

Research into multiple disadvantaged groups in European Social Fund Objective 3 in England

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Introduction

The purpose of this research is to identify good practice in ESF funded projects working with beneficiaries facing multiple disadvantages.

The research included a literature review and consultations with relevant lead researchers with the Department of Work and Pensions. This was followed by an analysis of the available monitoring data on ESF Objective 3 and of recent beneficiaries' survey results. Together, these elements were used to frame discussions with Government Offices (GOs) and their associated co-financing organisations (CFOs). The second stage of the study involved the selection and visit of 52 case-study projects.

The research was carried out on behalf of the DWP by Cambridge Policy Consultants.

Key findings

Projects funded by Objective 3 ESF do engage successfully with beneficiaries facing multiple disadvantages.

However, establishing a complete picture of effective ESF project interventions at the programme level is very difficult because:

- either the information on individual beneficiary characteristics and performance is not collected at project level; or
- other monitoring data provides much of the detail required but is partial in its coverage of ESF spend.

The research literature has identified differentials in performance between multiple disadvantaged groups and mainstream clients in general, but it has yet to deliver a detailed appreciation of the scale of these differences across different disadvantages and particularly across different combinations of disadvantages. This has limited current understanding of *why* such performance differentials arise.

As a result, there is limited objective evidence that the projects identified in discussions with GOs and CFOs do indeed represent *the* best practice examples. What constitutes good practice is therefore based largely on the knowledge and experience of the consultants.

Key findings from the research include:

- There is a consensus around the combination of characteristics that define multiple disadvantage: the over 50s, lone parents, disabled, ethnic minority and/or no or low skills.
- Other barriers were highlighted but few are used because of limited data: criminal record, homelessness, refugees and speakers of languages other than English, drug and alcohol misusers, and carers and care leavers.
- However it is the number of barriers that best reflect the distance of the individual to the labour market.
- Good practice is different from good performance and is better defined by what works for beneficiaries with specific sets of disadvantages.

- The research has identified a number of good practice elements which have been observed in the better performing case study projects.
- However, this does not amount to a 'blue print' for good practice, such are the complexities of local delivery combined with the combinations of client disadvantages.
- Evidence required for adjusting ESF funding criteria is limited. The development of performance benchmarks for specific disadvantaged groups would help refine targets when working with multiple disadvantaged beneficiaries.

Summary of research

Background

The UK labour market has enjoyed a sustained period of growth that has led to record employment levels. Many people who face multiple disadvantages in the labour market have, however, not fully shared in this improvement. The barriers to participation facing many of these disadvantaged groups are substantial, often overlay each other and frequently cut across non-labour market services such as health and housing.

The European Social Fund (ESF) has been a vital source of support for projects focusing on those clients with multiple disadvantages.

The 2003 mid-term evaluation of ESF Objective 3 in England recommended that:

- ESF projects should be encouraged to provide a more effective and focused support to help the economically inactive and those with multiple disadvantages.
- Projects should be provided with examples of good practice in relation to support/training to the economically inactive that appears to be successful in helping these beneficiaries obtain employment/ positive outcomes.

This research has been undertaken to address these recommendations and to support ESF policy implementation more generally.

Objectives of the research

Objectives of the research were to:

- collect information on multiple disadvantaged groups supported by ESF;

- identify innovative and effective approaches developed by some ESF projects to engage with and improve outcomes of multiple disadvantaged beneficiaries, and to assess to what extent these approaches can be applied across other parts of the ESF programme;
- set out how ESF adds value and could add further value to domestic programmes;
- assess whether the findings on practical approaches to multiple disadvantaged groups warrants further analysis or refinement of existing categories of disadvantaged groups;
- assess the implications of focusing resources on multiple disadvantaged groups assuming that less funding will be available from the EU after 2006.

Research methodology

The two phase methodology included:

- a literature review and consultation with DWP researchers leading to the development of a working definition of multiple disadvantage and a review of current evidence of effective delivery;
- analysis of ESF Objective 3 monitoring data and recent beneficiaries' surveys;
- discussion with GOs and CFOs and development of a sample of case-study projects;
- selection and visit of 52 case-studies , comprising interviews with managers, staff and when possible, beneficiaries.

Establishing an overview of effective ESF interventions is difficult because:

- information about beneficiary characteristics and performance is not collected at project level;
- monitoring information is partial in its coverage of ESF spend;
- there is information about differences in performance of multiple disadvantaged groups and mainstream clients but not about the scale or combination of the disadvantages and therefore little to explain these differences;
- and because of the above, no basis for selecting 'best practice' projects other than previous experience of initiatives and projects dealing with such groups.

Who are the multiple disadvantaged?

There is a general consensus that combinations of the following characteristics should broadly be held to denote multiple disadvantage: the over 50s, lone parents, disabled, ethnic minority and/or no or low skills.

