at securing employment or increasing employability of participants.

- Most Lead Contractors indicated that the structure and design of the programme was positive, while recognising the challenges associated with the economic climate and the volume of participants, and the impact that these have on achieving and sustaining positive outcomes. Most considered that the programme would have been successful and met its targets but for the current economic climate and the resulting impact on unemployment.

Programme delivery

- Around half of the Lead Contractors noted that the programme was **effective in improving confidence and motivation** among participants, through activities and initiatives such as Core Gateway and Step Ahead. These Lead Contractors typically stated that successfully partaking in routine work or attendance on courses/training benefitted some of the more inactive participants who were further from the labour market and encouraged them to continue to develop and further their employability. As such, these Lead Contractors believed this was an area which should be focussed on further within the programme.
- The majority of the Lead Contractors praised the forthcoming **changes in relation to Core Gateway**, stating that reverting to a more modular ‘as required’ approach would be beneficial and would ensure that participants can receive tailored support to meet their specific needs.

8.5 Barriers/weaknesses of the programme

Lead Contractors identified a number of weaknesses and/or barriers to achieving successful outcomes. Some of the salient findings in relation to these not already identified elsewhere in this section are presented below.

External factors

- The **volume of participants and the economic climate** were indicated by the majority of the Lead Contractors as the main barriers to achieving a successful outcome from the programme.

Participants

- Most Lead Contractors indicated that **overcoming negative client attitudes** was a barrier to successful outcomes at times, especially among some mandatory participants. This included an unwillingness to actively participate on the programme and/or an unwillingness to consider other potential career paths. A few Lead Contractors believed that, in extreme cases, they should be able to exclude participants who are particularly disruptive or have additional social or educational issues which would need addressed first. Additionally, many Lead Contractors noted that, in some instances, participants did not wish to travel relatively large distances for placements etc and overcoming this was a barrier at times.
- **Overcoming the 'benefits trap'** was also noted by many Lead Contractors as a barrier to success, with a few stating that, in some cases, there is little financial incentive for some participants to remain in employment. They recognised that this was not a failing of the programme per se, but more a comment on wider welfare provision.

Programme

- Around half of the Lead Contractors considered that the programme was **inflexible at times with regards to the stipulated timeframes given to achieve certain outcomes**. In certain cases, these were believed to be unrealistic due to external factors (for example, the time taken to secure Access NI clearance if required) and/or the volume of participants on the programme at any one time needing to receive support.
- Similarly, many Lead Contractors viewed the **level of administration and paperwork** associated as onerous and time consuming. However, they appreciated that much of this was necessary and could not be avoided.
- Around half of the Lead Contractors felt that they **should receive recognition for job successes achieved at the end of Step 1**.

8.6 Outcomes/feedback on specific elements of the programme

The following subsections provide specific feedback in relation to specific elements of the programme.

8.6.1 Step Ahead

All the Lead Contractors believed that the Step Ahead initiative was very beneficial in terms of securing temporary waged employment for participants who would find most difficulty in entering the labour market. Moreover, all the Lead Contractors stated that Step Ahead should be retained, albeit with a few potential adjustments.

The main area for adjustment indicated by Lead Contractors was that Step Ahead should be open to the private and public sector, and not just the community and voluntary sector, where there were fewer permanent job opportunities. They believed that this would open up greater possibilities for participants to secure paid employment at the end of the programme, as opposed to being 'recycled' back to StW again.

In addition, most Lead Contractors indicated that the conditions for being accepted onto Step Ahead should be more flexible in terms of eligibility for Step Ahead. Specifically, Lead Contractors felt that 30 months was too long a period of economic inactivity before this specific intervention could be activated, although there were varying opinions as to what this should be if it were to be altered.

8.6.2 Qualifications

A few Lead Contractors indicated that cessation of NVQs had left a gap in their offerings in relation to qualifications and that NVQs had not been suitably replaced. These Lead Contractors were of the opinion that VRQs were not as widely recognised by participants or employers. As such, they noted that the uptake on VRQs has been significantly lower than the corresponding uptake for NVQs. However, Lead Contractors did recognise that the outcomes (in terms of participants entering sustained employment) from NVQs were not overly positive and that the option to undertake a VRQ with relevant work experience could be more beneficial if the strand was successfully utilised.

Lead Contractors were in general very positive about the breadth of SATCs available on the programme. Additionally, they stated that the outcomes achieved from SATCs were relatively positive, in terms of the numbers moving into sustained employment, although the proportion was significantly lower than those participants who utilised the Employer Subsidy or Self-Employment strands.

8.6.3 Back to Work placements

Many Lead Contractors indicated that securing sufficient Back to Work placements was difficult in the current economic climate as fewer employers were able to offer positions. Additionally, Lead Contractors in a number of areas noted that their region had traditionally focussed quite heavily on a small number of industries/ sectors and that their local participants were therefore mostly skilled in these areas, with finding placements in a different type of industry challenging.

Lead Contractors proposed more linkages with statutory organisations in order to increase placements and job outcomes in their area. A number of Lead Contractors indicated that these types of organisations employed a sizeable proportion of the labour market in their area and so had the potential to offer more sustainable placements and employment opportunities.

Lead Contractors however indicated that, due to the increasing volumes of participants on the programme, they were able to offer more skilled participants to employers. It was noted however that the conversion rate of placements into sustainable employment positions within the companies after 13 weeks was not favourable compared to other strands of the Steps to Work programme.

As noted previously, a small number of Lead Contractors suggested that extending placement periods would be beneficial, as they felt that 13 weeks was, in some cases, not long enough for participants or employers to fully benefit from the placement.

8.6.4 Enhanced Support

The feedback from Lead Contractors in relation to the Enhanced Support element was mixed. Around half of the Lead Contractors believed that the elements of Enhanced Support which offered assistance in improving confidence and motivation among participants were beneficial and they noticed the impacts of these on participants.

However, some Lead Contractors felt that the programme needed to focus and promote Enhanced Support more to participants. A few Lead Contractors stated that they felt ESAs were reluctant to promote Enhanced Support so as not to make participants feel inferior. As such, they suggested that Enhanced Support should be rebranded and/or marketed differently to participants. One Lead Contractor indicated that they had been marketing this type of support in a manner which was more appealing to participants and potentially did not stigmatise them in a way. The Lead Contractor noted that this subsequently improved the perception of the support among participants and increased the uptake accordingly.

8.7 Conclusions

This chapter has outlined findings from the consultation process undertaken with the Lead Contractors and detailed feedback in relation to a number of key areas.

- The Lead Contractors indicated that they believed there was a strong partnership approach evident between them and the Department and that this was key to enable optimal delivery of the programme. They noted that their relationships and views on different JCs/JBOs could vary across their Contract Management Area but they had a good working relationship with all of these, with the linkages generally operating efficiently. A potential training need was identified however, with a suggestion that some Advisers were not always fully knowledgeable of the processes and intricacies of StW. Positively, most Lead Contractors thought that employers are generally satisfied with the StW programme and the calibre of participants put forward.
- A number of strengths were identified, primarily in relation to the programme's focus on securing sustainable employment for participants, a focus which the Lead Contractors viewed as extremely positive and important. Furthermore, the Lead Contractors praised the flexibility of the programme and the breadth of options and qualifications/courses available to the participants, as well as the programme's effectiveness in improving confidence and motivation.
- Certain barriers were also identified by the Lead Contractors, especially in relation to the volume of participants and the current economic climate. Overcoming negative client attitudes was also identified as an ongoing barrier, as well as stipulated timeframes to achieve certain outcomes on the programme. Lead Contractors did indicate, however, that they were aware of these challenges and were developing ideas and methods to lessen their impacts.
- In relation to specific elements of relevance within the StW delivery, Lead Contractors provided some valuable feedback through the consultation process. They indicated that the Step Ahead element was very beneficial in securing temporary waged employment for the hardest to help participants and that the initiative should be retained, subject to a few minor adjustments.

- Lead Contractors were very positive about the breadth of SATCs available and the positive outcomes arising from such. Additionally, they also praised the elements of the programme which offered assistance in improving confidence and motivation amongst participants, believing that these types of elements were key to some of the hardest to help participants.

9 Consultation with participants

9.1 Introduction

This chapter sets out the findings from interviews with StW participants. A detailed and comprehensive questionnaire was developed covering participants' current activity, experiences of StW and attitudes to the programme.

9.2 Sample of participants

The Department for Employment Learning provided an anonymised database of over 16,000 participants who were currently on StW in May 2011 and a sampling framework of 5,000 was extracted. The Department requested a sample of 500 participants stratified across the three Steps.

A total of 520 interviews were completed between July and August 2011. Interviews were carried out by trained interviewers from Dallas Fieldwork across nine Contract Management Areas. Table 26 shows the number of respondents interviewed across each step of the programme.

Table 26 Respondents

| Steps to Work | Number of respondents | Percentage of respondents |
|--------------------|-----------------------|---------------------------|
| Step 1 only | 127 | 24% |
| Step 2 (not Step3) | 365 | 71% |
| Step 3 | 28 | 5% |
| Total | 520 | 100% |

All data relating to the field interviews was checked and subsequently inputted into an SPSS datafile for analysis. Given that the sample was disproportionately stratified, it should be noted that data was subsequently weighted to account for the relative sample sizes of participants on the various StW steps. Weighted data has been used throughout when reporting on the findings.

The following should be noted in relation to tables and figures contained in this report:

- Percentages may not sum to 100 due to rounding.
- A percentage estimate of less than 0.5 is recorded as 0%.
- Where no cases have been recorded for a cell a “-“ is inserted.
- Where the base cell is less than 100, the reader is asked to treat the results with caution. This is especially the case for all commentary regarding Step 3 respondents where surveyed respondents were n=28.
- Percentages will sum to more than 100 for multiple response questions.
- All charts and figures are sourced from KPMG's StW Participant Survey.

9.3 Profile of respondents

Each respondent was asked a series of questions in order to provide information about their personal and demographic characteristics.

Almost two-thirds of respondents (65%) were male and just over a third (35%) were female. Over three quarters indicated that they were single and never married (78%). The highest percentage of respondents were between 18 and 24 years old (44%) and almost all respondents were white (98%). Similar percentages of respondents were Protestant (42%) and Roman Catholic (44%) with the remaining 14% being of another religion, or no religion or unwilling to answer. Survey respondents were broadly representative of the StW population characteristics. Respondents were drawn from all nine CMAs.

9.3.1 Disability

The majority of respondents (83%) indicated that they did not have any health problems or disabilities at the time of the interview that were expected to last more than a year.

Of those respondents (17%) that specified they did have such a health problem or disability, the vast majority (85%) indicated that it affected the kind of work they could undertake. Table 27 indicates respondents' health problems, showing that back and neck problems and chest and breathing problems were the most frequently identified health problems.

Table 27 Health problems

| Health problem | Percentage of respondents |
|--|---------------------------|
| Back or neck | 23% |
| Chest or breathing problems, asthma or bronchitis | 22% |
| Problems with disabilities (inc. arthritis or rheumatism) with arms or hands | 16% |
| Diabetes | 12% |
| Legs or feet | 11% |
| Heart, blood pressure or blood circulation problems | 9% |
| Depression, bad nerves or anxiety | 7% |
| Mental illness or suffer from phobia, panics or other nervous disorder | 7% |
| Severe disfigurement, skin conditions, allergies | 5% |
| Difficulty in hearing | 4% |
| A speech impediment | 4% |
| Drug or alcohol problems | 4% |
| Other health problems or disabilities (including progressive illness not coded above e.g. cancer etc.) | 4% |
| Stomach, liver, kidney or digestive problems | 3% |
| Epilepsy | 2% |
| Difficulty in seeing | 1% |

(Note: Base case n=74)

It is noted that less than one third (31%) of respondents with a disability indicated that they had been asked about their additional needs. This is interesting, as it suggests that, at a time when those on Incapacity Benefit (disability benefits) are being migrated over to the new Employment & Support Allowance (E&SA) or JSA, some ESAs are not assessing for additional support. It is noted that all Step 3 respondents who indicated that they had a disability also indicated that this affected the type of work they could do and none recalled being asked about additional support.

The issue of having a disability is important as results from the StW Leavers' Survey suggest that those with a disability are less likely to be in employment than those without a disability (14% compared to 26%).

9.3.2 Qualifications

Respondents were asked a series of questions regarding their school/college and vocational qualifications. Over a third of respondents (36%) had no school/college qualification and over two fifths (44%) had no vocational qualifications.

Table 28 indicates that the most common school/college qualification was GCSEs, obtained by over a third of respondents (35%), while Table 29 indicates that the most

common vocational qualification was an NVQ/SVQ, obtained by over one fifth (23%) of respondents. Of those respondents who completed/recalled their NVQ level, over two thirds (68%) obtained a Level 2 qualification.

Table 28 School/college qualifications

| Highest School /college qualification held | All respondents |
|--|-----------------|
| None of these | 36% |
| GCSE grades A, B or C | 35% |
| GCSE grades D, E, F or G | 12% |
| GCE A Level or Higher school certificate | 7% |
| Degree | 6% |
| CSE grade 2-5 | 2% |
| Other academic qualification | 2% |
| CSE ungraded/ don't know grade | 1% |
| GCE O-Level 1-6 (pre-1975) | 1% |
| CSE grade 1 | 0% |
| GCE O-Level A-C (1975 or after) | 0% |
| Total | 100% |

Table 29 Vocational qualifications

| Vocational qualifications | All respondents |
|--|-----------------|
| None of these | 44% |
| NVQ/SVQ | 23% |
| Essential Skills (literacy/ numeracy) qualification | 12% |
| BTEC, BEC, SCOTBEC, SCOTEC, SCOTVEC First certificate or diploma or General certificate | 9% |
| Recognised trade apprenticeship | 8% |
| City and Guilds (can't say which) | 6% |
| City and Guilds- Craft, Intermediate or ordinary (part 1) | 5% |
| Other vocational or pre-vocational qualification | 5% |
| City and Guilds- Advanced or final (part 2) or full tech (part 3) | 4% |
| GNVQ/GSVQ/AVCE | 4% |
| Pitman's/ RSA secretarial or clerical | 3% |
| Higher National Certificate or Diploma (HNC or HND) or SCOTVEC Higher certificate or diploma | 2% |
| Ordinary National Certificate or Diploma (ONC or OND) or SCOTVEC National Certificate or diploma | 1% |
| Other clerical or commercial qualification (e.g. Typing/shorthand/book-keeping) | 1% |

Note: Respondents could give more than one answer

Interestingly, there was little variation among school/college qualifications across Steps 1 to 3 respondents. However, there was some variation across Steps 1 to 3 among vocational qualifications attained by respondents. A higher percentage of Step 1 respondents (47%) had no qualifications compared with Step 2 (40%) and Step 3 (39%) respondents. A substantially higher percentage of Step 3 respondents had a recognised trade apprenticeship or NVQs/SVQs compared with Step 1 or 2 respondents (18% compared with 9% and 5%; 39% compared with 20% and 31%). (Note that the total number of Step 3 respondents was small).

9.3.3 Welfare benefits and Tax Credits

It is not surprising that the majority of respondents (75%) indicated they were in receipt of JSA at the time of interview. Small proportions were also in receipt of disability related benefits. See Table 30.

Table 30 Welfare benefits and Tax Credits

| Benefits | All respondents |
|---|-----------------|
| Jobseeker's Allowance | 75% |
| Child Tax Credit | 8% |
| Income Support | 4% |
| ESA/Incapacity Benefit | 3% |
| Working Tax Credit | 3% |
| Invalid Care Allowance | 2% |
| Disability Living Allowance (either care or mobility) | 2% |
| Severe Disablement Allowance | 1% |
| Don't know | 1% |
| None of these | 15% |

Note: Respondents could give more than one answer

Over half of those not in receipt of any of the above benefits were in paid work as part of StW (i.e. Employment Subsidy, Self-Employment or Step Ahead) or on work placement.

Respondents were undertaking a range of StW activities at the time of the interview. Table 31 shows the percentage of respondents interviewed across each StW activity.

Table 31 Steps to Work activity

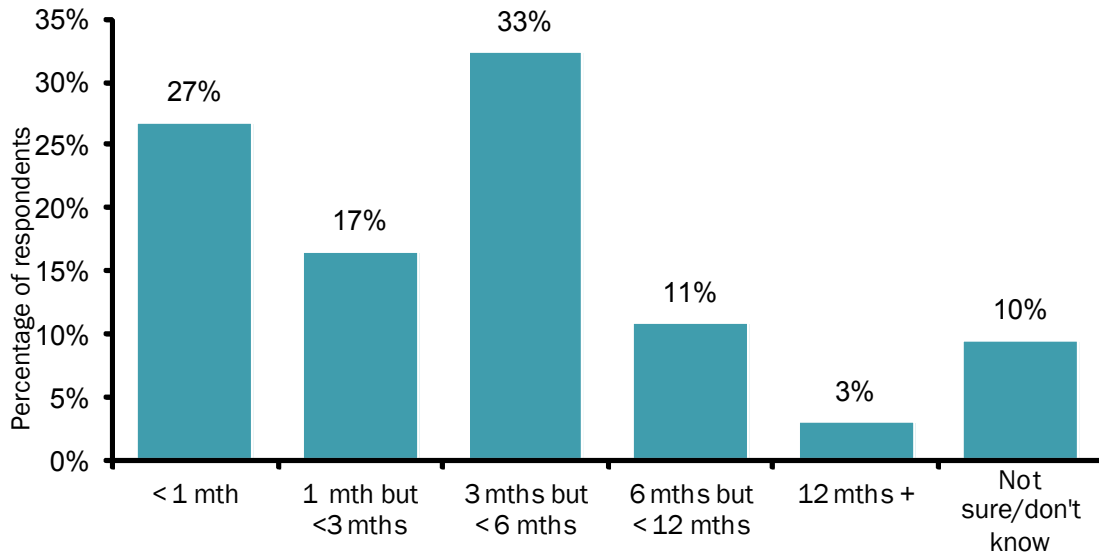
| Steps to Work activity | | All respondents |
|------------------------|---|-----------------|
| Step 1 | Meeting with an Adviser at the start of StW | 2% |
| | Short course within StW | 66% |
| Step 2 | Taking part in 13 week work experience | 10% |
| | Undertaking qualification (NVQ) with work experience | 6% |
| | Working with employer who receives StW subsidy | 4% |
| | Improving skills/doing qualifications & work experience | 3% |
| | Setting up own business | 2% |
| | Step Ahead job | 2% |
| | Undertaking qualification (VRQ) and getting work experience | 1% |
| | Taking part in Graduate Acceleration Programme | 1% |
| Step 3 | Meeting an Adviser towards the end of StW | 2% |
| Total | | 100% |

The highest percentage (66%), were on Core Gateway while one third of Step 2 respondents were taking part in the 13 week Back to Work strand. This suggests that

the 13 week work experience was the most popular strand within Step 2, although the reasons for this are not known.

Not surprisingly, few respondents (3%) had been on the programme for more than one year at the time of interview. Just over a quarter (27%) were on the programme for less than one month and a third (33%) were on the programme for more than three months but less than six months at the time of interview.

Figure 33 Length of time on StW

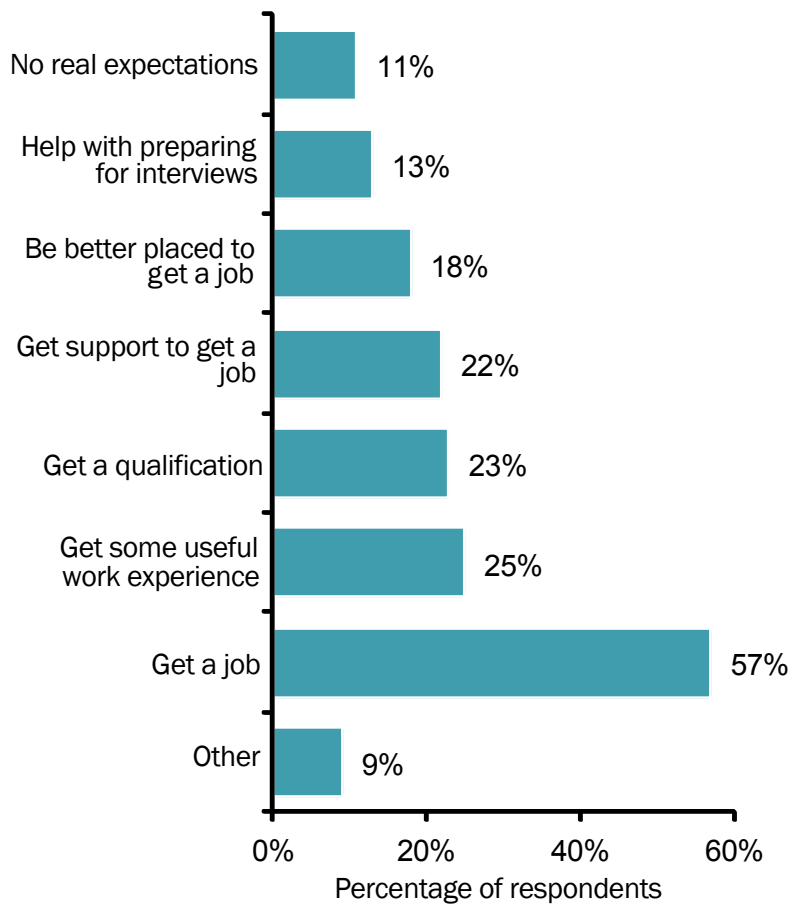


Again, it is not surprising that there was some variation across Steps 1 to 3 with most respondents on the programme less than one month constituting Step 1 respondents and most of those on the programme for more than 12 months constituting Step 3 respondents.

9.3.4 Expectations

Respondents were asked what their expectations were while on the programme and it is encouraging to see that the most frequently selected response was to get a job which was selected by 57% of respondents. Among those who indicated “other” reason, the most frequent response was to set up their own business. A small percentage of respondents (11%) had no real expectations, which could suggest they did not have sufficient understanding of the programme to have any expectations, or it could suggest motivational issues, given that StW is a mandatory programme for most participants, or possibly reflect some participants’ views on employment interventions per se and/or the impact of the current job market.

Figure 34 Expectations on StW

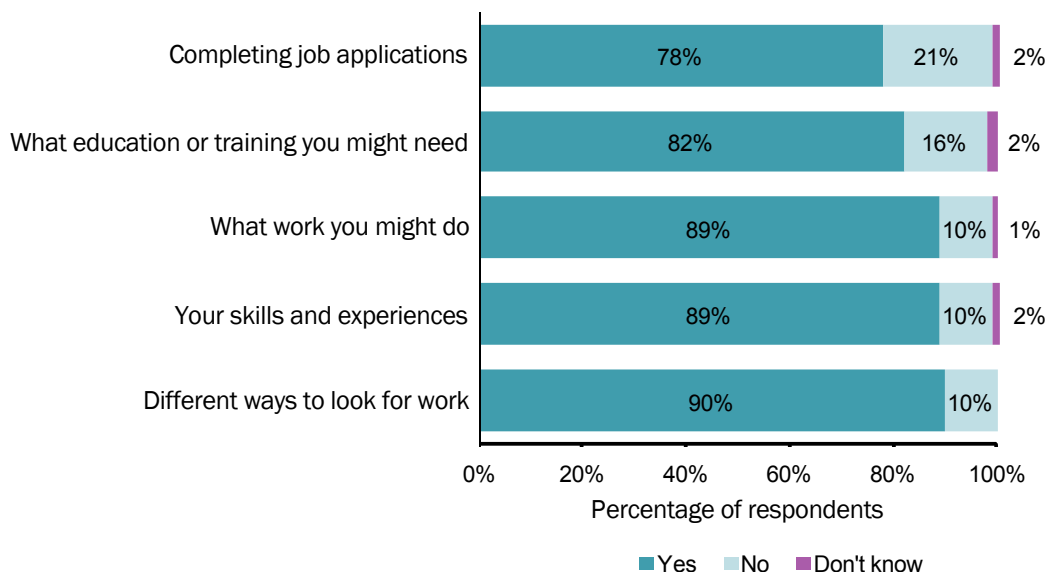


There was fairly substantial variation in responses across Step 1 to 3 respondents, with substantially higher proportions of Step 2 respondents expecting to get a job (73%) and/or get a qualification (36%). A quarter of Step 3 respondents (25%) had no real expectations compared to 11% of respondents overall. This suggests that Step 2 respondents were more motivated and positive towards what they might achieve by participating on the StW programme than Step 1 and Step 3 participants.

9.3.5 Experiences of Step 1

All 520 respondents were questioned about their experiences of Step 1 of the programme and the advice, information or specific support they received from their local JC/JBO.

