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# Careers Service Work with Adults: A Survey

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This report presents the findings of a survey of Careers Service Companies about their adult guidance services and services to employers. The extent of such services varies considerably across companies. Between a quarter and a third remain youth-oriented; about a third have expanded their adult guidance provision on a public-service basis; up to a quarter have been entrepreneurial in developing services for individuals and employers on a predominantly fee-paying basis.

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The National Institute for Careers Education and Counselling (NICEC) is a network organisation initiated and supported by the Careers Research and Advisory Centre in Cambridge. It conducts applied research and development work related to guidance in educational institutions and in work and community settings. Its aim is to develop theory, inform policy and enhance practice through staff development, organisation development, curriculum development, consultancy and research.



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The Centre for Guidance Studies was created in 1998 by the University of Derby and five careers service companies (the Careers Consortium (East Midlands) Ltd.). The centre aims to bridge the gap between guidance theory and practice. It supports and connects guidance practitioners, policy-makers and researchers through research activities and learning opportunities; and by providing access to resources related to guidance and lifelong learning.

CeGS aims to:

- conduct and encourage research into guidance policies and practice;
- develop innovative strategies for guidance in support of lifelong learning;
- provide resources to support guidance practice across all education, community and employment sectors.

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This report summarises the findings from a postal survey of all Careers Service Companies in England about their adult guidance services and services to employers. The survey was conducted by the Centre for Guidance Studies (University of Derby) and the National Institute for Careers Education and Counselling (NICEC) for the Department for Education and Employment (DfEE). Forty-five questionnaires were returned, representing a response rate of 67%.

The main purposes of the survey were:

- to map existing Careers Service Company provision for adults and the range of services that Careers Service Companies are offering to employers;
- to gather information about how existing provision will be affected by the introduction of ILAs.

## 1. Adult guidance services

### 1.1 Who are the clients?

Many adult guidance clients were unemployed: about two-thirds of Companies reported that over half of their adult clients were unemployed, whereas only about a fifth of Companies indicated that over half their adult clients were employed. Few clients were self-employed. Most had some qualifications.

The main reasons for using services were that clients were changing career direction or re-entering education and training. Where over half the adult clients were unemployed, clients were less likely to be changing career direction and more likely to be re-entering education/training.

### 1.2 What services are provided?

- All Companies offered access to careers information and in-depth guidance interviews, and all but one offered access to careers software.
- The overwhelming majority also offered brief advisory interviews, job-search/CV-writing workshops and psychological testing and assessment.
- About half offered career workshops or group guidance, and roughly 30 per cent offered other services to adults.

### 1.3 Who is involved in IAGA partnerships?

All partnerships involved FE colleges, and over three-quarters involved the Job Centre, the TEC, voluntary groups and libraries; but only a quarter or less included Trade Unions, Employers or Jobclubs.

### 1.4 Which are the most important sources of referrals?

87 per cent of Companies identified the Job Centre, 55 per cent FE colleges, and 55 per cent other organisations/sources, as one of their three most important sources of referrals. Other sources included self-referrals and referrals by family, friends and other clients.

### 1.5 Current policy on adult guidance provision

Most Companies offered certain services free (eg careers information) and charged for others (eg psychometric testing). However, some services which were normally charged for might be free for certain groups of clients. Such arrangements were dependent on funding availability, which often varied from year to year.

### 1.6 How much resource do Companies put into adult guidance?

There is considerable variation in the amount of resource which different Companies are devoting to adult guidance work. Just over half the Companies reported that less than 10 per cent of the time of their qualified guidance staff was spent on adult guidance work. On the other hand, 7 Companies reported that over half of the time of their qualified guidance staff was spent on such work. There were similar variations in terms of support staff time and budgets.

### 1.7 How are adult guidance services funded?

In 1999/2000 the most frequently mentioned sources of funding were employment programmes (eg New Deal), individual users' fees, the TEC, ESF or other EU funds, and the Single Regeneration Budget. In 2000/2001, the main change anticipated was a decline in the number of Companies expecting to be funded by their local TEC, and an increase in those Companies expecting funding from the DfEE IAGA partnership.

Sixty per cent of Companies expected the number of clients to increase over the next year, but under half of the Companies expected the staff resources to be increased; nearly half of the Companies expected their budget to remain unchanged.

Key themes on funding were: the withdrawal of TEC funding, uncertainty over ESF funding, and recognition of the potential of IAGA funding.

## 2. Services to employers and employees in the workplaces

### 2.1 What services are offered?

The most frequently mentioned services were redundancy/outplacement counselling, psychological testing and in-depth guidance interviews. Five Careers Service Companies did not identify any services they offered to employers and/or employees in the workplace.

### 2.2 How many employers?

About half of the Companies had worked with less than 10 employers in the last year; three Companies had not worked with any employers in that time. On the other hand, eight Companies reported that they had worked with 100 or more employers. The median number of SMEs that a Careers Service Company had worked with was 15; the median number of large employers was 5. The median number of individuals receiving career guidance through this means was 100 per Careers Service Company.

### 2.3 How resourced?

Only two Companies reported that they derived more than five per cent of their income from services to employers; over 80 per cent reported that they devoted less than five per cent of their total staff time to this activity. Lack of time and resources were the main challenges to the further development of this aspect of their service, although a few commented on not having the right expertise or the skills needed to market their services successfully to employers.