Other barriers are highlighted as being equally important but there are limited data available on these issues: those with a criminal record, homeless people, refugees and speakers of languages other than English, drug and alcohol misusers, and carers and care leavers. In addition, there is particular interest among GOs and CFOs in some 'recognition' in assessment criteria of the potential impact of low labour demand on project outcomes.

The findings of Berthoud's¹ analysis place the emphasis on the *number* of barriers an individual faces as better reflecting the difficulty of finding employment. Specific barriers do make a difference to an individual's chances of finding work but having two or more barriers is more of a disadvantage. Most respondents in the interview programme suggested that two or three barriers would make an individual multiple disadvantaged: using three or more barriers as criteria for identifying ESF beneficiaries facing severe barriers to entering work is recommended.

There may be some advantage in using the number of disadvantages beneficiaries face as a key criterion in funding and assessing relative performance. However, there will be some practical problems in doing so as few datasets currently contain such detailed information.

One issue that arose in the study is the diversity of the issues facing people defined by the label of 'disabled'. There is a wide range of disabilities that goes far beyond the simple distinction between physical and mental disability. A better classification of this target group would provide a better indication of the diversity of problems and potential solutions.

¹ R. Berthoud, Multiple Disadvantage in Employment: A Quantitative Analysis, Joseph Rowntree Foundation, Work and Opportunity Series N° 31, 2003.

Good practice or good performance?

Good practice is often defined by good performance, particularly at a project level. However, if a project has a client group, of which only a small proportion have multiple disadvantages, it may have good performance but the delivery mechanism might be wholly unsuitable for the minority of those with multiple disadvantages.

Good practice is better defined by what works for a client with a specific set of disadvantages. Good project performance arises when the package of support is adequate to alleviate the barriers of many of its clients. The irony is that good practice in engaging with, recruiting and retaining multiple disadvantaged clients might undermine overall project performance by focusing on more disadvantaged clients. That said, there is some limited evidence in this study that projects which focus on specific core client groups or geographic areas do appear to perform better in engaging and then helping their core client groups.

Putting good practice into operational delivery is not straightforward. Who does what best, with whom, and why, remains a complex judgement and there are limited performance benchmarks to help guide both those designing and funding projects.

Can we specify ideal project types?

Given the discussion above, the answer is probably no, such are the complexities of local delivery combined with the combinations of client disadvantages. However, it is possible to identify a menu of good practice which has been observed in many of the better performing case study projects:

- a clear sense of purpose and goal-oriented approach (employment focus) which needs to be shared with clients;
- *active* outreach involving personal contact in community places or in the premises of other providers;
- awareness-raising to generate word of mouth referrals;
- a specific focus either on a core target group or a certain geographic area – this helps

promote learning and specialist knowledge but also supports the development of reputation among the client group and wider community;

- cooperation with families and carers where appropriate;
- staff with empathy, good communication skills and able to build trust with their clients;
- an environment which is perceived as being non-threatening by clients but an approach which builds the confidence of vulnerable clients and prepares them for the world of work;
- small caseloads given the intensity of the contacts (around 30-40);
- an early identification of clients' needs and a willingness to market other provision;
- an in-depth knowledge of the local organisational infrastructure and good networking links;
- practical referral arrangements in order to ensure clients are picked up by other provision and do not drop out;
- the option for clients to choose one-to-one sessions as a complement to group work, so that personal issues can be addressed;
- action plans as living documents, building on clients' aspirations but evolving towards realistic options by managing clients' expectations;
- a focus on learning rather than formal training which has the stigma of 'back to school' where many originally failed;
- an open door policy so that the intensity of support can be increased if the client has a life crisis or difficult transition to make;
- good links with employers to find work placements and source vacancies;
- a free job-matching service to help reduce the employer's risk and cost of recruitment;
- support to employers to help them understand the strengths and weaknesses of the different disadvantaged groups and the value of on-the-job mentoring or job coaching/buddying arrangements;
- an aftercare service, also geared towards employers, to build the basis for a long-term relationship with employers;

- work placements and in-house work experience to help overcome concerns that clients have about leaving behind benefits and their previous lifestyle.

Above all, many of the organisations had nurtured a learning culture. Very few of the higher performing projects had come to their approach by chance – most had built on trial and error and a willingness of their staff to improve and develop practice to do the best that they could. This attitude towards continuous improvement is perhaps what fundamentally underlies good practice.

Do programme funding criteria need to be adjusted?

It would be possible to adjust ESF funding criteria to provide a better assessment of the potential outcomes from project delivery and the target client group. This would, however, need to be evidence-based and as noted above, this is currently limited.

Targets provide an important incentive for effective delivery but they do need to be sensitive to the lower levels of outcomes which would appear to arise when working with multiple disadvantaged clients. Part of this process must be to develop performance benchmarks for specific client groups – lone parents, ethnic minorities, people with disabilities etc.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84123 890 2. Research Report 286. October 2005).

It is available from Paul Noakes at the address below.

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