

**DEPARTMENT FOR
EMPLOYMENT AND LEARNING**

**FINAL EVALUATION OF
TARGETED INITIATIVES**

FINAL REPORT

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EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

Introduction and Background

The Inter-Departmental Taskforce on Employability and Long-Term Unemployment was established under the Northern Ireland Executive's first Programme for Government to consider and drive forward action to increase employability and reduce long-term unemployment. The Terms of Reference committed the Taskforce to report and make recommendations on how current actions might be improved and to prepare an Action Plan which integrated actions across Government Departments and Agencies. In its Report the Taskforce considers many of the barriers to employment such as benefits issues, childcare provision, educational issues, transport, essential skills, and others. The Report contains some forty recommendations and twelve action points ensuring a collaborative response across all Government Departments.

The inter-departmental **Taskforce on Employability and Long-Term Unemployment** described a new approach referred to as 'Targeted Initiatives' (TIs). The Taskforce Report said that "these initiatives were to be established in areas of lowest employment and high social deprivation to promote and to assess the integrated approach to employability as set out in the Action Plan." Using unemployment (defined in terms of both claimant/jobseekers and economically inactive) and social deprivation criteria TIs were subsequently introduced in the Derry City Council Area, Strabane Council Area, Greater Shankill and West Belfast.

Terms of Reference

In 2005 DEL commissioned an interim evaluation of TIs. Subsequently DEL appointed Deloitte to complete the final evaluation of TIs. The results of this evaluation and the interim evaluation will be used to inform decisions on any future DEL supported employment intervention initiatives. This final evaluation focuses on the three primary elements unique to TIs i.e. Job Assist Centres (JACs), the Transitional Employment Programme (TEP) and the Stakeholder's Forums (SHF). In relation to each of these distinct elements, the Department set out specific requirements for the evaluation.

Methodology

Our approach included consultation with DEL policy and operational officials and providers of the TI elements under review. In addition we reviewed and analysed administration and performance data provided by DEL, JAC and TEP providers and SHF co-ordinators. Focus groups were undertaken in each of the TI areas with JAC and TEP participants and with TEP employers. Finally we analysed the collated data and reported on conclusions and issues for consideration in future service delivery.

Evaluation of JAC

Headline outputs and outcomes from JACs during 2004/05 and 2005/06 are shown in Table 1.

Table 1
JAC Outputs and Outcomes 2004/05 and 2005/06

| | Number Caseloaded | Number of Progressions | Number Entering Employment | Number sustaining Employment |
|---|-------------------|------------------------|----------------------------|------------------------------|
| All JACs 2004/05 | 924 | 151 | 59 | 37 |
| All JACs 2005/06 | 1418 | 482 | 164 | 130 |
| Total Employment Outcomes (% of caseload) | - | - | 10 % | 7 % |

The JAC approach has successfully engaged clients from appropriate client groups and in particular individuals that were not otherwise engaged by DEL. The community-based service offers advantages in terms of trust and relationship building within communities. There have also been lessons learned about partnership working between DEL and community providers. Our analysis has found that whilst caseloading and progressions have improved in the second year of operation, employment outcomes remain low, and indeed lower than outcomes for the comparable LMI model. We highlight that initiatives targeting a client group such as JACs need to factor in medium term horizons (12-24 months) when considering potential outcomes that can be achieved. Even bearing this in mind, however, the low employment outcomes indicate that, to date, the JACs have added limited value at considerable cost.

Evaluation of TEP

Table 2 shows the headline TEP outputs and outcomes at time of review.

Table 2
Overview of TEP Outcomes at Time of Evaluation

| Participants Placed | Completed 50 weeks | Left Early for Employment | Left early for other reasons | Total Entering Employment (including those leaving early for employment) | Total Sustaining Employment |
|---------------------|--------------------|---------------------------|------------------------------|--|-----------------------------|
| 657 | 361 | 60 | 139 | 219 | 168 |

TEP has achieved reasonably successful outcomes with a hard to help client group. The unique features of TEP have added to the credibility and positive perception of the programme amongst both participants and employers. The key features identified are the community based approach and branding, differentiating it from being “just another government programme”, the salary and duration of placement. Our analysis of outcomes suggests that using a mix of private sector and community and voluntary sector placements is helpful - the private sector demonstrating higher sustained employment prospects and the voluntary and community sector showing a more supportive approach with higher

completion rates. The models in Strabane and Derry, where the employers employ the participant directly, showed higher employment outcomes indicating that this approach appears to work better than employment through the managing agent.

Stakeholders Forum

At the final evaluation stage it can be concluded that the SHFs have each played an important role (relative to their respective resources) in unifying the various TI elements in each area. Consistent with the objectives set for the SHFs, their outcomes have been largely qualitative in nature. They have:

- facilitated the engagement of a wide range of stakeholders in the TI areas and thus helped foster a sense of local ownership;
- supported the development of a strategic perspective on local needs through stakeholder engagement and research; and
- provided a central channel of communication between DEL and the local TI stakeholders through which specific JAC/TEP/EF issues and broader employability issues could be raised.

The value for money generated in relation to DEL's investment is difficult to quantify because the capacity of each SHF was different, outcomes were largely intangible and different grant amounts were awarded in each area. At the most basic level of analysis, it is unlikely that any local stakeholder group would have fulfilled the SHF role in absence of financial support from DEL, so some investment was required to achieve the outcomes identified. The level of return varied between areas. This is likely to be as much a reflection of the existing strategic, financial and human capacity of SHFs as of financial support.

The relationship between DEL and the SHFs has been variable over the course of the pilots. In particular there have been boundary issues – DEL has at times questioned the SHFs' expectations as to the influence they can have on Departmental policy and SHFs have expressed disappointment that the partnership was not as productive as they initially anticipated. Certain lessons from this experience could be taken forward to future partnership working arrangements. For example better sharing of good practice between the SHFs, consideration of a joined-up North West approach and ensuring roles and responsibilities are clear and agreed from the outset.

Collective Contribution of TI Components

The terms of reference ask for comment on the collective contribution of the three TI components in the achievement of the original aims of the Taskforce report and how their inter-relationships have supported the outcomes achieved.

Overall our view is that the area based approach which brings together various components has been more effective than introducing each programme independently of one another. The clearest value added appears to be through bringing together supply and demand side elements, usually through the SHF. That said it is difficult to quantify the added value of inter-relationships and also difficult to conclude that the programmes, in particular TEP, could not operate without the other components of a TI approach. For example the LMIs, similar in structure to JACs have managed marginally superior employment outcomes outside of the TI structure. The various components have worked together to provide a sense

that there is an integrated approach to tackling unemployment in an area and the co-ordination has added to the momentum of this approach.

Partnership Arrangements

There are partnership arrangements across a number of elements of the programme. The key partnerships include those between the various components (i.e. SHF, TEP, JAC and EF) of TIs within a local area, those between each TI areas, between TI areas (i.e. TEP and JAC operators and SHFs) and those with DEL staff locally (i.e. within JBOs or JobCentre), and centrally (i.e. policy staff).

There is generally good partnership working at the local level, however, Strabane has identified a need to get representation from certain stakeholders (including TEP and JAC operators) on its SHF to increase the effectiveness of its partnership approach. There is evidence of some partnership working between TI areas. There is however scope for increased partnership working between Strabane and Derry, which are neighbouring areas and will share many of the same challenges with regard to employability. For example they could increase partnership working through co-ordinating future employability research. In addition there is potential for increasing sharing of good practice amongst the three SHFs. There has been limited contact between the SHFs to date. This may be particularly beneficial for the North West SHFs due to the experience and capacity of the Employment Services Board (ESB).

With regard to partnership working between Jobcentres/JBOs and JAC and TEP operators and SHFs the partnership was generally perceived to be a positive one. A perception of initial suspicion was that JACs were “in competition” with JBOs/ JobCentres but this has apparently receded as the understanding of the different target client groups has increased, highlighting the need to ensure that distinctions in client groups are clearly communicated and understood from the outset.

There is concern as to expectation levels and levels of trust between DEL policy staff and SHF's. In particular, Belfast SHF perceives that initial goodwill has receded. There is a need to improve lines of communication to ensure all parties are clear regarding areas of responsibility and influence. Based on this clarity the benefits of partnership working can be maximised.

Overall Conclusion

Through JACs DEL tested a community-based mechanism for delivering employability support. This occurred in parallel with the operation of very similar services through LMIs in parts of Belfast. The JACs have continued to attract a client group not previously engaged by DEL. Despite improved performance since the Interim Evaluation, employment outcomes remain low in absolute terms and weaker than LMIs, albeit at a slightly lower unit cost. The difficulties in overcoming employability barriers and progressing clients to employment highlight concerns as to the level of support that some JAC clients seem to require before they are ready to enter employment. While clearly DEL has a lead in responsibility for employability, there is a need to consider the role of other organisations, for example organisations within the regeneration, health and social care sectors in future support arrangements for the hardest to help. There would also be value in considering comparable initiatives elsewhere to better understand what would constitute realistic outcomes.

TEP has proven to be quite an effective means to achieve employment outcomes with a group of clients that had not managed to secure employment through New Deal. TEP is a discrete programme with a well defined target group. It could be easily transferred to other locations and operated independently of the other TI elements.

The value of the SHF component of TIs has been variable in each area depending on the capacity of the organisations concerned. Greatest impact has been made in Belfast where the ESB had greater strategic, financial and human capacity to draw upon. Compared to the Interim Evaluation our findings suggest that all the SHFs now have a consistent understanding of their role. To varying degrees they have provided a useful monitoring function, served to integrate the various TI components and fostered a sense of local ownership in the pilots. However it is worth noting that LMIs have achieved similar outcomes to JACs without the integrated TI approach.

The original aim of the TIs was to provide an integrated and co-ordinated approach to improving employability of long term unemployed and those far from the labour market, in a local partnership context. Our view is that much has been learned about approaches to this task through the TI programme. The various programme components have generally been delivered in an integrated fashion and a clear sense of local ownership has been generated. TEP and JAC initiatives have engaged those who are far from the labour market and achieved employment outcomes (albeit limited in the case of JAC) for clients that had either not been successful with mainstream DEL provision or had not been engaged by DEL at all. Overall performance has improved since the Interim Evaluation.

1. INTRODUCTION

1.1 Introduction

The purpose of this section is to set out the background to the development of Targeted Initiatives (TIs), the focus of the evaluation process, the methodology employed in the current evaluation and the format for the remainder of this report.

1.2 Development of Targeted Initiatives

The UK Government's long-term goal is employment opportunity for all. Since it came to power in 1997, the current government has been reforming labour market policy to help meet this aim by increasing individuals' responsibility to take an active role in moving from welfare to work, while also providing new forms of support. The introduction of Jobseekers Allowance, New Deal, tax credits and the National Minimum Wage are key ways in which the Government has sought to develop a more 'active' labour market. The changes have all aimed to encourage people off benefits and into work, and to ensure that work pays.

Having made significant progress against its original objective to reduce the number of people registered as unemployed, policy focus has now shifted towards those who apparently have greater barriers to employment. Therefore, there has been a growing focus on providing increased support to tackle the barriers faced by those who have become detached from the labour market, (including the longer-term unemployed, those with disabilities or health conditions and lone parents).

There has also been recognition that a 'one size fits all' strategy is not an effective approach to tackling the needs of the areas and groups facing most resistant barriers to employment. Therefore, approaches that allow for greater local discretion and enable more effective partnership working between government and the social partners have been developed. It is hoped that these will result in the delivery of solutions appropriate to local needs.

Northern Ireland has shared many of the benefits of the UK's economic upturn, with a marked increase in employment and reduction in unemployment since the welfare to work strategy was introduced. However, as in the rest of the UK, there are still pockets of high worklessness and the Northern Ireland inactivity rate continues to be much higher than the UK average.

In response to these changing labour market patterns in Northern Ireland and to national labour market policy, the Department for Employment and Learning (DEL) has increasingly sought to focus on those furthest from the labour market. To this end, an inter-departmental **Taskforce on Employability and Long-Term Unemployment** was established to explore the nature of employability, analyse geographic and other patterns in unemployment and suggest means by which all Departments' actions can contribute to improving employability. In parallel and supported by DETI and DSD ministers, local taskforces were set up to examine employability issues in two areas of persistent high unemployment – the **West Belfast and Greater Shankill Task Forces**.

The interdepartmental Taskforce issued its Report in December 2002 setting out a model for employability in Northern Ireland and the roles and responsibilities of the public, private and voluntary sectors in meeting objectives to improve employability. The Greater Shankill and West Belfast Taskforces issued a joint report in February 2002 detailing a broad range of recommended actions to tackle barriers to employment in the areas. There was considerable consistency between the regional and local taskforce reports. Both set out proposals for an area-based approach to tackling unemployment and improving employability. The interdepartmental report referred to this approach as 'Targeted Initiatives'.

Subsequently Targeted Initiatives were established in areas of lowest employment and high social deprivation to promote and to assess the integrated approach to employability as set out in the Action Plan. The areas chosen were West Belfast, Greater Shankill, Londonderry and Strabane. It was hoped that the TIs would provide:

- a **co-ordinated** service that uses partnerships between voluntary, community, local authority and statutory organisations and employers;
- a **tailored** service that meets the individual needs of those with employability barriers; and
- an **innovative** service that combines elements of existing programmes with new approaches to addressing barriers to employment.

TIs were introduced in the areas with highest unemployment (defined in terms of both claimant/jobseekers and economically inactive) and greatest social deprivation in Northern Ireland, i.e. Derry City Council Area, Strabane Council Area, Greater Shankill and West Belfast. They were originally planned to operate on a pilot basis from late 2003 to March 2006, however, provider contracts have since been extended by DEL to March 2007 to allow for evaluation and consideration of future provision in the TI and other areas.

Each TI includes four new components and five enhanced components based on existing provision. The components are summarised in Table 1.1.

Table 1.1

Components of TIs

| Component | Description |
|--|---|
| Job Assist Centre (JAC) | Community based labour market intermediary providing assistance to unemployed/inactive individuals to help them overcome employment barriers. |
| Transitional Employment Programme (TEP) | Programme providing 50 weeks waged employment to individuals who have completed a New Deal option but not entered employment and those eligible for New Deal for Disabled People and New Deal for Lone Parents. |
| Stakeholders' Forum (SHF) | Local, inter-sectoral forum providing strategic and monitoring support to the TI. |
| Employers' Forum (EF) | Engagement with employers sympathetic to the aims of the TI with aim of informing TI of employment opportunities and tackling barriers employers face in employing TI target clients. |
| Enhancements to mainstream provision in TI areas | Various measures designed to augment mainstream provision in TI areas, including additional places on existing programmes, discretionary funding and pre-employment training support. |

1.3 Evaluation of Targeted Initiatives

In 2005 DEL commissioned an interim evaluation of TIs, the purpose of which was to assess the progress towards the achievement of the programme's original objectives. Following on from the interim evaluation, DEL appointed Deloitte to complete the final evaluation of TIs to ensure that they have progressed as intended. The results of this evaluation and the interim evaluation will be used to inform decisions on any future DEL supported employment intervention initiatives.

This final evaluation focuses on the three primary elements unique to TIs i.e. Job Assist Centres (JACs), the Transitional Employment Programme (TEP) and the Stakeholder's Forums (SHF). In relation to each of these distinct elements, the Department set out the following requirements for the evaluation.

The JACs component of the evaluation should include:

- consideration, using Departmental information, of the JAC issues of caseloading, client progression and numbers of clients entering sustained employment;

- a comparison of the findings to those of the interim report and an indication of any movement in the success of JACs in the delivery of effective services to the priority target groups and value for money; and
- a comparison of the JAC structures and performance outcomes, including where possible, value for money, with the Belfast-based Labour Market Intermediary (LMI) pilots and where possible to comment accordingly.

In relation to the TEP the final evaluation is to:

- help establish the type of provision which is most effective for this client group in terms of job outcomes and improving employability;
- look in-depth at the most effective provision (in terms of enhancing employability and ultimately job outcomes) and to establish what makes this provision successful;
- comment on what type of support works best for what type of clients;
- comment on cost-effectiveness (do ultimate outcomes appear to justify costs of the programme and value for money?); and
- comment generally on the implementation of TEP on a pilot basis and what impact the programme has had on the 'hardest to help'.

In relation to the SHFs, the final evaluation is to:

- comment on how successful the partnership between the Department and the SHFs have been in developing local solutions to local needs;
- indicate if the Departmental resource input to the work of the SHFs represents value for money in the delivery of the TIs; and
- comment if it is considered that there are ways in which the partnerships could be advanced.

In addition, the Department requires the final evaluation to:

- comment on the contribution individually and collectively of the three components (i.e. JACs, TEP and SHF), and their inter-relationship in the achievement of the original aims of the Taskforce on Employability and Long-Term Unemployment; and
- consider the opportunity for greater partnership arrangements between DEL staff and the community based providers of direct employment intervention services.

1.4 Evaluation Methodology

The methodology employed in this study is shown in Table 1.2 below.

Table 1.2

Evaluation Methodology

| Stage | Activities |
|---|--|
| Consultation | <ul style="list-style-type: none">• DEL senior policy officials• DEL regional operational managers• Those providing TEP, JAC, SHF and EF services in West Belfast, Greater Shankill, Strabane and L'derry <p>(Copies of discussion guides are provided in Appendix II and a full list of consultees is provided in Appendix I)</p> |
| Review & Analysis of TI Administration and Performance Data | Review and analysis of information provided by DEL programme management and each of the JAC and TEP providers. This included operational guidelines, letters of offer, promotional information, background to provider organisations, data on clients, data on outputs, outcomes, output related funding and action plans. |
| Interim Report | An interim progress report was prepared to highlight emerging analysis and issues. |
| Participant Focus Groups | Focus groups with JAC and TEP clients in Strabane, L'derry and Belfast (32 participants attended) |
| Employer Focus Groups | Focus groups with employers participating in TEP programme in each TI area (19 employers attended) |
| Analysis and Reporting | Analysis of each TI workstream and issues for consideration in future service delivery. |

1.5 Format

This Draft Final Report sets out the evaluation findings and conclusions. It includes the following sections:

- Section 2 – Evaluation of JAC;
- Section 3 – Evaluation of TEP;
- Section 4 – Evaluation of Stakeholder Forum; and
- Section 5 – Evaluation of TI pilots overall.

The report focuses on our main findings and conclusions. Unless otherwise stated, analysis in relation to JAC performance covers the period of operation between April 2004 and March 2004 and that in relation to TEP covers the period April 2004 to July 2006.

2. EVALUATION OF JOB ASSIST CENTRES

2.1 Introduction

This section describes JAC performance over the period April 2004 to March 2006, through analysis of DEL data on caseloading, outcomes, and expenditure. In addition the views of JAC clients gathered through focus groups in each TI area and the views of other stakeholders (DEL and JAC providers) are presented. A comparison of the JAC service with the LMI service that provides similar support to unemployed people in other parts of Belfast is also undertaken. Conclusions are provided at the end of the section.

2.2 The JAC Model

The JAC is a community based non-statutory organisation that provides support and assistance to unemployed people from the TI areas. The aim of the JAC is to act as an intermediary between their client, the range of interventions available to help address their barriers to employment and available employment opportunities. The JAC should complement the service provided by the JobCentre/Jobs and Benefits Office (JBO) by engaging those clients who are less likely to come into contact with them (e.g. non-benefit claimants) or who have particularly difficult barriers to address (e.g. very long history of unemployment, substance use problems or former convictions). The JAC approach by DEL recognised the potential of a community based organisation to engage with clients who are not mandated through benefit requirements to attend a JBO. The JACs have a non-statutory basis (no link to benefits arrangements), a community location (JAC staff are local people with an understanding of the needs in their areas), an approach to relationship management based on the individual (each client is assigned to a mentor for the duration of their involvement with the JAC) and an attractive office environment (comfortable settings with private space).

JAC mentors aim to develop a relationship of trust with their clients and over time enable them to access the support that will assist them to improve their employability and ultimately enter employment. Initially, each client's employability is assessed by the JAC mentor and an action plan is developed setting out the steps they will take. A JAC mentor may refer clients to DEL training and employment programmes or to other support interventions such as counselling, as well as working actively with them to build confidence and self-esteem. The relationship may continue indefinitely (including a period of support after entry to employment).

Within each of the JACs a client assessment tool was trialled. The West Belfast and Greater Shankill JACs trialled the Client Progress Kit (CPK) assessment tool which is used to make an initial assessment of a client's employability and to measure their progression over time¹. The CPK uses a three-point scale (red, amber, green). The Strabane and Derry JACs trialled the use of the Holistic Assessment Reintegration and Progression (HARP) assessment tool, which uses a four-point numeric scale (4, 3, 2, 1). These scales seek to position a client in a particular category along the employability continuum. The Interim Evaluation reported that there are subjective assessment elements within the CPK and HARP tools, which the report suggested could have led to some degree of inconsistency with regard to initial assessments and progression assessments. The results analysed in this report have been achieved in this context. Table 2.1 details how each scale operates.