### 2.4 Other issues

There was only limited evidence of trade-union involvement, or that Companies had evaluated the effectiveness of their workplace guidance activities.

## 3. Individual Learning Accounts

### 3.1 Involvement in ILA pilot projects

Nearly three-quarters of the Careers Service Companies had been involved in an Individual

Learning Accounts (ILA) pilot project. All of these had provided in-depth guidance interviews and most had also provided access to careers information.

### 3.2 Impact of ILAs

Over half of respondents thought that the introduction of ILAs would lead to an increase in the number of brief advisory interviews; two-thirds thought it would lead to an increase in the number of in-depth guidance interviews. Few thought the introduction of ILAs would lead to a decrease in any activities.

### 3.3 Longer-term significance

Just over half the Companies thought that ILAs would be significant or very significant for lifelong learning in the longer term, whereas just under half thought they would be not very significant or not at all significant. ILAs were seen as potentially stimulating a considerable demand for guidance, but it was unclear how that guidance would be provided. A major concern was whether ILA funds could in future be used to fund guidance.

## 4. Factors influencing service provisions

Companies with employer contracts were more active in their provision of adult guidance services. In particular, they:

1. offered a wider range of services to adults;
2. offered more services to employers and employees in the workplace;
3. had more organisations involved in their IAGA partnerships;
4. identified different sources of referrals as their most important;
5. allocated more of their staff time and spent more of their budget on adult guidance activities;
6. had more sources of funding in 1999/2000 and expected to have more sources of funding in 2000/2001;
7. were more likely to be involved in ILA pilots.

In contrast, those Companies which relied to a significant extent on fees from individual users to fund their services tended to be less active. In particular, these Companies:

1. were less likely to offer as many services to employers and employees in the workplace as other Companies;

2. had slightly fewer organisations involved in their IAGA partnerships;
3. had fewer sources of funding in 1999/2000;
4. expected to have fewer sources of funding in 2000/2001;
5. were less likely to have the majority of their adult clients unemployed.

Companies where more than half their clients were unemployed were also more active. These companies:

1. had more organisations involved in their IAGA partnerships;
2. provided more services to employers and employees in the workplace and worked with more employers;
3. were more likely to have participated in an ILA pilot and were also more likely to see ILAs as being significant for lifelong learning.

In general, it seemed that work with employers and employees in the workplace *built upon* other funding sources, whereas reliance on fees from individual users was to some extent *compensating* for lack of such other sources.

### 5. Approaches to adult guidance provision

We conclude that Companies are adopting three broad approaches to adult guidance work:

1. *Youth-oriented*: Companies that do very little adult guidance work but continue to offer a service primarily geared to young people.
2. *Entrepreneurial*: Companies that have been proactive in developing a range of services to individuals and employers, predominantly on a fee-paying basis.
3. *Public-service-oriented*: Companies that fund the majority of their adult guidance provision from grants or special programmes (eg ESF funding) and offer services that are free to most, if not all, individual users.

We estimate that between a quarter and a third of Careers Service Companies are 'youth-oriented'; up to a quarter are 'entrepreneurial'; and about a third are 'public-service-oriented'. These are not, however, clear-cut categories: all Companies offer some adult guidance provision; and many Companies offer some services free but charge for others, and/or charge some clients but not others.

# 1. Introduction

This report summarises the findings from a postal survey of all Careers Service Companies in England about their adult guidance services and services to employers. The objective of the survey was to find out how Careers Service Companies are developing their services for adults and how these services might be affected by the introduction of Individual Learning Accounts (ILAs). The survey was conducted by the Centre for Guidance Studies (University of Derby) and the National Institute for Careers Education and Counselling (NICEC) for the Department for Education and Employment (DfEE).

## 1.1 The policy context

In the mid-1990s, following the Trade Union Reform and Employment Rights Act 1993, the Careers Service was removed from the mandatory control of Local Education Authorities and contracted out. Part of the intention of the Act, as stated by Ministers in Parliament, was to encourage enterprise among careers services in developing services, on a fee-charged or separately funded basis, for individuals outside the statutory client-group (mainly young people). Statements made by Ministers included references to 'giving the careers service commercial freedoms and flexibilities', to the intention to 'encourage innovation', and to hopes that 'careers advice will be expanded', with 'scope to assist unemployed adults, people facing redundancy or those seeking a career change' (see Watts, 1995).

A survey of Careers Service Companies by the Institute of Careers Guidance (1996) showed that, despite this policy, the initial effect of contracting-out was some reduction of services for adults. One in seven services delivering career guidance services to adults had to withdraw this provision for financial or contractual reasons; around two-thirds experienced a decrease in funding and staffing levels for their work with adults. A major difficulty cited in the survey was the lack of core funding or of a robust national strategy for lifelong guidance.

In 1998 the Government announced a new strategy for information, advice and guidance services for adults. Funding of £54m was to be made available over the three years 1999-2002. This funding was designed to set up a sustainable framework for such services, based on local partnerships which should include community and voluntary groups as well as professional guidance services. The partnerships were to be co-ordinated by a 'lead body' (DfEE, 1998a). In most of the partnerships that have emerged, the Careers Service Company is the 'lead body'.

