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Analysis for Policy



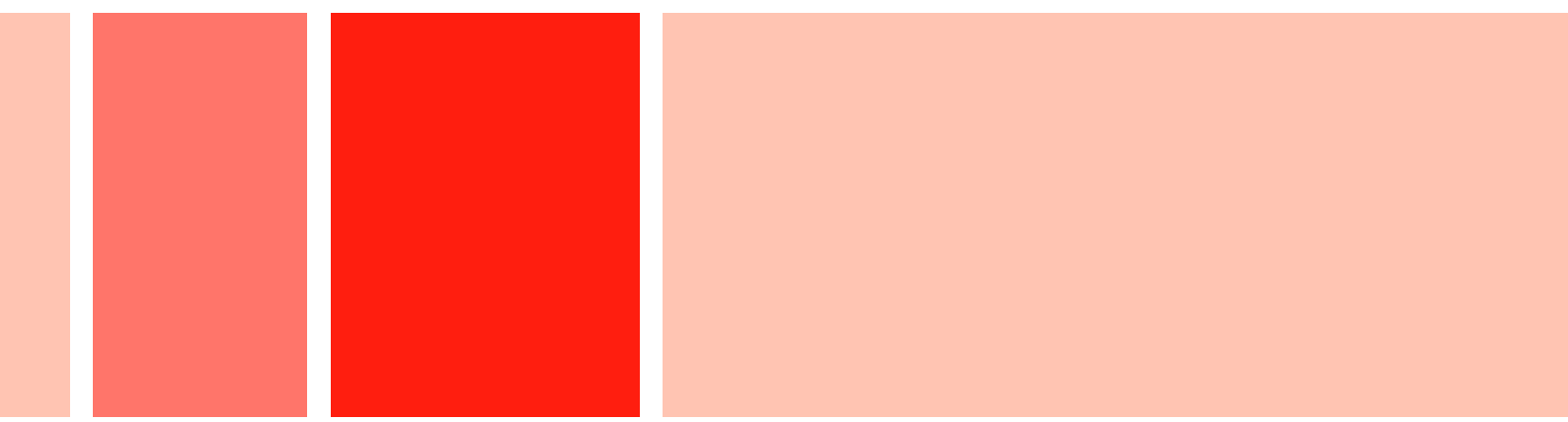
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Skills Conditionality Pilot Evaluation: Initial report



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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government.

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Table of contents

1. Introduction	5
Overview	5
Strategic Fit of the Skills Conditionality Pilot	6
2. Project Description	9
Introduction	9
Project Objectives	9
Project Operation	10
3. Operational Effectiveness / What Works	12
Previous policies	12
Wales Skills Conditionality: The Experience to Date	16
Feedback from Phase 1 Interviews	18
4. Programme Impact	22
Past Evidence	22
Mandation and motivation to learn	26
Initial Quantitative Assessment of Performance	27
Characteristics of Participants	28
Destinations within three months of the end of learning	33
Conclusions	40
5. Initial Participant Survey	42
Introduction	42
Survey Findings	42
6. Evidence Gaps	50
Introduction	50
Data Issues	50
Sanctions	50

Impacts on Behaviour	51
Impact Assessment.....	51
Conclusion	51
7. Evaluation Framework	52
8. Evaluation Plan	57

List of Tables

Table 4.1	Gender of Participants	28
Table 4.2	Age profile of Participants	29
Table 4.3	Distribution of Participants by Local Authority	29
Table 4.4	Duration of Worklessness before Participation	31
Table 4.5	Highest prior qualification achieved by participants	32
Table 4.6	Welsh speaking status of participants	32
Table 4.7	Known destinations of leavers	33
Table 4.8	Known destinations by gender (%)	34
Table 4.9	Known destinations by age (%)	34
Table 4.10	Known destination by length of prior worklessness (%)	35
Table 4.11	Known destination by prior level of qualification (%)	36
Table 4.12	Known destination by Welsh speaking status (%)	36
Table 4.13	Known destination by disability status (%)	37
Table 4.14	Gender of starters and non-starters (%)	38
Table 4.15	Starters and non-starters by benefit receipt (%)	38
Table 4.16	Ethnicity of starters and non-starters (%)	38
Table 4.17	Age of starters and non-starters (%)	39
Table 4.18	Length of Worklessness at Point of Referral	39
Table 7.1	Process Evaluation Framework	54
Table 7.2	Outcomes evaluation framework	55
Table 8.1	Key Questions and key objectives	57

List of Figures

Figure 5.1 Survey Process	42
Figure 5.2 To what extent did knowing the consequences if you didn't attend the training have on your...	44
Figure 5.3 What are you currently doing?	46
Figure 5.4 Proportion of respondents who said they need essential skills training to help them find work by their situation in relation to the essential skills course	47
Figure 5.5 Average (Mean) Scores , general, learning and employment related self-efficacy	48

1. Introduction

Overview

- 1.1 Conditionality is the principle that entitlement to welfare benefits should be dependent on satisfying pre-defined terms and conditions. Conditionality has long been associated with the payment of social security in the UK. (In 1936, the Ministry of Labour's Unemployment Assistance Board decided that the Jarrow marchers should not receive benefits while on the march on the grounds that they were unavailable for work should jobs arise.) Over the last 30 years conditionality has widened to include a broader range of working age benefits, whilst deepening the scope and reach of the obligations individuals face in ensuring eligibility. Some proponents of conditionality suggest that mandation (i.e. being required to undertake an activity as a condition of continued benefit receipt) of various forms can be an important mechanism by which to encourage benefit recipients into paid work, thereby avoiding debilitating long-term benefit receipt and also protecting the tax payer.
- 1.2 In 2010, a new form of conditionality for claimants of Jobseekers Allowance (JSA) and Employment and Support Allowance, who were in the Work-Related Activity Group (ESA WRAG), was introduced as a pilot in England. This enabled claimants whose lack of skills had been identified as a barrier to them finding work to be mandatorily referred to skills training to address these needs with the aim of improving their employment prospects. In 2011, this policy was introduced across England and extended to both Scotland and Wales in 2012. The Welsh Government was (and remains) unconvinced, on the basis of the evidence to date, about this approach. In June 2012, the Welsh Minister for Education and Skills stated that he had “continued to express concern about DWP’s policy of trying to enforce unemployed people to learn through the threat of benefit sanctions.”¹ Thus in 2012, with the acknowledgement of the Welsh Government this policy was taken forward in

¹ See <http://gov.wales/about/cabinet/cabinetstatements/2012/skillsconditionality/?lang=en> and <http://www.yoursenedd.com/debates/2014-04-29-statement-welsh-and-uk-government-alignment-of-employment-support>

Wales via the DWP funded Skills for Work Wales programme rather than via Welsh Government funded provision. Skills for Work Wales ran from October 2012 to March 2014.

- 1.3 DWP provided the Welsh Government with an analysis of Skills for Work Wales which included numbers for referrals, starts, completions and qualifications achieved, but no comprehensive information on employment outcomes or the impact on behaviour. There were case studies which gave examples of how the behaviour of reluctant participants changed for the better during the course and helped them achieve an improvement in their skills level. These case studies were explicitly “success stories” and so it is not clear how generalisable these positive experiences were. This is discussed in more detail in Section 4 of this report. The Welsh Government was concerned that this analysis did not identify the actual impact of mandation as opposed to voluntary participation in skills training by unemployed people. Hence the establishment of the current pilot of skills conditionality for training that the Welsh Government funds – henceforth the Pilot - and the associated evaluation.
- 1.4 The Pilot requires cooperation between DWP and the Welsh Government. It is Jobcentre Plus that refers people for skills assessment but (if the assessment judges that they have a skills need) that training provision is procured and funded by the Welsh Government.

Strategic Fit of the Skills Conditionality Pilot

- 1.5 The Welsh Government’s January 2014 Policy Statement on Skills² provides the strategic policy context for the Skills Conditionality Pilot. It highlights that:
- “Skills have a major impact on both the economic and social wellbeing of Wales as a substantial policy area devolved to the Welsh Government. Together with policy action to support the employability of individuals, skills provide a strong lever for tackling poverty and strengthening the creation of jobs and growth.” (page 2).

² Welsh Government (2014a), “Policy Statement on Skills”, January.

1.6 The Policy statement goes on to note that “Wales must develop a skills system that provides the employment support necessary to assist individuals into employment”. The July 2014 Skills Implementation Plan³ sets out the policy actions designed to deliver the aims of the policy statement. In relation to skills for employment it notes an ambition of:

“Supporting individuals to enter employment through access to skills information and work experience opportunities and aspiring that all working adults have a minimum level of literacy, numeracy and ICT skills to support their career progression.” (page 4).

1.7 The Skills Implementation Plan refers to the Skills Conditionality Pilot as part of employment support for those seeking work:

“... we are testing the approach to skills conditionality in Wales, in partnership with DWP, in order to determine the extent to which the policy should or should not be adopted as part of our new adult employability programme”. (page 15).

1.8 An integral part of that testing is this evaluation of the pilot. This initial report covers the first parts of our evaluation work: our Phase 1 interviews, a literature review and a review of data provided by the Welsh Government and DWP.

1.9 This stage of our research has enabled us to:

- Outline the nature of the project
- Identify which factors may have a material impact on operational effectiveness
- Review the impact of similar previous programmes and provide an initial quantification of the impact of the Pilot
- Identify evidence gaps
- Set out an evaluation framework and an evaluation plan for this research project

³ Welsh Government (2014b), “Skills implementation plan: Delivering the policy statement on skills”, July.

- Pilot a telephone survey of 100 Skills Conditionality participants in advance of the main fieldwork activity

2. Project Description

Introduction

- 2.1 Skills Conditionality is a referral mechanism by which individuals claiming unemployment benefits can be mandated onto essential skills training where their lack of skills has been identified as a barrier to finding work. Where an individual has been identified as having essential skills needs, particularly around numeracy and literacy, they may be referred to training with potential benefit sanctions for non-participation.