Table 2.1
Progressions Towards Employment for JACs using CPK

| CPK | HARP | Description |
|-------|------|--|
| Red | 4 | Client faces multiple barriers to employment. Requires significant support in overcoming these barriers. |
| Amber | 3 | Client faces certain barriers to employment. Requires some professional help in overcoming these issues |
| | 2 | |
| Green | 1 | Client is job ready. The focus of support is on getting a job |

The JAC funding model involved a combination of core funding to support the cost of setting up the new service, and Output Related Funding (ORF) paid on achievement of agreed performance outcomes. A total of 13 JACs are provided across the four TI areas by the following organisations / consortia:

- Greater Shankill – Impact Training;
- West Belfast – West Belfast Community Consortium;
- Derry City Council – Derry Youth and Community Workshop Ltd; and
- Strabane District Council – Customised Training Services and Strabane & District Community Work Programme.

¹ The JobCentres/JBOs in the TI areas also trialled the use of assessment tools. Assessment of these tools was not required as part of this evaluation. More details on the tools and an assessment of their usefulness can be found in the report of the Interim Evaluation of the Targeted Initiatives.

2.3 Evaluation Issues to be Addressed

The Interim evaluation concluded that while there was evidence that JACs had been reasonably successful in engaging (or caseloading) clients, the number actually progressing towards employment had remained very low. It also found that while the JACs had engaged with the TI priority target clients originally detailed in the JAC operational guidelines, the proportion of JSA claimants caseloaded had been above levels originally intended.

The key questions in relation to JAC to be addressed in this final evaluation relate to:

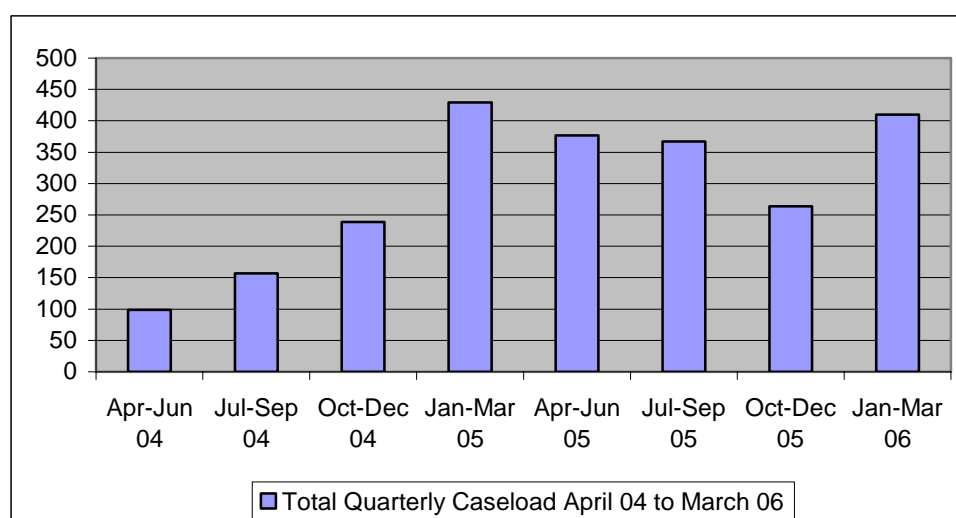
- performance in terms of caseloading, client progressions & entering employment, in particular whether better employment outcomes have been achieved since the interim evaluation; and
- value for money of the JACs in comparison with the Labour Market Intermediaries (LMIs) providing similar services in other parts of Belfast.

2.4 Caseloading

This section considers the numbers of clients caseloaded each month across the JAC areas from April 2004 to March 2006.

Figure 2.1 shows caseloading on a quarterly basis. It illustrates that overall, the number of JAC clients caseloaded grew from 99 caseloads overall during April - June 2004 until reaching a peak during January - March 2005, when 429 caseloads were recorded. Thereafter the numbers remained consistently higher during the second year of operation, with the exception of October-December 2005, when some seasonal fluctuation is observable (only 50 clients were caseloaded during December 2005).

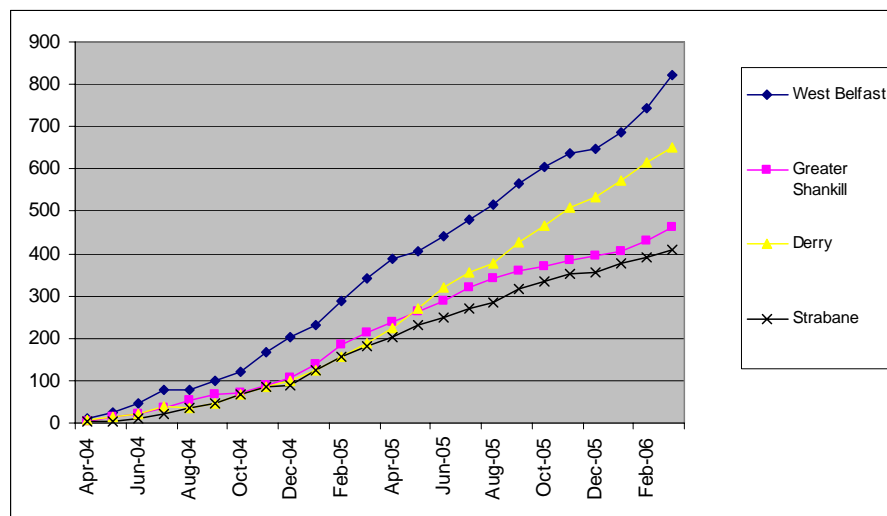
Figure 2.1
2004 – 2006 JAC Quarterly Caseloading Total



Source: DEL Supplier Services Branch

Figure 2.2 illustrates the cumulative total of caseloads across the four JAC areas. The Interim Evaluation of TIs considered performance data to September 2005. At that time it can be seen that West Belfast had caseloaded the largest number of clients, followed by Derry. The Interim Evaluation also highlighted that the Derry JACs' performance had improved consistently and this trend has continued into 2006. Figure 2.2 highlights that Derry caseloaded fewer clients than Shankill until April 2005, but thereafter caseloaded considerably more. Indeed, Derry caseloaded more than doubled from 189 in the first year to 462 in the second year.

Figure 2.2
2004 – 2006 Cumulative Caseloads



Source: DEL Supplier Services Branch

Table 2.2 shows the caseloading targets (agreed between DEL and the JACs) against total caseloading numbers achieved in each TI area. During the first year of operation (April 2004 – March 2005) 924 caseloads were recorded, compared to 1,418 during the second year (April 2005 – March 2006). The table highlights that caseloading fell short of targets in 2004/05. Despite increased numbers caseloaded in 2005/06 across all areas, the numbers caseloaded remained below target levels. Therefore, none of the four JAC areas reached their target in either year albeit all showed some improvement during the second year, in particular, Derry JAC.

Table 2.2
2004 – 2006 JAC Caseloading Against Targets

| | | Total | West Belfast | Greater Shankill | Derry | Strabane |
|---------|------------|--------------|-------------------------|-----------------------------|--------------|-----------------|
| 2004/05 | Target | 3444 | 1019 | 544 | 1375 | 506 |
| | Achieved | 924 | 341 | 213 | 189 | 181 |
| | % Achieved | 26.8% | 33.5% | 39.2% | 13.7% | 35.8% |
| 2005/06 | Target | 2044 | 650 | 350 | 764 | 280 |
| | Achieved | 1418 | 480 | 248 | 462 | 228 |
| | % Achieved | 69.4% | 73.8% | 70.9% | 60.5% | 81.4% |

Source: DEL Supplier Services Branch

2.5 Engaging Priority Target Groups

The JAC Operational Guidelines set the following priority target groups for the service:

- JSA claimants including pre/post–New Deal (N.B. to avoid duplication of service provision between JACs and JobCentres/JBOs, a notional limit was initially placed on the JACs caseloading of JSA clients. From March 2005 DEL placed tighter restrictions on recruitment of JSA clients by JACs – see Section 2.5.2);
- other benefit claimants (Income Support, Incapacity Benefit, Bereavement Benefit, Severe Disablement Allowance);
- status zero (age 16-25);
- out of work partner of the unemployed; and
- out of work non-claimants including returners to the labour market, especially women.

This section uses information available from DEL’s Client Management System (CMS) to examine the degree to which the JACs engaged clients from the priority groups.

2.5.1 Barriers to Employment

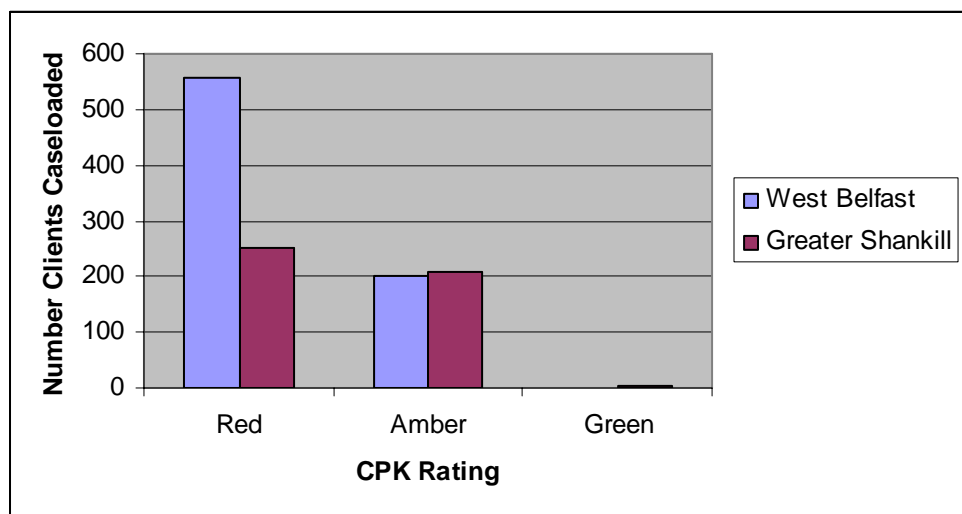
The JACs undertook initial assessments of clients using either the CPK or HARP assessment tools. Figures 2.3 and 2.4 show the total number of clients caseloaded by the JACs in each TI area from 2004-2006.

West Belfast and Greater Shankill JACs

Figure 2.3 shows in absolute numbers the initial employability assessment of clients caseloaded in West Belfast and Greater Shankill. This highlights the greater volume of participants in West Belfast compared to Greater Shankill (see targets in Table 2.2).

Figure 2.3

Initial Employability Assessment for JACs Using CPK (2004-06)



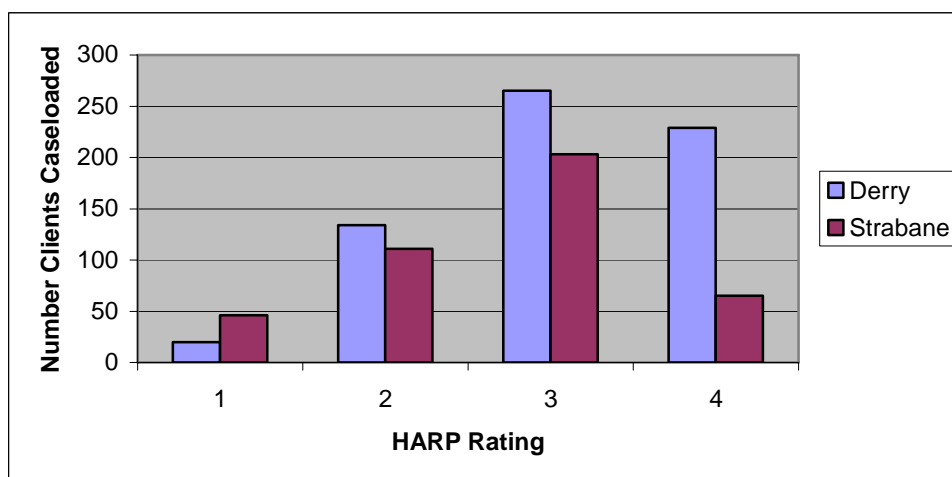
Source: DEL CMS. Red indicates a client faces multiple barriers to employment compared to Green which indicates a client is job ready.

In percentage terms West Belfast managed to engage a higher proportion of those furthest from the labour market (i.e. Red) than did Shankill. Seventy-four per cent of West Belfast caseloaded clients were assessed as Red compared to 54 per cent of Greater Shankill clients. Twenty-six per cent of the West Belfast caseloaded clients were assessed as Amber, compared to the greater proportion, 45 per cent, of those caseloaded by Greater Shankill. As would be expected, the number of clients assessed as Green (i.e. job ready) was very low (four in total, all in Greater Shankill). Based on CPK assessment, the Belfast JACs were successful in engaging clients with barriers to employment. When the CPK ratings are considered per year (2004/05 and 2005/06) the proportion of red clients in 2004/05 was 57 per cent. This increased to just over 60 per cent in 2005/06. The shift towards “Red” is likely to be explained by the restriction on JSA clients, who are likely to be more job ready (i.e. Amber or Green).

Derry and Strabane JACs

Figure 2.4 shows in absolute numbers the initial employability assessment of clients caseloaded by the JACs in the North West which used the HARP tool.

Figure 2.4
Initial Employability Assessment for JACs Using HARP (2004-06)



Source: DEL CMS. A score of 4 indicates a client faces multiple barriers to employment compared to 1 which indicates a client is job ready.

As would be expected, a large proportion of Derry's JAC clients were rated as having greatest barriers to employment (76 per cent rated as three or four). It was noted in the Interim Evaluation that Strabane was using an outdated version of the HARP software and that the ratings awarded did not reflect the status of their clients in a consistent way with those in Derry. This issue has since been resolved and revised figures provided by DEL highlight that 63 per cent of Strabane clients were rated as three or four on the HARP scale. In addition 11 per cent of Strabane's clients were recorded as HARP category one (i.e. job ready). This compared to three per cent of Derry's clients. Based on HARP assessment, the Derry JACs were successful in engaging clients with barriers to employment, with Strabane demonstrating more moderate success in targeting those with significant employment barriers.

2.5.2 Benefits Claimed

There is limited data available on benefits claimed by JAC clients. This analysis focuses on JSA claimants. Those claiming JSA were included in the initial list of target groups for JAC as it was acknowledged that some JSA claimants are very long-term unemployed and have significant barriers to employment. However, since DEL provides services to JSA claimants through the JobCentre/JBO network and mainstream interventions such as New Deal, it was anticipated that this group would constitute a small proportion of JAC clients. By the end of the first year of operation DEL considered that too many JSA claimants had been caseloaded and since March 2005 JACs have required approval from DEL to caseload from within this group. The Interim Evaluation noted this concern and highlighted that in the first year, JSA claimants made up 40 per cent of caseloaded clients in

West Belfast. This is somewhat at odds with West Belfast's high proportion of clients initially assessed as red and may reflect the subjective nature of CPK assessment or the significant employment barriers that some JSA clients will face. The proportion of JSA clients was lower in other areas. Since restrictions were introduced the number of JSA clients has reduced in all areas. The percentage of caseload who were JSA claimants in each area is shown in Table 2.3 and the numbers involved are illustrated in Figure 2.5.

Table 2.3

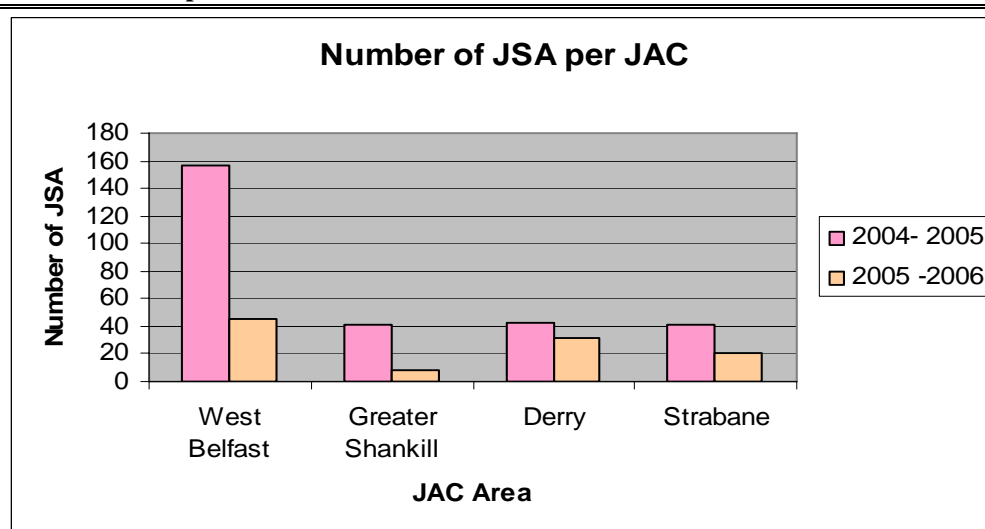
Percentage of Caseload who are JSA Claimants

| | West Belfast | Greater Shankill | Derry | Strabane |
|-------------|--------------|------------------|-------|----------|
| 2004 - 2005 | 40 % | 19 % | 23 % | 23 % |
| 2005 - 2006 | 9 % | 1 % | 7 % | 9 % |

Source: DEL Client Management System

Figure 2.5

Number of JSA per JAC



Source: DEL Client Management System

2.5.3 Area of Residence

Each JAC was able to recruit clients from specified wards making up the TI areas in which they operate. Analysis of client details indicates that clients were engaged from all of the specified TI wards. .

2.5.4 Section 75 Analysis

This section considers the profile of JAC participants by Section 75 categories. The categories for which data is available (from CMS) are community background, ethnicity, age, disability, marital status and whether participants have dependents or not². A summary of the key findings is provided below:

- **Community Background** – analysis indicates that community background is as expected in each area. The majority of West Belfast participants are Catholic (77 per cent), the majority of Greater Shankill, Protestant (73 per cent), and in Strabane the largest section of the participants is Catholic (64 per cent). Analysis of Derry JAC clients for whom information is held (54 per cent of clients) also shows a majority are Catholic;
- **Ethnicity** - records show the vast majority of JAC clients are recorded as white (81 per cent). A total of 14 Irish Travellers have been involved in the programme, 13 of whom are based in West Belfast;
- **Age** – Overall, the largest number of clients are in the 18-24 age band (n=765), however there are also significant numbers from the 35-49 (n=713) and 25-34 (n=669) age bands. In West Belfast there is a much higher proportion of 18-24 year olds than the other areas. This may be related to the high proportion of JSA claimants recruited in West Belfast in the first year (analysis of the JSA caseload in the JAC areas shows that over a third of claimants were aged 18-24). The other local issues of note are that the highest number of participants both in Strabane and Derry are from the 35-49 age category;
- **Marital Status** - the majority (60 per cent) of JAC clients are single. This is likely to be related to the significant number of young people on the programme;
- **Gender** - with the exception of West Belfast, each of the areas shows a majority of female participation. In Greater Shankill almost three times as many women participated as men. Across the four areas, 57 per cent of participants were female and 43 per cent male. The high proportion of women reflects the target groups for JACs, which include women returners and partners of the unemployed. The predominance of men in the West Belfast caseload is likely to be related to the high proportion of JSA claimants in the first year in West Belfast (analysis of the JSA claimants on the West Belfast JAC caseload shows that in 2004/05 81 per cent were male. This proportion is in line with an analysis of all JSA claimants in Andersonstown and Falls Road Jobs and Benefit Offices, which also showed that over 80 per cent were male);

² This analysis is based upon data on S75 categories from DEL's Client Management System. In each S75 category, missing data exists – this is shown as 'Not Stated'. A DEL official advised that the main reason for this is non-entry of data.

- **Dependents** - excluding those for whom this data is not available, West Belfast and Strabane have the fewest participants with dependents (30 and 28 per cent respectively), Greater Shankill has a higher proportion in this category (42 per cent) and Derry has the highest proportion at 61 per cent. The varying age profiles in each area may help to explain this pattern as older clients may be more likely to have dependents. Also, the JSA claimants caseloaded by JACs were less likely to have dependents than other JAC clients (90 per cent or more JSA claimants in each JAC area had no dependents); and
- **Disability** – Information on disabilities is not available for the majority of JAC clients. Fewer than 10 per cent of those in West Belfast, Greater Shankill and Derry reported a disability. The proportion is somewhat higher in Strabane where 14 per cent reported a disability.

Based on this analysis, no significant equality issues have been identified.

2.5.5 Key Findings

Available data indicates that the JACs have engaged clients from the target priority groups originally agreed. The issue of caseloading JSA clients has been resolved since DEL introduced restrictions on the recruitment of JSA claimants. Therefore the level of duplication between JACs and JobCentre/JBOs is likely to be low as the JACs are engaging people who are unlikely to use DEL offices.

Clients in Derry, Strabane and Shankill were more likely to be female and older than in West Belfast. In Greater Shankill a large proportion of participants had dependents. This suggests that in the areas other than West Belfast (the distinctive make-up of West Belfast does appear to be linked to the high number of JSA claimants caseloaded in 2004/05) the JACs seem to have successfully engaged older people with dependents and particularly women. Without a detailed analysis of other benefits claimed (other than JSA) it is not possible to definitively conclude on which target groups these participants represented, but the data suggests that the JACs were successful in engaging other priority groups, i.e. women returners to the labour market and other benefit claimants.