The future of the Careers Service Companies, however, has recently been called into question by another Government initiative: the Connexions service (DfEE, 2000). This new service is to provide a generic support service for young people, covering personal and social as well as career issues. While it is to be a universal service, it is particularly targeted at young people who have dropped out of education, training and employment, or are at risk of doing so. The Careers Service as such will cease to exist; the statutory duty to provide careers services to specified groups (mainly young people) will remain, but will be carried out within the Connexions service. At local level, it seems likely that some Careers Service Companies will be subsumed into the Connexions service, while others will remain as separate entities offering services to Connexions on a sub-contractual basis. This could have significant implications for the position and capacity of careers services in relation to local Information, Advice and Guidance for Adults (IAGA) partnerships.

It is also important to note that the £54m funding committed to the IAGA strategy is for information and advice services, not for guidance *per se*. The DfEE policy statement noted that some adults 'have a need for a more tailored service, which may include an in-depth guidance interview'. It commented:

'Guidance interviews are already available free of charge to some adults, including in particular the unemployed, through a variety of different Government programmes. The Government is keen to see providers develop a more comprehensive range of guidance services for adults on a local level. For the majority of adults in employment, however, the Government does not believe there is a compelling case for such services to be universally supported out of public funds' (DfEE, 1998, p.4).

At present, Careers Service Companies collectively remain one of the main providers of adult guidance. They fund their adult guidance services in three main ways:

- Fee-charged services to individuals. Commonly these are costed on a marginal-cost basis rather than at full market rates. They are therefore effectively subsidised by other sources of funding.
- Fee-charged services to employers, which include services made available to employees. These may include outplacement services or broader HRD services.

# 1. Introduction

- Publicly-funded services which are free to individuals. The funding here is from a variety of sources, and is often targeted to particular client groups, eg unemployed adults.

The potential significance of Individual Learning Accounts (ILAs) in this respect is two-fold:

- As a means of reconciling the two principles underlying ILAs: that individuals are best placed to choose what and how they want to learn; but that the responsibility for investing in learning needs to be shared (between the state and/or employers and/or the individual) (DfEE, 1998b). Access to guidance is a means of reassuring the state and employers that individuals' decisions will be well-informed and well-thought-through (Watts, 1999).
- As a means of breaking out of the marginal-costs barrier for the expansion of guidance provision, enabling the guidance to be paid on a full-cost basis by getting employers and the state to supplement what individuals are prepared to pay (Watts, 1999).

For the present, however, ILA monies cannot be used to pay for guidance.

The introduction of ILAs is taking place at a time when Training and Enterprise Councils are being wound up and replaced by Learning and Skills Councils, and when other Government initiatives, such as Regional Development Authorities, are being established. Each of these initiatives might be expected to have some impact on the scope and nature of adult guidance provision.

## 1.2 The survey

This survey of all Careers Service Companies in England was carried out as part of a DfEE-funded study that aimed to inform the national development and implementation of Individual Learning Accounts (ILAs). The study also included case-studies of good/interesting practice on guidance in and around the workplace: these are reported separately (Bosley, El-Sawad, Hughes, Jackson & Watts, 2001). The purposes of the survey reported here were:

- to map existing Careers Service Company provision for adults and the range of services that Careers Service Companies were offering to employers;
- to gather information about how existing provision might be affected by the introduction of ILAs.

In particular, the survey was concerned to document the different approaches to working with adults and employers that have been adopted by Careers Service Companies. For example, what policies were Companies adopting towards charging for their services? How significant was work with employers in terms of its scope and its financial contribution to the Companies?

The survey questionnaire was in three sections. The *first* section asked for background information about the Careers Service Company's adult guidance provision. Information requested included: the range of services provided to adults; the characteristics of adult clients; organisations involved in local IAGA partnerships; the level of resources devoted to adult guidance; current and future sources of funding for services; and anticipated changes in provision. Adult guidance services were defined in the questionnaire as services provided to clients over 18 years of age. However, one service reported that they defined their adult guidance service as that given to clients age 20 and over.

The *second* section of the questionnaire focused on the range and extent of services that the Careers Service Companies provided to employers and employees in the workplace. The *final* section asked the Careers Service Companies about their experience of ILAs and the potential impact of ILAs on the Companies' provision of adult guidance services.

Questionnaires were sent to all 67 Careers Service Companies in England in March 2000. By the time the survey was closed in early May, 45 questionnaires had been returned, representing a response rate of 67%. In addition, one Company replied saying that due to increases in workload, none of their staff had had the time to complete the questionnaire. Another Company reported that their adult guidance service was delivered and managed by a separate adult guidance unit and that their questionnaire responses referred exclusively to the work of that unit: we have included most of their responses, but have excluded those that adopted a different frame of reference than that adopted by other respondents.

## 1.3 Structure of the report

The results of the survey are presented in the next three sections of the report: Section 2 reviews the adult guidance services that Careers Service Companies offer; Section 3 describes the range and extent of services provided to employers and



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# 1. Introduction

employees in the workplace; and Section 4 asks about Companies' experience with ILAs. Section 5 then reviews some factors we have identified from the survey that appear to influence the provision of adult guidance services. Finally, Section 6 sets out our conclusions from the survey.

