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### **New Deal for people aged 25 and over: A synthesis report**

**David Wilkinson**

Policy Studies Institute

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**New Deal for people aged 25 and over:**

**A Synthesis Report**

**David Wilkinson**

**Policy Studies Institute**

**June 2003**



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# Acknowledgements

The author would like to thank Maureen Moroney and Gillian Burgess from the Department for Work and Pensions for their support and useful comments on earlier drafts of the report.

Further thanks go to participants in a day of workshops held at the Policy Studies Institute in December 2002. In particular to the workshop facilitators: Chris Hasluck from the Institute of Employment Research, Mark Winterbotham from IFF Research Ltd, and Helen Barnes and Alan Marsh from the Policy Studies Institute.



## **Abbreviations and Acronyms**

ADF	Advisers Discretion Fund
AIP	Advisory Interview Process
BET	Basic Employability Training
DWP	Department for Work and Pensions
ES	Employment Service
ETO	Education and Training Opportunities
IAP	Intensive Activity Period
JSA	Jobseeker's Allowance
ND25 plus	New Deal for People aged 25 and over
NDED	New Deal Evaluation Database
NDLP	New Deal for Lone Parents
NDPA	New Deal Personal Adviser
NDYP	New Deal for Young People
WBLA	Work Based Learning for Adults

# 1. Executive Summary

1.1. This report brings together the available evidence from research into the New Deal for people aged 25 and over (ND25 plus). It covers both qualitative and quantitative analysis and new analysis of administrative data for clients who have participated in ND25 plus over the last four years.

1.2. ND25 plus is part of a wider “Welfare to Work” strategy. It has two key objectives. First to help long-term unemployed people into jobs and to improve their prospects of staying and progressing in employment. Second to increase the long-term employability of long-term unemployed people.

## The operation and evolution of the programme

1.3. The national ND25 plus programme has gone through three distinct phases of operation termed the original programme (June 1998-April 2000), the enhanced programme (April 2000-April 2001) and the re-engineered programme (April 2001 – present day). In addition, a number of pilots operated in 28 areas between November 1998 and March 2001.

1.4. Under the original programme, client entry to the programme typically occurred at an annual restart interview for those with at least 2 years continuous Jobseeker’s Allowance (JSA) claim. The main thrust of the provision was a system called the Advisory Interview Process (AIP) that operated for between three and six months and involved a series of mandatory interviews with New Deal Personal Advisers (NDPAs) and the opportunity to access a range of employment or training opportunities. After the AIP there was the possibility to enter a Follow-through process that consisted of a further series of interviews with NDPAs.

1.5. The programme was enhanced in April 2000, with changes designed to bring more structure to the AIP and to increase the pace of the programme. The AIP was limited to four months and renamed the New Deal Gateway. Changes to the Gateway included additional and more regular interviews with NDPAs and an improved assessment of client needs focusing particularly on Basic Skills needs and identification of barriers to employment.

1.6. In the pilot areas entry occurred after 12 months continuous JSA claim in some areas and after 18 months continuous JSA claim in other areas. In all areas there was a common framework that involved a Gateway of 6-17 weeks, typically 13 weeks. This was followed by a mandatory referral to an Intensive Activity Period (IAP), which consisted of 13 weeks activity. The provision continued with a mandatory Follow-through period for those leaving IAP.

1.7. In April 2001, radical changes were made to the provision. These changes brought the programme more in line with the pilot provision

described above and also closer to the provision offered under New Deal for Young People (NDYP). The main changes were that eligibility was widened to cover JSA claimants with 18 months continuous unemployment or 18 months out of the last 21 months unemployment, and mandatory participation was extended to stages beyond the Gateway for all participants aged 25-49. For people aged 50 plus participation beyond the Gateway remained voluntary. Following the Gateway a new IAP was introduced and was designed to offer flexible and individually tailored packages of support. There were also refinements to the Follow-through to improve the focus and pace of this phase of the programme.

1.8. The impact of the April 2000 enhancements was felt to have been beneficial, but the overall effect was marginal. The April 2001 programme re-engineering brought greater flexibility to Advisers that was welcomed in areas where the national provision had been operating, but in pilot areas the re-engineered programme was perceived to be less flexible than pilot provision. Entry to IAP increased under the re-engineered programme, as did moves into unsubsidised employment and transfers to other benefits.

1.9. The general impressions about Follow-through were negative with NDPAs typically reporting few signs that job outcomes occur during the Follow-through stage. Follow-through entrants had a wide variety of needs depending on what had been achieved earlier on the programme.

1.10. In the pilots, participants were positive about joining an IAP where they felt they had a degree of choice over what activity they did and when it was relevant to their needs. Dissatisfaction arose when participants felt they were “time-filling” or repeating courses done previously on other programmes. Work experience placements with employers were a successful feature of the IAP in the pilots and adopted in the re-engineered programme. The employment subsidy was generally well received, however, Education and Training Opportunities were often felt not to be meeting client needs.

1.11. Roughly a third of all IAP entrants in the re-engineered programme went into employment related opportunities and in the original and enhanced programmes around a half went into WBLA. For the re-engineered programme a third of IAP entrants undertook IAP Training and one in six undertook BET or Basic Skills training. For most activities, the vast majority of leavers went into Follow-through.

## **Advisers, Employers and Training Providers**

1.12. NDPAs play a key role in all aspects of the programme with the experience of NDPAs leading to positive programme changes. Training for NDPAs was often felt to be disappointing, particularly when their role was expanding. However, they welcomed the greater flexibility open to them once the programme was re-engineered in April 2001.

1.13. Employers play a key role in the success of ND25 plus. Many employers were motivated by the reduction in costs from the employment subsidy and in general employers felt the size of the subsidy was about right in terms of covering additional costs and making long-term unemployed recruits economically viable.

1.14. With the introduction of the re-engineered programme providers became more important, particularly with the routeway model of delivery. Early on in this phase of the programme, Advisers were often unclear about the available provision, and often relied heavily on routeway providers.

## **The impact of ND25 plus**

1.15. There were a little below half a million ND25 plus entrants between June 1998 and June 2002. Around one in six entrants were women, around three-quarters were aged 25-49 and over time there was an increasing percentage of entrants from ethnic minorities and from people with a disability. For leavers, around one half returned to claim JSA, whilst roughly one in six went into unsubsidised employment.

1.16. The macroeconomic assessment of ND25 plus found that for men, ND25 plus participants were four percentage points less likely to be unemployed 12 months after entering the programme than if it had not been introduced. For women, the impact was negligible. In the pilots, roughly eight per cent more pilot participants had left JSA 18 months after entering ND25 plus than members of a comparison group. There was some evidence that pilot participants were more likely to leave JSA to go into work. There was no evidence of any increase in a range of measures of employability and mixed evidence on the quality of jobs achieved by pilot participants.

1.17. Early entry was associated with more programme participation and better outcomes. However, such differences may be due to early entrants having greater motivation to participate in ND25 plus and also to get work. However, participants with longer unemployment duration were less likely to stay on the programme beyond the Gateway, and less likely to go into employment.

1.18. Older participants entering an IAP opportunity were more likely to enter subsidised employment and less likely to participate in a work experience placement. The percentage of ND25 plus leavers going into unsubsidised employment declined with age. Older participants were also more likely to transfer to other benefits. The pattern of participation was similar between whites and ethnic minorities. However, fewer ethnic minority IAP entrants went into subsidised employment than White IAP entrants and more ethnic minority IAP entrants went into IAP training and BET or basic skills courses. Despite these differences the pattern of exit destinations were fairly similar.

## **Conclusions**

1.19. The re-engineered programme introduced in April 2001 addressed some of the identified problems with the earlier programmes creating an individually tailored package of provision for participants and greater flexibility for Advisers. The change to mandatory programme participation after the Gateway meant that many more participants took an active role in the programme through participation in the IAP. There remain some concerns regarding the Follow-through stage of the programme with clients having variable requirements from this stage of the programme dependent on the extent of their overall needs and what had been achieved earlier in the programme.

## 2. Introduction

2.1. This report brings together the available evidence from research into the New Deal for people aged 25 and over (ND25 plus). The research covers both qualitative and quantitative analysis. The qualitative analysis arises from interviews with ND25 plus participants, employers, New Deal Personal Advisers (NDPAs), and service providers. The quantitative analysis examines administrative data about participants plus data from surveys of participants and non-participants.

2.2. The report also provides some new analysis of administrative data to highlight the mechanics of the programme and differences in outcomes for different client groups who have participated in ND25 plus over the last four years.

2.3. In addition, the report utilises summaries from a day of workshops held at the Policy Studies Institute in December 2002. Further details of which are provided in the appendix.

2.4. The report draws heavily on existing summary reports about ND25 plus (Hasluck, 2000 and 2002), but also considers other research not included in these summaries. In particular it covers a review of the quantitative evaluation evidence from complex surveys of ND25 plus participants and non-participants designed to assess the net impact of the programme.

### Policy objectives

2.5. ND25 plus is part of a wider “Welfare to Work” strategy designed to assist specific groups to take up paid work. The programme is targeted at Jobseeker’s Allowance (JSA) claimants and has two key objectives:

- To help long-term unemployed people into jobs and to improve their prospects of staying and progressing in employment; and
- To increase the long-term employability of long-term unemployed people, thereby making a positive contribution to sustainable levels of employment and to a reduction in social exclusion.

### ND25 plus policy history

2.6. The first of the New Deal programmes came into existence with a prototype programme for lone parents (NDLP) in July 1997 followed by the national introduction of NDLP in October 1998 (see Evans et al, 2002 for further details about NDLP). Similarly, New Deal for Young People (NDYP), a programme targeted at JSA claimants aged 18-24 with unemployment duration of six months or more, was introduced in a number of Pathfinder

areas in January 1998. Three months later in April 1998 the national NDYP programme was launched.

2.7. ND25 plus was subsequently introduced nationally in June 1998 for claimants of JSA who were aged 25 and over with 24 months of continuous unemployment. A few months later, in November 1998, twenty-eight local pilot projects were instigated. These pilots had the same objectives as national ND25 plus but also aimed to test the effectiveness of a range of new approaches to helping the long-term unemployed back to work. Specifically, the pilots had been designed to test the effectiveness of intervening after 12 months and 18 months of unemployment and to try out a range of innovative approaches to enhancing the employability of the long-term unemployed.

2.8. In April 2000, the national programme was enhanced in the light of evidence from the operation of the existing programmes. In April 2001 the pilot projects ended and the national programme was re-engineered with changes to the available provision becoming more in line with that available in the pilots and in NDYP.

2.9. The key milestones in relation to the evolution of these New Deal programmes are highlighted in Table 2.1.

**Table 2.1 New Deal Milestones**

---

July 1997	Prototype NDLP introduced
January 1998	NDYP introduced in Pathfinder areas
April 1998	NDYP introduced nationally
June 1998	ND25 plus introduced nationally
October 1998	NDLP introduced nationally
November 1998	ND25 plus introduced in Pilot areas
April 2000	ND25 plus Enhanced Provision introduced in National areas.
April 2001	ND25 plus Re-Engineered Provision introduced in all areas.

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## **Outline of report**

2.10. This report covers both national and pilot provision and considers the three phases of national provision. It is structured as follows. In Section Three the operation and evolution of the programme is considered. The role and perceptions of NDPAs in ND25 plus are considered in Section Four, and those of employers and providers in Section Five. Section Six looks at estimates of the overall impact of the programme, whilst Section Seven provides summary details about ND25 plus participants and the impact of the programme for different client groups. Section Eight concludes.

### **3. The operation and evolution of the ND25 plus programme**

3.1. The national ND25 plus programme has gone through three distinct phases of operation with the provision offered to participants under all the phases broadly following the framework of provision offered in other New Deal programmes. Many of the changes that have been instigated over time came about as a result of evidence about the operation of the national programme, the pilot programmes and the operation of NDYP. These changes are explored in this section of the report. For ease of description, the three distinct phases of national provision are termed hereafter Original, Enhanced and Re-engineered programmes. The provision available under each phase is discussed in some detail below together with details of the framework for provision available in the pilot areas.

#### **The Original National Programme**

3.2. The Original National Programme was available from June 1998 up to March 2000. Entry to the programme occurred at an annual restart interview for those with at least 2 years continuous JSA claim, with some early entry possibilities for clearly disadvantaged jobseekers.

3.3. The main thrust of the provision was a system called the Advisory Interview Process (AIP) that operated for between three and six months and involved a series of mandatory interviews with NDPAs. These were focused on improving employability, enhancing job search and, if possible, finding unsubsidised employment.

3.4. During the AIP the client may access a range of other opportunities, although participation in such opportunities was voluntary. These included a period of subsidised employment lasting six months; a course of full-time education or training up to 12 months whilst remaining on JSA, termed Education and Training Opportunities (ETO); transfer to other existing provision, for example Work Based Learning for Adults.

3.5. For those that did not secure employment during the AIP they would return to normal Jobseeker activity and re-enter ND25 plus at their next restart interview.

3.6. Following the AIP opportunities described above, there was the possibility to enter a Follow-through process that consisted of a further series of interviews with NDPAs to help participants find jobs. Again this stage of the programme was not compulsory, but was available to those who left ND25 plus and returned to claim JSA within 13 weeks or those who completed or left subsidised employment, ETO or existing provision.



## **The Enhanced National Programme**

3.7. The programme was enhanced in April 2000, with changes designed to bring more structure to the AIP and to increase the pace of the programme. Under the enhanced national programme the AIP was limited to four months and renamed the New Deal Gateway bringing it into line with other New Deal provision.

3.8. Changes to the Gateway involved additional and more regular interviews with NDPAs and additional case conferences to facilitate meaningful action plans. There was an improved assessment of client needs focusing particular on basic skills needs and identification of barriers to employment. Also introduced were specialist careers guidance and mentoring and a jobseekers grant. Other changes highlighted a renewed emphasis on client responsibilities as a jobseeker. The AIP/Gateway opportunities were also expanded to include externally contracted provision not previously available through ND25 plus including soft skills and key skills courses.

## **The framework for pilot provision**

3.9. In the pilot areas entry to ND25 plus occurred after 12 months continuous JSA claim in some areas and after 18 months continuous JSA claim in other areas. In all areas there was a common framework that involved a Gateway of 6-17 weeks, typically 13 weeks. This was followed by a mandatory referral to an Intensive Activity Period (IAP), which consisted of 13 weeks activity not dissimilar to that available as part of the Gateway under the original national programme. The provision continued with a mandatory Follow-through period for those leaving IAP. In all pilot areas innovative approaches to enhancing employability were encouraged including new types of provision, additional payments to participants and variations to subsidy payments.

## **The Re-Engineered National Programme**

3.10. In April 2001 more radical changes were made to the programme to what has been labelled the re-engineered national programme. This is the model currently in operation and covers all areas of the UK, as the pilots ceased to operate from the beginning of April 2001. These changes brought the programme more in line with the pilot provision described above and also closer to the provision offered under NDYP.

3.11. The main changes were that eligibility was widened to cover JSA claimants with 18 months continuous unemployment or 18 months out of the last 21 months unemployment, and mandatory participation was extended to stages beyond the Gateway for all participants aged 25-49. For people aged 50 or more participation beyond the Gateway remained voluntary.

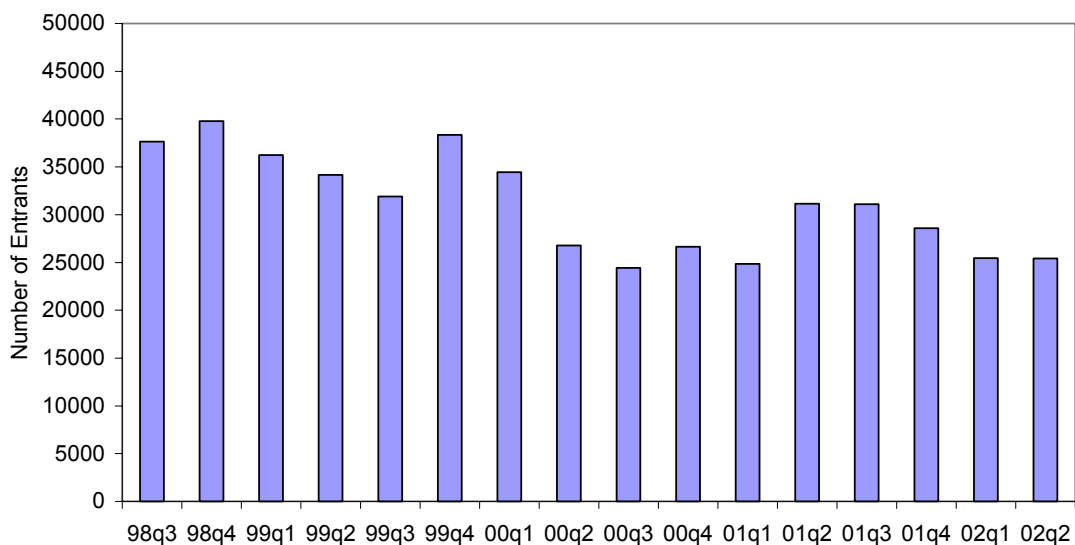
3.12. Following the Gateway a new IAP was introduced designed to offer flexible and individually tailored packages of support. A range of opportunities was available including work experience, work placements with employers, work-focused training, Basic Employability Training (BET), self-employment support, help with motivation and soft skills. Education and Training Opportunities of up to 12 months duration remained available for a small number of participants. All packages were underpinned by intensive job search to help people move into work as quickly as possible. The IAP ran for a minimum of 13 weeks, but could be extended up to 26 weeks.