HARP and CPK assessment for Belfast, Derry, and, to a lesser degree, Strabane JACs indicates that irrespective of benefit position, the clients they have caseloaded are among the hardest to help consistent with the objectives for JAC.

2.6 Achieving Outcomes

This section analyses JAC performance over the two years of operation in relation to caseloading, progressing towards employment as measured by an agreed assessment tool, entry into employment and sustaining employment.

2.6.1 Targets

Outcome targets were initially set for providers. These, however, turned out to be unrealistically high. It is noted that initially the providers had suggested even more optimistic targets than those finally agreed by DEL. The difficulty with the target setting process reflects uncertainties in predicting what outcomes were possible with this target client group. Therefore this analysis will not focus on targets.

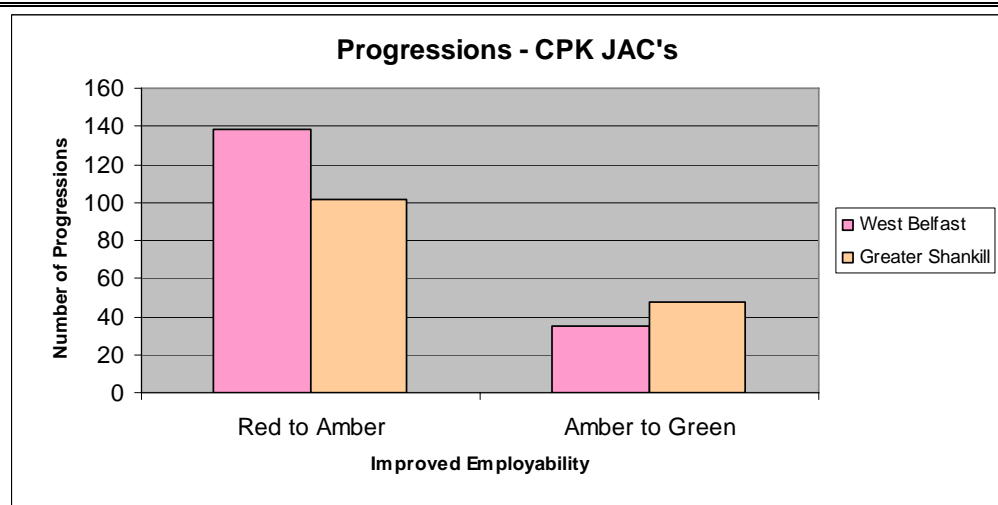
2.6.2 Progressing Towards Employment

As explained in Section 2.1, the West Belfast and Greater Shankill JACs used the CPK assessment tool (a three-point scale - red, amber, green) and the Strabane and Derry JACs used the HARP assessment tool (a four-point numeric scale - 4,3,2,1). Evidence of clients progressing from red to amber or from amber to green (CPK) or 4-3, 3-2 or 2-1 (HARP) resulted in the payment by DEL of an agreed amount of ORF.

Figure 2.6 shows the number of progressions achieved by the JACs using the CPK assessment tool for 2004-2006, and Figure 2.7 shows the number of progressions for the JACs using the HARP tool. Figure 2.6 illustrates that in the Belfast JACs most progressions were from Red to Amber from 2004-06 (West Belfast 138 and Greater Shankill 102). This reflects the profile of initial assessments, in particular the higher number of “red” clients in West Belfast. The number of progressions to Green (i.e. job ready) was very low (West Belfast 35 and Greater Shankill 48).

Figure 2.6

West Belfast and Greater Shankill JACs - Progressions Towards Employment using CPK (2004-06)



Source: DEL Supplier Services

Figure 2.7 shows that the Derry JAC recorded most progressions from 3 to 2 with only a small number from 2 to 1 (i.e. job ready) consistent with the initial assessments made there. As noted in Section 2.5.1 there was an anomaly in initial assessment in Strabane so reliable data on progressions was not available.

Figure 2.7

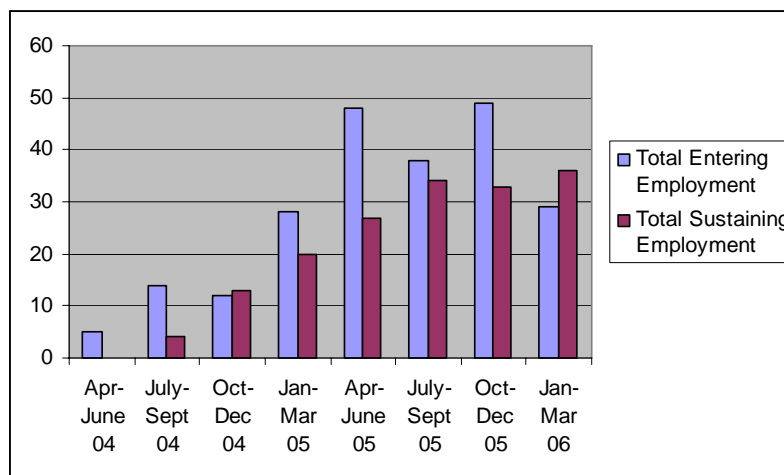
Derry JACs - Progressions Towards Employment for JACs using HARP (200406)

2.6.3 Entering and Sustaining Employment

Figure 2.8 shows the number of participants entering employment and the number that sustained employment each month across all JACs. It indicates an improving performance over time but low numbers overall.

Figure 2.8

Number of Participants Entering and Sustaining Employment



Source: DEL Supplier Services. NB. The number entering employment in any quarter is a different group of clients from those sustaining employment for 13 weeks.

Table 2.5 shows the actual performance regarding participants entering and sustaining employment. This highlights the very low numbers entering employment during the first year (n=59). Although more than half of these sustained employment (n=37), in absolute terms this is a low outcome. In addition, of the 59 entering employment, 49 were recorded as being JSA applicants. Hence the employment outcome has been largely achieved with those who were more likely to have received assistance through other DEL intervention e.g New Deal, suggesting an element of deadweight in the first year outcomes be job ready, that is, JSA claimants. The second year showed an improvement in outcomes, with almost three times as many entering employment (n=164) as the first year. It is noted only 17 of these were JSA claimants reflecting the restriction put on caseloading this group and indicating greater additionality compared to Year 1. With regard to sustained employment in the second year, 130 clients sustained employment. Over the two years, a total of 223 clients entered employment and 167 (75 per cent of those entering employment) sustained employment.

Looking at the individual area performances it can be seen that all JACs recorded low outcomes in the first year. DEL's initial expectations were that Derry and West Belfast would have recorded a higher number of outcomes than Greater Shankill and Strabane due to potential client populations. The results actually show that Derry recorded the lowest outcomes for both entering and sustaining employment, outperformed by the significantly smaller areas of Strabane and Greater Shankill. In addition Greater Shankill recorded similar outcomes to West Belfast.

Table 2.5
Entering and Sustained Employment Outcomes 2004/05 and 2005/06

| | Entering Employment Outcomes | | |
|------------------|-------------------------------|---------|----------------------|
| | 2004/05 | 2005/06 | Total for Both Years |
| West Belfast | 15 | 56 | 71 |
| Greater Shankill | 22 | 39 | 61 |
| Derry | 9 | 34 | 43 |
| Strabane | 13 | 35 | 48 |
| Total | 59 | 164 | 223 |
| | Sustained Employment Outcomes | | |
| | 2004/05 | 2005/06 | Total for Both Years |
| West Belfast | 11 | 37 | 48 |
| Greater Shankill | 14 | 35 | 49 |
| Derry | 4 | 28 | 32 |
| Strabane | 8 | 30 | 38 |
| Total | 37 | 130 | 167 |

Source: Performance data DEL Supplier Services

2.6.4 Key Findings

A summary of JAC performance at the time of the Interim Evaluation (to September 2005) and this Evaluation (to March 2006) is shown in Table 2.6 below.

Table 2.6
Summary of JAC Performance 2004-2006

| | Interim Evaluation (October 03 – September 05) | Final Evaluation (October 03 – March 06) |
|------------------------------|--|--|
| Number caseloaded | 1,664 | 2,342 |
| Number of Progressions | 348 (21%) | 633 (27%) |
| Number into Employment | 143 (9%) | 223 (10%) |
| Number Sustaining Employment | 97 (6%) | 167 (7%) |
| Cumulative Cost | £1,998,430 | £2,909,150 |

Source: DEL Supplier Services Branch. Note - percentages are based on proportion of caseload although it should be noted that each client can have several or no progressions.

The number of progressions and clients moving into employment has increased only marginally in the period since the Interim Evaluation. Measurable outcomes achieved by JACs have been very low:

- only one in four clients caseloaded achieving a progression;
- one in 10 entered into employment; and
- fewer than one in ten sustained that employment.

Bearing in mind the significant cost of the programme (£2,909,150) there appears to be a low level of quantifiable programme outcomes. This feeds into the value for money analysis that is conducted later in the section.

2.7 Expenditure and Value for Money

2.7.1 Funding Model

The JAC funding model involved a combination of core funding to support the cost of setting up the new service, and ORF paid on achievement of agreed performance outcomes. The allocation of funding for each JAC area related to the number of JACs being provided and the expected volume of activity. Allocations were derived on a 'top down' basis, not via 'bottom-up' budgeting of likely requirements to deliver the service. The opportunities for JACs detailed that capital costs (the purchase of any equipment) should only be incurred when the "purchase is essential to the running of the programme and cannot be obtained by any other means i.e. rental". Accounting requirements were also specified. JAC provider contracts were put in place

during 2003/04 however there was extremely limited activity during this period so this analysis focuses on the two following years.

The funding model for JACs is presented in Table 2.7.

Table 2.7

JAC Funding Model – Core: Output Related Funding Ratio

| | Core (per cent) | ORF (per cent) |
|---|-----------------|----------------|
| Year ending 31.3.2004 | 85 | 15 |
| Year ending 31.3.2005 | 70 | 30 |
| Year ending 31.3.2006 ¹ | 50 | 50 |
| Year ending 31.3.2007 | 40 | 60 |
| 1. During this year Derry and Strabane's core funding was restricted due to accumulation of surpluses up to March 2005. | | |

Source: Final JAC Operational Guidelines Jan 2004 & DEL memos

The balance between core funding and ORF was adjusted over time, with more core funding being provided at the outset when JACs were being established and more ORF being provided later to encourage achievement of outcomes.

Table 2.8 highlights the uplift in ORF for the various elements of the programme. CPK has two progression elements and HARP has three, but the total amount of ORF available for the maximum number of progressions is the same (i.e. £180 in Year 1 and £360 in Year 2). In terms of quantity, the largest uplift is the ORF for entering and sustaining employment which increased from a total of £500 to £800.

Table 2.8

JAC ORF Funding Amounts

| | Case-Loading ORF | Progression ORF | | | | | Entering Employment ORF | Sustaining Employment ORF |
|-----------------------|------------------|-----------------|---------|----------|----------|----------|-------------------------|---------------------------|
| | | CPK R-A | CPK A-G | HARP 4-3 | HARP 3-2 | HARP 2-1 | | |
| Year ending 31.3.2005 | 50 | 90 | 90 | 60 | 60 | 60 | 150 | 350 |
| Year ending 31.3.2006 | 150 | 180 | 180 | 120 | 120 | 120 | 400 | 400 |

Source: DEL Supplier Services Branch

2.7.2 Programme Funding and Expenditure

Table 2.9 shows the breakdown of core funding, and ORF payments made to each JAC in 2004/05 and 2005/06. In line with Table 2.7 it highlights the reduction in core funding between Year 1 and Year 2. With regards to ORF, the low amounts of ORF in Year 1 reflect both the relatively low proportion of total funding available via ORF and more significantly the low level of results triggering payment achieved during Year 1. Therefore while the budgeted split on JAC expenditure was 70 per cent core funding and 30 per cent ORF for 2004/05, the actual split was 93 per cent core funding (£1,022,000) and seven per ORF funding (£79,760).

The table also shows that expenditure on the programme reduced from £1,101,760 in Year 1 to £910,720 in Year 2. Despite this 17 per cent drop in programme expenditure there was some improvement in the results and performance of the programme (see Section 2.5 on Programme Outcomes). This suggests that delivery processes became more effective in the second year of operation and that from DEL's perspective the ORF system helped to drive performance outcomes, reduce the risk of funding a service that may not meet expected outcomes.

Table 2.9
JAC Programme Funding

| Year 1 (Ending 31.3. 2005) | West Belfast | Greater Shankill | Derry | Strabane | Total |
|---|-------------------------------|-----------------------------------|--------------|-----------------|--------------|
| Core Funding Total | 337400 | 142800 | 399000 | 142800 | 1022000 |
| Caseloading ORF | 17050 | 10650 | 9450 | 9050 | 46200 |
| Progression ORF | 3870 | 4230 | 1140 | 2520 | 11760 |
| Entered Employment ORF | 2250 | 3300 | 1350 | 1950 | 8850 |
| Sustained Employment ORF | 3850 | 4900 | 1400 | 2800 | 12950 |
| Total | 364420 | 165880 | 412340 | 159120 | 1101760 |
| | | | | | |
| Year 2 (ending 31.3.06) | West Belfast | Greater Shankill | Derry | Strabane | Total |
| Core Funding Total | 241000 | 102000 | 120000 | 51000 | 514000 |
| Caseloading ORF | 69500 | 37200 | 69100 | 34200 | 210000 |
| Progression ORF | 22500 | 18540 | 15960 | 13920 | 70920 |
| Entered Employment ORF | 20650 | 15600 | 13600 | 14000 | 63850 |
| Sustained Employment ORF | 14750 | 14000 | 11200 | 12000 | 51950 |
| Total | 368400 | 187340 | 229860 | 125120 | 910720 |

Source: DEL, Supplier Services. Note – Derry and Strabane's core funding was reduced following accumulation of surpluses.

A breakdown of JAC expenditure was provided for the evaluation. This is presented in Table 2.10. Just under two-thirds of the expenditure is on salaries and pensions. Therefore over one third of the JAC expenditure was on other running costs. This included:

- 10 per cent on outcentre costs. All outcentre costs were incurred in Derry as they contracted Dove House and Church Trust at £30,000 each to provide the JAC service. The fee included rent and payment for one staff member. In addition in Derry they paid a flat rate for rental and running costs to other outcentres during 2004/05. Notably in 2005/06 these contracts were changed from a flat rate cost to a charge based on the number of referrals / case-loads coming through the outcentre (in effect output related funding). This provided a significant saving;
- a further 17 per cent went on a range of costs including management, finance, administration, advertising, insurance, heating and lighting, photocopying, stationary and training; and
- over six per cent on rental costs.

When a year on year breakdown is considered the proportion of expenditure on non-salary items decreases from 41 per cent in 2004/05 to 29 per cent in 2005/06. This shift is expected as in the first year there would be additional expenses involved with set-up costs (e.g. recruitment). We consider the proportion spent on running costs other than salaries is quite high. The experience in the Derry area where there was a shift from flat rate funding to output related funding for outcentres, suggest the potential for savings which will not negatively impact the service.

The figures provided appear to suggest that West Belfast JAC spent over £170,000 in excess of the funding they received for delivering the programme by DEL during this period. The DEL TI team responsible for monitoring West Belfast TI advised that funding of £204,580 was provided to West Belfast in 2003/04 and that a surplus was carried forward which is shown in the figures presented for the two financial years in Table 2.10.

Table 2.10

JAC Expenditure by JAC

| | JAC Expenditure April 2004 - March 2006 (£) | | | | |
|---|--|-------------------------|--------------|-----------------|---------------------------------|
| | West Belfast | Greater Shankill | Derry | Strabane | % of overall expenditure |
| Salaries and Pensions | 627,815 | 266,000 | 302,864 | 122,855 | 64.7 |
| Outcentre Costs | 0 | 0 | 206,466 | 0 | 10.1 |
| Rent | 60,484 | 25,604 | 29,910 | 14,088 | 6.4 |
| Repairs and Maintenance | 30,350 | 2,423 | 1,683 | 0 | 1.7 |
| Other Running Costs¹ | 189,436 | 69,572 | 55,628 | 32,990 | 17.1 |
| Total Costs | 908,085 | 363,599 | 596,511 | 169,933 | |
| Source: DEL | | | | | |
| 1. Other running costs include management, finance, administration, advertising, insurance, heating and lighting etc. | | | | | |

The funding and expenditure analysis provides a useful baseline for DEL as to the cost of delivery for a service such as JAC. We suggest that on the basis of this data more limitations should be set on the allowable expenditure across key categories such as equipment, premises and staffing to ensure better value for money. Guidance on expenditure could be further developed to include more detail on what constitutes eligible expenditure and potentially guidance on what percentage should ideally go on salaries in such a service.

2.7.3 Unit Cost Analysis

This section presents analysis of unit costs for caseloading, progressions, entering employment and sustaining employment outcomes. Not all JAC clients incur the same cost. The level of expenditure is determined by a number of variables including programme outcomes, ratio of core to ORF funding and volume of clients.

The unit costs per caseload are determined by the average core cost per client plus the output related funding for caseloading. The results of the caseloading analysis highlight:

- core costs per client have reduced from £1,106 per client in Year 1 to £362 per client in Year 2 due to a reduction in amount available via core funding versus ORF and an increase in the number of clients caseloaded;
- Derry had the highest core cost per client during the first year. This was due to it receiving the highest amount of core funding coupled with a weak caseloading performance. In the second year of operation Derry and Strabane's core funding was reduced due to accumulation of surpluses (see Table 2.9). This, alongside improved case loading performance during 2005/06, facilitated Derry's reduction over the two years in core cost per client from £2,111 to £260; and
- overall unit cost of caseloading one client (i.e. core cost plus caseload ORF) has reduced from £1,156 in Year 1 to £512 in Year 2. This is as a result of the shift in the balance between core-funding to output-related funding. This is the basic cost of supporting a client on the JAC regardless of what ultimate outcomes they achieve through the programme.

The analysis of unit costs with regard to progressions showed:

- the output related funding for a progression increased from £90 in Year 1 to £180 in Year 2 for CPK progressions (maximum of two) and from £60 to £120 for HARP progressions (maximum of three). Therefore for maximum progressions the ORF doubled from £180 to £360 across all JACs. The cost for getting someone one, two or three progressions is determined by the standard portion of core costs per person, the output related funding for caseloading and the output related funding for progression;
- the unit cost of caseloading plus maximum progressions was also lower in Year 2 (£872) compared to Year 1 (£1,336), indicating the reduction in core funding combined with increased numbers caseloaded has had a greater impact than the uplift in ORF for this outcome. This reduction was reflected across all JAC providers with the exception of Greater Shankill which saw a small rise from £900 to £921, due to its comparatively low increase in number caseloaded; and
- in the second year, Strabane had the lowest unit cost of caseloading and maximum progressions at £734, compared to West Belfast, which showed the highest cost at £1,012. It is noted, however that Strabane's low unit costs was significantly impacted by its reduced core funding element. If its full core funding (£102,000) had been allocated its comparable unit cost would have been significantly higher (£957).

The analysis of unit costs with regard to entering employment highlighted:

- the basic cost for someone entering employment through the programme, without any progression costs, is lower in Year 2 (£912) than Year 1 (£1,306) for the programme overall; and
- if costs per progression are factored in the cost per client is lower in Year 2. For example the average cost to caseload a client, provide maximum progression and enter them into employment is £1486 in Year 1 compared to £1,272 in Year 2. The reduction is largely driven by reduced core funds and increased caseload.

With regard to the “complete” service, including caseloading, maximum progression, entering and sustaining employment the following was found:

- the cost for providing the complete service in Year 2 (£1,672) is lower than for Year 1 (£1,836); and
- in Year 2 Strabane (£1,534) and Derry (£1,570) provided the complete service for a lower unit cost than Greater Shankill (£1,721) and West Belfast (£1,812). If Strabane and Derry had received their full core fund complement their respective unit costs for complete service would have been £1,757 (Strabane) and £1,832 (Derry) – comparable with Belfast JACs.

2.7.4 Value for Money Assessment

With regard to value for money the analysis indicates the following:

- the increased proportion of funding paid via ORF versus core grant and the skewing of the output related funding towards the employment outcomes in Year 2 of the JAC programme has helped ensure that DEL expenditure on the JAC programme is more closely linked to value added activities and outcomes;
- the programme performance with regard to outcomes has improved in Year 2 across all JACs. In addition during Year 2 the overall cost of the programme has reduced by 17 per cent, driven by the reduction in core funding versus ORF. The combination of these two factors indicates that the programme realised greater value for money during Year 2 than in Year 1. As the quantifiable employment outcomes remain relatively low, however, our view is that the main driver for this improvement in value for money has been DEL’s funding structure, and in particular the reduction of core funding versus ORF; and
- overall, whilst the programme has engaged a large number of people, many of whom were in no contact with JBO or other employability assistance, and attempted to help them make steps towards employment, it has only achieved modest employment outcomes (10 per cent of participants caseloaded) and hence can only be considered to have delivered a moderate level of value for money.