Statistics supporting the key points made in the text are included as tables and figures within the relevant sections. The total number of cases shown in tables varies somewhat, according to the numbers of respondents who answered each question. Percentages do not always sum to 100 per cent due to rounding on each item.

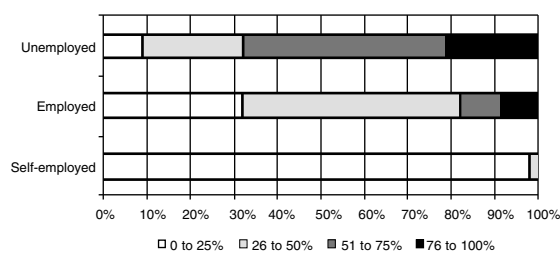
## 2. Adult guidance services

In this section of the report, we aim to describe the range of existing adult guidance provision. This covers both the range of clients and the services they are offered, as well as the organisations involved in local Information, Advice and Guidance for Adults (IAGA) partnerships. We also review how services are funded and how funding is anticipated to change in the future.

### 2.1 Who are the clients?

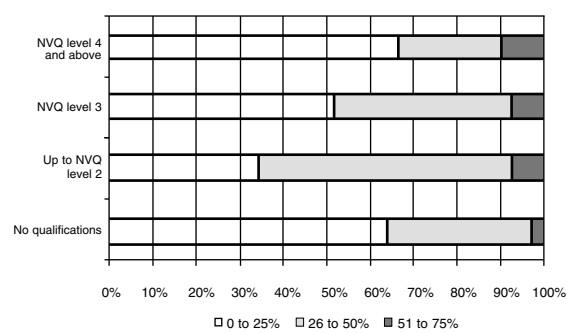
The survey found that many adult guidance clients are unemployed: about two-thirds of Companies reported that over half of their adult clients were unemployed, whereas only 18 per cent of Companies indicated that over half their adult clients were employed (see Figure 2.1). Few clients are self-employed: nearly all Companies reported that a quarter or less of their clients were self-employed.

Figure 2.1: Adult clients' employment status



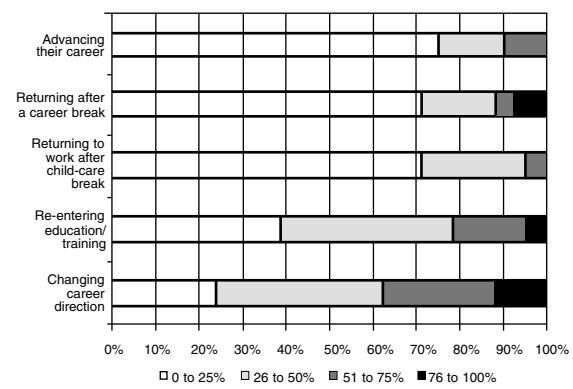
Most adult clients have some qualifications (see Figure 2.2). Two-thirds of Companies reported that over a quarter of clients had qualifications up to and including NVQ level 2; about half indicated that over a quarter of clients had NVQ level 3 or equivalent.

Figure 2.2: Adult clients' level of qualification



Nearly two-thirds of Companies reported that a quarter or less of adult clients had no qualifications; at the other extreme, two-thirds of Companies indicated that a quarter or less of their adult clients had qualifications of NVQ level 4 or above.

Figure 2.3: Adult clients' reasons for using services

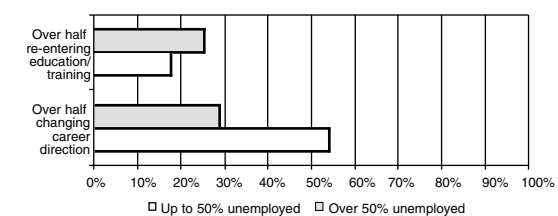


The main reasons for using services were that clients were changing career direction or re-entering education and training. Thus Figure 2.3 shows nearly 40 per cent of Careers Service Companies reporting that over half their adult clients were changing their career direction, and slightly more than one in five Companies indicating that over half their adult clients were re-entering education or training.

In contrast, a large majority of Companies (just under three-quarters) reported that 25 per cent or less of their adult clients were advancing their career (eg through skill development) or returning to work after a child-care break or other career break.

Further analysis shows that Companies reported different patterns of reasons for using adult guidance services, depending on the proportion of their clients who were unemployed. In particular, where over half the adult clients were unemployed, clients were less likely to be changing career direction and more likely to be re-entering education/training (see Figure 2.4).

Figure 2.4: Adult clients' reasons for using services



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## 2. Adult guidance services

### 2.2 What services are provided?

Careers Service Companies were asked to identify which of a range of possible services they offered to adults. The results are shown in Figure 2.5. Key points to note are that:

- all offered access to careers information and in-depth guidance interviews, and all but one offered access to careers software;
- the overwhelming majority also offered brief advisory interviews, job-search/CV-writing workshops and psychological testing and assessment;
- about half offered career workshops or group guidance, and roughly 30 per cent offered other services to adults.