3.13. There were also refinements to the Follow-through to improve the focus and pace of this phase of the programme. Follow-through participants would typically spend a period of six weeks on intensive job search designed to build upon the experience gained in the IAP. There was the possibility that the Follow-through could be extended to 13 weeks.

### ND25 plus Participants

3.14. The New Deal Evaluation Database (NDED) includes a record of a little below half a million ND25 plus entrants between June 1998 and June 2002 with a quarterly pattern of entrants shown in Figure 3.1. On average there were a little over 30,000 entrants per quarter. The rate of entry was highest when the programme began in 1998, but fell steadily for much of 1999 before another entry peak in the final quarter of 1999. The entry rate was lowest in 2000, under the enhanced national programme with on average 25,000 entrants per quarter. Once the eligibility period fell to 18 months in April 2001, entry increased for a while, but soon returned to around 25,000 entrants per quarter in 2002.

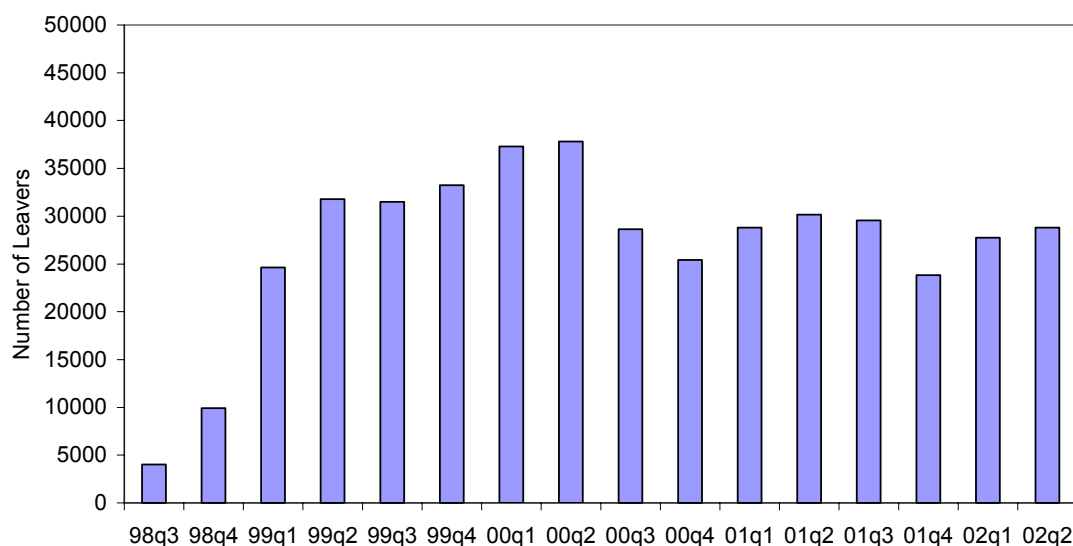
Figure 3.1 New Deal Entrants by Quarter.



3.15. If we consider the different phases of ND25 plus there were roughly 250,000 entrants to the original programme up to the end of March 2000, followed by roughly 100,000 entrants to the enhanced programme between April 2000 and March 2001. By the end of June 2002 there were 143,000 entrants to the re-engineered programme that began in April 2001.

3.16. At the end of June 2002 there were roughly 54,000 people still on ND25 plus meaning that almost 450,000 participants had left the programme. Figure 3.2 plots the number of leavers by quarter in the same way as Figure 3.1 plotted the entrants. There were fewer leavers per quarter in 1998 as the programme was still to become established. The number of leavers increased to a peak of 38,000 per quarter in the first half of 2000. From the middle of 2000 the number of exits was much more stable at around 30,000 per quarter.

**Figure 3.2 New Deal Leavers by Quarter**



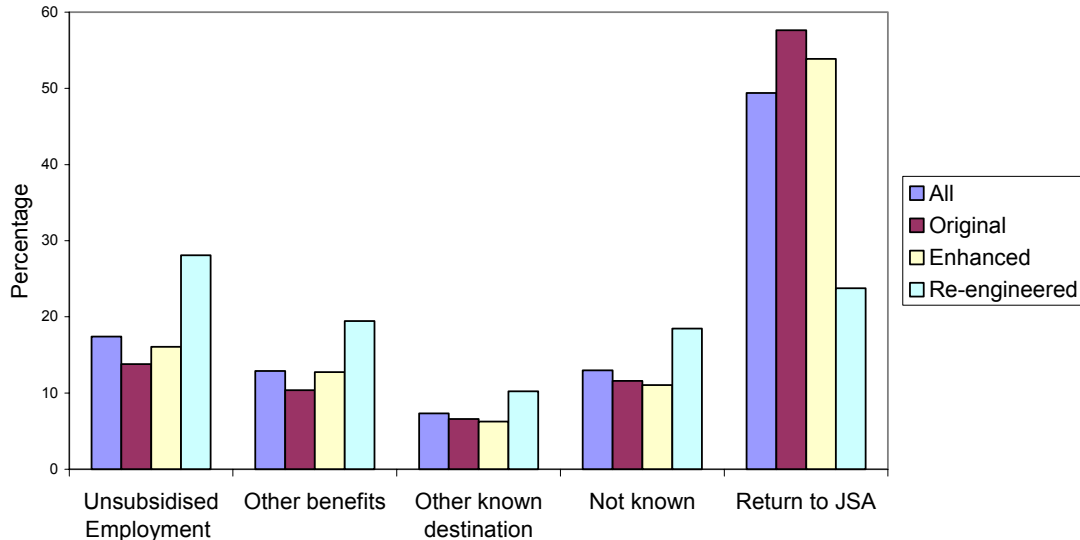
3.17. For the leavers we can identify their destination on leaving ND25 plus. Figure 3.3 shows the percentage leaving to each of five destinations for all leavers, and leavers from each of the three phases of the programme.

3.18. Except under the re-engineered programme the largest group of ND25 plus leavers return to claim JSA. Overall, this constitutes roughly a half of all leavers, but is slightly higher from the original and enhanced programmes. Leavers from the re-engineered programme are less likely to leave ND25 plus to return to claim JSA partly because of the mandatory nature of the IAP and also because this phase of the programme was more successful in placing participants in unsubsidised employment.

3.19. Under the re-engineered programme 28 per cent of leavers went into unsubsidised employment compared with 14 per cent from the original programme and 16 per cent from the enhanced programme. These figures give an indication of the relative success of the three phases of the ND25 plus

programme against one of the objectives of the programme: helping the long-term unemployed into jobs.

**Figure 3.3 Destinations of ND25 plus Leavers**



3.20. The percentage of leavers from the re-engineered programme to all other destinations was larger than under the earlier programmes. There are also a significant number of leavers whose destination is reported as “unknown”. Because of these the percentage recorded as having terminated their JSA claim in order to go into a job will be an undercount of the total number going into a job. Some who go into a job will not record this as the reason for termination of their JSA claim. O’Donnell (2001) when looking at exits to unknown destinations in NDYP indicates that the destinations of those who do not give a reason for termination follow a similar pattern to those who do give a reason.

### The impact of the AIP/Gateway

3.21. Having provided a description of the programme under the three phases of operation and some headline outcome figures, the focus of the remainder of this section is the different elements of ND25 plus under each of the three phases.

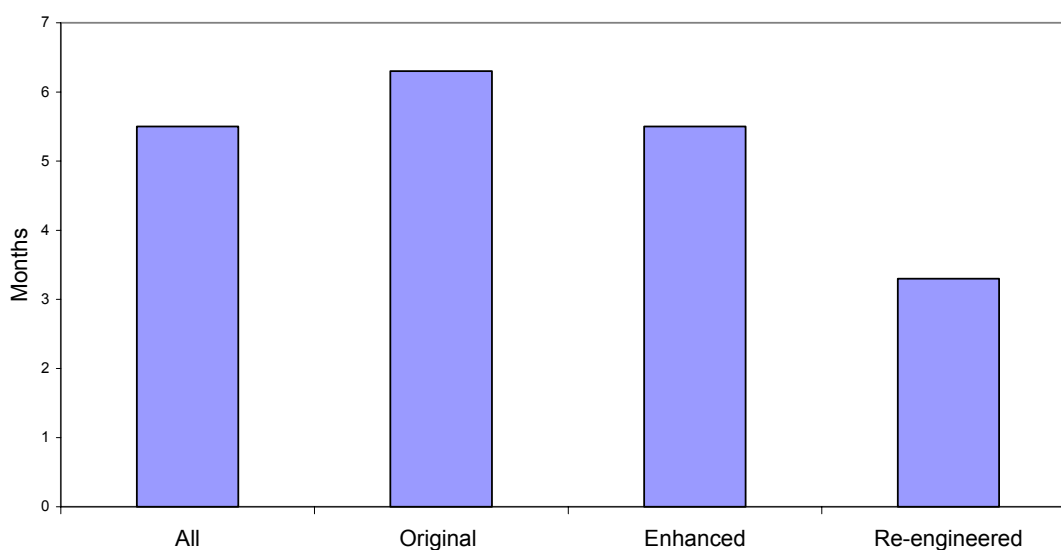
3.22. The introduction of the enhanced national programme was meant to create greater flexibility and increase the range of provision available to clients. Molloy and Ritchie (2000) and Winterbotham et al (2001) reported that these changes resulted in improved job search skills, expanded or more focused job search, new or updated skills and qualifications, together with emotional and psychological benefits including increased morale, confidence and motivation to find work.

3.23. A second desired enhancement was to increase the pace of the programme. The maximum length of the AIP was reduced from six to four months and this stage of the programme was renamed the Gateway. Given the reduction in maximum time we would expect to see some reduction in average time on the programme for Gateway leavers.

3.24. Figure 3.4 shows that the average number of months on ND25 plus for those leaving during the Gateway fell through the three phases of the programme. Overall, on average, Gateway leavers spent 5.5 months on ND25 plus. However, this was over six months under the original national programme, a little under six months under the enhanced programme and just over three months under the re-engineered national programme.

3.25. The average time spent on ND25 plus for Gateway leavers has been cut in half over the course of the programme. This indicates that the pace of the programme did increase following programme enhancement and increased further when the programme was re-engineered.

**Figure 3.4 Average time on ND25 plus for Gateway Leavers by programme phase**



### **Destination of AIP/Gateway Leavers**

3.26. To assess the success of the changes to the AIP/Gateway, what happens to clients when they leave this stage of the programme is considered. Table 3.1 shows the exit destinations of AIP/Gateway leavers. In the first row, the number of AIP/Gateway entrants up to December 2001 is reported. Restricting the sample in this way gives the vast majority of these entrants the opportunity to have fully participated in the AIP/Gateway. This is reflected in the figures in the second row, which indicate that 98 per cent of

Gateway entrants have left the Gateway by June 2002, including 94.5 per cent of the 89,000 Gateway entrants on the re-engineered programme.

3.27. The remainder of the table reports the percentage of AIP/Gateway leavers going to various exit destinations. Here we consider clients who have participated in AIP/Gateway opportunities such as subsidised employment, ETO and other ES opportunities under the original and enhanced national programmes as having left the AIP/Gateway. Whilst this is not strictly how the programme operated, it allows for a comparison of leavers to these opportunities with leavers to the newly introduced IAP under the re-engineered programme.

3.28. The biggest change in exit destinations was in the percentage that left the AIP/Gateway to return to claim JSA. From the original and enhanced national programme roughly a half of AIP/Gateway leavers returned to JSA whilst from the re-engineered national programme the figure was just 14 per cent. This reflects the mandatory nature of the IAP under the re-engineered programme for participants aged 25-49. The 14 per cent of Gateway leavers that returned to JSA under the re-engineered national programme are predominantly participants aged 50 and over for whom the IAP is not compulsory.

**Table 3.1 AIP/Gateway Entrants and Leavers Exit Destinations**

	All	Original	Enhanced	Re-engineered <sup>1</sup>
Number of AIP/Gateway Entrants ('000s) <sup>2</sup>	428.4	242.2	97.5	88.8
Percentage Leavers	98.0	99.2	98.0	94.5
Percentage leaving to:				
IAP or AIP/Gateway opportunities <sup>3</sup>	20	16	14	38
Unsubsidised Employment	13	12	14	18
Transfer to Other Benefits	11	9	12	14
Other	5	5	5	7
Unknown	7	7	7	8
Return to JSA	43	51	48	14

1. Under the Re-engineered programme, entry to the IAP following the Gateway is mandatory for participants aged 25-49.

2. These figures only include entrants to ND25 plus up to the end of December 2001.

3. This includes AIP/Gateway opportunities (subsidised employment, ETO and other ES activities) under the original and enhanced programmes. Clients who participated in these opportunities are classed here as having left the AIP/Gateway.

3.29. Because of this large change, the percentage of Gateway leavers to other destinations increased for all categories under the re-engineered relative to the original and enhanced national programmes. The largest

increase was entrants to the IAP, or those continuing on ND25 plus, from 16 per cent of AIP/Gateway leavers under the original national programme to 38 per cent of Gateway leavers under the re-engineered programme. A much larger percentage of ND25 plus clients are actively involved in a significant piece of provision under the re-engineered programme than under the original and enhanced national programmes.

3.30. The introduction of a mandatory IAP also increased moves into unsubsidised employment and slightly increased the transfer to other benefits. Some of these changes may be due to the improved Gateway experience, but it is not possible to disentangle this from strategies to avoid IAP participation.

### **AIP/Gateway Opportunities and the Intensive Activity Period**

3.31. The Intensive Activity Period (IAP) was only introduced in April 2001 reflecting pilot and NDYP provision, but broadly similar provision was available under the AIP/Gateway stage of the earlier versions of the programme.

3.32. Under the original national programme, clients could access a period of subsidised employment, Education and Training Opportunities (ETO) or other ES provision. The available provision was expanded under the enhanced national programme to include other externally contracted provision, for example soft skills courses or key skills courses. Provision was voluntary under both the original and enhanced stages of the programme.

3.33. When the programme was re-engineered, this type of provision was radically overhauled creating a package of individually tailored provision. This provision covered a range of opportunities underpinned by intensive job search to help people move into work as quickly as possible. It became mandatory for all participants under age 50, when previously it was only mandatory in the pilots. Opportunities available include work experience, work placements, work-focused training, BET, self employment support, help with motivation and soft skills. ETO remained available for a small number of participants. A similar range of provision was available where the pilots operated.

### **AIP/Gateway Opportunities and Pilot IAP**

3.34. Entry to AIP or Gateway opportunities was fairly limited given that such participation was voluntary. In general, motivated clients would participate and as such it may be expected that in general they would also be motivated to find work at the end of the experience.

3.35. In the pilots, Legard et al (2000) and Molloy and Ritchie (2000) found that participants were positive about joining an IAP where they felt they had a degree of choice over what activity they did and when it was relevant to their

needs. The opportunity to take a half-day taster, before choosing an activity, was also welcomed. Dissatisfaction arose when participants felt they were “time-filling” or repeating courses done previously on other programmes.

3.36. The mandatory nature of the IAP was often criticised, but it was also conceded that it could be beneficial in terms of broadening horizons and re-establishing a work routine. Atkinson et al (2000) also found a significant drop out at the beginning of the IAP in the pilots, seen by NDPAs to be a filter for those clients who do not want work or who are unavailable for work.

3.37. Work experience placements with employers were a successful feature of the IAP in the pilots. A significant number of placements led to permanent jobs, with successful placements more likely where clients needs, abilities and interests were taken into account. However, there was concern that clients taking up work placements in the environmental and voluntary sector often have significant barriers to work and need longer than 13 weeks on the IAP to overcome them (Atkinson et al, 2000).