2.8 Client Feedback

Three focus groups were held in Belfast, Derry and Strabane for TI clients. A total of 16 JAC participants attended these sessions (discussion guides included as Appendix II). The views expressed at these sessions are summarised below:

- JAC Awareness - the consultees found out about JACs through local media, promotional materials displayed within JBO's, word of mouth and seeing the centres within the community;
- JAC Staff - the contact with JAC staff was deemed excellent at every stage of the process. Initial contact included one-to-one meetings which covered information such as experience, work history, job preferences and interests as well as the administrative processes of how to complete application forms, develop CV's and develop interview skills and use the job search facilities within the JACs. Relationships between the individuals and the JAC staff were consistently perceived well by consultees who stated that mentors "treated you with respect and tried to look after your needs". There was a general consensus that the participants were happy with the services provided by the JAC staff;
- Barriers and Progression - JAC consultees stated that confidence was a key barrier to them getting employment. JACs helped to address these problems by signposting training and development courses for example. A large proportion of the attendees from the JAC side had not secured employment but did report that they would be more confident in applying for jobs now particularly with the support of the JAC staff; and
- Community delivered service compared to government delivered service - Consultees who had either been long term unemployed or had completed New Deal and other schemes before trying the JACs and said that "JACs were a much better option than going to the job centres". The consultees felt the relationship with JACs staff offered more appropriate support than the JBO or JobCentre. Overall the participants considered the JAC providers to be providing a very useful service not available to this client group elsewhere.

From this feedback it is apparent that clients are very positive about the support they have received from JAC. Those who were able to compare JACs with the Jobcentre / JBO, did so favourably.

2.9 Issues Arising in Stakeholder Consultation

This section summarises the issues raised by the other stakeholders consulted throughout the evaluation in relation to the JAC. The consultation process involved representatives from DEL operations and policy branches, and the TI providers (discussion guide in Appendix II and a full list of consultees is included in Appendix II).

2.9.1 JAC Development

Providers highlighted that a period of development had been required in each area to consolidate the JAC teams (including organisations working as part of a consortium) and build credibility in the community. They reported that a degree of mistrust exists in the TI areas in relation to government initiatives which are perceived as taking short-term approaches and having limited impact on the communities concerned. In order to build their credibility, JACs reported that their first year of operation focused on outreach activity, building partnerships with other community organisations and ensuring a high quality of service to clients to encourage word of mouth promotion of the service within the wider community. Providers expressed the view that following this initial focus on engagement and caseloading, the JACs have turned their attention more keenly towards progressing clients. DEL officials stated that the Department had requested this change in focus. The providers view was that as community organisations they could be flexible in responding to service needs e.g. turning caseloading up or down as required. Having built up credibility in the TI areas and a degree of trust with target client groups, the JACs are concerned that any break in service would have a negative impact on the communities involved.

2.9.2 Performance Measurement

Two issues were raised in relation to the assessment of JAC performance – the first relates to the targets set for JACs and the second to the way in which performance is measured.

JACs consider that the targets set for moving their clients into employment were unrealistic given the significant employment barriers they typically face. DEL agree that the targets set proved unrealistically high, noting that JACs had suggested even higher targets initially. We recognise that the uncertainties in the new area created significant difficulties in developing meaningful targets and have therefore not put great emphasis on performance against the targets set.

Providers in Belfast put forward the view that 18 months is the minimum period over which JAC target clients need support before making progressions and moving into employment. It is difficult to determine the validity of this view without suitable benchmark data or in-depth analysis of individual clients' cases. Although the analysis in this evaluation and that for LMI's should help shape more realistic targets for future interventions of this nature.

Providers in the North West noted that there is limited employment in the local area in which to progress JAC clients into, in a local labour market that has experienced major redundancies in manufacturing leaving a large number of people with many years' work experience but outdated skills needing employment. They were keen that the local labour market context should be taken into account when setting targets. On this contextual issue, DEL officials noted that since employment is the ultimate goal then taking into account limited employment opportunity in an area should prompt providers to get clients to consider working outside their immediate area.

In relation to performance measurement, comments were made in relation to caseloading, progressions and employment outcomes. JAC providers were keen to ensure that this evaluation took account of the full range of impacts achieved and were of the view that reporting only those outputs recognised through ORF payments would not reflect the full picture. In order to support this claim, we sought further information from providers on any additional outcomes not reflected in data presented elsewhere in this report and the reasons why they did not result in a successful ORF claim. JAC providers noted the following (**NB this data is unsubstantiated and has not been confirmed either through DEL or by audited information from the programme providers**):

- JAC providers in all areas identified perceived weaknesses in the assessment tools being trialled in the TI areas, considering that progressions as defined by CPK/HARP do not fully reflect the 'distance travelled' by their clients generally because of inappropriate weighting of barriers. Therefore it was considered where clients make progress in addressing some barriers this does not always result in a move from 'Red to Amber' or '4 to 3'. DEL's review of the usefulness of assessment tools including CPK and HARP will address this issue as well as the subjectivity involved in their application;
- West Belfast – reported an estimated 27 employment outcomes in 2005/06 that could not be claimed because the client or employer did not sign the claim form or the form was completed incorrectly; and
- Strabane – reported instances where outcomes could not be claimed for JAC clients because they had entered employment after moving onto other DEL programmes (estimated at 36), and also cases where claim forms were not signed by the client or employer (estimated at seven).

The number of reported outcomes outside of those recognised and validated by DEL was low and would make only a marginal difference to programme outcomes. An additional issue raised during the evaluation was the inconsistency between the two sources of DEL data, i.e. CMS and Supplier Services Branch records of payments. DEL report the difference to be due to time lags between recording outcomes on the two systems, for example, a new caseload will be recorded on CMS before Supplier Services authorise payment and add it to their records. In addition, our assessment of data highlighted some areas of CMS records where there were gaps, particularly in relation to Section 75 details for clients.

2.9.3 JAC and JobCentre/JBO Services

Both DEL and JACs stakeholders discussed their perceptions as to the added value of the JACs compared to the service provided through the JobCentres/JBOs.

DEL stakeholders generally perceived that the JAC offered limited added value when they were still recruiting JSA clients. There was a feeling from DEL stakeholders that the JACs had yet to prove themselves in terms of

achieving employment outcomes. They noted, however, that the JACs have capabilities in terms of engaging with clients that DEL does not actively pursue and that they have a position of trust in communities that JobCentres/JBOs would find very difficult to gain given their role in benefits administration.

JAC providers concurred that their key contribution was a focus on clients that DEL do not actively seek to engage. In addition the providers expressed their view that JACs provide a personalised service that the JobCentres/JBOs are not resourced to provide. The personal relationship developed between the JAC mentor and client can be developed more easily in JACs because clients have a dedicated mentor who is often from the local area and therefore perceived to understand local people's needs better than a DEL official. It was noted by a DEL official that caseloading is a feature of New Deal services wherein the client has a Personal Adviser and will be a feature of the revised DEL employment service for those clients who require such support.

West Belfast and Greater Shankill providers noted the value of the Customised Training Fund in providing valuable support for those ready to make the move into employment (similar to the Advisor's Discretion Fund available to DEL Personal Advisors). They encouraged the continuation of this fund to support further progressions. A report documenting evidence of this outcome has not yet been completed so we were unable to verify the perceived added value of this fund.

2.9.4 Other DEL Programmes

The ongoing development by DEL of other pilot programmes that aim to support some of the same clients as JAC was noted by the providers.

There was some dissatisfaction from Belfast JACs with the restrictions placed on engaging JSA claimants and the criticism the JACs had received in relation to caseloading this group (which was originally included in the JAC priority target groups). A DEL official highlighted that rationale for the JSA restrictions were accepted in principle by the ESB. DEL allows for the exceptional JSA client who has exhausted DEL services and for whom it is agreed that the JAC may offer an alternative.

Providers were unclear as to why restrictions had been placed on recruitment of JSA claimants for JACs while a new pilot programme was being developed to tackle the employability needs of JSA claimants with very difficult barriers to employment (Progress2Work). Some providers viewed this as confirmation that harder to help JSA clients cannot be effectively supported through JobCentre/JBO services and therefore felt that JACs should also have the opportunity to work with this group.

Due to the small scale of Progress2Work pilot and the current focus of Pathways to Work on new Incapacity Benefits claimants and areas of operation, however, these programmes are currently unlikely to have significant impact on JAC activity in the short term.

Overall the feedback from stakeholders illustrates a mix of views regarding performance and added value of the JAC programme. In addition there is a lack of agreement as to what would be a reasonable outcome for the JAC client group within this period.

2.10 Comparison with LMIs

LMIs provide a very similar service to the JACs - they are community based, non-statutory organisations that give tailored support to local clients to improve their employability. Their target group includes the unemployed and those who are economically inactive, including those with severe employability barriers. Since April 2004, DEL has supported LMI services in East, North and South Belfast (a range of other intermediary services previously existed in these areas). The current LMI contracts continue in line with JACs until March 2007. Due to the similarities in purpose and operating model, it is appropriate to compare the performance of the JACs to the LMIs.

2.10.1 Structures & Administration

The LMIs and JACs are delivered at a very local level, both having the strategic objective of engaging those most distant from the labour market and least likely to access DEL services, and providing them with support to improve their employability.

Similar to the JACs, the LMI providers link with DEL centrally regarding administration and policy and locally through JBOs and JobCentres regarding validation and approval of caseloaded clients and progressions.

An important issue to clarify in relation to the LMI and JAC operational guidelines relates to priority target clients. As with the JAC, the client groups for LMIs originally included those in receipt of JSA. However DEL was concerned with the proportion of JSA clients being engaged by the LMIs (39-40 per cent on average) and the evaluation of LMIs in May 2006, recommended that LMI providers should focus on attracting non-JSA clients for the remainder of the current contract and on engaging those with greater employability needs. DEL has advised that from September 2006 the restriction on JSA client caseloading applied to JACs, also applied to LMIs. Therefore, LMIs can now, like JACs, only caseload JSA claimants in very exceptional circumstances.

LMIs, who are all Belfast based, use the CPK assessment tool as used by the Belfast JACs.

The funding structures for each programme are very similar, both having an element of core funding and ORF, with the ratio between the two shifting towards ORF over time. In 2004/05 the LMIs received 75 per cent core funding and this was reduced to 50 per cent in 2005/06 (i.e. the same ratio as for the JACs). A total of £250,000 was made available to fund each LMI each year. ORF amounts were similar for both programmes, although slightly larger payments could be attracted by the LMIs for caseloading in 2005/06 compared to the JACs (£200 for LMIs and £150 for JACs) and for progressions (£400 for LMIs and £360 for JACs).

The critical difference between the two intermediary services is that the JACs have operated in the context of the TI model whereas the LMIs have for the most part operated independently. This means that the JACs have had the strategic support of a SHF and links with employers through the EF and DELs Employment Liaison Officer, whereas the LMIs have relied on their own relationships with local partnership bodies and employers.

2.10.2 Caseloading and Outcomes

Table 2.11 shows the employability assessment of LMI and JAC clients based on the CPK or HARP rating allocated. It also shows the proportion of JSA claimants caseloaded in each programme.

The table shows that the JACs using the CPK tool engaged a higher proportion of harder to help clients (i.e. those rated as red) than did the LMIs. It also shows that on average the JACs caseloaded fewer JSA claimants than the LMIs, which is not surprising given the restrictions put in place by DEL on JACs at an earlier stage on recruitment from this group.

Table 2.11
LMI and JAC Clients by Employability Assessment & Benefit Status

| Provider | Total Number of Clients CaseLoaded | CPK Category (%) | | | JSA Claimants (%) |
|----------|------------------------------------|------------------|-------|-------|-------------------|
| | | Red | Amber | Green | |
| | | Year 1 | | | |
| LMIs | 695 | 27 | 57 | 16 | 39 |
| | | Year 2 | | | |
| LMIs | 1006 | 31 | 64 | 5 | 40 |

| | Total Number of Clients Caseloaded | HARP Category ¹ (%) | | | | CPK Category (%) | | | JSA Claimants (%) |
|---|------------------------------------|--------------------------------|----|----|---|------------------|-------|-------|-------------------|
| | | 4 | 3 | 2 | 1 | Red | Amber | Green | |
| | | | | | | Year 1 | | | |
| JACs | 975 | 27 | 44 | 23 | 6 | 57 | 42 | 1 | 29 |
| | | | | | | Year 2 | | | |
| JACs | 1459 | 27 | 44 | 23 | 6 | 60 | 39 | 0 | 11 |
| 1. The HARP data is correct following an initial difficulty with software. The correct breakdown of HARP categories is available as an aggregate of both years. | | | | | | | | | |

Source: DEL CMS - NB client data held on CMS does not match LMI programme data held by Supplier Services Branch hence caseloading total differs from Table 2.12 below.

2.10.3 Overview of JAC and LMI Activity

Table 2.12 shows the numbers caseloaded and outcomes achieved by the LMIs and JACs in 2004/05 and 2005/06. An average per LMI/JAC area has been calculated for each year to allow for comparison between services of a very different scale in the various areas (e.g. 480 clients caseloaded in the West Belfast JACs area compared to 259 in the East Belfast LMI). Comparing these average figures, it is clear that both the LMIs and JACs showed improvement in 2005/06 relative to 2004/05. LMI average performance was higher than in the JACs in the first year however the organisations involved had been providing very similar services prior to the commencement of the LMI contract so may have needed less time to become established than the JACs. In the second year, JACs caseloaded more clients than the LMIs and achieved more progressions. In both years, however, the LMIs outperformed the JACs in terms of entry into employment, the critical objective overall. In 2004/05 23 per cent of LMI caseloads entered employment compared to 6 per cent of JAC caseload. In 2005/06 22 per cent of LMI caseloads entered employment compared to 12 per cent of JAC caseload entering employment. It is noted that this higher success rate may reflect the higher level of JSA / job ready participants on the LMI programme.

Overall neither programme has achieved high rates of progression into employment, although where employment outcomes are achieved they are likely to be maintained.

Table 2.12

Overview of Programme Activity in LMIs and JACs

| | Number Caseloaded | Number of Progressions | Number Entering Employment (% of caseload) | Number Sustaining Employment (% of entering employment) |
|---|-------------------|------------------------|--|---|
| Year 1 (April 2004 – March 2005) | | | | |
| All LMIs | 687 | 176 | 155 (23) | 78 (50) |
| Average per LMI (3) | 229 | 59 | 52 (23) | 26 (50) |
| All JACs | 924 | 151 | 59 (6) | 37 (63) |
| Average per JAC area (4) | 231 | 38 | 15 (6) | 9 (63) |
| Year 2 (April 2005 – March 2006) | | | | |
| All LMIs | 954 | 333 | 210 (22) | 143 (68) |
| Average per LMI (3) | 318 | 111 | 70 (22) | 48 (68) |
| All JACs | 1418 | 482 | 164 (12) | 130 (79) |
| Average per JAC area (4) | 355 | 121 | 41 (12) | 33 (79) |

Source: DEL Supplier Services Branch

2.10.4 Unit Costs

Table 2.13 shows unit costs for JAC and LMI programmes by core cost per client, caseloading, progressions, entering employment and sustaining employment outcomes. Years 1 and 2 are presented to more accurately reflect the changes in emphasis the core funding and ORF elements of the funding model made, and secondly, to more accurately reflect unit cost comparison of the JAC and LMI models once they are up and running (i.e. Year 2).

Table 2.13
Comparison of JAC Unit Costs with LMI Unit Costs

| | | JAC (£) | LMI (£) |
|---|--------|--------------------------|--------------------------|
| Core Cost Per Client | Year 1 | 1,106 | 819 |
| | Year 2 | 362 | 393 |
| Unit Cost per Caseloaded Client | Year 1 | 1,156 | 869 |
| | Year 2 | 512 | 593 |
| Unit cost per maximum progressions | Year 1 | 1,336 | 1,049 |
| | Year 2 | 872 | 993 |
| Unit Cost Per Entry into Employment (with no progressions) | Year 1 | 1,306 | 1,019 |
| | Year 2 | 912 | 993 |
| Unit Cost Per Entry into Employment (with max progressions) | Year 1 | 1,486 | 1,199 |
| | Year 2 | 1,272 | 1,393 |
| Unit Cost per Complete Service (Caseloading, max progressions and sustained employment) | Year 1 | 1,836 | 1,549 |
| | Year 2 | 1,672 | 1,793 |

Source: DEL, Final JAC Operational Guidelines Jan 2004

Comparing JAC unit costs with LMI unit costs the key finding is that in Year 1 LMI unit costs were consistently lower than JACs for the equivalent outcome. The trend is reversed in Year 2, however, with JACs demonstrating lower unit costs than LMIs (with the exception of core cost per client), albeit the difference is less pronounced than in Year 1.

The table highlights that the greater proportion of core funding coupled with weak results in Year 1 resulted in a much more expensive service even for those not achieving any outcomes. For example if someone was caseloaded but did not achieve any progressions or employment, this incurred a much larger cost relative to the cost for a complete service in Year 1 than in Year 2.

Table 2.14 shows the unit cost for complete service for each of the JAC and LMI providers per year. This highlights that amongst the JAC areas Derry had the highest unit cost per complete service in Year 1 and the lowest in Year 2. Only one JAC, Derry, and one LMI, South Belfast, showed lower unit costs for the complete service in Year 2. For Derry the reasons lie in their increased outputs in Year 2 (see Section 2.5) and their much reduced core funding during Year 2 (see Table 2.9).

Table 2.14

Comparison of Unit Costs Per JAC and LMI Provider

| | | JAC Areas | | | | LMI Areas | | |
|---|--------|--------------|------------------|-------|----------|---------------|---------------|--------------|
| | | West Belfast | Greater Shankill | Derry | Strabane | North Belfast | South Belfast | East Belfast |
| Unit Cost Per Complete Service (Caseloading, max progressions and sustained employment) | Year 1 | 1719 | 1400 | 2841 | 1519 | 1323 | 2161 | 1511 |
| | Year 2 | 1812 | 1721 | 1570 | 1534 | 1793 | 1732 | 1883 |

Source: DEL Supplier Services Branch

Overall the unit costs were slightly lower for JACs than for LMIs in year two. The lower unit costs in Year Two in JACs were driven by a combination of increased caseload and an increased proportion of ORF compared to core grant.

2.11 Conclusions

Based on the evaluation analysis set out above, we have reached the following conclusions in respect of the key evaluation issues identified for the JACs:

JAC Performance since Interim Evaluation:

- in the period since the Interim Evaluation the JACs have performed well in respect of caseloading and evidence suggests that they have engaged clients from appropriate target groups (particularly taking account of the limits placed on JSA claimants in March 2005). This suggests added value in terms of engagement with clients that DEL sought to address through the JAC model. The number of progressions made by JAC clients has increased in the second year of operation but the number of clients entering employment remains low in absolute terms, with only a small percentage increase compared to the total caseload;
- improved performance in 2005/06 (especially increased caseloading) and increase in the proportion of funding tied to outputs (through reduced core funding and increased ORF) resulted in relatively more cost-effective provision with reduced unit costs;
- there is evidence that where clients enter employment this tends to be sustained. The proportion of clients sustaining employment is likely to

continue to increase as clients reach the 13 week threshold. That said any increase will be limited to the modest numbers entering employment; and

- client feedback on the service provided was positive, emphasising the perceived advantages of a community-based service. There is, however, no consensus as to the added value of JACs. They have been successful in engaging clients that would not otherwise use DEL services. The low employment outcomes, however, support the view that they add limited value at considerable cost.

JAC Performance Compared to LMIs

- the LMI and JAC programmes both aim to provide tailored advisory support to unemployed people with barriers to entering the labour market. The structures put in place for delivery of each programme are very similar, with the key difference being that LMIs do not operate within the support structure available to JACs, i.e. SHF and EF;
- analysis of the performance of LMIs and JACs indicates that JACs have been more successful in caseloading clients and a larger proportion of these have been assessed as having significant employment barriers. The number of progressions achieved by JACs has also been higher than for LMIs. While LMIs have achieved better employment outcomes with a greater proportion of their caseloaded clients entering employment, JACs have achieved better rates of sustained employment, but this is for quite a small number of participants in absolute terms. Unit costs for the JACs were lower than for the LMIs in Year 2 driven by higher rates of caseloading, reduction in core funding to ORF ratio, and cuts to core funding; and
- in both cases performance has been improved in the second year of operation compared to the first year. In terms of absolute numbers into employment JACs have not achieved the level of outcomes that were originally anticipated by DEL, indicating limited value for money overall.

Conclusion on Overall Aim:

- The JACs have generally been successful in targeting a client group with significant employability barriers. Many of these clients were not otherwise engaged in addressing their employability issues, for example through a JBO. Despite the significant numbers engaged the JACs have only been able to assist a limited number to overcome employability barriers, and even fewer to secure employment.