Figure 2.5: Range of services to adults

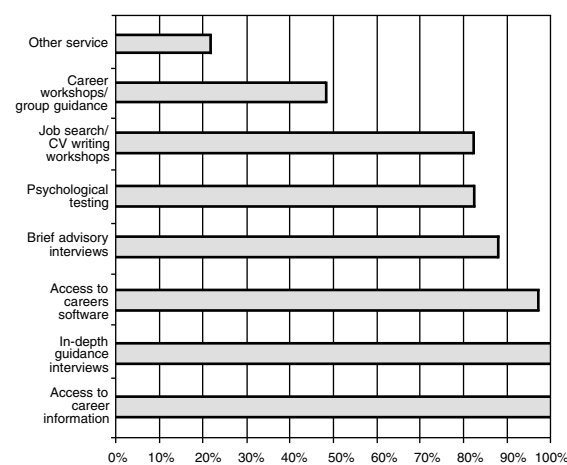
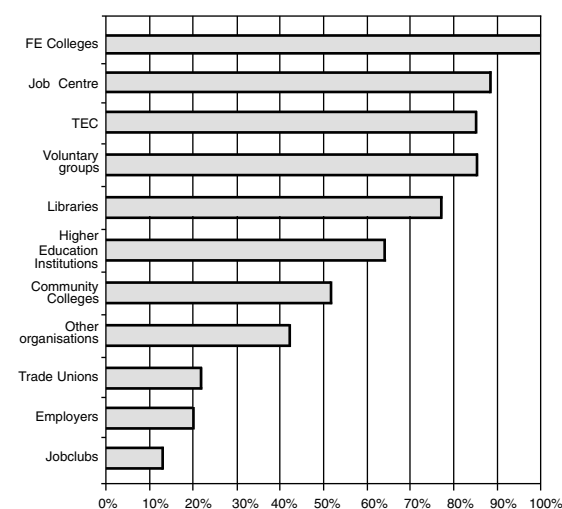


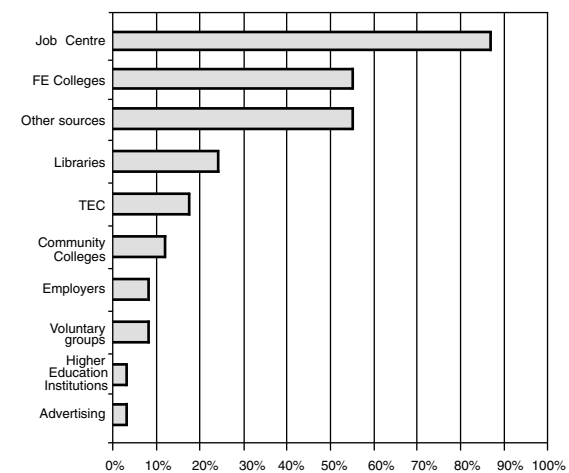
Figure 2.6: Organisations involved in IAGA partnerships



### 2.3 Who is involved in IAGA partnerships?

Companies were asked to identify from a list their partners in their local IAGA partnership. Figure 2.6 summarises the replies. All partnerships involved FE colleges, and over three-quarters involved the Job Centre, the TEC, voluntary groups and libraries. Higher Education Institutions were mentioned by 64 per cent of Companies, while just over half mentioned Community Colleges as being involved. However, only a quarter or less of the Companies mentioned Trade Unions, Employers or Jobclubs. Roughly four out of ten Companies mentioned other organisations as being involved: in particular, the Probation Service was mentioned by several Companies.

Figure 2.7: Most important sources of referrals



### 2.4 Which are the most important sources of referrals?

The questionnaire asked the Companies to identify their three most important sources of referrals. Figure 2.7 summarises the replies. It shows that 87 per cent of Companies identified the Job Centre, 55 per cent FE Colleges, and 55 per cent other organisations/sources, as one of their three most important sources of referrals. Other sources of referrals included self-referrals and referrals by family, friends and other clients. A quarter of Companies mentioned libraries and about one in five the TEC as one of their three most important referral sources. Voluntary groups, employers and Higher Education Institutions were mentioned by less than ten per cent of Companies.

## 2. Adult guidance services

### 2.5 Current policy on adult guidance provision

The survey asked Companies about their current policy regarding funding, delivery and priority groups in relation to the provision of adult guidance services. Three-quarters of the survey respondents replied to these questions. As far as funding was concerned, most Companies offered certain services free (eg careers information) and charged for others. In some cases the charged services included interviews:

‘Careers service policy to provide free access to career centre library facilities but to charge for interviews and psychometric tests.’

In some cases they did not:

‘As a partnership IAG offer free information and advice to all adults, clients in the county either using libraries or being offered one-hour interviews. Additional services charged – CV services and psychometric assessment.’

Some services which were normally charged for might be free for certain groups of clients:

‘If they are unemployed or work less than 16 hours per week they are entitled to a funded service (which may not include everything from the “menu”).’

‘Current funding enables us to provide all services free, apart from psychometric testing, for which we charge employed people £30.’

‘Clients employed over 16 hours per week and not on family credit charged £25.’

Some Companies did not charge for any of their services at present, but this was sometimes achieved by not marketing services and so limiting demand.

Availability of IAGA funding tended to mean that information and advice was free. Other sources of funding (eg from the TEC, ESF or New Deal) meant that certain client groups (eg unemployed people or those living in designated areas) had access to a more extensive range of free services. Eligibility for some sources of funding was restricted (eg ESF funds); Companies that were not eligible tended to be more restrictive in what they offered free. It was apparent that continuity in service delivery was critically dependent on funding availability, which often varied from year to year. This could cause difficulties:

‘Available funding previously for unemployed adults, with some focus on specific areas of social exclusion. There is a very limited amount of funding through the TEC to deliver information/guidance for adults in employment. We are unable to actively market our services, as they would attract unemployed adults for whom we have no funding.’