Project Objectives

- 2.2 The Skills Conditionality Pilot aims to explore the labour market effects of mandating participation in essential skills training. Introduced between June and August 2014 provision was originally due to end in April 2015, but has now been extended so the last intake of participants will be at the end of June 2015. The Welsh Government sought to test the effectiveness of conditionality in encouraging individuals to overcome essential skills barriers to employment. The empirical evidence originating from the Pilot would inform longer-term policy decisions concerning the further implementation of mandation.
- 2.3 In detail, the Welsh Government has identified the following specific objectives for the project:
- Determine the initial scope of the project with regard to client groups to be included and elements of skills delivery to be provided, taking account of the regime currently operating in Scotland
 - Working with DWP to devise an appropriate referral and tracking system to monitor the impact of the project;
 - Working with contracted providers to implement the chosen skills provision delivery arrangements;
 - Working with the Welsh Government Knowledge and Analytical Services to gather evidence to support an informed decision regarding Skills Conditionality policy in Wales;

- At the end of the project Welsh Ministers will be provided with robust evidence to make an informed decision on whether to adopt Skills Conditionality or not.

Project Operation

2.4 The pilot operates through the Work Ready Programme (which is administered by the Welsh Government) and offers numeracy and literacy training at levels 1 and 2 over a period of up to 25 weeks. The approach to the pilot differs from the model offered in England with the adoption of partial conditionality as discussed immediately below and to both England and Scotland with its particular focus on Essential Skills (at Entry, Level 1 and Level 2⁴Prior to project initiation, DWP estimated that there could be 4,900 potential participants with essential skills needs up to Level 2.

2.5 The model is usefully summarised in the tender specification with additional intelligence on the model italicised below:

1. Jobcentre Plus (JCP) Work Coach adviser identifies potential skills barriers (using 'light touch screening') and makes referral to a potential provider. The referral is voluntary at this stage so claimants cannot be sanctioned for failing to attend referral assessment with the provider.

The claimants are referred to training (work based learning) providers that form part of the Welsh Government framework for delivering the Work Ready programme. It is understood that the referral approach differed from one jobcentre to the next depending on the relationship and proximity of the training provider to the Jobcentre. In some instances for example the referral assessment will take place within the Jobcentre.

2. Claimant attends referral assessment and provider decides whether individual is suitable (i.e. below essential skills level 2) and offers a training place if they are.

⁴ The National Qualifications Framework classifies qualifications into different levels from Entry Level up to Level 8 (Doctorates). Entry Level qualifications recognise basic knowledge and skills and the ability to apply these practically under direct guidance or supervision. Level 1 qualifications recognise basic knowledge and skills and the ability to apply these practically with guidance or supervision. Level 2 qualifications recognise the ability to gain a good knowledge and understanding of an area of work or study and perform varied tasks with some guidance or supervision.

3. If provider notifies JCP that they are prepared to accept the participant, the adviser then makes a mandatory referral for training under skills conditionality informing the individual of potential sanctions if they fail to complete/attend.

It is at this point that they are recorded on the DWP's LMS database⁵ with the relevant code (282)

4. Individual starts and provider notifies JCP.

It is at this point that the claimant is recorded on the DWP's LMS database as starting training with the relevant code (293). Once again, the model for training delivery differs across Jobcentres with some housing the training provision within the Jobcentre.

5. The provider notifies JCP when that learning is completed. However, as instructed by the Welsh Government the Provider does not notify JCP of the reasons if someone drops out early.

6. If the JCP Work Coach suspects early termination without good reason they can ask the claimant about this. The onus is on JCP to collect information directly from claimants, the experience being that claimants do not self declare reasons that could subsequently result in a benefit sanction.

The Welsh Government has instructed skills providers not to inform JCP when someone mandated to undertake training does not attend. This approach follows the Scottish one on skills conditionality. This means that the onus is on JCP to collect information directly from claimants. JCP reportedly typically do become aware when the claimant has not attended. However, JCP may not know the specific reason for dropping out which would guide a judgement on whether sanctions may be warranted.

7. If JCP suspects sanctions are warranted then JCP refers the matter to a Decision Maker⁶.

⁵ The Labour Market System is an IT system used by DWP to support getting people into work. The database contains personal details such as National Insurance number, name, gender, and the activities that individuals are undertaking with the aim of moving into work.

⁶ JCP decision makers are specialist officials separate from the JCP work coach whose role is to assess whether sanctions are warranted and make a decision on this basis.

3. Operational Effectiveness / What Works

Previous policies

3.1 Our literature review uncovered evidence concerning factors which impacted on the effectiveness of past skills conditionality programmes. This evidence is reviewed here. In 2010, DWP piloted skills conditionality in England and an evaluation of this pilot was published in 2011⁷. The qualitative part of this evaluation included interviews with 40 claimants as well as visits to five Jobcentre Plus offices where 25 staff were interviewed. In addition, a small number of training providers were interviewed. The Jobcentres visited were selected from the pilot districts to provide a range of settings from inner city to rural localities. The interviews with claimants were aimed at understanding their experiences of involvement in the pilot. The claimants interviewed were sampled from the DWP database of claimants mandated to the pilot and were from across the 11 pilot areas. The key findings from this qualitative research with respect to features affecting the programme's effectiveness were:

- **Poor initiation** Advisers were only informally trained via email or general staff meetings. This meant that advisers were uncertain about the pilot's aims and about who was eligible.
- **Lack of available training for participants** One of the biggest barriers to the pilot, especially for ESOL.
- **Participants were generally positive about the training they had received.** Their confidence was improved and they expected that the training they had received had improved their prospects of finding work. However, for many participants mandation had not been necessary as they stated that they were willing to undertake training voluntarily.
- Participants had **negative views on their training** where it was below their level, the teaching was poor, the content was repetitive and where they were repeating training they had already done.

⁷ R. Dorsett, H. Rolfe and A. George (2011), "The Jobseeker's Allowance Skills Conditionality Pilot", Department for Work and Pensions, Research Report, No. 768.

- **Skills were often not the only barrier to employment** and so help for claimants may need to be more multi-faceted.
- 3.2 Following the evaluation, Jobcentre Plus made some changes to the delivery of skills conditionality.
- 3.3 Ofsted undertook a review of skills conditionality provision in England in 2012⁸. This review was based on visits to 45 providers including colleges, independent learning providers and local authority providers of adult and community learning. The fieldwork was carried out in two stages as follows. The first stage comprised two-day visits to 18 providers: 10 general further education colleges, five independent learning providers and three adult and community learning providers. Providers were selected because they had a history of providing programmes for the unemployed. In the second stage inspectors returned to the 18 providers previously visited for one-day visits to assess their progress in developing their employability provision. In addition, a further 27 providers were visited: seven colleges, six independent training providers and 14 providers of adult and community learning.
- 3.4 A longitudinal survey was carried out with 75 individual participants to track their progression through the programmes over a period of between four and six months, to identify their destinations after the completion of programmes and to ascertain the extent to which participants used the skills they had developed in their new employment. In addition to this longitudinal survey, focus groups were carried out with 720 participants during the visits to providers.
- 3.5 The key conclusions from this review were that:
- The **quantity and the appropriateness of the referrals** to specific courses that would meet participants' needs **varied considerably** between different jobcentres.

⁸ Ofsted (2012), "Skills for employment: The impact of skills programmes for adults on achieving sustained employment"

- **Initial assessment by providers was weak.** Only a third of providers visited had effective systems for initially assessing and recording participants' prior knowledge, barriers to employment, and employability skills to inform training. Only two programmes were judged as particularly effective at developing work-related literacy, numeracy and language skills that could enhance participants' employment prospects.
- **Very few of the employability courses which were not directly linked to actual job vacancies were effective** in ensuring that participants fully understood their responsibility for increasing their chances of obtaining sustained work.
- There were **too few opportunities for participants to undertake work placements or work trials.** Many participants interviewed said that they would like the chance to try out their skills at work and show employers what they could do.
- There was **not a sufficient focus on developing participants' literacy, numeracy and language skills for work.** Just over half the providers referred participants with low level skills to their existing courses, which typically failed to provide intensive training in work-related skills.
- **Progression to employment was not a high enough priority.** Providers and participants too often saw the provision primarily in terms of progression to further training.

3.6 Ofsted identified the characteristics associated with particularly effective provision:

- development of **close working partnerships with Jobcentre Plus** to increase **referrals**
- the ability **to respond quickly to requests for short provision** from employers and others
- effective use of the qualifications credit framework to **develop accredited vocational training**
- the **development of short vocational courses, especially when linked to an employer's specific recruitment drive**

- **work experience that enabled participants to develop their skills in a real work environment**
- **collaborating with employers to design training** in job search skills focusing on CV writing, interview skills and identifying relevant job vacancies
- community-based **outreach work to increase access** to provision for those in **greatest** need

3.7 An evaluation of a wider range of new skills and employment policies⁹ included an assessment of the England wide roll out of skills conditionality. It found that the initial implementation of skills conditionality had been problematic because the start was rushed with guidance only issued shortly before the policy became operational. Subsequently this guidance was found not be fit for purpose and had to be reissued. Other consequences of the rushed start were lack of skills provision in some areas for some types of training, undeveloped relationships between Jobcentre Plus and skills providers and a lack of knowledge amongst Jobcentre advisers about the range of training on offer in their locality.

3.8 Some of the initial problems improved overtime so that by nine months into the programme:

- Problems concerning a lack of provision had largely been overcome except for some pre-entry level basic skills courses and ESOL
- The development of more specialist skills advisers in Jobcentre Plus had helped keep other advisers up to date with local training on offer from providers
- Over time the relationship between Jobcentre Plus and skills providers had deepened and improved. Furthermore, better relationships between Jobcentre Plus and providers promoted success for example with Jobcentre Plus influencing the structure of training courses to meet the needs of unemployed learners and the local economy.

⁹ J. Oakley, B. Foley and J. Hillage, "Employment, Partnership and Skills", DWP Research Report No. 830, 2013.

3.9 However, in other respects this bad start had an ongoing impact as the programme continued to be interpreted and applied in an inconsistent manner. This meant that many providers believed they had had to deal with some inappropriate referrals of claimants. In addition, the administrative burden of what was seen as excessive paperwork by both Jobcentre Plus advisers and providers continued. For example, forms were viewed as over complicated and requiring the same information to be duplicated. A compounding factor for providers was the fact that Jobcentres' systems varied across offices adding to the administrative burden on providers.