Figure 35 JC/JBO support



It is positive to note that the overwhelming majority of respondents indicated that JC/JBO staff had discussed each of these themes with them. Notably higher percentages of respondents indicated that JC/JBO Advisers discussed types of work (90%) and different ways to look for work (89%) than completing job applications (78%). There was little variation across Step 1 to 3 respondents, the main exceptions being that notably higher proportions of Step 3 respondents indicated that JC/JBO had discussed what work they might do (96%) and education and training they might need (89%).

Similarly, the majority of respondents reported they had received a range of practical help from JC/JBO Advisers as demonstrated in Figure 36.

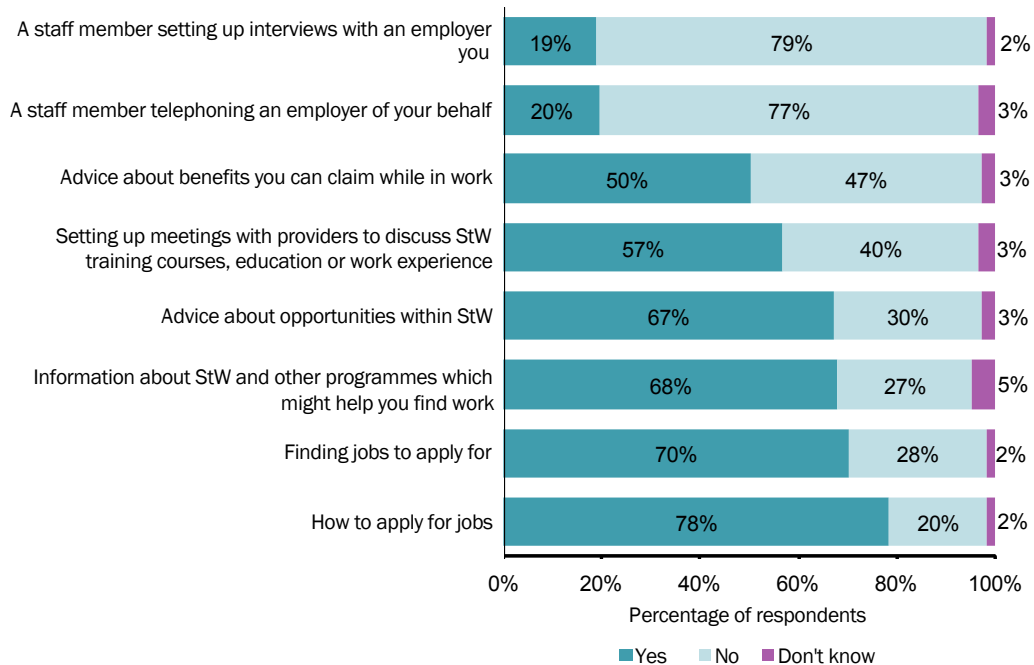
This shows that over three quarters (78%) received practical help in how to apply for jobs and 70% had received help in finding jobs to apply for. Over two-thirds (68%) received information on StW and other programmes and of opportunities within StW. However, notably fewer respondents indicated that JC/JBO Advisers had provided more proactive help such as telephoning employers (20%) or setting up interviews with employers (19%).

JC/JBO Advisers are supposed to perform a better off calculation for all StW participants but these findings suggest that only half of respondents (50%) had been provided with advice about benefits they could claim while in work. This suggests that substantial proportions of respondents are not given relevant information to allow them to see how they could be better off while in work and/or how they can retain some benefits.

This is an important finding as it is likely that this type of information could help respondents to make informed decisions on moving into paid employment, especially for those considering part-time employment. At the same time, it is possible that respondents were informed but did not recall this. The Department may wish to

investigate this further, for example, through an audit of participant files or via the CMS system.

Figure 36 Types of practical help



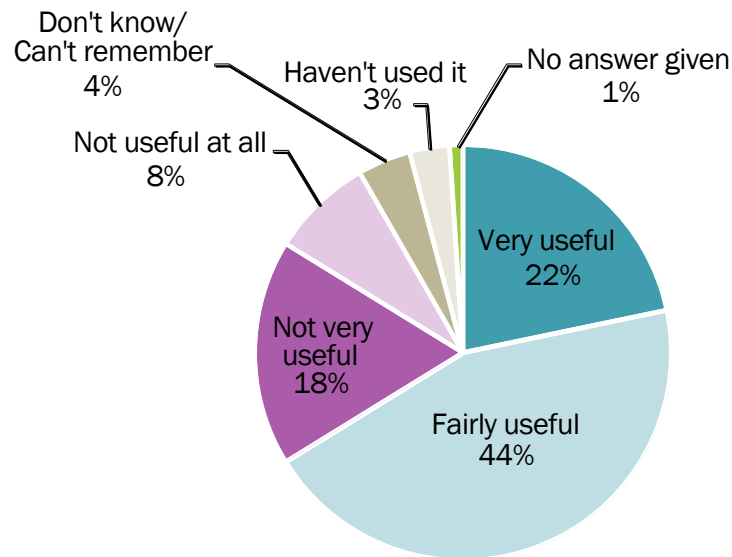
In addition, respondents were asked if they had completed an Action Plan with an Adviser and a notably high percentage of respondents (29%) indicated that they had not and 15% were unsure or unable to remember.

There was some variation across Step 1 to 3, where almost a third of Step 1 respondents (32%) indicated they had no Action Plan. This may not be surprising as a notable proportion of Step 1 respondents (39%) were on the programme for less than one month at the time of interview. However, over a fifth of Step 2 respondents (22%) indicated they had no Action Plan and the reasons for this are not known. In addition, almost two-fifths (39%) of Step 3 respondents did not know/remember completing an Action Plan which is surprising as it would be anticipated that they were currently revisiting/updating this plan with JC/JBO Advisers.

Given the importance of an Action Plan in assisting participants to identify work and set goals to help them into employment, the Department may wish to investigate if these results are an accurate reflection of practice in JC/JBOs or merely reflect respondents' views and/or poor recollection.

Of those respondents (56%) who had completed an Action Plan, the majority rated this positively, with two-thirds (66%) indicating it was very or fairly useful. Responses were more positive among Step 2 respondents where almost three-quarters (74%) indicated it was very or fairly useful.

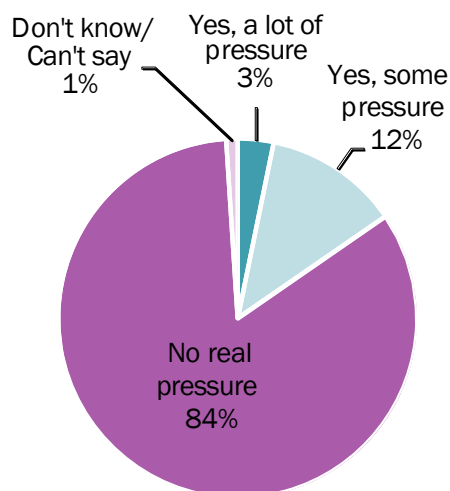
Figure 37 Completed action plan



However, over a quarter of respondents (26%) found the Action Plan not useful or not very useful and a further 7% did not know or had not used their Plan which suggests it was not useful. The Department for Employment and Learning may wish to explore the reasons for this, given the importance of the Action Plan in supporting participants back to work.

It is interesting to note that the vast majority of respondents (84%) indicated that they felt no real pressure from JC/JBO Advisers to apply for jobs or participate in a programme that they felt was unsuitable. This was more pronounced among Step 2 respondents (90%).

Figure 38 Pressure to apply for jobs or participate in an unsuitable programme

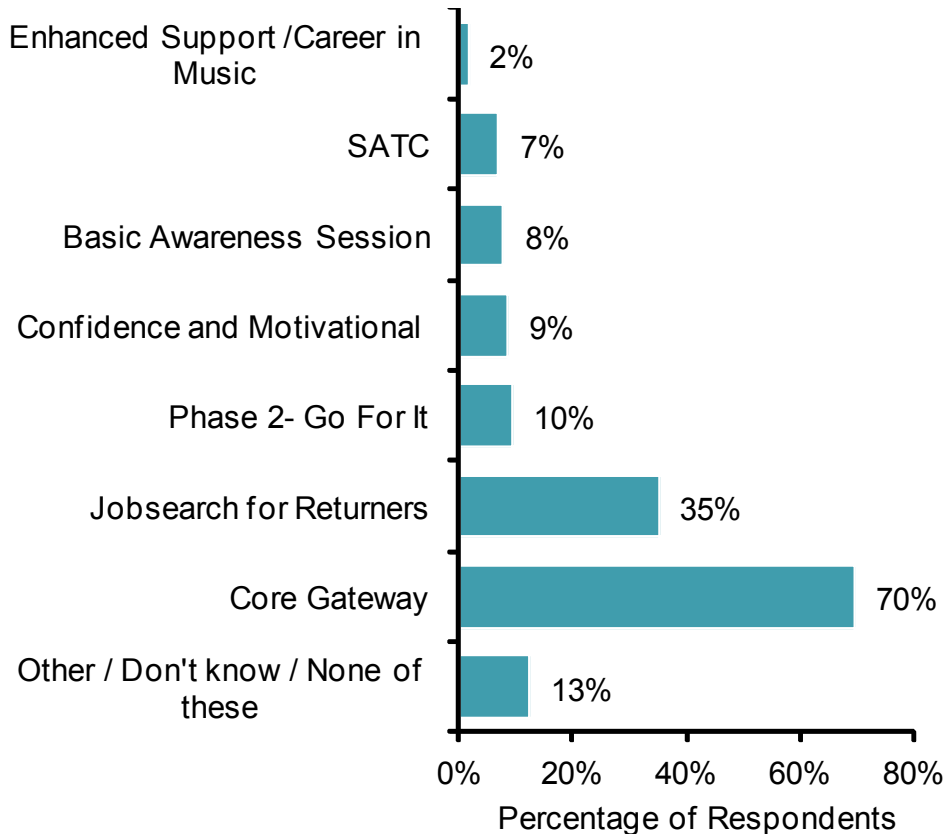


9.3.6 Activities on StW 1

Respondents were asked about the type of Step 1 activities they were doing/had done.

Figure 39 indicates that the majority of respondents participated in Core Gateway, which is not surprising as it is a key component of Step 1. A small percentage of respondents (10%) indicated that they had not participated in any Step 1 activities, suggesting that they had progressed straight onto Step 2.

Figure 39 Step 1 activities



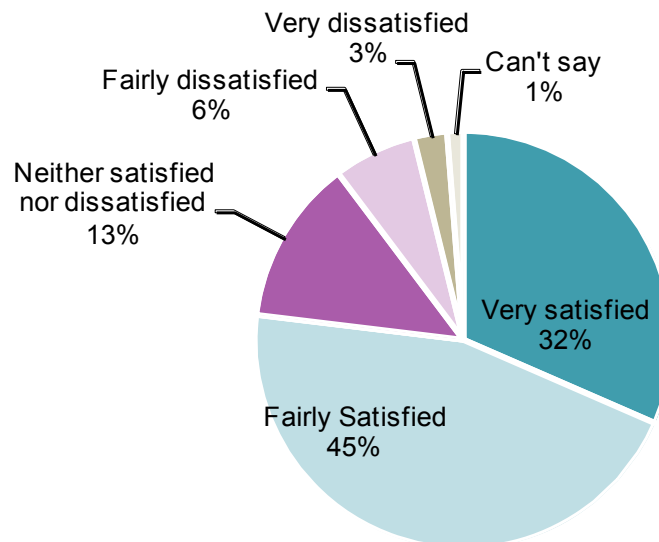
Those respondents who had done more than one of these activities were asked to rank which had been the most and least useful. Of those who responded, over half (54%) rated Core Gateway as most useful (although almost a third (30%) rated it as least useful), and over a third (37%) rated Jobsearch for Returners as least useful.

Core Gateway was considered the most useful by the largest number of respondents but was also rated the least useful by a notable number of respondents. Similarly, Job Search for Returners was considered the least useful by the largest number of respondents but was also considered the most useful by a notable number of respondents. These were the two activities most frequently undertaken by respondents (see Figure 39) which helps explain why they were most frequently rated as most or least useful. However, there is an obvious split in opinion as to the usefulness of each of these activities.

Respondents' overall satisfaction with the advice and opportunities offered to them by their JC/JBO Advisers was high, with over three quarters (77%) indicating they were

either very satisfied or fairly satisfied. Interestingly, a higher percentage of Step 3 respondents (89%) were very or fairly satisfied compared with 81% of Step 2 respondents and 75% of Step 1 respondents, albeit the number of Step 3 respondents was low.

Figure 40 Overall satisfaction with Step 1



A small percentage of respondents (9%) indicated some dissatisfaction with the advice and opportunities offered to them by their JC/JBO Adviser(s) and did so for a variety of different reasons. Respondents currently on Step 3 were least likely to have indicated dissatisfaction with the advice and opportunities offered while on Step 1 of the programme (4%).

Only two common themes of dissatisfaction emerged, namely specific dissatisfaction with JC/JBO Advisers and more general dissatisfaction with a shortage of opportunities on or after the StW programme.

With regards to JC/JBO Advisers, dissatisfied respondents indicated dissatisfaction with the helpfulness of some JC/JBO Advisers and a smaller proportion indicated that there was not enough communication between staff themselves and/or between JC/JBO Advisers and StW clients.

With regards to a shortage of opportunities on or after the StW programme, some dissatisfied respondents indicated dissatisfaction that they were unable to gain employment after the programme, while others were not satisfied that sufficient attention was given by a JC/JBO Adviser to find them activities that were suitable for them.

However, respondents were positive about the length of time they could spend on Step 1 (usually 16 weeks) with over half (53%) indicating they felt it was about right. Interestingly, this varied from 51% of Step 1 respondents to 58% of Step 2 respondents to 61% of Step 3 respondents. One fifth of respondents (20%) thought that the 16 weeks was too long, and this was more pronounced among Step 1 respondents (24%) and least pronounced among Step 3 respondents (7%).

9.3.7 Experiences of Step 2

All respondents who were on or had participated on Step 2 were asked a further series of questions about their experiences.

Respondents were asked which Step 2 activity they were doing/had done. Table 32 sets out the percentage of respondents who were participating/had participated on the various strands within Step 2. This shows that over a third of respondents (35%) were/had participated on Back to Work and almost one quarter (23%) had/were doing an NVQ/VRQ and relevant work experience.

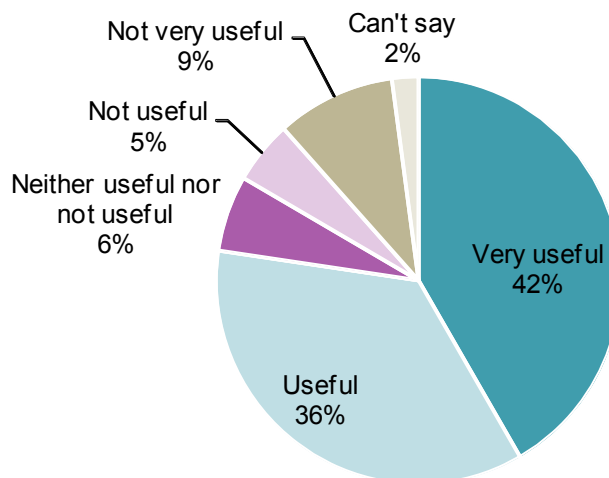
Table 32 Step 2 Strand

| Step 2 activity | All respondents | |
|---|-----------------|------|
| | n= | % |
| Back to Work/work related training | 57 | 35% |
| Doing a qualification - VRQ/NVQ and Work experience | 38 | 23% |
| Working in a paid job [Employer Subsidy] | 23 | 14% |
| Essential Skills and work experience | 18 | 11% |
| Step Ahead | 13 | 8% |
| Self-Employment (Test trading) | 11 | 7% |
| Graduate Acceleration Programme | 3 | 2% |
| Total | 163 | 100% |

Excluding those respondents (14%) who were/had been on Employer Subsidy, respondents were asked about the usefulness of Step 2 strands in helping them to find paid employment and asked about the quality of provision.

Figure 41 indicates that over three quarters of respondents (78%) considered that their Step 2 activity was very useful/useful with only 14% considering it not to be very useful/useful.

Figure 41 Usefulness of Step 2



However, there was variation in views across the different strands as demonstrated in Table 33.

This indicates that all respondents (100%) on the Self-Employment (Test trading) and GAP strands rated these as useful/very useful compared with just over two-thirds (67%) of respondents on Back to Work.

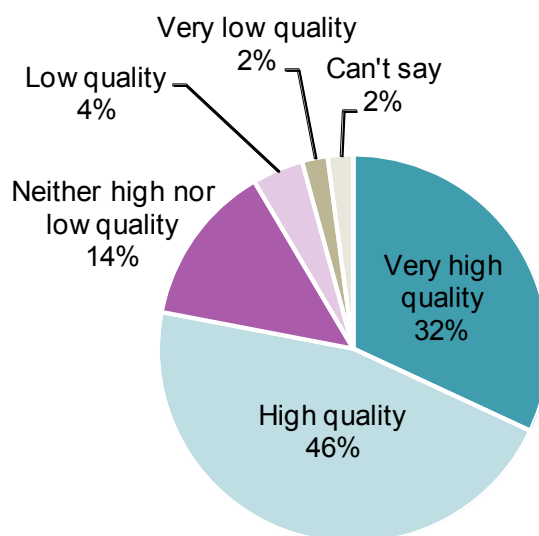
Table 33 Usefulness of Step 2 Strands

| Step 2 Strand | Very useful/ useful | Neither useful nor not useful | Not useful/ not very useful | Can't say |
|--|------------------------|-------------------------------------|--------------------------------------|--------------|
| GAP | 100% | 0% | 0% | 0% |
| Self-Employment (Test trading) | 100% | 0% | 0% | 0% |
| Doing a qualification- VRQ/ NVQ and work experience | 86% | 3% | 8% | 3% |
| Step Ahead | 83% | 8% | 8% | 0% |
| Essential Skills and work experience | 82% | 18% | 0% | 0% |
| Back to Work/work related training | 67% | 5% | 26% | 2% |

Step 3 respondents were less positive than Step 2 respondents and almost two-thirds (62%) considered that their Step 2 activity was very useful/useful in helping them to find paid work. Almost one fifth (19%) considered Step 2 activities as neither useful nor not useful, and a fifth (20%) considered them to be not useful or not very useful which was higher than Step 2 respondents (14%) did. Step 3 respondents' less positive views may be explained by their lack of success in securing paid employment after completing Step 2.

Regarding quality, just over three quarters of respondents (78%) considered that the quality of the support provided was of very high or high quality with only 6% considering it to be of low or very low quality.

Figure 42 Quality of support



Again, Step 3 respondents were less positive (54% compared to 78% overall), possibly influenced negatively by their lack of success in securing paid employment after completing Step 2.

While a considerable majority of respondents rated the quality of the support provided as very high/high, there was variation in views across the different strands as demonstrated in Table 34. Responses indicate that respondents on GAP were generally less positive about the quality of the support than usefulness. While it is positive that only a small percentage of respondents rated quality as low/very low, it is noted that notable percentages of respondents on Essential skills and on GAP were uncommitted.

Table 34 Quality of Step 2 Strands

| Step 2 Strand | Very high /high quality | Neither high nor low quality | Low/very low quality | Can't say |
|---|-------------------------|------------------------------|----------------------|-----------|
| Self-Employment (Test trading) | 91% | 9% | 0% | 0% |
| Doing a qualification- VRQ/ NVQ and work experience | 86% | 5% | 8% | 0% |
| Step Ahead | 85% | 8% | 0% | 8% |
| Essential Skills and work experience | 76% | 24% | 0% | 0% |
| Back to Work/work related training | 72% | 16% | 9% | 4% |
| GAP | 67% | 33% | 0% | 0% |

9.3.8 Additional support

A small percentage of respondents (14%) who had done/were doing Step 2 had received additional support alongside their current/previous Step 2 activity. Almost all (98%) were receiving one-to-one support (Enhanced Support) with only 2% receiving

support from a Music Industry Adviser. Almost all of these respondents (91%) indicated they felt this additional support was very useful/ useful in helping them find paid work. A small percentage (4%) did not express a view (neither useful nor not useful) and a similar percentage (4%) could not comment (Don't know/can't say).

Almost all respondents (98%) rated the quality of this support as very high or high quality and none expressed a negative view.

9.3.9 Experiences of Step 2: Work/work placement

As shown in Table 35, the majority of these respondents were on a work placement (63%) and almost one fifth (23%) were on Employer Subsidy or Step Ahead.

Table 35 Paid work/work placement

| Work/work placement | All respondents |
|-----------------------|-----------------|
| Placement | 63% |
| Paid work | 23% |
| Doing no type of work | 7% |
| Test trading | 5% |
| Not sure | 2% |
| Total | 100% |

Over one third of respondents (35%) were in community, social and personal service activities and over a fifth (21%) were in the wholesale and retail trade sector, as shown in Table 36.

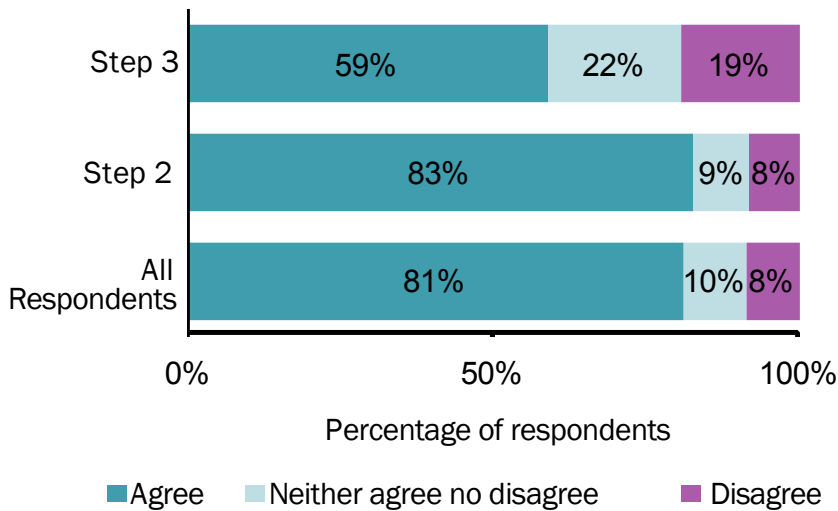
Table 36 Occupational sector

| Sector | All respondents |
|---|-----------------|
| Community, social and personal service activities | 35% |
| Wholesale and retail trade, etc | 21% |
| Construction | 8% |
| Hotels and restaurants | 6% |
| Education | 6% |
| Transport, storage and communication | 5% |
| Manufacturing | 4% |
| Agriculture, hunting and forestry | 3% |
| Real estate, renting and business activities | 3% |
| Health and social work | 3% |
| Financial intermediation | 1% |
| Public administration and defence: compulsory social security | 1% |
| Unable to classify | 5% |
| Total | 100% |

It is encouraging that 81% of respondents agreed that their work/work placement was a good match for their experience, skills and interests. This suggests that Lead Contractors are managing to secure high quality placements and work opportunities despite the challenging economic climate.

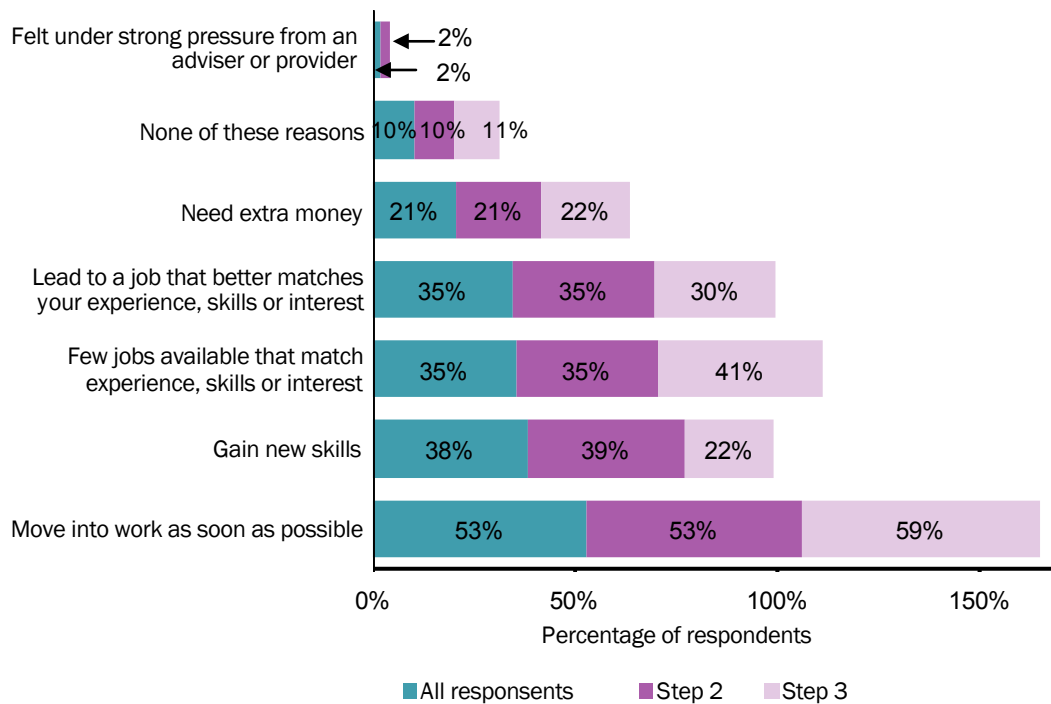
However, Step 3 respondents were substantially less positive and almost one fifth (19%) expressed a negative view (see Figure 43). The reasons for their views are not known but may reflect their lack of job success. Note that the number of respondents on Step 3 was small.