‘In 2000/2001 we will endeavour to increase the number of individual fee paying clients as other sources of funding contract.’

### 2.6 How much resource do Careers Service Companies put into adult guidance?

One of the key issues for the survey was to establish a measure of the amount of resource that Careers Service Companies were putting into adult guidance services. The questionnaire asked about the proportion of their time that qualified guidance staff and support staff spent on adult guidance work, as well as the percentage of the total Careers Service Company budget dedicated to adult guidance.

The results are summarised in Table 2.1. They suggest that there is considerable variation in the amount of resource which different Companies are devoting to adult guidance work. Note that several companies did not answer this question. (We have also excluded the replies from the Company with a separate Adult Guidance Unit which responded exclusively on its own behalf – see Section 1.2).

Table 2.1: Proportion of time spent on adult guidance work

|               | Qualified guidance staff | Support staff | Budget |
|---------------|--------------------------|---------------|--------|
| 0 to 5%       | 34%                      | 39%           | 37%    |
| 6 to 10%      | 18%                      | 22%           | 29%    |
| 11 to 15%     | 11%                      | 10%           | 5%     |
| 16 to 20%     | 8%                       | 7%            | 11%    |
| 21 to 30%     | 5%                       | 5%            | 8%     |
| 31 to 40%     | 5%                       | 2%            | 3%     |
| 41 to 50%     | 0%                       | 5%            | 0%     |
| over 50%      | 18%                      | 10%           | 8%     |
| Total cases N | 38                       | 41            | 38     |

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## 2. Adult guidance services

Just over half the Companies reported that less than 10 per cent of the time of their qualified guidance staff was spent on adult guidance work. On the other hand, 18 per cent (7 Companies) reported that over half of the time of their qualified guidance staff was spent on such work.

Similarly, more than half the Companies reported that less than 10 per cent of the time of their support staff was spent on adult guidance work, whereas roughly one in seven Companies reported that over 40 per cent of the time of such staff was spent on this work.

Finally, while nearly two-thirds of Companies reported that less than 10 per cent of their total budget was spent on adult guidance work, three Companies reported that it consumed over half of their budget.

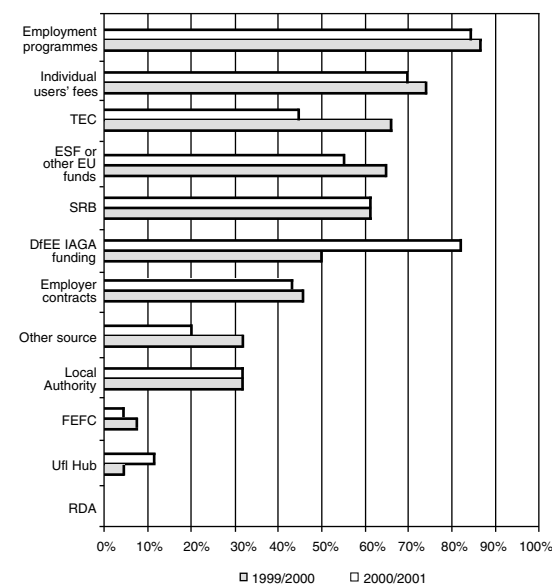
### 2.7 How are adult guidance services funded?

#### 2.7.1 Sources of funding

The Companies were asked who had funded their adult guidance services in the 1999/2000 financial year and who they anticipated would fund their services in the 2000/2001 financial year. They were also asked to identify their three most important sources of funding in each year.

Figure 2.8 compares sources of funding for adult guidance in 1999/2000 and 2000/2001. In 1999/2000 the most frequently mentioned sources of funding were employment programmes (eg New Deal), individual users' fees, the TEC, ESF or other EU funds, and the Single Regeneration Budget. No Company mentioned the Regional Development Authority as a source of funding; other infrequently mentioned sources of funding were Ufl Hub and the Further Education Funding Council. Half the Companies mentioned receiving DfEE IAGA partnership funding; just under half mentioned having employer contracts; while about a third mentioned receiving local authority funding or funding from other sources.

Figure 2.8: Organisations funding services in 1999/2000 and 2000/2001 compared

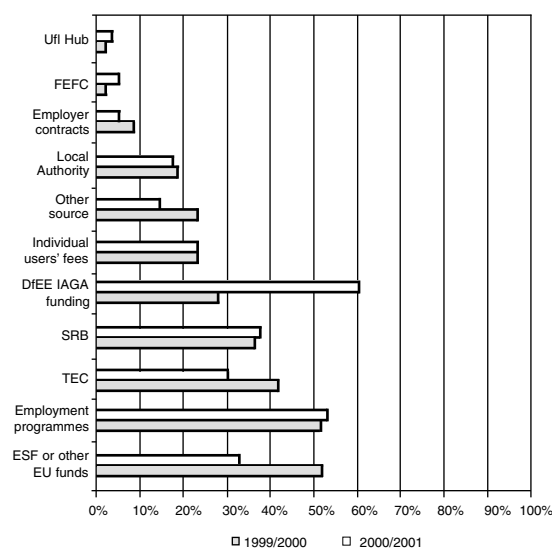


In 2000/2001, the main change anticipated from 1999/2000 was a decline in the number of Companies expecting to be funded by their local TEC, and a substantial increase in those Companies expecting funding from the DfEE IAGA partnership.