3.10 In summary, this evaluation of new skills policies including the conditionality pilot suggests the following important factors for success:

- Adequate lead in times so that guidance could be developed properly and initial relationships between Jobcentre Plus and providers developed before the policy went live;
- Consistent implementation, especially with regard to referral processes
- Administrative procedures which minimise the burdens on all concerned whilst capturing requisite information
- An adequate supply of training provision, especially with regard to more specialist needs such as ESOL.

Wales Skills Conditionality: The Experience to Date

3.11 The lessons from the experience to date of the skills conditionality pilot were outlined in a management note from DWP following visits to Jobcentres to the Welsh Government dated February 2015¹⁰. We also gained insight into this experience from interviews with representatives from the Welsh Government, DWP, and training providers. The DWP note highlighted the issues discussed below.

¹⁰ DWP (2015), "The volumes and process of referrals to the Welsh Government pilot provision – Work Ready – Skills Conditionality", February.

Relations between Jobcentre Plus and Providers

- 3.12 Excellent relationships between providers and Jobcentre staff are essential for the pilot's success. This facilitates timely interventions with claimants to address problems, for example, failures to attend provision.

Co-location

- 3.13 Co-location of Jobcentre Plus and provider activity works well. The National Training Federation for Wales (NTfW) have reported a success rate (starts divided by referrals) of 90% where there is full co-location (Initial Assessment and training delivered on JCP site), 70% for part co-location (Initial Assessment on JCP site), and 40-50% where the provider meets with the claimant off site. Hence, it was concluded co-location should happen wherever possible.
- 3.14 In addition, feedback from one jobcentre indicated that claimants feel more comfortable undertaking the training at the jobcentre. This was usually due to confidence issues surrounding attending a college and the fact that having essential skills needs can be embarrassing for some people.
- 3.15 In practice, only 7 of 22 jobcentres had the initial assessment on site, and 3 partly so. Of the others one had the assessment at another job centre. Two jobcentres had moved initial assessments into the jobcentre due to high dropout rates / low referrals. Only 2 jobcentres had the training delivered on site with another partly so. Hence, the vast majority of training provision is not co-located.

Other Findings

- 3.16 Other findings reported by DWP were:
- Providers are very wary of working with the mandatory claimant group.
 - Only 37% of those assessed had been referred to training.
 - A specific tool to track referrals developed by one jobcentre was providing excellent intelligence for performance and activity, and the possibility of its adoption across Wales was being actively considered.

- Timely referrals to both Initial Assessment and training allow essential skills needs to be identified and addressed very early in the claimant's journey.
- Work Coaches need to have a good understanding of the impact of low essential skills levels on claimants' employment prospects. Training can be needed to promote this understanding and also on how to raise what is often an embarrassing issue for claimants.
- Flexibility is required to try out different ways of working with specific priority groups e.g. post Work Programme¹¹ claimants.
- The level of documentation required by the Welsh Government and the upfront costs this creates was a concern to contracted Providers.

Feedback from Phase 1 Interviews

- 3.17 Our Phase 1 interviews with representatives from Welsh Government, the Department for Work and Pensions, Jobcentre Plus and the Training Provider network have also produced evidence on how the policy is operating in practice, and these findings are discussed below.

Implementation

- 3.18 Skills Conditionality suffered somewhat from a relatively slow start with referral numbers lower than initially expected. There was something of a hiatus between the wind down of Skills for Work and the launch of Skills Conditionality which some felt may have led to a loss of momentum for the new programme. However, the speed of launch once contracts were approved, a lack of initial clarity over the details around the referral process and the introduction of several new initiatives at a similar time to when Skills Conditionality commenced were deemed to have been influential factors behind the slow up-take.

¹¹ The Work Programme is a Great Britain wide government programme which began in June 2011. It replaced a number of previous interventions, including Employment Zones, the Flexible New Deal and other New Deals. It covers both claimants of Jobseeker's Allowance and Employment and Support Allowance and provides support such as work experience and training for up to two years to help people enter and stay in work.

- 3.19 Reportedly, the slow rate of referrals created an initial challenge for providers who had speculated on volumes of referrals of a similar level to those encountered in the midst of the Skills for Work¹² programme and had recruited to meet this anticipated demand.
- 3.20 The rate of referrals has now increased significantly and it is understood that success rates (in terms of rates of enrolment) are highest where stages of the referral process are co-located with the Jobcentre. However, project wide it is understood that the volume of referrals on a month-by-month basis remains below those achieved through the predecessor, Skills for Work. Further investigation behind this reduction in volume will form part of the subsequent phases of research.

Referral Process

- 3.21 Representatives from (and associated with) Welsh Government raised concerns that the referral process itself is somewhat confused with Jobcentres initially lacking clarity on the details associated with a referral (the eligibility for instance of reimbursing travel expenses or childcare costs). This may also have influenced the slow initial referral rate. It also appears that in some instances individuals are not following the planned process of the pilot with certain steps including the skills diagnostic typically undertaken by training providers having been bypassed. However this judgement is largely based on gaps in the data captured (with some participants individuals recorded as starting a course without a referral recorded) and it is currently unclear as to extent to which this relates to administrative oversight.
- 3.22 Others raised concerns about the bureaucratic demands (particularly the extent of form-filling) for starting the training whilst some felt the paper trail was incomplete in some cases. It is also understood that the volume of paperwork associated with a training start can fluctuate from one provider to the next.

¹² See section 1 for a brief summary of the Skills for Work programme

Training Provision

- 3.23 Most stakeholder representatives held, or were aware of concerns that training providers may struggle to adapt training provision to those who had been mandated to provision which, prior to the commencement of the pilot was delivered to voluntary participants. In some instances, there have reportedly been challenges particularly amongst FE providers in relation to tackling challenging behaviour amongst mandated participants. However WG and DWP representatives have been made aware of only a few issues arising. So there is somewhat mixed evidence as to how well training providers have adapted to the differing demands that mandated claimants might bring.
- 3.24 One interviewee desired a greater segmentation of participants depending on the level of skills that they have based on the perception that those with Level 2/3 skills needs may be closer to the labour market and more easily supported to make work ready than those with Level 1 skills needs. It is perceived that the lower skilled cohort could take far longer than 6 months to support them to the point of being “work ready” and therefore associated funding to support participants should be reflective of this differentiation in work readiness.
- 3.25 Interviewees from DWP also raised concerns regarding potential gaps in provision in some rural areas where insufficient providers are available to provide tailored support and in this regard there are some concerns regarding the consistency in quality and relevance of offer to participants.

Sanctioning

- 3.26 The extent to which Work Coaches are picking up on reasons behind non-attendance at training also varies widely (according to DWP representatives) depending on the strength of the relationship between the provider and the Work Coach. It is also currently unclear amongst the stakeholders consulted as to the extent that sanctioning has been applied to Skills Conditionality claimants. However it is understood that evidence on sanctioning will be available for inclusion within the later reporting phases of this evaluation.

Strategic Partnerships

- 3.27 At a strategic level it is widely felt that closer partnership working between Welsh Government and the Department for Work and Pensions has helped significantly in the delivery of the pilot. All stakeholders referred to the adoption of a welcome, pragmatic approach to the pilot and in doing so, have offered a useful model to improve upon further for future programmes of activity where shared responsibility exists.

Conclusions

- 3.28 Our analysis of past programmes and the experience of the Pilot to date have suggested a number of factors which seem likely to impact on the performance of the Pilot. These include:
- The extent to which Work Coaches are trained and prepared for the Pilot; (Jobcentre Plus noted, for example, that a longer lead in time to allow for the production and dissemination of guidance to Work Coaches prior to the launch would have been beneficial.)
 - The strength of the relationship between Jobcentre Plus and providers, including co-location arrangements;
 - The extent of employer engagement both in influencing the nature of the learning on offer and to offer work opportunities to participants;
 - The extent to which the referral process identifies the right individuals who can be expected to benefit from essential skills learning;
 - The effectiveness of the assessment process in identifying skills needs;
 - The availability of training in rural areas;
 - The extent to which courses have been adjusted to meet the particular needs of mandated participants; and
 - Tackling non-skills barriers to work where these exist alongside skills needs
- 3.29 These issues are picked up in our Evaluation Plan in Section 7.

4. Programme Impact

Past Evidence

- 4.1 Past evidence provides information on the impact of employment programmes where failure to participate can result in the imposition of a benefit sanction. These are reviewed below.
- 4.2 A report for the Scottish Government¹³ showed mixed evidence as to the impact of sanctions. In the short-term, sanctioned claimants can experience positive outcomes with regard to looking for work; leaving unemployment and entering employment. However, individuals were found not to usually enter 'sustainable employment' and tend to have low earnings. Further negative outcomes from being sanctioned reported over the long-term included: debt and hardship; poor physical and mental health; negative impacts on children; potential impacts on crime; and entering informal work.
- 4.3 The report found that more vulnerable groups were more likely to be sanctioned, including those with physical and mental health problems, those with barriers to work e.g. no access to car, and women who have suffered domestic abuse.
- 4.4 Claimants who were sanctioned were often unable, rather than unwilling, to comply. Sanctions can result from a lack of awareness / knowledge / understanding, practical barriers (e.g. access to transport / phone), and personal barriers (e.g. chaotic lifestyles).
- 4.5 A recent literature review¹⁴ reported similar albeit more positive evidence on the impact of sanctions. This review covered ten studies of the effect of sanctions on benefit exit and / or job entry in various European countries. All ten studies found a positive impact on exit from benefits and / or entry into work. Of these seven showed evidence of a positive impact on job entry

¹³ Scottish Government, (2013) "The potential impacts of benefit sanctions on individuals and households", Welfare Analysis, December.

¹⁴ Duncan McVicar, (2014), "The impact of monitoring and sanctioning on unemployment exit and job finding rates", IZA World of Labor, July.

(exit from benefits may not be a positive impact depending on the destination that individuals exit to).