Figure 43 Views on work/work placement being a good match



Respondents were asked about the reasons for deciding to take their specific work/work placement. The reason most frequently selected by respondents was that they wanted to move into work as soon as possible. This was selected by over half of all respondents (53%), and was more pronounced among Step 3 respondents (59%). Respondents were less motivated to take a work/work placement because they needed the extra money and few felt pressurised.

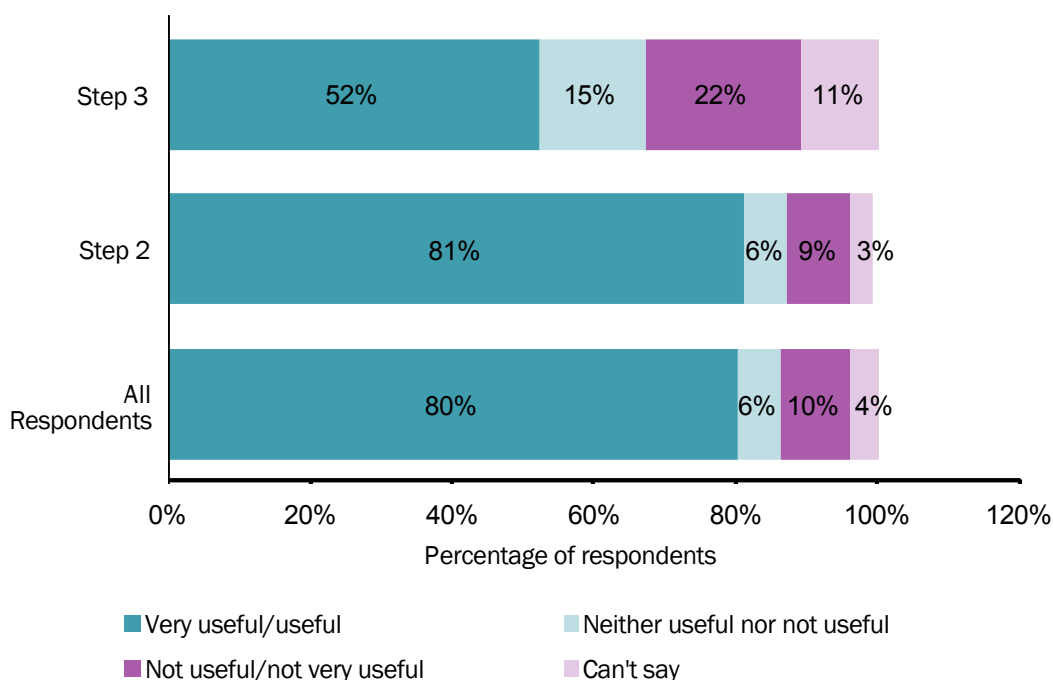
Figure 44 Reasons for taking work/work placement



It is positive to note that the vast majority of respondents (80%) considered that the work/work experience would be useful/very useful in helping them get a more permanent job/ paid work and this was more pronounced among Step 2 participants (91%).

However, while a higher percentage of Step 3 respondents took a work/work placement to move into work as soon as possible (59%), considerably fewer thought that this work/work placement would be very useful/useful in them getting a job. Their views here possibly reflect their lack of success in securing paid employment at the end of their time on Step 2.

Figure 45 Usefulness of work/work placement



9.3.10 Experiences of Step 2: Essential Skills

A small percentage of respondents who had done/were doing Step 2 of the programme at the time of the interview reported having some problems with reading English (6%), writing English (6%) or problems with numbers or simple arithmetic (8%). Only 2% of respondents stated that their literacy difficulties were because English was not their first language.

Literacy

Of those respondents who reported having a problem with literacy, more than half (55%) indicated that they were not receiving/had not received any help with their literacy difficulties. Of these respondents, a small percentage (11%) had been offered help and it is not known if they were then not provided with help or if they declined any help. Of those who received help, help as part of a small group was the most common help (89%) and 11% received one-to-one support.

Numeracy

Of those respondents who reported having a problem with numeracy, more than half (54%) indicated that they were not receiving/had not received any help with their numeracy difficulties. Of these respondents, over a fifth (21%) had been offered help and it is not known if they were then not provided with help or if they declined any help. Of those who received help, almost three-quarters (72%) received help as part of a small group.

Literacy and numeracy among Step 3 respondents

Interestingly, a higher percentage of Step 3 respondents than Step 2 respondents reported difficulties with writing English (11%) and numeracy (14%), perhaps suggesting that respondents on Step 3 faced additional barriers to get into paid employment. It is therefore positive to note that a higher percentage of Step 3 respondents reported receiving help with writing English (67%). However, only a quarter (25%) reported receiving help with numeracy although two thirds (66%) reported that they were offered help. Again, it is not known if they were then not provided with help or if they declined any help.

Findings on literacy and numeracy are summarised in Table 37.

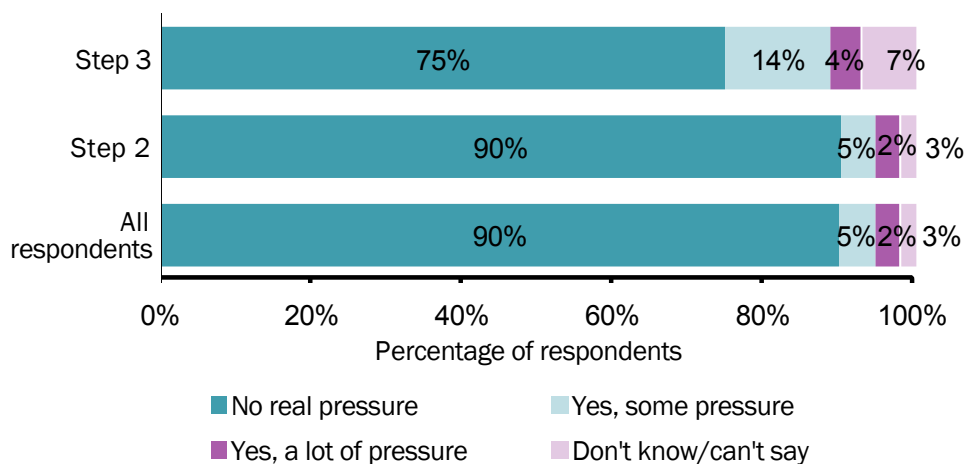
Table 37 Literacy and numeracy

| Essential Skills | Literacy | Numeracy |
|-------------------------------|----------|----------|
| Problems | 6% | 8% |
| Received help | 45% | 46% |
| Offered help | 11% | 21% |
| One-to-one help | 11% | 15% |
| Help as part of a small group | 89% | 72% |

9.3.11 Experiences of Step 2: Overall

The majority of respondents (90%) did not feel under pressure from their StW Provider to apply for a job or participate in a programme which they felt was unsuitable. This was higher than the percentage of respondents who felt no real pressure from JC/J&Bo Advisers (90% compared with 84%). However, over a sixth (18%) of Step 3 respondents indicated that they felt under pressure which possibly reflects that Step 3 respondents were mandatory.

Figure 46 Pressure to apply for jobs or participate in an unsuitable programme



Overall, the majority of respondents (83%) who had done/were doing Step 2 at the time of the interview were very or fairly satisfied with the support they received from their StW Provider (see Figure 47). Interestingly, while Step 3 respondents had been less positive on quality and usefulness, none expressed any dissatisfaction overall.

Figure 47 Support from StW provider



Of the small percentage of respondents who expressed dissatisfaction (6%), the reasons varied and were often specific to the respondent’s precise circumstances. However, lack of communication was the most common theme although it was not clear from respondents’ comments if this referred to communication from StW Providers or from JC/JBO Advisers.

Most respondents (85%) knew how long they would be on Step 2 and of these, almost three quarters (72%) considered their length of time to be about right. Almost a fifth (18%) considered their length of time to be too short but the reasons for their response are unknown.

9.3.12 Experiences of Step 3

All respondents who were currently on Step 3 were asked a series of specific questions about their experiences. Note that the number of respondents on Step 3 was small.

Table 38 sets out details on the activity being undertaken currently by respondents as part of Step 3. This shows that a quarter (25%) were on Employer Subsidy and that almost a fifth (18%) indicated that they were not on a specific StW activity.

Table 38 Step 3 activities

| Step 3 activity | % of respondents |
|--|------------------|
| Working in a paid job (Employer Subsidy) | 25% |
| ESA providing help and advice | 14% |
| Core Gateway | 14% |
| Step Ahead | 4% |
| None of these | 18% |
| Other | 14% |
| Don't know | 11% |
| Total | 100% |

Over half of these respondents (57%) considered the activity they were doing/had done to be very appropriate/fairly appropriate in helping them find paid work. Furthermore, almost two thirds of respondents (65%) rated the quality of the support provided as being of very high quality/high quality. It is positive to note that overall a sizeable majority of respondents (71%) believed that the additional advice and support provided on Step 3 would be useful in them getting a job.

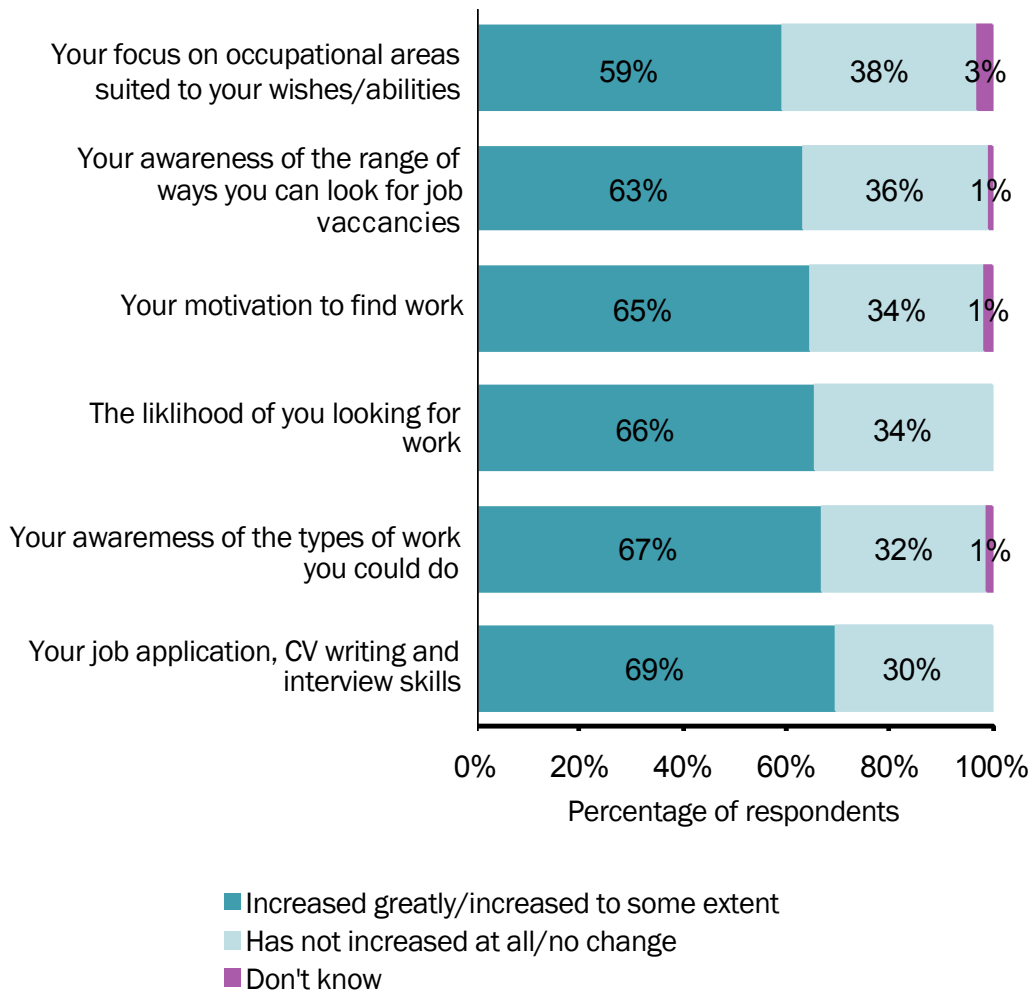
In addition, almost two-thirds of respondents (64%) considered that the length of time spent on Step 3 (usually six weeks) was about right although it is noted that over a fifth (21%) thought it was too short.

9.3.13 Employability

In addition to their experiences on the different Steps of the programme, the attitudes of all respondents towards the programme overall were explored across a range of dimensions associated with employability.

Respondents were asked how they felt their employability had changed as a result of their time on StW, the results of which can be seen in Figure 48.

Figure 48 Employability



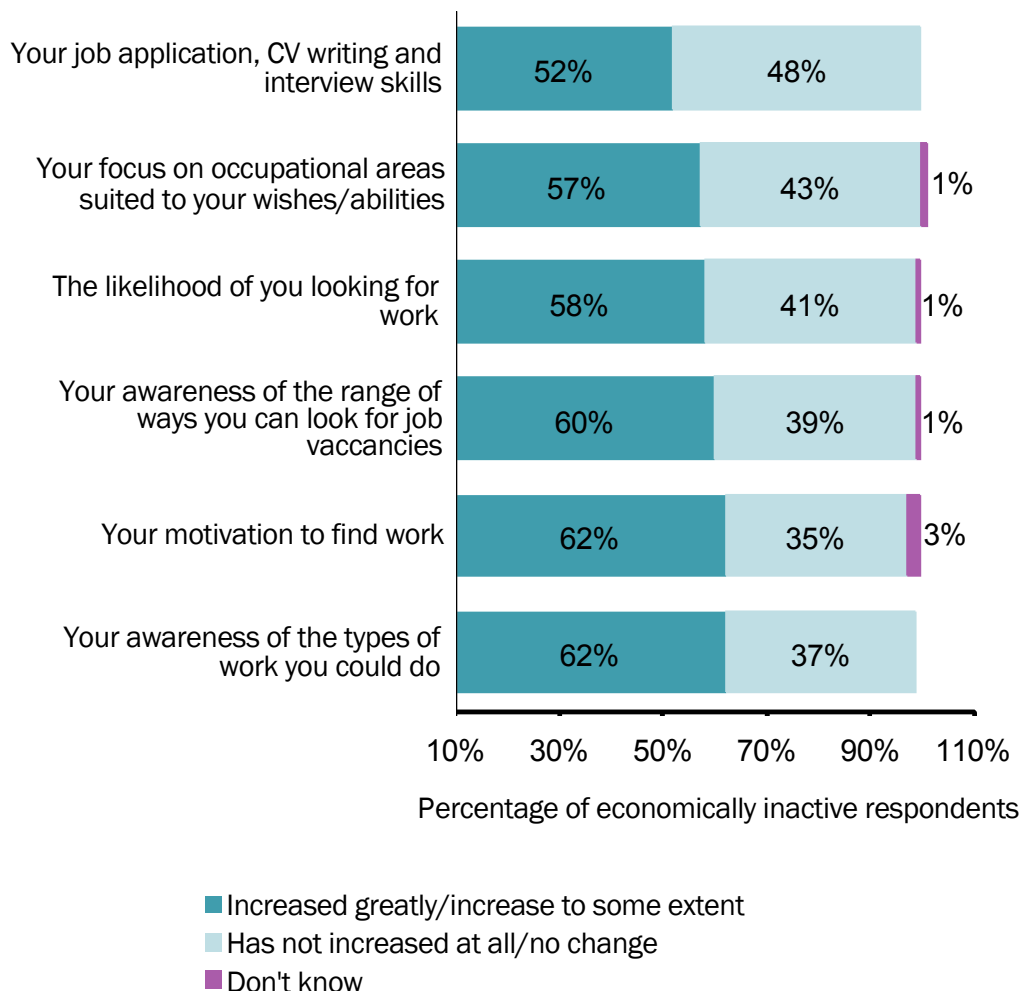
It is encouraging that the majority of respondents considered that their employability had increased across each of the six factors as a result of their participation on StW.

However it is clear that with each employability factor considered, there was a notable percentage of respondents that indicated there had been no change as a result of StW. Indeed, it is disappointing that a notable percentage (ranging from 30% to 38% across the six factors) did not consider that their employability had increased. Specifically, it is worrying that over a third (34%) of respondents indicated that their motivation to find work and the likelihood of them looking for work had not increased as a result of their time on the programme.

Results on employability indicate that more respondents thought that they would be better equipped to look for work but a smaller percentage of respondents suggested that they would actually do so. This suggests that, for a notable percentage of respondents, participation on the programme is unlikely to lead to any positive change in attitudes or behaviours towards looking for work. Furthermore, this suggests that a sizeable proportion of those currently unemployed are likely to remain so, and that the StW targeted intervention has had limited impact on this cohort.

Results for the economically inactive³⁵ were not as good, suggesting that a higher percentage of these participants did not consider their employability had increased. Indeed, this cohort was less motivated and less likely to look for work.

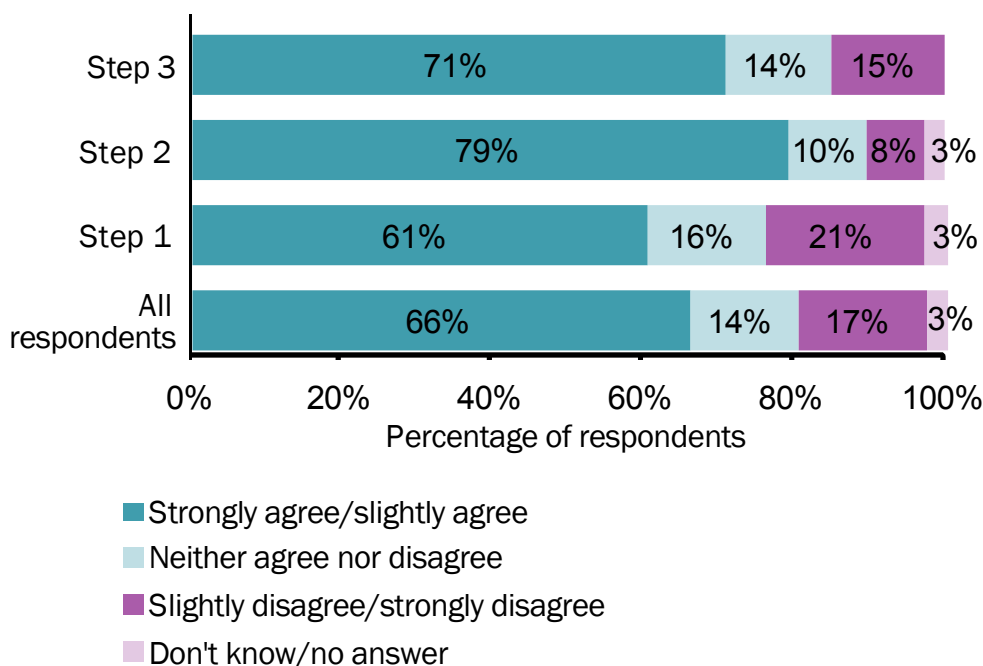
Figure 49 Employability of the economically inactive



Two thirds (66%) of all respondents strongly agreed/slightly agreed that the support offered on StW matched their personal needs and circumstances, as seen in Figure 50. It can also be seen that respondents on Step 2 were more positive.

³⁵ This represents over a fifth (21%) of respondents and includes all respondents on Income Support/E&SA, Incapacity Benefit and those not on benefits, based on participants' responses to questions on their benefits.

Figure 50 Tailored support



Overall, almost three quarters (74%) of respondents were very satisfied/fairly satisfied with the support they received on StW, and only a small percentage (11%) expressed any degree of dissatisfaction. The most common theme among these dissatisfied respondents related to the programme being too standardised and there not being enough focus on the individual.

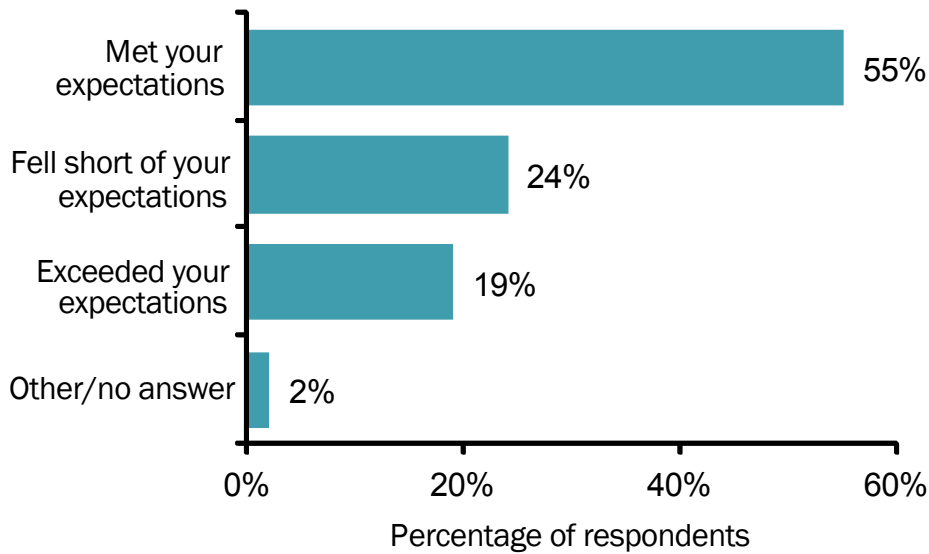
There was some variation across Step 1 to 3, with a higher percentage of Step 2 respondents (85%) being satisfied/very satisfied.

Asked to take everything into account, the majority of respondents (74%) indicated that StW had either met or exceeded their expectations.

Interestingly, this view was more pronounced among Step 3 participants (89%) and Step 2 respondents (86%) than Step 1 respondents (68%).

A notable percentage, around one quarter of all respondents (24%), indicated that participating on StW had fallen short of their expectations but their reasons are unknown. This view was more pronounced among Step 1 respondents (29%) than Step 2 (13%) and Step 3 (11%) respondents.

Figure 51 Expectations



There was more evidence of positive attitudes towards the StW programme as over half of respondents (57%) indicated that they believed that taking part in the StW programme would increase their chances of getting a paid job. This view was more pronounced among Step 2 respondents (71%) and Step 3 respondents (61%) than Step 1 respondents (51%).

At the same time, a notable proportion of respondents, almost two fifths (37%) indicated that they felt the programme would make no difference to their chances of getting a paid job and this view was more pronounced among Step 1 respondents (43%).

9.3.14 Main barrier

Respondents were asked what was their main barrier to finding work. Results are demonstrated in Figure 52. It is interesting that almost a third of respondents (29%) identified another barrier and further analysis indicated that the main theme here, identified by over three-quarters (76%) of these respondents, was in relation to a lack of jobs in general or a lack of jobs in their own industry sector. This suggests that a sizeable percentage of respondents suggested that labour market conditions represented a greater barrier to them finding work than personal circumstances.

Figure 52 Main barrier to employment



This may help explain why a notable percentage of respondents (37%) believed that StW made no difference to their chances of finding employment.

Respondents were asked if they thought that StW was addressing/assisting them in overcoming their barriers and less than half of respondents (48%) considered that this was so. Over two-fifths of respondents (42%) considered that StW was doing so, and a further 10% did not know or provide a response. However, these results reflect most respondents' views on a lack of jobs as being the main barrier.

Table 39 indicates the percentage of respondents who considered that StW was addressing/assisting them in overcoming specific barriers.

Table 39 Main barrier and whether StW overcomes this

| Main barrier | StW overcoming this barrier |
|-------------------------|-----------------------------|
| Benefit issues | 100% |
| Debt issues | 100% |
| Learning difficulties | 100% |
| Lack of confidence | 90% |
| Lack of work experience | 60% |
| Lack of qualifications | 57% |
| Health | 21% |
| Lack of transport | 21% |

9.3.15 Previous Work History

All respondents were asked a series of questions about their previous work history and general employment prospects. Table 40 shows how respondents summed up their experiences of work since leaving school or college.

