

Evaluation of Single Provider Employment Zone Extensions to Young People, Lone Parents and Early Entrants

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Background

Employment Zones (EZs) were introduced in 2000 in fifteen UK areas. EZs target long term unemployed people over the age of 25 who have been claiming Job Seekers Allowance (JSA) for at least twelve months. For this client group participation is mandatory. EZs were expanded in April 2003 to include lone parents, unemployed people aged 18-24 otherwise returning to New Deal and JSA claimants entitled to early entry due to the disadvantages they face in the labour market. Participation for young people, and early entrants who choose to join, is mandatory. For lone parents, participation is voluntary.

Methodology

Insite Research and Consulting was appointed by the Department for Work and Pensions to conduct a qualitative and longitudinal evaluation of the extension of Employment Zones to new client groups in seven EZ single provider areas. Phase one, conducted between November 2003 and November 2004, addressed early implementation issues through a series of in-depth face to face interviews with EZ advisers and new customers participating in EZs. Live observations of meetings between EZ advisers and clients were held, and desk research covering new client delivery plans, was also carried out. No interviews were conducted Jobcentre Plus staff.

Key findings

- EZ help was found by young people to be

flexible and advisers accommodating of their individual circumstances and job aspirations.

- EZ Advisers considered early entrants aged 18-24 to be a similar group to New Deal returners, but their barriers to work were more pronounced. Many valued the personal support and practical help they were getting from EZs. For customers over the age of 25 who were job ready, EZ financial help was often seen as more important.
- Many EZ advisers were finding New Deal returners relatively easy to help. Early entrants with multiple barriers and previous EZ participation were considered by EZ advisers as harder to help. Those with serious drug or alcohol dependencies or mental health conditions were believed to be unlikely to benefit from further EZ participation.
- EZ advisers were finding that many lone parents had complex barriers and needed more help and for longer than anticipated. Specialist adviser knowledge and expertise was believed to be necessary to get them into sustained work.
- Outreach delivery was an important attraction for lone parents who chose to join an EZ.
- To date, New Deal returners, early entrants and lone parents who have joined EZs appear to be responding well to EZ help. However, it is too early to draw conclusions about what is working for new customers. This will be covered in phase two of the research which looks at client outcomes.

Executive summary

Introduction

Employment Zones (EZs) were introduced in April 2000 in fifteen areas of the UK experiencing high concentrations of long term unemployment. EZs originally targeted unemployed people aged 25 and over who had been claiming Job Seekers Allowance (JSA) for at least 12 months. Participation was, and continues to be, mandatory for this client group.

Previous research has shown that EZs are working for a group of long term unemployed people for whom mainstream Jobcentre Plus services have been unsuccessful in the past. EZ participants have also been found to achieve a higher rate of job outcomes than would otherwise have occurred if they had participated in New Deal 25 Plus.

Employment Zones were expanded in October 2003 to include lone parents in receipt of Income Support, unemployed people aged 18-24 otherwise returning to New Deal and claimants of Job Seekers Allowance entitled to early entry due to disadvantages they face in the labour market. Participation for young people, and for early entrants who decide to join, is mandatory. For lone parents, participation is voluntary.

Set up and delivery arrangements

In the main, whether mandatory or voluntary, most new customers were receiving essentially the same treatment and service as the original 25 plus client group. The plans EZs had to introduce innovative and client specific provision for new groups had not been fully implemented at the time of the research. One EZ had introduced dedicated delivery for lone parents with its own separate premises and specialist lone parent advisers, but it was too soon to ascertain with what degree of success.

The slow referral and recruitment of new customers, particularly lone parents, was a key reason for delays in the implementation of planned specialist and innovative provision.

Partly this was due to the lower than anticipated number of referrals from Jobcentre Plus. It was also because many EZs had been slow to get lone parent marketing and recruitment activities underway.

With the exception of a few specialist lone parent advisers, most EZ advisers dealing with new customer groups were generalists. None had received any special training in connection with the introduction of new client groups. Two key training needs were identified: in welfare benefits; and customer specific training for lone parents whose needs and barriers were considered to be quite different from mandatory customers.

Relationships between EZs and Jobcentre Plus were cordial but the volume of new client referrals was lower than expected. EZ advisers believed that some Jobcentre Plus colleagues poorly understood EZs and had limited knowledge of early entry criteria. These factors were felt to have inhibited customer referral to EZs.

Adviser methods and working practices

Advisers were using the same methods and working practices developed for 25 plus customers, with new client groups. These practices gave advisers the flexibility required to design individually tailored and funded programmes of support to assist new customers into work. Using their discretion, advisers would determine how much time to spend with their clients, what kind of help to provide and how much to spend on them (within pre-determined limits). Customers influenced these decisions mainly through the level of commitment they showed to securing work in their chosen field.