Figure 2.9 compares the sources of funding that were listed as among the three most important by the Companies in 1999/2000 and 2000/2001. About a half listed ESF or other EU funds, and employment programmes (eg New Deal), as being among the three most important sources of funding in 1999/2000; these were followed by the TEC and the Single Regeneration Budget. Just over a quarter of Companies mentioned DfEE IAGA partnership funding, and just under a quarter mentioned individual user fees or funding from other sources, as one of their three most important sources.

## 2. Adult guidance services

Figure 2.9: Most important sources of funding in 1999/2000 and 2000/2001 compared



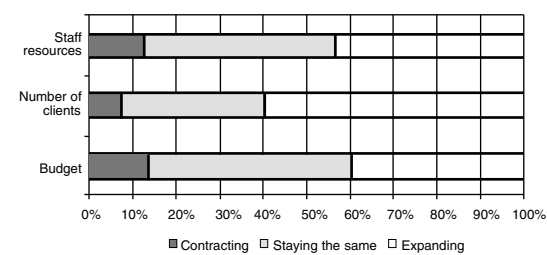
The main change in 2000/2001 is the increase in importance of DfEE IAGA partnership funding. This is mentioned most frequently as being now one of the three most important sources of funding. On the other hand, ESF or other EU funds, which were mentioned by about half the Companies as being one of their three most important funding sources in 1999/2000, were only mentioned by a third of Companies for 2000/2001. Similarly, TECs, which was rated third in this respect in 1999/2000, dropped to fifth place in this research in 2000/2001. There was little change in the importance of the other sources of funding across the two financial years.

### 2.7.2 Anticipated changes in overall provision

Companies were asked whether they expected the budget, the number of clients and the staff resources to contract, stay the same or expand in 2000/2001 compared to 1999/2000. The results are summarised in Figure 2.10. They show that:

- 60 per cent of Companies expected the number of clients to increase, while a further third expected the number of clients to stay the same;
- under half of the Companies expected the staff resources to expand;
- nearly half of the Companies expected the budget to stay the same, 40 per cent expected it to expand, and 14 per cent expected it to contract.

Figure 2.10: Changing provision



### 2.7.3 Factors affecting the changing nature of adult guidance provision

Companies were asked what factors are affecting the changing nature and extent of their adult guidance provision for the financial year 2000/2001. Most comments focused on changes in funding. Three main themes emerged from the replies.

1. *Withdrawal of TEC funding.* Several companies commented on the demise of TEC funding as having a major impact on the range of services they would be able to offer:

'The demise of our TEC has a major impact on our IAG service. Our TEC has put in £250,000 each year for our service and from April 2000, it is not yet clear how this will be replaced.'

Other Companies reported that they had secured TEC funding for a further year, but recognised that they could have a funding gap from March 2001:

'We have secured TEC funding up to March 2001 and therefore do not anticipate significant changes this year – we do however face a major funding gap from March 2001 which could result in a significant contraction of services if no alternative funding is found.'

'From 2001, funding unknown as Learning and Skills Councils take over. Will they fund adult guidance?'

2. *Uncertainty over ESF funding.* Uncertainty and delays in knowing whether they would be eligible for ESF funding in 2000/2001 was another source of uncertainty for some Companies:

'Lack of certainty about future ESF funding, upon which we heavily depend.'

## 2. Adult guidance services

3. *Potential of IAGA funding.* It was recognised by several Companies that IAGA, even if it did not fund guidance directly, would probably stimulate demand for it:

‘IAG – although not funding guidance – will hopefully increase demand for guidance.’

Some felt that it would enable some expansion of services:

‘IAGA requiring free advice for clients previously charged.’

‘IAG partnership will provide more money which will enable us to expand our services to increase numbers of clients in the target group.’

The main conclusion seemed to be that funding for adult guidance services has always been uncertain and that, while a few Companies have pressed on with developing services such as establishing walk-in careers shops, others have been more cautious. It was also apparent that there was a great deal of uncertainty about funding for 2000/2001 because of the demise of TECs – which have been a major source of funds for adult guidance services for a number of years – and lack of clarity about the likely policy of their replacements, the Learning and Skills Councils.

There were few comments about how provision itself would change, although one Company commented that it had no plans to introduce a charging policy. Several commented on the groups that would be the focus of their work:

‘We have a steady demand for the charged services including psychometric testing. This will continue. The real challenge is to offer a guidance service to those in the target group of returners, unemployed and low skilled who cannot afford to pay.’

There were also comments about the impact of uncertainty in funding on staff morale and staff retention.

‘Uncertainty affects ability to recruit staff, maintain staff, motivate staff.’

‘The future of our very experienced, highly qualified staff is uncertain beyond June 2000.’

### 3. Services to employers and employees in the workplace

The second section of the questionnaire was focused on the range and extent of services that the Careers Service Companies provided to employers and employees in the workplace. The purpose of this section was to document the extent of Company involvement in this type of activity.

