

Evaluation of European Social Fund Priority 1 and Priority 4: Extending Employment Opportunities to Adults and Young People

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Research aims and context

This evaluation forms part of a suite of research gathering evidence on the delivery of the European Social Fund (ESF). It aims to improve understanding of the processes, range and delivery of ESF Priority 1 and Priority 4 provision within the 2007–2013 England and Gibraltar ESF Operational Programme (OP). Priority 1 and Priority 4 seek to increase employment and tackle worklessness through a mix of employment and skills provision, intended to support people to enter jobs and in some instances progress within work.

The evaluation sought to better understand:

- how participants are referred onto provision (and who is not referred);
- the range, delivery and tailoring of provision; and
- the relationships between key players involved in delivery.

For reasons of practicality and resource efficiency, the study was restricted to provision delivered in England rather than England and Gibraltar.

Research methodology

Priority 1 and 4 provision was examined through a qualitative, case study-based approach. Fieldwork was undertaken between January and March 2011. Ten locality based case studies were used to examine the delivery of ESF provision commissioned by the two largest co-financing organisations (CFOs) – the Department for Work and Pensions (DWP) and the Skills Funding Agency. Selection criteria were

developed to identify the provision to be reviewed and facilitate selection of fieldwork localities.

Each case study involved between 15 and 26 in-depth interviews with a range of stakeholder groups encompassing:

- high level stakeholders in Jobcentre Plus and the CFOs covered by the research;
- DWP Performance Managers and Skills Funding Agency Account Managers;
- Jobcentre Plus advisers and adviser managers; managerial and operational staff in organisations delivering provision, and
- representatives of organisations that refer ESF participants onto provision.

Relevant interviewees were identified through a ‘snowball sampling’ approach. For all interviews topic guides were used to inform discussions and written notes were taken. Interviewees were assured that their anonymity would be protected.

Key findings

Training, guidance and understanding of ESF

Formal ESF-specific training appeared limited among Jobcentre Plus advisers and staff working for ESF providers. Generic, informal, and ‘on the job’ training supplemented by additional information and guidance specific to ESF was more common. Training and guidance was largely viewed as sufficient by Jobcentre Plus and provider staff. However, variable

levels of understanding of ESF provision among Jobcentre Plus advisers indicates that further information and guidance may be beneficial.

Interviews with Jobcentre Plus advisers also showed that some forms of guidance are better received and seen as more useful. In particular, depending on the staff intranet and email to keep advisers informed of changes to ESF provision have the potential to lead to such information being missed, certainly in the absence of it being reinforced through team meetings and other face-to-face forms of communication.

For operational staff in ESF providers, the training and guidance received appeared to be appropriate and beneficial even where such training was not specific to ESF. As with Jobcentre Plus staff, there was little evidence of a perceived need for increased levels of, or more ESF-specific, training. There may, however, be a need to encourage lead contractors to ensure that relevant information and guidance is passed down the delivery chain more effectively (to subcontractors and delivery partners), given the variability with which this seems to occur.

The development of delivery approaches by ESF providers

A combination of reasons informed the decision of lead contractors to bid to deliver provision. These included the opportunity to build on existing expertise, the chance to meet the needs of particular groups, an overlap between organisational objectives and the aims of ESF, and commercial considerations in expanding the nature, scope and geographical coverage of operations. Reasons for involvement were similar for subcontractors and delivery partners, often relating to the opportunity to bring specialist experience to bear in line with a commitment to helping particular groups.

The key consideration behind developing supply chains for prime and lead contractors related to establishing a provision 'offer' reflecting the range, nature and geographical spread of provision required. Contractors generally started from the point of assessing these requirements, and frequently

developed supply chains on the basis of pre-existing delivery partnerships and relationships. A variety of routes to formalising supply chains were evident. These generally rested on contractual arrangements between prime and lead contractors and their subcontractors or delivery partners, with service level agreements forming part of the approach in some instances.

Liaison between providers was common, though variable in its frequency, focus, and the mechanisms used. There was a division between liaison focused mainly on information transfer and delivery monitoring on the one hand, and more open forms of networking around sharing effective practice and informing delivery improvements on the other. Effective practice rested on ongoing, regular formal and informal liaison, open and honest communication, and a responsive and open orientation by prime and lead contractors.

In the provision reviewed, providers had established effective approaches to tailoring provision to the needs of ESF participants and target groups. This rested largely on addressing **individual** needs, but also included approaches designed to meet the needs of particular groups where applicable. Factors cited in effectively tailoring provision included:

- the use of comprehensive and flexible needs assessments;
- consistent contact with participants;
- ensuring an appropriate range of provision; and
- integrating skills development support into wider employability assistance.