- 4.6 The review also showed some evidence of negative long term effects. One study found that sanctions increased the probability of leaving the labour market, and so stopping looking for work. Another two studies found that sanctions reduced post-unemployment wages (lower quality job matches) and that these negative impacts persisted – for over 30 months in one study and for up to four years in the other after the return to work.
- 4.7 Sanctions have both a “threat effect” and an impact from the actual imposition of a sanction. Two studies were able to assess the impact of the threat of sanction. Both found negative impacts on the duration of unemployment. One found a positive impact on job entry which the other did not assess.
- 4.8 Both of the above literature surveys considered employment policies in general rather than the specific issue of skills conditionality. There is some limited evidence from the UK on this more specific issue. In 2010, DWP undertook a pilot of skills conditionality and in 2011 an evaluation of this pilot was published¹⁵.
- 4.9 An impact assessment was attempted but its results can be interpreted as either unclear or as showing no impact from the pilot. The attempted impact assessment indicated no statistically significant (at the 5% level) difference between those who were mandated to participate in training activity (the treatment group) and those for whom participation in training continued to be voluntary (the control group) on participation in training, exit from JSA, or entry into employment. There was also no significant difference in the rate of sanctioning between the treatment and control groups. This suggests that the control group was more likely to be sanctioned for reasons other than skills conditionality. Alternatively, this lack of significant difference may reflect the fact that it takes time for sanctions to register in the data because

¹⁵ R. Dorsett, H. Rolfe and A. George (2011), “The Jobseeker’s Allowance Skills Conditionality Pilot”, Department for Work and Pensions, Research Report, No. 768.

the sanctioning process is not instantaneous. Thus it is possible that an impact on sanctioning of being in the treatment group would have become apparent with time, but that the data on which the analysis in the evaluation of the 2010 DWP pilot was based covered too short a period to show this

4.10 However there were problems with how the impact assessment was undertaken. Notably, everyone in the pilot should have been referred to training, but only around 40% appeared to have been so referred. This fact alters the interpretation of the observed differences in outcomes between the treatment and control groups. It is not appropriate to see such differences as reflecting the impact of mandatory referral to training if only a fraction of 'treated' individuals are actually referred. Other issues include some observed differences between the characteristics of the two groups. The control group were more likely to be from Manchester and have no skills needs, and there was some incorrect assignment between the two groups (about 95% were correctly assigned). The authors concluded tentatively that their results were indicative of conditionality having no impact on exit from benefit or job entry.

4.11 No formal impact evaluation has been undertaken to date of skills conditionality following the national roll out of the policy in England in 2011 and in Scotland and Wales (Skills for Work Wales) in 2012. However, the wider evaluation of recent skills policies referred to in section 3 does contain some assessment of the impact of the policy. It found no clear evidence that the policy was effective at tackling skills gaps or improving attendance at training. Participants in skills conditionality divided up into the following groups:

- Claimants who were not aware that they had been mandated and so mandation could not have impacted on their behaviour.
- Some who would have volunteered to go to the training they were mandated to. Although there was some indication that the possibility of being sanctioned might have increased their attendance rate.
- Those who went along in order to maintain their entitlement to benefit, but did not believe the training was worthwhile.

- Some who did not attend the training even though they had been mandated to do so.
- Most positively, some initially reluctant participants who attended training because of being mandated to do so, but subsequently believed that the training had been beneficial to them

4.12 Overall, this research concluded that it was not clear that skills conditionality had a positive impact on either addressing claimants' skills needs or increasing attendance at skills diagnostics sessions or training courses. Furthermore, for young people in particular, the conclusion was that the policy was either ineffective or counterproductive where young people reacted against being mandated.

4.13 In addition in England, Ofsted undertook a review of provision in 2012¹⁶. Ofsted concluded that most local provision did little to improve the employment prospects of participants. Overall, 19% of participants moved into work which Ofsted judged to be low, although no formal counterfactual analysis was undertaken.

4.14 DWP undertook an analysis of their Skills for Work Wales programme which delivered skills conditionality in Wales between 2012 and 2014. No counterfactual was established as DWP did not believe any method for trying to do so was feasible, and information on outcomes was limited. The focus of the analysis was on referrals to training, attendance at training, completions of training, and mainly qualifications outcomes. Data from October 2012 (programme start) to August 2013 showed 7,570 referrals 3,620 starts (a 48% attendance rate) and 1,640 completions. 91% of completers, 1,490, gained a qualification and 27% of completers left benefit within 13 weeks of completing their training. Subsequent data released by DWP shows that up to January 2014, there were 12,290 referrals to Skills for Work Wales and 6,660 starts on the programme (a 54% attendance rate).

¹⁶ Ofsted (2012), "Skills for employment: The impact of skills programmes for adults on achieving sustained employment"

Mandation and motivation to learn

- 4.15 One theme that emerges from a review of past evidence is the concern that motivation is a prerequisite for learning and that mandate may undermine this¹⁷. By removing choice, mandate may result in claimants being referred to training which does not suit their needs but which they feel compelled to continue with even if they do not engage positively with the provision, and this could have an adverse impact on job entry. Even for appropriate training, the act of mandate might disillusion claimants who would have engaged positively on a voluntary basis.
- 4.16 Both the DWP report on Skills for Work Wales and the DWP February 2015 note on the operation of the Wales Skills Conditionality Pilot included “success stories” of particular individuals who had obtained positive benefits from skills conditionality in Wales. The case studies were explicitly ‘success stories’ and so the experiences described cannot necessarily be taken as typical of the average experience, but the Skills for Work Wales cases indicate that:
- Based on the case study descriptions, it is likely that six of the seven individuals profiled would not have participated in training without mandate
 - Participants gained skills, most often improved literacy
 - Pre-participation six of those profiled appear to have taken the view that training would not help them, but the actual experience of the training transformed their views. Hence, the skills benefits they obtained would probably not have been achieved without mandate.
- 4.17 Similarly the case studies reported in the DWP note of February 2015 from the Wales Skills Conditionality Pilot indicate that:
- Four of the six individuals profiled would have been unlikely to have started their courses if they had not been mandated to do so

¹⁷ Warner (2011) spells out this concern in CESI Working Brief, March.

- All four had benefitted notably in terms of confidence and numeracy and literacy skills, and three had moved into work
- Again before participation these four appeared to have taken the view that training would not help them, but the actual experience of the training changed their views. Hence, the benefits they obtained would probably not have been achieved without mandation.

4.18 One part of the evaluation will be to try and judge whether the potential negative effect of mandation on individuals' motivation to learn, or the potential positive effect on learning from the actual experience of training changing the views of mandated participants, is overall the larger impact.

Initial Quantitative Assessment of Performance

Lifelong Learning Wales Record (LLWR)

4.19 We were sent information from the LLWR data system covering people starting on the Wales Skills Conditionality Pilot between 1 August 2014 and 15 January 2015. After removing duplicate cases, this gave 773 records. Some records pertained to activities which began and ended on the same day. Discussion with Welsh Government officials and a representative of the providers suggested that these could be either simple registrations of a learner, information sessions on learning options, or an actual one day of learning such as how to write a CV. Hence these records were removed because they were either non-learning activities or very short learning. This left 706 records of learning. These discussions also suggested that entry level courses are expected to take a minimum of two weeks to complete. Hence we removed the records where a learner had failed to complete their course and had spent less than two weeks learning. This left 673 learning records. In addition, there were 117 records of completed learning lasting less than two weeks. These were excluded from our analysis on the grounds that learning of this limited duration is not likely to have as

significant an impact on learners as longer periods of learning¹⁸. This left 556 records of learning. Some individuals had more than one record as they had undertaken more than one course of learning under the Pilot. Hence these 556 records related to 485 separate individuals.

Characteristics of Participants

4.20 We first looked at the characteristics of the 485 participants. Two thirds of participants are men. This is in line with the share of JSA claimants in Wales who are men.

Gender	<i>Participants</i> <i>(numbers)</i>	Share	JSA Share
Men	318	66	65
Women	167	34	35

4.21 The vast majority of participants, 96%, are white, with only 4% from an ethnic minority. Again, these align very closely with the composition of JSA claimants in Wales 95% of whom are white with 5% being from an ethnic minority.

4.22 The age profile of participants is representative of JSA claimants in Wales.

¹⁸ The level of learning of these short courses is recorded for 66 cases, of these 52 courses were at pre-entry level and 14 at entry level.

Table 4.2: Age Profile of Participants**Percentages**

	<i>Participants (numbers)</i>	Share	JSA Share
16-24	145	30	27
25-34	119	25	26
35-44	76	16	18
45-59	131	27	25
60+	14	3	3

4.23 Participants were concentrated in four local authorities, Rhondda Cynon Taff, Bridgend, Newport, and Cardiff which account for more than half of participants whose location is known. In addition, the location of 9% of participants (43) is unknown. Rhondda Cynon Taff, Bridgend, Powys, Flintshire and Ceredigion are all over represented amongst Pilot participants compared to their shares of JSA claimants. In contrast, Cardiff, Swansea, Wrexham, Gwynedd and Neath Port Talbot are all under represented amongst participants compared to their share of JSA claimants in Wales. Notably, up to mid-January 2015 there were no participants from Swansea.

Table 4.3: Distribution of Participants by Local Authority **Percentages**

Local Authority	<i>Participants</i>	Share (of known)	JSA Share
	<i>(numbers)</i>		
Rhondda Cynon Taff	88	20	9
Bridgend	60	14	4
Newport	47	11	8
Cardiff	40	9	15
Powys	28	6	2
Flintshire	21	5	3
Merthyr Tydfil	19	4	3
Denbighshire	17	4	3
Blaenau Gwent	16	4	4
Vale of Glamorgan	16	4	3
Carmarthenshire	15	3	4
Ceredigion	15	3	1
Caerphilly	12	3	8
Conwy	11	2	3
Torfaen	11	2	3
Pembrokeshire	7	2	3
Wrexham	7	2	4
Gwynedd	4	1	3
Isle of Anglesey	3	1	2
Neath Port Talbot	3	1	4
Monmouthshire	2	0	2
Swansea	0	0	7
Total Known	442	-	-
Unknown LA	43	-	-
Total	485	-	-

4.24 Around two fifths of participants had been out of work for less than three months when they started on the Pilot with a quarter having been out of work for less than a month. This presumably reflects the JCP policy of trying to identify and tackle essential skills needs early on in an individuals' spell on

out of work benefits. At the other end of the scale, nearly a fifth of participants had been out of work for 5 years or more. These very long term unemployed participants are likely to have very different and much greater barriers to entering work than those who have been out of work for only a short period.