3.38. Under the original national programme, the employment subsidy was generally well received because it was felt it could bring participants closer to the labour market (Legard et al, 2000). However, ETO were often felt not to be meeting client needs and were often aimed at a level below them and did not lead to the desired qualification (Legard et al, 2000 and Atkinson et al, 2000).

3.39. Under the enhanced programme, the availability and hence use of external services was varied (Winterbotham et al, 2001). In addition, some Advisers were sceptical about the quality of available provision in line with concerns about ETO discussed above. Some felt it had been “borrowed” and pieced together from other programmes and was hence somewhat “tired”. The most common provision, however, were short courses aimed at improving job search covering CVs and writing job applications, interview technique and job search methods. These were generally well received.

3.40. The Jobseeker’s Grant was also well received by those who got it and it does seem to have made a difference in their getting work or aiding their transition to work. However, it was used infrequently and only for more job ready clients.

### **The Mandatory Intensive Activity Period in the Re-engineered Programme**

3.41. NDPAs consider the mandatory IAP one of the key improvements introduced in April 2001. One of the key effects has been that the threat of having to undertake an activity has led to an increase in people signing off the unemployment register (Winterbotham et al, 2002).

3.42. The IAP is intended to provide activities for clients who have not found a job during the Gateway. It is mandatory for clients aged 25-49 and voluntary



for clients aged 50 or over. There were clearly teething problems setting up the new provision, but it seems that these have generally been resolved (Wilson, 2002 and Winterbotham et al, 2002).

3.43. There are three of models of IAP delivery: modular, routeway or both. The modular approach allows Advisers to select suitable modules from an available range and co-ordinate them into a coherent package of provision. Under the routeway or combination approach the Adviser agrees the direction of the IAP and the lead provider arranges the details of the provision. Therefore there is some variation in the influence of the training provider in terms of the provision received.

3.44. The role of the NDPAs has clearly expanded under the re-engineered programme and the relationship between NDPAs and providers has also become increasingly important. Under the modular approach the selected provision is dependent on Adviser knowledge of the available provision and under the routeway approach there remains considerable interaction between NDPAs and providers throughout the IAP.

3.45. In line with evidence from the earlier phases of ND25 plus, NDPAs felt that a 13 week IAP was sufficient for motivated clients, but probably insufficient for clients who were not work ready or who had negative attitudes to the programme and to work. For clients with basic skills needs, BET was an important element of the provision. This could last for up to 26 weeks, although many NDPAs felt that even this length of provision may be insufficient for clients with severe basic skills needs.

3.46. For clients with adequate basic skills, there was an increasing tendency for clients to be referred to work experience placements rather than training (Hasluck, 2002). This was because NDPAs felt work experience was what most clients needed to secure a job. Also as pointed out above, in the pilots work experience placements were found to be relatively successful in leading to a permanent job.

3.47. For other provision there were concerns that the IAP was aimed at too elementary a level and that the needs of more experienced or skilled clients were not being addressed. In addition, NDPAs were concerned that clients undertook too little job search activity during the IAP.

### **The impact of AIP/Gateway Opportunities and the IAP**

3.48. In line with the analysis for Gateway leavers, Table 3.2 considers those ND25 plus clients who enter AIP/Gateway Opportunities or the IAP up to the end of September 2001 and looks at their destination on leaving. In this section when we consider the IAP we are also referring to the AIP/Gateway Opportunities available under the original and enhanced national programmes discussed above.

3.49. There were 84.9 thousand entrants to AIP/Gateway Opportunities and IAP up to September 2001. Because of the mandatory nature of the IAP after April 2001 there was a much higher percentage of IAP entrants under the re-engineered programme than the earlier programmes. By the end of June 2002, 91 per cent of all AIP/Gateway opportunities and IAP entrants had left ND25 plus, with 81 per cent of IAP entrants under the re-engineered programme having left the IAP.

**Table 3.2 AIP/Gateway Opportunities and IAP Entrants and Leavers Exit Destinations**

	All	Original	Enhanced	Re-Engineered <sup>1</sup>
Number of Entrants ('000s)	84.9	38.9	13.8	32.2
Percentage Leavers	90.8	97.0	95.4	81.4
Percentage leaving to:				
Follow-through	55	52	51	62
Unsubsidised Employment	6	5	5	9
Transfer to Other Benefits	2	2	1	2
Other	4	5	3	1
Unknown	21	21	24	19
Return to JSA	12	16	15	6

1. In the re-engineered programme, entry to the Follow Through was mandatory for all IAP leavers remaining on the programme.

2. These figures only include entrants to ND25 plus up to the end of September 2001.

3.50. Just over a half of AIP/Gateway Opportunities leavers went onto the Follow-through stage under the original and enhanced national programmes, compared with 62 per cent of IAP leavers under the re-engineered programme. This may be a reflection of the view that clients spend little time involved in job search during the IAP, so that they have gained some relevant experience from the IAP, but not been able to quickly transfer this experience into a job outcome.

3.51. The increased exits to Follow-through under the re-engineered programme are offset by reduced exits to return to JSA. Under the original and enhanced national programmes, one in six AIP/Gateway opportunities leavers went back into JSA compared to just six per cent under the re-engineered programme. These differences were most likely driven by the mandatory nature of Follow-through under the re-engineered programme compared with voluntary Follow-through for the earlier versions of the programme.

3.52. The percentage of leavers to unsubsidised employment, however, was fairly low, at five per cent under the original and enhanced national programmes and nine per cent under the re-engineered programme. This may again reflect the lack of job search activity that takes place during this

stage of the programme, whilst the increase under the re-engineered programme may be a reflection of the individually tailored provision or the increased use of work placements, making a more direct link between employers and ND25 plus participants.

3.53. There is however, a very large group (21 per cent) of leavers for which we do not know their exit destination. Without knowledge of these destinations it is hard to put the increased exits to unsubsidised employment into a proper perspective.

## **The different elements of AIP/Gateway Opportunities and the IAP**

3.54. We have already discussed the different elements of AIP/Gateway Opportunities and the IAP in some detail. Table 3.3 gives the number of entrants to these different opportunities.

3.55. Under the original national programme roughly a half of all participants in AIP opportunities took part in WBLA. The other main opportunities entered were subsidised employment and full-time education and training. In the enhanced national programme WBLA remained a significant element of provision, although the proportion participating in it fell to two-fifths. Significant numbers of participants continued to go into subsidised employment, whilst fewer participants entered full-time education and training.

**Table 3.3 Number of AIP/Gateway Opportunity and IAP Entrants by type of activity**

(thousands)	All	Original	Enhanced	Re-Engineered
IAP Entrants	84.9	38.9	13.8	32.2
Subsidised Employment	20.6	11.9	4.5	4.2
Work experience placement	10.0	0.2	0.5	9.3
Full-time Education and Training	9.0	6.8	1.2	1.0
IAP Training	12.1	0.3	1.2	10.6
WBLA	25.1	19.5	5.5	-
BET / Basic Skills	5.6	0.2	0.5	5.0
Other	2.5	-	0.3	2.2

1. These figures only include entrants to ND25 plus up to the end of September 2001.

3.56. With the re-engineered programme, WBLA was taken off the menu as provision became more individually tailored. WBLA was already available to JSA claimants after six months unemployment so that interested participants could already have participated in WBLA. Thus it was felt including it in ND25 plus provision added little for most participants. Instead, most participants with

a training need took part either in IAP training or where required a BET or basic skills course.

3.57. Roughly a third of entrants went into employment related opportunities in each phase of the programme. Under the original and enhanced programmes this meant subsidised employment, but with the introduction of the re-engineered programme this increasingly meant a work experience placement.

3.58. Table 3.4 gives the exit destinations of AIP/Gateway opportunities and IAP leavers for each of the distinct types of provision highlighted above. For most activities, the Follow-through is the predominant destination. The only exception to this is that less than one in three leavers from subsidised employment enter the follow through.

3.59. Roughly a half of leavers from subsidised employment had an unknown destination reported, which may suggest that a significant number of them have actually remained in employment because they have not immediately re-appeared in the ND25 plus administrative system.

3.60. Relative few leavers reported a move into unsubsidised employment, typically just below ten per cent of all leavers. There is little difference in the percentage going into unsubsidised employment across the different types of provision. However, it is noticeable that the lowest percentage of IAP leavers to unsubsidised employment comes from the type of provision that NDPAs felt did not meet client needs. Just three per cent of WBLA participants left to unsubsidised employment.

**Table 3.4 AIP/Gateway Opportunity and IAP Leavers Exit Destinations by type of activity**

	Follow Through	Unsubsidised Employment	Transfer to Other Benefits	Other	Unknown	Return to JSA
<b>AIP/Gateway or IAP Opportunity</b>						
Subsidised Employment	28	5	+	+	51	15
Work Experience Placement	68	10	3	1	14	4
Full-time Education and Training	41	9	8	7	9	26
IAP Training	69	9	2	2	15	3
WBLA	71	3	+	7	4	15
BET/Basic Skills	66	9	3	2	18	3
Other	48	15	1	2	27	7

+ indicates a positive percentage, but less than 0.5 per cent.

1. These figures only include entrants to ND25 plus up to the end of September 2001.

## The Follow-through

3.61. The Follow-through has been available throughout ND25 plus in a broadly consistent format. Under the original and enhanced national programmes it was available in the form of additional interviews with NDPAs for clients who left ND25 plus and returned within 13 weeks, or clients who completed or left subsidised employment, ETO or other provision.

3.62. Follow-Through entrants had a wide variety of needs depending on what had been achieved earlier on the programme (Molloy and Ritchie, 2000 about the original national programme). Some required specific forms of help to fill earlier gaps in provision, whilst for others original needs remained. Under the original national programme Follow-through consisted of a return to see an Adviser on a weekly basis with very little in the way of additional activities. For participants who felt they had benefited from opportunities available under the AIP they often felt that the transition to Follow-through was abrupt and the positive effects of the provision in terms of increased motivation and optimism about finding work could be undone.

3.63. The capacity of the Follow-through in the pilots was also felt to be insufficient (Atkinson et al, 2000). Many Follow-through entrants in the pilots were difficult to help and motivate. For those wanting to work they often had severe barriers to employment, which the programme had not been able to fully address. Other Follow-through entrants did not want to participate in employment or the programme as a whole and required specialist motivational training.

**Table 3.5 Follow-through Entrants and Leavers Exit Destinations**

	All	Original Provision	Enhanced Provision	Re-Engineered Provision
Number of Follow-through Entrants ('000s)	42.6	19.6	6.8	16.3
Percentage Leavers	81.8	96.0	87.2	62.4
Percentage leaving to:				
Unsubsidised Employment	15	15	15	15
Transfer to Other Benefits	6	6	6	8
Other	6	7	5	5
Unknown	8	7	9	10
Return to JSA	65	66	65	63

These figures only include entrants to ND25 plus up to the end of December 2001.

3.64. Under the re-engineered programme, Follow-through was also seen to be an important stage of the programme by NDPAs. However, Winterbotham et al (2002), report few signs that job outcomes occur during the Follow-through stage

3.65. These generally negative impressions are reflected in Table 3.5. First we note the small numbers of participants that have reached the Follow-through stage, just 43,000 of entrants up to December 2001. Also of note is that from these entrants, from the re-engineered programme, just 62.4 per cent of them have left ND25 plus by June 2002, so it is possible that these leavers are not wholly representative of Follow-through entrants under this phase of the programme.

3.66. What is clear in Table 3.5 is that the pattern of exit destinations is similar across the three ND25 plus phases, so that despite reducing the time spent and improving the intensity of job search on Follow-through, there is no evidence of increased job placements. Roughly two-thirds of Follow-through leavers returned to claim JSA, whilst just 15 per cent went into unsubsidised employment, six per cent transferred to other benefits, six per cent left to other destinations and eight per cent to unknown destinations.

## **Benefit Sanctions**

3.67. Another key element of ND25 plus was benefit sanctions. Under the original and enhanced national programmes, Sanctions only applied to the mandatory parts of the programme and participants in the voluntary ETO. Here, participants went two weeks without JSA if they failed to start the Option or they left without good cause. Further breaches of rules led to four week Sanctions.

3.68. With the introduction of the re-engineered programme and mandatory post Gateway participation, the same Sanctions operated for first and second breaches of rules, whilst a third and subsequent breaches of rules led to a 26 week Sanction. Hardship payments are available for people felt to be in vulnerable groups and in some cases to people facing their first or second sanction even if they are not in a vulnerable group.

3.69. Only 2.6 per cent of ND25 plus participants had ever been sanctioned, with the vast majority of these receiving only a two week sanction. Less than 0.1 per cent of all ND25 plus participants have been sanctioned on more than two occasions. In the period when 26 week sanctions were in operation, roughly 200 participants had been sanctioned on two or more occasions.

3.70. Saunders, Stone and Candy (2001) conducted a series of interviews with sanctioned jobseekers from NDYP and ND25 plus. 26 week sanctions were the primary focus of their research, which was conducted before 26 week sanctioning was introduced for ND25 plus. However, their research did cover 12 ND25 plus participants who had been sanctioned for four weeks.

3.71. The impact of sanctioning was explored, with a view to the likely impact of 26 week sanctioning for ND25 plus participants. The interviews covered sanctioned jobseekers, NDPAs and Option providers. Whilst most conclusions apply to both NDYP and ND25 plus, the additional focus on NDYP makes some of the findings much more geared toward the operation of this programme.

3.72. 26 week sanctions tended to occur for three reasons. First, when jobseekers did not want to be on New Deal. Second, when they felt they did not have a choice regarding their New Deal activity Option (clearly this did not apply to ND25 plus participants interviewed because activities at this time were voluntary, but is likely to be relevant under the existing provision). Third, when jobseekers misunderstood what was required of them.

3.73. Molloy and Ritchie (2000) found that sanctions had both financial and psychological impacts. For many, the reaction to sanctions often involved looking for work, with some finding short term or casual work. Other sanctioned people often had genuine barriers to employment, and NDPAs and Option providers expressed concerns over the vulnerability of this group. In these circumstances NDPAs felt that some such jobseekers need an extended Gateway before starting Options and this may lessen the need for sanctions.

3.74. There was widespread support for the principle of sanctioning even among sanctioned jobseekers, though they were likely to consider 26 weeks as “too harsh”. NDPAs were more likely to see 26-week sanctions as a useful tool that clients took seriously.

## 4. New Deal Personal Advisers

4.1. In this section we consider the key role played by NDPAs throughout the programme. The evidence presented comes from interviews with NDPAs and participants. The evidence shows how the experience of NDPAs led to positive programme changes and how the role of NDPAs changed within the Gateway and Follow-through stages. The evidence comes from a comparison of pilot and national areas and comparison of provision to ND25 plus and NDYP clients as well as more recent interviews with NDPAs operating the re-engineered provision.

4.2. In general it was the comparisons with the pilots and NDYP that have led to the programme changes and ultimately national provision has become more in line with NDYP and pilot provision.

4.3. It has been shown that both the AIP/Gateway and the Follow-through are key elements of the programme across all the phases of provision, although the nature of the AIP/Gateway and Follow-through have changed over time. In all phases of the provision the AIP/Gateway has been mandatory, whilst under the original and enhanced programme the Follow-through was voluntary and only became mandatory once the programme was re-engineered in April 2001.

4.4. Early evidence from the start of the programme highlighted differences in provision between national and pilot areas and also with comparison to NDYP. These were primarily related to the quality of the AIP and the voluntary nature of participation at the end of the AIP.

4.5. The Tavistock Institute (1999) reported that NDPAs found the original national programme unsatisfactory in terms of meeting the needs of the 25 plus age group compared with the range of support and provision available within the pilots and under NDYP. In addition where NDPAs dealt both with NDYP and ND25 plus clients then the NDYP group took priority.

4.6. Legard et al (2000) also reported that pilot participants generally experienced a higher degree of satisfaction with their interviews with NDPAs than participants in national areas. In national areas disappointment was attributed to time pressures on NDPAs and the inability of the AIP to meet the high level of demand for other Gateway activities.

4.7. Training available to NDPAs was seen as disappointing, centring on caseload management. NDPAs felt that a greater ability to assess skills, to transfer skills and the ability to sell the programme to clients would have been more valuable (Tavistock, 1999).

4.8. Participants felt that the comprehensiveness of needs assessments carried out by NDPAs was variable (Molloy and Ritchie, 2000). When they felt needs were understood they were more optimistic and positive about the



programme. However, in some cases, needs could remain hidden because participants were unsure about what was appropriate to disclose to the NDPA.

4.9. Evidence from the pilots at this time indicated that the initial stage of interaction with clients was vital, so that clients can understand the opportunities available to them and so that they are aware of their responsibilities (Atkinson et al, 2000). Client confusion was evident when there were a number of organisations delivering the pilot.

