

Research report

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

by Ian Atkinson



DWP Department for
Work and Pensions

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Contents

Acknowledgements.....	vii
The Author.....	viii
Abbreviations	ix
Summary	1
1 Introduction	7
1.1 Background and evaluation context	7
1.2 Aims and objectives of the evaluation	8
1.2.1 Key research questions	8
1.3 Evaluation scope, methodology and approach	9
1.3.1 Evaluation scope and approach.....	9
1.3.2 Evaluation methodology	10
1.4 Report structure.....	15
2 The ‘delivery infrastructure’ surrounding ESF Priority 1 and 4 provision.....	16
2.1 Overview of the ‘delivery infrastructure’ for ESF provision across the case studies.....	16
2.1.1 The delivery infrastructure for DWP commissioned ESF provision.....	16
2.1.2 The delivery infrastructure for Skills Funding Agency commissioned ESF provision.....	17
2.2 Strategic partnership arrangements for ESF planning and delivery.....	18
2.2.1 The nature and role of strategic partnerships developed to support the delivery of ESF provision.....	18
2.2.2 Effectiveness of strategic partnerships developed to support the delivery of ESF provision	20
2.3 Engagement arrangements for involving ESF providers and employers	21
2.3.1 The nature and role of engagement arrangements developed to engage ESF providers to support delivery	21
2.3.2 Effectiveness of the mechanisms developed to engage ESF providers in supporting delivery	23
2.3.3 Engagement of employers in the ESF delivery infrastructure.....	24
2.4 Conclusion.....	24

3	Training, guidance and understanding of ESF.....	26
3.1	ESF-related training and guidance provided to frontline Jobcentre Plus staff.....	26
3.1.1	<i>Training, advice and guidance received by advisers and adviser managers</i>	26
3.1.2	<i>Perspectives of frontline Jobcentre Plus staff on the training, advice and guidance received</i>	27
3.2	ESF-related training and guidance for staff working in providers.....	29
3.3	Understanding of ESF provision within the ‘delivery chain’.....	30
3.3.1	<i>Broad understanding of ESF held within the delivery chain</i>	31
3.3.2	<i>Specific understanding of ESF provision within the delivery chain</i>	32
3.4	Conclusion.....	33
4	The development of delivery approaches amongst ESF providers.....	34
4.1	Reasons for the involvement of providers in delivering ESF	34
4.2	The approach taken by prime or lead contractors to developing supply chains....	35
4.3	<i>Liaison and networking within the provider element of the ESF delivery chain</i>	36
4.3.1	<i>Liaison and networking between providers in supply chains</i>	36
4.3.2	<i>Effective practice in terms of liaison and networking between ESF providers</i>	38
4.3.3	<i>Provider approaches to liaison with potential referral partners</i>	38
4.4	Tailoring of ESF provision to the needs of participants.....	39
4.4.1	<i>Effective practice in tailoring provision to need</i>	42
4.5	Conclusion.....	42
5	Contract and performance management within Priority 1 and 4 provision	44
5.1	Contract and performance management of ESF providers	44
5.1.1	<i>Contract management and performance monitoring undertaken by CFOs</i>	44
5.1.2	<i>Perspectives of providers on contract management and performance monitoring</i>	45
5.1.3	<i>Perspectives on the reasons for performance variation among ESF providers</i>	46
5.1.4	<i>Perspectives on effective practice in contract management and performance monitoring</i>	47

5.2	Use of targets and outcome related funding in the delivery of ESF provision	48
5.2.1	<i>The use of targets in ESF delivery and perspectives on this.....</i>	48
5.2.2	<i>The use of outcome-related funding in ESF delivery and perspectives on its effects.....</i>	49
5.3	Performance management within the provider element of the ESF delivery chain	52
5.3.1	<i>Performance management of subcontractors and delivery partners by ‘prime’ or ‘lead’ contractors</i>	52
5.4	Conclusion.....	54
6	Engagement and referral of ESF participants	56
6.1	Overview of engagement and referral processes examined by the evaluation	56
6.1.1	<i>Engagement and referral processes around DWP commissioned provision</i>	56
6.1.2	<i>Engagement and referral processes around Skills Funding Agency commissioned provision</i>	57
6.2	Use of eligibility criteria for participants in engagement and referral processes ...	58
6.2.1	<i>Communication of eligibility criteria to Jobcentre Plus advisers and ESF provider staff.....</i>	58
6.2.2	<i>Understanding of eligibility criteria among Jobcentre Plus advisers and ESF provider staff.....</i>	59
6.2.3	<i>Application of eligibility criteria within the ESF delivery chain.....</i>	60
6.3	The role of Jobcentre Plus advisers in referrals of ESF participants.....	61
6.3.1	<i>Key considerations of Jobcentre Plus staff in making referrals.....</i>	62
6.3.2	<i>Referral processes used and perspectives on these</i>	62
6.4	Liaison between Jobcentre Plus and provider staff around the referral of ESF participants.....	64
6.5	Referral processes between ESF providers	65
6.6	Perceptions of the balance between direct engagement of participants and referrals from Jobcentre Plus	67
6.7	Views of Jobcentre Plus and provider staff on ESF participants’ engagement with provision	68
6.8	Conclusion.....	70

7	Wider issues relating to Priority 1 and 4 provision.....	72
7.1	The range and coverage of ESF Priority 1 and Priority 4 provision.....	72
7.2	Combining ESF with mainstream provision and the ‘added value’ of ESF	72
7.3	The impact of the recession on ESF provision and its delivery	74
7.4	Conclusion.....	76
8	Conclusion.....	77
8.1	Concluding observations.....	77
8.2	Key findings.....	77
8.2.1	<i>The ESF delivery infrastructure</i>	<i>77</i>
8.2.2	<i>Training, guidance and understanding of ESF</i>	<i>78</i>
8.2.3	<i>The development of delivery approaches among ESF providers</i>	<i>78</i>
8.2.4	<i>Contract and performance management within Priority 1 and 4 provision</i>	<i>78</i>
8.2.5	<i>Engagement and referral of ESF participants</i>	<i>79</i>
8.2.6	<i>Wider issues relating to Priority 1 and 4 provision</i>	<i>79</i>
8.3	Key recommendations	79

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Abbreviations

ADF	Adviser Discretion Fund
BME	Black and Minority Ethnic
CFO	Co-financing Organisation
CV	Curriculum Vitae
DPT	District Provision Tool
DWP	Department for Work and Pensions
ESF	European Social Fund
EU	European Union
IAG	Information, Advice and Guidance
LA	Local Authority
LSC	Learning and Skills Council
MI	Management Information
NEET	Not in Employment, Education or Training
OP	Operational Programme
PEM	Provider Engagement Meeting
VCS	Voluntary and Community Sector

Summary

Research aims and context

The *'Evaluation of European Social Fund Priority 1 and Priority 4: Extending employment opportunities to adults and young people'* contributes to the suite of research being undertaken to improve the evidence base around the delivery of the European Social Fund (ESF). The evaluation was commissioned to address a gap in current understanding around 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. Priority 4 covers Cornwall and the Isles of Scilly while Priority 1 covers the remainder of England and Gibraltar.

The evaluation aimed to provide an understanding of how effective provision has been in engaging with disadvantaged groups and tailoring provision to these groups. Within this the research sought to improve understanding around: how participants are referred onto provision (and who is not referred); the range and delivery of provision and how it is tailored to participants, particularly for disadvantaged groups; and also the relationships between key players involved in delivery. In line with this, the evaluation involved a detailed examination of the delivery of provision at different levels within the ESF 'delivery chain'. For reasons of practicality and resource efficiency, the provision examined was restricted to that being delivered in England, rather than England and Gibraltar.

A full list of the key research questions addressed is included in Section 1.2 of the report. In summary, the questions revolved around the functioning of the ESF delivery chain, the management and implementation of provision, how ESF participants are engaged and referred onto provision, and the approaches to delivery developed by ESF providers.

Research methodology

Priority 1 and 4 provision was examined through a qualitative, case study-based approach between January and March 2011. Ten case studies were used to facilitate consideration of the delivery of a range of contracts commissioned by the two largest co-financing organisations (CFOs) involved in this provision – the Department for Work and Pensions (DWP) and the Skills Funding Agency. During the evaluation scoping stage, a series of criteria were developed to enable the identification of the contracts to be reviewed, and to facilitate the selection of localities within which to undertake fieldwork.

Within each case study between 15 and 26 in-depth interviews were undertaken with a range of stakeholder groups. These encompassed: 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 ESF providers, and representatives from other organisations involved in making referrals of ESF participants to those providers.

Identifying relevant case study interviewees involved the use of a 'snowball sampling' approach, beginning from initial scoping consultations with regional ESF leads from the Skills Funding Agency and Jobcentre Plus. Consultations were used to identify additional interviewees with a role in ESF planning and delivery, along with relevant contacts at the ESF provider level for those contracts

selected. For all interviews, semi-structured topic guides were used to inform discussions, and written notes were taken. To encourage openness and honesty all interviewees were assured that anonymity would be protected.

Key findings and recommendations

The sections below summarise the main findings relating to the different aspects of Priority 1 and 4 provision examined. Key recommendations are then offered for consideration.

The ‘delivery infrastructure’ surrounding ESF Priority 1 and 4 provision

A relatively consistent delivery infrastructure for Priority 1 and 4 provision was in place to support both DWP and Skills Funding Agency commissioned activity. Beneath this, however, a number of different delivery approaches and models were apparent. In part this relates to the specific type of provision being delivered, the CFO delivering it, and the context within which delivery occurs. Variations in delivery infrastructure also reflect the broader focus on tailoring ESF to particular local needs and circumstances, along with developing models to support delivery to particular ESF target groups.

A significant part of the ESF delivery infrastructure involves the development of mechanisms to facilitate partnership working at strategic and operational levels. In the main these mechanisms appeared to operate effectively and to be beneficial in facilitating exchanges of information. They also helped encourage the complementarity of provision commissioned by different CFOs and assisted efforts to combine employment and skills-related support. However, the extent to which potential duplication of provision can be fully removed from delivery is inevitably challenged by the range of provision involved, and the closely related remits of some of the CFOs engaged in commissioning ESF activity.

Various engagement mechanisms to involve ESF providers were apparent. These appear to be more beneficial from the perspective of ensuring a two way exchange of information between providers and CFOs, rather than as routes to encouraging providers to develop delivery partnerships or exchange practice. The reality of provider delivery partnerships and relationships developing organically over time, and disincentives to share practice due to competition, are key explanatory factors in this.

Employers were principally engaged as part of the Priority 1 and 4 delivery infrastructure at the level of provider activity, rather than at more strategic levels or through dedicated engagement mechanisms. Among larger providers, employer engagement teams and approaches were evident which, while linked to the ESF provision offered, were not specific to it. Outside of this employer engagement tended to be undertaken at the level of individual staff contact with particular employers as part of supporting ESF participants.

Training, guidance and understanding of ESF

Formal training specific to ESF appeared limited among staff key to its delivery, both in respect of advisers within Jobcentre Plus and staff working for ESF providers. A combination of more generic training, informal and ‘on the job’ training, and additional information and guidance specific to ESF was used instead. Training, information and guidance received was largely viewed as sufficient both by Jobcentre Plus and provider staff. However, variable levels of understanding of ESF provision apparent among Jobcentre Plus advisers indicates that further information and guidance in this area may be beneficial. In particular this would further support advisers in communicating referral options to potential ESF participants in an effective manner.

Evidence also indicated that some forms of guidance and information transfer are better received, and seen as more useful, by Jobcentre Plus advisers. 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, 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 prime contractors and lead providers 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 among ESF providers

Amongst ESF prime contractors and lead providers a combination of reasons informed the decision to bid to deliver provision. These included the opportunity to build on the expertise already held in delivering ESF or similar provision, the chance to meet the needs of particular groups supported, an overlap between the aims of ESF and the organisations concerned, and more commercial considerations around expanding the nature, scope and geographical coverage of operations. Reasons for involvement were similar at the level of subcontractors and delivery partners, often revolving around the opportunity to bring specialist experience to bear in line with a commitment to helping particular groups.

Prime and lead contractors developed supply chains in a number of different ways, often connected to the nature of the provision concerned. The key consideration behind this related to developing a provision 'offer' able to reflect the range, nature and geographical spread of provision required. Prime and lead 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.

Extensive networking and liaison between providers within delivery partnerships appeared common, but not universal, varying in terms of its frequency, focus, and the mechanisms used to facilitate it. There was an evident division between liaison and networking focused principally on information transfer and delivery monitoring on the one hand, and more open forms of liaison around sharing effective practice and informing delivery improvements on the other. Effective practice appeared to rest on ongoing and regular formal and informal liaison between partners in delivery chains, open and honest communication, and a responsive and open orientation on the part of prime and lead contractors.

Where applicable and required, ESF providers used a range of proactive mechanisms to build links with organisations outside their immediate delivery chain to engage participants. Face-to-face mechanisms in terms of visits to potential referral partners, or awareness raising workshops, appeared to be most effective. Maintaining relationships over time through ongoing contact was also seen as important in building effective referral networks.

Evidence reviewed indicated that providers delivering Priority 1 and 4 provision had established effective approaches to tailoring provision to meet the needs of ESF participants and target groups. Approaches to meeting need rested largely on addressing the needs of **individuals**, but also encompassed approaches designed to meet the needs of particular groups where applicable. Key factors cited in effectively tailoring provision to need included: the use of comprehensive and flexible

forms of needs assessment; consistent support for, and contact with, participants; ensuring an appropriate range and variety of provision; and establishing effective mechanisms to facilitate the delivery of both employment and skills related support to participants.

Contract and performance management within Priority 1 and 4 provision

Several factors relating to contract and performance management appear to contribute to effective performance and delivery in respect of ESF provision. The way in which contract and performance management is approached is important. Close liaison between DWP and Skills Funding Agency contract managers and those managing provision within prime and lead contractors was seen as significant in this. Likewise, the importance of ongoing liaison between more formal performance reviews and management meetings was noted, as were clear performance and contract requirements and consistency in application.

The above factors were mirrored in terms of contractual and performance management arrangements between prime or lead contractors and their subcontractors or delivery partners. Where there were close, open and honest relationships, performance appeared to be supported. Equally, where issues around performance arose such relationships were seen as helping to address them effectively. In most instances, effective approaches to contract and performance management could be observed in the provision examined, giving the overall impression that approaches in this area were functioning well.

Performance targets used at different levels within the ESF delivery system to promote effective delivery also appeared to be working well. On balance, various actors within the ESF delivery chain, from CFO and Jobcentre Plus staff through to providers, felt that the targets and the approach to using them were appropriate and fair. The main exception was a tendency for subcontractors and delivery partners to feel that, in a minority of cases, the targets given to them by prime and lead contractors were unrealistic.

Alongside the use of targets in the ESF delivery system, the establishment of outcome-based systems of payments to providers was widely perceived as having beneficial effects. These principally related to supporting performance improvement and encouraging providers to focus on the achievement of positive outcomes for ESF participants. However, such perceptions were not universally shared. Some subcontractors and delivery partners offered more negative views, with outcome-based systems being seen as leading to a focus on achieving outputs at the expense of ensuring **quality** in provision.

Such negative effects appeared to be limited in reality. Only two clear examples of unintended or negative impacts stemming from outcome-based systems of payment were identified. In one instance this related to providers focusing on achieving outcomes for individuals perceived as being easier to help and more likely generate job entries, partly as a result of pressure to address underperformance. In the other case, over-performance against profiled targets by a provider led to upper contractual tolerance levels being breached. There was some evidence that the provider in question had to restrict engagement of individuals onto provision to help respond to this.

The above effects are nonetheless significant in illustrating how outcome-based payments can lead providers to support those closer to the labour market at the expense of others in certain contexts. Conversely, where over- rather than under-performance is evident, without careful management there is potential for contractual limits to be exceeded and for the availability of provision to be restricted towards the end of delivery periods.

Engagement and referral of ESF participants

In respect of referral processes there was notable variation in the way ‘eligibility criteria’ were defined and understood, particularly among Jobcentre Plus advisers. While effective processes were in place to communicate criteria, this variation in understanding reflected different guidance on approaches to ‘eligibility’ being relayed to staff in different areas. In general, formal eligibility criteria, such as ESF participants needing to be unemployed or economically inactive, were well understood among Jobcentre Plus and provider staff and were consistently applied. However, notable differences emerged in the definition and application of eligibility criteria beyond this formal sense.

Key differences related to the approach taken to eligibility within different Jobcentre Plus districts and amongst different advisers. ‘Eligibility’ appeared to be defined not simply in the sense of formal criteria, but also as relating to the range of target groups – such as women, the over 50s and lone parents – that ESF seeks to engage. In some areas eligibility in this sense led to ESF provision being restricted to these target groups, while in other areas (adult) provision was open to all of working age. The application of criteria also varied over time in some cases, with stricter interpretations based around ESF ‘target groups’ giving way to those based on all unemployed or economically inactive individuals. This appeared to relate to performance, with criteria being relaxed where under-performance had been identified as an issue.

Use of ESF as a referral option among Jobcentre Plus advisers tended to vary according to roles and experience. Referrals were more common among advisers principally working with certain customer groups, such as lone parents or the longer term unemployed. While there was some variation in referral mechanisms and processes between different Jobcentre Plus offices and areas, on the whole these mechanisms and processes appeared to be effective and were viewed as straightforward by advisers.

The main differences in the referral approaches and mechanisms used related to the amount of contact Jobcentre Plus staff have with their ESF provider counterparts. In the main direct liaison between Jobcentre Plus and provider staff around referrals was limited, though there were notable exceptions. In some areas close working relationships had developed which appeared to offer some benefits in ensuring that referral processes functioned effectively. However, even in areas where direct liaison was more restricted, on the whole referral of participants between Jobcentre Plus and providers functioned well.

Referral processes within provider delivery partnerships – between prime or lead contractors and their subcontractors and delivery partners – also appeared to function effectively in the main. Some exceptions to this pattern occurred in cases where prime or lead contractors did not always refer participants to delivery partners where this was in the interests of the participant concerned. This tendency was evident where prime or lead contractors were struggling to achieve outcomes, but did not appear to be common.

In terms of the balance of direct engagement of ESF participants by providers relative to referrals from Jobcentre Plus, there were some variations according to whether the provision concerned was commissioned by DWP or the Skills Funding Agency. Referrals from Jobcentre Plus appeared notably more common in respect of DWP commissioned provision. Equally, it was widely acknowledged that the extent of direct engagement of participants by providers to DWP provision (relative to referrals from Jobcentre Plus) was lower than anticipated in many instances.

This scenario did not necessarily result from a lack of focus on the part of ESF providers. Rather, it related to the numbers of participants being referred from Jobcentre Plus, which itself reflected wider economic and local labour market conditions along with the approach taken to participant

eligibility. There may thus be a causal link between economic conditions, the application of criteria around 'eligibility' for provision, and the balance between direct engagement and referrals from Jobcentre Plus.

Wider issues relating to Priority 1 and 4 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 some 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 help progress towards and into employment. In the main, ESF provision also appeared to combine effectively with that available through mainstream programmes. The complementarity of provision with that accessible through other programmes and funding sources was a key supporting element to this. In turn this links to the significant added value that ESF was widely viewed as delivering 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 of provision were evident. These included the need for provision 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 coming onto the programme. There have also been notable 'double-edged' effects on providers delivering provision stemming from difficult economic conditions. While meeting engagement targets has become easier, achieving targets around job-entries has become ever more challenging.

Key recommendations

Key recommendations arising from the above analysis are as follows:

- 1 There may be benefits in offering further training and guidance to Jobcentre Plus advisers around referrals to ESF. This could be oriented around enhancing their understanding of the provision available, so they can more effectively communicate the potential benefits of this provision to customers.
- 2 There may be a need to more closely monitor delivery relationships between prime and lead contractors and their delivery partners, principally from the perspective of ensuring effective information flows within the ESF delivery chain, and ensuring the latter are not disadvantaged by the practices of some lead contractors around the allocation of targets.
- 3 Further consideration could be usefully 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.
- 4 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.
- 5 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.

1 Introduction

This report presents the findings of a study undertaken by Ecorys, and commissioned by the Department for Work and Pensions (DWP), entitled *Evaluation of European Social Fund Priority 1 and Priority 4: Extending employment opportunities to adults and young people*. This introductory chapter details the background and context for the evaluation, its aims and objectives, the methodology adopted for the study, and outlines the structure of the remainder of the report.

1.1 Background and evaluation context

As one of the European Union's (EU's) structural funds, the European Social Fund (ESF) forms a key part of the *Europe 2020* strategy, the EU's strategy for growth over the current decade. The ESF was established to enhance employment opportunities and hence contribute to raised living standards across the EU. The implementation of the ESF is undertaken through the delivery of a series of Operational Programmes (OPs) within EU Member States. The OP relevant to this evaluation is the 2007-2013 England and Gibraltar ESF Convergence, Competitiveness and Employment Programme.

Specifically, the evaluation focuses on Priority 1 within the Regional Competitiveness and Employment Objective of the OP, covering England, except Cornwall and the Isles of Scilly, and the equivalent Priority 4 covering the Convergence Objective area of Cornwall and the Isles of Scilly. Priority 1 (Competitiveness) and Priority 4 (Convergence) 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. Of the remaining 'priorities' in both the Competitiveness and Convergence Objectives, Priorities 2 and 5 address the development of workforce skills, while Priorities 3 and 6 involve 'technical assistance' activities to support programme delivery.

In examining Priority 1 and Priority 4, this evaluation contributes to a suite of research being undertaken to improve the evidence base around the operation and delivery of the 2007-2013 England and Gibraltar OP. Complementary research focuses on participation in, and outcomes of, ESF provision through the ESF cohort survey¹, the nature and effectiveness of 'in-work' training delivered under ESF Priority 2 and Priority 5², and the mainstreaming of gender equality and equal opportunities through the programme.³ A quantitative net impact analysis of DWP's ESF co-financed provision was also published in May 2011.⁴

As part of this ongoing programme of research, the England & Gibraltar ESF Evaluation Plan and evaluation sub-committee identified the need to gather evidence to address a gap in current understanding around the processes, range and delivery of ESF Priority 1 and Priority 4 provision. In response, this evaluation was commissioned to better understand: how participants are referred onto provision (and who is not referred); the range and delivery of provision and how it is tailored to all participants, particularly for disadvantaged groups; and also the relationships between key players involved in delivery.

¹ See *European Social Fund Cohort Study Wave 1*, DWP Research Report 647 (June 2010) and *European Social Fund Cohort Study Wave 2*, DWP Research Report 709 (November 2010).

² See *European Social Fund: Support for In-work Training research*, DWP Research Report 666 (2010).

³ See *Evaluation of Gender Equality and Equal Opportunities within the European Social Fund*, DWP Research Report 667 (2010)

⁴ *Early Impacts of the European Social Fund 2007-13*, DWP In-House Research Report 3 (2011)

1.2 Aims and objectives of the evaluation

In line with the above context, this study sought to build on existing evaluation and research on the 2007 – 2013 England and Gibraltar ESF programme to contribute to the overall evidence base. In doing so, the evaluation aimed to provide an understanding of how effective Priority 1 and Priority 4 provision has been in engaging with disadvantaged groups and tailoring provision to these groups. More broadly, the work intended to help inform negotiations on the future of ESF in the forthcoming programming period from 2014 onwards. The evaluation specification thus outlined a series of objectives related to the ‘policy impact’ intended from this study. The intention was that the evaluation would:

- inform strategy and delivery for the second half of the ESF 2007-13 programme;
- inform negotiations on the future of ESF from 2013 and provide evidence to inform how ESF funding should be targeted in future;
- build on the DWP and Skills Funding Agency’s understanding and strategy of delivering and integrating employment and skills programmes;
- build on or help to explain the gender equality and equal opportunities evaluation which was published by DWP in 2010;⁵
- help understand how ESF has responded in an unstable labour market;
- help understanding of how ESF is adding value to mainstream provision and is value for money; and,
- increase understanding of the commissioning of employment provision.

1.2.1 Key research questions

In addition to the objectives around ‘policy impact’, the evaluation also addresses a more specific set of ‘key research questions’ that may be summarised as follows:

- How do people get onto ESF provision?
- What is the process of referral onto ESF provision?
- What are the criteria for referral onto ESF provision? – Who is not referred onto ESF provision?
- Who drops out of provision and why?
- How do ESF providers market themselves?
- What is the range of ESF provision available?
- How is this range of provision tailored to need?
- How does ESF fit with mainstream provision?
- What engagement is there between Jobcentre Plus, Skills Funding Agency, contract managers, prime contractors, subcontractors and employers?
- What are the reasons for variation in performance and how is this addressed?
- How are employment and skills provision being integrated?

⁵ *Evaluation of Gender Equality and Equal Opportunities within the European Social Fund*, DWP Research Report 667 (2010)

- What has been the impact of the recession on provision?
- How do providers manage performance?
- What are the impacts of outcome-related funding on providers in the short and longer term? What is the balance between risk/reward?
- What attracts providers to bid for ESF provision?
- How have contractors built, formalised and managed their supply chains?
- How do primes and subcontractors interact and what processes are in place to share knowledge and encourage adoption of best practice across the range of ESF providers?
- What steps have providers taken to engage Jobcentre Plus and other stakeholders to ensure that they are aware of the nature of ESF provision and can match customers appropriately to them?
- How have business and delivery models developed?
- What has been the operational impact of the recession on the delivery of ESF provision? How have providers managed the additional risks?

1.3 Evaluation scope, methodology and approach

1.3.1 Evaluation scope and approach

As noted above, the scope of the evaluation covers Priority 1 and Priority 4 provision within the 2007 – 2013 England and Gibraltar ESF programme. On the grounds of resource efficiency the decision was taken to limit the scope of the fieldwork to England, rather than England and Gibraltar. Equally, given that the vast majority of Priority 1 and 4 ESF provision is commissioned through the two main CFOs operating within the programme, DWP and the Skills Funding Agency, it was decided to focus the evaluation on provision commissioned by these two organisations.