Table 4.4: Duration of Worklessness before Participation

Duration of Worklessness	Participants (number)	Share (%)	JSA Share
Employed	3	1	-
Less than 1 month	126	26	16
1-3 months	71	15	22
3-6 months	70	14	15
6-12 months	38	8	16
1-2 years	37	8	14
2-3 years	17	4	4
3-5 years	35	7	7
5 years plus	87	18	18
Not required	1	0	-

4.25 Nearly a half of participants only had pre-entry level qualifications before they started their learning on the Pilot. As there was no separate identification of people with no qualifications this group presumably contains many individuals who have not achieved any formal qualifications. It is not possible to compare these figures against the profile for JSA claimants in Wales.

Table 4.5: Highest prior qualification achieved by participants

Highest Qualification	Participants (number)	Share (%)
Pre-Entry	233	48%
Entry	62	13%
Level 1	84	17%
Level 2	85	18%
Level 3 and above	21	4%

4.26 More than 90% of participants were not Welsh speaking.

Table 4.6: Welsh speaking status of participants

	Participants (number)	Share (%)
Welsh speaker, fluent	18	4
Welsh speaker, not fluent	21	4
Not Welsh speaker	446	92

4.27 Nearly three quarters of participants (71%) did not have any form of disability. Of the 29% who had a disability, the largest types of disability were dyslexia (9% of all participants) and a physical or medical difficulty (8% of all participants). These proportions are broadly in line with the incidence of disability in the general population as according to the 2011 Census 23% of the Welsh adult population had a long-term health problem or disability. In contrast, with the figures for disability amongst participants only 9% of participants reported having a work limiting health condition.

4.28 The level of learning that is being undertaken is not recorded for 72% of cases. For those where it is recorded, 66% were undertaking entry level qualifications¹⁹.

¹⁹ See footnote 4 in section 2 for an explanation of entry level qualifications.

Destinations within three months of the end of learning

4.29 Information is also available from the LLWR data extract on what individuals are doing within three months of the end of their learning. Of the 485 participants, 359 were still engaged in learning under the Pilot and for 24 leavers their destination was not known. This means we have information on 102 individuals who have left their learning and whose destination is known. Of these the vast majority are unemployed and seeking work. At the time of the data extraction only 12 individuals had moved into work.

Table 4.7: Known destinations of leavers

	Numbers	Percentage
Seeking work	81	79
Voluntary work	2	2
Further learning	2	2
Full-time employment	11	11
Part-time employment	1	1
Other*	5	5

Note: *Other category covers long term sickness, pregnancy, death, custodial sentence, or the learner has moved out of Wales.

4.30 Below we show how learners' destinations vary with differing personal characteristics such as gender and age. Given we have only 102 leavers with known destinations these figures should be treated only as indicative of how destinations vary across the different groups of participants analysed.

4.31 Men are both more likely to be seeking work and to have entered full time work than women.

Table 4.8: Known destinations by gender (%)

	Men	Women
Seeking work	84	73
Voluntary work	2	2
Further learning	0	5
Full-time employment	12	9
Part-time employment	0	2
Other*	2	9

4.32 It was not possible to analyse destinations by ethnicity as there were only three BAME leavers with known destinations.

4.33 Those aged 35-44 were most likely to have entered full-time work after their learning ended compared to other age groups.

Table 4.9: Known destinations by age (%)

	Seeking work	Voluntary work	Further learning	Full time work	Part time work	Other
16-24	87	3	0	10	0	0
25-34	81	0	0	10	0	10
35-44	65	6	12	18	0	0
45-59	78	0	0	9	3	9

Note: There were only two leavers aged 60+ with known destinations.

Table 4.10: Known destination by length of prior worklessness (%)

	Seekin g work	Volun- tary work	Further learning	Full time work	Part time work	Other
< 1 month	84	0	4	8	0	4
1-3 months	67	0	0	28	0	6
3-6 months	70	0	10	10	0	10
6-12 months	86	0	0	14	0	0
1-2 years	71	0	0	14	14	0
2-3years	100	0	0	0	0	0
3-5 years	75	0	0	0	0	25
5 years plus	81	13	0	0	0	6

4.34 Those who had been out of work for between 1 and 3 months before participation in the Pilot were much more likely than other groups to have moved into full-time work in the three months after the end of their learning. Those who had been out of work for 6-12 months and 1-2 years were also more likely to have moved into full-time work. Those who had been out of work for 1-2 years were especially likely to have moved into part-time work compared to other groups. No participants who had been out of work for two or more years, had moved into work within three months of their learning having ended.

4.35 Individuals who held level 1 or level 2 qualifications prior to participation in the Pilot were more likely to have moved into work compared to those who had lower level qualifications.

Table 4.11: Known destination by prior level of qualification (%)

	Seeking work	Voluntary work	Further learning	Full time work	Part time work	Other
Pre-entry	77	2	5	9	0	7
Entry	93	0	0	7	0	0
1	71	0	0	18	0	12
2	84	0	0	12	4	0

Note: Results for those with level 3 and above qualifications not shown as there were only three such leavers with known destinations

4.36 In total there were only 9 Welsh speaking leavers, either fluent or not fluent, with known destinations after their learning. Hence, these two groups are combined in Table 4.12. The destinations of Welsh and non-Welsh speaking leavers were similar except Welsh speakers were much more likely to be engaged in further learning.

Table 4.12: Known destination by Welsh speaking status (%)

	Seeking work	Voluntary work	Further learning	Full time work	Part time work	Other
Any Welsh	78	0	11	11	0	0
Not Welsh speaking	80	2	1	11	1	5

4.37 Participants with a disability were more likely to be seeking work and much less likely to be in work than participants without a disability in the three months after their learning ended.

Table 4.13: Known destination by disability status (%)

	Seeking work	Voluntary work	Further learning	Full time work	Part time work	Other
Not disabled	78	1	0	14	1	5
Disabled	83	3	7	3	0	3

4.38 Destinations for those with and without a work limiting health condition are not shown as there were only eight leavers with a work limiting disability with a known destination.

DWP Data Extract

4.39 We also received a data extract from DWP. The data provided is extracted from the DWP Labour Market System dataset, corresponding to Initial Provider Interview or Basic Skills Training, recorded from May 2014 in Welsh JCP Districts. This was subsequently merged with the DWP Client dataset to add demographic characteristics to facilitate representative sampling for our surveys of participants. On the LMS, individual records relate to activities, not individuals. There can therefore be more than one record per person, in cases where an individual has been referred to both the initial provider interview and basic skills training. Records that relate to the same person have a common unique identifier.

4.40 This merged data was then matched with data from the LLWR system which allowed us to identify some people who had started their learning which were not picked up by the original DWP data because it was less up to date than the LLWR data. While the DWP data only related to the period up to the end of October 2014, the LLWR data included records up to 15 January 2015. This together with the removal of duplicate records showed 234 starters on the Pilot and 710 non-starters. All people referred to skills training are classified into either the starter or non-starter group. The DWP data does not include information on post-learning destinations. Hence we can only use the DWP data to review the characteristics of starters and non-starters, i.e.

those who are referred to training but do not for whatever reason start that training.

- 4.41 Women are slightly more likely than men to be starters rather than non-starters. The overall proportions of starters and non-starters of each gender are very similar to the figures for participants from the LLWR data source.

Table 4.14: Gender of starters and non-starters (%)

	Men	Women
Starters	65	35
Non-starters	69	31

- 4.42 Nearly all starts and non-starters are in receipt of JSA rather than ESA.

Table 4.15: Starters and non-starters by benefit receipt (%)

	JSA	ESA
Starters	99	1
Non-starters	99	1

- 4.43 White individuals are slightly more likely to be starters rather than non-starters compared to those of BAME origins.

Table 4.16: Ethnicity of starters and non-starters (%)

	White	BAME
Starters	94	6
Non-starters	90	10

- 4.44 The distribution of starters and non-starters by age is very similar. Those aged 45-59 are somewhat more likely to be starters rather non-starters relative to the other age groups.

Table 4.17: Age of starters and non-starters (%)

	Starters	Non-starters
18-24	30	31
25-34	24	28
35-44	15	16
45-59	29	22
60 plus	3	2

4.45 Those who had been out of work for less than three months were somewhat more likely to be non-starters than starters compared to other age groups. At the other end of the spectrum, those who had been out of work for three years or more were likely to be starters than non-starters.

Table 4.18: Length of Worklessness at Point of Referral

	Starters	Non-starters
Less than 1 month	30	35
1-3 months	18	25
3-6 months	11	11
6-12 months	9	9
1-2 years	6	6
2-3 years	5	4
3-5 years	17	9
5 years plus	4	2

Conclusions

- 4.46 Only limited evidence as to the Pilot's likely impact is available from past studies. Two reviews of past evidence covered sanctions and employment policy generally, and did not focus on skills conditionality. Studies of the 2010 DWP pilot of skills conditionality and of skills conditionality in England suggest that skills conditionality has not had a positive effect on job entry of those affected. However, this must be a tentative conclusion given the methodological limitations associated with the Impact Assessment of the 2010 DWP Pilot.
- 4.47 The LLWR and DWP data extracts have allowed us to explore the characteristics of participants on the Pilot. Focusing on gross employment outcomes²⁰, analysis of the LLWR data tentatively suggests that:
- The percentages of men and women who move into work are similar
 - Those aged 35-44 are more likely to move into full-time work than other age groups
 - Those who were out of work for between 1 and 3 months are more likely than other duration groups to move into full-time work
 - Those with Level 1 and Level 2 qualifications prior to participation were more likely to move into work than groups with other lower levels of qualifications
 - The percentages of those with any Welsh language skills and those who are non-Welsh speaking who move into work are similar
 - People with a disability are much less likely to move into work than people who do not have a disability
- 4.48 It should be noted that the above findings on how movement into work varies according to different personal characteristics is based on small numbers in each of the differing disaggregations. Hence these findings should only be seen as indicative.

²⁰ That is employment outcomes reported from the Pilot but without any attempt to calculate the extent to which these are additional and would not have occurred in the absence of the Pilot.

4.49 Our analysis in this section has suggested the following pointers for the evaluation. These include:

- The impact of mandation on individuals' appreciation of learning and their willingness to learn
- The current lack of a robust evaluation of the impact of skills mandation on employment outcomes
- Understanding how skills mandation may impact differently across different groups in the population.