4.10. A number of pilots set up provision for small payments to clients to help with job entry (Atkinson et al, 2000). This was widely found to be excellent value for money provided NDPAs were given reasonable discretion over eligibility and use.

4.11. In the enhanced national programme, the Gateway became more structured with additional and more regular interviews with NDPAs. This was in response to the criticisms outlined above where the AIP was felt to be insufficient.

4.12. Improvements were made in the assessment of basic skills problems and barriers to employment, which were identified by NDPAs as being unsatisfactory and by participants as being variable. Specialist careers guidance and mentoring also became available and other specialist services were made available to address the lack of key skills and soft skills among clients. In addition a Jobseekers Grant was made available that had been found to be useful in pilot areas.

4.13. NDPAs felt that while some of the enhancements had been beneficial, the overall effect of the enhanced programme was marginal (Winterbotham et al, 2001). Part of the problem was that caseloads had fallen leaving a hardcore of clients with poor motivation, very long spells of unemployment and severe barriers to finding work.

4.14. The enhanced provision allowed NDPAs to help motivated participants, but the package of provision was insufficient to help the remainder of the caseload. NDPAs often reported that the programme needs to be more like NDYP and more of the provision needs to be mandatory. A wider range of opportunities was also felt to be desirable covering the NDYP Options, the Environmental Task Force and Voluntary Sector opportunities.

4.15. More regular advisory interviews were viewed positively by Advisers, as was the addition of the Jobseeker's Grant. The interviews allowed more chance to develop a good relationship with participants, whilst the grant was felt to be a useful tool to assist the more motivated, job-ready clients who faced last minute minor hurdles when trying to get a job.

4.16. In April 2001 the whole programme was restructured. The programme built on the effective elements of NDYP and pilot provision and allowed for greater flexibility, closer working with NDPAs to develop a package of provision tailored to individual needs and to provide help when applying for

jobs. In July 2001 new assistance was introduced to ND25 plus in the form of an Adviser Discretion Fund (ADF). This was made available to assist job ready clients in the transition to work.

4.17. The greater flexibility was welcomed in areas where the national provision had been operating, but in pilot areas the re-engineered programme was perceived to be less flexible than pilot provision (Wilson, 2001). It was felt that there was a much wider range of provision available and the programme had become more client-led and the provision was tailor-made for individual needs (Winterbotham et al, 2002).

4.18. Wilson (2001) found agreement that the Gateway was effective for clients that are work ready. However, there were mixed views on the value of the Gateway for “harder to help” client groups. For these clients the Gateway was mainly used for IAP planning.

4.19. Training of NDPAs was again felt to be inadequate in the first six months of the programme leading to teething problems for the first six months of the re-engineered programme (Wilson, 2001 and Winterbotham et al, 2002). Later in the programme Joyce and Pettigrew (2002) reported that, overall, NDPAs were happy with the content of their training, although some felt it was sometimes delivered at the wrong times.

4.20. The paperwork involved was also criticised (Joyce and Pettigrew, 2002) as being excessive and impinging on advisers’ ability to carry out their role effectively.

4.21. All NDPAs were expected to meet a range of targets, including referrals to providers and job submissions. The latter were unpopular because they were felt to encourage unsuitable referrals to employers (Joyce and Pettigrew, 2002).

4.22. The ADF was unanimously viewed as a flexible tool to assist positive outcomes (Wilson, 2002). In areas where pilots had not previously operated, Advisers took time to develop effective use of the ADF, with initially a very conservative approach. Once this was overcome the ADF was felt to help client Adviser relations. The ADF was also felt to empower NDPAs, giving them more scope to help needy clients (Winterbotham et al, 2002).

## **5. Employers and Training Providers**

5.1. Other key agents in ND25 plus are employers and training providers. For employers in terms of taking long-term unemployed people into subsidised and unsubsidised jobs as well as into work experience placements. Whilst training providers deliver many other elements of the programme.

### **Employers**

5.2. Hales et al (2000) present findings from a survey of employers who had recruited individuals from either NDYP or ND25 plus with interviews taking place between September 1999 and January 2000. 77 per cent of employers had fewer than 25 employees, and 78 per cent were single-site organisations with most being in the private sector, but one in six was in the voluntary or public sector.

### **The employment subsidy**

5.3. Employers had a range of reasons for recruiting using the employment subsidy, with many motivated by the reduction in costs, whilst one in five wished to help unemployed people (Hales et al, 2000). Employers were more encouraged to participate where the labour market was tight or they were unable to recruit from normal sources.

5.4. Recruitment was typically through a NDPA, with the vacancy having been designated for a New Deal participant. For smaller employers the subsidy was vital (Winterbotham et al, 2002), but was less important for larger employers. This is important because as noted above, most New Deal employers are small.

5.5. In the pilots, employers claimed not to have been primarily motivated to take part by the availability of a subsidy (Atkinson et al, 2000). In general they felt the size of the subsidy was about right in terms of covering additional costs and making long-term unemployed recruits economically viable.

5.6. Most employers had not been offered any choice in either the level or phasing of payment. However, when asked their preferences, they were in favour of an upfront payment to cover the period when they incurred most costs. A simple easily administered payment was also preferred over complex staged payments.

5.7. NDPAs are aware of the key role of the subsidy for many employers, particularly small and medium sized employers, but, in general, they felt it had not been well marketed and this was a clear area for improvement in the programme (Winterbotham et al, 2002).

## **Employer awareness of New Deal**

5.8. Awareness of ND25 plus was patchy among employers (Atkinson et al, 2000). In the pilots employers recognised the general parameters of the programme and were aware of some key elements, particularly the subsidy, but understood little else.

5.9. Under the enhanced national programme, Winterbotham et al (2001) reported that some employers had not known where they had recruited from, some knew it was a New Deal participant and others knew it was from the Jobcentre. This supports the view from the pilots that employers were confused by the proliferation of New Deal variants, but did generally recognise the New Deal brand. New Deal was felt to be associated with a higher quality more serious approach than previous schemes (Atkinson et al, 2000).

## **Employer attitudes to ND25 plus clients**

5.10. ES staff saw the ND25 plus client group having attributes that make them more attractive in employment terms than NDYP clients (Tavistock, 1999) and this is also the view of employers (Atkinson et al, 2000). ND25 plus clients often having driving licenses, some work experience, transferable skills, less chaotic lifestyles and are also perceived as being reliable, trustworthy and have a greater likelihood of sticking in the job.

5.11. Most employers in the original national programme felt the recruit met their job specification and said they would have selected the same recruit in the absence of the subsidy (Hales et al, 2000). The majority of recruits (62 per cent including NDYP recruits) were still employed at the end of the employment subsidy. After nine months this fell to 51 per cent, but was higher at 60 per cent for ND25 plus recruits. Most employers felt that New Deal had no impact on their output, but two-fifths became more positive about recruiting unemployed people.

5.12. Under the enhanced national programme, Winterbotham et al (2001) also reported that there was a generally positive view of ND25 plus participants amongst employers. Where there were problems these were related to lack of motivation, alcohol problems and stealing. Atkinson et al, (2000) also report that in the pilots employers did not distinguish strongly between 12, 18 and 24 months unemployment, but for longer durations there were additional concerns about the reason for the long duration and the ease of re-integration to work. In general, employers were also strongly averse to some other personal attributes including: a criminal record; evidence of substance abuse; language problems; and mental health problems particularly if associated with behavioural and/or attendance concerns.

5.13. Problems had occurred due to delays in seeing candidates, or obviously unsuitable candidates, which led some employers to a feeling of disenchantment. This was also highlighted as a problem by NDPAs. Most

employers, however, were positive about the NDPAs. Employers from the re-engineered programme were generally happy with the programme, although desired more NDPA contact throughout the programme (Wilson, 2002).

## **Training Providers**

5.14. Atkinson et al (2000) found a marked feature of all pilots was the extensive use of specialist providers during the Gateway and IAP. This had greatly extended the volume, range and expertise of support. In addition, under the enhanced national programme there was a wider range of services available under the Gateway than had been available in the AIP under the original national programme and this has been extended further with the re-engineered programme. Because of this much of the evidence regarding training providers is from the re-engineered programme where providers now have a more significant role to play (Winterbotham et al, 2002; Wilson, 2002).

## **The introduction of the re-engineered provision**

5.15. With the introduction of the re-engineered programme providers became a more important element of ND25 plus particularly under the routeway model of delivery discussed above. Early on in this phase of the programme Advisers were often unclear about the available provision, hence in some areas they relied heavily on routeway providers. In one of the areas considered, a formalised 3-way interview between the client, the NDPA and the provider was introduced to discuss the participants IAP in detail. However, once Adviser knowledge had improved, such 3-way interviews were used less frequently.

5.16. Providers shared the view of Advisers that the start of the re-engineered programme was chaotic, but after a few months the programme had settled down and was operating as intended. The feeling was that it had been brought in quickly and ES staff were still developing and understanding the programme.

## **Relationships with NDPAs**

5.17. In most areas there had been tensions between providers and Advisers in deciding on the IAP for clients. Some of these tensions arose because Providers felt Advisers saw the programme as a training programme, whereas they regarded it as a job outcome programme.

5.18. Relationships with ES staff had developed to a point where they were beginning to work effectively together. In some areas provider staff were present in Jobcentres.

5.19. After some time Advisers were paying more attention to the quality of provision on offer. In terms of training providers these concerns covered the lack of tailored provision, the quality and amount of job search being carried out, and the level of outcomes being achieved. Similar concerns were aired about work placements.

### **Referrals and profile flexibility**

5.20. Providers became concerned by lower than expected numbers of referrals during the early months of the re-engineered programme. By March/April 2002 most providers were under profile for the year, however, referrals had increased to expected levels by the end of 2002.

5.21. They also felt they were receiving little feedback from the ES, particularly about the reconciliation process and the flexibility allowed to them if numbers exceeded target for an area of provision, but were below target in another area. These problems were also much reduced by April 2002 after decisions were made about changing profiles.

### **Participants and Employers**

5.22. Providers were surprised by the high proportion of participants with multiple employment barriers. This had contributed to lower than hoped for job outcomes. In some cases providers occasionally returned clients who were “inappropriate”.

5.23. Links with employers were nearly always discussed in terms of having employers willing to take placements. Most providers felt they had good links with local employers. This has been boosted by recent employment of staff with these responsibilities.

5.24. In most cases there was no discussion with employers about the design of courses or provision. In one area, however, courses were set up specifically in the way required by two large local employers. There were also other examples of employers undertaking mock interviews with clients and providing feedback or providing advice on recruitment criteria for job preparation courses.

## 6. The Impact of ND25 plus

6.1. So far we have concentrated primarily on a description of the evolution of the programme and perceptions from key agents about the programme. In this section we bring together the existing evidence from quantitative evaluations of ND25 plus to assess the overall impact of ND25 plus on participants.

6.2. The quantitative research assesses the impact of ND25 plus on a range of outcome measures including the exit destinations discussed in Section Two, against an assessment of what would have happened to ND25 plus participants if ND25 plus had not been introduced.

6.3. A range of methodological approaches were adopted dependent on the group of participants to be considered. Essentially, there were three different analyses. The first, Wilkinson (2001), looks at the experience of JSA claimants who have the criteria that would make them eligible for ND25 plus, both before and after its introduction relative to a comparison group of JSA claimants who would not be eligible for ND25 plus. This was conducted as part of a “macroeconomic” assessment covering both ND25 plus and NDYP.

6.4. The other two (Lissenburgh 2001b, and Wilkinson 2002b) assessed outcome measures both from administrative and survey data for pilot participants against a comparison group of non-participants, many of whom would go on to participate in ND25 plus at a later date. The latter work was accompanied by a series of analyses of administrative data for a larger group of participants (see for example Wilkinson 2002a, for the final report in this series).

6.5. The quantitative evaluations require a significant amount of time to follow individuals once they have participated in ND25 plus, hence to date there is no evidence of this nature for participants in the re-engineered programme. In fact, much of the evidence is concerned with the original national programme and pilot provision, with only one study covering the period of the enhanced national programme.

### **The macroeconomic assessment**

6.6. The macroeconomic assessment only covered entrants to ND25 plus up to May 1999, as such, it is only concerned with the original national programme. It is based on administrative data about JSA claimants from the Joint Unemployment and Vacancies Operating System (JUVOS) five per cent cohort. The approach adopted was a before and after comparison for a group of individuals that have the eligibility criteria to qualify for ND25 plus and a group that do not. The approach is limited by the lack of a good comparison group. The only available comparison group was short-term unemployed entrants. This group of jobseekers may be very different to ND25 plus

entrants and may also respond differently to other labour market changes as ND25 plus was introduced. Because of this, the results of this analysis need to be treated cautiously.

6.7. The key finding was that for men, ND25 plus participants were four percentage points less likely to be unemployed 12 months after entering ND25 plus than if ND25 plus had not been introduced. For women, the impact of ND25 plus was negligible. The impact on ND25 plus participants leaving unemployment to go into work was smaller and generally not significant.

6.8. Given these findings the figures about exit destinations discussed above can be put in context. Under the original national programme, 14 per cent of programme entrants left to unsubsidised employment, and the evidence here suggests that nearly all of these would have left to work even if ND25 plus had not been introduced. For the later stages of provision we would need to see much higher exit rates to unsubsidised employment to argue that the programme had a substantial impact on employment. Under the re-engineered programme 28 per cent of leavers went into unsubsidised employment so it may be possible to argue that the programme has had a positive impact on employment. However, we have seen that the client group and the labour market have changed over time, so for a robust assessment of the impact of the programme an assessment is needed of the net impact against what would have happened to participants if the re-engineered programme had not been introduced.

## **Quantitative Evaluations for Pilot Participants**

6.9. In the majority of pilot areas, all eligible long-term unemployed people are given the pilot provision. However, it was decided that two of the pilots should be designed in such a way that they could be evaluated using a random assignment methodology. In these two areas, half of the eligible client group is assigned at random to receive the pilot provision. The remainder receives the kinds of services normally offered by the then ES to people with the same length of unemployment.

6.10. Atkinson et al (2000) reported that there was virtually no negative feedback from clients in the random assignment areas about the fact that the provision available to clients was determined by chance. However, the activities undertaken by the two groups in one of the areas were not particularly different due to widespread use of the pre-existing WBLA training courses for pilot participants that were also available to non-participants.

6.11. The analysis by Wilkinson (2002a; 2002b) focuses on the two random assignment pilot areas whilst Lissenburgh (2001b) is concerned with the other 26 pilot areas.

6.12. In each case pilot participants were compared with non-participants. In the random assignment areas the comparison was with non-participants who were assigned into standard provision in the same areas. In the other areas



pilot participants were compared with JSA claimants reaching 12 or 18 months unemployment duration outside the pilot areas<sup>1</sup>.

6.13. In each case survey data was collected roughly 18 months after participants entered the pilots. This data was used to derive the required outcome measures. For the random assignment areas a direct comparison of outcome measures was possible because assignment to the pilot or other provision was done at random<sup>2</sup>. However, for the other areas, pilot participants needed to be matched with other JSA claimants to ensure that on average they had similar characteristics. This matching was undertaken at a very detailed level using administrative data that pre-dated pilot entry plus data from an additional survey of participants and non-participants conducted roughly seven months after pilot entry.

6.14. The outcome measures from the surveys are more detailed than available from administrative data allowing for a more comprehensive assessment of the impact of ND25 plus. In each study employment entry and unemployment exit were considered, but the survey data allows an additional assessment of some measures of employability and job quality.

6.15. The timing of entry to the pilots is also important here because many of the comparison group will enter ND25 plus when they reach 24 months continuous unemployment. In the pilots, entry occurs after 12 or 18 months dependent on the area. For the non-random assignment areas pilot entrants between December 1998 and February 1999 were considered.

6.16. In the random assignment areas, the administrative data analysis covered all entrants between November 1998 and March 2001. The surveys, however, were limited to a rather complex subgroup of entrants. First, entrants between November 1998 and March 1999 with 12 or 18 months unemployment (dependent on area) were surveyed. A later cohort of entrants were also surveyed consisting of all pilot entrants between February and May 2000<sup>3</sup>. Comparators from the first cohort would enter the original national programme, whilst most comparators from the second cohort would enter the enhanced national programme. Differences between the original and enhanced national programme were fairly minimal so in all cases we should interpret the research as comparing the pilots with existing national provision that may or may not entail entry to national ND25 plus prior to the introduction of the re-engineered programme.

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<sup>1</sup> Note that at the time the pilots were in operation entry to ND25 plus in non-pilot areas was after 24 months unemployment duration.