In terms of defining the scope of the study, it was decided that the evaluation should concentrate on achieving depth, rather than breadth, of coverage in terms of the provision examined. The decision was taken to limit the number of case studies to ten on the grounds that this would facilitate detailed coverage of ESF delivery approaches throughout what might be termed the ‘ESF delivery chain’ – from the co-financing organisations (CFOs) commissioning provision, through the key agencies involved in engaging and referring ESF participants such as Jobcentre Plus, to the providers or ‘contractors’ delivering that provision.

The evaluation also needed to complement and not duplicate the wider suite of research on the OP mentioned above. A qualitative approach to exploring the processes, range and delivery of ESF Priority 1 and Priority 4 provision was thus adopted to complement the ESF cohort survey and impact assessment of DWP provision. Given that participant experiences of provision would be covered by the ESF cohort surveys, the scope of the evaluation was limited to drawing on perspectives from the range of other stakeholders involved in the ESF ‘delivery chain’. The coverage of the evaluation in terms of the different groups of stakeholders involved is outlined below.

Finally, the evaluation scope covered delivery processes relating to employability and skills provision offered to a range of participants supported through Priority 1 and Priority 4 of the ESF programme. This included employment support and employability skills provision commissioned by DWP, along with employability and skills development provision commissioned by the Skills Funding Agency. In line with the focus of Priority 1 and 4, this latter provision covered both ‘adult skills provision’ offered to individuals targeted for ESF support and provision for young people aged 16 to 19 who are ‘Not in Employment, Education or Training’ (NEET).

1.3.2 Evaluation methodology

Summary of methodological approach

To address the evaluation aims and key research questions, a series of methodological stages and tasks were undertaken. These are summarised in Table 1.1. The text that follows the summary table provides more detail on the selection processes for the case studies that form the core of the evaluation methodology, and the approach taken to fieldwork implementation.

Table 1.1 Summary of methodology

Stage One: Inception, evaluation scoping and development		
Task	Key elements involved	Timing
1.1 Inception meeting	Meeting with the evaluation steering group (representation from the European Commission, DWP, Skills Funding Agency, Jobcentre Plus, and Young People’s Learning Agency) to discuss and confirm the evaluation scope and approach.	September 2010
1.2 Document review	Review of relevant documentation connected to the delivery of ESF Priority 1 and Priority 4 provision.	Initial review September 2010. Ongoing review as required.
1.3 Initial scoping interviews	Series of scoping meetings to inform case study selection along with fieldwork design and implementation. Initial meetings held with DWP staff responsible for ESF commissioning, Skills Funding Agency and Young People’s Learning Agency staff with an overview of ESF strategy and commissioning, and Department for Education staff with an overview of ESF policy.	October 2010
1.4 Ongoing scoping interviews	Interviews with five Skills Funding Agency regional ESF leads and five Jobcentre Plus regional ESF leads to inform fieldwork design and implementation in the regions selected for fieldwork. Discussions with five Jobcentre Plus District Managers in districts covered by the fieldwork to explore possible Jobcentre Plus offices to visit.	October – December 2010
1.5 Scoping summaries and ‘next steps’ reports	Production of short summaries and reports based on the scoping stage to finalise the approach to case study selection and fieldwork implementation.	November – December 2010
1.6 Design of research tools	Design of topic guides for use with the different stakeholder groups involved in the evaluation.	December 2010

Continued

Table 1.1 Continued

Stage 2: Case study fieldwork		
Task	Key elements involved	Timing
2.1 Team briefing and preparation	Briefing of evaluation team members and review of relevant documentation relating to each case study.	January 2011
2.2 Case study implementation	Implementation of the ten case studies involving interviews with high level stakeholders within the Skills Funding Agency and Jobcentre Plus; contract and performance managers within DWP and the Skills Funding Agency; Jobcentre Plus operational staff; managers and operational staff within ESF providers; and in some cases interviews with representatives of organisations referring ESF participants but not directly involved in delivering provision. A total of 181 individuals were interviewed as part of the fieldwork across the 10 case studies.	January – March 2011
Stage 3: Analysis, reporting and dissemination		
3.1 Stage one analysis and production of 'case study monographs'	Analysis of interview write-ups from each case study area to produce ten 'case study monographs' detailing the main findings of the case study in respect of the key issues covered by the evaluation.	March 2011
3.2 Stage two analysis	Review of the case study monographs to identify key themes and findings relating to the evaluation focus and key research questions.	March 2011
3.3 Discussion of key findings with the evaluation steering group	Presentation of key emerging findings to the evaluation steering group and discussion based on these findings to inform the content of the final report.	March 2011
3.4 Production of draft final report	Production of a draft final report based on the analysis of the case study monographs and informed by steering group discussions.	March – April 2011
3.5 Production of final report	Production of a final report incorporating comments received on the draft report from evaluation steering group members.	May 2011
3.6 Dissemination	Presentation of main evaluation findings to the Evaluation Sub-Committee of the ESF Programme Monitoring Committee.	June 2011

Selection of case studies

On the basis of the decision to limit the number of case studies to ten, and in order to gain a sense of the interplay between DWP and the Skills Funding Agency provision, it was decided to limit the number of regions covered by the case studies to five. To cover the different contexts within which Priority 1 and 4 provision is delivered, it was necessary for one of the regions selected to have a 'phasing-in' area within it; that is, an area receiving additional transitional 'phasing-in' funding as a result of having Objective One status under the previous 2000-2006 ESF programme. Of the available options, South Yorkshire was selected and Yorkshire and the Humber thus became one of the regions covered.

Equally, to cover Priority 4 Convergence provision as well as Priority 1 Competitiveness provision, one of the areas covered needed to be within the Cornwall and Isles of Scilly Convergence area in the South West region. To develop a broad geographical balance, the North East, West Midlands, and London were the other regions selected. The regions covered by the fieldwork were thus: North East, Yorkshire and the Humber, West Midlands, London and the South West.

The next stage in case study selection involved identifying a range of contracts that the evaluation team could effectively ‘track through’ the ESF delivery chain. In the case of the South Yorkshire ‘phasing-in’ area, an integrated delivery model encompassing DWP and Skills Funding Agency commissioned provision and contracts was in place. To fully understand this delivery approach, each of the contracts involved in the ‘Progress Together’ model as it is branded were thus selected. For DWP commissioned provision, monitoring information relating to contract performance in the regions identified was then examined to draw up a potential sample of contracts for the other case studies to focus on.

The criteria applied to the overall sample for the case studies looking at DWP commissioned provision was that it should:

- have a range of contracts with different levels of performance in respect of engagement of participants, and the outcomes achieved for them in terms of job entries;
- represent a range of different contract sizes of in terms of expenditure and number of participants targeted;
- offer a balance in terms of contracts focusing on urban and more rural areas;
- encompass a selection of contracts covering provision delivered by private sector providers and also providers from the Voluntary and Community Sector (VCS).

On this basis, a long-list of contracts covering different localities within the regions covered by the fieldwork was developed. This list was discussed with regional ESF leads from Jobcentre Plus to gather perspectives on the selection options, and to confirm the utility of focusing on the contracts identified. A final shortlist informed by these discussions was then drawn up, covering the three DWP contracts operating in South Yorkshire under the Progress Together model, and one contract in each of the other regions selected. Given the sub-regional delivery focus of these contracts, the particular localities to visit as part of the case study research were, by definition, identified through this process.

In line with the requirement to consider the interplay between DWP and Skills Funding Agency provision in particular localities, this selection was then used to inform discussions with regional ESF leads from the Skills Funding Agency around possible contracts to consider. The key criteria for the overall sample involved the need to identify a range of contracts that covered both ‘adult skills’ and NEET provision, included contracts that were performing at different levels, that were delivered through consortia or lead provider and delivery partner models (given the focus on the interplay between lead providers and their delivery partners), and gave a balance of private, public and VCS providers.

The final sample thus encompassed seven DWP commissioned contracts and eight Skills Funding Agency commissioned contracts. Of the latter, three were in South Yorkshire and related to adult skills provision. The remaining five contracts were divided among NEET provision (three contracts) and adult skills provision (two contracts) to ensure a broad balance between the types of contracts considered across the five regions visited.

As the above discussion indicates, the approach taken was not designed to offer a fully representative sample of case study areas and contracts. Rather, case study selection was done on a purposive basis to cover the main delivery contexts for ESF Priority 1 and Priority 4 provision, in addition to focusing on a sample of contracts reflecting particular criteria. The intention was thus to underpin the fieldwork with a selection of case studies that can be viewed as broadly representative in terms of geographical spread, delivery models used, type and range of contracts involved, coverage of adult and NEET provision, and coverage of providers with different levels of performance against contracted outputs.

Fieldwork implementation

The process of identifying relevant interviewees for each case study involved, in part, the use of a ‘snowball sampling’ approach, beginning from the initial scoping consultations undertaken with regional ESF leads from the Skills Funding Agency and Jobcentre Plus. Scoping discussions with the regional leads were used to identify additional interviewees within their organisations with a role in ESF planning and delivery, along with relevant contacts at the provider level in respect of the contracts selected for the evaluation. In some instances discussion with representatives from ‘prime contractors’ or ‘lead providers’ was also required to identify contacts at subcontractor and delivery partner level.

The selection of Jobcentre Plus offices to visit was undertaken in line with the selection of localities through the process described above. Discussions with Jobcentre Plus District Managers in the relevant areas were used to identify potential offices to visit. In localities where more than one applicable Jobcentre Plus office was based, the decision was taken to visit two offices to spread the research burden on frontline staff. This happened in all regions other than the West Midlands where only one office was visited. Across the case studies as a whole, therefore, staff from nine Jobcentre Plus offices were engaged in the evaluation. In each case, the relevant Jobcentre Plus Office Managers suggested names of advisers on the basis of availability to be consulted in the research.

Table 1.3 below summarises the number of interviewees consulted in the different case study regions in respect of DWP and Skills Funding Agency commissioned provision. Figures are split into the main groups of interviewees covered by the evaluation as follows:

- higher level stakeholders within the Skills Funding Agency and Jobcentre Plus (comprising regional leads for ESF provision and supporting staff);
- DWP Performance Managers and Skills Funding Agency Account Managers;
- Jobcentre Plus operational staff (covering Adviser Managers and frontline advisers);
- managers within ‘prime contractors’ or ‘lead providers’ delivering ESF provision⁶;
- operational staff within ‘prime contractors’ and ‘lead providers’ delivering ESF provision;
- managers within ‘subcontractors’ and ‘delivery partners’ delivering ESF provision;
- operational staff within ‘subcontractors’ and ‘delivery partners’ delivering ESF provision; and,
- additional representatives of referral partners that are not directly part of prime – subcontractor or lead – delivery partner arrangements, but who have a significant role in referring ESF participants onto provision.⁷

⁶ Where provision is arranged on the basis of a ‘prime contractor’ and subcontractor model, as with the majority of the DWP commissioned provision examined, the terms ‘prime’ and ‘subcontractor’ are used throughout the report. Where there is a model involving ‘lead providers’ and ‘delivery partners’ developed through, for example, a consortia arrangement, representatives of these organisations are referred to as such. The majority of Skills Funding Agency commissioned provision examined uses this approach and terminology.

⁷ Such ‘referral partners’ were consulted in the case studies where they formed an important source of referrals for providers. This was mainly the case in respect of Skills Funding Agency NEET provision – for example, from Connexions Services and other services engaging with young people within the NEET group.

Table 1.2 Numbers of interviewees for each case study by stakeholder group

Case study DWP /Skills Funding Agency	High level s'holder	Contract manager	Jobcentre staff	Lead provider manager	Lead provider staff	Delivery partner manager	Delivery partner staff	Referral partner
North East (DWP)	4	1	8	1	3	-	-	2
North East (Skills Funding Agency)	4	1	-	1	2	2	5	-
Yorkshire and Humberside (DWP)	3	1	7	2	4	2	4	-
Yorkshire and Humberside (Skills Funding Agency)	3	2	-	2	4	2	4	-
West Midlands (DWP)	4	1	4	1	2	2	4	-
West Midlands (Skills Funding Agency)	4	1	-	2	4	2	4	-
London (DWP)	4	1	5	1	2	2	4	-
London (Skills Funding Agency)	4	1	-	1	3	2	4	2
South West (DWP)	4	1	7	1	3	3	7	-
South West (Skills Funding Agency)	1	1	-	1	-	2	3	3
Total	35	11	31	13	27	19	39	7

As the above table indicates, numbers of interviewees varied across the ten case studies. This was as a result of the numbers of relevant staff from the different stakeholder groups varying between case studies, the variable numbers of contracts the case studies focused on, and the availability of intended interviewees in some instances. While interviews with Jobcentre Plus staff were relevant to both DWP and Skills Funding Agency provision, for convenience the numbers involved are recorded in respect of the DWP case studies. Interviews with referral partners were undertaken on an ad hoc basis where the ‘snowball sampling’ approach indicated that such interviews were relevant. The majority of interviews were undertaken on a face-to-face basis during case study visits. Due to non-availability at the time of the visits, a small number of interviews (four) were by telephone.

For all interviews, semi-structured topic guides were used to inform discussions, and written notes were taken. Where appropriate, and on the basis of interviewee consent, interviews were recorded. Due to timescale and resource considerations, and in light of the number of consultations, interviews were not transcribed. However, interviews were fully written up to prepare for the two stage analysis process described in the methodology summary table above. To encourage interviewees to be as open and honest as possible, all of those consulted were assured that anonymity would be protected, and that no views offered, or quotes used in reporting, would be able to be attributed to individuals.

1.4 Report structure

The remainder of the report is structured as follows:

- Chapter two provides an overview and analysis of the ESF delivery infrastructure that supports the implementation of ESF provision in respect of the case studies examined.
- Chapter three considers issues around the training and guidance received by those delivering ESF provision, along with the understanding of ESF held within key parts of the delivery chain.
- Chapter four examines how ESF providers develop and implement their approaches to delivery.
- Chapter five looks at issues relating to contract and performance management within ESF provision.
- Chapter six examines systems and processes related to the engagement and referral of ESF participants.
- Chapter seven considers some wider issues relating to ESF provision in terms of its range, the integration of ESF with mainstream provision, and the added value it offers.
- Chapter eight concludes the report by offering some ‘concluding observations’ based on the review of provision undertaken, along with summarising the key findings of the study and the recommendations that arise from these.

2 The 'delivery infrastructure' surrounding ESF Priority 1 and 4 provision

This chapter provides an overview of the different delivery approaches evident across the Department for Work and Pensions (DWP) and Skills Funding Agency commissioned European Social Fund (ESF) provision examined. It also looks specifically at the strategic partnership arrangements developed to support the delivery of this provision, along with examining how employers and ESF providers are engaged within what can be termed the ESF 'delivery infrastructure' for Priority 1 and Priority 4 provision.

2.1 Overview of the 'delivery infrastructure' for ESF provision across the case studies

To set the context for the analysis that follows in this report, it is worth providing a brief overview of the 'delivery infrastructure' or 'delivery chain' apparent in respect of the case studies selected for the evaluation. These comprised five case studies based on DWP commissioned provision and a further five examining Skills Funding Agency commissioned provision. As explained in the previous chapter, these case studies were 'matched' in terms of their geographical co-location at the sub-regional level.

While there were a number of variations in the broad delivery infrastructure surrounding each of the contracts or sets of contracts examined in the different case studies, this did not amount to ten different 'delivery infrastructures' or 'delivery models'. Rather, there were broad commonalities of approach evident across the 'DWP commissioned provision' case studies and their Skills Funding Agency equivalents respectively.

2.1.1 The delivery infrastructure for DWP commissioned ESF provision

In terms of the DWP commissioned ESF provision examined through the evaluation, each of the case study regions adopted a broadly similar delivery approach. While DWP acts as the commissioning and contracting body in its role as a Co-financing Organisation (CFO), its executive agency, Jobcentre Plus, plays a key role in the ESF delivery infrastructure at regional and sub-regional levels. Within each region (or in the case of the Cornwall Convergence programme sub-region), a form of ESF or 'European funding' team exists, with the staff roles involved sometimes being interchangeable with broader 'third party provision teams'.

Each Jobcentre Plus 'district' at the sub-regional level then has a dedicated ESF District Manager or equivalent post(s) with a remit around co-ordinating ESF and other provision. In the areas chosen for the case studies there were some variations to this broad model. In the case of the North East, ESF Customer Support Officers are in place in each sub-regional Jobcentre Plus 'district' with a role focused on the ESF customer experience, and with a remit involving liaison between ESF participants, Jobcentre Plus advisers, and ESF providers. This is not an equivalent role to the ESF District Managers in place in other regions, with such managers having a differently focused remit around provider liaison and the co-ordination of ESF and other 'third party provision' with that offered through mainstream Jobcentre Plus services. In the case of Cornwall, an ESF Manager for Cornwall plays a similar role to District ESF managers elsewhere.

The next key link in the delivery chain for DWP co-financed provision is at the level of individual Jobcentre Plus offices, where Jobcentre Plus advisers interface with the public and, where applicable, can refer customers to ESF provision. The provision itself is delivered through 'prime-contractors' who hold contracts with DWP to deliver ESF provision at the Jobcentre Plus 'district level'. Numbers of contracts in each district vary in number, but are generally between one and three contracts across the district in question. Importantly, however, these prime contractors are managed, in contractual terms, by a DWP Contract/Performance Manager rather than through Jobcentre Plus.

Although prime contractors generally have a supply chain encompassing subcontractors, often offering specialist services to particular customer groups or being focused on delivery of provision in particular locales, this is not universally the case. In respect of contracts operating in some districts, the prime contractor themselves delivers all ESF provision. While, in these instances, such contractors may have delivery partner organisations with, for example, a particular specialist focus, they are not formal subcontractors operating as part of the ESF contract under the prime contractor. In the main, however, the delivery chain attached to contracts considered by the evaluation did involve the standard prime contractor-subcontractor model, in line with these relationships being a key area of interest for the study.

In respect of the particular case studies selected, the principal difference to the broad approach described is in respect of the dedicated delivery infrastructure developed for ESF provision in the former ESF Objective One 'phasing-in' area of South Yorkshire. While the prime contractor-subcontractor model has been used, this sits within a broader delivery model that seeks to combine both DWP and Skills Funding Agency commissioned provision into a unified approach. The 'Progress Together' model, as it was branded, involves a series of six interlinked contracts, with three commissioned by DWP and a further three by the Skills Funding Agency. These contracts seek to provide dedicated, but linked, services on the basis of a delivery model that tracks the key stages of the ESF 'customer journey' from initial engagement towards sustainable employment. Within this model, different elements of provision are provided in line with this journey through the six different contracts involved. Individual contracts thus focus on, for example, engagement of participants, 'key worker' support to participants, skills development provision, and provision of self-employment advice.

2.1.2 The delivery infrastructure for Skills Funding Agency commissioned ESF provision

In some senses, the delivery infrastructure for Skills Funding Agency commissioned ESF provision is similar to that described in respect of DWP provision. Each of the English regions has a Skills Funding Agency 'Head of Provider Accounts' who acts as an operational lead overseeing ESF provision. Contracts with ESF providers are monitored and managed by account managers. Following the transition from the Learning and Skills Council (LSC) to the Skills Funding Agency, the level of dedicated regional capacity focused on ESF was reduced. Significantly, in light of the considerations of this study, as part of the new streamlined approach account managers tend to monitor a series of contracts with particular providers, rather than specific types of provision such as ESF.

While the delivery infrastructure to support ESF within the Skills Funding Agency at the regional level was relatively consistent in respect of the regions and particular case studies examined, there was more variation beneath this level in terms of delivery approaches and models adopted. In part this is connected to the difference between commissioning approaches in terms of adult skills provision as compared to those developed to support provision for the Not in Employment, Education or Training (NEET) group.

For the adult skills provision examined through the case studies, and discussed more broadly with regional level stakeholders, the tendency was to utilise a lead contractor – delivery partner model.

Within this approach a lead provider, often overseeing a consortium of other providers, acts as a lead body for the purposes of contracting with the Skills Funding Agency. Importantly, however, not all contracts are delivered through consortia or partnership type approaches. In some cases the Skills Funding Agency contracts directly with a single provider to deliver ESF provision. Equally, for larger contracts, while some lead provider – delivery partner approaches are based on a consortia or partnership model, in other instances a lead provider operates in a way more analogous to the prime contractor–subcontractor relationship characteristic of DWP commissioned provision.

There was therefore, some variation in the extent to which supply chains were formalised. While lead providers in some cases have formal contractual agreements with partners for provision to be delivered, in other cases delivery of provision is undertaken on a more shared basis underpinned by, for example, the use of service level agreements. A further variation in the case studies examined, relating to the delivery of adult skills provision, concerns the approach taken in South Yorkshire. As mentioned, this approach involves combining Skills Funding Agency and DWP commissioned provision under a single model. However, there is another difference specific to the Skills Funding Agency contracts concerned in this sub-region. This involves the approach of contracting with a fund holding or fund managing organisation to oversee the delivery of ESF provision, with that organisation not necessarily delivering provision itself, but being responsible for commissioning and managing delivery on behalf of the Skills Funding Agency.

This latter approach was also evident in the case of some of the ESF NEET provision commissioned by the Skills Funding Agency. In Cornwall, for example, the Local Authority (LA) won a contract to act as a fund holder on behalf of the Skills Funding Agency, with the LA then commissioning a range of providers to offer services to the NEET group through a form of framework contract. In part, the decision to adopt such an approach, also evident elsewhere, relates to the statutory duties given to LAs around their responsibility to provide services for NEET young people. Equally, however, on this side of the provision commissioned by the Skills Funding Agency, variation in delivery models was apparent. In other areas covered by the research, for example, an approach much closer to the consortia or partnership model was evident in terms of NEET provision, with a lead provider being responsible for developing a consortium of relevant organisations from the statutory and voluntary sectors to deliver provision.

As with the DWP commissioned provision examined, therefore, while there are broad commonalities to the delivery infrastructure and supporting models developed in different regions, there are also a number of notable differences. Given the focus of the evaluation, such variations in delivery models are clearly of interest, and the effects of such variations is a theme returned to consistently throughout the remainder of this report. It is worth commenting also that such variations were seen by those involved in the development of these models as reflecting the ethos of ESF in terms of allowing flexibility for different delivery arrangements according to regional and local contexts.

2.2 Strategic partnership arrangements for ESF planning and delivery

2.2.1 The nature and role of strategic partnerships developed to support the delivery of ESF provision

Across all regions involved in the England and Gibraltar Operational Programme (OP) formal partnership arrangements existed in the shape of ESF Regional Committees.⁸ While these arrangements were discussed with the higher level stakeholders from DWP, Jobcentre Plus and the

⁸ Following the change of government in 2010 and the abolition of the regional tier, ESF regional committees have been disbanded (except in Cornwall and London).

Skills Funding Agency, the focus and scope of discussions around regional partnership arrangements was wider than this. In particular, in each of the areas a range of partnerships with a role in, and effect on, the delivery of ESF provision were discussed. Such partnerships included:

- regional employment and skills partnerships or Boards;
- steering groups or 'co-financing boards' established to bring together CFOs working in particular regions, sometimes also including LA representation even where the authorities concerned were not CFOs.

In a small number of instances, partnerships considered as 'strategic' by the high level stakeholders interviewed from DWP, Skills Funding Agency and Jobcentre Plus also brought in some provider representation. In one area, for example, representatives from prime contractors delivering DWP co-financed provision, and lead contractors for Skills Funding Agency co-financed provision, were involved in a steering group with representatives from the two main CFOs operating in the sub-region.

The organisation or organisations responsible for convening and managing such partnerships varied, with regional employment and skills partnerships or Boards already being part of the infrastructure for strategic decision making around employment and skills provision. In the case of ESF specific partnerships, joint approaches between the relevant CFOs in terms of instigating and managing partnerships were most common, with resource requirements for this being shared among partners. Where providers were also involved in strategic partnerships in the areas considered, the impetus for this generally came from Jobcentre Plus and related to the DWP commissioned provision examined.

The 'strategic partnerships' discussed also varied as to whether they operated and were focused at regional or sub-regional levels. In some cases (South Yorkshire as a result of 'phasing-in status' and use of the Progress Together model, and Cornwall from a P4 perspective) a sub-regional partnership focus stemmed from the particular circumstances involved. In other cases, sub-regional partnerships had been established, but varied in the degree to which they were seen as operating regularly at the time of the research. In several cases, partnerships had been developed but the frequency of meetings was reported to have diminished over time, and in two cases the partnership concerned had either fallen into abeyance or those involved were unclear as to whether it still existed.

In one instance, such a partnership was established but had later been disbanded in the period of transition from the LSC to the Skills Funding Agency. In this case, the relevant stakeholders concerned felt that the Skills Funding Agency's increasing focus on contract management rather than strategic engagement was a key factor in the partnership's dissolution. The perception on the part of such interviewees was that the agency had retreated from such strategic engagement at the sub-regional level due to resource and capacity constraints in particular, added to a new focus in terms of operational activity. In other cases, where sub-regional strategic partnerships had lessened in frequency, this was viewed as a function of there being less need for such engagement as the main decisions over the content and operation of provision had been taken earlier in the programme delivery period.

In the main, the role of all the partnerships with a strategic remit relating to ESF principally revolved around co-ordinating provision, and reducing actual examples of, or the potential for, duplication in that provision. A broader focus on integrating employment and skills-related provision was also evident, particularly in respect of discussions between DWP and Skills Funding Agency representatives. The extent to which this was done through the sort of strategic partnerships mentioned, or through more ongoing bilateral relationships between the two CFOs, varied somewhat. Of the case study areas considered, the general tendency was towards discussing such integration in strategic partnership fora, but working on the detail of co-ordinating approaches through ongoing and more informal liaison.