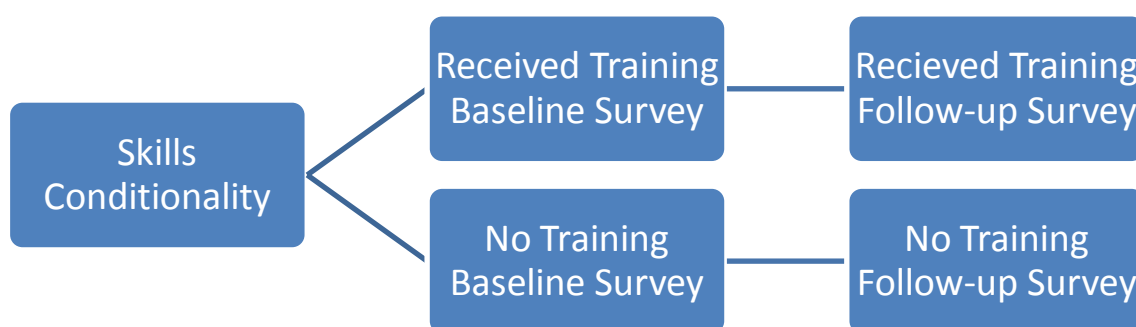
4.50 These issues are picked up in our Evaluation Plan.

5. Initial Participant Survey

Introduction

- 5.1 The research team piloted a telephone survey of 100 Skills Conditionality participants. The survey was conducted as a baseline with plans to repeat the survey with the same participants in around nine months' time
- 5.2 The survey approach sought to engage with a mixture of participants who had actually taken part in the training and participants that were referred to the training but who did not take it up.

Figure 5.1: Survey Process



- 5.3 A sample frame was applied to the population of participants with the population derived from the DWP's Labour Market System (LMS). At the commencement of the survey the population data was four months old and as such, some of those within the sample frame who were thought to have not taken up training had subsequently done so (when engaged through the telephone survey).

Survey Findings

Participant Background

- 5.4 The surveyed participants were asked what their highest qualification was prior to engaging in training. Over a quarter (26%) described themselves as having no qualifications whilst a further 19% had either Entry Level (Key

Stage 3) or Level 1 (QCF²¹-GCSEs Grades D-G or equivalent) qualifications. Furthermore, 16% were unsure of what their highest qualification was.

- 5.5 Of the 100 participants interviewed for the pilot survey, 73 had started the training of which 27 (37%) had successfully completed the course, 21 (29%) were part way through the course whilst 20 (27%) had not completed the course.
- 5.6 Of those that had not started the training, five respondents (19%) felt that training was not for them whilst eight (30%) had found employment and a further four (15%) respondents were found not to have essential skills needs following their participation in the full assessment by the training provider. The remainder provided a variety of responses (which included two describing that the training was not available or the centre had closed and a further two where confusion with the process had led to no progress with their assessment) suggesting an element of confusion surrounding the process to engaging with training.
- 5.7 In the majority of instances (61%; 61/100), participants felt that their skills did need improving, prior to their referral to the training provider. However, despite this, 47% said that they attended a meeting with the training provider because they were told they had to go (32%) or they were aware that benefit sanctions may be incurred (15%).

The Influence of Mandated Training

- 5.8 Table 5.1 below illustrates that the vast majority of participants who ultimately engaged in training were aware that the consequences arising from volunteering to meet the training provider would be mandatory. However, for those who did not start the training the awareness, according to their responses was much lower.

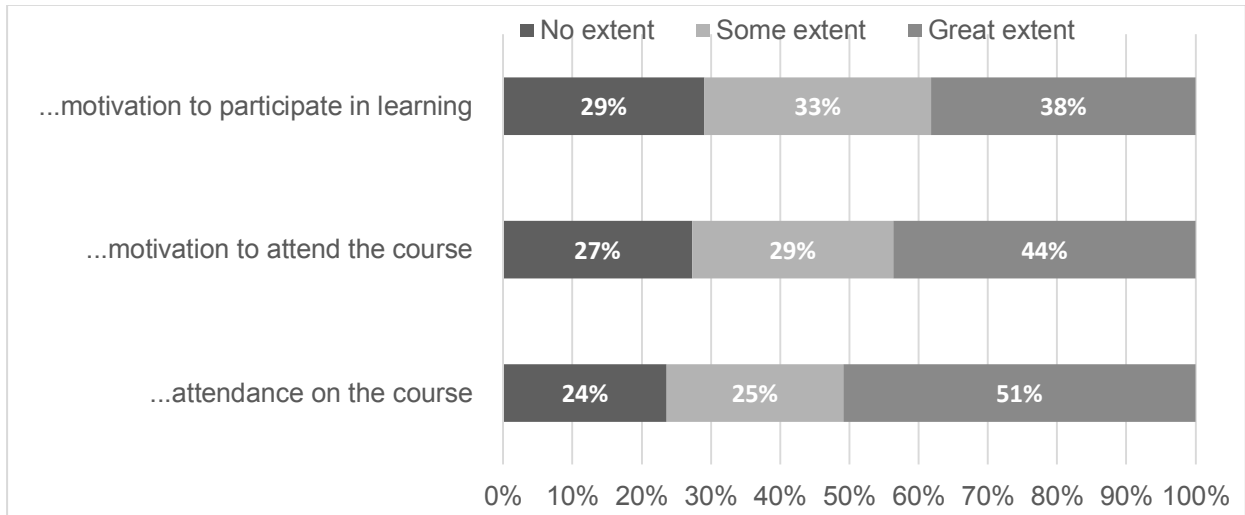
²¹ Qualifications and Credit Framework

Table 5.1: Did you realise that once you agreed to meet the training provider you would then be required to start the training?

	Yes (%)	No (%)
Those who started training	62 (85%)	11 (15%)
Those who did not start training	11 (41%)	16 (59%)
Total	73 (73%)	27 (27%)

- 5.9 Those respondents who did ultimately commence training were asked whether they would have started the training if they didn't have to. Just under three quarters (53/73; 73%) felt they would, with the remaining 27% stated that being mandated to the training did play a role in them ultimately participating in the training.
- 5.10 Participants were then asked what role the consequences (potential sanctioning) played in a number of factors in relation to the course they were participating in. Figure 6.2 suggests that the greatest impact is on a participant's attendance on the course whilst their motivation to participate in learning is least affected although even in this regard, more than seven out of ten respondents felt it played at least some role.

Figure 5.2: To what extent did knowing the consequences if you didn't attend the training have on your...

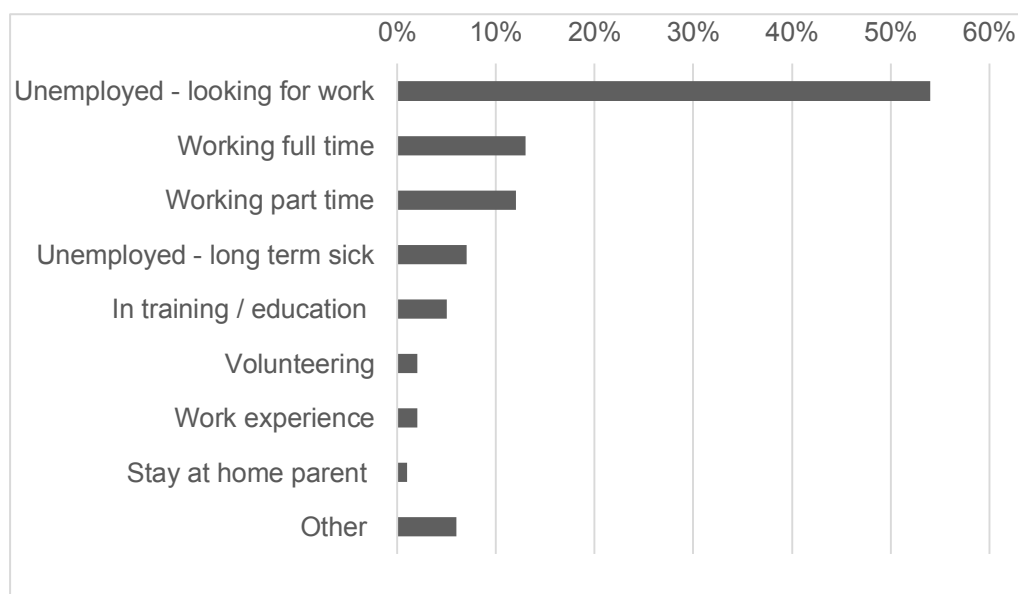


n = 55

Outcomes

5.11 Whilst the emphasis on the pilot survey was on baseline information some outcome information was captured including whether an individual felt that they needed to further develop their skills to find work. Furthermore, as illustrated in Figure 5.3 below, encouragingly 25% of respondents are in some form of employment.

Figure 5.3: What are you currently doing?

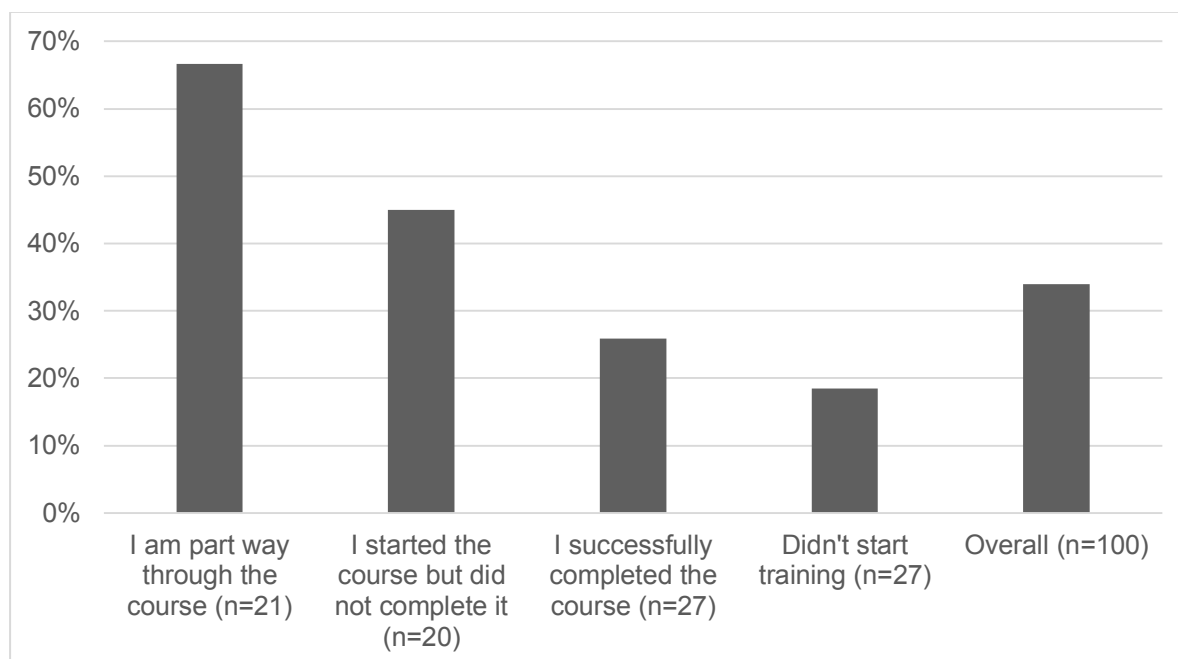


n = 100

5.12 However when the outcomes are combined with the individual's situation in relation to their course (see paragraph 5.5 above) it is evident that only four of the 25 who are now in employment (16%) had successfully completed the essential skills course.