Table 40 Previous work history

| Experiences | All | Step 1 | Step 2 | Step 3 |
|---|-----|--------|--------|--------|
| I've spent most of my life in steady jobs | 34% | 35% | 32% | 25% |
| I've mainly done casual or short-term work | 22% | 21% | 22% | 32% |
| I've spent more time out of work than in work | 21% | 21% | 19% | 25% |
| I've been in work, then out of work, several times over | 17% | 17% | 15% | 14% |
| I've spent a lot of my adult life looking after the home & family | 5% | 4% | 9% | 4% |
| I've spent most of my working life self-employed | 3% | 4% | 2% | 4% |
| I've spent a lot of time out of work due to sickness or injury | 3% | 3% | 3% | 0% |
| None of these apply to me | 5% | 4% | 8% | 4% |

This shows that over a third of all respondents (37%) had a strong employment history, either being in steady work (34%) or self-employed (3%).

There was some variation among Step 1, 2 and 3 respondents and more Step 3 respondents had a fragmented or limited employment history³⁶. This suggests that many Step 3 respondents have faced additional challenges throughout their working lives which could explain their lack of success to date on StW.

Further analysis indicates that, of those respondents who have neither a school/college nor vocational qualification, Step 3 respondents tended to be overrepresented among

³⁶ This excludes those who spent a lot of their adult life looking after the home & family, or responded that none of these applied.

those who mainly have done casual or short-term work or who have spent more time out of work than in work.

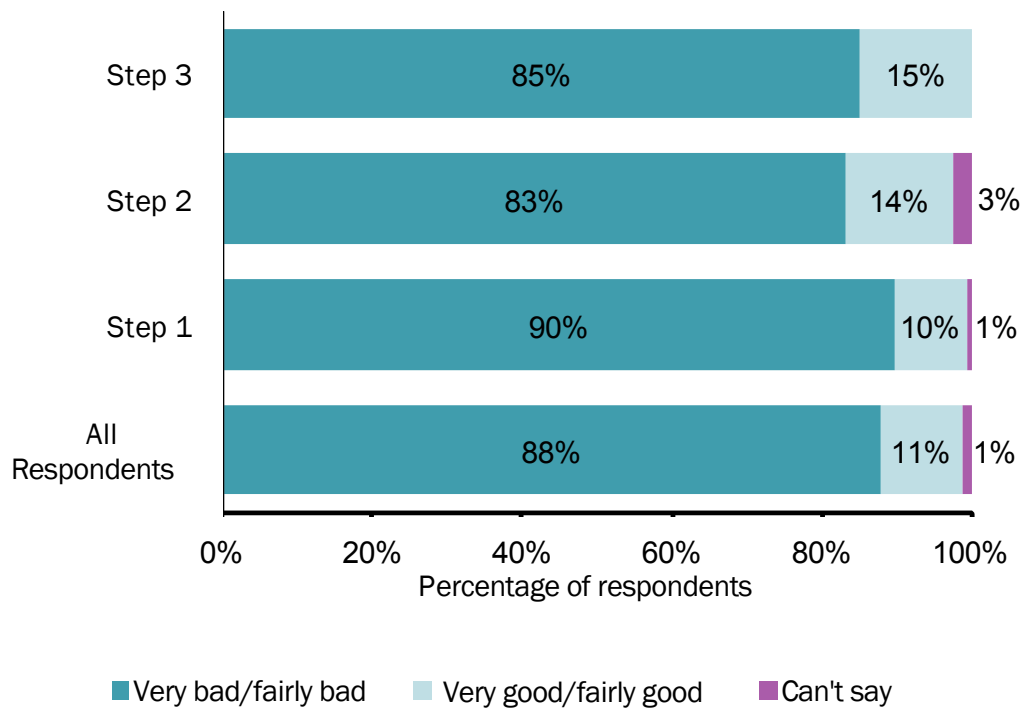
All respondents were asked about the number of jobs held previously. As shown in Table 41, over one third of respondents (36%) reported having between three and five jobs since leaving school and there was a little variation across Step 1, 2 and 3 respondents. However, it is interesting to note that a substantially higher percentage of Step 3 respondents (43%) reported having one or two jobs when compared with Step 1 and Step 2 respondents (32% and 25%).

Table 41 Number of jobs since leaving school

| Number of jobs | All | Step 1 | Step 2 | Step 3 |
|--|------|--------|--------|--------|
| None | 9% | 8% | 11% | 7% |
| One | 11% | 11% | 12% | 18% |
| Two | 19% | 21% | 13% | 25% |
| Between 3 & 5 | 36% | 35% | 39% | 39% |
| Between 6 &10 | 16% | 17% | 16% | 7% |
| More than 10 | 6% | 6% | 7% | 0% |
| Too many to say (i.e. many temp/casual jobs) | 3% | 2% | 3% | 4% |
| Total | 100% | 100% | 100% | 100% |

All respondents were asked to think generally about people looking for work in their area and give their opinion on the chances of people getting a job at the present time. Respondents' views are shown in Figure 53 and demonstrate that the majority of respondents thought the chances were very bad or fairly bad (88%), although it is noted that Step 2 respondents (83%) were less pessimistic.

Figure 53 Chances of getting a job



9.3.16 Other government training/employment programmes

Although the majority of respondents (65%) had not been on any other Government training or employment programme, it is noted that a sixth (17%) had previously participated on New Deal. Interestingly, a quarter of Step 3 respondents (25%) indicated that they had participated on New Deal and 11% had participated on Enterprise Ulster³⁷ (see Table 42).

³⁷ Enterprise Ulster was a targeted intervention to provide training to enhance the capabilities and skills of the unemployed.

Table 42 Participation on other government training/employment programmes

| Government programme | All respondents | Step 1 | Step 2 | Step 3 |
|--------------------------------|-----------------|--------|--------|--------|
| No | 65% | 67% | 61% | 57% |
| New Deal | 17% | 16% | 18% | 25% |
| Jobskills | 7% | 7% | 6% | 7% |
| Youth Training Programme (YTP) | 5% | 6% | 5% | 7% |
| Enterprise Ulster | 3% | 3% | 3% | 11% |
| Modern Apprenticeships | 2% | 2% | 1% | 0% |
| Training for Success | 1% | 1% | 2% | 0% |
| Job Training Programme (JTP) | 1% | 0% | 2% | 0% |
| Community Work Programme | 1% | 1% | 0% | 0% |
| Training for Work (TfW) | 1% | 2% | 1% | 4% |
| Bridge to Employment | 1% | 1% | 1% | 4% |
| Progress2Work | 0% | 0% | 0% | 0% |
| Worktrack | 0% | 0% | 1% | 0% |
| Other | 7% | 8% | 4% | 0% |
| Don't know | 2% | 2% | 3% | 0% |

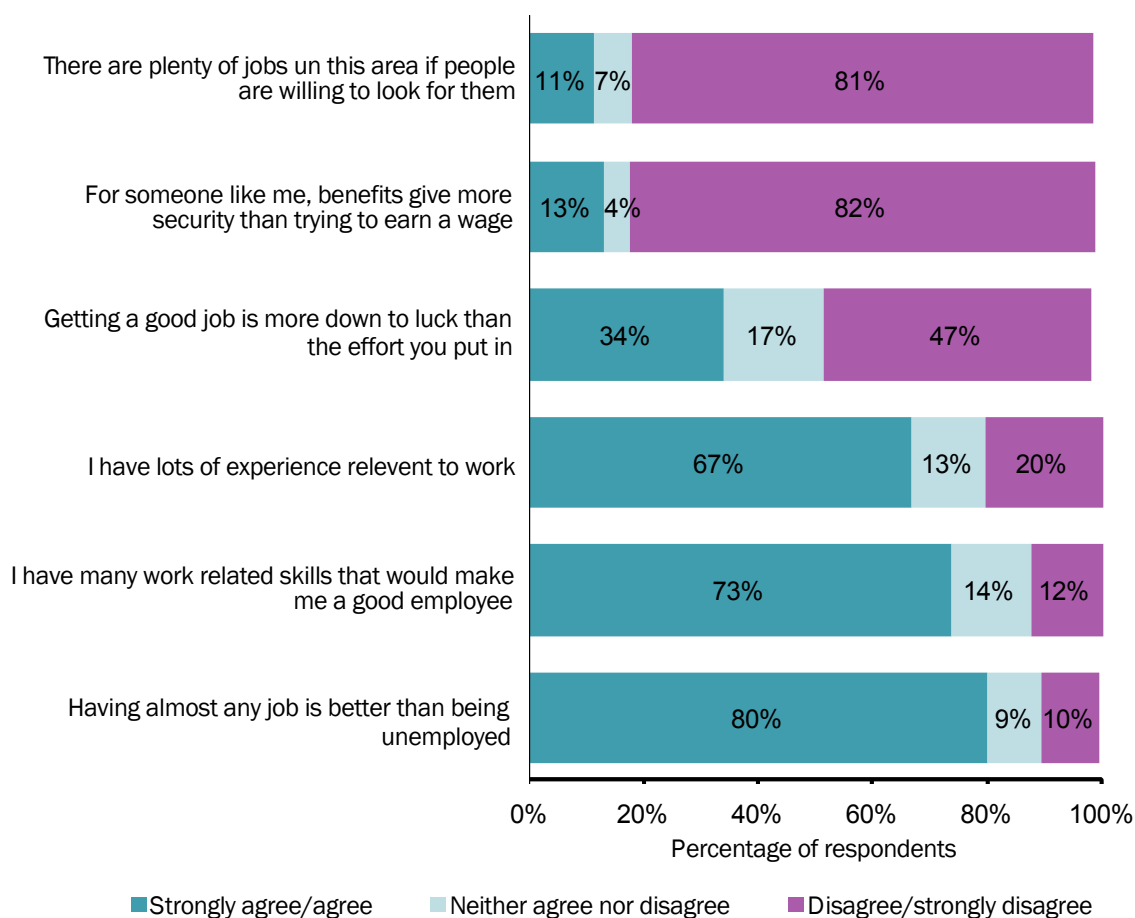
It is not surprising that those respondents who indicated they had spent most of their life in steady jobs were less likely to have taken part in any of these other government programmes.

9.3.17 Attitudes towards Steps to Work

Respondents' attitudes were further explored through a series of questions about how strongly they agreed or disagreed with a range of statements about the StW programme and employment in general.

Views on employment opportunities are demonstrated in Figure 54. This suggests that the majority of respondents (80%) considered that being employed in any job was better than not working and only a small percentage (13%) considered that being on benefits give more security than a wage. Furthermore, almost three quarters of respondents (73%) considered that they had relevant work related skills and over two-thirds (67%) consider they had experience relevant to work.

Figure 54 Attitudes towards employment opportunities



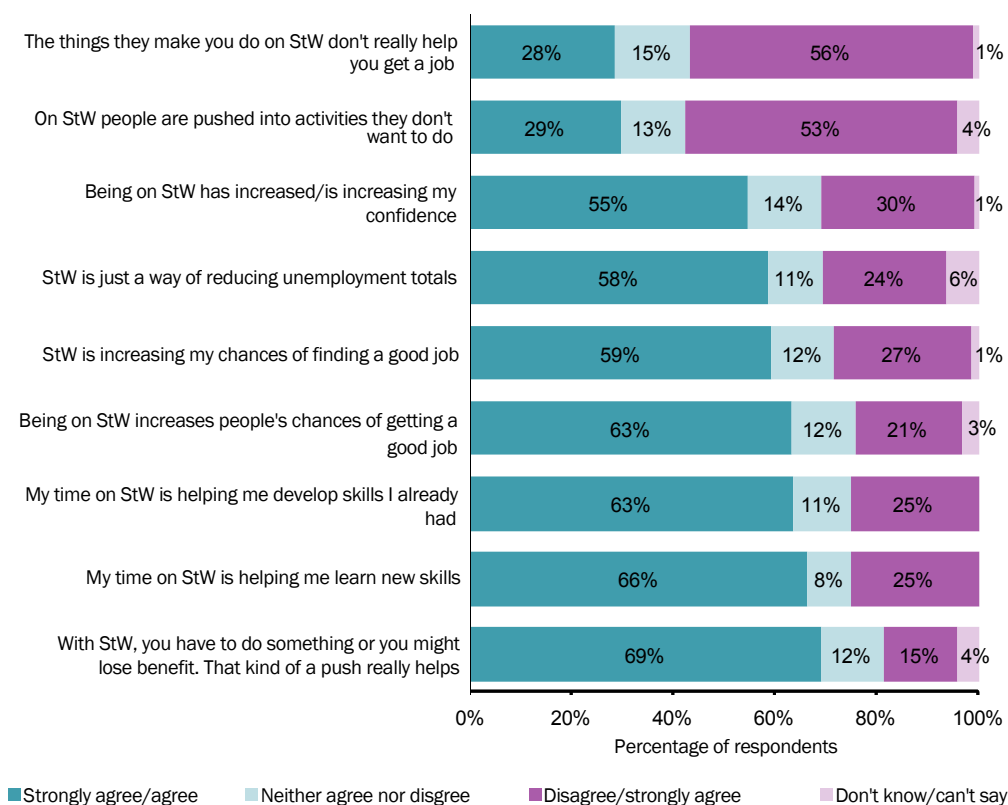
This is a positive affirmation of respondents’ desire to be in paid work and their belief in their employability.

However, despite these positive affirmations, most respondents (81%) did not consider that there were plenty of jobs if people were willing to look for them. This suggests that while most respondents are positive about their employability, they are considerably less positive about the availability of jobs.

Analysis by Step 1, 2 and 3 suggests there was some variation in views across respondents and it is noted that a higher percentage of Step 3 respondents (86%) considered that being employed in any job was better than not working compared with 80% of all respondents. It is therefore surprising that a substantially higher percentage of Step 3 respondents (32%) considered that being on benefits give more security than a wage compared with 13% of all respondents. Similarly, a substantially higher percentage of Step 3 respondents (over half, 54%) considered that getting a job was more down to luck than personal effort compared with just over a third (34%) of all respondents. Note that the number of respondents on Step 3 was small.

Views on StW are demonstrated in Figure 55. This suggests that the majority of respondents were reasonably positive about StW.

Figure 55 Attitudes towards StW



For example, 66% of respondents believed StW was helping them learn new skills and 63% believed it helped them develop skills they already had. In addition, 55% indicated that StW had increased their confidence. This is possibly why 59% believed StW increased their chances of finding a good job. However, notable percentages of respondents considered that the activities they were made to do on StW did not really help get a job (28%) and that StW was not increasing their chances of finding a good job (27%). Indeed, over half of respondents (58%) felt that StW was just a way of reducing unemployment totals, suggesting high levels of cynicism overall. It is very likely that respondents' views on the availability of jobs may account in part for this belief.

9.3.18 Section 75

Section 75 and Schedule 9 to the Northern Ireland Act 1998 place a statutory obligation on public authorities in carrying out their various functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity between the following groups:

- Persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation.
- Men and women generally.
- Persons with a disability and persons without.
- Persons with dependants and persons without.

Analysis by Section 75 and Schedule 9 to the Northern Ireland Act (1998) shows there is evidence of over representation of some age groups on some StW activities and that single (never married) respondents were over represented across a range of Step 1 and Step 2 activities. In addition, Roman Catholics were over represented across a range of Step 2 activities including Step Ahead and GAP. Females were also over represented across a range of Step 2 activities including undertaking a qualification (NVQ and VRQ), GAP and Step Ahead. A small number of respondents had a disability and they were broadly represented across most StW activities. As 98% of respondents were white, it is not surprising this was reflected across all StW activities. More details are contained in Appendix 1.

The causality for any over representation or underrepresentation is unknown and could be a consequence of choice or some other factor. For example, choice of Step 2 Strand is a decision made by a participant in conjunction with their ESA, while the nature of some strands and/or eligibility criteria may influence representation such as all GAP participants being aged 18-24 years. Note that the base case is low in many cases, being less than approximately n=50 for all strands on Step 2 and for Step 3.

9.3.19 Summary and conclusions

- Over half of respondents (57%) indicated that their expectation while on the programme was to get a job and results suggest that Step 2 respondents were more motivated and positive towards what they might achieve.
- The majority of respondents indicated that they felt no real pressure from JC/JBO Advisers or StW Providers to apply for jobs or participate in a programme that they felt was unsuitable. Indeed, the majority of respondents rated the programme positively over a range of dimensions including quality of support, advice and opportunities offered, usefulness of activities, work placements being a good match, and that the length of time was about right. Overall, the majority of respondents (74%) indicated that StW had either met or exceeded their expectations.
- Given this positive feedback, it is not surprising that over half of respondents (57%) indicated that they believed that taking part in the StW programme would increase their chances of getting a paid job. However, it is noted that a high proportion of respondents, almost two fifths (37%), indicated that they felt the programme would make no difference to their chances of getting a paid job.
- Results on employability indicate that more respondents thought that they would be better equipped to look for work but a smaller percentage suggested that they would actually do so. This suggests that, for a notable percentage of respondents, participation on the programme is unlikely to lead to work and that StW targeted intervention has had limited impact.
- The majority of respondents (80%) considered that being employed in any job was better than not working while their views on employment reinforced respondents' desire to be in paid work and their belief in their employability. However, the majority of respondents (76%) suggested that labour market conditions represented a greater barrier to them finding work than personal circumstances and similarly, the majority of respondents (88%) thought the chances of people getting a job at the present time were very bad or fairly bad. This may help explain why a notable percentage of respondents (37%) believed that StW made no difference to their

chances of finding employment and why over half of respondents (58%) felt that StW was just a way of reducing unemployment totals, suggesting high levels of cynicism overall.

- Less than one third (31%) of respondents with a disability indicated that they had been asked about their additional needs, which suggests that in some cases participants are not being assessed for additional support (e.g. offered the Access to Work (NI) Programme). The issue of having a disability is important as results from the StW Leavers' Survey suggest that those with a disability are less likely to be in employment than those without a disability (14% compared to 26%).
- While small numbers of respondents indicated having some problems with reading English (6%), writing English (6%) or problems with numbers or simple arithmetic (8%) more than half (55% for English; 54% for numeracy) indicated that they were not receiving/had not received any help with their literacy difficulties. Some respondents were offered help (11% of respondents for English; 21% of respondents for numeracy) but it is not clear why notable numbers did not receive any help.
- There is some evidence of over and under representation among some key groups but causality is unknown. However, it is noted that the base case is low in many cases, being less than approximately n=50 for all strands on Step 2 and for Step 3.

10 Consultation with employers

10.1 Introduction

This chapter presents the findings from a survey of 120 employers in Northern Ireland who participated in the StW programme. It sets out a profile of the businesses as well as information on business demand and employee recruitment, as well as their level of awareness of StW programme and reasons for their participation.

It then presents the experiences of specific categories of employers who have been involved in different ways with the StW programme: employing someone who was out of work and getting an Employer Subsidy for six months (Employer Subsidy), offering a work experience placement (placement) or employing someone who was out of work without a subsidy (no subsidy) and, finally, explores employers' overall views towards the programme.

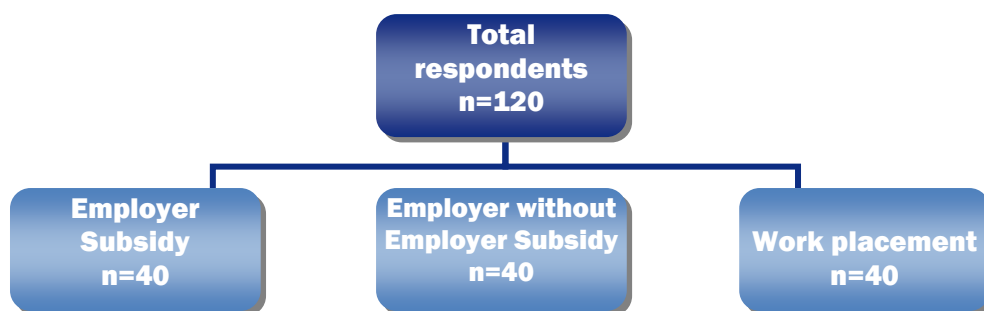
10.2 Sample

10.2.1 Sample structure

A telephone survey of 120 employers who had engaged with StW participants was undertaken between June and July 2011. The sample was drawn from contacts provided from each of the LCs and from the Department for Employment and Learning. The sample survey was stratified as follows and demonstrated in Figure 56:

- 40 interviews with employers who received an Employer Subsidy.
- 40 interviews with employers who offered a job to an unemployed person, and received no subsidy.
- 40 interviews with employers who offered a Work Experience placement.

Figure 56 Sample of employers



Employers were asked a series of questions on the following:

- Their business profile including industry, size, demand for goods and services and staff recruitment.
- Awareness of the StW programme including type of involvement and reasons for participating.

- Engagement with JC/JBO staff and/or LC staff, StW processes and overall satisfaction levels.
- Views on the usefulness of the programme.

All tables and charts in this chapter are sourced from KPMG's Employer Survey.

10.3 Business profile

All employers who participated in the survey were asked a series of contextual questions in relation to the profile of their business (location of their headquarters, size, industry sector), current demand and projected demand for their products and services and current and future recruitment.

10.3.1 Business headquarters and size

The majority of respondents (n=101; 84%) had their headquarters in Northern Ireland and 19 (16%) had their headquarters elsewhere.

Similar percentages of survey respondents were small businesses (n=53, 44%), employing less than 25 members of staff or medium sized businesses (n=49, 41%) with between 25 and 249 employees. The remainder were large companies (n=15, 13%) employing more than 250 staff.

10.3.2 Occupational area and length of time trading

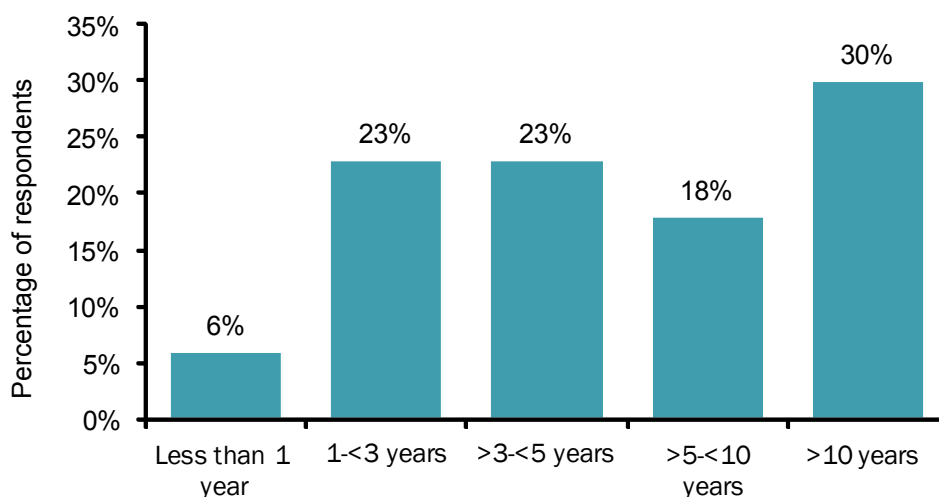
Table 43 shows that the highest proportion of businesses surveyed were from the wholesale and retail trade sector (n=20, 17%) followed by other community, social and personal service activities (n=19, 16%) and manufacturing (n=14, 12%). This is not entirely surprising as findings from the participant survey indicated that over half were employed or on work placements in the wholesale and retail trade sector (21%) and community, social and personal service activities (35%).

Table 43 Occupational area

| Occupational area | n= | % |
|---|----|-----|
| Wholesale and retail trade etc. | 20 | 17% |
| Other community, social and personal service activities | 19 | 16% |
| Manufacturing | 14 | 12% |
| Hotels and restaurants | 12 | 10% |
| Construction | 11 | 9% |
| Private households with employed persons | 10 | 8% |
| Real estate, renting and business activities | 7 | 6% |
| Health and social work | 6 | 5% |
| Education | 5 | 4% |
| Transport, storage and communication | 4 | 3% |
| Electricity, gas and water | 3 | 3% |
| Financial intermediation | 3 | 3% |
| Agriculture, hunting and forestry | 1 | 1% |
| Public administration and defence, compulsory social security | 3 | 3% |
| Unable to classify | 2 | 2% |

The largest proportion of businesses surveyed had been trading for more than five years in Northern Ireland (n=58, 48%), as demonstrated in Figure 57. Newly established businesses were less likely to participate in StW.

Figure 57 Length of time trading



10.3.3 Demand for goods and services

The findings in relation to demand for the goods and services in the previous 12 months and projected in the next 12 months are presented in Figures 58 and 59.