The other main rationale cited for strategic partnership working around ESF delivery, whether at the regional or sub-regional level, was in respect of information exchange relating to policy and operational changes or developments. In several cases this was also related to the view of high level stakeholders from Jobcentre Plus and CFOs that there was a need to ensure that the development and delivery of ESF provision did not occur in what one interviewee termed a '*...policy vacuum...*'. In other words, strategic partnership working of the type reported was related to a desire to ensure that ESF provision reflected, and supported, the wider policy and operational objectives of the key organisations involved as far as possible.

2.2.2 Effectiveness of strategic partnerships developed to support the delivery of ESF provision

Views on the effectiveness of the strategic partnership arrangements developed to support the implementation of ESF provision varied notably across, and sometimes within, the case studies examined. In some of the regions covered by the evaluation, the overall perception of those interviewees involved at the strategic level was that partnership working was both effective and important in supporting the delivery of ESF itself. In other regions, perceptions of the effectiveness of strategic partnerships either varied, sometimes between individuals involved in the same partnerships, or were generally less positive. In the latter cases, this often appeared to be linked to instances where the overall approach taken to ESF delivery had proved problematic, or where there had been difficulties between CFOs around the perceived duplication of some provision and where responsibility for this lay.

There was also a general division in the perceived effectiveness of strategic partnerships between those operating at the regional and sub-regional levels in terms of the delivery approaches considered. While formal ESF partnerships in the case of the ESF Regional Committees were generally viewed as operating effectively, their restricted focus and remit in terms of dealing with some of the complexities and detailed issues relating to ESF delivery was itself cited as a factor in this. Thus, for a number of high level stakeholders interviewed, the real difficulties and work in terms of ensuring the complementarity of different provision, for example, related to the process of partnership working outside this forum. Where partnership working was seen as difficult or challenging, therefore, this was often at a lower level than that of Regional Committees, and was often at the sub-regional level.

Importantly, however, perceptions of effectiveness or otherwise were not necessarily tied to instances where significant challenges or issues relating to ESF delivery had arisen. In some cases, while partnership working had been seen as challenging, interviewees felt that the openness and honesty which had led to some difficult discussions was significant in ensuring that the partnership itself could be viewed as operating effectively. Indeed, where partnership working was seen as less effective, this was often related to the tendency of organisations involved to be reluctant to share information, or engage openly with the challenges and issues emerging. Disputes over territory between CFOs, in terms of which CFO should lead on particular types or areas of provision, were also cited as an issue leading to strategic partnership working being challenging, or less effective than it might be, in some instances.

In terms of what worked well in those cases where strategic partnerships were seen as operating effectively, the views of interviewees involved tended to revolve around common themes relating to partnership working. In addition to a willingness of the organisations involved to be open, honest, share information, and be open to negotiation, the personal relationships developed between key individuals and trust established over time were viewed as significant. The setting of clear remits for partnerships, and shared understanding of the boundaries of their influence – both in terms of agreements made through such fora, and in terms of the relative decision making influence of attendees, were also noted.

Suggestions for improving strategic partnerships and partnership working around ESF delivery tended to reflect interviewees' perspectives on what was working less well and the reasons for this. In a number of instances the need for all those involved in strategic partnerships to demonstrate greater commitment to, and recognition of, the importance of partnership mechanisms was noted. Such perceived lack of commitment in some instances was seen as being reflected by the tendency of some of those involved to ignore or be slow in responding to action points for example.

In cases where interviewees felt there was a reluctance to be open and share information on the part of some organisations, changes to the culture of the organisation involved were cited as necessary, though there was a recognition that this was perhaps a wider issue not likely to be solved simply in respect of ESF partnership working. Finally, in some instances where partnerships with a strategic remit operated at a sub-regional level, the need for consistency of approach in terms of organisations sending representatives of similar seniority and decision making influence was also cited as a key improvement required. In these instances, asymmetry in terms of seniority was seen as affecting the operation of partnerships due to the time some organisations were seen as taking to make decisions and communicate these to key partners.

While approaches to integrating employment and skills provision through strategic mechanisms such as those discussed were, for the most part, viewed as working in a broadly effective manner, it is important to note that such perceptions were not universal. In one of the regions covered, for example, partnership mechanisms at both regional and sub-regional levels were seen as offering only limited opportunities for the sort of strategic co-ordination the stakeholders interviewed felt was required. As a result, there was significant concern among some stakeholders from one of the CFOs interviewed that competition between similar provision offered by different CFOs was evident, with this undermining effective integration.

In other instances, stakeholders were generally able to point to some examples of perceived duplication in provision, even where overall attempts to integrate employment and skills-related provision were seen as effective. In some cases, the presence of such examples was seen as being due to the complexity of planning significant amounts of provision and ensuring effective complementarity in all instances, being in itself a difficult or impossible goal to achieve. In other instances, the ongoing presence of such examples of (at least partial) duplication was related to an inability of the CFOs involved to fully agree and define where their respective remits began and ended. It should be noted, however, that across the case studies considered such issues were relatively rare, and were not seen as significantly challenging the delivery of effective provision.

2.3 Engagement arrangements for involving ESF providers and employers

2.3.1 The nature and role of engagement arrangements developed to engage ESF providers to support delivery

Across the ten case studies examined for the evaluation, in all instances processes were in place to engage ESF providers through a number of structures and mechanisms to support the delivery of ESF provision. Indeed, this engagement of providers can be viewed as a significant aspect of the overall delivery infrastructure supporting ESF implementation. A key aspect of this relates to engagement through management and monitoring procedures which are considered in detail in Chapter 5 of this report. Outside of these procedures, however, a number of other approaches to provider engagement were evident on the part of the CFOs considered by the evaluation, in addition to a number of standing partnerships aimed at facilitating the transfer of information and good practice among providers.

A number of particular engagement mechanisms were common across all of the cases examined, though the nature, extent and regularity of the mechanisms used did vary significantly. These mechanisms commonly included:

- engagement events held prior to bidding rounds for ESF funding seeking to offer information and guidance around the processes involved, as well as to encourage providers to bid to deliver provision;
- ongoing larger scale information dissemination events at regular intervals throughout the 2007-2013 programming period to date, aimed at informing providers of any changes in reporting requirements and offering policy updates;
- smaller scale and more regular 'provider engagement meetings' held on a local or sub-regional basis on the part of particular CFOs;
- a number of ad hoc and often sub-regional or local events aimed at facilitating provider partnership and the sharing of good practice; and,
- more formal standing steering groups or operational groups bringing prime contractors and lead providers together to ESF support delivery.

While the above mechanisms are all examples of approaches to engaging providers within the broad ESF delivery infrastructure, the rationale for and aims of the different mechanisms involved are relatively distinct. Provider engagement prior to bidding rounds was designed to support the effective and efficient implementation of procurement processes, ensuring that a range of providers were able to bid in an informed manner and meet the requirements of the tendering process involved. The larger scale information dissemination events tended to be aimed at updating managers within prime contractors and lead providers around the progress and performance of ESF in the region concerned, raising or reinforcing messages around the requirements of providers in delivery and reporting procedures, and updating providers on any organisational changes and policy developments related to the CFO in question.

Whether as part of such events or on the basis of more ad hoc local arrangements, approaches to facilitating provider partnership development and the sharing of good practice were also evident, though in fewer cases than the mechanisms noted above. In respect of DWP commissioned provision in particular, approaches such as 'provider speed-dating' had been used at events around the launch of the programme to look to facilitate the development of relationships between providers within the delivery chain. Similarly, provider networks existed in some areas oriented around sharing good practice, improving delivery procedures, and facilitating informal peer support among providers – such networks were most commonly, though not exclusively, reported as existing around the delivery of Skills Funding Agency commissioned NEET provision. A significant aspect of this latter form of partnership is that, in the examples considered, providers themselves tended to be instrumental in running or maintaining these networks.

Operational steering groups comprised of provider and CFO representatives, or 'practitioner groups' just involving providers, were particularly evident in respect of those case studies where a particular delivery model or overarching approach had been developed for the sub-region in question. Both South Yorkshire and Cornwall utilised such engagement mechanisms for example, supporting the Progress Together and Cornwall Works approaches respectively. Finally, provider engagement meetings (PEMs) were used in respect of DWP commissioned provision as a route to ongoing exchanges of information and dissemination between Jobcentre Plus and its provider base. In some instances, PEMs were reported as being focused exclusively on ESF provision and providers, while in other instances PEMs were used as a wider engagement tool for providers delivering a range of provision.

As noted, while the above mechanisms were common in respect of the provision examined through the case studies, the frequency of such approaches varied. Large scale events were generally more common at the outset of the 2007-2013 programming period, as were the 'speed-dating' approaches to facilitating provider interaction mentioned. In part this was seen as simply reflecting the fact that such engagement was required less as delivery approaches 'bedded-in'. Equally, a number of provider representatives interviewed who were involved in delivering Skills Funding Agency provision noted that, in general, their engagement with the agency and with other providers had lessened in the wake of the transition from the LSC to the Skills Funding Agency. Reflecting this, ongoing provider engagement and the use of partnership structures to facilitate this was, in general, more evident in respect of the DWP commissioned provision examined.

The regularity of PEMs as part of that provision also appeared to vary between the areas visited and, in most cases, to have lessened over time. In general such meetings occurred on a quarterly basis and on an ad hoc basis as required between these times. Over the past year to eighteen months however, such meetings (where ESF specific) were reported as having become less regular. A reduced requirement for the meetings and more pressure on the resources required to run them tended to be cited as the reasons for this. Interestingly, the meetings of networks of providers oriented around sharing practice and offering peer support and the like were similarly reported to have lessened in frequency in the instances where such approaches operated. A combination of, again, less need for such meetings as providers became more experienced with delivery and, in some cases, a view that greater provider competition was discouraging such activity were cited as the main reasons for this.

While the above discussion focuses on specific aspects of provider engagement in terms of partnership structures, as discussed further in Chapter 5 around contract and performance management it should also be noted that more informal, bilateral, engagement between CFOs and providers was reported to occur on an ongoing basis. Again, however, the scope for this, and the extent it happened outside of contract and performance management processes, was widely noted as having lessened over time among providers delivering Skills Funding Agency commissioned provision.

2.3.2 Effectiveness of the mechanisms developed to engage ESF providers in supporting delivery

In the main, the different arrangements noted for involving providers were widely viewed as working well and offering some significant benefits to providers, CFOs, and other organisations with a role or stake in the ESF delivery infrastructure. Among provider representatives there was a tendency to view more locally oriented events and meetings as being more helpful and relevant in terms of informing and supporting their approaches to ESF delivery. Given the relative complexity of ESF reporting and compliance requirements from the provider perspective, however, it is true to say that all engagement mechanisms were viewed positively from the point of view of facilitating effective information exchange.

Interestingly, while not a universal view, where provider representatives were more sceptical over the utility of arrangements this was sometimes the case with partnership mechanisms that outwardly would appear to offer clear benefits around practice exchange and peer support. Several provider representatives from organisations delivering both DWP and Skills Funding Agency provision offered the observation that such networking had become of less value as a result of those involved being less keen to share aspects of their practice. This was seen as resulting from increased competition between providers, both in terms of securing ESF contracts and in terms of the other provision they were involved in delivering. The focus on outcome-related payment mechanisms in the context of a competitive system, whether this was related to ESF or other provision, was cited as a key factor here.

Equally, events aimed at encouraging providers to liaise with each other, and develop delivery or referral partnerships and arrangements through this, were generally less well received on the part of those provider representatives consulted. Among those with less positive views in this area the general view was that providers were either already doing this, or that such relationships only developed organically over time and could not be 'forced' as such. This was in partial contrast to the views of higher level stakeholders from DWP, Jobcentre Plus and the Skills Funding Agency who tended to be more positive around their perception of the benefits of such approaches for providers.

In general, therefore, mechanisms designed to facilitate the engagement of providers appear to work most effectively from the perspective of facilitating a two-way exchange of information between CFOs/Jobcentre Plus and providers, rather than encouraging provider liaison and exchanges of good practice. Likewise, on the basis of evidence gathered through the case studies, while large scale regional events can offer benefits to all the stakeholders involved, it is often smaller more localised mechanisms and ongoing liaison between CFOs/Jobcentre Plus and providers that offer the most benefit to providers themselves.

2.3.3 Engagement of employers in the ESF delivery infrastructure

Through the case studies the research also sought to identify how, and in what ways, employers were engaged to play a role in the 'ESF delivery infrastructure'. While there were some examples of the use of Jobcentre Plus employer engagement teams supporting ESF delivery through, for example, contributing to ESF events and facilitating links between providers and particular employers, in general employer engagement is left to providers. In terms of the ESF delivery chains examined, therefore, employers tend to become involved at the level of ESF providers through their delivery activity, rather than through ESF-related activity on the part of Jobcentre Plus, DWP, or the Skills Funding Agency.

Equally, within providers themselves, employer engagement is often undertaken in respect of the entirety of employment and skills development activity they are involved in delivering, as opposed to being specific to ESF per se. This is particularly the case with larger prime contractors or lead providers who, on the basis of the case studies undertaken, generally have dedicated and separate employer engagement teams. While individual provider staff liaising with ESF participants may make contact with employers on their behalf, more structured and ongoing engagement appears to be largely undertaken through different routes and mechanisms.

Given the above context, in terms of engaging employers in the ESF delivery infrastructure and what is effective or otherwise in this, the research undertaken for this evaluation revealed little of note in this area (certainly in terms of being specific to ESF). In the instances where interviewees from providers did have knowledge of approaches to employer engagement, being fully linked into the local labour market so as to be aware of planned developments likely to yield jobs was cited as significant. Similarly, ongoing liaison and the development of trusted relationships with employers on the basis of ensuring the (high) quality and suitability of job candidates referred to them was noted.

2.4 Conclusion

On the basis of the ten case studies examined through the evaluation, it is clear that a relatively consistent delivery infrastructure for Priority 1 and 4 provision is in place to support both DWP and Skills Funding Agency commissioned activity. Beneath this broad impression of consistency, however, a number of different delivery approaches and models are apparent. In part this relates to the specific type of provision being delivered, the CFO delivering it, and the context within which it is delivered.

The delivery infrastructures supporting Priority 4 provision in Cornwall, and Priority 1 provision in the 'phasing-in' area of South Yorkshire, reflect differences in context for example. The variations in delivery infrastructure apparent are also reflective of the broader focus on tailoring ESF to particular regional needs and circumstances, along with developing models to support delivery to particular ESF target groups – as is evident in the tendency to utilise different delivery models for NEET as opposed to adult skills provision.

A significant part of the delivery infrastructures developed relates to establishing mechanisms to facilitate partnership working at both strategic and operational levels. Evidence suggests that these mechanisms operate in a broadly effective manner and are beneficial, in particular, from the perspective of facilitating exchanges of information. At the strategic level they also offer a route to encouraging the complementarity of provision commissioned by different CFOs, and to seeking to combine employment and skills-related support through ESF provision.

While such routes appear to work well in general, the extent to which potential duplication of provision can be fully removed from delivery is, perhaps unavoidably, circumscribed by several factors. The degree to which all provision can be considered at the strategic level is one such factor, as is the inevitable overlap in terms of provision engendered by key CFOs themselves having slightly overlapping remits and foci.

Various mechanisms are significant in offering a route through which ESF providers are engaged as part of the delivery infrastructure, and through which the delivery of provision is supported. In general, such mechanisms appear to be more beneficial from the perspective of ensuring a two-way exchange of information between providers and CFOs, rather than as routes to encouraging providers to develop delivery partnerships or exchange practice between each other. The reality of provider delivery partnerships and relationships developing in a more organic fashion over time, and the disincentive to share practice that results from competition between providers, are key explanatory factors in this. In general, however, it is clear that provider engagement mechanisms are a significant element to ESF delivery structures, and that they offer potential routes to enhancing the effectiveness of delivery.

Finally, the research undertaken demonstrates that employers are principally engaged as part of ESF Priority 1 and 4 delivery at the level of provider activity, rather than at more strategic levels or through dedicated engagement mechanisms. Among larger providers employer engagement teams and approaches are evident which, while linked to the ESF provision they offer, are not specific to it. Outside of this, and particularly among smaller providers, employer engagement tends to be undertaken at the level of individual staff contact with particular employers in the course of supporting ESF participants.

3 Training, guidance and understanding of ESF

This chapter examines the training and guidance received by staff involved in what might be termed the ‘frontline’ of the European Social Fund (ESF) delivery chain around their roles in liaising with ESF participants and in delivering ESF provision. In doing so it considers the level and nature of ESF-related training and guidance given to Jobcentre Plus advisers, and adviser managers, from the perspective of the role they play in engaging with and referring ESF participants onto provision. Likewise, the training and guidance given to operational staff working with ESF participants in providers is also considered. Finally, the chapter examines the level of understanding of ESF evident in key parts of the overall ESF delivery chain.

3.1 ESF-related training and guidance provided to frontline Jobcentre Plus staff

3.1.1 Training, advice and guidance received by advisers and adviser managers

As outlined in the previous chapter on the delivery infrastructure that supports the implementation of ESF under Priority 1 and 4, frontline staff in Jobcentre Plus are a key link in the delivery chain for provision commissioned both by Department for Work and Pensions (DWP) and by the Skills Funding Agency. In line with this, the evaluation case studies were used to investigate what information, training and guidance Jobcentre Plus advisers and adviser managers receive to support them in undertaking their roles around ESF provision.

Evidence gathered through the case studies demonstrated that the extent of formal ESF-specific training offered to frontline staff working in Jobcentre Plus offices is limited. In some areas covered by the research, a form of initial training had taken place following the launch of the ESF programme in the shape of a day-long ESF event to which advisers were invited. In the two areas where this was reported, the events concerned included an overview of ESF as a programme, what types of provision would be available through ESF funding, and eligibility criteria for referring customers onto ESF. In the areas where events were cited as an aspect of training by advisers, it was clear that only some of the advisers interviewed for the evaluation had attended them. Turnover of staff, availability at the time, and the particular roles advisers were playing at the juncture the events happened were factors that meant that such ‘training’ was inconsistently received.

In the other areas covered by the fieldwork, advisers and adviser managers reported that no formal ESF-specific training had taken place over the period of the 2007-2013 programme. Common to all the areas visited, however, Jobcentre Plus advisers did report receiving training in the sense of courses and in-work guidance around the more generic aspects of undertaking their roles. While there was little or no ESF-specific training therefore, advisers and adviser managers had received training focused on undertaking their job roles in general.

In addition, it was evident that a range of more informal training was taking place in all of the Jobcentre Plus offices visited, both related specifically to ESF and to the adviser role more broadly. This included extensive use of job shadowing, along with a process described by a number of advisers interviewed as ‘...learning on the job...’ through self-directed learning and the gradual development of experience. Extensive peer support was also a clear element of training around ESF

provision, wherein more experienced advisers with knowledge of ESF became identified as people that colleagues could ask for advice and guidance.

Interestingly, in some of the areas visited interaction with providers was also noted and viewed by some advisers as representing a form of training around their roles, particularly in terms of enhancing their understanding of ESF provision and its delivery. This interaction occurred through several routes, most commonly in the form of adviser visits to the premises of providers, or provider representatives visiting the Jobcentre to discuss their provision. While adviser visits to provider premises appeared to be relatively uncommon, and were generally reported as having occurred at the start of the current ESF programming period, provider visits to Jobcentre Plus offices to discuss provision was reported as happening more frequently.

While formal training around ESF appears limited, other information, advice and guidance, including that offered by colleagues, was much more prevalent in terms of assisting advisers and adviser managers to undertake their roles connected to ESF. Indeed, such information, advice and guidance was generally seen by advisers as more significant than formal training in supporting them in their roles. Information, advice and guidance received varied between the areas visited in terms of content and format, but was generally connected to information around ESF as a programme, the nature of provision available, and guidance on ESF eligibility criteria.

Additional information and guidance came in a range of formats and through a variety of routes to advisers. The District Provision Tool (DPT), accessible through the Jobcentre Plus intranet, was cited in all areas as a significant source of information on available provision. In some areas this was supplemented by paper-based 'reference sheets', providing short summaries of available ESF provision and contact details for advisers to contact their counterparts at ESF providers to discuss the provision available. In those areas where such materials were used, they had generally been developed by the dedicated Jobcentre Plus ESF teams at the regional or sub-regional level. In practice, advisers tended to update these sheets, and add their own notes and annotations to them on an ongoing basis.

In some cases, paper-based sources of additional information also included guidance on referral processes, likewise produced by regional or sub-regional ESF teams. Some advisers also reported receiving leaflets around ESF provision, often sent by providers themselves. Ongoing information and guidance received by email or placed on the staff intranet was the final form of additional information commonly accessible to, and used by, advisers. This additional information and guidance frequently focused on eligibility criteria for ESF participants in terms of accessing provision, and how this should be applied by advisers. Such ongoing guidance, however, appeared to vary considerably in terms of its content and frequency. In some areas all such guidance was posted on the Jobcentre Plus intranet, while in other areas emails were reported as coming from Third Party Provision managers, along with teams or individuals focused on ESF at the regional or sub-regional level.

3.1.2 Perspectives of frontline Jobcentre Plus staff on the training, advice and guidance received

Views on the need for, and potential utility of, more formal training around ESF on the part of advisers and adviser managers were mixed. While some advisers felt this would be useful, particularly for new staff, the majority of those advisers interviewed felt that additional guidance and information, received on an ongoing basis, was more helpful in fulfilling their roles around ESF. The difficulty of arranging more formal training in light of staff turnover, along with resource and time or availability constraints was also widely cited.

In general, advisers and adviser managers felt that the information and guidance they received around ESF provision was sufficient for them to undertake their roles. Accepting this, a minority of advisers reported that ideally they would receive more information and guidance, particularly around being able to fully understand the ESF provision that was available, and the nature of providers and their delivery processes. In line with this, visits to provider premises and providers coming into Jobcentre Plus offices were noted as being particularly useful by frontline staff. Likewise, where paper-based reference sheets were used, these were seen as beneficial aids to understanding what provision was available through ESF and as a support to referral processes. While the DPT, accessible through the intranet, was similarly seen as useful by advisers, in practice some noted that paper-based reference sheets were easier and quicker to use.

Perspectives on information available through the staff intranet more generally, and in particular that received by email, varied. In many cases, more negative views on these sources of information and guidance were linked by the advisers concerned to the view that the time pressures facing them made keeping abreast of developments and changes through these routes difficult. As one adviser noted:

'We get too many emails and my inbox is always clogged up. It's difficult enough to find the time to read all we receive, but I often have to delete them in order to send a new one and so I lose a lot of unread information.'

(Jobcentre Plus adviser)

Likewise, the benefits of visiting providers as a source of information were contrasted with the relative utility of information received through email by another adviser:

'Emails are useless because they don't give us any detail. I used to have time to go round [to provision] have a look round and see what happens and how it works. But now we're far too busy and booked out for a long time.'

(Jobcentre Plus adviser)

In other instances, however, advisers felt that intranet and email-based information was beneficial from the perspective of keeping up to date with changes around the availability of provision, and the application of eligibility criteria for potential ESF participants. In some cases, these benefits were contrasted with the (widely observed) lack of utility of leaflets outlining provision and its availability, given that these quickly became outdated.

Reflecting the views noted above, the main suggestions for improving training, information and guidance offered by advisers and, in some cases, adviser managers, related to enhancing the understanding of ESF provision available on the part of frontline staff. In particular, the potential for greater contact with provider representatives was noted, with visits to provider premises being seen as the most beneficial route to enhancing advisers' understanding of provision. At the same time, however, those advisers who raised this also frequently noted that finding time to do this would be difficult. As one adviser manager commented in respect of this issue:

'The only way that advisers can really understand what provision is available is if they are able to visit providers and that has not happened enough...The opportunity for these sort of exchange visits have diminished as the economic picture has worsened because advisers are busier than ever.'

(Jobcentre Plus adviser manager)

Other suggested improvements tended to revolve around using email in a more targeted, clear and restrained fashion, with key messages received through this route being reinforced in office

meetings. Finally, a minority of frontline staff felt that some form of wider briefing around ESF as a programme, what it seeks to achieve, and how, would be beneficial from the perspective of explaining this to customers when they are interested in this and enhancing their own wider understanding of ESF.

3.2 ESF-related training and guidance for staff working in providers

In the main, provider staff delivering provision to ESF participants had received more generic forms of training around offering employment and skills support to individuals as opposed to ESF specific training. Most of the providers visited for the research had generic training programmes in place for their staff, covering areas such as health and safety, safeguarding, the provision of information, advice and guidance (IAG), and client engagement and relations. In the case of larger providers acting as prime contractors or lead providers, such training programmes were seen as more applicable given that staff were likely to be working on other forms of provision apart from ESF during their time at the organisation. The general perspective of managers within these providers was that all such provision had a common focus on offering employment and skills support to individuals, and that offering more generic training was a more efficient and beneficial approach to take in light of this.

In a minority of cases some providers, often those acting as subcontractors or delivery partners, had provided ESF specific training sessions or training ‘days’ to the team of individuals delivering provision. This was seen as an opportunity to develop staff understanding of ESF, outline the specific requirements relating to ESF delivery, discuss the differences in offering ESF provision relative to other forms of provision, build team spirit, and provide practical training around paperwork requirements and eligibility criteria for ESF participants. In instances where such training had occurred, it had generally been offered at the start of the contract or delivery period in question but not repeated. However, those operational staff who had benefited from such training viewed it positively and felt that it had been useful in supporting delivery.

Interestingly, however, there was little evidence among operational staff from those providers who did not engage in similar ESF-specific training that they felt that their understanding of ESF, or their ability to undertake their roles, had been compromised by this. Rather, operational staff across all the providers visited generally felt that they had received sufficient guidance and support to undertake their roles. The provision of additional information and guidance specific to ESF (as opposed to ESF-specific training per se) evident across most providers visited was clearly important in adding to the more generic training received from this perspective. Likewise, in a related way to staff working in Jobcentre Plus offices, ‘job-shadowing’, forms of ‘on the job learning’, and peer support between colleagues were seen as effective ‘training’ mechanisms complementing the additional information and guidance received.