<sup>2</sup> Some problems with administrative data collection meant that identification of the exact group of non-participants was not possible. A pool of potential comparison group members could be identified and from this pool some matching using available administrative data was done to identify a comparison group.

<sup>3</sup> Note entry to ND25 plus occurred at Restart anniversaries so that entry to pilots could occur after 24 months continuous unemployment or more. For the first entry cohort only 12/18 month entrants were considered, but for the later cohort all possible pilot entrants were considered.

6.17. The survey in non-random assignment areas consisted of 979 participants from the 26 pilot areas and 563 members of a comparison sample. The administrative data analysis in the random assignment areas covered 3,281 pilot participants and 3,281 non-participants, whilst the surveys covered 353 pilot participants and 323 members of the comparison group.

## **The impact on leaving unemployment**

6.18. Both surveys and the administrative data indicate that roughly eight per cent more pilot participants had left JSA 18 months after entering ND25 plus than members of the comparison group. The differences were found to be statistically significant and roughly double the estimated impact of national provision from the macroeconomic analysis. There was a much larger effect in one of the random assignment areas for entrants after April 2000, but research in this area (Lakey, 2000) suggests that this was more to do with administrative issues in relation to the managing of the pilot<sup>4</sup>.

## **Employment Entry**

6.19. In terms of employment entry there was some evidence that pilot participants were more likely to leave JSA to go into work. However, in much of the analysis the differences were only weakly statistically significant<sup>5</sup>. The only strongly significant result was in the problem random assignment area discussed above. For the national pilot areas the increase in entry to work was around four per cent, whilst in the other random assignment area it was five per cent.

6.20. Similar evidence comes from analysis of employment status at the time of the surveys. In non-random assignment areas roughly four per cent more pilot participants were in employment than their comparators and in the stable random assignment area the difference was five per cent. Both differences were not statistically significant.

## **Employability measures**

6.21. One of the key objectives of the programme was to increase the employability of long-term unemployed jobseekers. To assess this, survey participants not in employment at the time of the surveys were asked a range

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<sup>4</sup> Administrative problems in one of the random assignment pilot areas meant a change in the ND25 plus provider from a Joint Venture Partnership between ES and the local TEC to just ES management from June 2000). Many of the survey respondents in this area were affected by this change and after a period where pilot effects were often small and insignificant they became very big. It is difficult to believe the magnitude of such impacts, particularly in relation to fairly consistent other results, so many of these results need to be treated with caution.

<sup>5</sup> By weakly significant we mean statistically significant at the 10% significance level, statistically significant by conventional significance levels means significant at the 5% significance level, whilst strongly significant means statistically significant at the 1% level.

of questions to assess employability. These included human capital measures, job search behaviour, self-efficacy and attachment to the labour market. In general, no increase in employability according to these measures was detectable.

## **Job quality**

6.22. There is also concern that although ND25 plus participants are moving into work, the quality of jobs they take up maybe poor, with clients entering low paid, mainly part-time and temporary employment with few development opportunities. Evidence of this nature can only be assessed relative to jobs taken up by the comparison group of non-participants.

6.23. The evidence finds very few differences in the quality of jobs for those that did find employment. The only reliable differences in the non-random assignment areas was that pilot respondents had lower levels of job satisfaction.

6.24. In the random assignment areas there were some significant differences, but a very mixed picture. In both areas average hourly pay was lower for pilot participants. In one area this was accompanied by more full-time jobs, fewer temporary jobs and more pilot participants received training, all indicating higher quality jobs. However, in the other area there were fewer full-time jobs, more temporary jobs and less pilot participants received training.

## **7. ND25 plus impact for different client groups**

7.1. The focus of the remainder of the report is on ND25 plus participants. In this section some simple analysis of administrative data about ND25 plus participants from the NDED is presented to highlight the composition of the ND25 plus client group, how they progress through the programme and where they go when they leave the programme. Five separate breaks are covered: by gender, then by age, by ethnicity, by whether they had a disability and by the time spent in unemployment on entry to the programme.

7.2. Data for all ND25 plus participants in national areas is included in the NDED, however, data for pilot participants was collected using a different system. There were problems with pilot data collection so not all pilot participants were included in the NDED. It is unclear how many pilot participants are excluded from the database. Despite this problem NDED covers the vast majority of ND25 plus participants and all participants from April 2001 onwards (when the pilots ceased to operate). It is used as the basis for Statistical First Releases about ND25 plus.

### **Differences by Gender**

7.3. Table 7.1 shows that roughly one in six ND25 plus entrants were women, a proportion that was broadly constant throughout the period under consideration.

7.4. There were very few differences between men and women in their progress through and outcomes from ND25 plus. A similar proportion of men and women left ND25 plus at each of the different stages. Although a slightly higher percentage of men (20 compared with 18) entered AIP/Gateway opportunities or the IAP. Within this stage a slightly higher percentage of women went into WBLA (29 per cent compared with 26 per cent).

7.5. A higher percentage of female leavers transferred to other benefits (15 per cent compared with 12 per cent for men), whilst fewer women left ND25 plus to return to JSA (46 per cent compared with 50 per cent for men).

7.6. The percentage going into employment was roughly the same for men and women and was also roughly the same for different categories of employment.

**Table 7.1 ND25 plus Outcomes since June 1998 by Gender**

	All	Men	Women
Number on ND25 plus ('000s)	496.9	411.4	79.5
Stage Left ND25 plus			
Pre-Gateway	4	4	5
Gateway	80	80	80
IAP or AIP/Gateway Opportunities	8	8	8
Follow-through	8	8	7
Percentage Entering IAP or AIP/Gateway Opportunities	20	20	18
Of which, percentage into:			
Subsidised Employment	24	24	23
Work experience placement	13	13	13
Full-time Education or Training	10	10	9
IAP Training	16	15	15
WBLA	26	26	29
BET/Basic Skills	8	7	8
Other Opportunity	3	4	3
Exit destination, percentage leaving to:			
Unsubsidised Employment	17	17	17
Transfer to Other Benefits	13	12	15
Other	8	7	9
Unknown	13	13	13
Return to JSA	49	50	46
Percentage into Employment			
Sustained unsubsidised	16	16	16
Sustained subsidised	4	4	3
Unsubsidised <13 weeks	4	4	3
Subsidised <13 weeks	1	1	1

There were 5998 people on the database where the gender information is missing.

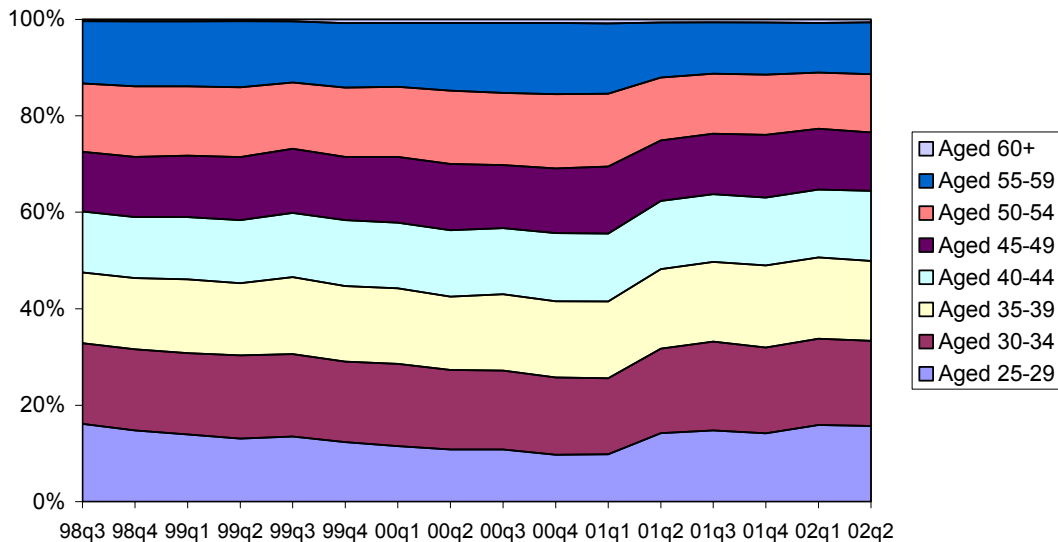
## Differences by Age

7.7. Figure 7.1 plots the age profile of entrants over time. The vast majority of ND25 plus entrants are aged 25 to 49. Under the original and enhanced national programmes this age group constituted roughly 70 per cent of entrants. However, once the entry criteria were reduced to 18 months the percentage of entrants aged 25-49 increased to around 75 per cent. For this group the IAP is a mandatory part of the programme, whilst for people aged 50 plus, it remained voluntary throughout the programme.

7.8. The largest change in ND25 plus entrants came from those aged 25-29 who constituted 16 per cent of entrants at the beginning of the programme, then under ten per cent just before the programme was re-engineered. After the re-engineering the percentage of entrants age 25-29 increased back up to 16 per cent by the middle of 2002.

7.9. Changes for other age groups were far more modest. Throughout the period under consideration roughly 15 per cent of entrants were aged 50-54 and a further 15 per cent aged 55-59, with less than one per cent of entrants aged 60 or more. The percentage of older entrants fell after April 2001 offsetting the increase in younger entrants.

**Figure 7.1 Entrants by age group over time**



7.10. Older jobseekers were seen by ES staff and employers as being more attractive than young people in terms of employment. They are more likely to have a driving license, some work experience and transferable skills. In addition they are likely to have less chaotic lifestyles (The Tavistock Institute, 1999) and they were felt to be more reliable and trustworthy, have more common sense and better inter-personal skills and more likely to stick to the job (Atkinson et al, 2000). However, the 50 plus age group is seen as problematic. Some employers see them as difficult to retrain or not worth retraining and some clients can be reluctant to retrain. Those who are willing to retrain were well regarded by employers.

7.11. Under the re-engineered programme participation beyond the Gateway was not compulsory for clients aged 50 plus, so that NDPAs had to sell the programme to these clients. Many Advisers felt that IAP could be beneficial for this age group (Wilson, 2002) and Winterbotham et al, (2002) report that a significant proportion of these clients do participate and these were split between those who were keen to work and retrain and those who were under the impression that they had to participate.

7.12. The majority of ND25 plus participants were aged 25-49. However, Table 7.2a shows that there were roughly 140,000 entrants aged 50 or more. These older clients were generally less likely to leave the programme before the Gateway (3.1 per cent aged 50-59 left Pre-Gateway compared with 4.8

per cent aged 25-49). The exception to this was the 60 plus age group, where 13 per cent of clients left Pre-Gateway.

7.13. Given the voluntary nature of post Gateway stages throughout the programme, older participants were less likely to enter the IAP and Follow-through. For those entering the IAP or AIP/Gateway Opportunity 46 per cent of participants aged 60+ entered subsidised employment, compared with around 23 per cent aged 25-49, and around 30 per cent aged 50-59. In contrast a much lower percentage of older clients participated in a work experience placement (around 6-8 per cent aged 50+ compared with 15 per cent aged 25-49).

**Table 7.2a ND25 plus Outcomes since June 1998 by Age Group**

	All	Aged 25-49	Aged 50-54	Aged 55-59	Aged 60+
Number on ND25 plus ('000s)	496.9	360.8	69.3	63.6	3.0
Stage Left ND25 plus					
Pre-Gateway	4.4	4.8	3.1	3.1	13.0
Gateway	79.6	76.6	85.1	89.1	83.1
IAP or AIP/Gateway Opportunities	8.1	9.3	6.0	4.1	2.8
Follow-through	8.0	9.3	5.8	3.7	1.1
Percentage Entering IAP or AIP/Gateway Opportunities	20	23	13	9	5
Of which, percentage into:					
Subsidised Employment	24	23	29	33	46
Work experience placement	13	15	6	6	8
Full-time Education or Training	10	10	8	7	7
IAP Training	16	17	9	8	13
WBLA	26	24	38	38	15
BET/Basic Skills	8	8	5	5	6
Other Opportunity	3	3	3	3	6
Exit destination, percentage leaving to:					
Unsubsidised Employment	17	20	14	9	6
Transfer to Other Benefits	13	12	12	18	43
Other	8	8	8	8	6
Unknown	13	14	9	11	25
Return to JSA	49	47	57	54	20
Percentage into Employment:					
Sustained unsubsidised	16	18	14	9	6
Sustained subsidised	4	4	3	2	2
Unsubsidised <13 weeks	4	5	3	2	1
Subsidised <13 weeks	1	1	+	+	+

There were 490 people on the database where the age information is missing.

7.14. Slightly fewer older clients participated in full-time education and training or IAP Training, but for those aged 50-59, 38 per cent of IAP entrants went into WBLA compared with 15 per cent aged 60 plus and 24 per cent aged 25-49.

7.15. The percentage of ND25 plus leavers going into unsubsidised employment declined with age. 20 per cent of participants aged 25-49 left to unsubsidised employment compared with 14 per cent aged 50-54, nine per cent aged 55-59 and six per cent aged 60 plus. Older participants were more likely to transfer to other benefits: 43 per cent of clients aged 60plus, 18 per cent aged 55-59 and just 12 per cent aged under 55. For the under 60s roughly a half of all leavers returned to JSA. Here the percentage was higher for the 50-54 and 55-59 age groups. Only one in five ND25 plus leavers aged 60 or over returned to JSA.

7.16. The 25-49 age group were most likely to go into any form of employment, particularly sustained unsubsidised employment (18 per cent), but for the 50-54 group the percentage into sustained unsubsidised employment was also fairly high at 14 per cent. Less than 10 per cent of leavers aged 55plus went into sustained unsubsidised employment.

7.17. The 25-49 age group is broken down further in Table 7.2b. Here the patterns by age group remain within this fairly large age band. More younger participants left before the Gateway and also more younger participants left from the IAP or AIP/Gateway Opportunities and the Follow-through.

7.18. Younger participants were also more likely to take part in subsidised employment and leave the programme to unsubsidised employment.



**Table 7.2b ND25 plus Outcomes since June 1998 by Age Group, for participants aged 25-49**

	Aged 25-29	Aged 30-34	Aged 35-39	Aged 40-44	Aged 45-49
Number on ND25 plus ('000s)	66.2	84.6	78.2	67.5	64.4
Stage Left ND25 plus					
Pre-Gateway	5.9	5.3	4.6	4.1	3.8
Gateway	73.5	75.9	77.1	77.9	79.0
IAP or AIP/Gateway Opportunities	10.5	9.7	9.2	8.8	8.5
Follow-through	10.1	9.2	9.2	9.2	8.7
Percentage Entering IAP or AIP/Gateway Opportunities	25	23	23	23	22
Of which, percentage into:					
Subsidised Employment	26	24	21	20	20
Work experience placement	13	14	15	16	16
Full-time Education or Training	13	11	10	9	8
IAP Training	16	16	17	17	17
WBLA	22	24	25	25	26
BET/Basic Skills	7	7	9	9	9
Other Opportunity	3	4	4	4	4
Exit destination, percentage leaving to:					
Unsubsidised Employment	23	21	20	19	17
Transfer to Other Benefits	10	11	12	13	14
Other	8	7	7	7	7
Unknown	17	16	14	13	11
Return to JSA	42	45	47	49	52
Percentage into Employment:					
Sustained unsubsidised	21	19	18	17	16
Sustained subsidised	5	5	4	4	4
Unsubsidised <13 weeks	6	5	5	4	4
Subsidised <13 weeks	1	1	1	1	1

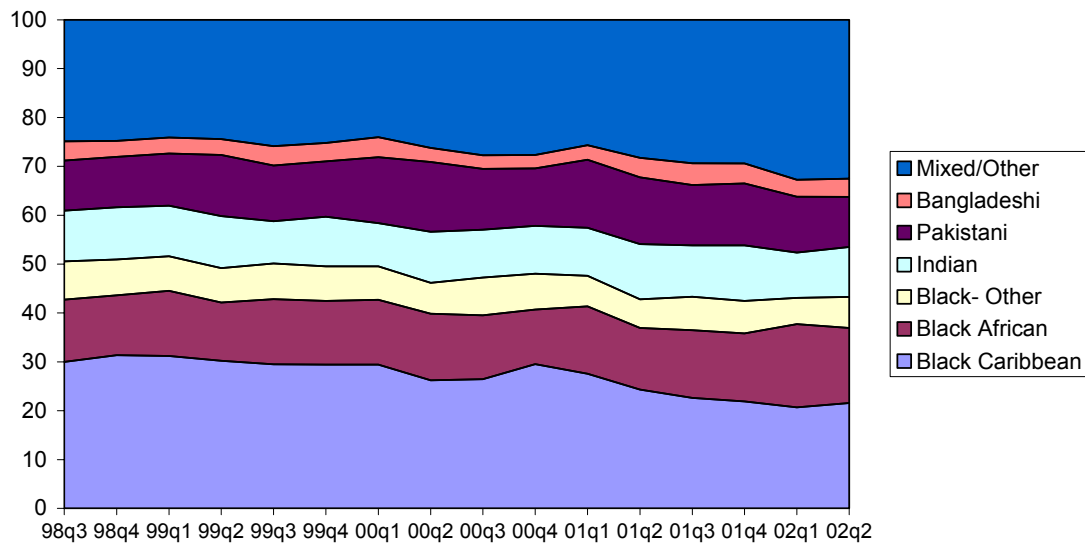
There were 490 people on the database where the age information is missing.