Figure 58 Previous demand

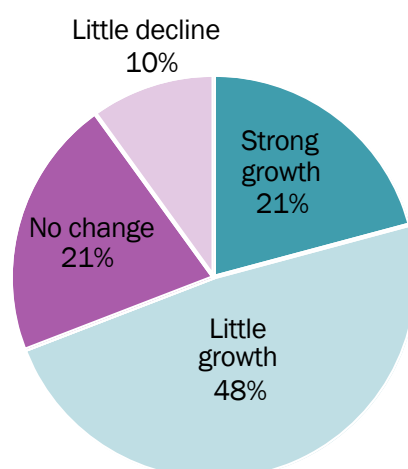
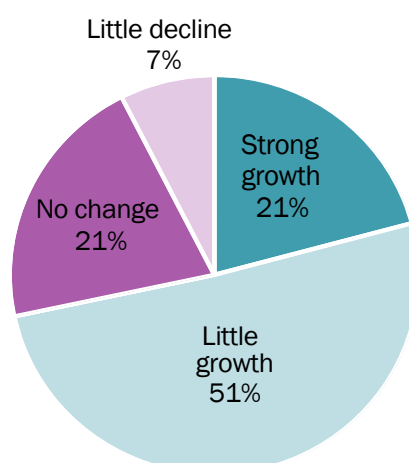


Figure 59 Projected demand



Given the ongoing downturn and poor economic climate, it is positive to note that over two-thirds of respondents (n=83, 69%) had experienced a growth in demand and around a fifth (n=25, 21%) had not experienced any change in demand i.e. no decline in the last 12 months.

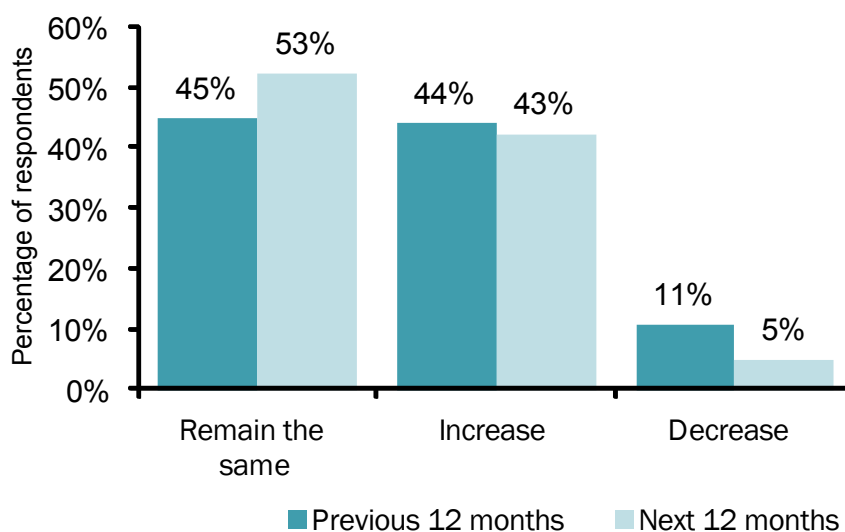
Similarly, it is positive to note that almost three quarters of respondents (n=86, 72%) anticipated some growth in the next 12 months. A small percentage of respondents (n=9, 7%) anticipated a little decline and it is not surprising that their businesses were all within the manufacturing and construction sectors which have been greatly impacted by the current recession.

The results on demand are positive, especially given the current economic climate and challenging trading environment for many. These findings suggest that businesses engaging currently with StW are performing reasonably well despite the current economic challenges, and are thereby able to provide paid work and placement opportunities for StW participants.

10.3.4 Staff recruitment and retention

Figure 60 shows previous and projected staff recruitment. This shows that the majority of respondents had either retained the same number of staff (n=54, 45%) or increased staff numbers in the past 12 months (n=53, 44%). Going forward, just over half of respondents (n=63; 53%) expect no change in staff recruitment and only a very small percentage of respondents expect a decline in employee numbers (n=6, 5%).

Figure 60 Previous and expected recruitment



Overall, the main sectors indicating growth (demand) were community, social and personal service activities and wholesale and retail trade etc. Similarly, these were the main sectors indicating future recruitment. These are also the main sectors where current StW participants are doing paid work or are on placement.

It is not surprising, given current levels of unemployment (estimated at 7.4% during the period May to July 2011)³⁸, that the vast majority of respondents had no difficulties in recruiting staff (n=100, 83%). Of the 20 employers who indicated that they had had difficulties, 19 of them provided reasons. It is notable that most (n=14) highlighted that the main challenge was that applicants did not have the skills/experience required. Four employers indicated that there are few or no applicants for vacancies and one employer highlighted a “bad attitude to work” among applicants.

10.4 Steps to Work

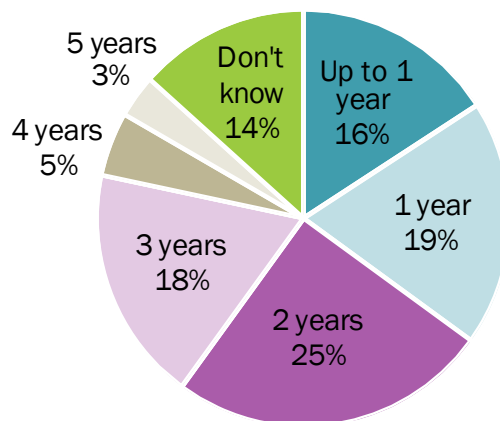
10.4.1 Awareness of StW

All respondents were aware of the StW programme and the majority were participating at the time of the survey (n=100, 83%).

³⁸ DFP, Monthly Labour Market report, September 2011

Over three-quarters of respondents (n=94, 78%) had been involved in the StW programme for up to three years as demonstrated in Figure 61.

Figure 61 Time involved



It is likely that the small percentage of respondents (n=10, 8%) who stated they had been involved in StW for four or five years may have been participating in previous programmes run by the Department for Employment and Learning, given that STW has only been running for approximately three years. This suggests that some employers may be aware of employment interventions per se, but do not differentiate between various interventions.

Figure 62 and Table 44 show that one third of respondents were aware of the programme through contact with JC/JBO staff. This suggests that JC/JBO staff are actively promoting the programme with local employers.

Interestingly, more than a quarter of respondents said they were contacted directly by someone who was unemployed (n=32, 27%), suggesting a proactive approach on behalf of this group. This trend was more marked in those employers without Employer Subsidy or offering paid employment.

Figure 62 Awareness of StW

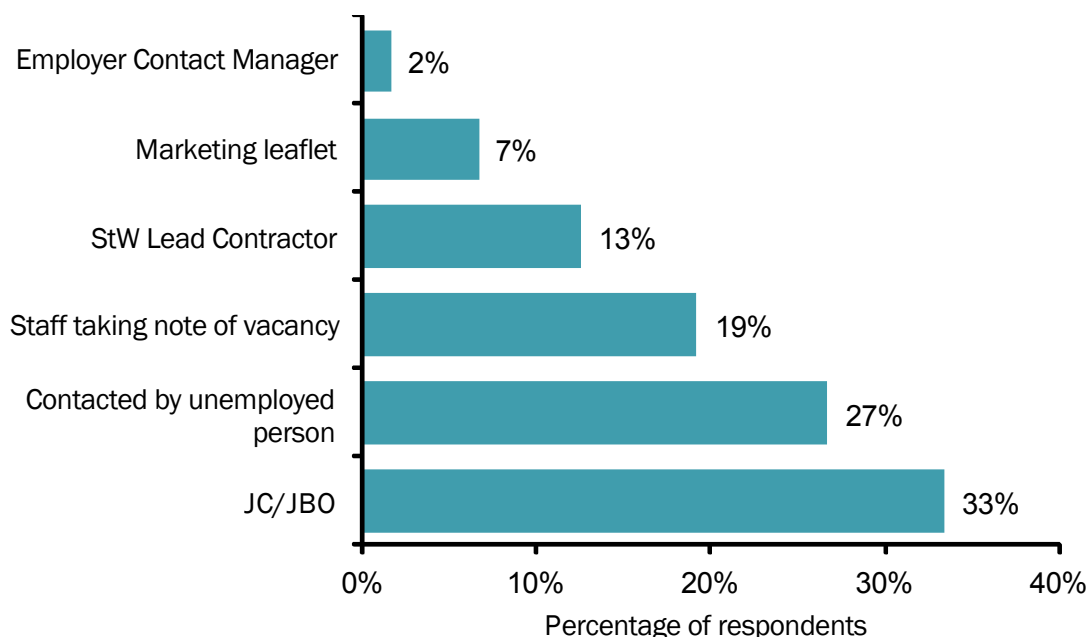


Table 44 Awareness of StW by employer category

| Awareness of StW | Employer Subsidy (n=) | No Employer Subsidy (n=) | Placement (n=) | Total (n=) |
|---|-----------------------|--------------------------|----------------|------------|
| Contacted by staff from JC/JBO to see if I would be interested | 17 | 9 | 14 | 40 |
| Contacted by a StW Lead Contractor to see if I would be interested | 6 | 5 | 4 | 15 |
| Saw a marketing leaflet /Department for Employment and Learning or NI Gov website | 3 | 1 | 4 | 8 |
| Staff taking note of my vacancy informed me | 6 | 8 | 9 | 23 |
| Contacted by someone who was unemployed | 7 | 16 | 9 | 32 |
| Contacted by an Employer Contact Manager | 1 | 1 | 0 | 2 |
| Total | 40 | 40 | 40 | 120 |

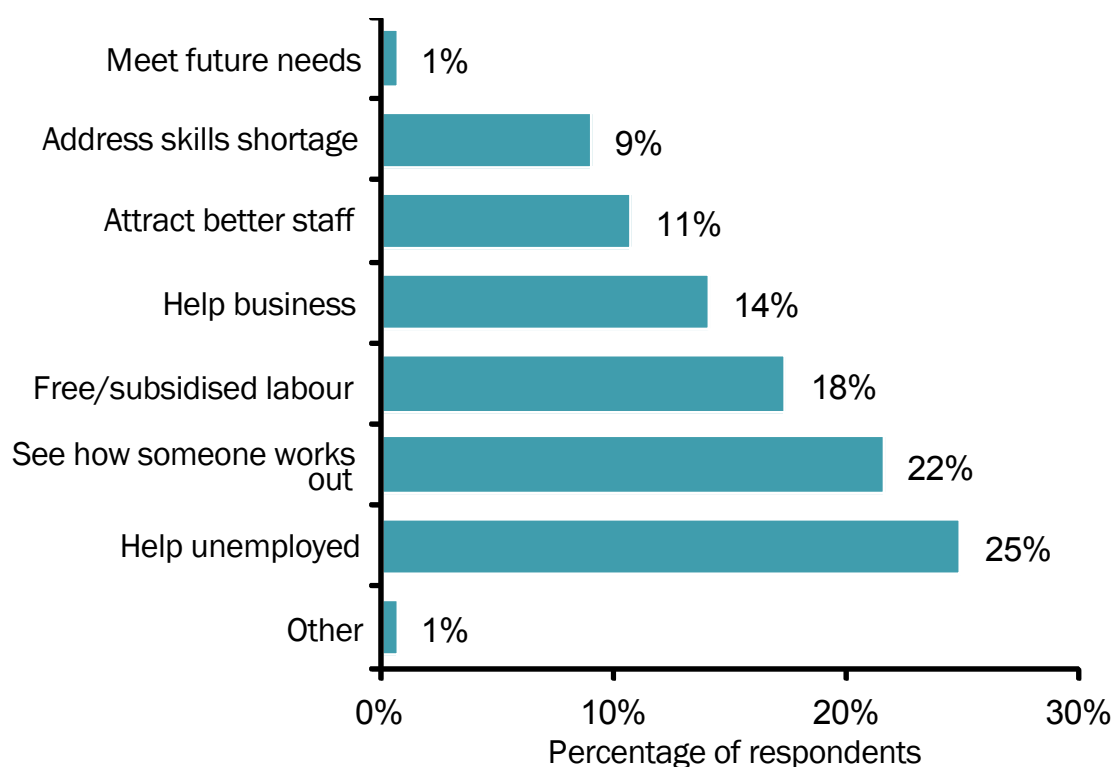
Equally of interest, results indicate that a notably small number of respondents suggested they had been contacted by a StW LC to see if they would be interested (n=15; 13%), and this was less likely to be the case with employers engaged in offering a work placement. This is surprising as it suggests that JC/JBO Advisers were more involved in establishing work placements than LCs.

Almost one fifth of respondents (n=23; 19%) suggested that staff taking a note of their vacancy informed them, but it is unclear if respondents interpreted this as JC/JBO or Lead Contractor staff. Indeed, findings from consultation with JC/JBO Advisers indicated that most did not have very regular contact with employers and the Department confirmed that ESAs are never involved in arranging work experience placements. Therefore, it is possible that employers did not differentiate between JC/JBO and Lead Contractor staff and may explain why only 13% of respondents suggested they had been contacted by a StW Lead Contractor.

10.4.2 Reasons for participation in StW

Figure 63 demonstrates that there was a range of reasons why employers participated in the StW programme. Overall, results suggest employers participated for altruistic reasons i.e. to help the unemployed retain their skills, as well as for practical and business related reasons i.e. to see how someone works out and to access free/subsidised labour.

Figure 63 Reason for participation



The main reason was to help the unemployed retain their skills (n=30; 25%) and, in keeping with this finding, it is notable that almost half (n=14) of these employers had employed ex-StW participants without the Employer Subsidy. (See Table 45).

Just over a fifth of respondents used StW as an opportunity to see how someone works out before offering them permanent employment (n=26; 22%). This was marginally more

pronounced among employers offering a work placement suggesting that successful work placements could lead to employment.

A sixth of respondents (n=21), participated in order to access free/subsidised labour and, perhaps not surprisingly, almost half of these (n=10) were availing of the Employer Subsidy i.e. subsidised labour. One third (n=7) were participating in Work Experience placements, suggesting that a minority of employers may seek to benefit from work placements. This may not be surprising, especially given the challenging trading conditions that many businesses face currently. However, it should be noted that those respondents whose stated reason for participating was to access fee/subsidised labour were just as likely to retain their ex-StW participant as those who participated for more altruistic reasons.

Table 45 Reason for participation by employer category

| Reason | Employer Subsidy (n=) | No Employer Subsidy (n=) | Placement (n=) | Total (n=) |
|--|-----------------------|--------------------------|----------------|------------|
| To address specific skills shortage | 5 | 3 | 3 | 11 |
| To attract better staff when recruiting | 2 | 5 | 6 | 13 |
| To see how someone works out before offering a more permanent post | 9 | 7 | 10 | 26 |
| To access free/subsidised labour | 10 | 4 | 7 | 21 |
| Help my business in the current economic climate | 6 | 6 | 5 | 17 |
| Help the unemployed retain their skills | 8 | 14 | 8 | 30 |
| To meet the future needs of the business | 0 | 0 | 1 | 1 |
| Other | 0 | 1 | 0 | 1 |

10.5 Employer Subsidy

This section presents the findings from respondents who were involved in the Employer Subsidy. The StW Employer Subsidy is a 26 week package of assistance available to employers who recruit eligible participants of the StW programme.

10.5.1 Recruitment

It is positive to note that almost all of the 40 respondents who received an Employer Subsidy were satisfied that JC/JBO Advisers discussed and agreed the following recruitment aspects with them:

Table 46 Recruitment aspects

| Recruitment aspects | n= |
|--|----|
| Skills/experience needed by applicants to fill the vacancy | 40 |
| Details of the job and what it involved | 40 |
| Application/recruitment process | 40 |
| Number of candidates you wanted to consider | 40 |
| Employer subsidy conditions/contract/agreement | 39 |

This is a positive reflection of ESAs in local offices, reinforcing positive findings from JC/JBO Advisers regarding their knowledge of StW and support and level of experience.

The majority of respondents were satisfied that candidates met their expectations (n=26; 65%). However, it is noted that over a third of respondents (n=14; 35%) were not satisfied. Of these, 13 provided reasons and these were as follows:

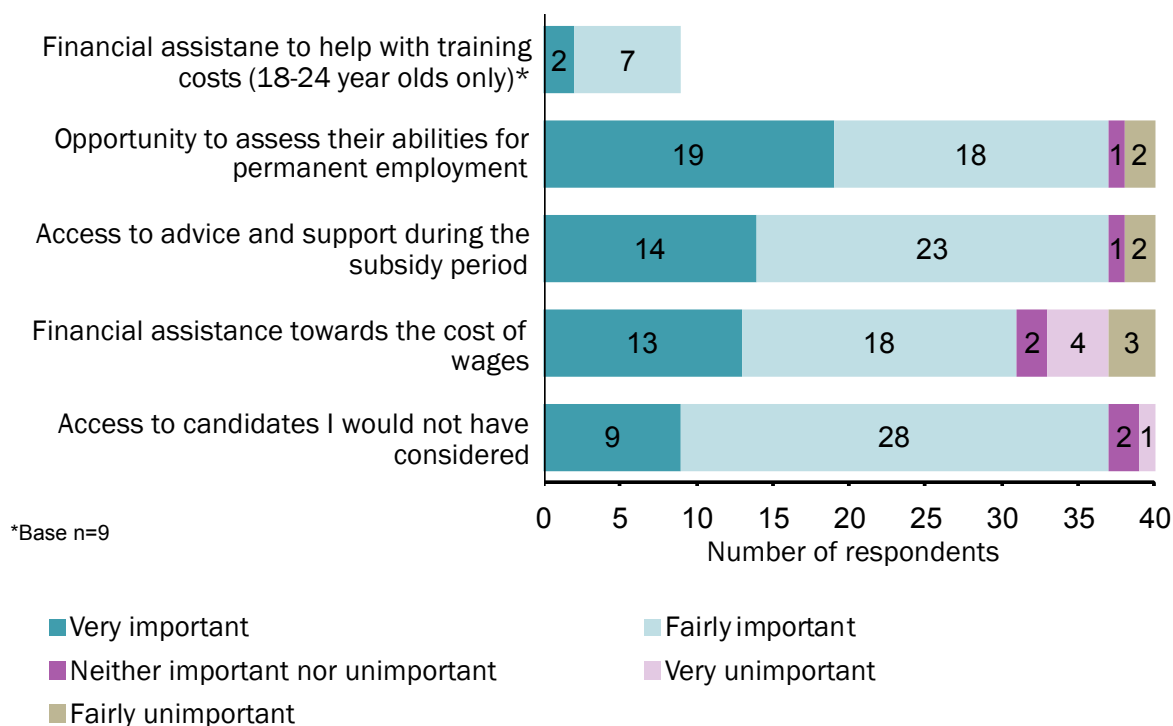
- Lack of experience and/or skills (n=7).
- Attitudinal challenges (n=3).
- Others, which included interview skills, timekeeping (n=3).

Although the numbers are small, they suggest some evidence that this aspect of StW provision is not always matched to the demand side of the local labour market.

10.5.2 Participation

All respondents were asked about the degree of importance for participating in StW Employer Subsidy across a range of aspects. Figure 64 suggests there was relatively little variation in importance across these aspects.

Figure 64 Reason for participation



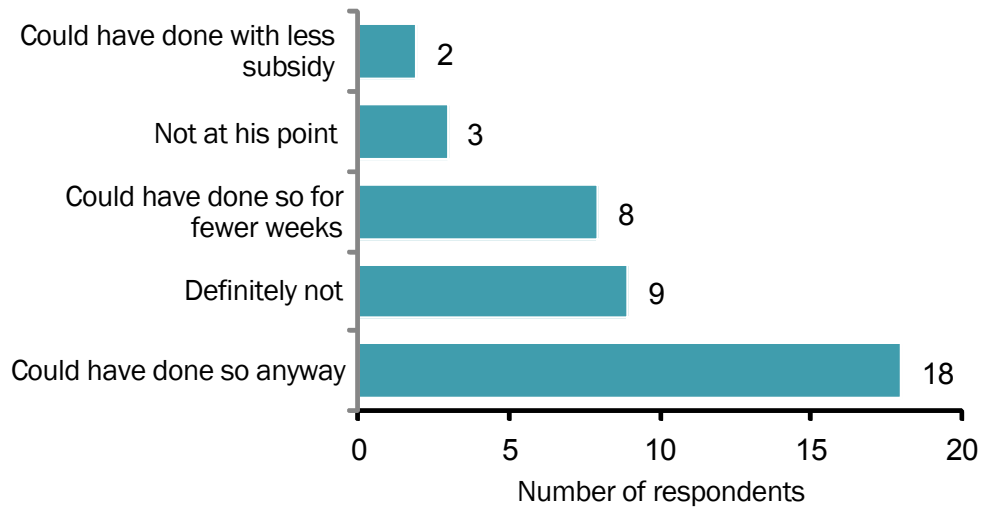
However, it is worth noting that fewer respondents indicated financial assistance towards wages was very important/fairly important (n=31) than for any of the other aspects. Of those respondents who employed a young person aged 18-24, all (n=9) stated it was very important or fairly important to have financial assistance to help with training costs. This could reflect the increased costs associated with training young people, particularly those undertaking an accredited training course. The Department may wish to consider this specific finding especially given the increase in the number of NEETS (not in education, employment or training) and other research (e.g. ApprenticeshipsNI) which suggests that financial assistance is an important “hook” to encourage employers to recruit young people.

10.5.3 Impact of Employer Subsidy

The majority of respondents (n=29) felt the 26 week duration for the subsidy was about right. Very small numbers suggested it was too long (n=3) and too short (n=7) but the reasons are unknown.

Figure 65 demonstrates that almost half of respondents (n=18; 45%) indicated that they could have employed their StW participant anyway without the Employer Subsidy. However, it is not clear that employers would have employed someone from the StW programme.

Figure 65 Views towards Employer Subsidy

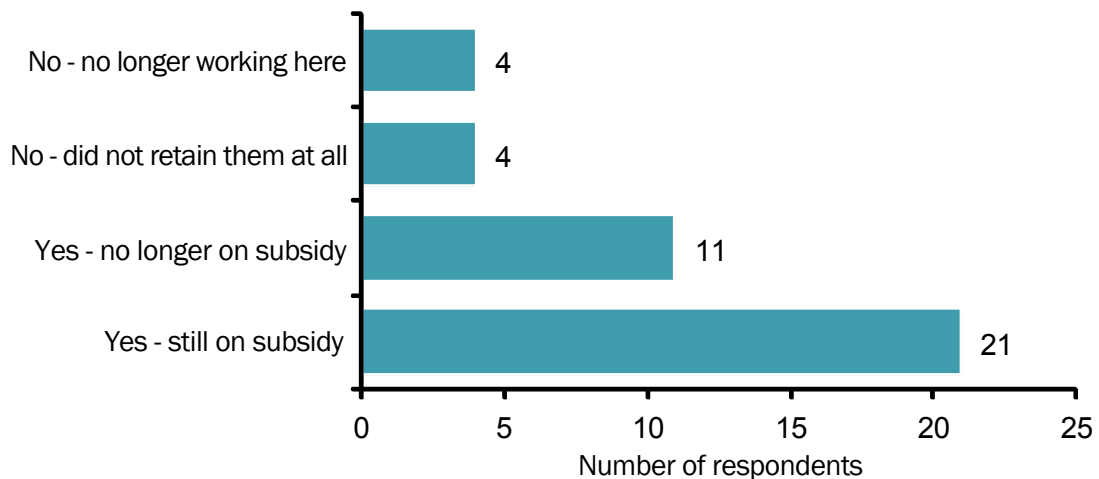


There is a likelihood that employers' responses regarding the Employer Subsidy have been influenced by their experiences of employing an ex-StW participant especially if this was a positive experience.

10.5.4 Employee retention

Just over half of Employer Subsidy employers (n=21; 53%) were employing someone currently on the Employer Subsidy.

Figure 66 Employment retention



Findings suggest that most employers on Employer Subsidy retain their ex-StW participant, at least for some time, which is positive. Of those employers no longer availing of the subsidy (n=19;), most (n=15) continued to employ their ex-StW participant post beyond the subsidy period, although in four cases, the ex-StW participant no longer worked there at the time of the survey (and the reasons for this are unknown).