The information and guidance related to delivery, compliance and reporting requirements was noted by provider managers as stemming initially from that given to prime contractors and lead providers by CFOs. A combination of briefing sessions, one to one meetings with providers, and written information and guidance were used for this purpose. Such information and guidance was generally then translated into internal systems and procedures within providers, with relevant aspects of this being communicated to operational staff giving support to ESF participants by managers or team leaders.

Beyond the examples of ‘training’ discussed, additional information and guidance given to operational staff within providers tended to concern evidence and paperwork requirements relating to ESF, along with guidance on applying eligibility criteria and the nature of support and assistance available to offer to ESF participants. Operational staff were, in the main, made aware of the specific

requirements for ESF provision and any changes in this through existing internal forums, regular team meetings, and through email. In most prime contractors and lead providers visited, a manager or team leader with dedicated responsibility for ESF provision was in place, with this individual having the task of ensuring that operational staff were kept up to date with requirements and any developments relating to provision.

Interestingly, some of the provider managers interviewed from prime contractors and lead providers felt that there was a need to avoid burdening frontline staff with unnecessary information and guidance specific to ESF. This was connected to the tendency among some such organisations to seek to reduce the paperwork requirements connected to ESF relative to the actual delivery of support on the part of their frontline staff. Such an approach was more prevalent in those organisations offering specialised support to ESF participants, particularly provision for NEET young people. As one manager of such a provider noted:

'We tried to keep the bureaucracy away from the creative people who were delivering the project as that was the best way to do it. As soon as you start to get bogged down in the paperwork it stifles the flexibility of the provision that you can provide.'

(Lead provider manager, ESF provider offering provision to the NEET group)

In respect of subcontractors and delivery partners of lead providers, a similar pattern of the provision of ESF-specific information and guidance to operational staff by managers was evident. However, there was less of a tendency for dedicated managers or team leaders for ESF provision to be in place in providers forming part of extended supply chains for ESF delivery. More commonly, both managers and staff in subcontractor and delivery partner organisations worked across a range of differently funded provision including ESF.

For both DWP and Skills Funding Agency commissioned provision there was also some evidence, albeit in a minority of cases, of subcontractors and delivery partners feeling that the prime or lead contractor should have offered more guidance and briefings around delivery. Thus, while prime contractors and lead providers generally felt that the information and guidance offered by co-financing organisations (CFOs) was sufficient, if subject to being changed and adapted, it appears that translating such information and guidance effectively through the ESF supply chain is not universal. Accepting this, most sub-contractor and delivery partner managers consulted did feel that they received sufficient support and guidance from prime contractors or lead providers.

Overall, the evidence gathered through the case studies gave the impression that sufficient training, information, advice and guidance relating to ESF is available for those delivering the provision at the frontline. There were few indications that staff felt that they had insufficient information and guidance to undertake their roles effectively, and in line with this relatively few suggestions were made around improvements to this aspect of ESF delivery. Where such suggestions were made, these tended to concern the need for more consistency in the information relating to requirements for paperwork and evidence on the part of delivery staff in providers. While managers recognised this, it was felt to relate to changes in requirements and guidance coming down the delivery chain from CFOs, and was something that they had become accustomed to in respect of delivering ESF.

3.3 Understanding of ESF provision within the 'delivery chain'

The evaluation sought to examine stakeholders' understanding of ESF within the delivery chain in several ways. Firstly, interviewees from the different stakeholder groups consulted were asked for their reflections on their understanding of ESF as a whole; that is, their understanding of the programme, what it sought to achieve, and how funding was channelled through the delivery

system to support the objectives of the fund. Secondly, advisers within Jobcentre Plus were asked whether they felt they had a good understanding of ESF in general and, more specifically, whether they felt they held a good understanding of available ESF provision. Finally, operational staff in prime contractors and lead providers were questioned around their understanding of available provision that they could refer ESF participants onto (particularly that offered by subcontractors or delivery partners to their organisations).

3.3.1 Broad understanding of ESF held within the delivery chain

Broader understanding of ESF in terms of the programme itself, what it sought to achieve and how it operated, varied both within and between different elements of the ESF delivery chains examined. Higher level stakeholders within CFOs and Jobcentre Plus held a generally good and comprehensive knowledge of ESF in broad terms, perhaps unsurprisingly given the nature and focus of their roles. A similar level of understanding was evident among contract and account managers working for DWP and the Skills Funding Agency, though in some instances Skills Funding Agency account managers noted that while they understood the requirements around ESF in terms of contract compliance, their wider knowledge of the programme and its aims was more limited.

Such broader understanding of ESF among Jobcentre Plus advisers and adviser managers was notably more variable and, in many ways, more limited. At this level within the ESF delivery infrastructure, knowledge of ESF was closely tied to the experience and previous roles of the staff interviewed. In general, adviser managers held a slightly more developed understanding of ESF than advisers, with examples of adviser managers being well versed around the aims and detail of the programme being apparent:

'I've got a good overview of the ESF framework. I'm aware of the distinction between Priority 1 for disadvantaged groups and Priority 2 for skills development both for unemployed and in work customers. The programme as a whole aims to improve employment opportunities with a particular focus on disadvantaged groups.'

(Jobcentre Plus Adviser Manager)

Where advisers held roles where referral to ESF provision was less frequent, for example, those staff dealing principally with new claims, understanding of ESF was notably less than in respect of roles where such referral was more common. The latter was the case, for example, in respect of advisers who worked principally with longer term claimants and with particular ESF 'target groups' such as lone parents and those with disabilities. Length of time working with Jobcentre Plus, exposure to European funding through previous roles and jobs, and the personal interest of the adviser concerned appeared to be the other key determinants of levels of knowledge around ESF.

Similar to staff working in Jobcentre Plus offices, those working for providers delivering ESF varied in terms of their broader knowledge of the fund. Commonly, managers within prime contractors and lead partners held a good understanding of ESF, in part given that such individuals were often involved in writing funding bids and in liaison with CFOs. Interestingly, while not universal, similar good levels of knowledge were apparent among subcontractor and delivery partner managers interviewed for the evaluation, with roles in bid writing and the development of delivery partnerships with other providers being key factors here.

Among operational staff in providers, both in respect of prime and subcontractor staff and lead provider and delivery partner staff, broader knowledge and understanding of ESF was more patchy and variable. Previous experience and exposure to delivering provision funded under European programmes was the key determinant of levels of knowledge and understanding here. It is also worth noting that a number of interviewees, both managers and operational staff from providers,

questioned the degree to which such broader understanding was significant. In line with the point noted above around the concentration in some providers on allowing staff to focus on customer needs first and foremost, rather than having a detailed knowledge of funding streams, views on the requirement for frontline staff to possess such detailed knowledge or understanding varied.

3.3.2 Specific understanding of ESF provision within the delivery chain

Perhaps more significantly from the perspective of ESF implementation, levels of understanding relating to ESF provision and delivery again varied notably between and within the different stakeholder groups consulted. As noted above, it was apparent that higher level staff in CFOs and Jobcentre Plus held a solid understanding of ESF in general. However, detailed understanding of the actual delivery of ESF provision 'on the ground' was often acknowledged to be more limited. This was generally linked to the constraints faced by higher level stakeholders in terms of having the time and opportunity to visit providers and gain such understanding.

Acknowledged limitations in this area were also clearly the case to a greater degree in respect of interviewees from the Skills Funding Agency rather than those from DWP and Jobcentre Plus. A number of staff acting as regional leads for ESF, along with (where applicable) staff members in supporting teams and account managers cited that they felt more distanced from the actual delivery of ESF now than they had at the start of the programme period. Again, this was linked to a perceived stepping back from detailed engagement with providers on the part of higher level staff, and a reduction in the opportunities for such engagement on the part of account managers.

At the level of Jobcentre Plus advisers and adviser managers, understanding of the ESF provision available to refer customers to varied in a number of respects. Firstly, there was variation in terms of general knowledge and understanding of ESF provision evident across the advisers interviewed. Some reported not having made any referrals to ESF provision or having much connection to it. In some instances this was evidently linked to a perception that their particular role meant that ESF was not a significant consideration. This was most prevalent among less experienced advisers who dealt with new claims, though it was also evident in a small number of cases where advisers held other roles dealing with, for example, longer term claimants. It should be noted, however, that these examples formed a minority in respect of the advisers interviewed and that most advisers did utilise ESF provision, though to varying degrees.

Secondly, the actual knowledge of the nature of the provision offered through providers, in terms of what customers would receive when they were referred to ESF provision, varied among advisers. This was often linked to the extent of interaction between the adviser concerned and ESF providers or provision. As noted above, in some instances advisers had visited provider premises or attended presentations by providers. In these cases advisers generally felt much more confident that they held a good understanding of at least some of the ESF provision available. Again, however, it was clear that even where a good understanding of the offer from a particular provider was held, this did not necessarily extend to a similar understanding of all provision that customers could be referred to. In cases where all referrals went through prime contractors and lead partners this was generally acknowledged as being less of an issue than in areas where there was a wider range of ESF referral options open to advisers.

A third element of variation in terms of the understanding of advisers around the provision available relates to the apparent difference in awareness and detailed understanding of DWP commissioned provision relative to that commissioned by the Skills Funding Agency. With the partial exception of South Yorkshire where the Progress Together model sought to integrate DWP and Skills Funding Agency provision, it was clear that advisers generally had a much greater awareness and understanding of DWP provision compared to that offered by the Skills Funding Agency. In a

number of cases where advisers reported that their understanding of available provision was good, for example, it was apparent that this was restricted to DWP as opposed to Skills Funding Agency commissioned provision.

It should be noted that while advisers and adviser managers sometimes held a limited understanding of the nature and range of provision available through ESF, this needs to be viewed in the context of the wide range of programmes and initiatives that those delivering frontline services need to be aware of. It was also apparent that there was a desire among most advisers to better understand the nature and range of the ESF provision available, not least from the perspective of being able to 'sell' such provision to potential ESF participants and to be better able to meet the needs of customers.

Finally, in terms of understanding of available ESF provision, interviews with staff in providers were used to investigate whether operational staff felt they had a good understanding of the provision available through organisations acting as their delivery partners. In general, the majority of operational staff from prime contractors and lead partners reported that they did hold such an understanding, and were aware of the specialist support and advice that could be accessed through such channels. Indeed, for most staff at prime contractors or lead partners, the additional provision available through these routes was linked to the need for them to be realistic over the limitations of their own knowledge and the support they could offer to participants.

3.4 Conclusion

Formal training specific to ESF is limited among staff key to its delivery, both in respect of advisers within Jobcentre Plus and staff working for ESF providers. A combination of more generic training, informal and 'on the job' training, and additional information and guidance specific to ESF is used in lieu of this. For some reasons, such as the transferability of the required skills to deliver and advise on ESF relative to other forms of provision, such an approach often appears more applicable and relevant. While the training, information and guidance received by staff working in both Jobcentre Plus offices and for ESF providers is largely felt to be sufficient, however, it is clear that some additional training and access to information would help Jobcentre Plus advisers in particular.

The main area where this is likely to be of benefit concerns the understanding advisers have around available provision and the consequent ability, or otherwise, they have in terms of effectively 'selling' this as an option for potential ESF participants. The variability in levels of understanding of ESF provision among advisers likewise indicates that further information and guidance in this area may be beneficial. Similarly, the research also demonstrates that some forms of guidance and information transfer are better received, and seen as more useful, by advisers than others. In particular, depending on the staff intranet and email to keep advisers informed of changes relating to ESF provision has the potential to lead to such information being missed, certainly in lieu of it being reinforced through team meetings and other face-to-face forms of communication.

For operational staff in providers, training and guidance received to support the work they do as part of delivering ESF appears to be appropriate and beneficial, even where such training in particular is not specific to ESF. As with Jobcentre Plus staff, there is little evidence of a perceived need for increased levels of, or more ESF-specific, training. There may, however, be a need to encourage prime contractors and lead providers 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.

4 The development of delivery approaches among ESF providers

This chapter examines how European Social Fund (ESF) providers develop what might be termed their ‘delivery approaches’. As part of this it first considers the reasons for providers becoming engaged in ESF delivery, both in terms of prime or lead contractors and the subcontractors or delivery partners that form part of the ESF supply chain. In terms of the development of delivery approaches, the approach taken by prime or lead contractors to developing and formalising supply chains is also examined, along with the nature and extent of liaison between the providers that make up this supply chain. The approaches taken by ESF providers to tailor provision to the needs of ESF participants are then considered, including an examination of how providers ensure that participants benefit from both employment and skills-related support as required.

4.1 Reasons for the involvement of providers in delivering ESF

Managers from prime and lead contractors outlined a range of reasons for their organisations electing to become involved in delivering ESF. Most commonly, these included:

- building on existing expertise in delivering ESF provision from previous programming rounds;
- a view that ESF fitted with their organisational aims and values in respect of what the programme seeks to achieve;
- to expand the type or geographical range of services the organisations in question already delivered;
- as a response to difficulties in accessing funding to deliver the type of provision the organisations in question considered to be their core business;
- to access resources to support the further development and expansion of provision offered; and,
- to support particular customer groups perceived as facing significant barriers to accessing training and employment.

Of the list above, the opportunity to continue delivering ESF or related provision was the single most commonly cited, while a perception that ESF fitted with and reflected organisational values was also common across many providers. Outside these factors, there was some variation as to the relative significance attached to the above considerations between organisations acting as prime contractors to deliver Department for Work and Pensions (DWP) commissioned ESF provision, and those acting as lead providers in delivering adult skills and Not in Employment, Education or Training (NEET) provision on behalf of the Skills Funding Agency.

For prime contractors delivering DWP provision, commercial considerations around expansion of reach and delivery were highlighted, albeit mainly as an adjunct to the main common factors mentioned around ESF reflecting values and allowing the deployment of existing expertise. For lead providers delivering Skills Funding Agency commissioned provision, there was a greater tendency to cite a desire to support particular groups and as an opportunity to continue delivering ‘core business’ in the context of funding cuts. This was most prevalent in respect of organisations delivering provision to NEET young people, both from the voluntary and public sectors.

Representatives from organisations acting as subcontractors or delivery partners to lead providers tended to cite broadly similar reasons for becoming engaged in delivery. The most commonly cited reason was the opportunity to utilise particular specialist expertise to support individuals facing disadvantage, and that their organisations shared as an aim. This reason was commonly cited across the different types of subcontractors and delivery partners engaged in the research, from the private, public and voluntary sectors, and across both the DWP and Skills Funding Agency provision.

Other common reasons for involvement in delivery on the part of subcontractors and delivery partners included: the fact that they had been involved in pre-existing consortia to deliver other provision and ESF offered an opportunity to continue this; being invited by prime or lead contractors to support delivery due to having a particular geographical focus or type of specialist expertise; as a source of revenue to continue delivering activities; and, expanding the type and range of provision they had offered previously in terms of widening organisational expertise and competence. Again, those organisations delivering provision to the NEET group were the most likely to discuss ESF in terms of providing another opportunity to support a section of the community to which they were committed.

4.2 The approach taken by prime or lead contractors to developing supply chains

Across the case studies covered by the evaluation, a number of different approaches were apparent to the development of supply chains on the part of prime or lead contractors. In part these different approaches related to the type and focus of provision concerned. For the NEET provision offered through Priority 1 and Priority 4, lead providers (or in the case of Cornwall the local authority (LA) acting as a form of fund holder) tended to develop supply chains on the basis of expanding the type, nature and geographical spread of provision to develop as comprehensive and varied an 'offer' for NEET young people as possible. In the case of Cornwall, the LA used a framework contract with approved providers to develop this 'offer', with the framework contract also being used for provision for young people other than that funded through the ESF NEET contract.

In the other areas visited, one of the lead providers for NEET provision held a 'pre-tender workshop' to highlight their plans to bid for a contract to potential delivery partners. Those interested were then engaged in what was termed a 'quasi-procurement' process to identify a final list of delivery partners through a scoring process based on activities offered, capacity and track record. Likewise, in a third area the lead provider for NEET provision built on existing relationships with 'like-minded' partners and identified further new partners able to offer complementary provision or different geographical coverage from the existing core partners.

In the case of both DWP commissioned provision and adult skills provision commissioned by the Skills Funding Agency, prime contractors and lead providers tended to approach the development of supply chains from the perspective of assessing delivery requirements based on pre-tender workshops or guidance provided by the CFOs. In a number of cases, existing partnerships and networks of providers were already present in the areas concerned, and these formed the basis of supply chains developed for the purpose of bidding for ESF provision. The assessment of delivery requirements in these instances was largely around ensuring the requisite geographical and specialist skills coverage required. Only where (limited) gaps existed were new potential subcontractors or partners identified and approached.

In a smaller number of cases, where prime contractors or lead providers were new to the area concerned or the type of provision involved, a more extensive process of engagement with potential delivery partners was undertaken. In these instances a combination of pre-bid workshops,

highlighting the planned bid to a set of invited potential partners, and individual approaches to potential subcontractors and delivery partners was the approach used. Within this the need to ensure geographical coverage and the requisite spread of skills and capacity were again the determining factors in the selection of subcontractors and partners.

While in most cases supply chains were identified prior to the bid stage, with subcontractors and delivery partners often contributing to bid development, in a minority of instances covered by the research, prime contractors bid for provision with planned supply chains only partly in place, or in one instance not in place at all. In these cases, supply chains were (fully) developed after the award of contracts through a process of inviting bids from interested subcontractors. These were then assessed and formal contracts drawn up between the prime and subcontractors concerned.

Formalisation of the supply chains examined involved several different approaches. Where prime contractors were delivering DWP commissioned provision, formal contracts were drawn up with subcontractors setting out delivery requirements and expectations, often with targets attached. In the case of Skills Funding Agency commissioned provision, approaches to formalisation were more varied. As noted, in one instance the lead provider acted as more of a fund holder and was not directly involved in delivery; in this case a framework contract was used to procure places for individuals on an ongoing basis as required, with these individuals being 'fed through' to the various delivery organisations on the framework.

Where those delivering Skills Funding Agency commissioned provision were more of a delivery partnership, with one organisation acting as a lead for contractual purposes, there was a tendency to use service level agreements to govern relations and requirements between the organisations involved. While these agreements were not examined in detail as part of the research there was a sense that they varied in terms of their relative formality. Equally, in some instances pre-existing partnership or service level agreements were used to cover the delivery being undertaken through ESF. This was the case where supply chains and delivery partnerships were established on the basis of building on existing delivery consortia.

4.3 Liaison and networking within the provider element of the ESF delivery chain

Part of the evaluation focused on investigating the extent of liaison and networking between delivery partnerships and within prime contractor/subcontractor delivery arrangements. A significant part of this relates specifically to performance management of subcontractors and delivery partners by prime or lead contractors. This element is considered in Chapter 5. This section focuses on more general liaison and networking between providers in particular delivery or supply chains, for example in sharing good practice and exchanges of information around developments in provision offered. The degree to which providers are proactive in terms of developing links and networks with other organisations outside of their immediate partnerships to encourage referrals is also examined.

4.3.1 Liaison and networking between providers in supply chains

Evidence gathered offers a somewhat mixed picture in terms of the degree of liaison and networking between providers in particular supply chains. Around some of the contracts examined there was significant liaison through a combination of formal regular meetings and more informal ongoing contact between managers and operational staff at different levels within the delivery chain. In the majority of cases, monthly or quarterly meetings were held between prime or lead contractors and their subcontractors or delivery partners. However, the format and nature of these meetings varied. In some instances the prime or lead contractor and all subcontractors or delivery partners attended such meetings together; in other cases meetings were undertaken on a bilateral basis between lead

and partner contractors. Other than the partnership arrangements initiated by CFOs and Jobcentre Plus, considered earlier in Chapter 2, in all cases prime or lead contractors were responsible for establishing such liaison and managing it.

The nature and content of meetings, and the way they were reported as operating, also varied notably. For some of the contracts examined, meetings involving all partners in the supply chain were used largely to disseminate information around contract compliance and monitoring requirements, and for the prime contractor or lead partner to review progress against targets. Other meetings were reported as being more interactive and focused on two-way sharing of information, along with exchanges of ideas and good practice. Finally, in respect of one of the contracts examined, such meetings were noted as having started as a forum for information dissemination and monitoring, but had developed over time to become, in the view of those involved, much more useful and interactive fora around improving delivery practice and addressing issues in the delivery system.

Views on the utility of these different forms of meeting involving all partners in delivery chains also varied. While both prime or lead contractors and their partners tended to note that such meetings were useful to some degree, there was often a feeling that they could work better and be more helpful from the point of view of supporting delivery and performance. In line with this, more negative comments (particularly from subcontractors and delivery partners) tended to relate to those meetings used simply as forums for information dissemination. While not universally so, views on the more interactive meetings noted around sharing good practice tended to be more positive.

There was also some correlation between the approach taken to liaison and networking within supply chains and the nature of the provision involved. On the basis of the sample of contracts considered, those involved in delivering NEET provision tended to report the presence of more interactive fora around sharing practice that were well received by those involved. This was the case particularly where contracts covered a smaller geographic area and involved a limited number of delivery partners. While such meetings and positive views in respect of them were evident in some of the other provision considered, this was less common and the views themselves tended to be more mixed.

Interestingly, where more bilateral approaches to liaison between prime and lead contractors and individual delivery partners existed these meetings were generally viewed positively and as working well. However, it was evident that these perceptions related more to the effectiveness of such meetings as opportunities to share information and provide updates on progress, rather than discussing delivery approaches beyond where particular issues had arisen. Some of those consulted from subcontractors and delivery partners who were involved in these arrangements thus felt that there would ideally be scope for more open fora, involving more partners and focused more on discussing approaches to practice and sharing ideas. Equally, however, other similar interviewees noted that such an approach would be difficult given the competitive nature of delivery in terms of the type of provision they offered. In these instances, wider meetings around good practice development were perceived as being likely to offer limited benefits.

In a small number of cases subcontractors and delivery partners felt that there had been insufficient or ineffective liaison with the prime or lead contractors overseeing their delivery partnerships. In one instance it was noted that there had been a briefing workshop at the start of delivery, but ongoing contact only tended to occur where particular issues or problems arose, with these generally being around evidence and reporting requirements. As one subcontractor manager noted:

'We don't have much contact [with the prime contractor], they have come in to do a Customer Satisfaction survey and they do visits from time to time but these are usually auditing to check paperwork.'

(Subcontractor manager, DWP commissioned provision)

In the other example where liaison was viewed negatively by subcontractors, this was due to their perception that the prime contractor involved had been relatively remote and not particularly responsive or open to ideas. Meetings that did occur were seen as being purely focused on monitoring and problems in delivery, with the relationship thus being reported as revolving less around genuine partnership and more around supporting the achievement of the prime contractor's targets.

While the above discussion has focused on more formal and regular forms of liaison between providers it should be noted that, in most contracts considered, ongoing informal contact between managers and operational staff across partnerships was viewed as central to ensuring effective delivery. Again, only in two of the contracts examined was there little evidence of such ongoing liaison, with this being related by the staff involved as being a result of the way the prime contractor operated in general – that is, being somewhat remote and focused mainly on monitoring and ensuring that contracted targets were met.

4.3.2 Effective practice in terms of liaison and networking between ESF providers

From the available evidence, several key factors appear to promote effective practice in the type of networking and liaison discussed above. Ongoing informal liaison between managers and delivery staff across the delivery partnership concerned is clearly a notable factor, particularly in terms of ensuring effective information flows and being able to address any issues that arise in a timely and effective manner. Open and honest dialogue between prime and lead contractors and their delivery partners is similarly a factor widely seen as leading to effective practice in this area. In particular it appears that the prime or lead contractor responsible for the delivery chains examined has a key role in adopting an open and responsive approach to new ideas and suggestions.

Establishing fora that can be used to discuss delivery ideas in an open fashion between all involved in delivery partnerships can also be beneficial, though this depends on the relative openness of the partners and the degree of (perceived or real) competition that exists. Such fora appear easier to establish and more effective where a sense of shared commitment to particular goals around the delivery of provision exists. Such shared commitment also appears easier to promote and achieve in smaller contracts focused on particular target groups, notably those addressing the needs of NEET young people.

4.3.3 Provider approaches to liaison with potential referral partners

In all of the contracts examined, a key role for providers involved engaging ESF participants through referral routes other than Jobcentre Plus (relationships around referrals between providers and Jobcentre Plus are examined in Chapter 6 below). Part of the evaluation thus involved using the case studies to examine the extent to which providers are proactive in ensuring that potential referral partners are aware of their provision, and can refer participants appropriately.

In general, it was evident that providers are proactive in marketing their provision and communicating what it involves to potential referral organisations. In a number of instances, such provision was also marketed more generally in the communities where providers operated to encourage direct engagement of participants. As a number of interviewees noted, there is a clear

rationale for such activity given that engaging participants in provision is in the interest of providers themselves. This was seen as being the case both in respect of encouraging more referrals so as to help meet targets, and in terms of ensuring that organisations made suitable referrals in light of the provision available.

In cases where providers were less proactive, this related to the particular contexts in which the contracts concerned were being delivered. In some instances, the expectation was that the majority of referrals would come from organisations directly engaged in, and part of, delivery partnerships. This was the case, for example, in respect of some of the Skills Funding Agency commissioned provision examined, where delivery partnerships already comprised a range of local organisations likely to engage with participants and then refer them to other partners as required. For some of the NEET provision examined, for example, organisations such as Connexions and Youth Offending Teams were integral to the delivery partnership itself. Likewise, in respect of adult skills provision for some of the contracts considered, a range of community learning and adult education organisations formed part of the delivery consortia established.