5.13 Finally, respondents were asked whether, when looking to the future, they had skills they need to develop in order for them to find work. Perhaps unsurprisingly given the context of this research and of the provision that participants are involved with, the most popular response was essential skills (34% (34/100)). The proportion citing the need for essential skills support however did fall to 26% (7/27) when specifically focussed on those that had completed the course with this particular cohort most likely to refer to job-specific skills (37%; 10/27). The smallest proportion perceiving an essential skills need to find work was found amongst those that hadn't started training (18% (5/27)), however this cohort includes participants who had gained employment prior to training or who were identified through a full assessment by the training provider as not having skills need.

Figure 5.4: Proportion of respondents who said they need essential skills training to help them find work by their situation in relation to the essential skills course



Measuring Self-efficacy

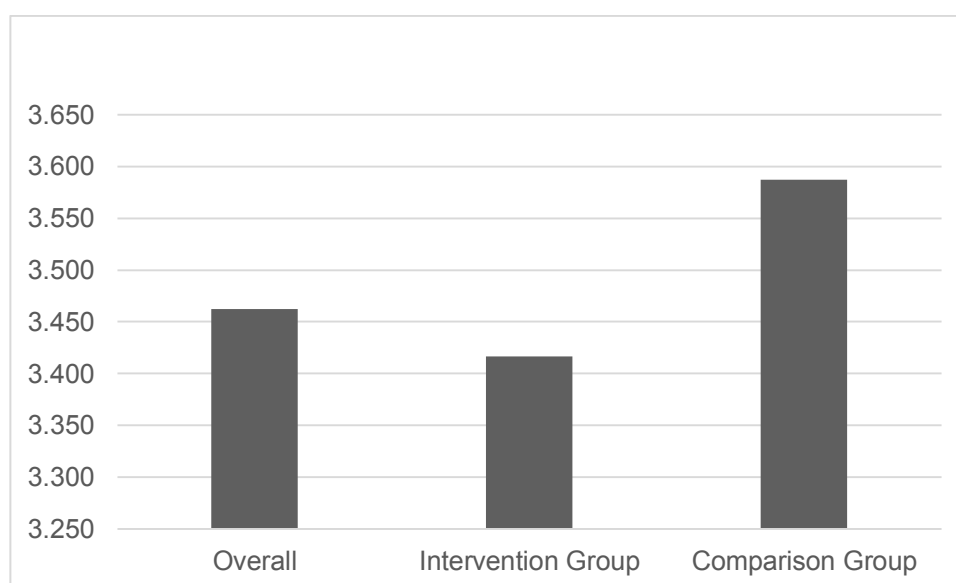
- 5.14 The survey has also sought to capture a range of self-reported psychometric data, which will also be revisited in six months' time. This is so that the evaluation of Skills Conditionality is sensitive to changes across a range of elements that are deemed relevant to promoting successful transitions into employment.²²
- 5.15 This element of the survey comprised of 20 questions, each with a scale with 4 divisions (scores), ranging from 1, a response to a statement of “not true at all”, to 4, a response of “exactly true”.
- 5.16 The baseline results²³ suggest that, on average, those participants that accepted the offer of training reported lower levels of general, learning and

²² The interview-re-interview approach enables a longitudinal assessment of the survey and includes 20 questions that explore respondent's employment, learning and general self-efficacy. The survey questionnaire has drawn on the General Self-efficacy Scale (GSE), the Self-efficacy for Learning Scale (SEL), and employment related self-efficacy.

²³ These are the combined (aggregated) mean average scores

employment related self-efficacy. This suggests that those who did not ultimately participate in the pilot felt more confident in their ability to overcome any barriers to employment. However, caution should be taken with these figures given the low sample size (27) of the comparison group and the fact that eight of these respondents (30%) had found employment which may have led to an increase in their scores.

Figure 5.5: Average (Mean) Scores²⁴, general, learning and employment related self-efficacy



Future Surveys

- 5.17 A further 500 participants will be surveyed to capture additional baseline data with the majority of these re-interviewed nine months later. The piloting phase has enabled the data draw down and survey delivery processes to be trialled which, it is hoped will lead to a far more efficient process when the survey re-commences in May 2015. In turn this should help to reduce the t delays in accessing data sourced from DWP, which for the pilot baseline survey was at least 4 months old and meant that a portion of those initially thought to have not started training had subsequently done so. A reduction in these delays coupled with some amendments to the gateway questions

²⁴ Ibid.,

should collectively help to boost the size of the sample that have not taken up training and do not plan to do so.

6. Evidence Gaps

Introduction

6.1 Our literature review of past evidence, plus our examination of the data extracts provided to us and our initial interviews has suggested the evidence gaps which are detailed below.

Data Issues

6.2 The “cut” of data from the LMS database drew on information for participants who had voluntarily attended a referral and those that had voluntarily attended a referral and subsequently started training. The population provided by DWP from which to sample for the pilot survey does not capture those individuals who were referred to a training provider but chose not to visit the training provider for the full skills diagnostic. Inclusion of individuals from this cohort in the sample frame would have greatly benefited the research in terms of understanding the behavioural effects of mandation.

6.3 Other data gaps include:

- Reported low ratio of starts to referrals, and numbers undertaking skills assessments²⁵
- Rate of full skills assessment correctly identifying a skills need (by training provider)
- Information on employment outcomes is currently sparse given the initial period that the data extracts provided to us cover
- Incidence of sanctioning

Sanctions

6.4 In addition to the number of sanctions, there are other gaps surrounding sanctions:

- The characteristics of those who are sanctioned

²⁵ The latest data suggests 4,000 referrals and 1,000 starts. The DWP note of February 2015 notes that 37% of referrals have started training. Compared to 1,000 starts, this leaves a shortfall of 480. We also have no information on the number referred voluntarily who do not attend for the full skills assessment.

- The impact of sanctions on outcomes for skills conditionality policies as opposed to employment / welfare to work policies more generally

Impacts on Behaviour

- 6.5 There are also gaps surrounding how skills conditionality impacts on individuals' behaviour (which may in part need to be inferred indirectly via impacts on the pilot's outcomes), notably on attitudes towards learning and the extent to which those mandated would have undertaken the same training on a voluntary basis.
- 6.6 Related to this there is a desire amongst some stakeholders to better understand the reasons why participants are dropping out of the training.

Impact Assessment

- 6.7 To date no skills conditionality policy has been supported by a rigorous impact assessment. An impact assessment was attempted for the 2010 DWP pilot of skills conditionality. However, because of limitations with how that pilot was carried out it is not possible to draw strong conclusions from the study.

Conclusion

- 6.8 The evidence gaps which are identified in this section are picked up in section 7 where we set out how we hope to address them.

7. Evaluation Framework

- 7.1 A logic model seeks to map out the various activities, outputs and outcomes derived from an intervention. The logic model for the Skills Conditionality Pilot is presented on the following page and includes the theory of change (the anticipated transitions and flows) through each phase of the model. The Magenta Book²⁶ describes how the theory of change involves the specification of an explicit theory of “how” and “why” an intervention might cause an effect which is used to guide the evaluation (intervention logic) and to frame the key discussion areas for exploration as part of the research. It does this by investigating the causal relationships (which at this stage of the study are largely assumptions) between each phase of the model.
- 7.2 The evaluation framework is defined by the logic model and identifies the data that needs to be collected, and issues that need to be considered in evaluating the Skills Conditionality pilot and in testing the assumptions within the model.
- 7.3 The evaluation framework has two broad elements to its structure; a process based evaluation (how the intervention was delivered) and impact based evaluation (what difference did the intervention make). The evaluation framework is presented on the pages following the logic model on the next page.

²⁶ The Magenta Book is available at: <https://www.gov.uk/government/publications/the-magenta-book>

Figure 6.1: Logic Model

Outline: Skills Conditionality Pilot involves the referral to essential skills provision on a mandatory basis where skills needs are diagnosed. Where claimants subsequently fail to attend or complete skills provision without good cause they may be subject to a benefit sanction. In Wales, information on participants' failure to attend or complete skills provision is not shared by the provider with Jobcentre Plus.

Rationale: Skills Conditionality seeks to increase participation in learning and skills development among adults with essential skills needs. It promotes the role and value of learning in enabling people to overcome barriers to employment.