3. TRANSITIONAL EMPLOYMENT

This section of the report focuses on the Transitional Employment Programme (TEP) and presents the findings of our evaluation. A summary of the TEP model is provided in Section 3.1, followed by an outline of the key issues to be assessed in this element of the evaluation. The remainder of the section details our analysis of performance data, feedback from participants and employers involved in the programme, the views of other programme stakeholders and our conclusions.

3.1 The TEP Model

TEP is a voluntary programme that provides a maximum 50-week waged placement in employment of up to 50-weeks. Placements are paid at least at the minimum wage and are available on a full-time or part-time basis. The Operational Guidelines for the programme describe the following aims for TEP:

- to develop the skills and competencies of employees so as to equip them to take advantage of employment opportunities;
- to develop an employee's capacity for seeking, finding and retaining employment;
- to raise, with employers, the integrity of employees as potential recruits;
- to provide the employee with the experience of working in a real job and the satisfaction of receiving a real wage; and
- to provide a wide range of personal support on the job training, personal development and jobsearch assistance.

TEP is open to people who have completed New Deal but who have not secured employment during the Follow-Through stage, and also available to those who have undertaken any element of New Deal for Lone Parents and New Deal for Disabled People. Participants may be identified directly by the TEP providers or via the JobCentres/JBOs or JACs in the TI areas. Eligibility decisions rest with New Deal Personal Advisors.

TEP is a locally branded service contracted by DEL to four managing agents. The four TEP services are as follows:

- West Belfast – Job Connect delivered by New Deal West;
- Greater Shankill – Job Direct delivered by North City Training;
- Derry – Kickstart delivered by the LSP for Derry; and
- Strabane – Steps to Work, the LSP for Strabane is the Managing Agent and the Strabane Community Work Programme actually delivers the service to participants (referred to as the 'lead provider').

Three different models exist for TEP in terms of the employment arrangements for participants. In Belfast TEP participants are employed by the managing agents (i.e. New Deal West and North City Training) for the duration of their placement. In Derry and Strabane, TEP participants are employed directly by the placement provider, not the Managing Agent. In Derry the LSP deliver TEP directly, whilst in Strabane the LSP contracted the Community Work Programme to deliver the programme.

The TEP providers are responsible for:

- assessing each participant's barriers to employment, including any essential skills needs they may have and referring them to appropriate support or addressing them directly (e.g. helping them to prepare for employment);
- carrying out an assessment of participants' personal benefits situation and the back to work benefits they might receive;
- securing suitable placements for potential participants that meet their employment aspirations and provide a suitable level of work that will develop their needs and reflect the ambitions of the programme;
- ensuring that job substitution does not occur as a result of TEP. Providers must ensure that employers have not dismissed or made redundant any existing employee and that the TEP placement is not a job which would normally be undertaken by a permanent employee;
- supporting participants and employers for the duration of the placement including regular monitoring of progress, dealing with any problems that arise and facilitating access for the participant to any additional support required to sustain the placement;
- ensuring that employers have the required procedures and policies in place e.g. in relation to grievances, and that they comply with the contractual requirements of the programme;
- ensuring that TEP participants have an induction with their placement provider and agree objectives that describe the employability gains they hope to make as a result of the placement; and
- supporting the TEP participant to engage in jobsearch activity after six months in their placement and assisting them with CV preparation, interview skills etc.

The funding model for TEP is described in Table 3.1 below. A total of £10,750 is available for each TEP participant but there is variable take-up of funding depending on the duration of each placement, the wage paid, number of hours worked (e.g. part-time employment is a possibility) and use of the specialist support budget. The Interim Evaluation of TIs reported that based on DEL analysis of TEP expenditure in the Belfast TIs the estimated average spend per participant was of £6,500.

Table 3.1
TEP Funding Model

| Component | Amount Available |
|---|---|
| Employee Wages, NICs & Statutory Sick Pay | Actual wages paid to employee (at least minimum wage but a higher wage may be negotiated with placement provider), employers' National Insurance Contributions and Statutory Sick Pay) |
| Management Fee | £35 per person for each week of placement |
| Support Worker | £9 per employee per week |
| Specialist Services | £8 per employee per week to support costs of essential skills training |
| Output Related Funding | <p>£15 per week employed for those who move into employment (to a maximum of £750). This includes an Early ORF payment (for those leaving their placement to enter employment before 50 weeks); and an Initial ORF payment (for entering employment on completion of 50 weeks).</p> <p>An additional Final ORF payment of £400 is payable if employment is sustained for 13 weeks. £100 of this is paid as a bonus to the employee.</p> |

Source: DEL, Operational Guidelines for TEP

3.2 Evaluation Issues to be Addressed

At the time of the Interim Evaluation, TEP had been operational for 20 months in Belfast and 16 months in the North West. As the programme takes up to 50 weeks to complete, only eight months performance data was available for Belfast and four months for the North West. Key conclusions from the Interim evaluation included:

- overall, two-thirds of participants completed the programme and 40 per cent of participants enter employment;
- while the private sector provided the highest number of placements the voluntary and community sector were more likely to retain participants for

the full placement duration and to provide employment following placement; and

- the total maximum cost per placement is £10,750. In practice, however, the estimated average cost was working out much lower (£6,500 for the Belfast areas at the Interim Evaluation stage). This had allowed an intake of more than three times as many participants as had initially been budgeted for.

Key questions in relation to TEP to be addressed in this final evaluation relate to:

- the outcomes achieved by the programme and the features that have resulted in the most effective performance; and
- whether the programme has been cost effective and whether it has offered value for money.

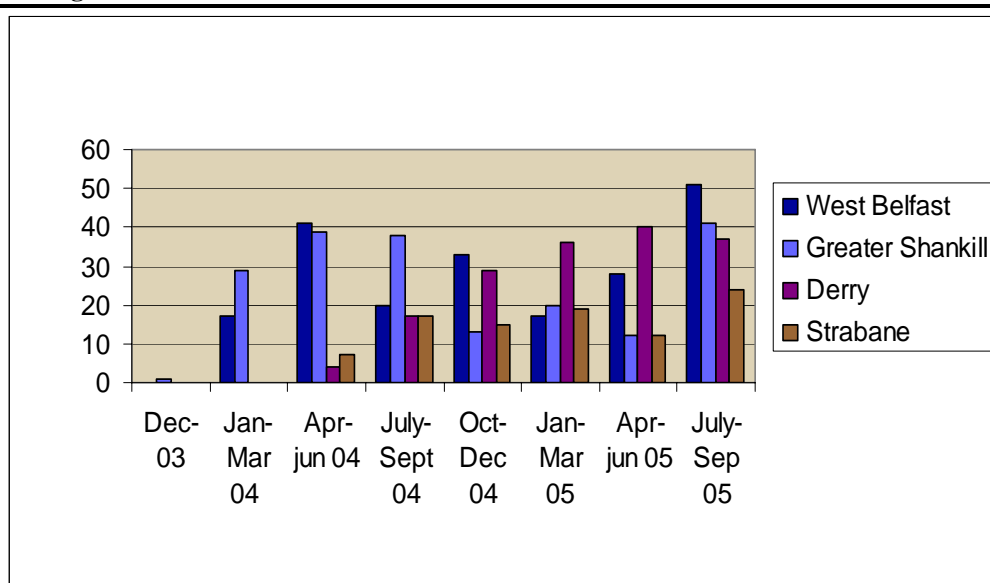
3.3 Caseloading

This section examines the numbers engaged through TEP.

3.3.1 Timing of TEP Starts and Impact on Outcome Data Available

Figure 3.1 shows the timing of TEP participants commencing their post with their placement³ provider.

Figure 3.1
Timing of TEP Starts



Source: DEL TI Teams

The chart shows how many TEP placements commenced in each area per quarter (with the exception of December 2003 which is shown as a single

³ Placement providers were also referred to as secondary providers in some consultations. For the purposes of this report the term placement provider will be used.

month). It is noted that a review of the TEP programme by DEL set September 2005 as an end date for recruitment onto the programme, and possible intakes for each area were capped. As a result each of the providers had something of a final push to get people onto the scheme during the final quarter of recruitment, July to September 2005.

In total 657 clients were caseloaded onto TEP. Of these 153 clients started their 50 week placements during the July-September 2005 quarter. This evaluation uses data provided by DEL TI Teams provided in July 2006. Therefore unless they have left their placement early for employment or other reasons, participants commencing placement during July-September 2005 will still be with their placement provider at the time of this analysis and hence their outcome is not known. In addition due to employment outcomes being possible up to 13 weeks following completion of a placement, a number of the 92 clients who started on their TEP placement during April – June may yet achieve an employment outcome which was not known at the time of this data analysis.

Therefore we would highlight that while this is a final evaluation of TIs, it does not capture final outcomes for the TEP programme. Outcomes for approximately one-third of participants are still unknown. This proportion will be slightly larger in the North West, where there was a proportionally larger number of late starting placements.

3.4 Engaging Priority Target Groups

The profile of the TEP participants is considered below according to the New Deal Programme they have been on, whether they had a full-time or part-time placement and Section 75 categories for which data was available.

3.4.1 New Deal Programme

Table 3.2 shows the profile of TEP participants by New Deal stream. The majority of TEP participants are from Mainstream New Deal (63 per cent) with approximately one third from New Deal Lone Parents (34 per cent). There is a much smaller number from New Deal for Disabled People (three per cent). There are only minor differences between TEP providers, with Derry (37 per cent) having a marginally higher proportion of lone parents than the others.

Table 3.2
Profile of TEP Participants by New Deal

| Area | | ND Mainstream | ND Lone Parents | ND Disabled | Total |
|------------------------|-------|---------------|-----------------|-------------|-------|
| West Belfast | Total | 134 | 69 | 4 | 207 |
| | % | 65% | 33% | 2% | |
| Greater Shankill | Total | 122 | 66 | 5 | 193 |
| | % | 63% | 34% | 3% | |
| Derry | Total | 96 | 60 | 7 | 163 |
| | % | 59% | 37% | 4% | |
| Strabane | Total | 64 | 27 | 3 | 94 |
| | % | 68% | 29% | 3% | |
| Overall | Total | 416 | 222 | 19 | 657 |
| | % | 63% | 34% | 3% | |
| Source: TI Teams / DEL | | | | | |

3.4.2 Full-time and Part-time Placement

Table 3.3 shows that 89 per cent of TEP placements are in full-time posts (30 hours per week) with 11 per cent in part-time posts (between 16 and 30 hours per week). The reduced hours option is reported by providers to be particularly important for lone parents and those with caring responsibilities. Despite that, Derry, with the highest proportion of lone parents had the lowest number of part-time placements.

Table 3.3
Profile of TEP Participants by Full Time and Part Time Positions

| Area | Full-time | Part-time | Total |
|-------------------------------------|-----------|-----------|-------|
| West Belfast | 177 | 30 | 207 |
| Greater Shankill | 164 | 29 | 193 |
| Derry | 159 | 4 | 163 |
| Strabane | 84 | 10 | 94 |
| Total | 584 | 73 | 657 |
| % of Overall Programme Participants | 89% | 11% | 100% |
| Source: TI Teams / DEL | | | |

3.4.3 Section 75 Analysis

This section considers the profile of TEP clients by Section 75 categories. This information has been provided from DEL's CMS system and contains breakdown of TEP clients by age, gender, disability, ethnicity, community background, dependents and marital status.

- **Age:** - there is a reasonably even spread across the TEP profile with a some skewing towards the youngest age category. Overall 28 per cent of participants are over 34 years of age, 29 per cent 25-34 and 43 per cent 18-24. Strabane and Greater Shankill had relatively more even spread of ages with 38 per cent and 31 per cent aged over 34 respectively;
- **Gender:** - overall the programme participants are evenly split, male (51 per cent) and female (49 per cent). There is variation, however, amongst providers, with Greater Shankill being two-thirds male, while Strabane is two-thirds female;
- **Ethnicity:** - 89 per cent of programme participants were white. The ethnicity of a further eight per cent of participants was unstated. Of the four per cent recorded as non-white, the majority were in the Greater Shankill area;
- **Community Background:** - Almost 60 per cent of programme participants were recorded as having a Catholic community background. This reflects that three of the areas (West Belfast, Derry and Strabane) have majority Catholic populations. Greater Shankill

provided the majority of the 22 per cent participants recorded as Protestant;

- **Disability:** - A total of 50 participants with disabilities were recorded within the programme (8 per cent). One of the target groups for TEP was people taking part in New Deal for Disabled People. The actual number of people recorded as having a disability is higher than the percentage coming through New Deal for Disabled (three per cent) and highlights that some of these must have been on other New Deal programmes;
- **Dependents:** - 35 per cent of participants had dependents. This correlates closely to the proportion of lone parents. Derry had the highest proportion of participants with dependents (42 per cent), this is in line with it having the highest proportion of participants who had been through New Deal for Lone Parents (37 per cent); and
- **Marital Status:** - Three-quarters of participants are single. This is likely to be due to a number of reasons including the youthful profile of the programme and the targeting of lone parents.

Based on this analysis, we do not consider there to be any significant equality issues for the programme.

3.4.4 Key Findings

The TEP programme has engaged clients from the three New Deal feeder programmes. The majority from mainstream New Deal is expected. There is also a significant proportion from New Deal for Lone Parents, approximately one third. There is however only a small proportion from New Deal for Disabled (three per cent). This suggests there may be potential for developing the links between TEP providers and the NDDP providers.

The programme has engaged a relatively youthful profile, particularly in West Belfast and Derry. Overall, it has an even split between male and female participants (albeit this is not reflected across individual providers). The number of females partly reflects the targeting of individuals who have been on New Deal for Lone Parents. No significant equality issues have been identified amongst the various Section 75 categories.

3.5 Achieving Outcomes

An overview of TEP outcomes is presented in Table 3.4. This section analyses TEP performance over the pilot period. Performance outcomes relate to completing placement period, early leavers, entry into employment that is sustained for at least two weeks and sustaining employment for at least 13 weeks. As more participants complete their placement the numbers entering employment and subsequently sustaining employment are likely to increase. More detailed analysis follows below.

Table 3.4
Overview of TEP Outcomes at Time of Evaluation

| Participants Placed | Completed 50 weeks | Left Early for Employment | Left early for other reasons | Total Entering Employment (including those leaving early for employment) | Total Sustaining Employment |
|---|--------------------|---------------------------|------------------------------|--|-----------------------------|
| 657 | 361 | 60 | 139 | 219 | 168 |
| Therefore: <ul style="list-style-type: none">• Number still on programme = $657 - (361+60+139) = 97$• Number who have left = $361+60+139 = 560$• Of 560 leavers, 219 entered employment (39 per cent) | | | | | |

These figures were provided by TI teams in July 2006. It is recognised that further outcomes will be realised beyond this. Our analysis, however, needs to draw the line and will seek to make an assessment on the outcomes provided in the data provided at the time of evaluation.

3.5.1 TEP Completers and Early Leavers

Table 3.5 shows 361 TEP participants having completed 50 weeks placement at the time at which this evaluation was collecting data (July 2006). This accounts for 64 per cent of those who have completed or left early (n=560). In addition 60 participants left their placement early to enter employment. If these are included in the completer figures, the numbers completing can be considered to be 75 per cent. The comparative figure in the Interim Evaluation was 66 per cent (including early leavers into employment). Greater Shankill (83 per cent) and Strabane (82 per cent) show stronger completion rates than West Belfast (70 per cent) and Derry (69 per cent).

Table 3.5
Profile of TEP Performance – Completing Placement

| Area | TEP Starts / Into Placement | TEP participants still on placement | Completed | Left early for employment | Left early for other reasons | Participants who have completed or left early to enter employment - excluding those still on programme |
|--------------------------------|-----------------------------|-------------------------------------|-----------|---------------------------|------------------------------|--|
| | Frequency | Frequency | Frequency | Frequency | Frequency | % of TEP Starts |
| West Belfast | 207 | 26 | 110 | 16 | 55 | 70 |
| Greater Shankill | 193 | 30 | 114 | 22 | 27 | 83 |
| Derry | 163 | 20 | 81 | 18 | 44 | 69 |
| Strabane | 94 | 21 | 56 | 4 | 13 | 82 |
| Overall | 657 | 97 | 361 | 60 | 139 | 75 |
| Source: DEL TI Teams (July 06) | | | | | | |

Table 3.6 shows 199 TEP participants recorded as leaving early (i.e. not completing the full 50 week placement). There is variation between the providers with Greater Shankill and Strabane recording lower proportions of early leavers than West Belfast and Derry. Further analysis is provided below the table. The table shows 139 participants have left their placement early for reasons other than employment. Therefore of the 560 who have finished with the programme (n=560), 25 per cent (n=139) left the programme early. Considering the client group worked with, 25 per cent leaving early for reasons other than work is a reasonable result.

Table 3.6

Reasons for TEP Early Leavers

| Reason | West Belfast | Greater Shankill | Derry | Strabane | Overall Total |
|--|---------------------|-------------------------|--------------|-----------------|----------------------|
| Found work | 16 | 22 | 18 | 4 | 60 |
| Returned to Benefits | 27 | 6 | | 8 | 41 |
| Unsuitable | 4 | | 13 | | 17 |
| Unauthorised Absence | 6 | 3 | 3 | | 12 |
| Others ¹ | 18 | 18 | 28 | 5 | 69 |
| Total Early Leavers | 71 | 49 | 62 | 17 | 199 |
| Total Early Leavers (excluding those leaving for employment) | 55 | 27 | 44 | 13 | 139 |
| % of all who have completed programme | 30% | 17% | 31% | 18% | 25% |
| 1. Others – Reasons given by fewer than ten participants counted under “other”. Other includes caring responsibilities, unhappy, sickness, pregnancy, dismissed, unknown, transport problems, domestic reasons, custody and moved out of Northern Ireland. | | | | | |
| Source: TI Teams, DEL (July 06) | | | | | |

The most frequent reason for leaving early other than employment, is “returned to benefits” (n=41). This description does not make clear, however, why people have returned to benefits. In general this information does not provide a good insight into why TEP participants left their placement early.

3.5.2 TEP Employment Outcomes

Table 3.7 shows that 219 TEP participants who are no longer on the programme have entered employment, that is 39 per cent of those who have finished or left early (n=562) just slightly below the outcome reported at interim evaluation stage (40 per cent). Table 3.7 shows that Strabane (47 per cent) and Derry (45 per cent) have stronger entering employment outcomes than West Belfast (37 per cent) and Greater Shankill (33 per cent).

Table 3.7

Profile of TEP Performance – Entering Employment

| Area | Completers & Early Leavers | Entered Employment | |
|-----------------------|----------------------------|----------------------------|---|
| | | Number Entering Employment | % of Total Nos Completed Placement or Leaving Early |
| West Belfast | 181 | 67 | 37% |
| Greater Shankill | 163 | 53 | 33% |
| Derry | 143 | 65 | 45% |
| Strabane | 73 | 34 | 47% |
| Overall | 560 | 219 | 39% |
| Source: TI Teams, DEL | | | |

Table 3.8 shows sustained employment outcomes. A TEP participant is considered to have sustained employment if they work for 13 weeks or more beyond their placement period. This can be directly following their 50 week placement or within 13 weeks of its completion. Therefore, beyond the 95 participants still in placement at time of data collation, there are further participants that are not in a position to have fulfilled a sustained employment outcome at the time of review. At the time of the review 30 per cent of those leaving the programme had moved into sustained employment. What is positive is that the large majority (77 per cent) of all participants entering employment achieve sustained employment. In all likelihood this proportion may increase as a number of participants will currently be between two and 13 weeks employment.

Table 3.8

Profile of TEP Performance – Sustaining Employment

| Area | Completers and Early Leavers | Entered Employment | Sustaining employment | | |
|--------------------|------------------------------|--------------------|------------------------------|---|--|
| | | | Number Sustaining Employment | % of total completers and early leavers | % of total numbers entering employment |
| West Belfast | 181 | 67 | 54 | 30% | 81% |
| Greater Shankill | 163 | 53 | 43 | 26% | 81% |
| Derry ¹ | 143 | 65 | 44 | 31% | 68% |
| Strabane | 73 | 34 | 27 | 37% | 79% |
| Overall | 560 | 219 | 168 | 30% | 77% |

Source: TI Teams, DEL.

1. Timing of data: Derry – email received regarding sustained employment on 26th July 06. Email noted that data was accurate up until April 06.

3.5.3 Outcomes by Sector

This section considers outcomes by sector in which TEP participant was placed. Table 3.9 provides an overview of total numbers for the programme by sector and by outcome. Data for each area is considered below in a series of charts.

Table 3.9

Overview of Outcomes by Sector

| | Total Placed | Completers, Early Leavers and Early leavers to Employment | % Completing or leaving early to enter employment of all who have left programme | Enter Employment | | Sustain Employment | |
|------------------|--------------|---|--|------------------|---------------------------------|--------------------|---------------------------------|
| | | | | Total | % of completers & early leavers | Total | % of completers & early leavers |
| Private Sector | 377 | (175+99+30) =304 | 67 | 120 | 39 | 103 | 34 |
| Comm/ Vol Sector | 264 | (177+37+27) =241 | 85 | 89 | 37 | 60 | 25 |
| Public Sector | 16 | (9+3+3) = 15 | 80 | 9 | 60 | 5 | 33 |

The table shows a total of 377 TEP placements were in the private sector. Consideration of sector placements for each provider shows that private sector placements were the most common in each area. The percentage completing placements or leaving early for employment is markedly higher for the voluntary and community sector (85 per cent) compared to the private sector (67 per cent).