Finally, in the case of one of the DWP commissioned contracts examined, the amount of referrals being received from Jobcentre Plus meant that, while marketing and engagement with potential referral partners had been undertaken at the start of delivery, continuing this approach would have led to more participants being engaged than they could have coped with. The reasons behind this example are considered in more detail in Chapter 5.

Where providers did seek to engage with potential referral partners, a number of mechanisms and routes were used for the marketing and communication involved. These included production and distribution of leaflets, use of emails with existing contacts to flag up provision and what it involved, and more direct liaison (whether in the form of visits to potential referral organisations, or the holding of workshops outlining the provision to which representatives of relevant organisations were invited).

Commonly, both prime or lead contractors and delivery partners had longstanding relationships with a range of organisations locally which, over time, had become aware of the type of provision the organisations in question offered. When a new initiative or funding source to support such provision was established, providers generally passed on information in respect of this to a range of relevant organisations depending on the type of provision concerned.

Discussions with provider representatives also illustrated that direct, face-to-face liaison with potential referral partners was more effective in generating referrals than passive forms of marketing and communication such as leaflet distribution. The need to establish and then maintain such relationships through ongoing contact was also widely cited as being significant in developing effective practice in this area. Where providers had focused on generating referrals directly from within their local communities, 'word of mouth' was generally seen as the most significant factor, with participants informing family and friends of the provision available. While a range of other approaches had been tried, including marketing linked to local events, and distribution of leaflets in venues such as libraries, these were often viewed as limited in terms of their effectiveness.

4.4 Tailoring of ESF provision to the needs of participants

Across the contracts examined, on the whole approaches to tailoring provision to need were developed from the perspective of meeting the needs of individuals rather than particular 'target groups' that ESF seeks to support. In general, the rationale for this was that ESF itself is all about meeting the needs of individuals irrespective of the customer or 'target' group (such as lone parents or those over 50) that individual is part of. It was also noted that individuals disadvantaged with

respect to the labour market or skills development are likely to be able to be 'placed' in a number of the groups ESF supports.

Partial exceptions to the above approach concerned those contracts where provision was focused explicitly on meeting the needs of a particular group such as NEET young people, or where monitoring of contracts revealed that performance in terms of engaging particular groups such as Black and Minority Ethnic (BME) participants was less successful than anticipated. In respect of the latter case, in one example particular organisations with links to the group in question had been brought into delivery partnerships to offer more specialised provision perceived as meeting their needs. In another instance, a provider had run particular group sessions for older workers in the 50+ group.

However, even where such provision aimed at particular groups, including NEET young people, had been established, the perspective of the providers involved was that tailoring provision to needs still started from the perspective of meeting the needs of individuals within the groups concerned, rather than meeting the needs of the groups as a whole. The general view of both stakeholders within CFOs and providers was that through meeting individual needs, the requirements of particular disadvantaged groups would also be addressed, given that these individuals by definition tended to come from the groups concerned.

Accepting this, there were some limited examples of approaches that providers took to developing activities that stemmed from the perspective of addressing the needs of particular groups. Most commonly, this related to specific elements of engagement and outreach support work delivered by providers. Examples included attendance at Children's Centres and Sure Start Centres to offer ongoing access to provision and other forms of support for lone parents, and attendance at community centres accessed by particular groups such as BME participants.

In terms of actual approaches to tailoring provision to need, the flexibility of ESF in terms of the variety of support it enabled providers to offer participants was commonly cited as key. Individual action plans were used in respect of all the contracts considered to assess individual needs and develop a package of support for ESF participants upon engagement with the programme. While approaches to individual needs assessment and the development of action plans on the basis of this varied, in most cases one-to-one initial meetings were used to discuss the situation of the individual concerned and options for training and support the provider could offer.

It is also worth noting that the contracts examined revealed that the format and location of this initial engagement was often considered from the perspective of suiting the situation and needs of the individual concerned. Thus, in some cases, provider staff visited participants in their homes or venues in the local community considered to be more familiar and 'neutral' than, for example, provider premises or Jobcentre Plus offices. Likewise, action plans were not always developed at the initial meeting with the participant concerned where staff perceived that they should take a slower or more gentle approach to identifying a suitable package of support. As a result, on occasion two or even three meetings were used for this purpose.

The use of some variation of 'key worker' models was also common across the contracts examined from the perspective of meeting individual needs, wherein a dedicated member of staff was attached to an individual to support them on a one-to-one basis during their time with the provider. Significantly, the ongoing contact between provider staff and participants facilitated by this approach was also often cited as an important aspect of meeting needs, given that different issues and barriers relating to participants progressing in training and accessing work often emerged over time. As a member of staff in one of the providers noted:

'Relationship building is crucial to ensuring an effective programme...Though needs are identified at the outset, often barriers are identified later in the programme after a rapport has been established. The programme is flexible enough to deal with this and incorporate these developments as they come up.'

(Provider operational staff, DWP commissioned provision)

The range and coverage of support offered through ESF was also commonly discussed by providers in the context of approaches to meeting needs. Where prime or lead contractors delivered across a relatively large area, the requirement to make provision accessible at different locations within that area, both urban and rural, was noted as an important consideration. In these instances subcontractors and delivery partners with a particular local geographical focus were often brought into delivery partnerships to ensure that as wide and locally accessible provision 'offer' as possible was developed.

The range of options available through provision was similarly widely cited as being important from this perspective. Again, this linked to the approach taken by prime and lead contractors to ensuring that their delivery partnership was able to offer a range of training and support, including specialist support for particular groups or aimed at addressing particular issues faced by participants. In the DWP commissioned contracts examined, for example, specialist support for common issues such as debt and money management, substance misuse issues, and mental health conditions could be accessed. Where delivery partnerships could not offer such specialist support from within the organisations involved, established channels for, and approaches to, referral to specialist provision were in place.

Effective integration of employment and skills-related support was also a consideration in terms of tailoring provision to need. Different approaches were taken in respect of this across the contracts considered, with this often being connected to the nature of provision and local context involved. In some areas, prime contractors for DWP provision and lead providers for Skills Funding Agency provision were the same organisation. The perception of staff from these providers was that this helped meet the needs of individuals for employment-related support, such as CV development or job-searching, while facilitating easy access and referral to more comprehensive skills development related support offered through Skills Funding Agency contracts.

In other situations, referral to training courses and provision to gain certain accreditations or qualifications was available through prime contractors delivering DWP commissioned (employment focused) provision. The perception of most of the providers concerned was that, in reality, employment and skills-related support were relatively interlinked and available within the scope of the contract in question. It was acknowledged, however, that in some instances individuals requiring more thorough skills development support, such as that commissioned by the Skills Funding Agency, had been referred onto DWP commissioned provision where such support was more limited. Responses to these situations varied; in some cases participants were referred to provision offered by other contractors, were referred back to Jobcentre Plus, or were given as much skills development support available within the provider in question.

It is worth noting that in one of the case study areas visited for the research, that of South Yorkshire, a wider delivery model had been established that focused on providing participants with the range of provision and integration of employment and skills-related support discussed above. While evaluating the full effects of this in detail was beyond the (wider) scope of this evaluation, anecdotal evidence from the provider staff involved suggests that there are benefits of this approach in terms of meeting customer need in an integrated way. However, these need to be balanced against the significant operational complexities and difficulties that stemmed from operating such a model,

notably in terms of information exchange between the range of providers involved, ensuring that referrals were appropriate, and blockages in the delivery system caused by the provider charged with engaging participants being less successful than anticipated.

4.4.1 Effective practice in tailoring provision to need

To summarise from the above discussion, there is good evidence that effective approaches to tailoring provision to need are in place across a range of Priority 1 and 4 providers and provision. While tailoring support to **individual** need is the main driving force behind, and focus for, provision, where applicable approaches to meeting the needs of particular ESF target groups are also utilised.

Certain key factors can be identified which contribute to **effective** practice in terms of meeting needs. These revolve around comprehensive and flexible forms of needs assessment, consistent support for participants accessing provision (often through variants of the ‘key worker’ model), ensuring an appropriate range and geographical coverage of support options, and effective mechanisms to combine employment and skills-related support (whether within particular providers or delivery partnerships or through referral to other ESF provision).

4.5 Conclusion

The contracts and provision examined through the evaluation case studies serve to highlight several key findings relating to the way in which ESF providers develop approaches to delivery, along with the reasons for their involvement in that delivery. Among prime contractors and lead providers a combination of reasons inform the decision to bid to deliver provision. These encompass building on existing expertise, the chance to meet the needs of particular groups, an overlap between the aims of ESF and the organisations concerned, and more commercial considerations around expanding the nature, scope and geographical coverage of operations. At the level of subcontractors and delivery partners, reasons for involvement are similar, often revolving around the opportunity to bring their specialist experience to bear and from a commitment to helping particular groups.

In terms of developing approaches to delivery, prime and lead contractors develop supply chains in a number of different ways often connected to the nature of the provision concerned. The key consideration behind the development of supply chains relates to the need to develop a provision ‘offer’ that is able to reflect the range, nature and geographical spread of provision required. In line with this, prime and lead contractors generally start from the point of assessing these requirements, and frequently develop supply chains on the basis of pre-existing delivery partnerships and relationships. New subcontractors and delivery partners are thus engaged on the basis of gaps in capacity and coverage. While the development of supply chains mainly happens at the pre-bid stage, this is not necessarily always the case. A variety of routes to formalising supply chains are also evident, though these generally rest on contractual arrangements between prime and lead contractors and their subcontractors or delivery partners, with service level agreements forming part of the approach for Skills Funding Agency delivery partnerships.

The case studies also serve to illustrate that extensive networking and liaison between providers within delivery partnerships is common but not universal. This networking and liaison varies in terms of its frequency and focus, along with the mechanisms used to facilitate it. There is an evident division between liaison and networking focused principally on the transfer of information and the monitoring of delivery by prime and lead contractors to delivery partners on the one hand, and more open forms of liaison around sharing effective practice and informing delivery improvements on the other. Effective practice in this area appears to rest on ongoing and regular formal and informal liaison between partners in delivery chains, open and honest communication between providers, and development of a responsive and open orientation on the part of prime and lead contractors.

Evidence considered also indicates that providers utilise a range of proactive mechanisms to build links with organisations outside the immediate ESF delivery chain to engage participants where applicable and required. Face-to-face mechanisms in terms of visits to potential referral partners or awareness raising workshops to which such partners are invited appear most effective in this. Maintaining such relationships over time through ongoing contact is also significant in building an effective referral network.

Finally, the case studies illustrate that there is solid evidence that providers delivering ESF Priority 1 and 4 provision have established effective approaches to tailoring provision to meet the needs of ESF participants and target groups. Approaches to meeting need rest largely on a focus on addressing the needs of **individuals**, but also encompass approaches designed to meet the needs of particular groups such as lone parents and older workers where applicable. Key factors in ensuring effective approaches to tailoring provision to need include: the use of comprehensive and flexible forms of needs assessment; consistent support for, and contact with, participants; ensuring an appropriate range and variety of provision; and establishing effective mechanisms to facilitate the delivery of both employment and skills development-related support to participants.

5 Contract and performance management within Priority 1 and 4 provision

This chapter examines contract and performance management within the European Social Fund (ESF) delivery chain. It first considers issues relating to contract and performance management of providers by the co-financing organisations (CFOs) covered in the evaluation – the Department for Work and Pensions (DWP) and the Skills Funding Agency. The use of targets and outcome-related funding within the delivery system for Priority 1 and 4 provision is then examined. Performance management processes within the provider element of the ESF delivery chain are then considered, through examining how prime and lead contractors manage the performance of their delivery partners. The chapter concludes by offering some thoughts on ensuring effective delivery and performance within the ESF delivery chain, drawn from the preceding analysis.

5.1 Contract and performance management of ESF providers

5.1.1 Contract management and performance monitoring undertaken by CFOs

Within the DWP commissioned provision examined in the research a Performance Manager oversees the contractual relationship between DWP and the prime contractor engaged to deliver provision. Similarly, the contractual relationship for Skills Funding Agency provision is between the Agency and a lead provider in the case of each contract. An Account Manager is responsible for managing the lead provider and monitoring performance in this instance. For both CFOs set guidance and procedures are in place defining the approach taken to contract and performance management, in addition to the procedures and potential sanctions to activate where contracts are underperforming beyond a set level.

From the perspective of Performance Managers, Account Managers and higher level stakeholders in both CFOs, the systems established for performance management were viewed as functioning well. The flexibility allowed in the systems to vary the level of management and monitoring on the basis of risk assessments or ratings of providers was seen as beneficial in particular. Likewise, the steps to take in case of underperformance were seen as being clear and easily communicable to prime contractors and lead partners. The level of ongoing monitoring relative to more formal performance reviews was also seen as appropriate by staff from both CFOs, in part due to the flexibility offered in the system through risk ratings and assessments.

In addition to these broadly positive views, some issues did emerge in respect of the performance management role in respect of DWP commissioned provision. In the main this related to the fact that Jobcentre Plus, who had taken a contract management and monitoring role under the previous ESF programme, engaged in activities in the current programme that were viewed by some of the Performance Managers interviewed as relating to contract management. These included the Provider Engagement Meetings (PEMs) discussed in Chapter 2 of the report, customer satisfaction surveys and reviews, and other interaction with providers on an ad hoc basis.

While it was acknowledged that these activities might be considered to be simply forms of provider liaison rather than contract management or monitoring, in practice the dividing line and definitions were seen as blurred in some cases. As one of the Performance Managers interviewed noted:

‘The separation of duties is clear on paper but in practice I’m less convinced...This makes it harder to undertake the role and has implications for providers, for example [name of prime contractor] complain that there are too many meetings.’

(DWP Performance Manager)

In line with this comment, the perception of another of the Performance Managers interviewed was that such activities had the potential to confuse providers, and make it unclear as to where contract and performance management remits started and finished. In other cases it was reported that, while there was some confusion at the outset of the programme in terms of relative roles and remits, this had largely been solved. However, there were clearly some ongoing issues relating to perceptions of Jobcentre Plus staff taking more of a contract management and provider liaison role than expected. This included, in one case, the Performance Manager concerned feeling that this had the potential to undermine their role.

While the formal reviews in the DWP contracts examined had led to use of Provider Development Plans to address some issues that arose, more formal and serious escalations relating to performance or contract compliance had not been activated. On the whole, providers were seen as complying with requirements and no issues around notable underperformance were reported. Issues that did commonly arise related to evidence requirements (for example signatures missing from participant action plans) along with some discrepancies in monitoring returns. Additionally, in one instance, a concern had arisen that some participants who already had confirmed job entries were engaged on provision only to leave shortly afterwards, and hence generate a positive outcome for the provider concerned. In each instance these issues were viewed as having been addressed or explained satisfactorily, and no further action had been taken.

In respect of Skills Funding Agency provision, issues relating to contract underperformance had led to formal action being undertaken in some cases. In one instance, a development plan was put in place. This had helped lead to improvements in performance within the lead provider in question and no further action was required. In another instance, some funding which had been allocated was ‘clawed back’ as a result of the provider concerned breaching the tolerance limit applied to underperformance and, in the judgement of the Account Manager involved, not being able to adequately justify why this had occurred. Outside these cases the perspective of Account Managers tended to be that providers understood what was required of them and were, on the whole, responsive to this and performing well in terms of their delivery of provision.

5.1.2 Perspectives of providers on contract management and performance monitoring

Perspectives on contract and performance management offered by providers tended to be more varied in terms of how well this element of delivery was viewed as functioning. There were also differences in perception between providers delivering Skills Funding Agency commissioned provision and those delivering DWP commissioned provision. In general, more issues and negative perceptions were raised in respect of Skills Funding Agency management and monitoring processes than in respect of their DWP equivalents.

In general, prime contractor managers delivering DWP provision reported that the requirements placed on them seemed appropriate, that the formal review meetings undertaken were helpful and fair, and that ongoing informal liaison with the Performance Managers was beneficial from the perspective of ensuring contract compliance and helping to meet performance targets. The only issues raised were around changes over the period of the programme in terms of evidence requirements, leading to knock-on issues for providers in terms of having to go back through documentation and paperwork to comply with what they felt were changed interpretations.

Such issues were in the minority, however, and the overall impression gained from the research was that prime contractors were happy with the performance management approach and systems involved. In particular, the responsiveness and understanding of DWP Performance Managers was commented on positively in a number of instances. The comments of one prime contractor manager in respect of a contract where performance had been variable are illustrative of this:

'We report to [the DWP Performance Manager] on a monthly basis and have regular meetings. At the start when things weren't going so well this was quarterly, then every four months, and [due to improved performance] its now twice a year. He's very good at setting challenging but achievable goals. Rather than asking for huge [unrealistic] tasks he revises the targets to be much more short term. For example, he'll ask for 60 per cent one month, then when we've achieved that he'll ask for 62 per cent, then 65 per cent and so on.'

(Prime contractor manager, DWP commissioned provision)

The perspectives of lead providers on the contract management and monitoring systems employed by the Skills Funding Agency were more variable. In some instances, lead providers reported that the transition from the Learning and Skills Council (LSC) to the Agency had led to a period where they did not have an Account Manager in place. The approach taken was also noted by several interviewees as being very *'...hands off...'*, which in some instances led to providers feeling that the approach taken was not as responsive or supportive as had been the case under the previous approach employed by the LSC. There was also the perception of one lead provider representative that the approach taken to dealing with underperformance had been inconsistent between different contracts of which they were aware; as a result the interviewee in question felt that their organisation had been harshly treated in comparison with others.

However, it is important to place the above issues in context. In a number of instances, lead provider representatives did feel that Account Managers had been responsive and supportive in terms of giving advice around contract compliance and other requirements. Equally, despite the issues raised, in the main interviewees from lead providers gave broadly positive views on the system used for performance management and felt that it was actually helpful in keeping their organisations on track in terms of meeting targets.

Interestingly, even in the instance where a provider representative felt that their organisation had been harshly treated in terms of how underperformance had been dealt with, it was also noted that the relationship with the Account Manager outside of this had been good. It should also be noted that issues being raised by lead providers delivering Skills Funding Agency provision may reflect the fact that underperformance in some of the contracts reviewed had led to formal action being taken, with this occurring in a way that was not the case in respect of the DWP contracts examined.

5.1.3 Perspectives on the reasons for performance variation amongst ESF providers

Interviews with high level stakeholders in the Skills Funding Agency, DWP and Jobcentre Plus, along with Performance Managers and Contract Managers from the CFOs, were used to gather perspectives on the reasons for underperformance among providers. A variety of views were offered on this issue, but the most commonly cited reasons tended to revolve around the following:

- variations in levels of experience between different providers including, specifically, experience in delivering ESF provision;
- insufficient planning by providers and/or insufficient lead in time for delivery leading to underperformance at the start of contracting periods in particular;

- issues with prime/lead contractor and subcontractor/delivery partner relationships;
- poor engagement or recruitment approaches on the part of providers;
- external factors relating to economic conditions or the particular characteristics of local labour markets;
- particular delivery models adopted that did not work as intended.

Of the above factors, insufficient planning on the part of providers and/or insufficient lead-in times, along with aspects of dysfunction in relationships between providers in particular delivery partnerships, were the most commonly cited.

While provider representatives were not explicitly asked about underperformance in a comparable way to the interviewees whose perspectives are considered above, a number of provider managers did discuss issues around performance. In particular, where providers had not previously had a strong or developed delivery infrastructure in place in the location they were delivering, the amount of time it took to start performing at, as one of the provider managers termed it, a ‘...steady state level...’ was seen as significant. Indeed, in a number of instances prime and lead contractor representatives noted that while performance was often significantly behind profile at the start of the delivery period, this often picked up over time. This tended to confirm the points made above around underestimating lead-in times required.

The ‘Progress Together’ delivery model utilised in South Yorkshire is also interesting from the perspective of the view of interviewees in CFOs that the use of particular models for delivery can affect performance. In this instance, performance issues were caused by the interrelationship between the different contracts and delivery elements included in the integrated model adopted. Provision intended to engage ESF participants was at the front of the ‘chain’ of contracts covering different delivery aspects within the model. Underperformance in respect of this element, and lower than anticipated numbers of participants engaged, had subsequent knock-on effects for those contracts offering other elements such as key worker support further along the chain. Thus, the integrated nature of the delivery model itself (which from other perspectives was seen as bringing benefits) was in a sense responsible for underperformance issues across the ‘Progress Together’ approach as a whole.

5.1.4 Perspectives on effective practice in contract management and performance monitoring

There was a good level of agreement on what constituted effective practice in contract management and performance monitoring among interviewees from CFOs and Jobcentre Plus on the one hand, and managers of prime and lead contractors on the other. Such views also reflected the themes discussed in the previous sub-sections. In particular, ongoing informal contact between more formal management review points, so as to address issues as they arose, was seen as significant. The development of close working relationships where both sides were open with each other and clear around expectations was the other key theme consistently mentioned.

As one of the prime contractor managers noted in respect of management processes they perceived as working well:

‘It works fine because there are good levels of communication and no surprises. When I’m unsure about things ... like requirements, I know I can get in touch and discuss them and, I suppose, the same is true from their [DWP Performance Manager] point of view.’

(Prime contractor manager, DWP commissioned provision)

Conversely, where provider managers felt that contract management relationships worked less well, or were less effective, this was linked to a feeling that those managing provision on behalf of the CFOs were more distant or inaccessible. Lack of clarity in terms of expectations around contract compliance, and evidence requirements, was the other key issue raised from this perspective.

5.2 Use of targets and outcome-related funding in the delivery of ESF provision

Part of the evaluation focus related to examining how targets and outcome-related funding are used to promote effective performance within ESF delivery, and the perspectives that the various stakeholders involved have on this. Interviews with CFO and Jobcentre Plus staff, along with provider representatives, were also used to gather perceptions on the impacts that stem from this use of targets and outcome-related funding. A number of issues arising in respect of this element of ESF delivery are considered below.

5.2.1 The use of targets in ESF delivery and perspectives on this

Across the delivery systems and structures examined through the case studies targets were used at a variety of levels. The co-financing plans developed by CFOs at the regional level identify the overall targets for commissioned provision in terms of numbers of participants engaged from within particular ESF 'target groups' (women, lone parents, 50+ etc.), and in terms of outputs required. These outputs vary according to the nature of provision – that is, whether provision is focused on employability support or on skills development for adults or the Not in Employment, Education or Training (NEET) group of young people – but tend to encompass entry to employment, or progression towards this in terms of engagement in further learning for example.

At the level of CFOs and in respect of Jobcentre Plus staff, targets were seen as being an accepted and key part of the approach to implementing ESF, with one CFO interviewee noting that such targets '*...are just part of the furniture really...*'. However, while targets allocated to CFOs at the regional level derived from the ESF Operational Programme were generally seen as appropriate and realistic, in some instances particular aspects of the targets were questioned. Most commonly, this related to targets allocated in respect of specific ESF target groups, which were sometimes seen as unrealistic in light of the particular regional context within which delivery was occurring.

Targets for participation and outcomes relating to women and Black and Minority Ethnic (BME) participants were cited in particular. In the former case, this was linked to a view that the economic downturn meant that the programme was inevitably dealing with more men than women as a result of redundancies, and the consequent higher prevalence of men within the unemployed, as opposed to economically inactive, group. Equally, CFO representatives from regions with a demographic profile with lower numbers of individuals from BME communities tended to cite that this was not adequately taken into account when profiling targets. Overall, however, despite these issues targets in terms of numbers of participants and results such as job entries were generally viewed as being realistic.

In line with the requirement for CFOs to meet regional targets, contractual targets for providers were applied across all the provision examined. In general, managers in prime and lead contractors felt that targets were realistic and achievable. Issues raised related more to the profiling of targets over the lifetime of contracts rather than the overall targets themselves. In a minority of instances, therefore, provider managers felt that targets were sometimes unrealistically profiled at the start of delivery in particular. This was seen as being the case in light of the fact that it takes time to bring delivery, as one manager put it, '*...fully up to speed...*'. Targets were provided by prime and lead

contractors to the subcontractors and delivery partners in their supply chains, with managers in the prime and lead contractors having a role around apportioning targets within the supply chain.

Targets tended to be viewed differently at the level of subcontractors and delivery partners. There was a clear division between those managers at this level who felt targets were fair and realistic, and another group of managers who felt that the targets passed onto their organisations by prime contractors and lead providers were unrealistic or unachievable. In the case of this latter group, encompassing approximately half of the subcontractor and delivery partner organisations engaged in the research, issues raised tended to be in terms of targets relating to results such as job entries rather than numbers of participants engaged.

In a number of cases the perception of ‘result targets’ being unrealistic was related to the lack of control the subcontractors and delivery partners felt they had over numbers of ESF participant referrals coming into their organisations. Where delivery models depended significantly on prime or lead contractors referring participants onto partners in their delivery chain, therefore, such concerns were particularly apparent. Even where subcontractors and delivery partners did have more of a role in direct engagement, however, in some instances concern over unrealistic targets being imposed was still present.

One likely reason for the difference in perceptions around targets between prime contractors and lead providers is that, across the contracts examined, there was a tendency for prime and lead contractor managers to deliberately over-profile targets allocated to delivery partners. The rationale for this from the perspective of prime and lead contractors was that this would help ensure that the overall contractual targets imposed by the CFOs would be met. The evidence gathered on the perceptions of subcontractors and delivery partners suggests, however, that such a rationale had either not been explained, or was viewed by managers of organisations further along the supply chain as being unrealistic nonetheless.

One further aspect examined in relation to targets concerned the degree to which they were being applied in Jobcentre Plus offices around referrals to ESF, and among operational staff within providers in terms of job entries or other ‘result targets’. There was no evidence that targets were given to Jobcentre Plus advisers in terms of numbers of individuals they should refer onto ESF provision. Occasionally, reminders would be given to advisers around ESF as a referral option more broadly, but targets as such were not used.