Assuming the job goal is realistic, irrespective of the barriers to work, the more job focused and determined customers were, the more help they were getting. No evidence was found that those furthest away from the labour market attracted less resource overall or were receiving an inferior service. Advisers may work less intensively with harder to help customers but they often did so over longer periods of time.

Help with jobsearch, Curriculum Vitae preparation, interview techniques, together with In Work Benefit Calculations (IWBC), were all part of the standard package of assistance for new customers. Financial help, for example towards the cost of training or transport, was also offered as an in-work incentive to encourage clients to remain employed for at least 13 weeks. On-going personal support was also available for customers who needed it. Advisers provided most of the help clients were getting but specialist provision was bought in, as appropriate.

New Deal returners

EZ advisers were, for the most part, finding New Deal returners a relatively straightforward group to help. Most young unemployed people were considered capable of and willing to work. A large amount of advisers' time was spent motivating these clients and supporting them in practical jobsearch tasks. Some were persuading young people to consider jobs offering better prospects.

Most New Deal returners found the support they had received from New Deal or Jobcentre Plus was not sufficiently tailored to their needs and lacked job focus. In contrast, EZ help was believed to be more geared to getting work and advisers more accommodating of clients' individual circumstances and aspirations. These customers particularly valued the ability to exercise choice in jobsearch and the perceived commitment and enthusiasm of EZ advisers.

Young people appeared to be responding well to the EZ work first approach and seemed receptive to the in-work incentive regime. IWBCs were also proving to be helpful in overcoming attitudinal barriers regarding the financial benefits of working.

Early entrants

Advisers found younger early entrants aged 18-24 to be very similar to New Deal returners, but their employment barriers were more pronounced. Basic skills deficiencies were more common, together with housing problems and

driving offences. Advisers were supporting these customers in the same way as they were New Deal returners.

The majority of younger early entrants had chosen to join the EZ but some felt pressurised into participating. Most were more positive about their EZ experience than the help previously received from New Deal and Jobcentre Plus.

Early entrants over the age of 25 were a more heterogeneous group. Some were job ready and mainly needed financial help to get them back to work. Others had fixed views on acceptable jobs, pay and working conditions. Customers with multiple barriers and a long history of unemployment often had previous experience of EZs. Some had serious drug and alcohol dependencies and mental health conditions, and were felt by advisers to be unlikely to benefit from further EZ participation.

For the majority of these customers, the EZ experience compared favourably with Jobcentre Plus and New Deal. Most valued the personal service ethos of EZs, but the financial assistance available was believed by many to be the most important factor in helping them back to work.

Lone parents

Many lone parents who volunteered for EZ help had only experienced mandatory Work Focused Interviews and had not previously participated in the New Deal for Lone Parents. They often chose to join the EZ to access financial help or intensive support. Lone parents who self-referred were usually persuaded to join by a friend or relative or attracted by the marketing. Outreach and child friendly delivery was also an important attraction for lone parents who joined EZs. Many said they also valued the intensity of support and the enthusiasm of EZ advisers in helping them get work and achieve their career goals.

Low customer referral and the complexity of barriers facing lone parents, were key issues facing EZs at the time of the research. Advisers had expected these customers to be relatively easy to help but many lone parents were reported to have complex needs and barriers. Some had

longer term job goals and were far from job ready. Most advisers believed that specialist knowledge and expertise and help for longer periods may be needed to get them into sustained work.

Emerging findings

To date, New Deal returners, early entrants and lone parents who have joined EZs are responding well to, and appear to be benefiting from, EZ help. Satisfaction levels were high among all new customer groups but especially so among New Deal returners. Young people's willingness and ability to be flexible, together with their receptiveness to incentives, may explain why EZ help appeared to be working for them. For customers over the age of 25 who were looking for work and job ready, access to practical and financial resources seemed more important. However, they too placed significant emphasis on the importance of personalised support and provision.

As a client group, lone parents probably represent the biggest challenge to the EZ work first approach and funding regime. Many want to work but, in the short term, not all have the capacity or capability to do so. Some also aspire to longer term careers. The need for advisers to work more intensively with them and for longer periods could present difficulties for some EZs, given the outcome based business model through which they are currently funded.

Few customers had moved into work at the time of the research and it was too early to assess the overall effectiveness of the EZ approach or to draw conclusions about what is working in EZ provision for new customers. The intention is for phase two of the research to examine these issues in detail, including the extent to which EZs are helping new clients to secure sustained work.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84123 772 8. Research Report 228. January 2005).

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