Of the 377 private sector placements started, 304 had been completed or the participants had left their placement early, some to go to employment. Out of this number 39 per cent had entered employment and 34 per cent sustained employment. A total of 264 placements were in the voluntary and community sector. Of these, 177 had completed and 64 had left early. Out of this number 37 per cent had entered employment and 25 per cent sustained employment. The overall percentages entering and sustaining employment, however, are higher for private sector.

These findings further validate issues raised in the Interim Evaluation. With regard to completion rate there was a view that with less of a profit focus, voluntary and community organisations can allow more space for individuals to fit in and develop compared to private sector firms. Another possibility is the funding challenges in the voluntary and community sector. One potential impact of this is the capacity of the sector to offer employment (slightly lower than private sector entering employment outcomes) and sustain employment (much lower than private sector sustained employment outcomes) despite the higher placement completion rates in the voluntary and community sector.

A total of 16 placements were in the public sector. This is much smaller than the numbers placed within either private sector or voluntary and community sector. As highlighted in the Interim Report difficulties were experienced in securing placements with Government Departments and Agencies, particularly due to their recruitment policies. Of the 15 participants placed in the public sector who have finished the programme 5 (33 per cent) had resulted in sustained employment outcomes at time of review.

3.5.4 Outcomes by Sector and by Provider

The following series of figures (Figures 3.2 - 3.5) break outcome data down further by illustrating performance within TI areas by percentage of participants placed within each sector. It should be noted that public sector placements have not been included in this analysis. With only 16 public sector placements altogether it is a very small number in absolute terms compared to private and community and voluntary sector placements and hence our analysis focuses on these sectors.

Figure 3.2

West Belfast Outcomes - Percentage of Participants Placed who Complete, Move into Employment and Sustain Employment

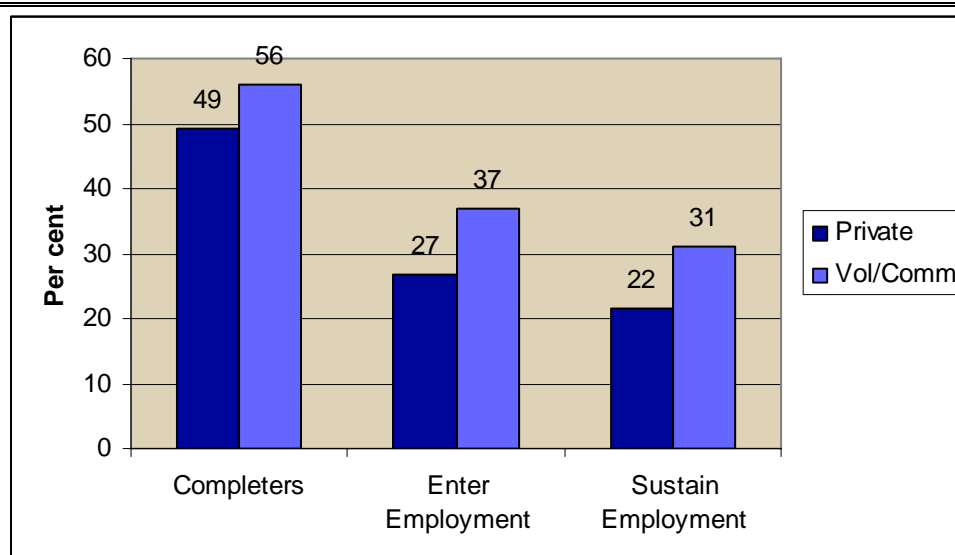


Figure 3.3

Greater Shankill Outcomes - Percentage of Participants Placed who Complete, Move into Employment and Sustain Employment

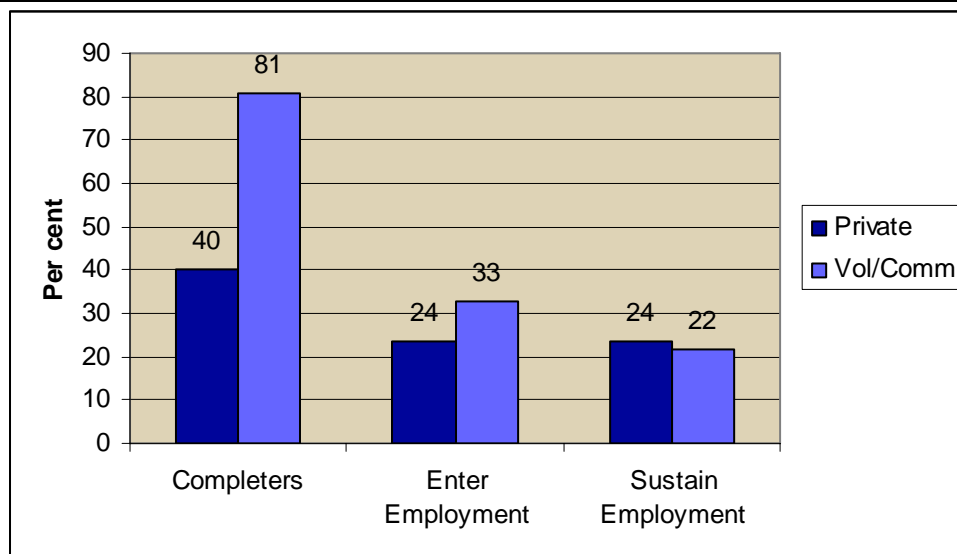


Figure 3.4

Derry Outcomes - Percentage of Participants Placed who Complete, Move into Employment and Sustain Employment

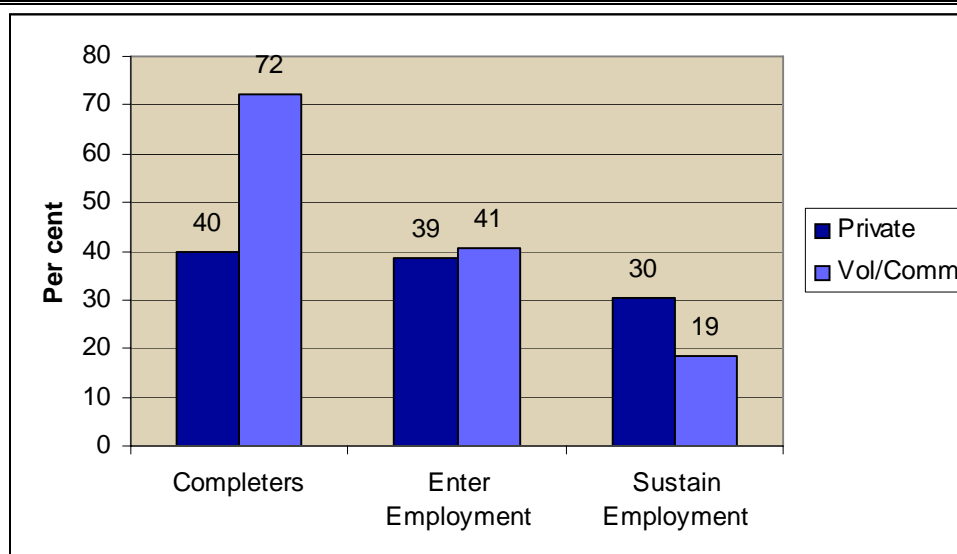
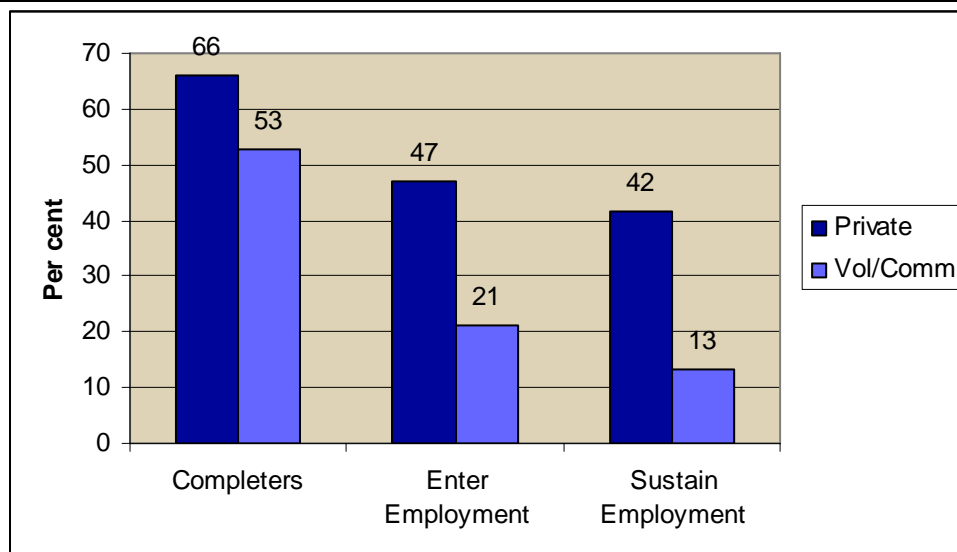


Figure 3.5

Strabane Outcomes – Percentage of Participants Placed who Complete, Move into Employment and Sustain Employment



Figures 3.2 to 3.5 show that in all areas except Strabane the percentage of completers was higher amongst the voluntary and community sector placements than for private sector placements. In West Belfast, Greater Shankill and Derry, higher percentages enter employment from voluntary and community sector placements than from private sector placements. Those with private sector placements in Strabane are more likely to enter employment. With regard to sustaining employment, the charts show that a high proportion of those entering employment sustain employment (see also Table 3.8). In three areas, Greater Shankill, Derry and Strabane, there are higher proportions of private sector posts sustained than voluntary and community sector.

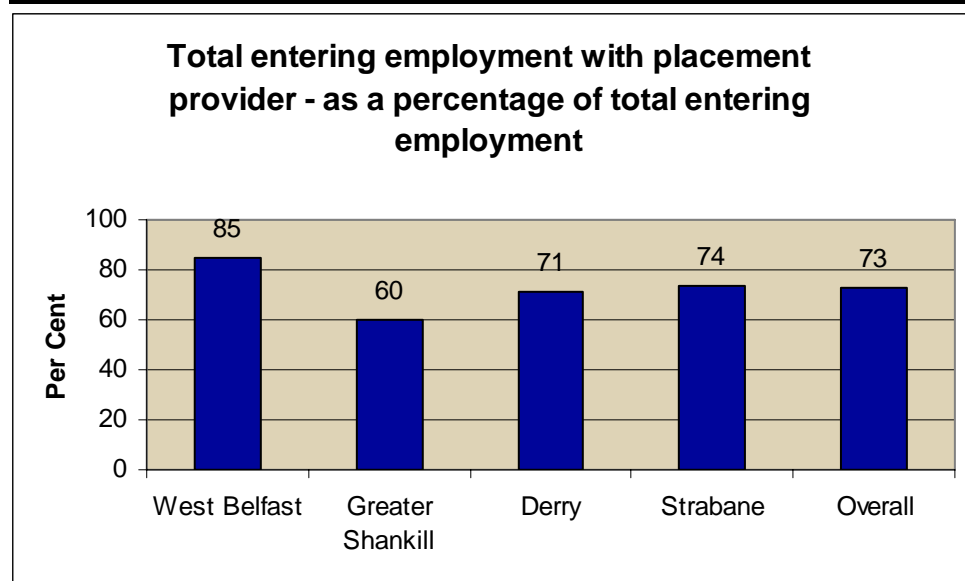
Overall this analysis suggests that a mix of placements between voluntary and community sector and private sector is useful for the programme. Such a mix could facilitate some targeting of participants. For example participants requiring greater development or help could be identified at the outset and steered towards voluntary and community sector placements, where they are more likely to find a supportive environment.

3.5.5 Participants Gaining Employment with Placement Provider

Figure 3.6 illustrates that the majority (73 per cent) of TEP participants who enter employment, do so with their placement provider. There was some variation between TI areas - 60 per cent of those who entered employment in Greater Shankill did so with their placement provider, compared to 85 per cent in West Belfast. The proportion getting employment with their placement provider gives some indication as to how successful the TEP delivery agents were in placing participants in positions which had realistic job opportunities after the subsidised employment period had ended. Overall this matching process appears to have been quite effective.

Figure 3.6

Percentage Gaining Employment with Placement Provider



3.5.6 Outcome Comparison with New Deal

Using the New Deal employment option as a comparator Table 3.13 shows that the percentage leaving the most comparable New Deal options (Employed Option) to enter unsubsidised employment are significantly higher than for TEP. Considering, however, the majority of TEP participants have been through New Deal and have not gained employment through it, the rate of those leaving TEP and entering employment is quite positive.

Table 3.13

TEP versus New Deal Employed Option - Outcome Comparison

| | % of Those Leaving New Deal Employed Option or TEP who enter Unsubsidised Employment | | |
|--|--|--------------|------------------|
| | New Deal 18-24 | New Deal 25+ | TEP ¹ |
| 2005/06 | 62 | 64 | 39 |
| 1. TEP outcome is aggregate for those leaving TEP 2004-06. | | | |

3.6 Expenditure

3.6.1 Programme Cost

TEP funding data for each provider is shown in Table 3.10 for 2004/05 and 2005/06. It shows that funding increased during the second year for the overall programme due to the increasing numbers of participants involved. This increase was most significant in Derry followed by Strabane, both of whom did not commence participants in placements until May 2004, by which stage New Deal West (West Belfast) already had 30 TEP placements started and North City Training (Greater Shankill) had 38 placements started.

Table 3.10

TEP Expenditure

| | Total Expenditure 04/05 | Total Expenditure 05/06 | Total Expenditure 04/05 and 05/06 |
|---------------------------------------|----------------------------|----------------------------|--------------------------------------|
| New Deal West | £647,016 | £731,623 | £1,378,639 |
| North City Training | £756,183 | £697,542 | £1,453,725 |
| Derry L.S.P. | £169,751 | £828,884 | £998,635 |
| Strabane L.S.P. | £217,102 | £480,831 | £697,933 |
| Overall Total | £1,790,052 | £2,738,880 | £4,528,932 |
| Source: DEL, Supplier Services Branch | | | |

Table 3.11 shows that participant wages are the largest element of the TEP expenditure (73 per cent) followed by the management fee (19 per cent). The cost of the support workers comes to four per cent, whilst the output related funding (See Table 3.1 – TEP funding model) accounts for only three per cent of the total TEP expenditure over the two years considered.

Table 3.11

TEP Expenditure

| | West Belfast | Greater Shankill | Derry | Strabane | Total | % of Total |
|--------------------------|-------------------------|-----------------------------|-----------------|-----------------|-------------------|-----------------------|
| Wages (inc NICs and SSP) | £994,340 | £1,059,582 | £750,288 | £507,087 | £3,311,297 | 73 |
| Support Worker | £67,268 | £69,210 | £46,017 | £32,751 | £215,246 | 5 |
| Specialist Services | £1,111 | £2,368 | £0 | £0 | £3,479 | 0 ¹ |
| Management Fee | £263,865 | £273,700 | £187,670 | £130,200 | £855,035 | 19 |
| Output Related Funding | £52,055 | £48,865 | £14,660 | £27,895 | £143,475 | 3 |
| Total | £1,378,639 | £1,453,725 | £998,635 | £697,933 | £4,528,932 | 100 |

Source: DEL, Supplier Services Branch

1. Specialist Services expenditure = 0.08 per cent

3.6.2 Unit Cost Analysis

During 2004/05 and 2005/06 DEL paid TEP providers £4,528,931 to deliver the programme. The programme had 657 participants during this period. Therefore an average of £6,893 was spent on each participant during this two year period. Our expectation is that this will rise further as:

- there are still participants on the programme At the end of March 2006 there was still approximately one quarter of participants still on the programme (based on 245 placements starting during or after April 2005 and 65 per cent of participants complete 50 weeks). Hence there are salary and managing agent costs; and
- outcomes for entering and sustaining employment have been achieved since March 2006 and are still to be achieved – incurring cost in output related funding.

There are a number of variables that affect the cost for each individual on TEP (see Table 3.1). The key variables include how long a participant stays on their placement, whether they get specialist support, whether they work full-time or part-time, their wage level, whether they enter employment and whether they sustain employment. Due to the number of variables there is a wide range in cost implications, up to a maximum of £10,750 for the complete TEP service with successful employment outcomes.

Due to the number of variables involved, and the number of outcomes that are still unknown at the time of this evaluation it was not possible (without substantial retrospective analysis outwith the remit of this study) to give an

accurate unit cost per participant for the programme. Estimates can be derived based on figures provided by DEL on the average stay on placement, which was 41 weeks for the overall programme.

Table 3.12 highlights four unit cost scenarios for a participant on TEP for 41 weeks. This indicates that the cost for the average candidate is likely to be approximately £7,500 for a participant who does not achieve employment outcomes and over £8,500 for a participant who enters and sustains employment. It is noted that participants will not receive benefits while they are on the programme. If the non-payment of benefits were included in the analysis, the savings for 18-24s would be £2,366 (£45.50*52 weeks) and £2,987 for those aged over 24 (£54.45*52 weeks).

Table 3.12

Unit Cost Scenarios

| Full time / Part time | Weekly Cost | 41 weeks of TEP Placement | Enter Employment | Sustain Employment | Total Cost |
|--|-------------|---------------------------|------------------------------------|--------------------|------------|
| Full time (30 hrs) | 184 | X | | | 7544 |
| Full time (30 hrs) | 184 | X | X | | 8159 |
| Full time (30 hrs) | 184 | X | X | X | 8559 |
| Part time (20hrs) | 89 | X | X | X | 4664 |
| | | | | | |
| Full time Minimum Wage | | 135 | (It is noted this can vary by age) | | |
| Employer National Insurance Contribution | | 5 | | | |
| Managing Agents Fee | | 35 | | | |
| Support Worker | | 9 | | | |
| Weekly Cost | | 184 | (135+5+35+9) | | |
| Specialist support | | 8 | * Number of weeks | | |
| Entering Employment | | 15 | * Number of weeks on placement | | |
| Sustaining Employment | | 400 | | | |

3.6.3 Value for Money Analysis

With regard to value for money:

- TEP has achieved reasonable employment outcomes considering its client group is those who have not gained employment through New Deal;
- it is a relatively expensive programme with between £7,500 and £8,500 spent on the average participant. The TEP programme's cost effectiveness, however, improves if the cost saving from not paying a participant benefits during their period of placement is taken into account;
- the average cost per person into a job on the New Deal for Young People is around £4,000 (Hansard, 2001). Therefore TEP is more expensive than New Deal. This is to be expected, however, as TEP is

working with those who did not get employment through New Deal; and

- overall, based on TEPs employment outcomes, client group and cost, we consider TEP to have provided reasonable value for money.

3.7 Consultation Feedback

The following sections present analysis of consultation undertaken with participants, employers, DEL officials and TEP providers. The discussion guides for the consultations can be found at Appendix I.

3.7.1 Participant and Employer Feedback

Three focus groups were held in Belfast, Strabane and Derry with TEP participants. A total of 16 TEP participants attended these sessions. Focus groups were also undertaken in Belfast, Derry and Strabane with 19 employers that had provided placements under TEP.

3.7.2 TEP Participants

The TEP participants heard about the programme through correspondence from New Deal Personal Advisors in their JobCentre/JBO. They cited the duration of the placement and the level of pay as key factors stimulating their interest in the TEP. As well as this the TEP offered the potential for continued employment not perceived through other schemes such as New Deal. One also suggested that TEP treated you differently *“by giving you a chance and not seeing you as someone who just wants benefits”*.

Initial contact with programme staff included a one-to-one meeting which covered information such as experience, work history, job preferences and interests as well as the administrative processes of how to complete application forms, develop CV's and develop interview skills. Contact was maintained until a suitable placement was secured and then during employment regular visits were undertaken by the providers. Consultees said the most frequent support was at the start of placements, when there was often weekly contact. These visits *“checked to see how you were doing in your job, to make sure they were getting good experience and that they had no problems with the employer or other staff”*. Contact with participants beyond their 50 week placement period, particularly to offer further assistance in seeking employment, was also reported.

Consultees reported that their key barriers to employment included lack of confidence, lack of experience or having left the labour market a long time previously to care for children. The TEP programme was considered well suited to addressing these employability needs through placements that suited caring commitments, and placements which developed confidence and skills, with the support of the TEP mentors.

A majority (10 out of 16) of the attendees had secured employment either with their placement employer or another employer following the completion of the TEP programme. Several stated that they would not have had their present job if it had not been for TEP. Those not currently in employment had

divided opinion on TEP. Some cited the positive impact of the programme with regard to experience and confidence. A few, however, stated that *“schemes are a waste of time unless there are jobs in the area”*.