There was also little evidence that targets were given to individual operational staff by those managing provision within ESF providers. More commonly an approach of applying team targets to sets of individuals working on particular contracts was in place, with such targets generally being reviewed on a monthly (though sometimes weekly) basis. The rationale for this on the part of provider managers was that focusing too much on individual targets had the potential to put excessive pressure on staff delivering provision. However, staff themselves were aware of the role and importance of targets, and there was recognition that performance of individuals was monitored, though generally in a more indirect and subtle way than allocation of individual targets and monitoring against this.

5.2.2 The use of outcome-related funding in ESF delivery and perspectives on its effects

Connected to the use of targets in respect of ESF delivery, the contracts examined in the evaluation all depended on use of outcome-related funding models. In terms of the DWP commissioned provision, payments to providers involved a split between ‘delivery’ payments, on the basis of participants engaged, and ‘outcome’ payments relating to the numbers of participants entering

employment. The exact nature of this split varied between the contracts considered, but was either on a 50/50 or 60/40 basis between delivery and outcome payments respectively.

In respect of the Skills Funding Agency commissioned provision examined, the split between ‘delivery’ and ‘outcome’ or results-based payments varied, in part according to whether provision was being delivered to NEET young people or was ‘adult skills’ provision. The adult skills provision contracts considered used different models, whereby part of payments were tied to participant ‘starts’ or engagement, with further outcome payments made on progression outcomes or results.⁹ The latter payments relating to outcomes were proportionally greater than those allocated simply to participant engagement. Reflecting the nature of the NEET target group, and the overall likelihood of progression into work or further training, the split used in these contracts was more even between payments tied to engagement and those tied to results.

Performance Managers and Account Managers from the CFOs interviewed generally welcomed the focus on performance that outcome-related funded was felt to encourage among providers. This tended to be particularly evident amongst the Skills Funding Agency stakeholders and Account Managers interviewed, wherein payment models used for previous ESF programmes and other related provision were felt to have had an insufficient focus on actual outcomes as opposed to just delivery. The more direct focus on generating employment outcomes was noted in particular. As one interviewee from the Agency noted, outcome-based approaches were felt to offer:

‘... a financial incentive to provide more and better quality provision, and focusing providers on the job in hand to keep the emphasis on employment.’

(High level stakeholder, Skills Funding Agency)

DWP and Jobcentre Plus staff including DWP Performance Managers similarly perceived that outcome-based models played an important role in encouraging providers to focus on achieving positive outcomes for ESF participants, and in driving up performance generally. While empirical evidence around the impact on performance was acknowledged to be limited in most cases, the widespread view was that such an approach nonetheless appeared to be appropriate and likely to enhance performance. The following comments of Jobcentre Plus staff at the regional level and DWP performance managers are reflective of the general perception held:

‘It [outcome-related funding] is a positive step in the sense that providers have had to change their ethos and provide support that has a demonstrable impact in terms of moving clients closer to the labour market.’

(High level stakeholder, Jobcentre Plus)

‘I am in favour of outcome-based funding as it drives efficiency.’

(DWP Performance Manager)

The effect on provider behaviour that outcome-related funding was perceived to be having related principally to ensuring that participants were not merely engaged and supported over what could

⁹ The nature of progression outcomes varied between the adult skills contracts considered according to their particular focus, as did the relative split between payments allocated to participant starts and those tied to outcomes. Outcomes for some contracts did focus on job entries, while for others outcome payments were on the basis of participants entering further training or some other form of progression. In terms of the split of payments for these contracts, less than 50 per cent was allocated to starts (varying between 30 per cent and 40 per cent) and the remainder to progression outcomes.

be a long-term period, but that there was more of a constant focus on progression towards positive outcomes as a result of the nature of support offered. On the part of CFO and Jobcentre Plus stakeholders, therefore, providers were perceived to have adopted an increased focus on outcomes, with ways of working changing in response to this and in line with the fact that outcome-based payments formed a significant part of their income from ESF provision.

Interestingly, prime and lead contractor managers did not necessarily describe the impact of outcome-related payments on organisational and staff **behaviour** in such a clear cut way. Targets and outcome-based payments were noted as ensuring that there was a focus on delivering results in terms of job entries and progression, but perceptions of behaviour having changed in any notable way were more limited. For prime contractors delivering DWP provision in particular, this may be related to the fact that such payment approaches were seen as normal and were accepted as being simply part of the focus of delivery. Thus, while behaviour may well have changed over time, the view of managers in such providers was that a focus on achieving employment entries had always been in place and that activities had similarly always been focused on this.

Representatives of lead providers delivering Skills Funding Agency commissioned provision were often similarly accepting of, and used to, the payment approach adopted. However, views in relation to outcome-related funding in general, and effects on behaviour in particular, were more varied than in respect of prime contractors delivering DWP provision. For some lead providers, particularly those from the public sector, the notion of outcome-related funding was acknowledged, as one representative put it, as more of ‘...*an alien concept*...’. The nature of working to targets did not appear to be the major reason behind such views, but rather the concept of making an operational surplus as a result of delivering services was seen as unusual and requiring a shift in mind-set.

An increased focus on delivering outcomes was generally acknowledged as resulting from the outcome-based payment system by lead provider representatives. As one interviewee noted, the size of the contract they were operating had, in particular, focused attention on the need to concentrate on progression rather than merely offering ongoing support to participants. However, in a minority of cases those interviewed argued that the way services were delivered had not changed, and that provision had always been focused on benefitting individuals through offering support in a way and at a pace they were comfortable with.

Accepting these views, overall, the evidence gathered from prime and lead contractor interviews suggests that outcome-based funding did increase the focus of staff on achieving outcomes for participants. It also indicates that the funding approach used has also encouraged a focus on **performance** in general within the organisations delivering provision.

Where providers discussed the balance between risk and reward that stemmed from outcome based payment approaches, at the level of prime and lead contractors such a balance was generally viewed as fair. As noted above, the general impression gained was that most organisations are used to operating in this context, and that in respect of the specific ESF contracts examined, felt that their organisations could deal with the risks involved.

However, it was also clear that this related both to experience in delivering under such systems, and being able to manage the consequences of them in terms of flows of money in and out of the provider. As one lead provider representative noted, their organisation was only able to operate on the basis of outcome-related funding as a result of having financial reserves. As a result, risk and issues that might arise over for example cash-flow, could be managed. In line with this, representatives from providers with less experience of outcome-based funding, notably those delivering Skills Funding Agency provision, did tend to comment that the risks involved had been a concern, but that gradually they had become more used to this way of working.

Interviews with provider staff were also used to probe for evidence around some of the broader, and potentially unintended, impacts stemming from the use of outcome-related approaches. In general, few impacts beyond those noted above were cited, with two main exceptions. Firstly, there was some, albeit limited, evidence of providers focusing on achieving outcomes for those individuals perceived as being easier to help and more likely to result in job entries, also known as ‘creaming and parking’. This was evident in the case of one contract in particular, where underperformance in the early stages of delivery had led to significant pressure to increase job entry rates for the prime contractor concerned. In this instance it was acknowledged by provider staff that this led to a gradual move away from focusing on participants with more significant barriers to employment. As one staff member noted:

‘Outcome-related funding has resulted in clients that are closer to the labour market being targeted, particularly as the contract draws to a close and the desire to hit outcomes becomes a priority.’

(Operational staff member, DWP commissioned provision)

The second notable effect reported as stemming from the outcome-based payment approach related to another of the DWP contracts covered by the evaluation. In this instance over- rather than under-performance had led to issues related to outcome-based funding. In the example concerned, the prime contractor had achieved outcomes beyond the upper tolerance levels specified in the contract. While some further funding at a reduced payment rate for further outcomes was added to the contract, at the time of the research these outcomes were also close to being achieved with some time still to run in terms of the contract’s lifetime.

Although the prime contractor felt that this situation could be managed, and participants would still be able to access provision, it was clear from consultations with subcontractor and Jobcentre Plus adviser staff that participants who would previously have been engaged onto this provision were not being referred. As such, while this was an isolated incident, it does demonstrate that additional flexibility in terms of contractual tolerance levels may be required to ensure that individuals who might benefit from ESF provision are able to access it.

Finally, while outcome-based payment systems were discussed only in a limited sense with provider staff at the subcontractor and delivery partner level of the ESF delivery chain, some issues relating to such systems did emerge. Given that these are related closely to performance management relationships between prime or lead contractors and their delivery partners, such issues are discussed in the section that follows.

5.3 Performance management within the provider element of the ESF delivery chain

Part of the evaluation’s focus on contract and performance management issues related to examining how performance management is undertaken within the provider element of the ESF delivery chain. Visits to prime and lead contractors, along with those to subcontractors and delivery partners, were used to examine approaches to, and perspectives on, performance management.

5.3.1 Performance management of subcontractors and delivery partners by ‘prime’ or ‘lead’ contractors

In most cases, performance management of subcontractors and delivery partners by prime or lead contractors involved the use of mechanisms designed to reflect the contractual requirements placed on those prime and lead contractors by CFOs. Systems of providing monthly returns with evidence

and management information (MI) relating to participant engagement and outcomes were thus common across the provision examined. The degree to which face-to-face meetings around management and performance issues accompanied these returns of MI and evidence varied. As discussed in Chapter 4, while some prime and lead contractors were proactive in establishing meetings on a regular basis, in other instances subcontractors and delivery partners reported a more arms length approach.

In all cases examined, targets were used to set and assess expected levels of performance. In those cases where regular meetings were not an ongoing element of relations between prime or lead contractors and their delivery partners, performance monitoring tended to trigger such meetings where notable underperformance in respect of agreed outputs was identified. In scenarios where regular management meetings occurred anyway, whether in a group or bilateral sense, performance issues tended to be addressed at these times. Significantly, however, where meetings involving all delivery partners occurred, prime or lead contractors were keen to stress that underperformance tended to be addressed separately through bilateral contact rather than in more open fora.

The division noted above between the perspectives of prime and lead contractors on the one hand, and subcontractors or delivery partners on the other, around use of targets and allocation of required outcomes was mirrored closely in discussions around performance management. While lead or prime contractors tended to feel that performance management worked relatively smoothly and that their approach was viewed as being acceptable by their delivery partners, the perspectives of those delivery partners themselves were more varied.

In some instances no particular issues were reported on the part of subcontractors and delivery partners, and it was noted that a good working relationship was in place wherein performance issues could be discussed openly. In a minority of cases, however, subcontractor and delivery partner managers felt that there was either an excessive focus on performance to the detriment of the **quality** of provision offered, or that mechanisms established to facilitate performance management were not working well. In respect of this latter point, provider representatives made reference to prime or lead contractors being remote or non-supportive over performance issues, or that requirements relating to performance were either unclear or had changed over time in ways viewed as being unfair or unhelpful.

These issues were also commonly related by subcontractors and delivery partners to what they perceived as effects caused by the focus on outcome-based delivery and payments. It was clear that, for a minority of subcontractors and delivery partners, this aspect of provision was seen as driving what was, in their view, an excessive focus on achieving outputs at the expense of how they were able to deliver provision.

In these instances, staff often negatively compared the approach they now took to supporting individuals to previous ESF provision they had been involved in and, in one case, to the approach taken earlier in the current contract in question. In particular, delivery staff noted that guidance around the amount of time they could spend with clients had changed, leading to more limited direct engagement. In addition, staff also noted that they were being encouraged to make sure that participants did not spend too long on provision, and were pushed towards outcomes such as entering employment sooner. It should be clear, however, that the reporting of such effects was in the minority, and that in other instances the freedom offered by ESF to provide the level of support individuals needed was commented on positively by provider staff.

As the above discussion suggests, it was also clear that the general approach that prime or lead contractors took to liaison and management arrangements with their delivery partners was closely

correlated to the perspectives of those partners around **performance** management issues. The use of management meetings and forums to explicitly praise good performance, and discuss effective practice, was noted by providers at different levels in some delivery partnerships as being significant for example. Likewise, effective communication channels and the development of good working relationships were cited not only as contributing to good performance itself, but also enabling issues relating to performance to be addressed in a more positive way when they did arise.

Conversely, where more remote relationships existed between different levels in the delivery chain, when performance became an issue it appeared more likely to cause significant difficulties in relationships between prime or lead providers and their subcontractors or delivery partners. In a small number of cases resentment around performance management approaches had clearly developed at the level of subcontractors and delivery partners. In these instances providers further down the delivery chain reported feeling pressured to achieve targets they felt were unattainable and that, as noted earlier, this was not necessarily within their control given the limited power they had over generating referrals or engaging participants.

5.4 Conclusion

The above analysis serves to highlight a number of factors and considerations relating to contract and performance management that contribute to effective performance and delivery in respect of ESF provision. The way in which contract and performance management itself is approached is important from this perspective. Close liaison between DWP Performance Managers and Skills Funding Agency Account Managers on the one hand, and those managing provision within prime and lead contractors on the other, is significant in this. Likewise, ongoing liaison around and between more formal performance reviews and management meetings is important, as is the setting of clear expectations relating to performance and contract requirements and consistency in applying these.

In many ways, the importance of the above factors in ensuring effective performance management is mirrored in terms of the arrangements for this purpose that exist between prime or lead contractors and their subcontractors or delivery partners. Where close, open and honest relationships have developed within delivery chains, performance itself appears to be supported by this. Equally, where issues around performance do arise, such relationships help them to be addressed in an effective manner. In most instances these factors relating to effective approaches to contract and performance management could be observed in the provision examined, giving the overall impression that approaches to contract and performance management were functioning well.

The targets used at different levels within the ESF delivery system to promote effective performance also appear to be working well from this perspective. On balance, various actors within the ESF delivery chain, from CFO and Jobcentre Plus staff through to providers, felt that the targets themselves, and the approach taken to using them, were appropriate and fair. The main exception to this was a tendency for providers further down the delivery chain at the level of subcontractors and delivery partners to feel that, in a minority of cases, the targets given to them by prime and lead contractors were unrealistic given the limited control they had over numbers of referrals.

Alongside the use of targets in the ESF delivery system, the establishment of outcome-based systems of payments to providers is widely perceived as having beneficial effects. These principally relate to helping to improve performance and encouraging providers to focus on the achievement of positive outcomes for ESF participants. However, such perceptions are not universal. In a small number of cases, subcontractors and delivery partners offered negative perceptions of such systems, and their perceived effects on approaches to delivery in terms of leading to an excessive focus on achieving outputs at the expense of the **quality** of provision.

Such negative effects appeared to be limited in reality. Only two clear examples of unintended or negative impacts stemming from outcome-based systems of payment were identified. In one instance this related to providers focusing on achieving outcomes for individuals perceived as being easier to help and more likely generate job entries, partly as a result of pressure to address underperformance. In the other case, over-performance against profiled targets by a provider led to upper contractual tolerance levels being breached. There was some evidence that the provider in question had to restrict engagement of individuals onto provision to help respond to this.

The above effects are nonetheless significant in illustrating how outcome-based payments can lead providers to support those closer to the labour market at the expense of others in certain contexts. Conversely, where over- rather than under-performance is evident, without careful management there is potential for contractual limits to be exceeded and for the availability of provision to be restricted towards the end of delivery periods.

6 Engagement and referral of ESF participants

This chapter focuses on participant engagement and referral processes within the European Social Fund (ESF) delivery system. It first provides an overview of the engagement and referral processes examined by the research, partly to set the scene for the analysis that follows, and also to outline the main routes through which ESF participants are engaged and referred. The use of eligibility criteria for engaging ESF participants and referring them onto provision is then examined, prior to looking at the role of frontline Jobcentre Plus staff in the referral process in more detail. The chapter then considers the nature of liaison between Jobcentre Plus and ESF provider staff around the referral process, before examining referrals between ESF providers in more detail. Views on the balance between referrals from Jobcentre Plus and direct engagement by providers are then considered. Prior to concluding, the perspectives of frontline Jobcentre Plus and provider staff on some particular aspects of ESF participants' engagement with provision are also examined.

6.1 Overview of engagement and referral processes examined by the evaluation

To inform the analysis that follows it is worth briefly clarifying the scope and nature of the engagement and referral processes examined through the evaluation case studies. Across the provision considered a variety of engagement and referral routes and mechanisms were evident. These varied according to the different delivery models involved and the type of provision concerned.

6.1.1 Engagement and referral processes around DWP commissioned provision

Within the DWP commissioned provision, ESF participants were often engaged through being customers of Jobcentre Plus and then being referred mainly, though not exclusively, to prime contractors. In the case of one of the contracts covering a larger area, the prime contractor used a geographically-based supply chain of subcontractors. This meant that, in certain areas, Jobcentre Plus customers were referred directly to subcontractors, while in others the prime contractor had premises in place and thus received referrals. ESF participants referred to prime contractors were then, depending on their needs and the capacity of prime contractors, referred on to subcontractors as required – for example, to receive specialist support or undertake particular forms of skills development.

Referrals through Jobcentre Plus as part of the delivery chain in the Department for Work and Pensions (DWP) commissioned provision were complemented by the direct engagement of participants by the providers themselves. Such engagement, often termed as 'self-referral', was again evident in respect of both prime and sub-contractors. In line with this, again participants could then be referred between prime and sub-contractors as required on the basis of their needs. Self referrals were often generated through a variety of outreach work in local communities, involving establishing a presence in the community through basing staff in locations such as libraries, community centres and other organisations providing services, along with attending local events such as community fairs and similar. Commonly, 'word of mouth' was cited as significant in generating self-referrals, where people had experienced provision, for example, and had mentioned this to friends or family.

Finally, in one of the case studies undertaken, the prime contractor did not have any formal sub-contractors in their delivery partnership. In this instance referrals sometimes came into the prime contractor from other local organisations functioning as ‘referral partners’, as opposed to more formal delivery partners. These referral partners were often local community organisations, or agencies and locations (including, for example, public libraries and local authority (LA) ‘one-stop shops’) where potential ESF participants would engage with services. Referral partners of this type were not paid for referrals; rather, their motivation was to offer further options to the individuals they were already supporting or offering services to.

6.1.2 Engagement and referral processes around Skills Funding Agency commissioned provision

Engagement and referral processes in respect of Skills Funding Agency provision varied according to the nature of the provision and, as with the DWP contracts examined, the delivery models being used. For provision offered to Not in Employment, Education or Training (NEET) young people, engagement can occur through a variety of routes including schools, LAs, Connexions guidance services for young people, Youth Offending Teams, community organisations and others offering support and services to the target group. As the main organisations with responsibility for providing services to NEET young people, LAs and Connexions are the most common routes through which participants are engaged. There is little referral through Jobcentre Plus for this cohort given the limited contact the agency has with individuals in the NEET group.

In practice, LAs and Connexions are frequently the lead providers for this provision given their wider role in respect of NEET young people. Where this is not the case, as with one of the contracts examined, they are normally part of the wider delivery partnership. In the case of the ESF NEET contracts considered, where Connexions or the LA acted as the lead provider, a network of delivery partners were in place to which participants could be referred, depending on an assessment of their needs and the type of support they would benefit from. Given the role these organisations play in respect of NEET young people, initial engagement itself was largely through existing contact with young people who had been placed on the NEET register. There was also some limited direct outreach work in the case of one of the contracts, though this was not considered to be a significant source of engagement.

In the case of the contract with a different lead provider, referrals to the organisation in question came principally from Connexions but also through a number of other routes, notably from delivery partners engaging in outreach work and a range of ‘referral partners’ such as housing services and care leavers’ support organisations. In this instance, the development of a wider delivery partnership comprising a range of such organisations was seen as key in ensuring the engagement of participants. Once engaged, participants were referred to delivery partners on the basis of the type of support they required, and on the basis of developing a tailored package of assistance for the individuals concerned.

For adult skills provision commissioned by the Skills Funding Agency, engagement and referral occurs through a variety of routes. Referrals from Jobcentre Plus are one route, though this was often seen as less significant than in respect of the DWP provision examined. More commonly a range of engagement mechanisms were outlined by lead providers, depending on forms of outreach work similar to those discussed earlier and use of delivery partners within consortia or partnerships to engage potential participants through existing contact. Thus, for example, some of the delivery partnerships for this provision considered through the evaluation included community-based adult learning providers, local colleges and LA run adult and community learning services. Some engagement also occurred through referrals from the sort of broader ‘referral partners’ discussed above, including local community groups and other voluntary sector organisations.

Once engaged, referral routes for participants on this provision tended to be fairly fluid between the delivery partners involved. Again, decisions on referrals were sometimes based on forms of initial needs assessment with those engaged through considering and discussing the skills development activities and support available. In some instances, participants became engaged on the basis of particular learning activities or support they knew were available through the provision, and/or were referred onto provision by one of the delivery or referral partners involved to access a particular course or learning activity.

6.2 Use of eligibility criteria for participants in engagement and referral processes

A key part of the research involved examining the understanding and use of ESF eligibility criteria attached to participants in respect of engagement and referral processes. Specifically, the evaluation examined how ESF eligibility criteria are communicated to Jobcentre Plus advisers and staff within ESF providers, the understanding of eligibility criteria among these staff when engaging and referring participants, and the application of those criteria by advisers and provider staff in practice.

Before considering these issues in turn, it is worth noting that there was some confusion among those interviewed within Jobcentre Plus offices and ESF providers as to what ‘eligibility criteria’ actually constituted. Responses to questions around this theme tended to vary between discussion of formal eligibility criteria, as laid down in ESF documentation and regulations, and what staff themselves considered ‘eligibility criteria’ to be. In terms of the latter, for example, the ESF ‘target groups’ set out in the Operational Programme and co-financing plans – lone parents, older workers and so on – were often interpreted as constituting eligibility criteria. The analysis that follows reflects this context.

6.2.1 Communication of eligibility criteria to Jobcentre Plus advisers and ESF provider staff

As discussed in Chapter 3, Jobcentre Plus advisers receive information and guidance on ESF provision and referrals through a range of verbal, paper-based, and electronic means. The communication of eligibility criteria reflects these mechanisms. It was evident through the case studies that there was little consistency in the nature and content of the information and guidance provided around eligibility, or the format in which it was delivered. More formal eligibility criteria around residency and needing to be unemployed or economically inactive formed part of this in some instances, while in others messages around eligibility related primarily to which particular customer groups such as ex-offenders and lone parents were ‘eligible’. In some areas, advisers reported receiving frequent email reminders and updates around eligibility in this sense, with interpretations around which customer groups were ‘eligible’ changing over time.

Few advisers reported having had any formal training relating to eligibility beyond the information and guidance received through office meetings, information available on the staff intranet and by email. Interestingly, in a small number of cases advisers also noted that their interaction with providers, whether through provider visits or provider representatives making presentations at Jobcentre Plus offices, had been the key route through which they had received details on eligibility. In a very small number of cases advisers appeared to be completely unaware of any eligibility criteria, however defined, and noted that they had received no guidance on this. This appears to be connected to those cases, discussed further in Section 6.3, where advisers had not considered ESF as a referral option and/or did not see it as part of their job role.

For all of the contracts considered by the evaluation, prime and lead contractor managers received briefings on eligibility as part of their contractual relationship with the CFO concerned. These were then used as a basis for communicating criteria to operational staff within the organisations in question. A range of routes were used for this including ‘team briefings’ at the start of contract delivery, production of written information and guidance materials, and updates given through team meetings and emails on an ongoing basis.

While communication routes around eligibility criteria within prime and lead contractor organisations generally appeared to be in place and clear, the same was not universally true of communication channels to subcontractors’ and delivery partners. In line with the discussion of variable patterns of communication between different levels of the delivery chain in previous chapters, the same was true of communications relating to eligibility criteria (and indeed other contractual and evidence requirements more broadly). Frontline staff in subcontractors’ organisations and delivery partner staff generally did report receiving information and guidance around eligibility. However, in cases where there were communication issues of the type described, it was clear that managers in those subcontractor and delivery partner organisations had needed to take it on themselves to ensure that detail on criteria was available, put into an appropriate format, and was communicated to staff.

6.2.2 Understanding of eligibility criteria among Jobcentre Plus advisers and ESF provider staff

On the basis of the case studies undertaken, it was apparent that on one level the formal eligibility criteria attached to ESF participants were relatively well understood. Many of the staff consulted in Jobcentre Plus offices and, in particular, within ESF providers delivering provision to adults were aware of core eligibility criteria relating to residency, being of working age, being either unemployed or economically inactive, and falling within the geographical boundaries established for the delivery of particular contracts. Likewise, staff within those providers delivering Skills Funding Agency commissioned provision to the NEET group of young people were, in the main, aware of eligibility requirements around age, needing to be outside formal employment, education or training, or being identified and evidenced as being ‘at risk’ of being NEET (in the case of 14 and 15 year olds).

However, there was a notable exception to this broad understanding in that eligibility issues around immigrants and asylum seekers, where they were discussed, were seen as complex and difficult to understand. Where staff in ESF providers were unsure on eligibility in cases such as these they tended to discuss this with colleagues, or refer the cases concerned to managers to assess and confirm eligibility. No significant issues or difficulties relating to the understanding of eligibility criteria were reported by either managers or operational staff working in ESF providers beyond this.

On the whole, formal eligibility criteria relating to immigration or asylum seekers were not discussed by Jobcentre Plus advisers or adviser managers. Indeed, for most Jobcentre Plus advisers the checking and confirmation of eligibility criteria in this more formal sense was seen as the responsibility of ESF providers. It should also be noted that, in the majority of cases, eligibility criteria was interpreted, at least in the first instance, as referring to ESF ‘target groups’ in the way outlined at the beginning of this section. While Jobcentre Plus advisers and adviser managers were generally aware of the more formal aspects of eligibility, and as noted appeared to have a good understanding of this in a broad sense, the tendency was for initial responses to questions around eligibility to focus almost exclusively on the participant groups to which ESF targets apply.