## Ethnic Minority Groups

7.19. The percentage of ethnic minority entrants increased over time from roughly 10 per cent of entrants when ND25 plus began to around 14 per cent by the end of 2001. Throughout the period there were roughly four per cent of ND25 plus participants who preferred not to report their ethnic background. In addition a small minority of participants did not report their ethnic origin. The percentage not reporting ethnicity was around two per cent for the first two quarters of entrants, but fell to less than one per cent by the second quarter of 1999 and has been around 0.1 per cent since the fourth quarter of 2000.

7.20. Figure 7.2 plots the ethnic group for ethnic minorities. The largest two groups are Black Caribbean and Mixed/Other backgrounds both constituting 27 per cent of all ethnic minority entrants. The trends in entry for these two groups, however, are very different. For the first two years of entrants, 30 per cent of ethnic minority entrants were Black Caribbean, but this has fallen to a little over 20 per cent of ethnic minority entrants under the re-engineered programme. For the first two years of entrants, 25 per cent of ethnic minority entrants were from Mixed/Other ethnic groups, but this rose to over 30 per cent of ethnic minority entrants in 2002.

**Figure 7.2 Ethnic Group of Ethnic Minority Entrants over time**



7.21. Black African, Indian and Pakistani each constitute just over 10 per cent of ND25 plus entrants over time, whilst participants from Other Black groups made up roughly seven per cent of ethnic minority entrants and Bangladeshi clients accounted for around four per cent of entrants.

7.22. Table 7.3a compares differences between ethnic minorities as a whole with the White population, whilst Tables 7.3b and 7.3c compare differences by ethnic groups.

7.23. In general the pattern of participation was similar between whites and ethnic minorities. For each group 20 per cent of participants entered the IAP or AIP/Gateway opportunities. However, when considering what they did on this stage of the programme large differences emerge.

7.24. Only 11 per cent of ethnic minority entrants went into subsidised employment compared with 26 per cent of White entrants. However, there is no difference between the groups in the percentage going into work experience placements.

7.25. The difference in the employment subsidy percentages is offset by a higher percentage of ethnic minority entrants going into IAP training and BET

or basic skills courses. This may not be too surprising with ethnic minorities more likely to have literacy problems to address. This is explored further when considering different ethnic groups below.

**Table 7.3a ND25 plus Outcomes since June 1998 by Ethnicity**

	All	White	Not White
Number on ND25 plus ('000s)	496.9	415.8	55.8
Stage Left ND25 plus			
Pre-Gateway	4	4	5
Gateway	80	80	79
IAP or AIP/Gateway Opportunities	8	8	7
Follow-through	8	8	8
Percentage Entering IAP or AIP/Gateway Opportunities	20	20	20
Of which, percentage into:			
Subsidised Employment	24	26	11
Work experience placement	13	13	13
Full-time Education or Training	10	10	12
IAP Training	16	15	20
WBLA	26	26	27
BET/Basic Skills	8	7	15
Other Opportunity	3	4	2
Exit destination, percentage leaving to:			
Unsubsidised Employment	17	17	18
Transfer to Other Benefits	13	13	11
Other	8	7	10
Unknown	13	12	16
Return to JSA	49	50	46
Percentage into Employment			
Sustained unsubsidised	16	16	16
Sustained subsidised	4	4	2
Unsubsidised <13 weeks	4	4	4
Subsidised <13 weeks	1	1	+

There were 21679 people on the database who preferred not to state their ethnic origin and 3,590 people where ethnicity was not recorded.

7.26. Despite these differences the pattern of exit destinations were fairly similar. Roughly the same percentage of White and Ethnic minority ND25 plus leavers went into unsubsidised employment. Ethnic minority ND25 plus leavers were slightly less likely to transfer to other benefits and more likely to leave to other known or unknown destinations. For both groups the largest proportion of leavers returned to JSA. For ethnic minorities this was 46 per cent compared with 50 per cent of White ND25 plus leavers.

7.27. Ethnic minorities were slightly less likely to enter some form of employment (22 per cent of ethnic minority participants compared with 25 per cent of White participants). This difference was exclusively due to differences in entry to subsidised employment. Given the differences in percentages

entering subsidised employment as part of the IAP or AIP/Gateway opportunities, this finding is to be expected.

7.28. Tables 7.3b and 7.3c provide further detail for specific ethnic minority groups. Indians and each of the Black groups had a slightly higher percentage of Pre-Gateway leavers. Fewer Blacks were Gateway leavers, but for other groups differences in the stage left ND25 plus were not great.

**Table 7.3b ND25 plus Outcomes since June 1998 by Ethnicity**

	Black Caribbean	Black African	Black - Other
Number on ND25 plus ('000s)	15.1	7.5	3.8
Stage Left ND25 plus			
Pre-Gateway	6	6	6
Gateway	79	78	77
IAP or AIP/Gateway Opportunities	6	7	7
Follow-through	8	9	10
Percentage Entering IAP or AIP/Gateway Opportunities	19	21	21
Of which, percentage into:			
Subsidised Employment	10	6	12
Work experience placement	14	15	14
Full-time Education or Training	15	12	11
IAP Training	22	23	22
WBLA	30	28	30
BET/Basic Skills	7	14	8
Other Opportunity	2	2	3
Exit destination, percentage leaving to:			
Unsubsidised Employment	16	18	17
Transfer to Other Benefits	9	9	10
Other	9	11	9
Unknown	16	19	18
Return to JSA	51	43	47
Percentage into Employment			
Sustained unsubsidised	14	16	15
Sustained subsidised	2	1	2
Unsubsidised <13 weeks	5	4	5
Subsidised <13 weeks	+	+	+

There were 21679 people on the database who preferred not to state their ethnic origin and 3,590 people where ethnicity was not recorded.

7.29. The percentage of participants entering the IAP or AIP/Gateway Opportunities varied a little from 19 per cent (Black Caribbean, Indian and Bangladeshi) to 21 per cent (Black African, Black Other, Mixed/Other). However, there was a lot of variation across groups in the type of opportunity entered.

7.30. Indians were the most likely to enter subsidised employment (19 per cent) followed by Bangladeshis (16 per cent). Only six per cent of Black Africans entered subsidised employment, whilst for other groups roughly 10 per cent of entrants went into subsidised employment.

**Table 7.3c ND25 plus Outcomes since June 1998 by Ethnicity**

	Indian	Pakistani	Bangladeshi	Mixed/Other
Number on ND25 plus ('000s)	5.7	6.7	2.0	15.1
Stage Left ND25 plus				
Pre-Gateway	6	5	5	5
Gateway	80	80	79	79
IAP or AIP/Gateway Opportunities	8	8	8	8
Follow-through	7	8	8	8
Percentage Entering IAP or AIP/Gateway Opportunities	19	20	19	21
Of which, percentage into:				
Subsidised Employment	19	16	12	10
Work experience placement	15	11	7	13
Full-time Education or Training	8	8	15	11
IAP Training	17	16	10	19
WBLA	26	23	24	25
BET/Basic Skills	13	24	31	20
Other Opportunity	2	1	1	3
Exit destination, percentage leaving to:				
Unsubsidised Employment	18	17	22	20
Transfer to Other Benefits	12	13	14	11
Other	11	10	11	10
Unknown	16	15	12	15
Return to JSA	43	45	40	44
Percentage into Employment				
Sustained unsubsidised	17	16	20	17
Sustained subsidised	3	3	2	2
Unsubsidised <13 weeks	4	3	3	4
Subsidised <13 weeks	+	+	+	+

There were 21679 people on the database who preferred not to state their ethnic origin and 3,590 people where ethnicity was not recorded.

7.31. There was much less variation in entry to work experience placements. For most groups 13-15 per cent of entrants went on such placements. However, the percentages were much lower for Bangladeshis (seven per cent) and slightly lower for Pakistanis (11 per cent).

7.32. There were large variations by group in the percentage of entrants going into BET or basic skills courses. Over 30 per cent of Bangladeshis undertook

this activity compared with Black Caribbeans (seven per cent) and Other Blacks (eight per cent). Pakistanis (24 per cent) and Mixed/Other groups (20 per cent) were also more likely to enter BET or basic skills courses.

7.33. Black groups were slightly more likely to take part in WBLA or IAP training (28-30 per cent in WBLA and 22-23 per cent in IAP training ) compared with other minority groups (23-26 per cent in WBLA and 10-19 per cent IAP training).

7.34. Indians and Pakistanis were less likely to enter full-time education or training (eight per cent compared with 11-15 per cent for other groups).

7.35. Exit destinations were less variable across groups. Return to JSA was the most common exit destination for all groups, but this was most likely for Black Caribbean ND25 plus leavers (51 per cent) and least common for Bangladeshi leavers (40 per cent). Bangladeshi leavers were most likely to enter unsubsidised employment (22 per cent), followed by Mixed/Other leavers (20 per cent). There was little variation among other groups (16-18 per cent).

7.36. There was little variation in exits to other known destinations. Blacks were slightly less likely to transfer to other benefits than other groups, but slightly more likely to leave to unknown destinations.

## **Differences for people with disabilities**

7.37. The percentage of ND25 plus entrants recorded as having a disability increased from roughly 20 per cent of entrants under the original national programme to 23 per cent under the enhanced national programme and to 27 per cent under the re-engineered programme. These clients are eligible for early entry to ND25 plus, but not all people with disabilities will be early entrants.

7.38. Table 7.4 shows that across a range of outcome measures there are few differences between people with and without disabilities. For both groups, the percentage of people who left ND25 plus at different stages was roughly the same and the percentage of each group entering the IAP or AIP/Gateway Opportunities was also roughly the same.

7.39. There were only small differences in the type of opportunity entered. People with disabilities were slightly more likely to have entered subsidised employment (25 per cent compared with 23 per cent for people without disabilities) and less likely to have entered WBLA (24 per cent compared with 27 per cent for people without disabilities).

7.40. Exit destinations were slightly different with 18 per cent of people with disabilities leaving ND25 plus to transfer to other benefits compared with 11 per cent of people without disabilities. Offsetting this difference were slightly

lower percentages of people with disabilities going to all the other destinations.

7.41. There was also a small difference in the percentage of people entering any form of employment, with a slightly lower percentage for people with disabilities than people without disabilities (24 per cent compared with 26 per cent). This difference was entirely explained by a lower percentage of people with disabilities going into sustained unsubsidised employment.

**Table 7.4 ND25 plus Outcomes since June 1998 by Disability**

	All	People with disabilities	People without disabilities
Number on ND25 plus ('000s)	496.9	111.0	385.8
Stage Left ND25 plus			
Pre-Gateway	4	4	5
Gateway	80	80	80
IAP or AIP/Gateway Opportunities	8	9	8
Follow-through	8	8	8
Percentage Entering IAP or AIP/Gateway Opportunities	20	21	20
Of which, percentage into:			
Subsidised Employment	24	25	23
Work experience placement	13	13	13
Full-time Education or Training	10	10	9
IAP Training	16	15	16
WBLA	26	24	27
BET/Basic Skills	8	9	7
Other Opportunity	3	4	3
Exit destination, percentage leaving to:			
Unsubsidised Employment	17	16	18
Transfer to Other Benefits	13	18	11
Other	8	7	8
Unknown	13	12	13
Return to JSA	49	46	50
Percentage into Employment			
Sustained unsubsidised	16	15	17
Sustained subsidised	4	4	4
Unsubsidised <13 weeks	4	4	4
Subsidised <13 weeks	1	1	1

### Early entrants and unemployment duration

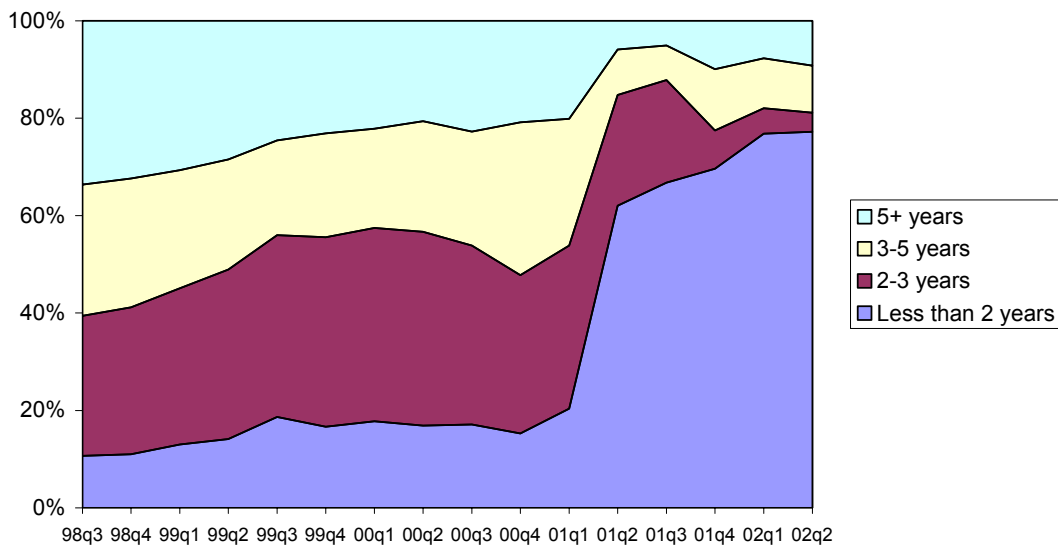
7.42. Finally the time spent in the unemployment spell prior to entry to ND25 plus is shown in Figure 7.3. There are big differences in the composition of

entrants over time, partly driven by the change in entry criteria, but also due to changes in unemployment composition.

7.43. When ND25 plus was introduced, one in ten entrants had been unemployed for less than two years, around 30 per cent for 2-3 years, 27 per cent for 3-5 years and 34 per cent for five years or more. The percentage of entrants with longer unemployment duration fell over time because entry occurred at annual restart interviews for these jobseekers and participation in ND25 plus could influence the length of their JSA claim. In 2002 less than ten per cent of entrants had been unemployed for five years or more and less than ten per cent for 3-5 years. Entrants with two to three years unemployment increased slightly through the original and enhanced national programmes to roughly 40 per cent of entrants in 2000, but once the entry criteria changed to limit qualification to 18 months unemployment the percentage of entrants with two to three years unemployment started to fall to around 20 per cent for the middle quarters of 2001 and below ten per cent for subsequent quarters.

7.44. Entrants with less than two years unemployment increased steadily through the original and enhanced national programmes from the starting 10 per cent to close to 20 per cent, representing an increasing entry for people from disadvantaged groups who could enter ND25 plus early. The change to the re-engineered programme and the reduction in unemployment time required for entry meant that since April 2001 over two-thirds of entrants have unemployment spells of less than two years on entry.

**Figure 7.3 Entrants by time spent unemployed over time**



7.45. Entry to ND25 plus was set at 24 months continuous unemployment under the original and enhanced national programmes, then changed to 18 months or 18 out of 21 months under the re-engineered programme. Throughout the programme early entry was possible for clearly disadvantaged



groups including people with disabilities, ex-offenders, homeless people, refugees, people recovering from drug addiction.

7.46. Overall, there have been roughly 92,000 people that entered ND25 plus before reaching the standard unemployment duration entry criteria. Molloy and Ritchie (2000) reported that those who viewed ND25 plus positively advocated early entry to prevent the period of unemployment lengthening. Winterbotham et al (2002) also report that ES staff felt strongly that eligibility should be reduced from 18 months to 12 months or even six months. In the re-engineered programme they feel that the programme has the tools to help the unemployed back to work or to improve their employability and the sooner they can help clients the less likely they are to develop bad habits.

7.47. Early entry does not always occur for potential entrants for two reasons. Early entry was often only agreed when Advisers think that a piece of training would enhance a client's employability. Hence, some potential early entrants are rejected. In addition, in the re-engineered programme, once the mandatory nature of the IAP is discussed many clients lose interest (Winterbotham et al, 2002).