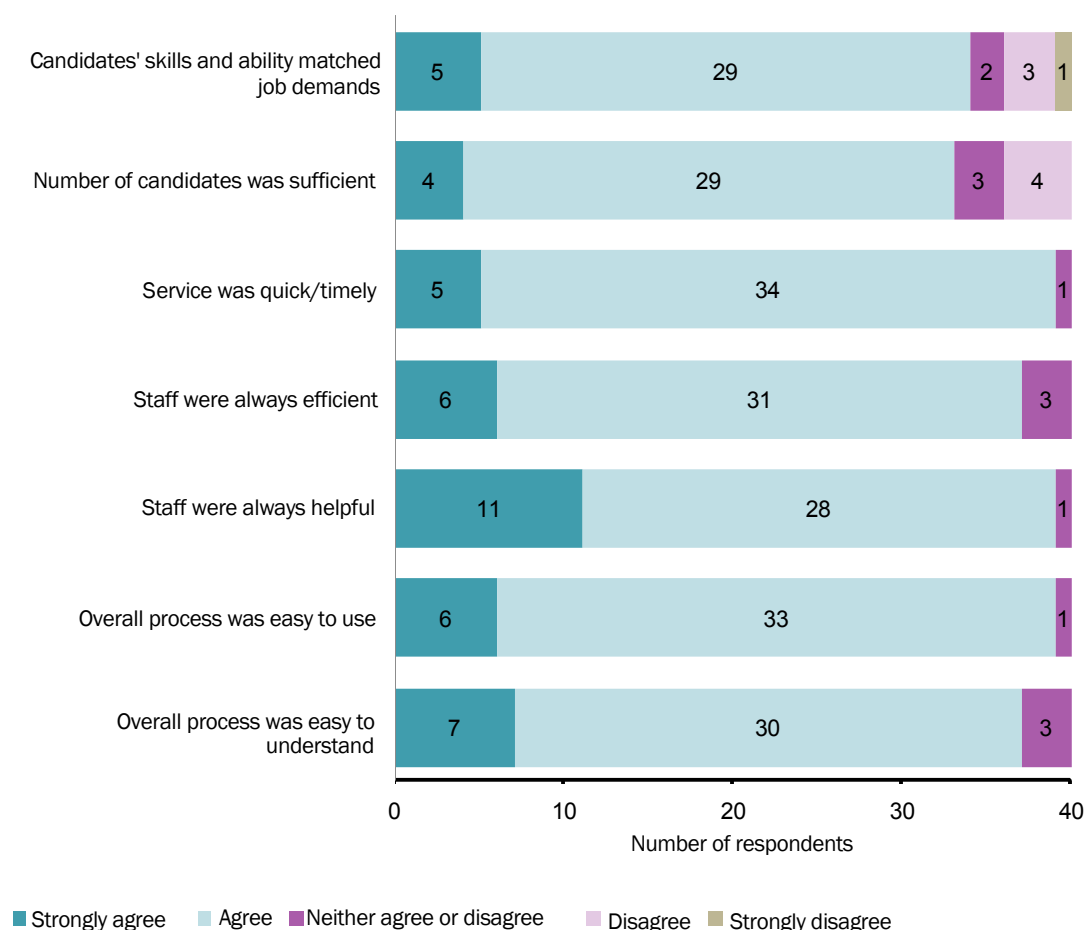
Data contained in the Department for Employment and Learning's Occasional Paper Improving Steps to Work Statistics indicates that the Employer Subsidy is in the top three performing strands for sustained employment outcomes at 13, 26 and 52 weeks.

Interestingly, there was no relationship between those respondents whose main reason for participating on StW was to access free/subsidised labour and retention of participants i.e. respondents whose reason for participating was to access fee/subsidised labour were just as likely to retain their ex-StW participant as those who participated for more altruistic reasons.

10.5.5 Views on StW

Figure 67 shows that the vast majority of respondents were positive in their opinions on the StW programme across a range of dimensions including job matching, candidate calibre, JC/JBO staff and StW processes.

Figure 67 Respondents' opinions



Interestingly, the only aspects where a small number of respondents expressed any disagreement (i.e. disagreed/strongly disagreed) were in relation to there being sufficient candidates and skills (n=4) and ability matching job demands (n=4). Although the

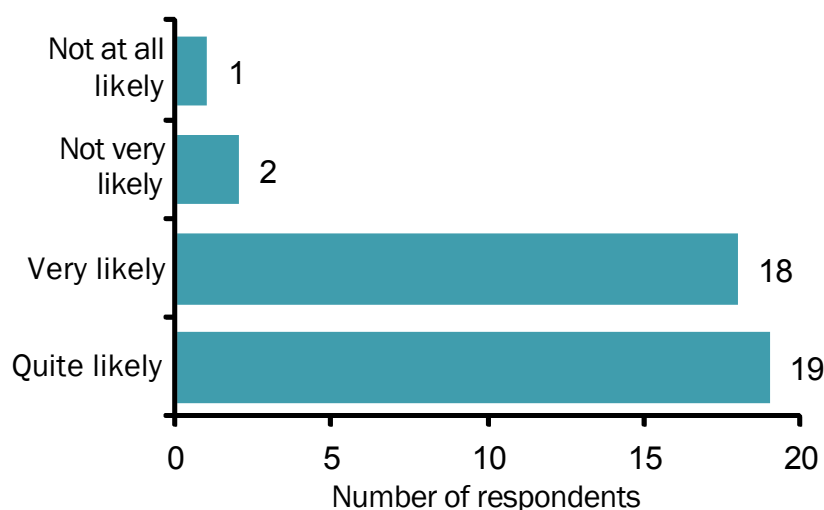
numbers are small, they suggest some evidence that this aspect of StW provision is not always matched to the demand side of the local labour market. However, it is noted that evidence from ETI reports tends to indicate that participants visited in the workplace are in good quality work experience placements, well matched to their individual needs and supported well by the employers.

In relation to the Employer Subsidy, almost all respondents were very satisfied (n=29) or satisfied (n=10) overall with the advice and services offered by the ESAs at the JC/JBOs. Again, this is a positive reflection on ESAs.

10.5.6 Future participation

Overall, the majority of respondents were very satisfied (n=12) or satisfied (n=23) that the StW Employer Subsidy met their recruitment needs. Therefore it is not surprising that the majority of respondents would be quite likely (n=19) or very likely (n=18) to use the Employer Subsidy again in the future. This reinforces the finding that their experience was a positive and useful one. The reasons why a very small number were not very or not at all likely are unknown.

Figure 68 Future participation



While it is positive that most respondents would participate again, and is an encouraging response to StW and the success of the Employer Subsidy component, it is worth highlighting that of those respondents (n=18) who could have employed someone anyway without the Employer Subsidy, all 18 indicated that they were quite or very likely to use the Employer Subsidy again. This suggests that use of the Employer Subsidy should be further explored by the Department for Employment and Learning.

10.6 Employed without an Employer Subsidy

This section presents the findings from the 40 respondents who employed a StW participant without the StW Employer Subsidy.

10.6.1 Recruitment

Most respondents (n=25; 63%) recruited an ex-STW participant without recourse to the local JC/JBO. The majority of these recruited an ex-STW participant through contact with a StW Lead Contractor (n=11) or a newspaper advert (n=8). The remainder were unsure/did not recall.

Of those 15 respondents who placed a vacancy in the local JC/JBO, all were satisfied that JC/JBO Advisers had discussed with them a range of recruitment aspects except one. The exception was in relation to discussion on the availability of an Employer Subsidy when recruiting unemployed people where a number of respondents (n=6) indicated that this incentive was not discussed at the time of placing their vacancy.

Table 47 Recruitment aspects

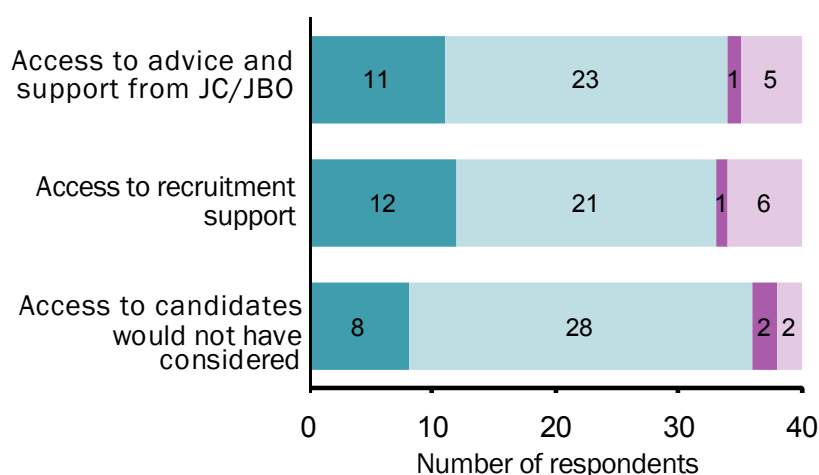
| Recruitment aspects | n= |
|---|----|
| Skills/experience needed by applicants to fill the vacancy | 15 |
| Details of the job and what it involved | 15 |
| Application/recruitment process | 15 |
| Number of candidates you wanted to consider | 15 |
| The availability of an Employer Subsidy when recruiting unemployed people | 9 |

Most respondents using a JC/JBO for recruitment were satisfied with the candidates and felt they met their expectations (n=13). In a small number of cases, respondents indicated that candidates did not meet their expectations and the reasons given were lack of interest or drive from the candidates. This suggests that candidates put forward for paid work by a JC/JBO matched local labour market demands.

10.6.2 Participation

Figure 69 shows those factors that were important to respondents when offering employment to an ex-STW participant. The highest proportion of respondents (n=36) felt that having access to candidates they would not have considered previously was very important/fairly important.

Figure 69 Reasons for participation



■ Very important ■ Fairly important ■ Neither ■ Very unimportant

Interestingly, a high proportion (n=34) indicated that access to advice and support from JC/JBO was very important/fairly important although most respondents (n=25; 65%) did not recruit via the JC/JBO.

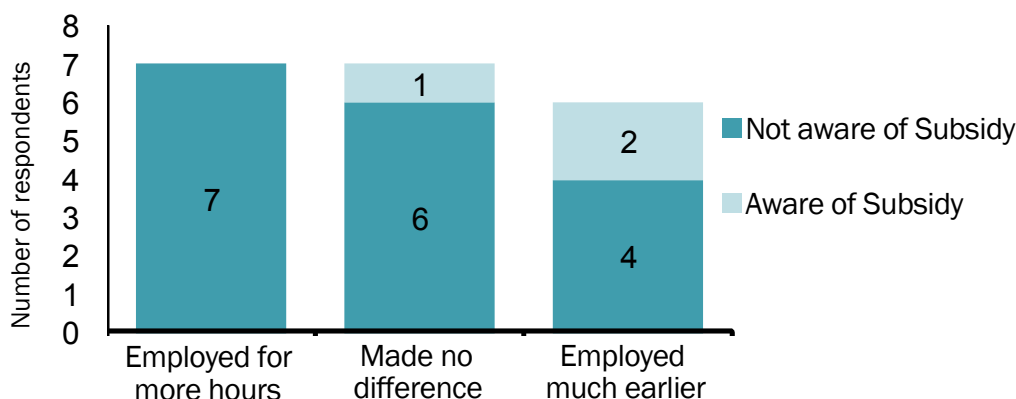
10.6.3 Awareness of Employer Subsidy

Two fifths of respondents (n=17; 43%) were not aware that the Department for Employment and Learning offers a financial subsidy for employing someone who is out of work. Not surprisingly, this was more pronounced among respondents who did not recruit via the JC/JBOs, of which half recruited via a Lead Contractor.

It is possible that Lead Contractors did not inform these employers about a subsidy as it was not required i.e. the employer was recruiting anyway. Indeed, six of these 17 employers indicated that knowing about the Employer Subsidy would have made no difference.

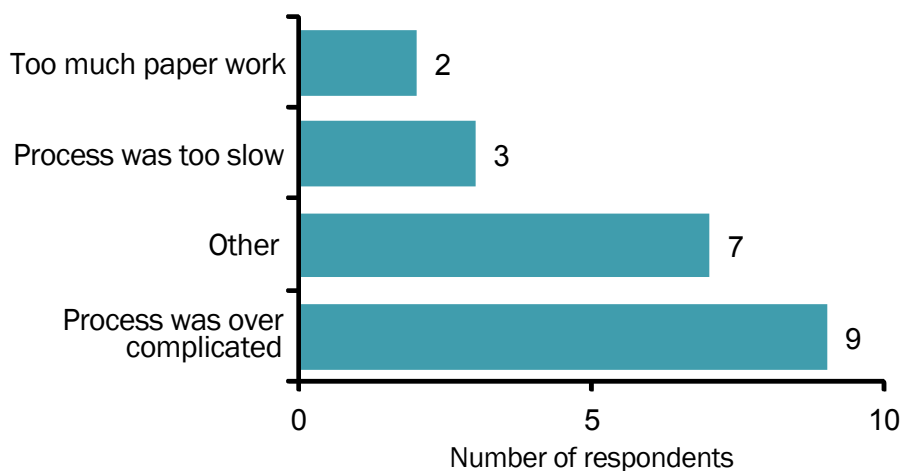
However, 11 of the 17 indicated it would have made a difference, of which seven suggested they could have employed an ex-StW participant for more hours and four suggested they could have employed an ex-StW participant earlier. Furthermore, three employers were aware of and had availed of a subsidy previously but were not aware they could do so more than once. Two of these employers suggested that availability of a subsidy would have made a difference and allowed them to employ staff earlier. These findings are demonstrated in Figure 70.

Figure 70 Impact of awareness of Employer Subsidy



Of the respondents who were aware of the Employer Subsidy (n=21), over half (n=12) of them had previously availed of the subsidy. Figure 71 shows that the main reason respondents did not avail of the Employer Subsidy on this occasion was that the process was overcomplicated (n=9).

Figure 71 Reasons for not availing of Employer Subsidy



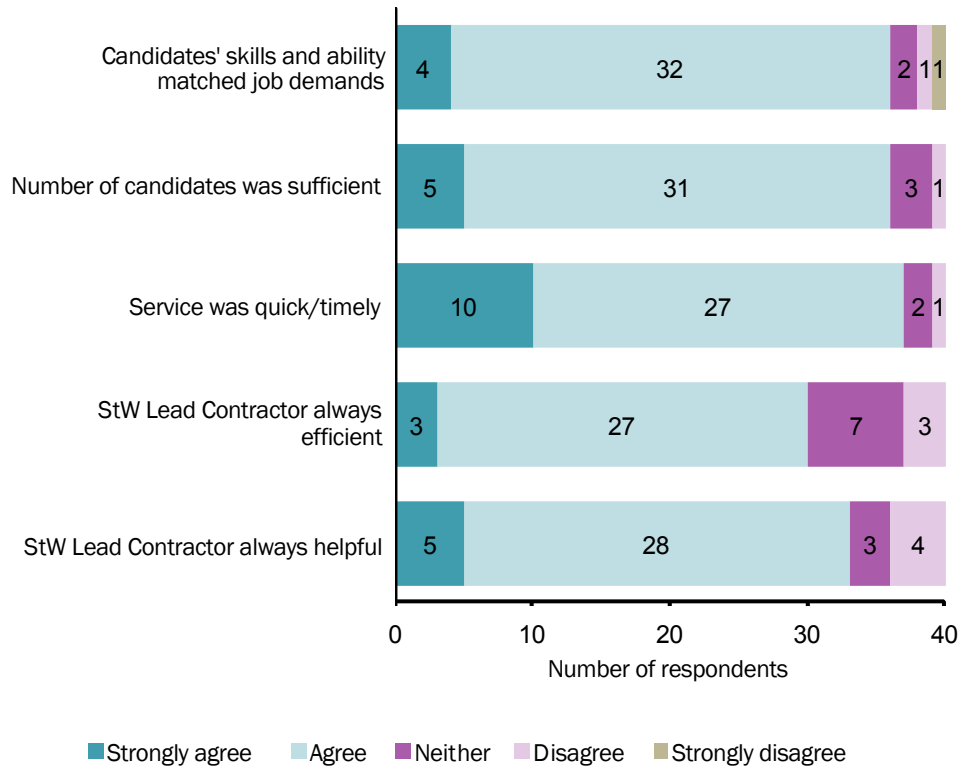
The most common themes among other reasons, where provided, was that employers did not know that they could apply twice (n=3) or did not fully understand the process (n=2). As noted previously, in the former case, it would have made a difference for two employers (see Figure 70).

The Department for Employment and Learning may wish to explore how, when and by whom the Employer Subsidy is promoted among employers. At the same time, those unaware of the Employer Subsidy or that more than one application may be made suggested that it would have had a positive impact in moving an ex-STW participant into paid employment sooner.

10.6.4 Views on candidates and Lead Contractors

Figure 72 shows that the majority of respondents agreed positively with a range of statements regarding the timeliness of the service, number of candidates, candidate matching and Lead Contractor provision.

Figure 72 Respondents' opinions



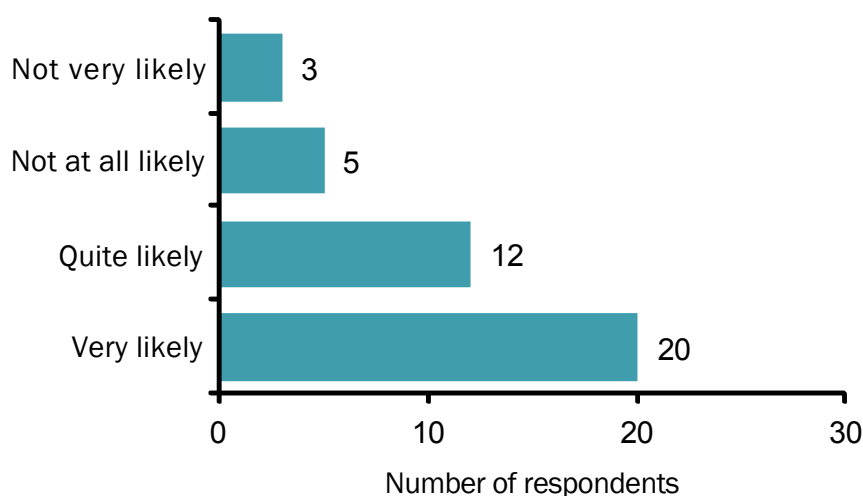
Small numbers expressed some disagreement and this was mostly in relation to the efficiency and helpfulness of Lead Contractor staff.

Overall, the vast majority of respondents were satisfied or very satisfied overall (n=33) with the services offered by staff at the Lead Contractors. Only one respondent provided a reason for dissatisfaction and this was due to a lack of information.

10.6.5 Future participation

The majority of respondents (n=34) considered that StW had met their recruitment needs and so it is not surprising that over three quarters of respondents (n=32) were very or quite likely to participate in the future (see Figure 73). The reasons why eight respondents would not is not known.

Figure 73 Future participation



10.7 Work placement

This section presents the findings from 40 employers throughout Northern Ireland who took a StW participant on a work experience placement.

10.7.1 Recruitment

It is positive to note that almost all employers indicated that their StW Lead Contractor discussed the following aspects with them (Table 48):

Table 48 Recruitment aspects

| Recruitment aspects | n= |
|---|----|
| Skills/experience needed by applicants | 39 |
| Details of the placement and what it involved | 39 |
| Application/recruitment process | 39 |
| Number of candidates to be considered | 38 |
| Roles and Responsibilities of the StW Lead Contractor | 39 |
| StW programme conditions | 39 |

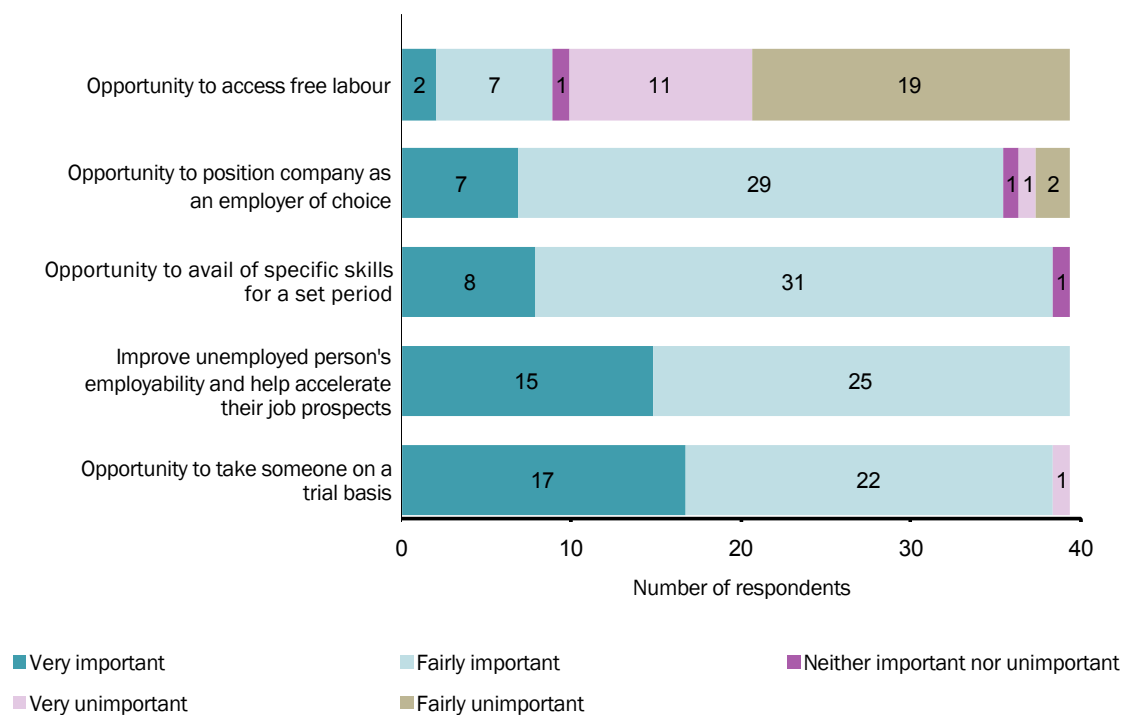
Furthermore, almost all employers, with two exceptions, indicated that candidates met their expectations.

10.7.2 Participation

Employers were asked about the importance of a range of statements for offering a work placement to StW participants. Results suggest employers participated for altruistic reasons i.e. to help to improve an unemployed person's employability skills and to help accelerate their job prospects (all rating this as very or fairly important), as well as for

business reasons i.e. an opportunity to recruit specific skills set for a time bound period (n=39 rated this as very or fairly important) or practical business i.e. the opportunity to take someone on a trial basis (n=39 rating this as very or fairly important). In addition, it is very positive that access to free/subsidised labour was not deemed to be an important factor for three quarters of respondents (n=30).

Figure 74 Reasons for participating



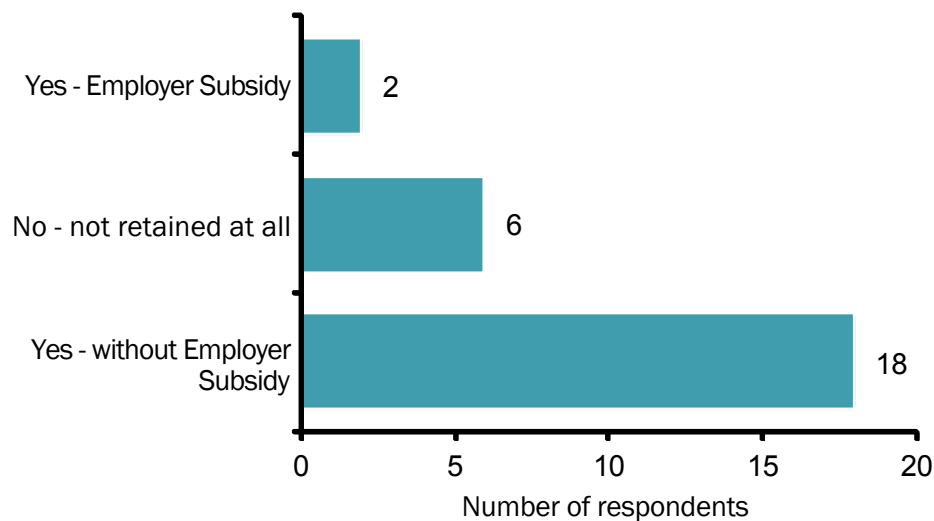
The respondents interviewed under the work placement programme were involved in STW for either 13 weeks (n=23) or 26 weeks (n=17). Three quarters of respondents (n=30) thought the placement length was about right, although interestingly, there was no notable difference in responses between those involved for 13 weeks or 26 weeks. However, all of those indicating it was too long (n=4) were involved for 26 weeks while those indicating it was too short were involved for 13 weeks only (n=6). This is an important finding given that the Department for Employment and Learning has made changes recently to placement lengths, e.g. reducing one strand from 13 to eight weeks.

10.7.3 Employee retention

It is positive to note that almost all employers, except four, considered that participants work skills improved as a result of the work experience period.

Over one third of employers were currently involved in a StW placement (n=14). Of the remainder, the majority (n=20) were now employing the StW participant, of which most (n=18) were employed without Employer Subsidy, and the remaining six were not retained after their placement. This suggests that work placements are an effective mechanism to support participants into work, specifically unsubsidised work.