In areas where there was a particular focus on using these ESF ‘target groups’ to define ‘eligibility’ and access to provision, advisers did tend to hold a solid understanding of the groups concerned and could often outline these in full. This was connected to the frequent use of email reminders that

provision through ESF should be considered in respect of these groups first and foremost. Indeed, for most advisers in these areas, ESF was seen as only being able to be accessed by the aforementioned target groups. This issue is discussed further below.

6.2.3 Application of eligibility criteria within the ESF delivery chain

As indicated above, in the case of Jobcentre Plus advisers the application of more formal eligibility criteria around residency and employment status for ESF participants was well understood and appeared to be consistently applied. The exception to this relates to individuals where formal eligibility was unclear due to their immigration status. However, only a very small amount of the advisers who were interviewed discussed this, and in these cases there was a tendency to say that customers would be referred anyway if relevant, and it was for the provider to confirm eligibility.

As the above discussion of understanding around eligibility criteria suggests, Jobcentre Plus advisers tended to discuss their approaches to eligibility and use of criteria more from the perspective of particular customer groups viewed as eligible or not for referral. Approaches to eligibility and use of criteria in this sense varied markedly across the areas covered by the case studies.

The first difference here is in relation to which customer groups were defined as being 'eligible'. In one area a clear message was given to staff that all of those of working age and claiming benefits were eligible for referral. At the other end of the scale, in another area, it was evident that eligibility was widely seen by advisers as being restricted purely to the ESF 'target groups' identified in the co-financing plan. A third approach in between these interpretations was also evident. This involved the application of criteria by adviser (and indeed ESF provider) staff to restrict provision to the ESF 'target groups' at the start of the programme, with a later shift to a position where referrals and engagement on provision could involve anyone of working age. In the case concerned, the widespread perception of various stakeholders was that poor performance at the start of the delivery period had led to this relaxation in the application of eligibility criteria.

Another difference in the use of eligibility criteria relates to this latter case in that there was notable variation in how strictly such criteria, defined in terms of ESF target groups, were applied in practice. Thus, in one area where the focus was on making referrals from within the ESF priority or target groups this was clearly interpreted by advisers as reflecting 'guidelines' rather than hard and fast rules to follow. In another, however, advisers consistently reported that they were unable to make referrals from outside the defined ESF target groups and that, as one adviser put it, '*...the systems just don't allow it...*'.

This latter more strict application of criteria clearly led to some odd situations, wherein advisers who were convinced a customer could benefit from ESF but did not fit into one of the 'target groups' would seek to, as one put it, '*...work round the system...*'. In such cases, advisers would seek to 'fit' the customer in question into a target group by asking whether they could consider themselves low skilled in any way, or perhaps suffered from a disability. While examples of such 'manipulation' of criteria were rare, they do perhaps illustrate the unintended consequences of approaching 'eligibility' from this perspective.

Interestingly, where providers had been given guidance that they should restrict engagement to participants from specific target groups (beyond all those who were simply unemployed or inactive), related examples of manipulation and working around imposed criteria were evident. This, however, was the case in only one of the areas covered by the evaluation. More generally, where applicable provider managers and operational staff reported that, although there was a focus on ESF target groups such as women and lone parents, criteria were applied principally according to the formal eligibility regulations highlighted above.

This consistent application of eligibility criteria was also the case in relation to the restrictions placed on referral and engagement within the provision for NEET young people examined by the research. While all lead providers and subcontractors offering this provision did state that they kept to the formal eligibility criteria, this was also seen in some cases as being frustrating. In particular, delivery partners noted that they engaged with young people for whom the provision offered by ESF would have been ideal, but for reasons around age or residential address they were unable to refer them onto this provision.

Where issues around inappropriate interpretations of eligibility did arise in respect of provision for the NEET group, this was in the shape of isolated instances where organisations referring people onto provision did not apply the relevant criteria. Thus, in one instance, a school was reported as sending young people they had defined as being 'at risk' of being NEET onto provision where the provider manager felt that they clearly were not eligible from this perspective. Indeed, further investigation on the part of the provider manager suggested that the school in question had simply pasted up a sheet for any pupil interested in the activity involved to sign up for it. In this instance, however, it was acknowledged that the lead provider involved had addressed this issue, and had altered the procedures around evidence of being 'at risk' to ensure this did not occur again.

Such examples, however, were isolated in respect of the research overall. In general, therefore, within ESF providers it appeared that eligibility criteria were well understood and consistently applied in line with the relevant regulations involved.

6.3 The role of Jobcentre Plus advisers in referrals of ESF participants

As noted earlier in the report, for a range of provision delivered under Priority 1 and Priority 4, Jobcentre Plus advisers play a key role in the referral process. The focus of ESF on the unemployed and economically inactive means that a range of potential ESF participants are customers of the agency. Across the provision considered, particularly that commissioned by DWP, frontline staff in Jobcentre Plus are thus a key source of referrals of ESF participants to ESF providers delivering activity. This section looks at the role advisers play in referrals in more detail, examining the key considerations made, the processes involved, and the views of staff on how well these referral processes are functioning.

Prior to looking at these issues it is worth noting that the research demonstrated that the approach taken within Jobcentre Plus offices does not involve particular advisers specialising in ESF. Rather, referral to ESF is open to all advisers. In practice, however, the research indicates that some advisers are more likely to refer to ESF than others, and that some advisers do not consider ESF to be a significant referral option or particularly relevant to their roles. In a small number of cases, advisers reported not referring to, or considering, ESF provision at all.

The degree to which advisers tend to refer to ESF appears closely related to their particular job roles along with previous experience of, and exposure to, ESF as a referral option. Thus, where advisers are dealing with new claimants who have only recently started receiving benefits, in general ESF appears not to be considered a major part of the role. In contrast, where advisers have particular specialisms, around working with lone parents for example, ESF is much more frequently used. Equally, for those advisers working with longer term claimants (six months plus) ESF is likewise seen as a more significant part of the adviser role, and a more commonly considered referral option.

There were some exceptions to this pattern. In particular, even where advisers were principally working with new claimants, if in previous roles they had become accustomed to referring to ESF

they were more likely to do so in their current roles. Conversely, in a small number of cases, where advisers were responsible for longer term claimants they nonetheless reported that ESF was not significant, and/or that they typically did not refer people onto provision. In one case, an adviser reported that this was because they felt they did not really understand the provision itself, and were unsure of the processes for referring customers on to it. In other instances, advisers noted that they looked to other mainstream provision first, and that this was more appropriate than ESF in most instances.

6.3.1 Key considerations of Jobcentre Plus staff in making referrals

Consultations with Jobcentre Plus advisers revealed a number of typical considerations when deciding whether to refer customers to ESF provision. These can be summarised as follows:

- the availability (or otherwise) of alternative provision such as that offered through mainstream Jobcentre Plus employability programmes;
- the needs of the customer and the types of provision perceived as being helpful in supporting individuals towards or back into work;
- perceptions of how 'eager' or committed customers are to returning to work in the judgement of advisers, connected to the voluntary nature of provision and perceptions that such commitment is thus significant;
- the perceptions of individual advisers as to the quality of ESF provision available in their local areas, often based on customer feedback whether through satisfaction surveys or more informally received;
- eligibility for referral and/or particular guidance received by advisers around the 'types' of customer that should be considered for referral.

The research indicated some variability between the different areas and Jobcentre Plus offices visited as to the relative significance of the above considerations. In general, consideration of the needs of the individual customer, and a judgement over the relevance of ESF provision to their needs, was the most commonly cited across all locations visited. The other considerations mentioned tended to apply to advisers working in different areas and Jobcentre Plus offices to varying degrees.

For example, in some offices all or most advisers reported considering mainstream provision first, and using ESF only where other options were not relevant or where customers had already been on other programmes. In other offices this did not seem to be a major consideration at all. Likewise, in areas where stress was put on referring from particular 'target groups' this was a key consideration, while in other areas the particular customer group from which potential customers came was not considered significant. In such instances it was clear that the guidance provided to advisers and what was considered appropriate, or was common practice in particular areas or offices, was a significant background influence on adviser considerations.

6.3.2 Referral processes used and perspectives on these

The case studies served to highlight some variation in referral processes between different areas and Jobcentre Plus offices. Use of IT systems to record referrals appeared to be fairly consistent among the advisers interviewed, as was use of referral forms to be sent to ESF providers. There was more variation in the degree to which advisers reported supplementing this with more direct phone contact with operational staff at providers.

In most instances such telephone contact was limited, unless the customer had raised a particular query which the adviser felt could be quickly answered by calling staff at a provider. In a limited number of cases, and in certain offices, advisers noted that they often called operational staff in providers around referrals. Often this was connected to the adviser in question having an existing relationship with particular staff members at those providers. Where advisers reported having phone contact with providers around referrals rarely or not at all, the lack of time to do so was frequently noted.

In some instances, telephone contact was used to check certain provision was available and/or the nature of particular aspects of provision. In other cases, advisers called providers to try and arrange appointments with the provider more quickly. This was the situation in particular where customers appeared especially keen to access provision, or had a specific need for immediate support. In the latter case this was sometimes connected to the customer requiring financial assistance to help them enter work – for example, a particular item of equipment being needed to undertake a certain job or certain training or accreditation being required.

While the use of formal processes to make referrals was relatively consistent, in a minority of cases advisers reported that they would circumvent the usual referral process in certain circumstances. This occurred where customers were perceived to need access to, or have the potential to benefit from, provision immediately. In such instances, advisers would recommend that customers approached providers directly and presented themselves as a ‘self-referral’ on the basis that they would be able to access support sooner. While not widespread, this practice does have implications for accurately recording numbers of referrals from Jobcentre Plus as opposed to ‘self-referrals’.

Use of the District Provision Tool (DPT) was also evident in terms of supporting advisers to make decisions around referrals. However, the degree of use of this and views on its relative utility tended to vary. Particular common working practices either in specific offices or particular areas again appeared to have a bearing on this. Thus, in one area for example, use of paper-based materials as an aid to referral rather than the DPT was common. The ‘referral sheet’ concerned was seen as quicker to use, more accessible, and able to be updated and annotated when contact details and the availability of provision changed. In other offices, use of the DPT was more widespread and seen as useful.

In the vast majority of cases advisers reported that referral processes to ESF provision were straightforward and worked well. Exceptions were when a particular adviser was unsure about ESF provision in general and rarely, if at all, referred customers onto it. There was also some variation in the degree to which advisers felt they understood the provision on offer in detail. As noted earlier in the report, this was seen as affecting their ability to discuss provision with customers and address all their queries. Additionally, advisers sometimes noted that they would be able to ‘sell’ provision to customers more effectively if they had a greater understanding of what the provision entailed.

Advisers also tended to note that on occasion things would go wrong with referrals. This tended to involve problems with confirming appointments, and/or customers believing that they had appointments with providers and arriving at their premises to be told there was no record of this. In general, however, such issues were seen as limited and infrequent.

A potentially more significant issue raised in a minority of cases was connected to provision offered by particular providers being popular, and their capacity in terms of the number of ‘ESF places’ they could offer being limited. In these instances the providers concerned operated a system whereby a quota of places was available on a monthly basis, and when this was full were unable to take other customers on. Advisers who discussed this issue reported that, to ensure customers were able to access provision, they made a note in their calendar to call the provider on the day when places for

the new month became available. It was acknowledged that this was not ideal given that it meant that customers might be delayed in being able to access provision.

Overall, however, the impression gained across the locations visited was that advisers viewed referral processes as clear and straightforward. Few challenges or issues were cited around the referral process beyond those mentioned, and processes themselves were viewed as effective and working well. The main area cited by advisers where referral processes might be improved related to having increased understanding of provision, and hence being able to discuss potential referrals with customers in a more informed fashion.

6.4 Liaison between Jobcentre Plus and provider staff around the referral of ESF participants

As the above discussion would suggest, the extent of direct liaison between Jobcentre Plus and provider staff around the referrals process varied. In the main such liaison between operational staff was limited, though there were some notable exceptions. These appeared to relate to working practices and processes apparent in some areas, and in respect of some Jobcentre Plus offices, compared to others. In some areas and particular offices, direct contact between operational staff from Jobcentre Plus and providers was more common. This contact was generally, though not exclusively, by telephone. In one area, face-to-face contact between Jobcentre Plus and provider staff occurred on an ongoing basis.

In this example, provider premises were close to the Jobcentre Plus office and the provider tended to have one of their staff based at the office in question one morning or afternoon a week. Staff from the provider also visited in the morning on a daily basis to pick up referral forms rather than those forms being posted. Although this scenario was dependent on the premises being close to each other, there did appear to be clear benefits from these arrangements in terms of advisers developing links with their counterparts, being able to discuss issues that arose, and having an enhanced understanding of the provision on offer. Equally, from the perspective of the provider, these arrangements had given them insight into the issues and pressures facing Jobcentre Plus advisers, the likely reasons for variations in numbers of referrals, and explanations for referrals sometimes being seen as inappropriate by provider staff.

In general, however, it was evident that direct liaison between operational staff from Jobcentre Plus and providers was less common or frequent. This should not suggest that there was limited liaison and discussion around referrals at all levels. In most areas, at least in respect of DWP commissioned provision, there was regular contact between managers in prime contractors (and in some cases subcontractors) and managerial staff in Jobcentre Plus. This came in a variety of forms, including telephone contact and provider managers visiting Jobcentre Plus offices to give presentations to office meetings. The Provider Engagement Meetings (PEMs) along with other steering groups and partnerships discussed in Chapter 2 were viewed as another significant route for this.

Such mechanisms were the key route through which providers offered feedback to Jobcentre Plus around referral issues, in particular those connected to numbers of referrals and the appropriateness of the referrals being received. Interviews with provider managers and staff indicated that, in some instances, referrals onto provision tended to come in 'peaks and troughs' from the point of view of the numbers involved. This tended to be linked by such interviewees to contact with, and marketing of provision to, Jobcentre Plus offices.

Thus, following a presentation by provider representatives in an office meeting there would be a rise in referral numbers which would then tail off over time until such liaison occurred again.

Interestingly, some Jobcentre Plus advisers also commented on variations in referral numbers, noting that this also resulted from the introduction of new mainstream programmes and guidance received. As a result, if new provision was launched advisers would tend to naturally refer to this or would be given guidance to do so, causing drops in the number of ESF referrals. In general, however, provider managers felt they had become used to such issues and that they could be managed. Variations in referral numbers, while causing issues at times, were generally not seen as a significant problem overall.

The mechanisms outlined were also used to discuss issues around the appropriateness of referrals received by providers from Jobcentre Plus. With some exceptions, 'inappropriate' referrals (in terms of customers not being suited to provision or having a different idea about what it involved for example) were not widely reported. In the minority of cases where such inappropriate referrals appeared to be forming a pattern, the provider staff concerned would generally report this to their managers. The fora and mechanisms discussed would then be used to feed these issues back to the Jobcentre where, in the main, they were seen as being addressed.

The fact that such mechanisms were generally viewed as effective, in terms of supporting the ESF referrals process between Jobcentre Plus and providers, perhaps relates to the broad perspective of Jobcentre Plus and provider staff that relationships around referrals were, in the main, positive and working well. There were some limited exceptions to this in particular instances where issues had developed between providers, both prime contractors and subcontractors, and local Jobcentre Plus offices around referrals. In one case this was connected to provider staff feeling that customers being referred were frequently not suited to the provision involved, and that this had taken a long time to resolve. In another, a provider felt that excessive numbers of referrals were being made at certain times which were making capacity and resource planning difficult.

There was also a tendency for some of the lead provider managers delivering Skills Funding Agency provision to note that direct liaison with Jobcentre Plus was limited. In general, this was seen as reflecting the nature of the provision being delivered and the consequent greater significance of other referral routes, particularly for provision being offered to NEET young people. Accepting this, in some instances lead providers delivering adult skills provision did note that they had expected more referrals from Jobcentre Plus. While some had sought to address this, such efforts were seen as varying in their success, and there was a perception among a minority of interviewees from lead providers that Jobcentre Plus was more responsive and accessible to providers delivering DWP commissioned provision.

Such examples, whether in respect of DWP or Skills Funding Agency commissioned provision, were isolated in the context of the research as a whole, and where they were cited tended to relate to particular problems that had arisen at certain times. As such they were not seen as affecting relationships more broadly, even where they had caused issues or concerns for a while. The partial exception to this, as noted, related to some providers delivering Skills Funding Agency provision, and their perception that relationships in general, and the responsiveness and accessibility of Jobcentre Plus in particular, could be improved.

6.5 Referral processes between ESF providers

As noted above, referral processes between Jobcentre Plus and providers were generally viewed as effective and working well. Referral processes connected to ESF provision are, however, wider in scope than this. In particular, they also involve referrals between prime and lead contractors and their subcontractors and delivery partners. Referrals from other organisations that are not formal subcontractors or delivery partners, but which also refer participants into delivery partnerships are also relevant here. This section examines these latter forms of referral processes and relationships.

In respect of DWP commissioned provision, referral processes between prime contractors and their subcontractors were generally reported as working well from the perspective both of prime contractor staff and those within subcontractors. There were few exceptions to this, although some subcontractor managers noted that referrals could be inconsistent in terms of numbers received. The perception of these subcontractor managers was that this related to the capacity of the prime contractors concerned, the perception being that more clients were referred when the prime contractors in question were busy.

There were also a few instances where subcontractor staff had the view that prime contractors did not always refer people on for whom they could offer more specialised and appropriate support. This was related to a perception that prime contractors varied referral numbers according to their own performance levels, and would hold onto participants in cases where the contractor concerned was struggling with achieving outcomes.

In addition, in one case the apparently limited contact between a prime and subcontractor had led to some confusion over referral processes and the requirements attached to them. As this demonstrates, the occasional lack of close working relationships within delivery partnerships, discussed in Section 4.3, can also impact negatively on the understanding and application of referral protocols. In general, however, both referral processes and the wider relationships between prime and subcontractors that impacted on these were viewed positively, with the issues discussed being raised in a minority of specific cases.

It should also be noted that in some of the DWP commissioned provision examined, where prime contractors had a network of geographically-based subcontractors to cover localities where they did not have a presence, referral processes of this type were not relevant. In these instances, referral relationships were generally between Jobcentre Plus and the subcontractors concerned, or between subcontractors and other wider referral partners in their local community. This latter relationship was also significant in one area where the prime contractor concerned had no subcontractors, but did have referral relationships with a range of community organisations and service providers.

In all such cases, referral arrangements were reported as working well both by the contractors themselves and by the representatives of wider delivery partners interviewed. In many cases these relationships had been developed over time, and referral arrangements between the contractors and other organisations were also in place for contracts other than ESF. Indeed, in some instances ESF providers were used to referring clients on other provision to the referral partners concerned. In these cases, the perception on both sides was that such arrangements represented, as one interviewee involved noted, ‘...a form of “quid pro quo”...’. It was thus seen as in the interest of referral partners of this type to make referrals to ESF provision, and for the contractors delivering ESF to ensure that strong relationships and agreed processes and protocols were in place.

A similar situation was evident in Skills Funding Agency commissioned provision, particularly in relation to that delivered to NEET young people. It was noted that organisations such as Connexions and LAs, where they were not part of delivery partnerships themselves, had an interest in developing appropriate referral processes and relationships with providers delivering ESF, as the latter represented another source of help for the young people they were responsible for supporting. Conversely, for the providers themselves, developing referral relationships and ensuring these functioned effectively was important to ensuring that they engaged with participants and were able to achieve contracted outputs. These findings reflect the earlier discussion in Section 4.3.3 around relationships between providers and wider referral partners.

Although still only in a limited number of cases, more issues tended to arise around referrals in respect of the adult skills provision delivered on behalf of the Skills Funding Agency. This appeared

to relate to one delivery model in particular, involving consortia that were essentially delivery partnerships with one provider acting as the lead for contractual purposes. Interestingly, some of the issues raised in the context of this delivery model reflect those cited by subcontractors delivering DWP commissioned provision.

While in relation to the delivery model noted, referral processes themselves were generally viewed as clear, straightforward and effective, some delivery partner representatives felt that sometimes participants engaged by other partners were being (inappropriately) kept within that organisation. In such instances, the staff concerned felt that for some individuals, of whom they were aware, the provision that their organisation offered would have been more suited. While not widely cited this does show, again, that there is potential for providers to hold on to ESF participants in certain circumstances where this may not be in the interests of the participant themselves.

Across the range of different types of provision and different delivery models considered, therefore, in the main referral processes and relationships between the delivery partners and other relevant organisations involved functioned well. Equally, operational staff within prime and lead contractors cited that they had a good understanding of the provision offered by subcontractors and delivery partners, and felt happy to refer clients on this basis.

Issues that were raised related to a perceived tendency for some partners to keep ESF participants within their organisations when this was not in the best interest of the participants themselves. This was highlighted as being common where prime contractors were struggling to meet their contracted outputs, and where there was competition to claim outputs for participants within delivery partnerships. These instances, however, appeared to be relatively uncommon and to occur infrequently.

6.6 Perceptions of the balance between direct engagement of participants and referrals from Jobcentre Plus

The research also looked at perceptions of, and perspectives on, the balance of engagement and referrals between those generated by providers themselves, and those made by Jobcentre Plus to providers. In respect of Skills Funding Agency provision, referrals from Jobcentre Plus were generally viewed as involving relatively small proportions of overall engagement by interviewees from lead providers and delivery partners. This was particularly the case in terms of provision aimed at NEET young people for reasons explained earlier, though it was also, to varying degrees, cited as being the case in respect of the adult skills provision examined.

The perception of relatively small numbers of referrals to this provision from Jobcentre Plus, compared with other engagement routes, was shared by stakeholders from the Skills Funding Agency and Jobcentre Plus itself. There was some variation in views around this, in that some Skills Funding Agency stakeholders felt that there should be more, and more consistent, referrals from Jobcentre Plus to at least some of the providers delivering provision they commissioned. In some instances it was noted that this had affected performance in terms of numbers accessing provision, an issue also noted by some of the lead provider managers delivering that provision. In contrast, high level stakeholders from Jobcentre Plus, where this issue was discussed, tended to feel that the extent of referrals from advisers to adult skills provision commissioned by the Skills Funding Agency was appropriate.

Within the DWP provision examined, prime contractor managers gave varying estimates of the amount of direct engagement of participants, or self-referral, as opposed to referrals received from Jobcentre Plus. In some instances, the figure of referrals from Jobcentre Plus was acknowledged as

being higher than initially intended, or specified in contracts, relative to direct engagement. Figures of between 60 per cent and 70 per cent referrals from Jobcentre Plus were estimated in these instances, with figures offered by stakeholders interviewed from Jobcentre Plus and DWP tending to broadly mirror this in the cases concerned.

In other instances prime contractor managers and staff felt that self-referrals, compared to referrals from Jobcentre Plus, were either more common or roughly equivalent. Estimates of 60 to 70 per cent self-referrals or a 50/50 balance were offered in these cases. Interestingly, where this was compared to figures or perceptions offered by Jobcentre Plus and DWP staff in the areas concerned, there appeared to be a disjuncture between what prime contractors felt the figure was, and those offered by stakeholders from DWP or Jobcentre Plus. The implication was that, perhaps understandably, there was a tendency for prime contractors to overstate their own contribution to engagement in some instances.

High level stakeholders from Jobcentre Plus and DWP Performance Managers tended to note that they had expected ESF providers to generate more engagements and referrals into provision, as opposed to depending more on Jobcentre Plus for referrals. However, at least in some cases, it was acknowledged that there were explanatory factors behind this, some of which were viewed as being beyond the control of providers. In particular, as prime contractor managers themselves noted, the economic downturn had meant that more customers were engaging with Jobcentre Plus, with the consequence that more individuals for whom ESF was seen as of potential benefit were being referred through this route. In other instances, it was clear that lower than expected levels of direct engagement had led providers to seek, and be given, more referrals from Jobcentre Plus to ensure that performance against targets did not fall too far behind profile.

Interestingly, the research also served to highlight a likely connection between the interpretation and application of eligibility criteria discussed earlier, and the relative balance of self-referrals as against referrals from Jobcentre Plus. In cases where 'eligibility' was interpreted as relating to specific ESF target groups such as lone parents or the over fifties, and was applied in such a way as to restrict provision to these groups, it appeared that providers were effectively 'forced' to focus more on direct engagement as the numbers of referrals from Jobcentre Plus were smaller. Conversely, in areas where such criteria were not applied at all, or had been relaxed over time, prime contractor managers often noted that they had not needed to concentrate on direct engagement. This was due to high numbers of referrals from Jobcentre Plus, and/or the perception that if they did focus extensively on outreach work and encourage direct engagement they would not be able to cope with the overall numbers that would result.

As this discussion suggests, there appears to be at least some causal relationship between economic conditions, the application of criteria around 'eligibility' for provision, and the relative balance between direct engagement or self referral on the one hand, and referrals from Jobcentre Plus on the other. Finally, as identified earlier in the chapter, the research indicated that there may be cause to treat data and figures on this balance of referrals with some caution. This is because there was some evidence of Jobcentre Plus advisers not recording referrals on systems and/or encouraging customers to refer themselves directly to providers.

6.7 Views of Jobcentre Plus and provider staff on ESF participants' engagement with provision

The final area considered here relates to the opportunity the evaluation gave to gather views on the degree to which participants themselves suggest ESF as a referral option, how often they are offered ESF provision but decline, and how often they start on provision but then drop out and why.

In terms of this first issue, interviews with Jobcentre Plus advisers demonstrated that it is relatively rare for their customers to be aware of, and to suggest, ESF provision as a possible option. In most advisers' experience this had not happened at all. In those cases where it had, this was generally reported as reflecting the fact that a friend or family member of the customer had engaged in provision and they were thus aware of it through this route, rather than having done research into ESF themselves. This reflects the fact that provider staff noted that clients sometimes presented at their premises asking about particular provision, such as funding or training to achieve a vocational accreditation, but were perceived as being unaware that the provision in question was funded through ESF. Again, in this instance, word of mouth through friends and family was seen as the primary factor leading to this.