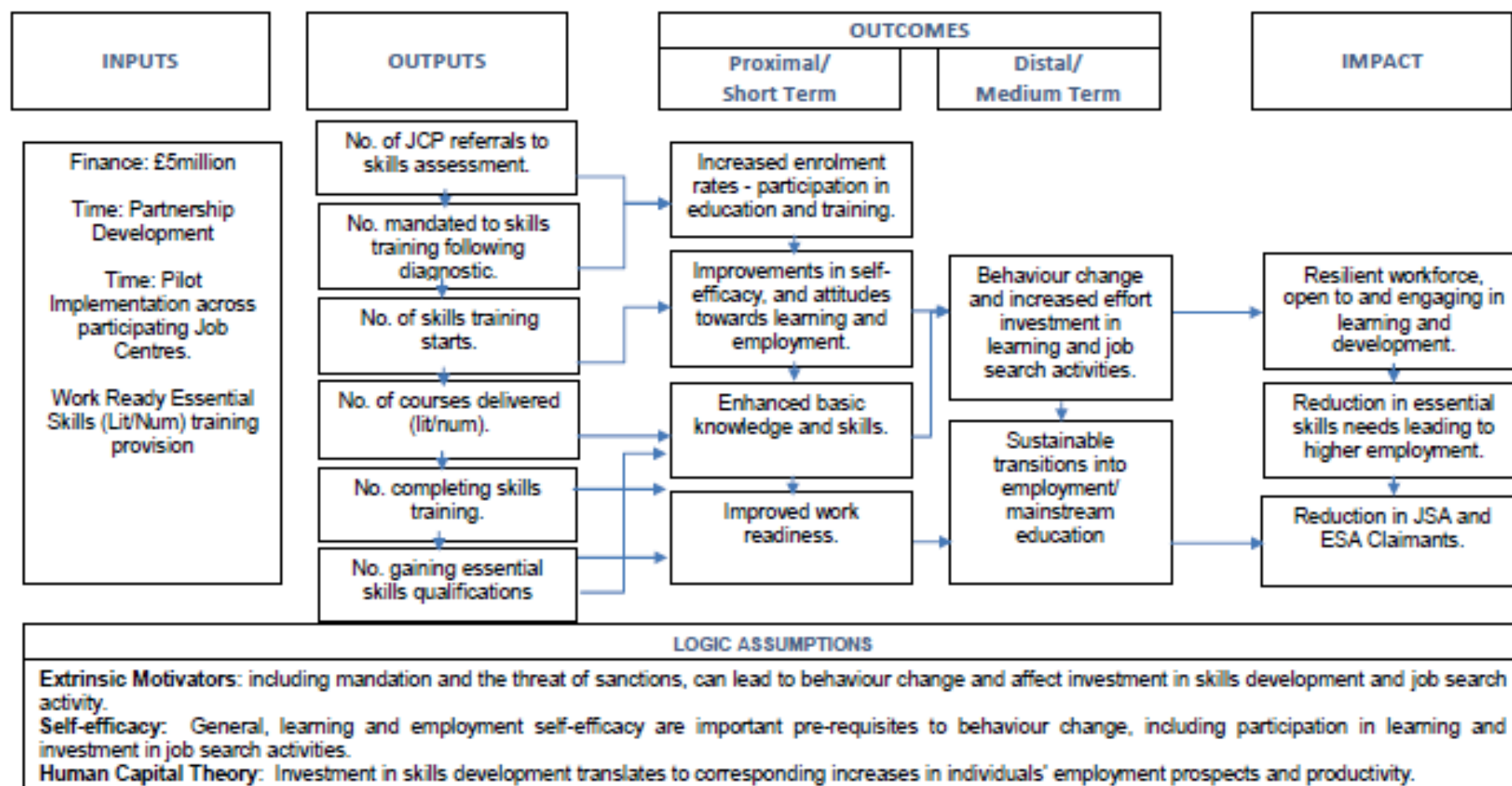


Table 7.1 Process Evaluation Framework

Issues	Evaluation questions/discussion areas	Method
Rationale	<p>The element of the evaluation explores the rationale behind the Pilot, placing it within the broader policy context:</p> <ol style="list-style-type: none"> 1. What is the theoretical justification for Skills Conditionality? 2. What is the evidence base in support of conditionality? 3. What evidence exists to justify Skills Conditionality within Wales? 4. What does the Pilot set out to achieve? 5. How effectively does the Pilot fit with policy and strategy at a national, regional and local level? 	<p>Desk research:</p> <ul style="list-style-type: none"> • Review of empirical evidence exploring the impact of conditionality. • Review of economic/labour market data for Wales. • Review of key policy document, policies, reports, etc. <p>Primary research:</p> <ul style="list-style-type: none"> • Phase 1 Interviews with key stakeholders including WG, DWP and Providers.
Implementation of the Pilot	<p>This element explores the implementation of the Pilot, specifically:</p> <ol style="list-style-type: none"> 1. How was buy-in achieved from organisations across the Pilot? 2. How effectively has partnership working operated across the Pilot? 3. How has the referral mechanism been implemented across participating job centres and across the network of learning providers – what patterns exist? How consistently is the referral system applied? 	<p>Desk research:</p> <ul style="list-style-type: none"> • Analysis of project monitoring data <p>Primary research:</p> <ul style="list-style-type: none"> • Phase 1 Interviews with key stakeholders including WG, DWP and Providers. • In-depth qualitative interviews with Job Centre Advisors and Providers
Skills Conditionality Delivery model	<p>Within this element of the evaluation, we will explore how the Pilot is delivering outputs and outcomes, specifically:</p> <ol style="list-style-type: none"> 1. How effective is the process of identifying skills needs? 2. Has the training delivered to date been suitable for claimants' needs? To what extent has the training delivered been tailored or adjusted to meet their needs? What geographical patterns exist in relation to the provision of training? 3. If a participant fails to engage appropriately with their mandated training then as part of the delivery model in Wales providers have been told not to inform Jobcentre Plus. How has this worked in practice and how has the approach affected the mandated nature of provision? 4. To sum up, what are the strengths and weaknesses associated with the approach? 5. With the benefit of hindsight, what changes should be made to the implementation of the project? 	<p>Primary research:</p> <ul style="list-style-type: none"> • Phase 2 In-depth qualitative interviews with Job Centre Advisors and Providers • Consultation with and surveys of participants.

Table 7.2: Outcomes evaluation framework

Issue	Evaluation questions/discussion areas	Method
Inputs	<p>1. Exploration and analysis of the resources that have been invested in delivering the Pilot, including finance, time and expertise.</p>	<p>Desk research:</p> <ul style="list-style-type: none"> • Analysis of project monitoring data and programme documentation. <p>Primary research:</p> <ul style="list-style-type: none"> • Interviews with key stakeholders including WG, DWP and Providers.
Outputs	<p>1. What outputs have been achieved across the Pilot, including:</p> <ul style="list-style-type: none"> • Numbers referred to essential skills assessments. • Numbers mandated to essential skills training. • The number of individuals starting training • The number (and proportion) of mandated individuals completing training • The number (and proportion) of mandated individuals gaining essential skills qualifications. <p>2. What patterns of delivery are evident across jobcentres and training providers for what reasons do these patterns exist</p> <p>What patterns of course satisfaction exists amongst participants</p> <p>What elements of course provision were considered to be most/least effective</p> <p>3. What perceived role did mandation play in the achievement of outputs?</p> <p>4. What perceived role did mandation play in influencing the behaviour of participants?</p>	<p>Desk research:</p> <ul style="list-style-type: none"> • Analysis of project monitoring data <p>Primary research (<i>to complement and triangulate the desk research</i>):</p> <ul style="list-style-type: none"> • Participant survey with starters and non-starters (interview and re-interview) • Interviews with project delivery staff

<p>Outcomes</p>	<p>Proximal, short-term outcomes include:</p> <ol style="list-style-type: none"> 1. Improvements in general, learning and employment related self-efficacy, as measured by self-reported indicators. 2. Learning gains, as measured by qualification and perceived skill gains. <p>Distal, medium-term outcomes include:</p> <ol style="list-style-type: none"> 3. Behaviour change and increased effort investment in learning and job search activity, as measured by self-reported indicators. 4. Improved work readiness, as measured by self-reported indicators. <p>Long-term outcomes include:</p> <ol style="list-style-type: none"> 5. Sustainable transitions into employment. 	<p>Primary research:</p> <ul style="list-style-type: none"> • Analysis of Management and Monitoring Information • Participant Survey • Case study interviews • Counterfactual Analysis, including an Impact Assessment using Propensity Score Matching if feasible.
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8. Evaluation Plan

Table 8.1: Key Questions and key objectives

Question	Objective	Method
The extent to which work coaches were trained and prepared for the Pilot.	Understanding of the operational environment	Interviews, plus review of any relevant documentation
Relationship between Jobcentre plus and providers, including co-location arrangements	Understanding of the operational environment	Interviews, plus review of any relevant documentation
Extent of employer engagement	Understanding of the operational environment	Interviews, plus review of any relevant documentation
The documentation ‘burden’ on providers	Understanding of the operational environment	Interviews, plus review of any relevant documentation
How does the requirement that providers not inform JCP of non-attendance impact on (i) the extent to which the training is in reality mandatory; and (ii) outcomes from the Pilot?	Understanding of the operational environment	Interviews, surveys of participants plus review of any relevant documentation
Understand the outcomes for those participants who choose not to follow up on the initial voluntary referral. it is unclear currently if we will be able to identify that specific group	Understanding of the referral and assessment processes (and help us to understand the impact of mandation)	<i>Unclear currently if we will be able to identify this specific group.</i>
Extent to which the right individuals are referred.	Understanding of the referral and assessment processes	Interviews, surveys of participants, any supporting management information.

Effectiveness of the assessment process in diagnosing skills needs	Understanding of the referral and assessment processes	Interviews, surveys of participants, any supporting management information
Is sufficient training available (especially in rural areas?)	Understanding of the training provided	Interviews, surveys of participants, any supporting management information
Extent to which courses have been tailored to meet the needs of mandated participants	Understanding of the training provided	Interviews, surveys of participants
Is training provided at different levels according to clients' capabilities?	Understanding of the training provided	Interviews, surveys of participants
Extent to which training is focused on job entry relative to further learning	Understanding of the training provided	Interviews, surveys of participants
Reasons why some participants drop out of their training.	Understanding of the training provided	Surveys of participants
Where participants have barriers to work wider than skills how is this tackled?	Understanding of related support	Interviews, surveys of participants
To what extent do participants have the opportunity to undertake work experience?	Understanding of related support	Interviews, surveys of participants
Impact of mandation on willingness to learn	Understanding of the impact of mandation and sanctioning.	Surveys of participants
Impact of mandation on participants appreciation of the benefits of training	Understanding of the impact of mandation and sanctioning	Surveys of participants
Incidence of sanctioning	Understanding of the impact of mandation and	Management information, interviews, survey of

under the Pilot	sanctioning	participants
Characteristics of those sanctioned	Understanding of the impact of mandation and sanctioning	Management information
Reasons for sanction	Understanding of the impact of mandation and sanctioning	Management information, interviews, survey of participants
Does participation in the pilot impact on participants' skill levels and employment outcomes?	Quantifying the impact of the Pilot.	Impact assessment