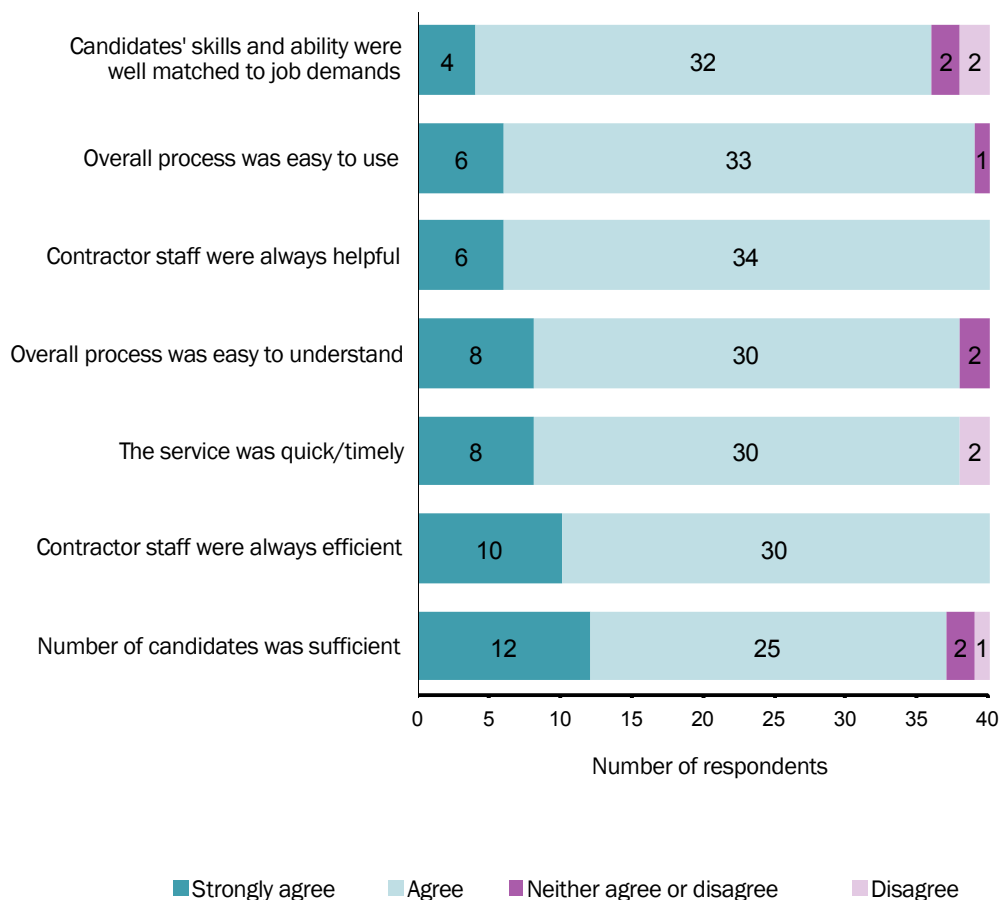
Figure 75 Staff retention



10.7.4 Views on StW

Figure 76 shows that the majority of respondents agreed positively with a range of statements. All were positive regarding Lead Contractor staff (n=40) and most were positive regarding the timeliness of the service (n=38), number of candidates (n=37) and candidate matching (n=36).

Figure 76 Opinions of STW

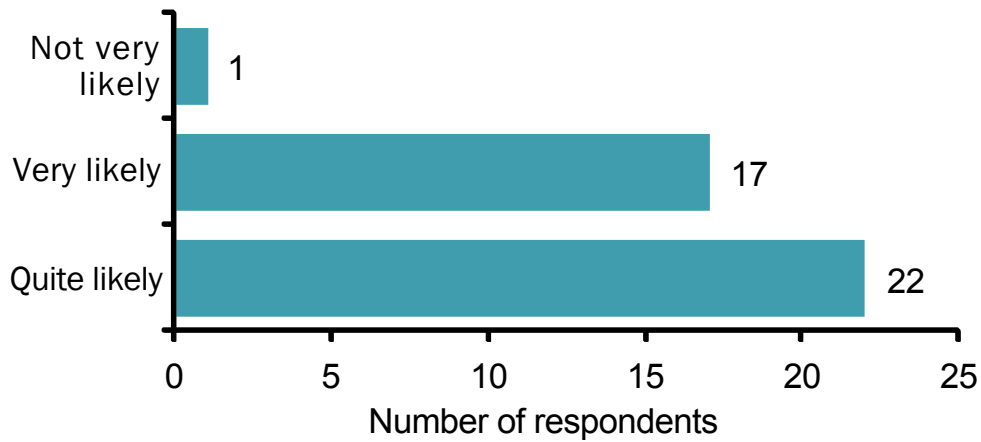


10.7.5 Future participation

Most respondents (n=38) considered that overall the StW programme had met their business needs and only two respondents remained uncommitted.

Despite a small element of dissatisfaction with the StW process, only one respondent was not very likely to participate in the programme again. This is demonstrated in Figure 77.

Figure 77 Future participation



10.8 Attitudes towards the STW programme

All 120 employers were asked a series of questions on their views towards the StW programme. Findings in Figure 78 indicate the extent to which they agreed or strongly agreed with a range of positive statements and negative statements. (Note: Findings are expressed as percentages as n=120).

Figure 78 Opinions on StW

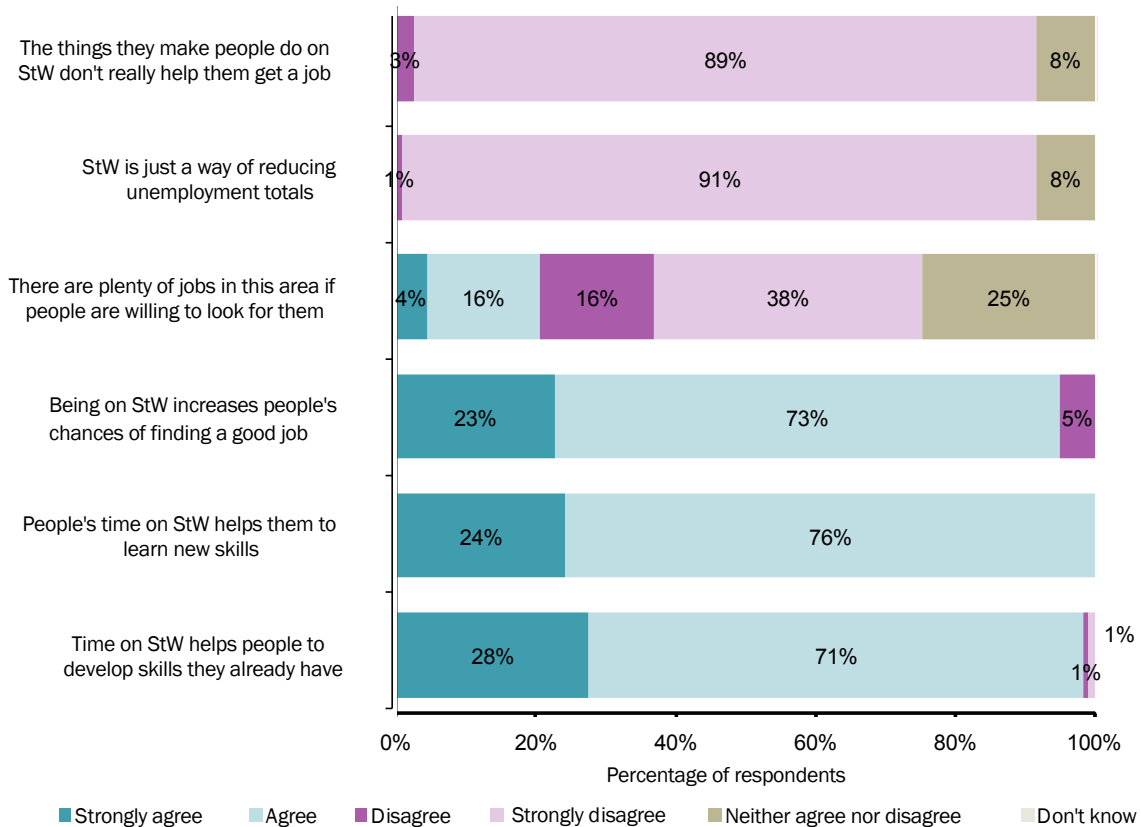


Figure 78 shows that the majority of respondents considered that StW can help those who are unemployed, and the fact that most (92%) disagree that it is a way of reducing unemployment totals suggests they consider that it is a genuine employment intervention. At the same time, results indicate that most employers do not consider that there are many jobs available, which possibly reflects their views on the economic climate. This may explain why a small percentage (5%) did not agree that being on StW increases people's chances of finding a good job.

There was little notable difference between the three categories of employers, except for the statement regarding plenty of jobs. Here, a higher number of respondents on Employer Subsidy (n=11) agreed with this statement than for work placement (n=3) or respondents without Employer Subsidy (n=9).

A number of respondents (n=18) took the opportunity to make suggestions on how the overall programme could be improved or changed to support employers. Of these, seven took the opportunity to praise the programme. Examples of comments include:

“ think the programme is fabulous”

“thoroughly happy with the programme”.

The common themes for improvements among the remaining 11 respondents were:

- More detail on the application process (n=4).
- More marketing in relation to StW, and specifically greater awareness about the Employer Subsidy (n=4).
- Availability and calibre of candidates (n=2).
- Travel expenses (n=1).

10.9 Summary and conclusions

- Most businesses were small or medium enterprises and almost half were within the wholesale and retail trade, other community, social and personal service activities and manufacturing sectors. Newly established businesses were less likely to be involved in StW. More respondents reported increased demand for their goods and services although fewer expected to recruit more staff.
- The vast majority of employers had no difficulties in recruiting staff (n=100, 83%) which is not surprising, given the unemployment rate (7.4% during the period May to July 2011). Of those employers who had had difficulties, most (n=14) highlighted that the main challenge was that applicants did not have the skills/experience required (a little over 10% of all those surveyed). This could suggest some evidence that provision is not always matched to the demand side of the local labour market.
- Respondents participated in the StW programme for a range of reasons and a quarter (25%) participated for altruistic reasons i.e. to help the unemployed retain their skills

while over a fifth (22%) participated for practical and business related reasons i.e. to see how someone works out.

- A notable proportion of employers who were unaware of the Employer Subsidy indicated it would have made a positive difference had they known about it.
- More positively, survey findings suggest that most respondents on Employer Subsidy retained their ex-StW participant beyond the subsidy period.
- The majority of those surveyed who offered a work experience placement subsequently employed that person which would indicate that placements are an effective method of supporting participants to find work.
- The vast majority of respondents were positive about the StW programme and, where applicable, the advice and services offered by JC/JBO Advisers and/or Lead Contractor staff. This is a positive reflection of staff involved in programme delivery.
- The majority of respondents felt the duration for Employer Subsidy and work placement was about right. Furthermore, the majority of respondents considered that StW had met their recruitment needs and so it is not surprising that over three quarters of respondents were very or quite likely to participate in the future.
- The majority of respondents considered that StW could help those who are unemployed. At the same time, most employers did not agree that there were many jobs available. This may explain why a small number did not agree that being on StW increases people's chances of finding a good job.

11 Conclusions and recommendations

11.1 Introduction

This chapter presents the findings and conclusions from all aspects of the evaluation and makes a series of recommendations.

In order to facilitate this, conclusions are aligned explicitly with the terms of reference for the evaluation and incorporate the requirements to consider recommendations made by the PAC in respect of the New Deal 25+ programme.

11.2 Performance overall

- Determine if Steps to Work actually drives out sustained employment outcomes in an effective and Value for Money way.
- Assess the extent to which employment has been sustained for 12 months or more.
- Consider recommendations made by the PAC in respect of the New Deal 25+ programme PAC recommendations.
- Examine the issue of deadweight, if any, within the employment outcomes of StW.
- Examine the performance of StW against similar provision in GB.
- When assessing performance account should be taken of any GB developments in relation to the Welfare to Work policy.

11.2.1 Conclusions

Performance

Table 49 sets out the performance outcomes for StW and comparison with GB's FND.

Table 49 StW employment outcomes vs FND

| Sustained employment | NI | | | GB | | |
|----------------------|--------|--------|----------|--------|--------|----------|
| | Target | Actual | Variance | Target | Actual | Variance |
| 13 weeks | 25% | 25% | NIL | 55% | 16% | -39% |
| 26 weeks | 85% | 86% | +1% | 50% | 66% | +16% |

Source: Occasional Paper - Improving Steps to Work Statistics, 2011

This shows that the StW programme met its 13 weeks sustained employment target and surpassed its target for 26 weeks sustained employment.

Furthermore, comparison with FND in GB indicates that performance on StW was notably greater. This indicates that StW is an effective employment intervention.

The Department for Employment and Learning statistics indicate that almost half (49%) of those sustaining employment for 13 weeks or more continued to sustain that employment for at least 52 weeks.

Economy and VFM

StW is a more economical programme with substantial improvements in unit cost when compared with previous ND25+ provision in Northern Ireland and in GB. Employment outcome costs for StW have decreased when compared with costs for employment outcomes for ND25+ in Northern Ireland and, while they remain higher than the former ND25+ in GB, they are significantly less than the more recent FND costs. This suggests that a focused ORF model for Lead Contractors has been effective in improving value for money regarding unit costs.

PAC recommendations

The Department for Employment and Learning has implemented the following PAC recommendations which have contributed to improving on the programme and providing more robust data on programme outcomes:

- Setting StW performance measures and publicly reporting on these.
- Obtaining information from DSD benefits data and HMRC employment data which means that 94% of destinations are now known.
- Measuring the level of job outcomes more frequently, over a significantly longer period than six months.
- Benchmarking the StW programme with similar programmes in Great Britain, working around any differences in methodologies or approaches as required.
- Adopting a more rigorous approach in managing provider contracts under StW including, where necessary, the replacement of poor performers.

Deadweight

In terms of deadweight, it is challenging to assess what participants would have done otherwise, given that StW is a mandatory programme for most participants. It is known from the StW Leavers' Survey that over a quarter of respondents (27%) got a job immediately after they left StW. Of these, over two-fifths (44%) considered that participation in StW had increased their chances of getting their job which suggests there is value added. Overall, 42% of all respondents agreed that StW had improved their chances of getting a good job and 86% of those who got an NVQ qualification thought it would be useful in helping them to get a job.

Consideration was given to examining JSA off-flow statistics and examination of the proportion of claimants signing off the JSA register and moving into employment for two specific groups of clients at different lengths of unemployment – pre-eligibility for StW and once they met the mandatory requirements.

However, there were some restrictions in doing so in an accurate and robust manner. JSA off-flow data is gathered from forms completed by JSA leavers and NOMIS reports that the completion levels of these forms has decreased, reducing the accuracy of this data. In addition, some benefit recipients are captured both in JSA data and again in StW statistics i.e. are in effect double-counted which restricted the ability to reliably compare employment outcomes for JSA claimants who did not avail of StW and JSA StW clients.

Additional comments

In GB, there have been significant and fundamental changes in employment intervention and wider welfare reform including the roll-out of the of the Work Programme coupled with the introduction of Universal Credit (in October 2013) to simplify the current benefits system and make work pay.

While StW has met its targets and performed substantially better than FND, the lack of performance data on the Work Programme means it is not possible to determine if greater and more cost effective outcomes can be achieved from a more radical approach to employment intervention. It is therefore recommended that the Department for Employment and Learning monitors developments in GB, and considers how lessons here alongside the introduction of the Universal Credit would allow the Department to introduce innovative or radical changes to its employment interventions. This may not necessarily be the Work Programme per se, as culture, critical mass and capacity among providers combined with a poor economic climate may mitigate against this, at least in the short-term. However, the introduction of the Universal Credit should allow a more flexible approach to taking paid work, and one in which work is more advantageous. This in turn offers opportunities for more innovative approaches to employment interventions.

11.3 Performance against StW and strands

- Identify which aspects of the StW provision are working well and could be developed within the programme; and which areas of provision appear to be performing less effectively and require revision.
- Examine the effectiveness of the Step Ahead initiative, the temporary waged strand introduced due to the economic downturn. In particular, assess the impact this has had on participants' employability and the merit of its continued operation.

11.3.1 Conclusions

Employer Subsidy

Chapter 4 demonstrated that the Employer Subsidy strand performed strongly, at both the 13 weeks (71% of leavers sustaining employment) and 26 weeks (93% of leavers sustaining employment) and at 52 weeks (59% of leavers sustaining employment). The performance of the Employer Subsidy suggests that this strand could be marketed further and potentially have greater impact.

Consultation findings with other stakeholders suggested that the use of the Employer Subsidy was an effective means to securing sustained employment. While some

stakeholders such as ESAs considered that the Employer Subsidy was open to misuse, at the same time, it is the only intervention which ESAs have complete control of to prevent misuse. It may be worth revisiting the training and guidance on Employer Subsidy to ensure ESAs are fully aware of their role and responsibilities. At the same time, the Department may wish to revisit the eligibility criteria to determine if these should be tightened to maximise the effectiveness and economy of this intervention.

Remaining Step 2 Strands

Table 50 sets out the percentage of leavers sustaining employment at 13, 26 and 52 weeks for the remaining Step 2 strands.

Table 50 All Participants moving from Step 2 into unsubsidised or subsidised employment sustained for 13 weeks, 26 weeks and 52 weeks by last activity

| Last activity prior to leaving | % Sustained 13 weeks | % Sustained 26 weeks | % Sustained 52 weeks |
|--------------------------------|----------------------|----------------------|----------------------|
| Step Ahead | 49% | 0% | 0% |
| Self-Employment | 39% | 96% | 73% |
| Qualifications | 24% | 88% | 76% |
| NVQ | 21% | 92% | 75% |
| Essential Skills | 13% | 84% | 71% |
| Back to Work | 12% | 88% | 84% |

Source: Occasional Paper - Improving Steps to Work Statistics

Back to Work and Essential Skills

Outcomes from Back to Work placements and Essential Skills are low.

Quality work placements were seen as a key success factor from many stakeholders, although Lead Contractors highlighted the challenges in obtaining these and findings from the employer survey suggest a small element of exploitation of work placements i.e. access to free labour. While ESAs/TLs suggested a need for longer placements, most employers providing work placements thought the placement length (13 or 26 weeks) was about right. More recently, the Department has introduced changes to the length of placements.

The Department for Employment and Learning should review the Back to Work strand, including monitoring the impact of recent changes to length of placements.

The Department for Employment and Learning should determine how outcomes could be improved from Essential Skills. This may mean looking at the extent to which Enhanced Support is utilised for Essential Skills participants and how the Employer Subsidy, and specifically the advice and support associated with this strand, could be used to encourage employers to recruit those LTU with additional needs.

Step 3

Outcomes from Step 3 have declined and are especially low (3%, April 2010-March 2011) suggesting this intervention is not effective. Findings suggest that Step 3 respondents have greater challenges and therefore require more focused support.

Step 3 respondents were more likely to have a fragmented or limited employment history. They tended to be overrepresented among those with a health problem which affected work they could do and none recalled being asked about additional support required. A higher percentage of Step 3 respondents than Step 2 respondents reported difficulties with writing English (11%) and numeracy (14%). This suggests that many Step 3 respondents have faced additional challenges throughout their working lives which could explain their lack of success to date on StW.

ESAs did not consider the StW was sufficiently flexible nor did it meet the needs of those with additional barriers. At the same time, some stakeholders highlighted that the Confidence and Motivation module in Step 1 and Enhanced Support were underutilised suggesting that frontline staff and Lead Contractors do not always make full use of all options.

It is not clear if more effective assessment and greater use of specific interventions such as the Confidence and Motivation module and Enhanced Support would have a positive impact on Step 3 participants. This warrants further investigation from the Department to determine if it is viable to continue with Step 3 given the outcomes.

Step Ahead

The Step Ahead initiative is the second most successful strand for the percentage of leavers sustaining employment for 13 weeks. It is too soon to comment on outcomes at 26 and 52 weeks.

The data on the Step Ahead strand supports stakeholders' views that the rationale and reason for the introduction of the Step Ahead initiative was sound but negates their views that it was offered at too late a stage for the long term unemployed and that its restriction to the voluntary and community sector meant there were few job opportunities after the 26 weeks of employment.

Performance on the Step Ahead stand support its continuance, subject to affordability.

11.4 Employers, demand and the demand side of the local labour market

- Assess the level of awareness/understanding of Steps to Work among the wider employer population.
- Examine how effectively StW training and work experience provision is matched to the demand side of the local labour market.

11.4.1 Conclusions

Awareness

Views differed on the level of awareness/understanding of Steps to Work among the wider employer population across stakeholders.

Two thirds of ESA respondents (66%) believed that there was a moderate level of awareness of StW among employers in their area, although Lead Contractors considered that awareness was low.

Consultation with the Department for Employment and Learning operational managers indicated that there should and could be greater involvement from employers but that there was a need to promote the programme with employers via a cohesive marketing campaign coordinated by the Department. Managers recognised the difficulties in encouraging employers to participate, at a practical level such as having appropriate insurance and at the economic level which meant some employers were reluctant to or could not engage and this view was shared by Lead Contractors who highlighted increasing difficulties in securing work placements.

It is not surprising that all employers contacted as part of an employer survey for this evaluation were aware of the StW programme given that the majority were participating at the time of the survey. However, a small percentage indicated being involved for much longer than the programme's existence suggesting that some employers did not differentiate between employment interventions. Employers were aware of StW by a variety of means, the most common being contact from the JCs/JBOs. Marketing leaflets were one of the least common means of awareness.

Demand

In terms of the demand side of the local labour market, the majority of employer respondents were satisfied that candidates met their expectations. A small number of respondents were not satisfied and the main reason tended to be because candidates put forward lacked experience and/or skills. This could suggest some evidence that StW provision is not always matched to the demand side of the local labour market but it is highlighted that the overall instances were low so care must be taken in this interpretation. Evidence from ETI reports tends to indicate that participants visited in the workplace are in good quality work experience placements, well matched to their individual needs and supported well by the employers.

Further evidence that training and work experience provision was matched to the demand side of the local labour market is indicated by the fact that three quarters of employers considered that StW met their business needs and the majority were likely or very likely to participate on StW again.

Anecdotal evidence from Lead Contractors indicated they were very focused on the demand side of the local labour market and there was minor criticism that on some occasions participants' Action Plans contained unrealistic career goals in terms of sectors

where there are very little employment opportunities. It is also likely that the move to an ORF model for Lead Contractors has provided a substantial financial imperative that they ensure training and work experience provision is matched to the demand side of the local labour market.

11.5 Participants' views and satisfaction

- Collect and assess current participants' views to StW as a whole, to the various strands of StW, Employment Service Advisers and Contracted Providers.
- Examine the impact of StW on participants. Is there evidence that StW improves the employability of participants; has impacted on their motivation or job search activities; or has led to better/less focusing of participants to occupational areas suited to their aspirations and abilities; or are they more or less unlikely to look for work?
- Examine the extent to which StW has met the expectations of participants.
- Determine satisfaction levels of participants.

11.5.1 Conclusions

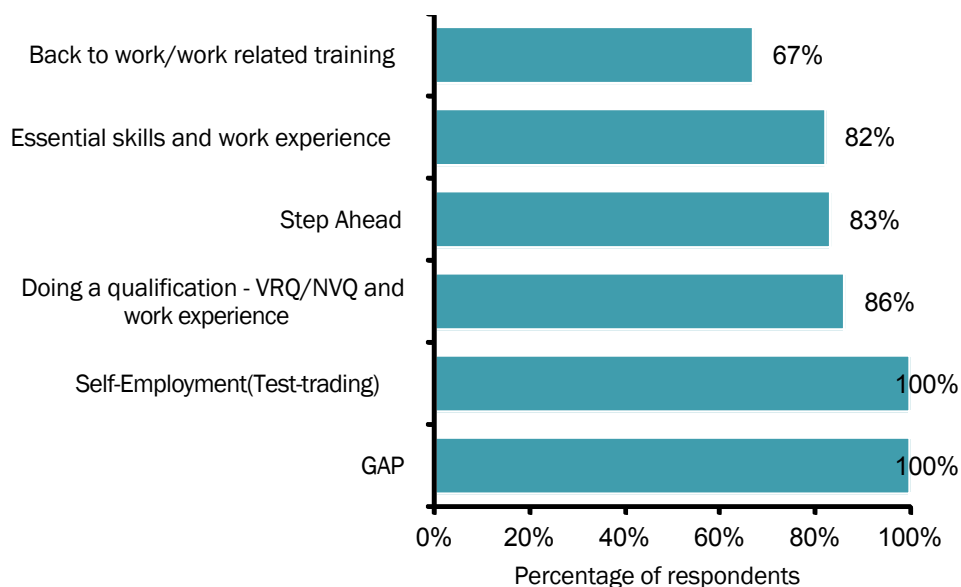
Views, expectations and satisfaction

Findings from a large scale participant survey indicated that the majority of respondents rated the programme positively over a range of dimensions including quality of support, advice and opportunities offered, usefulness of activities, work placements being a good match, and that the length of time for Steps 1 to 3 was about right.

Specifically, more than three-quarters of respondents (77%) were very or fairly satisfied with the help and opportunities offered to them by their JC/JBO Advisers and similarly the majority (83%) were very or fairly satisfied with the support received from their StW Provider. Furthermore, the majority of respondents (74%) indicated that StW had either met or exceeded their expectations.

Over three quarters of respondents (78%) considered that their Step 2 activity was very useful or useful, although there was some variation in views across the different Strands as demonstrated in Figure 79.