Jobcentre Plus advisers gave more mixed views around the extent to which they offered customers ESF provision, but this was then declined. In the main, customers were reported as accepting ESF support when it was offered. However, this was often seen by advisers as being due to the fact that they only offered provision to customers they perceived as being suitable for it, and who were therefore likely to be interested in, and committed to, receiving the support on offer. The voluntary nature of provision was noted as being significant here, with advisers tending to assess whether they felt a customer was likely to want to access provision if they did not need to access it as a condition of receiving benefits.

Where customers did decline provision, this was perceived as often being due to the customer deciding it would not be helpful or appropriate once the nature of the provision was explained. The voluntary nature of provision was also noted as a reason for customers declining it, with some advisers citing cases where as soon as customers were informed of the voluntary nature of provision they were not interested in it. In one isolated case, an adviser admitted not revealing the voluntary terms of provision to encourage customers whom she felt would benefit to take up the offer. It was also noted that, on occasion, customers did accept provision but did not subsequently arrive at providers.

Staff at providers noted that clients who came through self-referral routes mainly accepted provision when it was offered, as the reason they had arrived with the provider was generally because they were interested in engaging with the provision. In a small number of cases, however, clients did decline in these circumstances, either because the provision on offer was different to their prior understanding of what it would involve, or because they, as one provider staff member put it, '*... get cold feet...*'. This latter reason was also perceived by Jobcentre Plus advisers as the primary explanation for customers being offered provision, but then not arriving at providers to access it.

Finally, staff in providers were questioned on how often participants began on provision but then dropped out. This was cited as happening in a relatively small minority of cases, again because participants who did engage were generally interested in and committed to receiving support (given its voluntary nature). Where participants did drop out, in the view of provider staff this was sometimes because they had been 'miss-sold' provision – that is, the activity involved did not match with their expectations of what it would involve. In other cases where provider staff had managed to track down participants who had started but then left provision, it was noted that there were a range of reasons for this. These included finding work, changes in personal circumstances, participants moving away from the area, and a decline in their health.

6.8 Conclusion

A range of participant engagement and referral processes are evident in respect of provision delivered through Priority 1 and Priority 4. Variations relate to the type of provision being delivered – for example, whether it is aimed at the NEET group of young people or adults of working age – and to the delivery models established to implement the provision. Even within these types of provision and delivery models processes vary, most commonly according to particular working practices and arrangements evident in different areas.

The understanding and use of eligibility criteria on the part of Jobcentre Plus and ESF provider staff is a key consideration in respect of engagement and referral processes. There is notable variation as to the way in which ‘eligibility criteria’ are defined and understood, particularly among Jobcentre Plus advisers. While effective processes are in place to communicate criteria to staff, this variation in understanding reflects different messages and guidance on approaches to ‘eligibility’ relayed to staff in different areas. In general, formal eligibility criteria, such as ESF participants needing to be unemployed or economically inactive, are well understood among Jobcentre Plus and provider staff, and are consistently applied. However, notable differences emerge in the definition and application of eligibility criteria beyond this formal sense.

Key differences principally relate to the approach taken to eligibility within Jobcentre Plus and among Jobcentre Plus advisers. ‘Eligibility’ appears to be defined not simply in the sense of the formal eligibility criteria noted, but also as relating to the range of target groups – such as women, the over 50s and lone parents – that ESF seeks to engage. In some areas, ‘eligibility’ in this sense leads to ESF provision being restricted to these target groups, while in other areas, (adult) provision is open to all those of working age. The application of eligibility criteria also varies over time in some cases, with ‘stricter’ interpretations based around the ESF ‘target groups’ giving way to interpretations based on opening provision to all who are unemployed or economically inactive. This appears to be connected to performance levels, in that where criteria were relaxed this resulted from underperformance within contracts.

In terms of referral processes from Jobcentre Plus to ESF provision, use of ESF as a referral option among advisers tends to vary according to their particular roles and experience. Referrals are more common among advisers principally working with certain customer groups, such as lone parents or the longer term unemployed, rather than new claimants. While there is some variation in referral mechanisms and processes between different Jobcentre Plus offices and areas, on the whole these mechanisms and processes appear to be effective and are viewed as straightforward by advisers themselves. The main differences in the approaches and mechanisms used relate to the amount of contact Jobcentre Plus staff have with their ESF provider counterparts. In some cases, telephone contact between Jobcentre Plus staff and providers occurs around referrals, though in the main use of IT systems and relevant paperwork are the principal mechanisms used to refer participants.

As this suggests, the extent of direct liaison between Jobcentre Plus and provider staff around referrals varies. In the main this is limited, though there are notable exceptions. In some areas, close links and working relationships have developed between Jobcentre Plus and provider staff which appear to offer significant benefits in ensuring that referral processes function effectively. Accepting this, even in areas where direct liaison is more restricted, on the whole referral of ESF participants between Jobcentre Plus and providers functions well. While providers reported that there could be peaks and troughs in terms of referral numbers coming through, on the whole this could be managed effectively. Likewise, while there were some examples of inappropriate referrals being made to providers – for example, of individuals unsuited to provision – this appears to be the exception rather than the rule.

In a similar way, referral processes within provider delivery partnerships – between prime or lead contractors and their subcontractors and delivery partners for example – function effectively in the main. Operational staff within delivery partnerships generally hold a good understanding of the provision that partner organisations can offer. Some exceptions to this pattern of effective referral approaches occur in cases where prime or lead contractors do not always refer participants to delivery partners where this may be in the better interests of the participant concerned. This is perceived to happen in instances where those prime or lead contractors are struggling to achieving contracted outcomes, though this scenario of withholding potential referrals was not common.

In terms of the balance of direct engagement of ESF participants by providers relative to referrals from Jobcentre Plus, there are some variations according to whether the provision concerned is commissioned by DWP or the Skills Funding Agency. In general, referrals from Jobcentre Plus appear to be notably more common in respect of DWP commissioned provision. Equally, it is widely acknowledged that the extent of direct provider engagement to this provision relative to referrals from Jobcentre Plus is perhaps less than anticipated in many instances.

This scenario does not necessarily relate to a lack of focus on the part of providers in seeking to directly engage participants. Rather, it is connected to the numbers of participants being referred in from Jobcentre Plus, which itself is related to wider economic and local labour market conditions, and the approach taken to participant eligibility. As such, there appears to be a causal link between economic conditions, the application of criteria around ‘eligibility’ for provision, and the relative balance between direct engagement and referrals from Jobcentre Plus.

7 Wider issues relating to Priority 1 and 4 provision

This penultimate chapter examines some of the wider issues relating to Priority 1 and 4 provision covered by the evaluation. Interviews with all stakeholder groups were used to gather perceptions on the range and coverage of provision available and this is considered first. The chapter then looks at the degree to which relevant stakeholders felt that the European Social Fund (ESF) was combined effectively with mainstream provision and, connected to this, the degree of added value offered through ESF Priority 1 and 4 provision. Finally, the impact of the recession and economic conditions on the nature and delivery of ESF provision is examined.

7.1 The range and coverage of ESF Priority 1 and Priority 4 provision

One of the clearest and most notable findings of the evaluation was that, across all stakeholder groups considered – from high level stakeholders in Jobcentre Plus and the co-financing organisations (CFOs) consulted, through Jobcentre Plus advisers to the level of providers – there was a widespread view that ESF offers a wide range and variety of provision able to address the varied and complex needs of participants. In offering these views, interviewees also frequently positively compared ESF Priority 1 and 4 provision to other forms of skills and employability support of which they were aware. ESF was widely felt to offer a range and variety of activity that was not evident in other provision, leading it to be described by a number of interviewees as ‘unique’.

It was acknowledged that there is some variation in the **availability** of provision according to geography, with provision in more rural areas being less available and spread more widely. However, there was widespread agreement across all of the case study interviewees that there were very few gaps in the **type** of provision that individuals, and the key target groups covered by ESF, require to support them in progressing towards employment. Through the range of activities examined in the case studies, the research itself served to confirm this impression of the variety of support on offer, and its applicability to the type of participants Priority 1 and 4 provision seeks to engage. This range varied from outdoor activities to build confidence among Not in Employment, Education or Training (NEET) participants, through a wide variety of training and support options for adults dependant on the areas of employment they were interested in.¹⁰

7.2 Combining ESF with mainstream provision and the ‘added value’ of ESF

Views on the degree to which Priority 1 and 4 provision was effectively combined with mainstream provision varied among interviewees from the stakeholder groups consulted on this issue. Higher level stakeholders, along with DWP Performance Managers and Skills Funding Agency Account Managers, tended to discuss this relationship in terms of the degree of complementarity offered by ESF relative to mainstream programmes, and the extent of duplication with them.

It was widely noted that a number of mechanisms were used to try and ensure effective complementarity. These included strategic partnership working between CFOs and relevant

¹⁰ See Section 4.4 on tailoring provision to participant needs for further detail on the range of activities identified through the research.

stakeholders as discussed in Chapter 2, the development and use of co-financing plans at the regional level, ongoing formal reviews of provision on a regular basis to take account of developments in mainstream programmes, and the allocation of specific responsibility for reviewing links between ESF and the mainstream to individuals in CFOs and Jobcentre Plus.

While these mechanisms were generally seen as helping to ensure that ESF combined effectively with mainstream provision in a broad sense, perceptions of the degree to which they were fully effective in avoiding duplication varied. As discussed in Section 2.2.2, however, the degree to which duplication can be fully eliminated is perhaps inevitably circumscribed. As several stakeholders noted, this is primarily due to the range of provision involved, and the closely related remits of some of the CFOs engaged in commissioning ESF activity.

Accepting this, on the whole the ESF provision available under Priority 1 and 4 was widely seen as effectively complementing mainstream provision in several ways. These included:

- the additional volume of support that could be commissioned to complement mainstream programmes;
- the ability of ESF to engage certain groups drawn from the unemployed and economically inactive population which mainstream provision was felt to target less effectively;¹¹
- the range, variety and tailored nature of support able to be commissioned and offered; and
- the different nature of the support able to be offered through ESF relative to mainstream provision.

These factors were also frequently discussed in respect of the widespread perception among all stakeholder groups that ESF provision offered significant 'added value'. In particular, there was a clear view from Jobcentre Plus and provider staff that ESF differed notably from mainstream provision, and was thus felt to add significant value. Key elements in this were seen as the voluntary nature of provision, the customer groups it targeted, the intensity and tailoring of the provision and support involved, and the flexibility of the types of activities and support that could be funded under ESF. All of these elements were perceived as setting ESF apart from mainstream provision and contributing to the degree of added value it offered.

In particular, in respect of mainstream employability provision available to support adults, at the time of the research ESF was seen as offering types of activity and support that were not available through mainstream programmes. Among Jobcentre Plus advisers, it was clear that ESF was increasingly viewed as the only route through which customers could be supported with particular immediate needs acting as barriers to entering employment. These included needing qualifications or accreditation that cost money, or requiring equipment for particular forms of employment.

The gradual withdrawal of the Adviser Discretion Fund (ADF), previously used to support such requirements, was frequently cited as demonstrating the increasing added value offered by ESF in terms of its flexibility in this area. More broadly, advisers also noted that a number of mainstream programmes were coming to an end at the time interviews took place, leading to a perceived gap in provision available to support customers in advance of Work Programme provision coming on stream. The availability of ESF in this context was even more welcomed on the part of adviser staff, and the added value offered was seen as being even clearer.

¹¹ In particular, stakeholders citing this view tended to discuss the ability of ESF to engage economically inactive individuals who were otherwise not receiving support, and in some cases individuals from particular customer groups that it was felt would not otherwise engage with provision offered through the mainstream – the NEET group and some customers with disabilities were cited here.

The adult skills development activity supported through Skills Funding Agency commissioned provision was the only area in which views around added value were more mixed. For some stakeholders, both from the Skills Funding Agency and ESF providers, activity was sometimes seen as not being distinct enough from the sort of support available through other forms of (mainstream) provision. Such views were in the minority, however, and for the most part the different and additional nature of provision offered was seen as representing notable added value.

The targeting of harder to help individuals, and the range of activities and approaches evident in this, was also perceived by providers as a key feature in the added value of the NEET provision offered to young people. While other provision and funding streams were acknowledged as contributing to meeting the needs of this group, as with the adult employability provision discussed, such provision was often commented upon as becoming increasingly scarce. The variety, flexibility and nature of activities that could be funded through ESF was thus widely recognised as offering notable added value. As one provider representative commented of the provision available, for example:

'It's much less formulaic, and far more flexible. It incorporates a much greater range of activities including confidence building and outdoor activities to better engage young people. In addition these programmes have much more bite sized elements which enable young people to see their progression and inspire them to continue in the programmes.'

(Lead contractor manager, Skills Funding Agency commissioned provision)

Overall, therefore, ESF was seen as offering significant added value across the Priority 1 and Priority 4 provision examined. A key aspect of this relates to the way in which ESF is widely seen as unique and effective in its ability to engage disadvantaged groups, and offer tailored provision to meet the varied needs of individuals within those groups.

7.3 The impact of the recession on ESF provision and its delivery

The research elicited a range of perspectives on the degree to which the recession and economic downturn had impacted on ESF provision and its delivery. In the main there was little evidence that qualitatively different forms of provision or activity had been developed in response to these economic conditions, or that providers had significantly changed the fundamental nature of the provision delivered. Rather, effects were more subtle and related to the ways in which activity was delivered, the ways in which providers worked with participants, and (in some cases) the background of participants engaging with provision.

In some instances, provider staff reported that the recession had led to an increased focus on offering concentrated support for individuals around job-searching, curriculum vitae (CV) development, and the use of employer engagement mechanisms to identify potential vacancies. While it was argued that the provision offered had always had this focus, in the words of one prime contractor manager delivering Department for Work and Pensions (DWP) commissioned provision:

'It's [the recession] sharpened things up...we focus more and more on the final help people need to find work, and we've brought specialist CV advice in for example...'

(Prime contractor manager, DWP commissioned provision)

In some cases, provider staff and other stakeholders, including Jobcentre Plus advisers, also noted that there had been a change over time in the nature of people coming onto provision, with more experienced participants with recent work histories being engaged. In some instances, a tendency for increasing numbers of men to be accessing support relative to women was also noted, particularly where the economic downturn had affected local industries with larger

proportions of male workers. However, this impression was not universally shared across the regions where fieldwork took place, and was often acknowledged by interviewees as being an anecdotal impression rather than being based on actual data.

There were also some perceptions on the part of interviewees across the stakeholder groups consulted that increased **volumes** of participants had resulted from the economic downturn. This in turn was seen as having several effects. For example, while this was viewed as beneficial for providers in terms of making their engagement figures rise and targets easier to meet, it was also noted that ensuring adequate capacity had become more of a consideration and a challenge.

Although interviewees did not make a causal link between this and another effect cited – that of provider staff being encouraged to move participants towards positive outcomes quicker than had previously been the case – it is possible that these effects are related. While only in a minority of cases, for some provision staff reported there was an increased concentration on progressing participants off the programme, and not working with them on such an intensive basis. In these cases, staff noted that they were not able to spend as much time with particular individuals as they had previously, given increased overall caseloads and a greater focus on securing positive outcomes.

Such developments affecting delivery also appeared to relate to the other main effect commonly discussed in relation to the economic downturn; that is, its impact on the **performance** of contracts. While the economic downturn had clearly helped some providers in terms of meeting engagement targets, its effects in the area of performance were frequently described in terms such as ‘...two sided...’ or ‘...double-edged...’. This related to the fact that achieving job outcomes for participants engaged was widely cited, both by provider staff and those from CFOs and Jobcentre Plus, as becoming much more difficult as a result of the economic climate.

In some instances, this had led to targets being revised downwards to take account of these effects, though this was not universal. As a result, some provider managers felt that the recession had led to increased pressure on their organisations, with this sometimes being viewed as not having been adequately recognised by the CFOs with which they held contracts. In some cases, difficult conditions in terms of numbers of vacancies were also linked to the effects noted above around more highly skilled individuals with more recent work histories coming onto the labour market.

This in turn was seen as having several effects. One of which, as noted, was the perception that ESF itself was engaging with, and supporting, more individuals with higher skill levels and more recent employment histories than previously. While only in a minority of cases, some Skills Funding Agency stakeholders in particular cited that they felt this had led to less of a focus on supporting harder to reach groups, and that this posed risks in terms of maintaining the distinctive contribution of ESF in this area. A more common effect discussed, however, was the perception that this scenario made it more difficult for ESF provision to be successful in supporting those harder to reach groups. As one provider representative noted:

‘The hard to reach groups are now competing against recently unemployed highly skilled job seekers for less jobs which makes things hugely difficult for them.’

(Lead contractor)

(Lead provider manager, Skills Funding Agency commissioned provision)

Finally, it is worth noting that the recession was generally perceived as having less of an impact on Priority 1 and 4 provision aimed at the Not in Employment, Education or Training (NEET) group of young people. Generally, this related to the view that the focus of such provision was less on job entries, and more on facilitating access to re-entering education or training, thus supporting progress towards employment. As one of the Skills Funding Agency stakeholders interviewed commented:

‘The nature of NEETs means that there weren’t significantly high expectations that they would progress into employment so performance hasn’t overly been affected by labour market conditions.’

(High level stakeholder, Skills Funding Agency)

7.4 Conclusion

The range, variety and coverage of ESF provision delivered under Priority 1 and 4 in terms of addressing participant needs is widely viewed as representing one of its key strengths. While it is acknowledged that there is some geographical variation in terms of the **availability** of provision, there appear to be few gaps in terms of the **type** of activities and support individuals engaged require.

In the main, ESF provision also appears to combine effectively with that available through mainstream programmes. A key element of this concerns the complementarity of Priority 1 and 4 provision to that accessible through other programmes and funding sources. In turn this links to the significant added value and additionality that ESF is widely viewed as delivering. While the degree to which ESF can be fully additional, in terms of not duplicating other provision, is inevitably circumscribed, the added value offered in terms of enhancing mainstream activity, offering different approaches and support, and accessing different target groups appears clear.

While the economic downturn does not appear to have led the development of widespread or qualitatively new provision and activities through Priority 1 and 4, a range of more subtle effects relating to the delivery of ESF provision are evident. These include the need for provision 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 coming onto the programme. There have also been notable ‘double-edged’ effects on providers delivering provision stemming from difficult economic conditions. While meeting engagement targets has become easier, achieving targets around job-entries has become ever more challenging.

8 Conclusion

This final chapter concludes the report by first offering some concluding observations relating to the review of Priority 1 and 4 provision undertaken. The key findings that emerge from the preceding analysis are then summarised, along with a selection of key recommendations that can be drawn from the research.

8.1 Concluding observations

It is evident that a wide range of delivery models and approaches are used within Priority 1 and 4 provision to meet the needs of different European Social Fund (ESF) target groups. In many ways this can be seen as a positive aspect to ESF more broadly, reflecting as it does the need for the programme to be adaptable to regional and local circumstances, and to facilitate the development and implementation of provision able to address these needs. From an evaluative standpoint, however, this variety of models and approaches makes drawing conclusions that apply to all Priority 1 and 4 provision challenging.

It is possible to identify effective practice within the provision examined, along with factors likely to support effective delivery. Likewise, looking at the provision overall, it is clear that a great deal of effective delivery is apparent across both Department for Work and Pensions (DWP) and Skills Funding Agency commissioned activity. The unique nature of the provision and its added value are likewise clear. Such considerations relating to effective practice and other conclusions are reflected in the list of key findings offered below. As with any programme, there are also ways in which delivery might be enhanced or improved. The key recommendations offered reflect this.

What is more difficult to identify within the scope of this evaluation, and draw solid conclusions on, is the link between the delivery models and approaches apparent, and their tendency to lead to particular (beneficial or otherwise) outcomes. Indeed, the review of provision serves to highlight that the complexity and multi-faceted nature of the outcomes that different models generate makes drawing any simple conclusions in this area problematic, and potentially overly reductive.

Such relationships between models and outcomes are certainly of interest however, and it may be that further research would be beneficial from this perspective. In particular, while examining possible correlations between particular delivery models and approaches and relative levels of performance was beyond the scope of this evaluation, additional and more focused research on this issue may be revealing and useful in informing policy and practice in future.

8.2 Key findings

Key findings drawn from the analysis undertaken in previous chapters can be summarised as follows:

8.2.1 The ESF delivery infrastructure

1. Strategic partnership mechanisms are significant in ensuring the complementarity of Priority 1 and 4 activity with mainstream provision. The degree to which duplication of provision can be fully addressed is challenged by the range of provision and the closely related remits of some of the co-financing organisations (CFOs) involved.

2. Engagement mechanisms are also significant in involving ESF providers. These mechanisms appear to be more beneficial from the perspective of ensuring a two way exchange of information between providers and CFOs, rather than as routes to encouraging providers to develop delivery partnerships or exchange practice.

8.2.2 Training, guidance and understanding of ESF

3. Formal training specific to ESF is limited among staff involved in its delivery. A combination of more generic training, informal and 'on the job' learning, and additional information and guidance specific to ESF is used in lieu of this.
4. Jobcentre Plus advisers hold variable levels of understanding of ESF provision. This relates closely to the focus of their role in terms of the customer groups they normally support, and prior experience of, and exposure to, ESF.

8.2.3 The development of delivery approaches among ESF providers

5. A combination of reasons informs the decision of ESF providers to bid to deliver provision. This includes the opportunity to build on existing expertise, the chance to meet the needs of particular groups they support, an overlap between the aims of ESF and the organisations concerned, and more commercial considerations around expanding the nature, scope and geographical coverage of operations.
6. Extensive networking and liaison between providers within delivery partnerships is common but not universal. Effective practice in this area rests on ongoing and regular formal and informal liaison, open and honest communication, and development of a responsive and open orientation on the part of prime and lead contractors.
7. Providers delivering Priority 1 and 4 provision have established effective approaches to tailoring provision to meet the needs of ESF participants and target groups. Approaches rest largely on addressing the needs of individuals, but also encompass activity designed to meet the needs of particular groups where applicable.
8. Providers use a range of proactive mechanisms to build links with organisations outside the immediate ESF delivery chain to engage participants where applicable. Face-to-face mechanisms in terms of visits to potential referral partners, or awareness raising workshops to which such partners are invited, appear most effective in this.

8.2.4 Contract and performance management within Priority 1 and 4 provision

9. Close liaison between DWP and Skills Funding Agency contract managers and those managing provision within prime and lead contractors is significant in effective contract and performance management. Ongoing liaison between more formal performance reviews and management meetings is important, as is the setting of clear expectations relating to performance and contract requirements, and consistency in applying these.
10. The use of targets within the ESF delivery system to promote effective performance appears to work well. On balance, various actors within the ESF delivery chain, from CFO and Jobcentre Plus staff through to providers, feel that the targets themselves, and the approach taken to using them, is appropriate and fair.
11. The establishment of outcome-based systems of payments to providers is widely perceived as having beneficial effects. These relate to helping to improve performance and encouraging providers to focus on the achievement of positive outcomes.

8.2.5 Engagement and referral of ESF participants

12. There is notable variation in the way 'eligibility criteria' for referrals are defined and understood, particularly among Jobcentre Plus advisers. While effective processes are in place to communicate criteria, this variation reflects different messages and guidance on approaches to 'eligibility' relayed to staff in different areas.
13. 'Eligibility' is defined not simply in the sense of formal eligibility criteria, but also as relating to the range of target groups – such as the over 50s and lone parents – that ESF engages. In some areas, 'eligibility' so defined leads to provision being restricted to these target groups, while elsewhere provision is open to all of working age.
14. Use of ESF as a referral option among Jobcentre Plus advisers varies according to roles and experience. Referrals are more common among advisers working with certain customer groups, such as lone parents or the longer term unemployed.
15. In the main, the referral processes between Jobcentre Plus and providers work effectively and are seen as clear and straightforward by those involved.
16. Referral processes within provider delivery partnerships also appear to function effectively in the main. Some exceptions to this pattern occur in cases where prime or lead contractors do not always refer participants to delivery partners where this may be in the interests of the participant concerned.

8.2.6 Wider issues relating to Priority 1 and 4 provision

17. The range, variety and coverage of ESF provision delivered under Priority 1 and 4 is widely viewed as representing one of its key strengths. While there is some geographical variation in terms of the **availability** of provision, there appears to be few gaps in the **type** of activities and support individuals engaged require.
18. While the economic downturn does not appear to have led the development of widespread or qualitatively new provision and activities, a range of more subtle effects relating to the delivery of ESF provision are evident. These include the need for providers to focus more than ever on developing effective approaches to supporting individuals, and to support a more varied group of participants engaging with provision.
19. There have also been notable 'double-edged' effects on providers delivering provision stemming from difficult economic conditions. While meeting engagement targets has become easier, achieving targets around job-entries has become more challenging.

8.3 Key recommendations

Given the wide scope of the evaluation, there are inevitably a number of ways in which it appears the delivery of Priority 1 and Priority 4 provision could be improved, despite the overall impression of effective delivery that the research served to highlight. Key recommendations in respect of this can be summarised as follows:

1. There may be benefits in offering further training and guidance to Jobcentre Plus advisers around referrals to ESF. This could be oriented around enhancing their understanding of the provision available, so they can more effectively communicate the potential benefits of this provision to customers.

2. There may be a need to more closely monitor delivery relationships between prime and lead contractors and their delivery partners, principally from the perspective of ensuring effective information flows within the ESF delivery chain, and ensuring the latter are not disadvantaged by the practices of some lead contractors around allocation of targets.
3. Further consideration could be usefully 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.
4. 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.
5. 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.

This evaluation report 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 research is based on ten in-depth case studies of the delivery of Priority 1 and 4 provision, involving a total of 182 interviews with stakeholders in ESF Co-Financing Organisations, Jobcentre Plus, and ESF delivery contractors. Fieldwork for the evaluation was undertaken between January and March 2011.

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For more information see www.esf.gov.uk

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