Based on the sample of participants consulted our view is that the TEP programme is well thought of by most participants. It is perceived as different to New Deal, particularly with participants feeling they are in a real job. In addition with the majority of participants consulted feeling they would not be in employment without the help of TEP, there appears to be a limited level of deadweight associated with the programme. This is in line with the findings of the Interim Evaluation.

3.7.3 TEP Employers

The employers working with each of the programmes had a strong understanding of TEP provider aims and activities it undertakes. This was largely due to an initial undertaking by the providers when contacting the employers to explain their role as well as proposing how the employer could get involved with the programme and how the programme operated in practice. Employers view the TEP providers to have sound knowledge of the needs of local employers. One Derry based employer highlighted *“the matching process which provides suitable candidates for roles and reduces the amount of time lost through interviewing unsuitable candidates”*. The employers in the other areas were generally satisfied with the matching process. Some employers however felt that participants required too much skills development and therefore were not likely to have immediate suitability for the roles applied for. One suggestion raised by a number of consultees in response to this was to extend the programme to a minimum of 18 months and provide a specific training budget relating to three main training areas – formal technical training for the role, in-house training and personal development training. Employers also believed that more PR would assist the scheme in getting the support of other employers.

Each of the employers represented in focus groups had provided at least one placement, and in some cases multiple placements to participants on TEP. The majority of employers had previously been involved in providing placements to other schemes including New Deal, Worktrack and/or the ACE schemes. All the employers placed more value on TEP due to the substantial duration of the placement, the level of wages paid to the employee and the support available from the TEP providers. One suggested that *“the main differentiating factor between the individuals coming through TEP and those from other schemes is that there is a genuine willingness to get employment and learn and develop themselves through it”*.

Invest NI as part of the partnership approach made a training resource available for TEP placements in the North-West (Derry and Strabane). The employers highlighted that job-related training was given either ‘on the job’ or through external providers where certification could be gained. Some employers from the Derry area welcomed the availability of the additional training budget which has been provided to the provider by Invest NI. In general employers felt that a budget should be available to assist them with the cost of training participants.

With regard to employment status Derry employers reported they had “*more control over the employee but that it also provided the employee with ownership and a sense of belonging to the organisation as well as removing the stigma that is sometimes attached to being a scheme participant*”. Employers in the Belfast areas however did not see any disadvantage by not employing the participants directly and felt that it “*removed the administrative pressure of having more employees*”.

Based on our contact with employers we feel they generally had a positive view of TEP relative to other government programmes. The debate as to whether training was required suggested that several employers were unprepared or uncertain when faced with the development needs of some participants. The Invest NI training support initiative in Derry has been well received in this light by affected employers and should be something to consider with Invest NI for other areas. The fact that this debate was raised indicates that employers are recruiting people they would not have otherwise employed without the intervention of TEP and therefore limited deadweight.

3.7.4 Views on Outcomes

Overall the programme was believed to be mutually beneficial to both the employer and the employee. The main reasons provided from an employer perspective were that business organisations who had limited financial resources but had recruitment needs were able to undertake placements thereby getting a subsidised “trial” of the individual before embarking on an expensive recruitment process. This suggests the programme has a limited displacement impact as employers were unlikely to afford an additional employee at the time of placement, however a quantitative survey of employers would provide greater confidence on this issue. Other reasons provided by employers included the attitudes of the participants and their genuine commitment to becoming employed. The benefits to the employee were cited as experience and training which would improve employability, the receipt of a wage for undertaking this employment and the personal development, especially increased confidence, that resulted from the experience and training. In particular several felt they were in a job they would not otherwise have been in. The qualitative feedback suggests the programme has limited deadweight and displacement, indicating employment outcomes are largely additional.

3.8 Issues Raised in Stakeholder Discussions

This section summarises the issues raised by other stakeholders consulted throughout the evaluation in relation to TEP. The consultation process involved representatives from DEL operations and policy branches, and the TI providers (discussion guides and a full list of consultees are included in Appendix II).

3.8.1 Perceived Programme Strengths

DEL officials stated that it was important to identify the strengths of TEP in order to allow for consideration as to what could be applied within wider programmes, and in particular, New Deal.

Perceived programme strengths highlighted by DEL officials and TEP providers included:

- duration of placement (50 weeks) is considered very important. Its relatively long length allows for participants to settle properly (get to know staff, know administration processes, build confidence to approach manager etc.);
- critical role of support worker, both in assisting employee and employer. The support worker provides a vital role in mediating between the participant and employer, particularly at the outset when basic issues (e.g. time keeping) need to be managed before they develop to become barriers to continuing a placement;
- it is like a real job –TEP allows people to see the value of a wage and makes them reluctant to go back to benefits. Its wage and duration differentiate it from other programmes (especially New Deal) potentially helping them break the cycle (and expense) of multiple New Deals. Clients are also interviewed by employers before being taken on (builds confidence, interview experience and realism); and
- it provides a credible work history for those who have none (Derry reported its TEP programme had 30 people without any work history). There is also a perception that this is critical for older clients who had no or limited work history.

In addition TEP programme providers perceived a number of other strengths:

- it is voluntary – this is significant with regard to placing participants with employers. The process of marketing a *“motivated individual is very different from a reluctant New Deal participant who is simply seeking to maintain benefits”*;
- the programme provides opportunity for training – increasing the employability of participants;
- the branding has helped distinguish it from *“just another government programme”*. Also once employers were on board, they were useful in marketing the programme to other employers; and
- The Derry provider, Derry LSP highlighted the financial assistance from Invest NI for training. The LSP in Derry approached Invest NI to provide training specific to the placement. Examples included forklift licence for warehousing and dental assistant training.

3.8.2 Views on Performance

With regard to TEP performance DEL officials described TEP employment outcomes as “quite favourable”, especially considering the programme is working with participants who did not get employed through New Deal programmes. They also noted that a TEP participant’s New Deal experience is likely to have contributed to some extent to their personal development, and hence may contribute to a positive employment outcome with regard to TEP.

In terms of performance TEP providers highlighted a key challenge for them is to identify placements where long term employment is possible. This also helps avoid employers abusing the programme (e.g. using it for cheap labour). Providers said this could be done through getting to know employers and being selective about which ones to work with. They also recognised that employers would be uncertain at the outset as to long term employment prospects. Therefore in some instances if it was known at the six month point that there would not be a job available at the end of the programme with a particular provider, a change in placement could occur. DEL officials noted that the system in Belfast, where the providers employ the participant rather than the employer, was considered to lend itself well to this practice.

3.8.3 Views on Cost and Value for Money

The perception amongst DEL officials is that the TEP programme is expensive in comparison to New Deal. The providers are also aware that TEP can be viewed as expensive. The providers, however, highlight a number of factors that they suggest makes TEP good value for money. First they suggest the savings that are made with regard to benefits (not being paid as person is on a wage) should be discounted against total cost (albeit we note this is also the case with New Deal employed option). Secondly, they suggest that the additional investment through a TEP programme becomes more worthwhile if it helps a person break an expensive cycle of New Deal programmes and long term benefit dependency.

3.8.4 Views on TEP Looking Forward

TEP providers suggested a range of factors that could be considered looking forward:

- the programme could consider ways of tailoring level of subsidy to employer, for example decreasing subsidy overtime as employee becomes more experienced and productive;
- some participants do not get employment beyond their 50 week post, despite their best efforts. It was suggested that funding could be built in for TEP managing agents to provide a follow-up service, so that individuals are not just “dropped”; and
- consider direct referral from JACs, based on agreed criteria (as present eligibility criteria stands, there are few on the JAC caseload who are eligible for TEP).

3.9 Conclusions

Based on the analysis above the following conclusions are drawn for consideration:

With regard to the effectiveness of the programme:

- three-quarters completed their placement or left early for employment. Two out of five of the participants who have completed their placements or left their placements early have entered employment. Since the Interim

Evaluation whilst the percentage completing their placements or leaving early to enter employment has increased, the overall percentage entering employment remains similar. A large proportion (almost four in five) of those who enter employment, go on to sustain employment. Also three-quarters of TEP participants that enter employment, do so with their placement provider. This indicates that the TEP managing agents have been effective in placing participants with employers who have realistic employment potential. Based on these outcomes and bearing in mind the client group we consider the programme to have performed reasonably effectively.

With regard to outcomes by placement sector:

- the Interim Evaluation highlighted that there were better placement completion rates with voluntary and community sector placements. Our findings confirm the trend for higher placement completion rate in the voluntary and community sector compared to the private sector. Whilst similar proportions enter employment in both voluntary and community sector and private sector, a higher proportion of private sector posts were sustained. Overall we conclude that a mix of placements between voluntary and community sector and private sector is useful for the programme. Such a mix could facilitate some targeting of participants. For example participants requiring greater development or help could be identified at the outset and steered towards voluntary and community sector placements, where they are more likely to find a supportive environment.

With regard to outcomes by provider:

- Strabane and Greater Shankill recorded the highest proportion of participants completing their placement or leaving early for employment. Just under half the participants who have completed their placement or left the programme early in Strabane and Derry enter employment. This is higher than in West Belfast and Greater Shankill, where the proportions are closer to one third. In Derry and Strabane, where participants were directly employed by providers during their placement period the employment outcomes are higher than in Belfast. This would seem to endorse the models in place in the North West.

Value for Money

- our view is that TEP is an expensive programme but understandably so as it is working with those who have not found employment through New Deal. The outcomes are reasonable considering the client group and we have not identified any significant level of deadweight or displacement. There is also positive feedback from participants and employers therefore we feel the programme has achieved reasonable value for money.

Therefore in regard to programme aims we conclude the following:

- with three-quarters of participants completing their placement or leaving their placement early to enter employment, it appears that the programme has successfully facilitated sufficient support and training for the majority of individuals on the programme. The TEP programme has also developed participants sufficiently to help just under half to take advantage of employment opportunities. A large majority of those who enter unsubsidised employment have gone on to sustain employment, whilst some who were unable to get employment with their placement provider have been able to seek and secure employment with another organisation. Employers appear to have appreciated the intentions of the programme and have taken on individuals they would not have otherwise employed. In several cases these individuals have subsequently been kept on in employment justifying risk taken on behalf of the employer and influencing their outlook. Participants have perceived and appreciated the sense of being in a real job and earning a real wage which the programme has provided.

4. EVALUATION OF STAKEHOLDER FORUM

This section deals with the evaluation of the SHF, including a summary of the model for this element of the TI, the key evaluation questions to be answered and our findings.

4.1 The Stakeholder Forum Model

The report of the Taskforce on Employability and Long-Term Unemployment committed to:

“put in place a local consultative process in each targeted initiative area to ensure that all organisations and employers involved in the initiative can offer expert advice, based on local knowledge, on progress”.

This concept was developed as an SHF in each TI area, delivered by the Employment Services Board (ESB) in Belfast (covering both West Belfast and Greater Shankill TI areas) and the respective Local Strategy Partnerships in the Derry and Strabane TI areas.

The grant in aid letters to each provider set out the following objectives for the SHFs:

- to advise the Department on the development of key elements of the TI locally;
- to advise on local specific issues and barriers to employment;
- to advise on the progress of the TI locally;
- to advise on the framework for the future evaluation of the TI.
- to promote locally, TI awareness and engage with other community groups/employers; and
- to facilitate engagement with other key bodies/ organisations relevant to the development of the TI.

DEL appointed organisations that had broad community support and cross-sectoral representation to fulfil this role. Each SHF was grant aided by DEL on an annual basis, with the total grant expenditure on this element of the TI model being almost £394,000 (for the four year period 2003-2007).

As noted in the Interim Evaluation, DEL appointed a different organisation to undertake the SHF role in each TI area as outlined below.

4.1.1 Belfast

The Employment Services Board was established in 2003 as a result of a recommendation in the West Belfast and Greater Shankill Taskforce Report. Its core aim is defined as follows:

“to link and broker the needs of unemployed people in West Belfast and Greater Shankill to employment and enterprise opportunities and to review and develop the range of support and interventions available”.

Several of the ESB’s employment objectives flowing from this aim coincided with DEL’s thinking on SHFs. While DEL’s funding for ESB relates solely to the delivery of SHF activity it is noted that the ESB has wider aspirations arising from the WB&GS Taskforce Report. For example ESB also seeks to act as an advocate for the unemployment with regard to policy change. This is outside its SHF role.

The ESB has a full-time Director and Administrator and its board comprises approximately 21 members from the community, voluntary, public and private sector. It is located in the same premises as the Employers Forum.

The ESB negotiated annual funding of £60,000 to undertake SHF activities on behalf of DEL. In addition to the funding secured from DEL to deliver its SHF role, the ESB made a successful bid to the Integrated Development Fund for a programme of employability initiatives emanating from the recommendations of the West Belfast and Greater Shankill Taskforces Report.

4.1.2 Derry and Strabane

In both of the North West TI areas, DEL appointed the respective Local Strategy Partnerships (LSP) as SHFs. An LSP was established in each of the 26 Northern Ireland District Councils to administer elements of the EU Special Support Programme for Peace and Reconciliation, but having a much wider remit to identify and address local needs in an integrated and co-ordinated manner. LSPs are constituted cross-sectoral partnerships with representation from the community, statutory, local government and private sectors. Each has developed an Integrated Local Strategy (ILS) setting out the social and economic needs for their respective areas. Tackling unemployment and maximising employment opportunities is typically an important element in each ILS.

The Derry SHF was established in November 2004 and the Strabane SHF was set up some months earlier in June 2004. The Derry SHF comprises membership from:

- The LSP board;
- Invest NI;
- Londonderry Chamber of Commerce (acting as the Employers’ Forum for the area);

- Ilex (the regeneration company for Derry); and
- The North West Institute of Further and Higher Education.

It agreed funding of £20,000 per annum for delivery of the SHF functions on behalf of DEL.

In Strabane, the SHF initially involved all of the LSP Board but it was considered more effective to establish a sub-group focusing specifically on SHF activity. This sub-group includes representation from the voluntary and community sector, trade unions and the private. As the Strabane Chamber of Commerce had limited capacity the Londonderry Chamber of Commerce sits on the Strabane SHF in its capacity as Employers' Forum for the TI area. This substitution was made possible due to the close links Strabane and Londonderry Chambers of Commerce have through the North West Employers Forum (a consortium of chambers including the two North West TI areas). Strabane SHF negotiated funding of £23,273 per annum with DEL.

Neither the Strabane nor Derry SHFs have dedicated staffing; the two LSPs provide a secretariat function.

4.2 Evaluation Issues to be Addressed

The Interim Evaluation's key findings on SHFs related to their performance and organisational differences:

- the SHFs had made some contribution towards meeting each of the objectives set for it. In particular it noted that the SHFs had helped to develop a culture of local ownership around the TIs and that it had effectively collated and assimilated the views of a broad range of stakeholders in respect of the TIs. It also noted the role of the SHFs in monitoring performance of the various TI elements in each area. ; and
- the SHFs in each TI area were different in terms of the organisations involved, their experience in the employability field and the strategic context within which they have worked. In particular it was considered that the work of the West Belfast and Greater Shankill Taskforces provided a 'ready-made' strategic context for the ESB in Belfast that was not available to the LSPs in Derry or Strabane. The interim evaluation also concluded that as ESB's purpose is to address employability issues it had an advantage in fulfilling the SHF role compared to the LSPs which were established for different purposes.

Key questions for this final evaluation to address in relation to the SHF relate to:

- the success of the partnership between the Department and the SHFs in developing local solutions to local needs;
- the value for money represented by the SHFs in relation to the Department's resource input; and
- ways in which the partnerships could be advanced.

In absence of any quantifiable objectives or targets for the SHFs, our evaluation of this element of TIs is necessarily based on consultation with SHF members and the perceptions of other stakeholders from DEL and in the TI areas.

4.3 Issues Arising from Consultation

4.3.1 Perceived Added Value of SHF

From our consultation with stakeholders in the TI areas (JAC, TEP and EF) it is evident that the SHFs are perceived (to varying degrees) to have added value in the TI areas by:

- monitoring TI progress by tracking the outputs of TEPs and JACs against DEL targets;
- building the strategic context within which the TIs are delivered by conducting research into local needs and employability barriers;
- engaging a range of stakeholders in each area across the private, public and voluntary/community sector to consider the implementation of the TI pilots and how local employment issues can be tackled; and
- providing a link between the different TI strands including between activity on the supply (JAC and TEP) and demand (EF) sides.

There is a considerable difference in the capacity of each SHF and the perceived level of value added reflected this. In Belfast where the SHF has greater financial resources, dedicated staff and a pre-existing strategy from which to work (i.e. the WBGSTF reports), the SHF is perceived by TI stakeholders to have added considerable value to the TI. JAC/TEP providers and the EF described the SHF as the ‘lynchpin’ in the TI, effectively linking together the various strands of the pilot and considering its progress against overall objectives. The sub-groups formed by ESB are evidence of its attempts to direct the attention of local stakeholders towards identified needs and put in place actions to address them. While there have been minimal employment outcomes from these activities they demonstrate that a strategic and co-ordinated approach has been put in place in the West Belfast and Greater Shankill TI areas.

In Derry and Strabane the SHFs have quite limited capacity both in terms of the resources available to fulfil the role and a local strategic context from which to work. Therefore, it is not surprising that TI stakeholders there reported there had been a period of development for the SHFs and they had added limited value at the earlier stages of the pilot. There is evidence, however, that the SHFs in the North West have reflected upon the comments made in the Interim report and attempted to address them. Derry have sought to move away from what was described as a “reactive approach” to a strategic approach through the development of an action plan setting key strategic objectives for the SHF (including monitoring, marketing the programmes and communicating with DEL). In addition both North West SHFs have been active in commissioning research to get a fuller understanding of

employability issues in order to better inform their strategic roles within their respective areas.

In Strabane, through an internal review process in March 2006, TI stakeholders expressed the view that while the group had a broad membership there were gaps that had reduced its ability to fulfil the SHF role both in terms of strategy development and monitoring. The internal review session and Minutes of SHF meetings highlighted that JAC / TEP providers, another employer representative, representation from the health and social care sector and New Deal Consortium are to be invited to join the SHF to ensure those with knowledge and insight are in attendance, and to try to build stronger relationships between the different TI stakeholders.

In Derry attendance at SHF meetings was reported to be poor at times and there has been a lack of continuity in representatives that attend (for example, organisations may send a different representative to each meeting). However the SHF has successfully brokered relationships on behalf of the TEP and JAC providers resulting in, for example, access to a TEP training fund through Invest NI and development of outreach facilities for the JAC in Strathfoyle.

In both of the North West TIs the SHFs now have a better understanding of the strategic role they are expected to fulfil and have sought to strengthen their position through commissioning employability research.

DEL consultees expressed the view that the Belfast SHF has taken a proactive and strategic approach, and has provided a useful monitoring function. The Derry and Strabane SHFs are considered to have made progress since the Interim Evaluation and to be taking a more strategic approach in recent months. However, the ultimate value of SHFs was questioned by DEL consultees who queried whether their monitoring role duplicated DEL's could have been done in-house (DEL).

The Interim Evaluation noted the potential for greater sharing of good practice and ideas between the SHFs but this has not been progressed. We reiterate this recommendation for any future SHF type activity DEL may sponsor, particularly given the varying experience and skills that each SHF may be able to share with the others.

4.3.2 Partnership between SHFs and DEL

One of the objectives of the TI pilots was to test models of partnership working between statutory agencies and the local voluntary and community sector and employers. The SHFs had a leading role to play in this regard by acting as the local body in each TI area representing these stakeholders and liaising with DEL throughout the pilot both at an operational and policy level.

DEL consultees reported that all three SHFs have provided an effective means through which to engage with an appropriate range of stakeholders in each TI area. In Belfast relationships with the community/voluntary sector and employers had already been established through the activity of the WBGSTF, whereas some time was required to forge relationships between DEL and the SHFs in the North West. In all areas, the SHFs now act as an access channel between DEL and the other sectors.

Other TI stakeholders agreed that as a minimum the SHFs have acted as a useful forum for communication with DEL, allowing issues to be raised at an area-wide level rather than in relation to a specific programme or contract. They reported that while DEL might not always react positively to suggestions made through the SHF at least a clear line of communication exists. The relationship with local DEL operational staff was also reported to be generally good. DEL's presence on the SHF in Derry was reported as positive, giving stakeholders an opportunity to ask about issues other than TIs (e.g. issues arising from redundancies in Derry, other programmes etc.)

Despite the existence of a communication channel between DEL's central policy unit and the TI stakeholders it is evident that relationships have been difficult at times. Local stakeholders consider that the sense of 'goodwill' that surrounded the TIs initially from DEL's policy staff has dissipated somewhat along with the sense of partnership they initially felt with DEL. From the Department's perspective the SHFs have had unrealistic expectations at times as to the influence they might have on DEL policy. DEL expects their relationship with the SHFs to focus clearly on the structures and services put in place under the TIs, without straying into broader employability policy.

4.4 Conclusions

The interim evaluation concluded that the SHFs in each TI area had made some progress against each of the objectives set for them by DEL. At the final evaluation stage it can be concluded that the SHFs have each played an important role (relative to their respective resources) in unifying the various TI elements in each area.