Contract and performance management

Several factors contribute to effective contract performance and delivery. These include close liaison between CFO contract managers and those managing provision within contractors, ongoing liaison between more formal performance reviews and management meetings, and clear, consistently applied performance and contract requirements.

The importance of the above factors was mirrored in arrangements between prime or lead contractors and their subcontractors or delivery partners. Where there were close, open and honest relationships, performance was supported. In most instances effective approaches to contract management could be observed, giving the impression that approaches in this area were functioning well.

Performance targets used within the ESF delivery system to promote effective delivery also appeared to work well. On balance, various actors within the ESF delivery chain felt that targets were appropriate and fair. The establishment of outcome-based systems of payments to providers was also widely perceived as beneficial. Such systems were seen as supporting performance improvement and encouraging a focus on achieving positive outcomes. However, some subcontractors and delivery partners saw these systems as leading to a focus on outputs at the expense of ensuring **quality** in provision.

Such negative effects appeared to be limited in reality. However, isolated cases showed how outcome-based systems could lead providers to support those closer to the labour market at the expense of others in certain contexts. Without careful management there is also potential for contractual limits to be exceeded and provision restricted towards the end of delivery periods as a result.

Engagement and referral of participants

As part of referral processes there was notable variation in the way ‘eligibility criteria’ were defined and understood, particularly among Jobcentre Plus advisers. Variation reflected different guidance on approaches to ‘eligibility’ relayed to staff in different areas. In general, formal eligibility criteria, such as ESF participants needing to be unemployed, were consistently understood and applied by Jobcentre Plus and provider staff. However, beyond this there were notable differences in defining and applying eligibility criteria.

These related to the approach taken to eligibility within different areas and among different advisers. ‘Eligibility’ was sometimes defined not simply in its formal sense, but also as relating to the range of target groups – such as the over 50s and lone parents – that ESF seeks to engage. In some areas this led to provision being restricted to these target groups, while in others provision was open to all of working age. Application of criteria also varied over time in some cases, with stricter interpretations based on ‘target groups’ giving way to those based on all unemployed or inactive individuals. This seemed to relate to performance, with criteria being relaxed where under-performance was identified.

Use of ESF as a referral option among Jobcentre Plus advisers varied according to roles and experience. While there was some variation in referral mechanisms between different areas, on the whole these processes appeared to be effective and were viewed as straightforward. Referral processes between lead providers and subcontractors also appeared to function effectively in the main. Some limited exceptions occurred where lead contractors did not always refer participants to partners where this may have been in their interests. In particular this was the case where lead contractors were struggling to achieve outcomes.

Wider issues relating to provision

The range, variety and coverage of ESF provision delivered under Priority 1 and 4 was widely viewed as representing one of its key strengths. While geographical variation in terms of the availability of provision was acknowledged, there appeared to be few gaps in the type of activities and support individuals require to progress towards and into employment. ESF also appeared to be delivering notable added value in terms of enhancing mainstream activity, offering different approaches and support, and accessing different target groups.

While the economic downturn did not appear to have led to qualitatively new ESF provision and activities, a range of more subtle effects relating to the delivery were evident. These included the need to concentrate more than ever on developing

effective approaches to supporting individuals into work, and the need to support a more varied group of participants. There have also been notable 'double-edged' effects on ESF providers stemming from difficult economic conditions. While meeting engagement targets has become easier, achieving targets around job-entries has become ever more challenging.

Key recommendations

- There may be benefits in offering further training and guidance to Jobcentre Plus advisers, oriented around enhancing their understanding of provision so as to more effectively communicate this to customers.
- Delivery relationships between prime and lead contractors and their delivery partners may need closer monitoring, principally to ensure effective information flows within the ESF delivery chain and that the latter are not disadvantaged by the approach of some lead contractors to target allocation.
- Further consideration could usefully be given to the setting of 'tolerance levels' in respect of over-performance by providers to ensure that ESF 'places' remain available to participants towards the end of contracting periods.
- There is a need to address consistency in the use of referral and eligibility criteria among staff in Jobcentre Plus so as to avoid some of the inconsistent availability of access to ESF provision identified through the research.
- Further research on the correlation between the development of particular delivery models and levels of performance may be beneficial from the perspective of improving the delivery of ESF in future, perhaps covering a wider selection of CFOs.

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You can download the full report free from: <http://research.dwp.gov.uk/asd/asd5/rrs-index.asp>

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