7.48. Relative to regular ND25 plus entrants, there were some big differences for early entrants in the outcome measure shown in Table 7.5a. Fewer (73 per cent compared with 81 per cent) early entrants left ND25 plus from the Gateway. This difference is offset by ten per cent more early entrants than regular entrants going into the IAP or AIP/Gateway opportunities. This reflects the view that, certainly in the re-engineered programme, early entry is in some way contingent in participation in the IAP.

7.49. There were also big differences in the types of opportunities entered. Early entrants were more likely to participate in work experience placements, IAP training and BET/Basic skills courses and correspondingly less likely to go into WBLA than regular entrants. This is not surprising because for most early entrants WBLA was available without participating in ND25 plus.

7.50. There were also differences in the exit destinations for ND25 plus leavers. One-quarter of early entrants left ND25 plus for unsubsidised employment compared with one in six of regular entrants. This may be a reflection of them being more likely to participate in an employment related opportunity, but also probably reflects that to be early they have to display high levels of motivation to participate in the programme and in employment. Early entrants were also more likely to leave to unknown destinations, which may also represent greater moves into employment. These differences were offset by fewer early entrants leaving ND25 plus to return to claim JSA.

7.51. Overall one third of early entrants went into some form of employment compared with one-quarter of regular entrants. Early entrants were more likely to enter sustained unsubsidised employment.

7.52. From this evidence early entry seems to be a great success story for ND25 plus. As discussed above this may be because early entrants display

greater motivation in order to become early entrants, but the evidence clearly shows that the opportunity for early entry produces better employment related outcomes than for regular entrants.

**Table 7.5a ND25 plus Outcomes since June 1998 by Early Entry**

	All	Early Entry	Normal Entry
Number on ND25 plus ('000s)	496.9	65.6	425.3
Stage Left ND25 plus			
Pre-Gateway	4	4	4
Gateway	80	67	81
IAP or AIP/Gateway Opportunities	8	16	7
Follow-through	8	13	7
Percentage Entering IAP or AIP/Gateway Opportunities	20	35	18
Of which, percentage into:			
Subsidised Employment	24	33	21
Work experience placement	13	14	13
Full-time Education or Training	10	12	9
IAP Training	16	16	15
WBLA	26	13	31
BET/Basic Skills	8	7	8
Other Opportunity	3	5	3
Exit destination, percentage leaving to:			
Unsubsidised Employment	17	25	16
Transfer to Other Benefits	13	11	13
Other	8	9	7
Unknown	13	18	12
Return to JSA	49	37	51
Percentage into Employment			
Sustained unsubsidised	16	22	15
Sustained subsidised	4	9	3
Unsubsidised <13 weeks	4	7	4
Subsidised <13 weeks	1	1	+

7.53. It has also been argued that jobseekers with very long unemployment durations are extremely disadvantaged in the labour market. They may also possess some of the eligibility criteria for early entry, but due to lack of motivation do not take up opportunities until required to do so.

7.54. Atkinson et al (2000) reported that employers did not distinguish between 12, 18 or 24 months unemployment, but for duration beyond this there was further concern about the suitability for employment of the individual.

7.55. There is a clear relationship between duration of qualifying unemployment claim and progress through ND25 plus. We have seen that early entrants were more likely to stay on ND25 plus beyond the Gateway and

enter subsidised employment, and leave ND25 plus to employment. These early entrants would enter ND25 plus with less than two years unemployment duration and most of the above conclusions hold for the less than two-year duration category relative to all others shown in Table 7.5b.

7.56. Table 7.5b also shows that there was a trend over unemployment duration in nearly all measures. The percentage of ND25 plus participants that left unemployment from the Gateway was 73 per cent for those with less than 2 years unemployment, 81 per cent for 2-3 years, 83 per cent for 3-5 years and 86 per cent for 5 years or more duration. Clearly, the longer duration participants were less likely to participate in ND25 plus post-Gateway, reflecting the view from NDPAs that some compulsion was needed for some disadvantaged clients.

**Table 7.5b ND25 plus Outcomes since June 1998 by Qualifying Unemployment Claim Duration**

	<2 years	2-3 years	3-5 years	5+ years
Number on ND25 plus ('000s)	147.7	137.4	96.0	99.9
Stage Left ND25 plus				
Pre-Gateway	5	4	3	3
Gateway	73	81	83	86
IAP or AIP/Gateway Opportunities	12	7	7	5
Follow-through	11	8	7	6
Percentage Entering IAP or AIP/Gateway Opportunities	29	17	16	13
Of which, percentage into:				
Subsidised Employment	22	25	22	21
Work experience placement	20	8	10	7
Full-time Education or Training	7	12	14	12
IAP Training	23	11	10	8
WBLA	12	38	37	45
BET/Basic Skills	11	5	6	5
Other Opportunity	6	2	2	1
Exit destination, percentage leaving to:				
Unsubsidised Employment	26	17	13	9
Transfer to Other Benefits	16	12	11	12
Other	10	7	7	6
Unknown	18	13	11	9
Return to JSA	30	51	57	64
Percentage into Employment				
Sustained unsubsidised	22	17	13	9
Sustained subsidised	5	4	3	2
Unsubsidised <13 weeks	6	4	3	2
Subsidised <13 weeks	1	1	+	+

7.57. Differences also show up strongly in the percentage of participants entering the IAP or AIP/Gateway Opportunities. 29 per cent of participants entered these opportunities who had a duration of less than two years compared with 17, 16 and 13 per cent with two to three, three to five and five or more years.

7.58. There are stark differences in the type of opportunity undertaken. The longer the unemployment duration, the more likely the participant was to have participated in a WBLA Opportunity. 45 per cent of participants with five years or more unemployment entered WBLA compared with 37 or 38 for 2-3 and 3-5 years unemployment and just 12 per cent of the less than 2 years group. The less than 2 years duration entrants were more likely (23 per cent of them) to enter IAP Training than longer duration categories (around ten per cent) and also more likely to enter BET or basic skills training (11 per cent against roughly five per cent).

7.59. Longer duration entrants were also more likely to return to JSA when they leave ND25 plus. 64 per cent of entrants with 5 or more years claim duration returned to JSA compared with 57 per cent (3-5 years), 51 per cent (2-3 years) and 30 per cent (less than 2 years).

7.60. The percentage of leavers going into employment also reduced as unemployment duration increased. 13 per cent with five or more years claim duration went into employment and nine per cent into sustained unsubsidised employment, whilst for the less than two years claim duration group 34 per cent went into employment and 22 per cent went into sustained unsubsidised employment.

## **Identifying hard-to-help groups**

7.61. We know that in general ND25 plus participants have many disadvantages, not least the fact that they have been unemployed for a long time. We have also seen that they often lack motivation to work, and have a lack of qualifications and up-to-date skills. Legard et al, (2000) found that half of the participants interviewed had left continuous full-time education at, or before, the age of 16 without obtaining any qualifications. The clients themselves also see other barriers to employment including discrimination, the benefits trap, labour market competition, transport and family responsibilities (Tavistock, 1999, Legard et al, 2000 and Molloy and Ritchie, 2000).

7.62. Legard et al, (2000) reported that participants had a mixture of previous labour market experience ranging from stable employment to little or no previous employment. The most prevalent pattern was of having had a number of jobs interspersed with long spells of unemployment. One of the key challenges of ND25 plus was to break this repeating pattern.

7.63. There have been concerns that ND25 plus has worked better for some clients than others and in particularly performance was poorest for some key

identifiable client groups, termed “hard to help”. The above analysis allows for some identification of hard-to-help groups. The easiest way to define such groups is probably by considering groups with the lowest percentage of participants leaving ND25 plus to go into employment, particularly sustained employment.

7.64. We have seen that people with an extremely long time claiming JSA before entering the programme were much less likely to go into either subsidised or unsubsidised sustained employment. Furthermore, we noted that employers did not strongly distinguish between 12, 18 or 24 months unemployment but did have concerns about longer durations. These clients can easily be identified as being hard to help.

7.65. There may be underlying characteristics of these very long-term unemployed that make them pre-disposed to very long unemployment spells and it would be beneficial for these characteristics to be identified early in spells so that the additional characteristics of being very long-term unemployed does not add to their disadvantage. There is clearly a problem with a stock of extremely disadvantaged clients going through the programme. Advisers report that for BET/basic skills IAP participants, the training has often been insufficient, so for these groups extending the length of the programme intervention may lead to more positive outcomes.

7.66. Employers also identified concerns with lack of motivation, a criminal record, substance abuse, language problems and mental health problems. These groups must therefore be identified as potentially hard-to-help, although in many cases identification of such problems is far from straight forward. Many of these groups are eligible for early entry to ND25 plus and we have seen that early entry produces better outcomes than regular entry. However, early entry is a voluntary option so these positive outcomes may be related to hard to identify characteristics of early entrants, particularly in relation to motivation to participate and find work. The evidence suggests that early identification of disadvantage and early provision of support for identifiable disadvantaged groups may lead to more positive outcomes.

7.67. Older clients may be perceived as disadvantaged, although given that a large part of ND25 plus remains voluntary for people aged 50 plus makes it rather difficult to draw strong conclusions. Participants aged 50 plus are, however, less likely to enter employment from the programme than participants aged 25-49.

7.68. It is unlikely that the hardest-to-help group will face just one characteristic that makes them hard-to-help. Multiple disadvantages are likely to be evident for many of the ND25 plus client group and it is possible that a programme of this nature is inadequate to address a wide range of disadvantages in such a short period of time.

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## 8. Conclusions

8.1. The national ND25 plus programme has gone through three distinct phases with each change increasing the range of provision available to participants and the latest change making participation in all stages of the programme mandatory for all but older clients. These developments have brought the national programme, available from April 2001, more into line with pilot provision offered in 28 areas up to March 2001 and also more into line with NDYP.

8.2. Under the original national programme NDPAs found the provision unsatisfactory relative to that available in pilot areas and for NDYP participants. Also, participants in pilot areas experienced a higher degree of satisfaction with their interviews with NDPAs than in national areas. There was a high level of demand for Gateway activities under the early phases of the programme that were not met. Needs assessments of clients were also variable and participants felt dissatisfaction when they were participating in opportunities where they felt they had no choice and where the opportunities were not addressing their needs.

8.3. Many of these issues addressed with enhancements made to the programme in April 2000, with a wider range of Gateway provision made available, together with more specialist help and guidance and better assessment of clients needs. Overall, however, the enhancements were felt to be marginal. The programme was reported to be working for some clients, but not for the increasing proportion of clients who had poor motivation, very long spells of unemployment and severe barriers to finding work. There was also a desire from Advisers for more of the programme to be mandatory.

8.4. The re-engineered national programme introduced in April 2001 again addressed some of these issues, particularly extending the mandatory elements of the programme for clients aged 25-49 and re-structuring the programme to provide an individually tailored package of provision for participants. There was also greater flexibility for Advisers, which was generally welcomed, although issues concerning training for Advisers were raised.

8.5. The change to mandatory programme participation after the Gateway meant that many more participants took an active role in the programme through participation in the IAP and Advisers also felt it deterred some clients for continuing their JSA claim.

8.6. There have been some concerns regarding the Follow-through stage of the programme with clients having variable requirements from this stage of the programme dependent on the extent of their overall needs and what had been achieved earlier in the programme. For many the capacity of the Follow-through was felt to be insufficient, particularly for clients with basic skills needs. Roughly two thirds of Follow-through entrants left the Follow-through to return to their JSA claim.

8.7. Under the original and enhanced national programmes the main active provision took place under the AIP or Gateway, but for the re-engineered programme, work placements and training opportunities were spilt out into a new mandatory IAP. Work experience placements had been a successful element of the pilots, but not part of earlier national provision. They were, however, adopted and widely used in the re-engineered programme. Participation in IAP type activities increased, with clients positive about the experience when they felt they had some choice about the activity undertaken. The mandatory nature of the IAP was criticised, but it was also accepted that it could be beneficial.

8.8. The employer subsidy was widely used under the original and enhanced national programmes and less so in the re-engineered programme when work placements were more favoured. Employers found the subsidy useful to reduce costs particularly smaller employers who found the subsidy vital and constituted most New Deal employers. However, many employers reported they would have selected the same recruit in the absence of the subsidy.

8.9. Employers were attracted to the 25 plus client group because they had more experience, and skills and were considered more reliable than younger jobseekers. Problems with clients typically related to lack of motivation, substance abuse, a criminal record, language and mental health problems and employers were also averse to participants who had had extremely long unemployment spells.

8.10. Training providers became a more integral part of the programme in the re-engineered programme with the new IAP and also the introduction of the routeway model of delivery where providers determined the exact provision for clients once Advisers had signalled a general direction. This had led to some tensions between Advisers and providers, together with concerns about the low number of referrals in the early months of this phase of the programme, but after several months the referral rate picked up and tensions generally eased.

8.11. Benefit Sanctions also became a more important element with the re-engineered programme, although were seldom used. There was widespread support for sanctions and NDPAs felt they were a useful tool that clients took seriously. However, there was a feeling that a 26-week sanction was too harsh.

8.12. The quantitative evidence about the programme indicated a modest impact of the original national programme. For the pilots at this time, more pilot participants left unemployment than participants in national areas, although the relative difference between pilot and national participants was more modest. There was little indication of an increase in employability based on a range of measures and mixed evidence about the quality of jobs that ND25 plus participants went into.

8.13. Looking at different client groups indicates that early entry is an effective policy with more early entrants more going into sustained jobs. At the other extreme very long-term unemployed participants, those with five years or more unemployment were far less likely to go into jobs.

8.14. The voluntary nature of a lot of the programme for people aged 50 or over makes for very different outcomes by age, with younger participants more likely to go into work. There were very few differences by gender, and for people with and without disabilities. Ethnic minorities entered very different opportunities through the IAP than White participants, however, there was little difference in the percentage of Whites and ethnic minorities entering employment



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## Appendix: Workshop Summaries

On 11 December 2002 a series of workshops were held to discuss the findings that emerged from earlier drafts of this report. There were four workshops covering:

- Eligibility – facilitated by Chris Hasluck (Institute of Employment Relations)
- Client groups – facilitated by Helen Barnes (Policy Studies Institute)
- The New Deal Personal Adviser – facilitated by Mark Winterbotham (IFF Research Ltd)
- What works on New Deal 25 plus – facilitated by Alan Marsh (Policy Studies Institute)

Each workshop was attended by between 8 and 10 people and the workshops were repeated so that overall 16-20 attended a workshop on a particular theme. Workshop attendees included researchers responsible for the primary research upon which this report is based, DWP researchers, New Deal policy officials and regional co-ordinators.

This appendix sets out the opinions expressed in the workshops based on a brief summary of reports provided by each of the above workshop facilitators. A series of questions relating to each theme were considered although the discussions were not restricted to those questions. Material from the discussions is omitted here when it is covered in detail in the main body of the report.

In the following, the term 'participant' refers to a participant in the workshop and not a participant on ND25 plus (for who the term 'client' is used).

### Workshop 1: Eligibility for New Deal 25 plus

There was a considerable degree of agreement between the two workshop groups, both in terms of how ND25 plus currently operated and in terms of how eligibility may or may not be changed.

#### Current eligibility

Some participants felt that recent changes in eligibility (reducing eligibility from 24 months unemployment to 18 months) and the early entry criteria had been used to keep up numbers on the programme. Some participants felt there were gains from this reduction in eligibility criteria; clients were somewhat more employable because of their earlier entry to the programme.

There appeared to be a consensus that the criteria should remain at 18 months (out of the last 21) largely on the grounds that there was no evidence to support the proposition that a more general early entry would increase job entry. However, one participant suggested that the experience of similar

programmes in the Netherlands and Switzerland (where the eligibility threshold had been reduced below 18 months) suggested that there were significant impacts on helping clients into work. Notwithstanding, most participants believed that a further reduction in general eligibility would merely increase numbers on the programme and increase costs.

A view was also expressed that ND25 plus provision should be seen in the broader context of other provision for adult Jobseekers Allowance (JSA) claimants. Thus, if a client required basics skills then this should be provided via other provision, such as Work Based Learning for Adults (WBLA) that, for instance, allowed entry after six months on JSA.

### **Early entry**

There was a general view that eligibility for entry to ND25 plus should remain at 18 months, there was also a view that current early entry criteria were too specific and did not allow enough discretion to NDPAs. Many participants felt that the early entry criteria of ND25 plus should be the same as those on NDYP where there was perceived to be a general 'catch all' ground for early entry where a young person was at a serious disadvantage in the jobs market. There was, however, a minority view (one participant) who argued forcefully that such discretion already existed but that NDPAs were reluctant to use it or unaware that they had such discretion in practice.