Consistent with the objectives set for the SHFs, their outcomes have been largely qualitative in nature. They have:

- facilitated the engagement of a wide range of stakeholders in the TI areas and thus helped foster a sense of local ownership;
- supported the development of a strategic perspective on local needs through stakeholder engagement and research; and
- provided a central channel of communication between DEL and the local TI stakeholders through which specific JAC/TEP/EF issues and broader employability issues could be raised.

In practical terms they have monitored the progress of the TI in each area and brokered joint working between the JACs, TEPs, EFs and other local stakeholders.

The value for money generated in relation to DEL's investment is difficult to quantify because the capacity of each SHF was different, outcomes were largely intangible and different grant amounts were awarded in each area. At the most basic level of analysis, it is unlikely that any local stakeholder group would have fulfilled the SHF role in absence of financial support from DEL, so some investment was required to achieve the outcomes identified. The level of return varied between areas. Over the pilot period Belfast SHF was more proactive and provided a stronger co-ordination and monitoring role than did Derry or Strabane SHF. But this is likely to be as much a reflection of the ESB's existing strategic, financial and human capacity compared to that of Strabane and Derry, than the relatively higher funding awarded by DEL for Belfast SHF services (the ESB received £60,000 per annum whilst the North West SHFs received £43,000 per annum plus £10,000 for the North West EFs)

The relationship between DEL and the SHFs has been variable over the course of the pilots. In particular there have been boundary issues – DEL has at times questioned the SHFs' expectations as to the influence they can have on Departmental policy and SHFs have expressed disappointment that the partnership was not as productive as they initially anticipated.

The partnerships could be advanced through:

- developing the relationship between the three SHFs so they can share the good practice and skills of each group;
- in the North West there is reason to build on existing close links and pool resources. Such a joined-up approach would increase the likelihood of a future intervention providing funding sufficient to support a dedicated staff resource;
- in any future arrangements between the Department and local structures to set down clear roles and responsibilities and ensure parties are signed up to develop their relationship based on the agreed parameters; and
- providing appropriate support to each SHF to strengthen the impact they can have in their local area.

5. EVALUATION OF TARGETED INITIATIVES PILOT

5.1 The Rationale for TIs

The aim of TIs as set out in the interdepartmental Taskforce report was to provide additional intervention in those areas with particularly high levels of unemployment based on:

- a **co-ordinated** service that uses partnerships between voluntary, community, local authority and statutory organisations and employers;
- a **tailored** service that meets the individual needs of those with employability barriers; and
- an **innovative** service that combines elements of existing programmes with new approaches to addressing barriers to employment.

5.2 Evaluation Issues to be Addressed

This section brings together the evidence on the various evaluation issues covered within this study. These are:

- issues surrounding the component parts of TI, namely JAC, TEP and SHF. The issues were articulated in previous sections and the findings of our analysis of these issues are given below;
- consideration to the collective nature of the three components and their inter-relationship in the achievement of the original aims for TIs; and
- the opportunity for greater partnership arrangements between DEL staff and the community based providers of directed employment intervention services.

5.3 Individual Contribution of TI Components

5.3.1 JAC

The JAC approach has successfully engaged clients from appropriate client groups and in particular individuals that were not otherwise engaged by DEL. The community-based service offers advantages in terms of trust and relationship building within communities. There have also been lessons learned about partnership working between DEL and community providers. Our analysis has found that whilst caseloading and progressions have improved in the second year of operation, employment outcomes remain low, and indeed lower than outcomes for the comparable LMI model. We highlight that initiatives targeting a client group such as JACs need to factor in medium term horizons (12-24 months) when considering potential outcomes that can be achieved. Even bearing this in mind, however, the low employment outcomes indicate that, to date, the JACs have added limited value at considerable cost.

5.3.2 TEP

TEP has achieved reasonably successful outcomes with a difficult client group. The unique features to TEP have added to the credibility and positive perception of the programme amongst both participants and employers. The key features identified are the community based approach and branding, differentiating it from being “just another government programme”, the salary and duration of placement. Our analysis of outcomes suggests that using a mix of private sector and community and voluntary sector placements is helpful. The private sector demonstrating higher sustained employment prospects and the voluntary and community sector showing a more supportive approach with higher completion rates. The models in Strabane and Derry, where the employers employ the participant directly, showed higher employment outcomes indicating that this approach appears to work better than employment through the managing agent.

5.3.3 SHF

SHFs played a positive role in supporting the achievement of TI aims. They facilitated the engagement of a wide range of stakeholders in the TI areas and thus helped foster a sense of local ownership. They supported the development of a strategic perspective on local needs through stakeholder engagement and research. SHF also provided a central channel of communication between DEL and the local TI stakeholders.

Lessons have been learned about partnership working particularly the importance of clarity of role and capacity of the SHF to deliver on agreed objectives.

5.4 Collective Contribution of TI Components

5.4.1 Introduction

The terms of reference ask for comment on the collective contribution of the three TI components in the achievement of the original aims of the Taskforce report and how their inter-relationships have supported the outcomes achieved. Our analysis is presented below.

5.4.2 Description of Inter-relationships

Our analysis has identified inter-relationships within the TI programme through the SHF structures and also bilaterally between two individual components. Inter-relationships have included the following:

- relationship between all components (SHF)

The overall co-ordination role has been strong in Belfast, where the ESB (SHF) has acted as a gateway for all components across the two Belfast TI areas. JACs and TEPs report performance to ESB, ensuring JACs in Greater Shankill and West Belfast work very closely together and providing initial contact with the EF to provide a point of access to employers. In all three TI areas the SHF's have provided local co-ordination and fostered a sense of

local ownership to the programme, largely through their monitoring of JAC and TEP performance. This has been strongest in Belfast.

■ relationship between supply (JACs and TEPs) and demand (EF)

Based on our analysis of SHFs, it was highlighted that the link SHFs provided between supply (JAC and TEP) and demand (EF) elements of the TI model added value to the overall programme. This connection makes employers more aware of the TEP and JAC programmes and helps them understand how the programmes support clients. In return JAC and TEP operations get to know employers and their needs, assisting them as they seek to direct clients to placements (TEP) and develop clients to meet employer needs (TEP and JAC). It is also noted that the potential value of this connection has not been maximised in Strabane, where the JAC and TEP operators were not (until recently) members of the local SHF, but were represented by the LSP.

In Belfast the EF meets with JAC managers and senior mentors. The frequency of these meetings increased to monthly since November 2005 to allow closer communication. At these meetings reports are given on “cluster” activity to JAC operators. This can bring direct interaction between JAC staff and cluster leaders (employers). Belfast EF reported assisting 139 people into employment during 2004 and 2005 from the West Belfast and Greater Shankill taskforce areas, a substantial number of which were JAC clients. The relationship was initially facilitated through the JACs and EFs coming together on the ESB.

The relationship between the JACs and employers in Derry was largely through the SHF. In Strabane any relationship the JAC providers had with employers was direct and independent of the SHF.

The relationship between TEPs and EFs appears to have a more limited and “time-bound” significance than for JACs and EFs. Some assistance was highlighted by the Belfast EF, helping TEP “get the foot in the door” of some employers in order to place participants (Belfast EF reported linking employers with ten TEP placements) however this relationship was limited to an introduction role. In Derry it was noted that it was useful having employers “round the table” (in the form of the EF at SHF) during initial stages in order to market the programme to local employers. It was noted however that the credibility of the programme was soon established and was communicated amongst employers so marketing became less of an issue.

■ relationship between TEP and JAC

JAC providers appreciated the possibility of clients moving onto TEP (which provided “another option on the menu”), albeit it was recognised that this would be indirectly through New Deal providers and only applicable to those meeting TEP eligibility criteria. In addition the range of stakeholders on the SHFs helped establish credibility and access of JAC operators with and to various local communities (e.g. Strathfoyle in Derry). In Belfast the ESB ensured that the JACs across the two neighbouring areas worked well together (sharing information and good practice lessons).

In Strabane there is a particularly close relationship between the TEP and JAC operators. The two operators have offices side-by-side and one operates both TEP and JAC, and the other just JAC. Until recently neither was represented on the SHF. While there were links between the TEP and JAC programmes they have had no strong links into the wider TI programme in the Strabane area.

5.4.3 Conclusion Regarding TEP Relationships

There is limited evidence of links with other TI components playing a significant role in TEP outcomes. There is no significant interaction with JACs as the TEP clients come through New Deal. There is clear value in linkages with employers in order to secure placements, but our analysis has not established a need for this relationship to necessarily require connection through a SHF, but could be through other forums which have employer representation. Therefore our view is that TEP, or a programme similar to TEP, could operate independently from the other elements of TI. As a programme it has a distinct and clearly identifiable target group and could be operated in other areas if a need was established. TEP does benefit from the monitoring of the local SHF. The value of this is dependent to a degree on the strength of the SHF and what advice it can give to the programme.

5.4.4 Conclusion Regarding JAC Relationships

There is some evidence of JAC benefiting from the inter-relationships within the TI model. JAC providers hoped for the possibility of moving their clients onto TEP (which could provide “another option on the menu”), albeit it was recognised that this would be indirectly through New Deal providers and only applicable to those meeting TEP eligibility criteria. The key relationship required by JAC to help gain employment outcomes, is the relationship with employers. This relationship provides JACs with knowledge of vacancies and skill needs. JAC does benefit from the monitoring of the local SHF. The value of this is dependent to a degree on the strength of the SHF and what feedback it can give to JAC.

5.4.5 Conclusion Regarding Relationships Overall

Overall our view is that the area based approach bringing together the various TI components has been more effective than introducing each programme independent of one another. The clearest value added appears to be through bringing together supply and demand side elements, usually through the SHF. That said it is difficult to quantify the added value of inter-relationships and also difficult to conclude that the programmes, in particular TEP, could not operate without the other components of a TI approach. For example the LMIs, similar in structure to JACs have managed superior employment outcomes outside of the TI structure. The various components have worked together to provide a sense that there is an integrated approach to tackling unemployment in an area and the co-ordination has added to the momentum of this approach.

5.5 Partnership Arrangements

5.5.1 Introduction

The terms of reference ask for consideration of the opportunity for greater partnership arrangements between DEL staff and the community based providers of directed employment intervention services. Our analysis of the partnership arrangements are based upon consultations with DEL, JAC and TEP providers and SHF representatives.

5.5.2 Opportunity for Increased Partnership

There are partnership arrangements across a number of elements of the programme. The key partnerships include those between the various components (i.e. SHF, TEP, JAC and EF) of TIs within a local area, those between each TI areas, between TI areas (i.e. TEP and JAC operators and SHFs) and those with DEL staff locally (i.e. within JBOs or JobCentre), and centrally (i.e. policy staff).

With regard to working in partnership at the local level, Strabane has identified a need to get representation from certain stakeholders (including TEP and JAC operators) on its SHF and this will improve the potential partnership arrangements within the Strabane area.

There is evidence of some partnership working between TI areas (e.g. Londonderry Chamber of Commerce acting as EF for Strabane). There is however scope for increased partnership working between Strabane and Derry, which are neighbouring areas (as West Belfast and Shankill) and will share many of the same challenges with regard to employability. An example of how they could increase partnership working could be through co-ordinating future employability research.

In addition there is potential for increasing sharing of good practice amongst the three SHFs. There has been limited contact between the SHFs to date and there is a case for sharing information and knowledge. This may be particularly beneficial for the North West SHFs due to the length of time ESB has been established and its greater capacity.

With regard to partnership working between Jobcentres/JBOs and the TI structures the partnership was generally perceived to be a positive one. There was a perception of initial suspicion that JACs were “in competition” with JBOs/ JobCentres but this has apparently receded as the relationships have developed and understanding of the different target client groups has increased. A lesson from this is to ensure that distinctions in client groups are clearly communicated and understood from the outset.

With regard to partnership working between DEL policy staff and community based providers of employability programmes there is a perception that initial goodwill has receded and we note concern as to expectation levels and levels of trust between DEL and the local providers. There is a need to improve lines of communication to ensure all parties are clear regarding areas of responsibility and influence. Based on this clarity relationships and partnership working can be maximised.

5.6 Conclusions

Through JACs DEL tested a community-based mechanism for delivering employability support. This occurred in parallel with the operation of very similar services through LMIs in parts of Belfast. The JACs have continued to attract a client group not previously engaged by DEL. Despite improved performance since the Interim Evaluation, employment outcomes remain low in absolute terms and weaker than LMIs, albeit at a slightly lower unit cost.

The difficulties in overcoming employability barriers and progressing clients to employment highlight concerns as to the level of support that some JAC clients seem to require before they are ready to enter employment. There is a need to consider the relative responsibility of DEL and other organisations within the regeneration, health and social care sectors in future support arrangements for the hardest to help. There would also be value in considering comparable initiatives elsewhere in order to understand what outcomes could be considered reasonable.

TEP has proven quite an effective means to achieve employment outcomes with a group of clients that had not secured employment through New Deal. TEP is a discrete programme with a well defined target group. It could be easily transferred to other locations and operated independently of the other TI elements.

The value of the SHF component of TIs has been variable in each area depending on the capacity of the organisations concerned. Greatest impact has been made in Belfast where the ESB had greater strategic, financial and human capacity to draw upon. Least impact has been made in Strabane where the SHF is still developing (e.g. through improving its representation of stakeholders on its membership). Compared to the Interim Evaluation our findings suggest that all the SHFs now have a consistent understanding of their role. To varying degrees they have provided a useful monitoring function, served to integrate the various TI components and fostered a sense of local ownership in the pilots. However it is worth noting that LMIs have achieved similar outcomes to JACs without the integrated TI approach.

The original aim of the TIs was to provide an integrated and co-ordinated approach to improving employability of long term unemployed and those far from the labour market, in a local partnership context. Our view is that much has been learned about approaches to this task through the TI programme. The various programme components have generally been delivered in an integrated fashion and a clear sense of local ownership has been generated. TEP and JAC initiatives have engaged those who are far from the labour market and achieved employment outcomes (albeit limited in the case of JAC) for clients that had either not been successful with mainstream DEL provision or had not been engaged by DEL at all. Overall performance has improved since the Interim Evaluation.

APPENDIX I
LIST OF CONSULTATIONS

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| Consultations (face to face unless stated otherwise) |
| DEL Consultations Patricia McAuley Tom Hunter Brendan Toner Harriet Ferguson Ann Williams Sheila McNeill |
| West Belfast and Greater Shankill Consultations Tom Mervyn - ESB Padraic White - ESB Fionnuala McLernon - West Belfast TEP Theresa McFadden - West Belfast TEP Sinead O'Regan - West Belfast JAC + an other Richard Henderson - Greater Shankill TEP Liam Neill - Greater Shankill TEP Una McGovern - Greater Shankill TEP Gary McKay - Greater Shankill JAC Florence Irvine - Greater Shankill JAC Deirdre Timoney – Belfast Employers Forum (telephone) |
| Derry Consultations Oonagh McGillion – Derry LSP Manager (SHF and TEP) Geraldine O'Hagan – TEP Danny Friel – JAC Janice Tracey – Londonderry Chamber of Commerce (Employers Forum) (telephone) |
| Strabane Consultations Niall Allen – JAC and TEP Carmel Boyce – JAC Patrick O'Doherty – Strabane LSP Manager (SHF) (telephone) |

APPENDIX II
DISCUSSION GUIDES

JAC / TEP - CLIENT CONSULTATION

Programme

- Identify who was on JAC and who was on TEP programme.

Connecting / Engagement / Support

- How did you first hear about the JAC / TEP?
- Why were you interested in getting help through the JAC / TEP?
- What level of engagement was there? How many times did you have contact with the JAC / TEP? How long a period were you in contact?
- Initial experience – what were you asked, why do you think you were asked this, was any of this difficult?
- Relationship with JAC / TEP staff – How good were these relationships? Did these develop over time? Did this make a difference with regard to what you could discuss? Did they help you understand your own employability?

For those moving into employment / placement (some JAC / all TEP)

- What support did you get in preparation for your employment / placement?
- Was the level of the placement / employment provided suitable for your experience and skills?
- What support did you get during the employment / placement? What difference did this make?

Outcomes

For those not in employment

- For those who are not in employment do you think you are now closer to getting a job? If yes, is this due to the support programmes (JAC / TEP)? In what ways have they helped you (job awareness, new skills, self-confidence etc.)
- What position do you think you would be in now if you had not been involved with the JAC / TEP?

For those in employment

- Would you have applied for the post you were placed in (or an equivalent) if you had not been part of the TEP / received assistance at the JAC?
- Do you think you would be in this employment if JAC or TEP did not exist? If not, why not?

All

- What other programmes have you been involved in? (e.g. TEP clients will have been involved in New Deal) How have the JAC / TEP compared with other programmes? What reason(s) give you this view?
- How has JAC compared with JBO/JobCentres? What are the key differences?
- For those who prefer not to use JBO / JobCentre – what are the reasons for this? What would need to change / happen for you to decide to use JBO / Jobcentre?
- Can you think of any changes that would improve the JAC / TEP interventions?

TEP - EMPLOYERS CONSULTATION

Providers

- How did you first come into contact with the TEP provider⁴?
- Why did you consider becoming involved with the provider?
- What are your opinions in relation to the subsidies offered by the provider?
- Did your provider give you any support during the placements? If yes, can you give examples of support given? Was this support effective?

Placements

- Before becoming involved with the TEP provider, has your company provided placements previously or been involved in other schemes to help people into employment?
- How many placements has the company provided in relation to the TEP programme?
- How would you describe the job(s) they were recruited into?
- What, if any, job-related training was given? Did this or will this lead to a recognised qualification?
- What advantages and disadvantages were there with the client being employed directly by you, the employer (Strabane / Derry)?
- What advantages and disadvantages were there with the client remaining in employment of the TEP provider, rather than you, the “employer”? (West Belfast / Greater Shankill)?

Outcomes

- How suitable were the candidates for the placement offered?
- Thinking now about the person / people you recruited or provided with a placement how would you rate their work skills, motivation etc? How, if any, did this change over their period of employment?
- What proportion of your candidates completed their placement with you? What proportion of these did you offer employment to beyond the placement period?
- Would these have been hired if they had not completed the programme with yourselves first?
- Would you recruit / place any additional people if the opportunity arose again?

⁴ Providers / Managing Agents are Job Connect – West Belfast, Job Direct – Greater Shankill, Kickstart – L’derry, Steps to Work, Strabane. These names can be used with the employers if better understood.

- Does this model offer more benefit to the employer or the participant?

Improvements

- What improvements do you think that could be made to the programme e.g. financial support, support from provider, potential placements etc?

STAKEHOLDER FORUM CONSULTATION

Introduction

- What is the background to the stakeholder forum (SHF) in your area?

Forum Operation

- How does the SHF operate in your area? (staffing, forum meetings etc.)

Forum Membership

- How are members selected onto the SHF?
- What is the membership of the SHF in your area? What is the balance between community, voluntary, public and private sector membership?
- Is the membership appropriate with regard to the objectives of the SHF? (e.g. understanding of local issues and barriers to employment, ability to promote of TI locally to employers and community groups)?

Activities Undertaken

- What activities have been undertaken by the SHF? For example with regard to:
 - Monitoring TI activity?
 - Strategic research?
 - Communication / marketing TIs generally?
 - Communication of findings / issues with DEL?
- How have these activities contributed to meeting the objectives set for SHF?

Outcomes

- How effective do you consider the SHF to have been in meeting its objectives?
- How has the SHF contributed to meeting DEL's objectives for TIs?
- What do you consider its key successes to date?

Overall

- How have the SHFs developed since they were established? (Strabane and L'derry especially). For example:
 - Have they a better understanding of their focus? (strategic);
 - Have they developed strategic collaborations (e.g. with employers forums)
- How, if at all, do you think your SHF still needs to develop in order to better fulfil its aims?

STRATEGIC STAKEHOLDER CONSULTATION

Need

- Does the rationale for a TI programme still exist in the pilot areas? What is the evidence for this?
- Does the need exist in other areas? What is the evidence for this?

Structures and Process

- What have the key lessons been with regard to the structures (e.g. SHFs, EFs, JACs) put in place to deliver TIs?
- How have these structures added value to the TIs programme?
- What have the key lessons been with regard to the processes (e.g. assessment, tailored approach, relationships) put in place to deliver TIs?
- How have these processes added value to the TIs programme?
- Have the lessons regarding structures and processes been identified? Adopted?

Inter-relationship between JAC, TEP and SHF

- What is the inter-relationship between the TI elements (JAC, TEP, SHF)?
- How has the co-existence of the approaches added value?
- Could the elements operate effectively independently of one another?

Impact

- What elements of TIs have been strongest in meeting the identified need? What evidence is there for this?
- Which elements have been weakest in meeting the identified need? What evidence is there for this?
- Have the TIs provided value for money? Which elements have been strongest / weakest in this regard?
- Have there been any significant external factors that have affected impact? If yes, what have these been?
- Going forward, which elements should be retained?
- Which elements, if they should continue, need to be refined?

Wider Context

- What are the factors in the wider context that need to be considered in consideration of future options?