Figure 79 Usefulness of Step 2 Strands

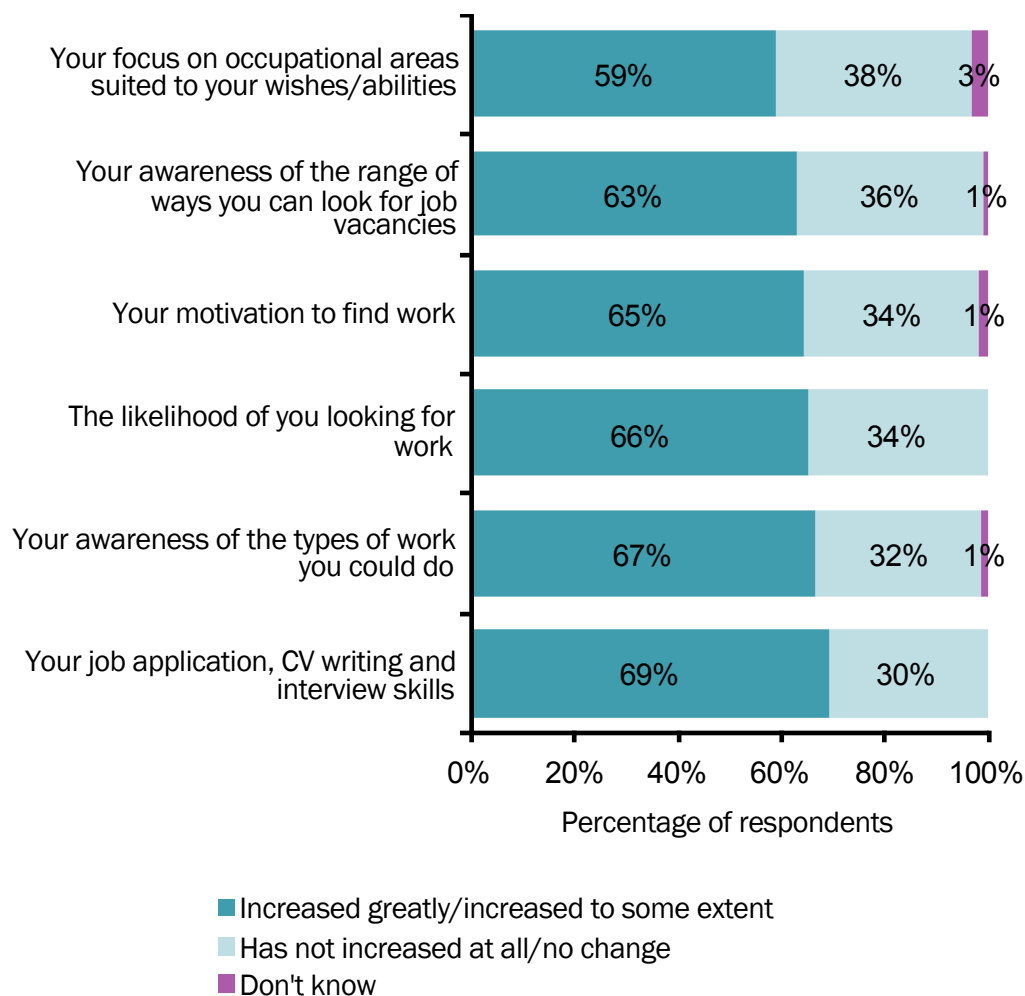


Given this positive feedback, it is not surprising that over half of respondents (57%) indicated that they believed that taking part in the StW programme would increase their chances of getting a paid job. However, a high proportion of respondents, almost two fifths (37%), indicated that they felt the programme would make no difference to their chances.

Employability

Results on employability are illustrated in Figure 80. This indicates that the majority of respondents thought that they would be better equipped to look for work but a smaller percentage of respondents suggested that they would actually do so.

Figure 80 Employability – all participants



This suggests that, for a notable percentage of respondents, participation on the programme is unlikely to lead to any positive change in attitudes or behaviours towards looking for work. Furthermore, this suggests that a sizeable proportion of those currently unemployed are likely to remain so, and that StW has had limited impact on this cohort.

The majority of respondents (80%) considered that being employed in any job was better than not working while their views on employment reinforced respondents' desire to be in paid work and their belief in their employability. However, the majority of respondents (76%) suggested that labour market conditions represented a greater barrier to them finding work than personal circumstances and similarly, the majority of respondents (88%) thought the chances of people getting a job at the present time were very bad or fairly bad. This may help explain why a notable percentage of respondents (37%) believed that StW made no difference to their chances of finding employment and why over half of respondents (58%) felt that StW was just a way of reducing unemployment totals, suggesting high levels of cynicism overall.

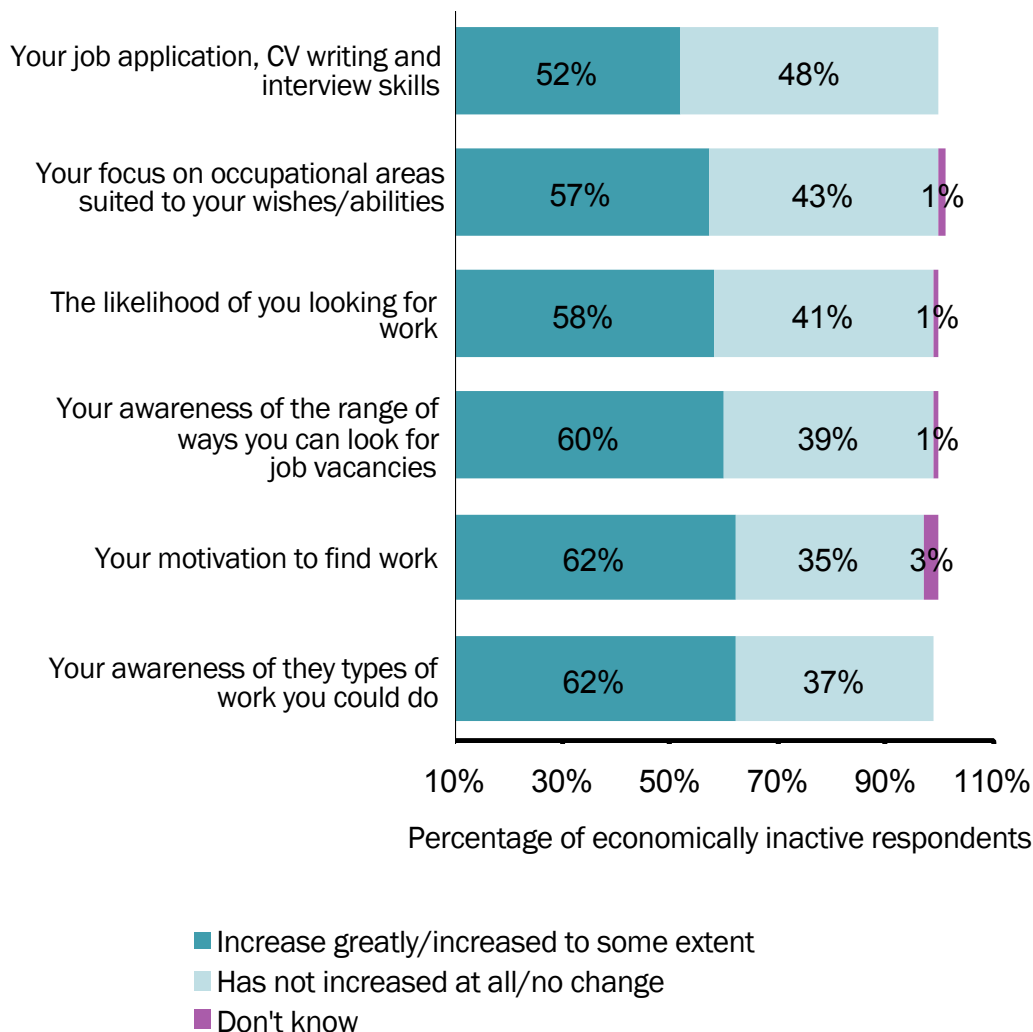
11.6 The economically inactive and those most excluded from the labour market

- Assess how successful StW has been in meeting the employability needs of the economically inactive (Income Support, Incapacity Benefit, Employment and Support Allowance and non-benefit claimants).
- The evaluation must contain advice/recommendations as to whether StW is proving to be sufficiently flexible to have a positive impact on those most excluded from the labour market. This issue must be fully considered.
- Examine the extent to which Employment Service Advisers are using/not using the more flexible and tailored support needed by those with significant barriers to employment.

11.6.1 Conclusions

Survey results from current participants suggests the StW has had some positive impact on the employability of the economically inactive. This is demonstrated in Figure 81.

Figure 81 Employability for the economically inactive



However, a notable percentage of this cohort, higher than respondents overall, did not consider that their employability had increased. This suggests StW has not met their needs effectively.

Furthermore, findings from ESAs indicated that over half of them (52%) did not believe that StW performed well for this specific client group. A notable proportion of ESAs/TLs from the focus groups believed that StW was very rigid and it was apparent from the consultation that some ESAs/TLs did not consider that flexibility was a core design component. This possibly reflected that ESAs had large (and increasing) caseloads and that StW was mandatory for most participants. This in turn appeared to result in a transactional oriented engagement with some participants rather than a relationship oriented engagement.

At the same time, and as previously noted, some stakeholders highlighted that confidence and motivation and Enhanced Support were underutilised which suggests that frontline staff and Lead Contractors do not always make full use of all options.

The StW programme is designed to offer a flexible menu-based approach with a focus on assisting customers into sustained employment, with the menu-driven approach allowing provision to be tailored to suit the needs of the individual and focusing on maximising their employability. A key feature of the flexible provision is its modular base, giving ESAs discretion to mix and match from a range of provision and flexible duration of voluntary participation to suit each individual's requirements.

Consultation findings suggest that not all ESAs are using the more flexible and tailored support needed by those with significant barriers to employment. This could reflect that some are not aware of the level and type of flexibility offered by the programme which suggests a training need, or communication requirement i.e. for PMDB to articulate more clearly what, where, how, when and for whom the programme is flexible, or both a training and communication need. It is also likely to reflect the challenges associated with an ever increasing caseload, as well as reflect a tendency among some ESAs to adopt a transactional oriented interaction. The issues of caseload management and transactional versus relationship oriented interaction should be explored in more detail by the Department, as it is likely that the increasing numbers coming onto the programme, combined with a challenging jobs market, mean that proactive caseload management combined with a relationship oriented approach are critical success factors for the programme going forward. Consultation findings suggest that a transactional oriented approach may prevail currently.

It is recommended that the Department examines the level of usage of confidence and motivation and Enhanced Support for those with additional barriers and to revisit ESA training provision to ensure that all frontline staff are aware of the range of options and flexibility within the programme. The Department should also consider what additional training and development support is required for ESAs to adopt a relationship oriented approach.

In addition, the Department could consider its approach for those hardest to help and for those economically inactive. This could be in the form of a small pilot to look at a more innovative approach for this cohort within StW with clear incentives for Lead Contractors to deliver results combined with greater freedom (akin to the philosophy behind the Work Programme).

The number of economically inactive participants who availed of StW has increased albeit the total numbers remain small. Given that the level of economic inactivity in Northern Ireland remains higher than that of the UK (27% compared with 23%), it would be useful for the Department to determine if StW is not being offered or promoted to the economically inactive, or if it is promoted but not being taken up by this group and the reasons for this.

11.7 Summary

In summary, the StW programme has achieved its two key performance targets which is a positive finding. This is especially so against the backdrop of a challenging job market

which has been characterised by a substantial decrease in notified vacancies and a substantial increase in the claimant count. This reflects the programme design and delivery and the partnership approach with Lead Contractors which was facilitated by having a smaller number of contracts and ORF model, as well as amendments and revisions over the life of the programme.

Nevertheless, the state of the current job market suggests that there may be challenges in maintaining this performance, let alone improving on it. This could mean that a more radical approach is required to sustain current performance, especially if the claimant count continues to rise, rather than the evolutionary programme changes and refinements made to date, and that this will likely require even greater flexibility. A fundamental issue will be the delivery of any radical and more flexible approach both by ESAs and by Lead Contractors. A key challenge will be examining what is done by ESAs and to ensure that all ESAs consistently adopt a proactive caseload management approach combined with a relationship orientated engagement with participants. A second key challenge will be examining what is done by Lead Contractors which would allow them greater flexibility while maintaining a viable ORF model. In determining any radical changes, the Department should take account of the lessons learned from StW. This would mean, for example, that any successor programme would replicate those activities which produce positive outcomes, such as the Employer Subsidy, and place less investment in those activities where outcomes are low, such as Back to Work placements.

In the meantime, the Department should consider the following recommendations:

| Aspect | Recommendation |
|----------------------|---|
| Performance | <p>The Department should monitor developments in GB, and consider how lessons here and alongside the introduction of the Universal Credit would allow the Department to introduce innovative or radical changes to its employment interventions.</p> <p>The Department should explore the feasibility of undertaking further research on the employment outcomes of StW and to help determine the actual amount of deadweight.</p> |
| Aspects of provision | <p>Employer Subsidy – the Department should revisit the training and guidance on Employer Subsidy to ensure ESAs are fully aware of their role and responsibilities. At the same time, the Department should revisit the eligibility criteria to determine if these should be tightened to maximise the effectiveness and economy of this intervention.</p> <p>Step Ahead – Performance data indicates that this temporary initiative has been effective. This suggests it should be continued, although this may be dependent on financial</p> |

| Aspect | Recommendation |
|--|---|
| | <p>considerations.</p> <p>The Back to Work and Essential Skills strands have low performance outcomes at 13 and 26 weeks reinforcing the suggestion that revisions are required to these strands to help improve employment outcomes.</p> <p>The Department has made recent changes to the length of work placements and should monitor the impact of these as well as examine if there is any evidence of exploitation among employers with work placements.</p> <p>In addition, the Department should consider what other revisions are required to these strands to help improve employment outcomes. It is recommended that the Department examines the extent to which Enhanced Support is utilised for Essential Skills strand participants and how the Employer Subsidy, and specifically the advice and support associated with this strand could be used to encourage employers to recruit those LTU with additional needs.</p> <p>Step 3 – the Department should examine if more effective assessment and greater use of specific interventions such as the Confidence and Motivational module/Enhanced Support would have a positive impact on Step 3 participants to help determine if it is viable to continue with this Step given the low job outcomes.</p> |
| <p>Economically inactive and furthest from the labour market</p> | <p>The Department should determine if StW is not being offered or promoted to the economically inactive, or if it is promoted but not being taken up by this group and the reasons for this.</p> <p>The Department should examine the level of usage of confidence and motivation and Enhanced Support for those with additional barriers and to revisit ESA training provision to ensure that all frontline staff are aware of the range of options and flexibility within the programme.</p> <p>The Department could consider its approach for those hardest to help and for those economically inactive. This could be in the form of a small pilot to look at a more innovative approach for this cohort within StW with clear incentives for Lead Contractors to deliver results combined with greater freedom</p> |

| Aspect | Recommendation |
|--------------|--|
| | <p>(akin to the Work Programme).</p> <p>The issues of caseload management and transactional versus relationship oriented interaction should be explored in more detail by the Department, as it is likely that the increasing numbers coming onto the programme, combined with a challenging jobs market, mean that proactive caseload management combined with a relationship oriented approach are critical success factors for the programme going forward. The Department should consider what additional training and development support is required for ESAs to help ensure this can occur.</p> |
| ESA Training | <p>The Department should revisit its StW training provision to ensure that all ESAs feel well prepared for their role including their responsibilities regarding Employer Subsidy. This is especially important given that the programme, and specific strands and/or components have been under constant revision and it is important that all frontline staff are familiar with all changes. It is also important to ensure that all frontline staff are aware of the range of options and flexibility within the programme. As noted, DEL should consider what additional training and development support is required for ESAs to help ensure a proactive, flexible and relationship oriented approach is adopted by all ESAs.</p> |

Appendix 1 - Equality

Age group

Overall, the highest percentage of respondents (44%) were between 18 and 24 years old and one quarter (25%) were between 25 and 34 years old; 16% were 35-44 years old, 10% were 45-54 years old and 5% were 55-64 years old. Table 1 shows evidence of over representation of some age groups on some StW activities. For example, respondents between 18 and 24 years old were over represented in meeting with an Adviser at the start of StW and, as would be expected, GAP. Respondents between 25 and 34 years old were over represented in Step Ahead and respondents between 35 and 44 years old were over represented in setting up their own businesses. The causality is unknown and could be a consequence of choice or some other factor. For example, choice of Step 2 strand is a decision made by a participant in conjunction with their ESA, while the nature of some strands and/or eligibility criteria may influence representation such as all GAP participants being aged 18-24 years. Note that the base case is less than approximately n=50 for all strands on Step 2 and Step 3.

Table 1 Age group

| | | Age group (years) | | | | | |
|--------|--|-------------------|-------|-------|-------|-------|--|
| | | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | |
| Step 1 | Steps to Work activity | | | | | | |
| | Meeting with an Adviser at the start of StW | 73% | 27% | 0% | 0% | 0% | |
| Step 2 | Short course within StW | 52% | 15% | 11% | 13% | 9% | |
| | Taking part in 13 week work experience | 41% | 24% | 20% | 10% | 6% | |
| | Employer Subsidy | 41% | 32% | 23% | 5% | 0% | |
| | Improving my reading and writing skills/ doing a qualification and work experience | 50% | 31% | 13% | 0% | 6% | |
| | Undertaking a qualification (NVQ) with work experience | 52% | 29% | 10% | 6% | 3% | |
| | Undertaking a qualification (VRQ) and getting work experience | 33% | 33% | 17% | 17% | 0% | |
| Step 3 | GAP | 100% | 0% | 0% | 0% | 0% | |
| | Self-Employment (Test trading) | 18% | 27% | 27% | 18% | 9% | |
| | Step Ahead | 23% | 38% | 23% | 15% | 0% | |
| | Meeting with an Adviser towards the end of StW | 56% | 22% | 11% | 11% | 0% | |

Marital status

Overall, over three quarters (78%) of respondents indicated they were single (never married). Table II shows respondents who were single (never married) were over represented across a range of Step 1, Step 2 and Step 3 activities, including meeting with an Adviser at the start of StW, improving reading/writing skills, and the GAP. Again, the actual causality is unknown and could be a consequence of choice or some other factor. For example, choice of Step 2 strand is a decision made by a participant in conjunction with their ESA. Note that the base case is less than approximately n=50 for all strands on Step 2 and Step 3.

Table II Marital status

| | | Marital status | | | | | |
|------------------------|---|----------------|---------|---------------------|----------|---------|-----------|
| Steps to Work activity | | Single | Married | Living with partner | Divorced | Widowed | Separated |
| Step 1 | Meeting with an Adviser at the start of StW | 100% | 0% | 0% | 0% | 0% | 0% |
| | Short course within StW | 76% | 7% | 4% | 7% | 1% | 5% |
| Step 2 | Taking part in 13 week work experience | 80% | 6% | 6% | 6% | 0% | 2% |
| | Employer Subsidy | 82% | 14% | 5% | 0% | 0% | 0% |
| | Improving my reading and writing skills/doing a qualification and work experience | 100% | 0% | 0% | 0% | 0% | 0% |
| | Undertaking a qualification (NVQ) with work experience | 81% | 9% | 6% | 0% | 0% | 3% |
| | Undertaking a qualification (VRQ) and getting work experience | 100% | 0% | 0% | 0% | 0% | 0% |
| | GAP | 100% | 0% | 0% | 0% | 0% | 0% |
| Step 3 | Self-Employment (Test trading) | 45% | 36% | 9% | 0% | 0% | 9% |
| | Meeting with an Adviser towards the end of StW | 77% | 8% | 0% | 15% | 0% | 0% |
| | | 89% | 11% | 0% | 0% | 0% | 0% |

Religious background

Overall, similar percentages of respondents were Protestant (42%) and Roman Catholic (44%), with the remaining 14% being of another or no religion or unwilling to answer. Table III shows that Roman Catholics were over represented across a range of Step 2 activities, including Step Ahead, GAP and Essential Skills. Again, the causality is unknown and could be a consequence of choice or some other factor. For example, choice of Step 2 strand is a decision made by a participant in conjunction with their ESA. Note that the base case is less than approximately n=50 for all strands on Step 2 and Step 3.

Table III Religious background

| | | Religion | | | | |
|--------|---|------------|----------------|-------|-------------|---------------------|
| | Steps to Work activity | Protestant | Roman Catholic | Other | No Religion | Unwilling to answer |
| Step 1 | Meeting with an Adviser at the start of StW | 50% | 50% | 0% | 0% | 0% |
| | Short course within StW | 43% | 42% | 2% | 8% | 4% |
| | Taking part in 13 week work experience | 42% | 50% | 0% | 6% | 2% |
| | Employer Subsidy | 36% | 50% | 5% | 9% | 0% |
| | Improving my reading and writing skills/doing a qualification and work experience | 38% | 56% | 0% | 6% | 0% |
| Step 2 | Undertaking a qualification (NVQ) with work experience | 42% | 42% | 3% | 10% | 3% |
| | Undertaking a qualification (VRQ) and getting work experience | 20% | 60% | 0% | 20% | 0% |
| | GAP | 33% | 67% | 0% | 0% | 0% |
| | Self-Employment (Test trading) | 40% | 50% | 0% | 10% | 0% |
| Step 3 | Step Ahead | 33% | 58% | 8% | 0% | 0% |
| | Meeting with an Adviser towards the end of StW | 44% | 56% | 0% | 0% | 0% |

Ethnic origin

Almost all (98%) of the 520 respondents were white and it is not surprising that this is reflected across almost all StW activities.

Table IV Ethnic origin

| | | Ethnic origin | | | | | | |
|--------|---|---------------|-----------------|-------------|---------|-----------------|-------|-------|
| | Steps to Work activity | Black African | Black Caribbean | Black other | Chinese | Irish Traveller | White | Other |
| Step 1 | Meeting with an Adviser at the start of StW | 0% | 0% | 0% | 0% | 0% | 73% | 27% |
| | Short course within StW | 0% | 1% | 0% | 0% | 1% | 98% | 0% |
| | Taking part in 13 week work experience | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| | Employer Subsidy | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| | Improving my reading and writing skills/doing a qualification and work experience | 0% | 0% | 6% | 0% | 0% | 94% | 0% |
| | Undertaking a qualification (NVQ) with work experience | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| | Undertaking a qualification (VRQ) and getting work experience | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| | GAP | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| Step 2 | Self-Employment (Test trading) | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| | Step Ahead | 0% | 0% | 0% | 0% | 0% | 100% | 0% |
| Step 3 | Meeting with an Adviser towards the end of StW | 0% | 0% | 0% | 0% | 0% | 100% | 0% |

Gender

Overall, almost two-thirds of all respondents (65%) were male and just over a third (35%) were female. Table V shows females were over represented across a range of Step 2 activities including undertaking an NVQ, a VRQ, GAP and Step Ahead. The causality for this is unknown and could be a consequence of choice or some other factor. For example, choice of Step 2 strand is a decision made by a participant in conjunction with their ESA. Note that the base case is less than approximately n=50 for all strands on Step 2 and Step 3.

Table V Gender

| | | Gender | |
|------------|---|--------|--------|
| | Steps to Work activity | Male | Female |
| Step 1 | Meeting with an Adviser at the start of StW | 100% | 0% |
| | Short course within StW | 77% | 23% |
| | Taking part in 13 week work experience | 78% | 22% |
| | Employer Subsidy | 59% | 41% |
| | Improving my reading and writing skills/doing a qualification and work experience | 71% | 29% |
| | Undertaking a qualification (NVQ) with work experience | 32% | 68% |
| Step 2 | Undertaking a qualification (VRQ) and getting work experience | 40% | 60% |
| | GAP | 50% | 50% |
| | Self-Employment (Test trading) | 64% | 36% |
| Step Ahead | | 38% | 62% |
| Step 3 | Meeting with an Adviser towards the end of StW | 89% | 11% |

Disability

Overall, less than one-fifth (17%) indicated that they had a health problem or disability that they expected to last more than a year. Table VI shows that respondents with a disability were broadly represented across almost all StW activities, except in the case of meeting with an Adviser at the start of StW and the GAP. Note that the base case is low at less than n=15 for this cohort.

Table VI Disability

| | Steps to Work activity | Disability | |
|--------|---|-------------------|-----------|
| | | Yes | No |
| Step 1 | Meeting with an Adviser at the start of StW | 0% | 100% |
| | Short course within StW | 19% | 81% |
| | Taking part in 13 week work experience | 14% | 86% |
| | Employer Subsidy | 13% | 87% |
| | Improving my reading and writing skills/doing a qualification and work experience | 17% | 83% |
| | Undertaking a qualification (NVQ) with work experience | 16% | 84% |
| | Undertaking a qualification (VRQ) and getting work experience | 20% | 80% |
| | GAP | 0% | 100% |
| | Self-Employment (Test trading) | 18% | 82% |
| Step 2 | Step Ahead | 15% | 85% |
| Step 3 | Meeting with an Adviser towards the end of StW | 20% | 80% |

people:skills:jobs:



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