Despite the apparent benefits of early entry for some clients, there was little support for making early entry other than voluntary. Mandatory early entry would, most argued, be to the detriment of the NDPA-client relationship. It was, however, felt that more clients were coming forward seeking early entry partly because provision was seen as having improved. There was a minority view that some client groups could/should be required to enter the programme as an early entrant. Ex-offenders were cited as an example of such a group, while any client who had received support from other agencies was another.

### **Re-entry**

Currently, clients who leave ND25 plus are ineligible to re-enter the programme for 18 months. Some participants argued that this was too long a gap, especially where the client had only travelled some of the way to being employable at the time they left ND25 plus. If hard to help clients returned to JSA there might be a case to allow them to re-enter ND25 plus after, for example, six months in order to build on earlier progress.

### **In-work support**

It was felt by some participants that there should be a greater level of 'in-work support' for clients leaving ND25 plus for a job. This need had increased as the proportion of the client group who were 'hard to help' and thus vulnerable in work had increased. Some in-work support was available in the form of mentoring, although most participants claimed to be unaware of this provision.

Some participants would like to see in-work support being offered as part of a separate provision for the hard to help client group.

### **The future of New Deal**

Many participants looked forward to a streamlined New Deal with a common Gateway period to which different clients have access at different unemployment durations and where provision was driven by client need rather than age group. Some participants would like to see inactive benefit recipients also eligible for such a programme and not just JSA claimants.

## **Workshop 2: Client Groups**

### **Age**

There was a strong view that age becomes a disadvantage issue long before 50 – perhaps as early as 45, or even 40. The older client group were seen as a key group, with provision likely to be affected by legislation in 2006 outlawing age discrimination in employment. It was noted that the over 50s have had a chequered history within the provision, since the IAP was mandatory for the pilots but not in the re-engineered programme. The effect of IAP was noted as being polarising for this group – many got jobs, but many left onto other benefits and effectively retired. Thus intervention could have negative effects.

Virtually all participants felt that the different treatment of the 50 plus age group was inappropriate. Almost all felt that the IAP should be mandatory for all clients regardless of age. There was some discussion of the upper limit for eligibility. Most participants felt that clients should be eligible for ND25 plus so long as they were claiming JSA.

The type of provision that was available was noted as not having always been appropriate, particularly for those with considerable work experience. It was felt that older people needed to have more account taken of their experience and skills, although there was also a need for their skills to be re-focused and linked to available opportunities.

One policy option suggested was of something similar to the function Connexions is intended to play for younger people, and like Connexions, it was suggested that this could usefully be quite holistic and address issues (e.g. ill-health, caring) which affect employability whilst not being traditional Jobcentre Plus territory.

It was also suggested that Gateway modules be developed specifically with the needs of older workers in mind. However, both of these policy ideas were seen as contingent on there being enough people to take them up in a given area – it was thought that this might be problematic in smaller towns and rural areas.

One person speculated that future cohorts entering ND25 plus may be qualitatively different from existing participants, as they will have been activated by NDYP – ‘we won’t be finding people who’ve been on benefit for 18 years’ – another responded more cynically saying that they might still find people who haven’t had a job for 18 years, and there isn’t necessarily so much difference.

### **Minority Ethnic Groups**

There was felt to be a shortage of provision for those with ESOL needs, and that the available courses were too short and not always appropriate (a lack of focus on job relevant vocabulary was particularly noted) and it was said that many advisers refer to basic skills courses by default, knowing that the person really needs ESOL provision which is not available. It was argued that advisers thinking laterally could place workers with ESOL needs in sectors (e.g. catering and retail) where this would not be an issue, but that there could then be a conflict between short-term and long-term aims in terms of employability. A need to incentivise staff with appropriate skills, such as community languages, was also noted.

### **The Hardest to Help**

Much of the remainder of the discussion concerned the hardest to help. A discussion of early entry focused on the need for identifying people who were unsuitable to enter ND25 plus and needed to be referred to pre-ND type provision well in advance of the time when they would be mandated to enter. At the same time, there was a need to avoid deadweight and it would not be right to target everyone in this initial period.

The time pressures on advisers were felt to militate against identification of those most disadvantaged, particularly regarding issues such as ESOL and less obvious forms of disability. Advisers were also acknowledged to play an important gatekeeper role in relation to early entry – only accepting those who were likely to obtain a job outcome. There was felt to be a need for qualitative evaluation of early entry and how it operates, in particular the types of pressures that lead advisers to skim off those easiest to help. The high levels of motivation implicit in someone seeking out early entry were noted as likely to be a key factor affecting current outcomes and therefore extending early entry was seen as potentially likely to dilute these.

By the time someone has been unemployed for a long period, it was argued that issues relating to self-confidence and self-esteem are hard to disentangle from other issues such as benefit disincentives. Some argued that this group fell into two categories – those hardest to help and those who don’t want to work. Others argued that there was not always a clear distinction between these.

### **Other disadvantaged groups**

It was argued that provision for disadvantaged groups in each area needs to be based on a more thorough analysis of local labour markets, and that Jobcentre Plus needed to develop a much stronger matching/intermediary role with employers. There was a discussion of StepUp, currently being piloted, and this was seen as having a great deal of potential in helping people back to work, because it was based on an Intermediate Labour Market model. Although relatively costly, this programme was seen as offering long-term savings and benefits. At the same time, one person argued that it was important to bear in mind the possible displacement effects if this was rolled out nationally. Others argued that it is acceptable to displace someone who is not disadvantaged and can find another job if, by doing so, you give a disadvantaged person a chance.

Programmes such as Progress2Work and Hardest to Help (now called P2W LinkUP) were seen as highly effective and something which should be rolled out as fast as possible. It was suggested that there should be a mechanism whereby those accepted onto such a programme could have a deferred entry onto ND25 plus.

There was a discussion of the relative merits of marketing the benefits of specialist provision versus mandating before 18 months, with the general balance of views favouring the former. It was felt that those with chaotic lifestyles would be unlikely to follow the programme in a straightforward sequential way, and that there should be provision for 'time-out' periods (these apparently do already exist in relation to Progress2Work) while at the same time not allowing too much drift and maintaining overall control and a focus on the end goals of the programme. Underpinning this whole discussion was an implicit tension between the idea of ND25 plus as a mainstream programme (and the extent to which special needs should be referred outside of it) and a tacit recognition that, to some extent, it functions as residual provision, in that most of those having recourse to it have significant disadvantages of some kind.

A whole raft of issues in relation to basic skills were identified. These included concerns about the effectiveness of screening in Jobcentre Plus, problems encouraging take-up of provision, the quality and availability of provision (particularly availability of follow-on provision after the initial course) and the needs of people with a complex mix of ESOL and basic skills issues, who are not literate in their first language (mainly refugees). There was felt to be a need for a model curriculum with better funding; one which is less closely tied to job outcomes and more flexible in terms of the length of courses. It was hoped that the recent appointment of basic skills co-ordinators would help to address some of these issues. A question was also raised about the effectiveness of ESOL training provided under WBLA and it was argued that this should be made more widely available if it is of good quality, not least as refugees already have access to it.

## **Advisers**

Advisers were generally acknowledged to be pivotal to the whole process, and the whole structure of incentives for advisers and for clients was felt to be important. NDPAs were seen as having training issues in relation to the identification of acute or multiple disadvantages. The targets and caseloads also needed to be adjusted to take account of the degree of complexity involved. Some people argued that the advisers work would be made easier if they were allowed to work with some groups on a non-mandatory basis, while others felt that the ethos of compulsion was quite central to the organisation and did not represent a problem for advisers. There was felt to be a need for advisers to develop specialist knowledge, and it was argued that they might usefully be provided with additional incentives for doing so. The development of the senior adviser role was seen to go some way in this direction.

There was also a discussion of the different degrees of flexibility available to advisers under different regimes – Employment Zones (EZ) versus Jobcentre Plus and Action Teams. The tailored help possible under EZ was felt to make it easier to tap into individual clients' motivations – examples were given of funding driving lessons, of rewarding individual initiatives by allowing amounts saved by sourcing items at reduced prices to build towards a bonus and so on. In general, it was felt that EZ assistance could more easily incorporate an element of 'reward' (like a TV) when someone got a job, rather than being only for things directly related to the job (such as clothes or tools). In this context, someone also mentioned an idea that had been mooted of a 'reward card' type initiative for NDLP. EZ were felt to encourage lateral thinking, outreach and a 'can-do mentality' compared to the much more bureaucratic attitudes fostered in advisers under Jobcentre Plus.

An example of the bureaucratic mindset was presented by a lively discussion about the issues of 'points' allocated to particular types of clients at Jobcentres which were seen to be a significant source of disincentives for advisers to work with certain groups, such as the over 50s. The issue of 'multiple points for multiple problems' was raised but not really felt to be practicable (the first workshop group felt this issue was more important than the second group). Job targets, in particular, were seen as a key driver affecting advisers. The issue of how to measure client progress/increased employability as an outcome was also mentioned in this context.

### **Workshop 3: The role of the NDPA**

There was general recognition that the NDPA role is central to the ND25 plus programme and the programme's success depends on how well this role is being fulfilled. One person commented that if the outcomes on the programme are at the 35-40 per cent level as indicated in the report then the conclusion to be drawn is that NDPAs must be working effectively. That said, in the other workshop one attendee commented that no one has figures on exactly how many NDPAs there are on 25 plus nationally, and hence, evaluating their overall effectiveness of the programme in terms of the role played by NDPAs is not straightforward. The issue of top slicing was also raised – it being



unclear the extent to which money intended for advisers is being spent on advisers.

Re-engineering of the programme has moved NDPAs closer to centre stage, and more and more is being asked of them. A wide range of skills are seen as required for the job (knowledge of the local economy and jobs situations, counselling, being able to listen, motivate and persuade, organisation skills, to be on top of the processes and systems, knowledge of drugs and alcohol issues etc). One commented that if they had all the skills we expect (or want) them to have they wouldn't be NDPAs (they'd be able to get much more lucrative work).

### **Successful changes to ND25 Plus**

Areas within the enhancements and re-engineering of ND25 plus affecting advisers and seen to be successful are:

- (the move to) weekly sessions and the opportunity this gives to build up a rapport with clients
- the greater focus on client responsibilities, as well as a shift away from the softly softly approach
- action planning which has given greater structure to the whole process
- the greater range of tools available to NDPAs to help clients
- increased flexibility for NDPAs (the ADF was felt to be both popular with NDPAs and being used to the benefit of clients)

With regard to the idea of flexibility for advisers and the ability to tailor provision to the needs of the individual, there was a widespread feeling that they have grabbed this opportunity by the horns. Others put the point in terms of them having done as much as they are allowed by the programme, and often the room for flexibility and tailoring depended on local provision.

### **Areas of continuing concern in ND25 Plus**

Some issues / areas working less well regarding advisers and their role in the ND25 plus process, or hindering even better performance were felt to be:

- High levels of staff turnover is seen as a major issue that needs consideration. Losing experienced advisers is hindering the achievement of higher job outcomes from the programme given the number of new and inexperienced advisers that have to be brought in. Turnover results in part from burnout in what is agreed to be a difficult and demanding job. One ex-adviser spoke about how this often sets in when they start seeing clients coming back for their second or third spell on the programme. High turnover also reflects a lack of obvious career progression in the role, something that the advent of the senior adviser role had only partially resolved, however, the added financial and other benefits for a senior adviser were felt to be limited.

- Professional development, career development, and the re-design of the NDPA role were seen as areas where attention was needed (there was some comments that work is being done in this area with occupational psychologists looking at the job design of the NDPA position). Career progression, recognition and kudos, training and qualifications, rewards (both higher pay to better reflect what is being asked of them and possibly greater uses of incentives) and the potential need for job rotation to reduce burnout were some of the issues that participants felt needed to be addressed.

Example comments on these issues included:

- NDPAs targets for placements being set too high (and being demotivating for many)
- advisers having little incentive to perform well (the low payments awarded for high box marking; achieving an NVQ leads to a small one-off payment)
- with regard to career development and progression, the dilemma is how to avoid the situation where progress for an adviser means they leave the advisory role

### **Barriers to better performance**

A number of barriers were discussed in relation to aspects of the role that acted against NDPAs being able to do an even better job. These included:

New Deal in general (not ND25 plus specifically) was seen as involving NDPAs in a vast amount of often *unnecessary paperwork* (people spoke about the bureaucracy, duplication of processes, audit trails, the complexity and the lack of harmonisation between the different New Deal programmes). In the latter area work is being done to bring some of the different New Deal programmes closer together, but there is felt to be a general need for simplification of the processes. The paperwork and bureaucracy were seen as reducing the amount of time NDPAs were spending on the key aspects of their job of trying to get clients into work. It was generally de-motivating for advisers.

These issues all contributed to NDPAs experiencing severe pressures on their time. It was recognised for example that advisers found it difficult to find time to get to know their training providers and local employers, despite this being a key part of the job. Without this, one attendee commented, how can advisers possibly put the ideal programme together for an individual? Links with, and knowledge, of providers were generally felt to be improving, although there was still some way to go in this regard.

Multi-functioning, with advisers working in other roles rather than working exclusively on ND25 plus, was seen as being far from ideal (although inevitable in smaller offices), and making the role 'piecemeal'. Greater harmonisation between different New Deal programmes should help this to some degree since part of the problem currently for those working on different programmes are the differences between each programme.

The training NDPAs have received to date was often seen as being of variable quality. One of the workshops felt that the balance of the training had possibly focussed on systems and processes rather than developing skills needed in helping the 25 plus client group back to work (e.g. it would have been preferable to give greater weight to such issues as diagnosis of clients barriers, more on identifying drink and drugs issues). The other workshop group appeared to think the reverse, that skills training has been fine but product knowledge training has not been great. Generally though workshop attendees were unsure what training NDPAs received initially or continued to receive, or the extent to which this was standard across districts.

Some participants felt that the IT support systems were reasonable (and certainly improvements had been made) while others felt they were often a hindrance and not fit for purpose (e.g. information out of date, a lack of user-friendliness). Some commented that some of these issues were being looked at currently, although no one was sure if advisers were being consulted as to their needs in regard to the systems.

### **Other issues raised**

- It was mentioned that there may be a need for more specialist advisers (e.g. specialising or having extra training in identifying drug or alcohol issues, or mental health issues, or responsible for links with NHS).
- The balance between autonomy for advisers and ensuring policy is adhered to is seen as something of a balancing act. The former explains part of the success of the programme although there is evidence that programme effectiveness matches the extent to which the programme guidelines are being adhered to.
- Good management of advisers is very important.
- How, and even if, best practice is shared between advisers is not clear. More (formal) opportunities for this would contribute to (a sense of) professional development within the adviser role.
- All the issues discussed are not specific to advisers on ND25 plus, they are very similar for advisers on any of the New Deal programmes dealing with long term unemployed clients.

### **Workshop 4: What works best on New Deal 25 plus**

The two groups differed in their opinion of what works best in the programme. The first placed emphasis on the mandatory IAP under the re-engineered programme and the second on the Gateway Period.

Those emphasising the IAP drew attention to the increased focus of the PA-Client relationship and the tight 13-week focus, which can be structured into a

plan for the client to follow and the PA to monitor and support. The use of case conferences was also seen as a key element of the programme

On the other hand, those participants who emphasised the Gateway drew attention to the 2-week Gateway to Work courses that were originally designed for under 25s but seem to offer a lot to over 25s as well.

The increased regularity of the meetings between the client and the NDPA were also perceived as being especially effective, although this is not always possible. The use of Senior Advisers to support NDPAs, conduct case conferences and inject the required structure, pace and purpose into the office effort was considered vital to the success of the re-engineered programme.

Both groups agreed that ND25 plus does not do enough for the hardest to help and the most disadvantaged. This arises from a number of weaknesses:

- Initial assessments were often weak and undirected and NDPAs were insufficiently well-trained to deal with sick and disabled clients.
- Basic skills training was not up to scratch: the courses available were usually too short, too generalised, and insufficiently tailored to real knowledge of local labour market opportunities.
- Training and related service providers are very good at spotting the hardest cases early on but can do little for them, mainly because they hold out only small promise of the incentive payments attached to getting people into unsubsidised employment.

### **Recommendations**

A number of suggested improvements/recommendation came out of the discussions. These included the need for:

- more focussed specialist provision
- NDPAs and specialist providers to work in close concert
- greater engagement with employers
- improved training of NDPAs to deal with sick and disabled clients
- All clients to have regular meetings with NDPAs and for NDPAs to engage with them effectively
- case conferences to be held promptly and to be properly recorded and acted on.

Discussion returned to the central importance of the NDPA-client relationship and the clear effectiveness of good NDPAs. Greater investment in NDPA training, mentoring, selective recruitment, and developed career structure is therefore likely to be rewarded by improved performance of ND25 plus.

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