#### 3.1 What services are offered?

Respondents were asked to identify from a list of possible services those that they provided to employers and/or employees in the workplace (see Figure 3.1). Five Careers Service Companies did not identify any services they offered to employers and/or employees in the workplace. Of those that mentioned services provided, the most frequently mentioned were redundancy/outplacement counselling (mentioned by 83 per cent), psychological testing (80 per cent) and in-depth guidance interviews (73 per cent). Over half the Companies offering services reported that they provided access to careers information (60 per cent) and to careers software (53 per cent). The least frequently mentioned were careers advisers seconded for specific projects (15 per cent) and other services (10 per cent).

#### 3.2 How many employers?

The number of employers that Careers Service Companies had worked with in the last year is shown in Table 3.1. Six Companies did not answer this question, and a further three Companies reported that they had not worked with any employers in the last year. Half the remaining Companies had worked with no more than 10 employers in the last year. At the other extreme, eight Companies reported that they had worked with 100 or more employers, and three of these Companies reported working with 1,000 or more employers. It may be, however, that some of these were using a generous definition of 'working with'.

Roughly two-thirds of the Careers Service Companies had worked with SMEs and/or large employers. The median number of SMEs that a Careers Service Company had worked with was 15; the median number of large employers was 5.

The median number of employers that Careers Service Companies providing consultancy services had worked with was 6.5, while the median number of employers that had received direct services was 4.

Figure 3.1: Services provided to employers or employees

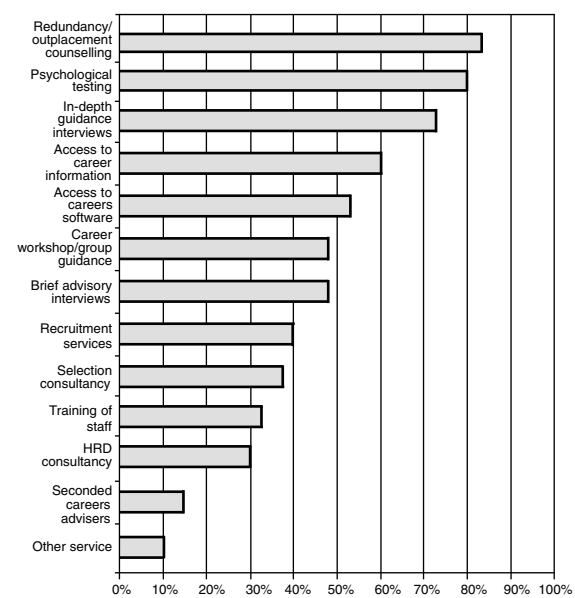


Table 3.1: Number of employers worked with

|               | All employers |     | SMEs   |     | Large employers |     |
|---------------|---------------|-----|--------|-----|-----------------|-----|
|               | Number        | %   | Number | %   | Number          | %   |
| None          | 3             | 8   | 11     | 28  | 10              | 26  |
| 1 to 5        | 11            | 28  | 8      | 21  | 15              | 39  |
| 6 to 10       | 7             | 16  | 3      | 8   | 8               | 21  |
| 11 to 99      | 10            | 26  | 10     | 26  | 2               | 5   |
| 100 to 999    | 5             | 13  | 5      | 13  | 3               | 8   |
| 1000 and over | 3             | 8   | 2      | 5   | 1               | 3   |
| Total cases   | 39            | 100 | 39     | 100 | 39              | 100 |

Just over 60 per cent (29) of Careers Service Companies reported that they had provided career guidance to individual work-based employees in the last year. The median number of individuals receiving career guidance through this means was 100 per Careers Service Company, although five Companies reported giving career guidance to 500 or more work-based employees during this period.

#### 3.3 How involved are trade unions?

The survey findings suggest that trade unions are not regularly involved when Careers Service Companies work with employers. Of Companies answering this question, about 40 per cent had not involved trade unions at all, while approximately 60 per cent reported that they had involved trade unions occasionally. No Companies reported that they had



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### 3. Services to employers and employees in the workplace

involved trade unions often or always when they worked with employers. However, about half the Companies had had discussions with trade unions about their services.

#### 3.4 Evidence of service effectiveness

Approximately half the Careers Service Companies reported that they had evaluated the effectiveness of their workplace guidance activities. However, only 14 Companies reported that they had collected information on any of a list of eight outcomes. The most frequently collected information were the number of employees enrolling on courses and employee self-report of increase in self-confidence (see Figure 3.2).

#### 3.5 How resourced?

Two questions asked about the amount of resource the Companies derived from or devoted to services for employers. The first enquired into the proportion of total income derived from services to employers. Out of the 40 Careers Service Companies that answered this question, 38 reported that income from services to employers provided 5 per cent or less of their total Careers Service Company income. Two Companies reported that it provided between 6 and 10 per cent.

The second question asked about the proportion of total staff time devoted to services to employers and work-based employees. Just over 80 per cent of the Careers Service Companies answering this question reported that 5 per cent or less of total staff time was devoted to services to employers or work-based employees. On the other hand, roughly one in ten Companies reported devoting between 6 and 10 per cent of total staff time to such work, while three Companies reported devoting more than 10 per cent of total staff time to it.

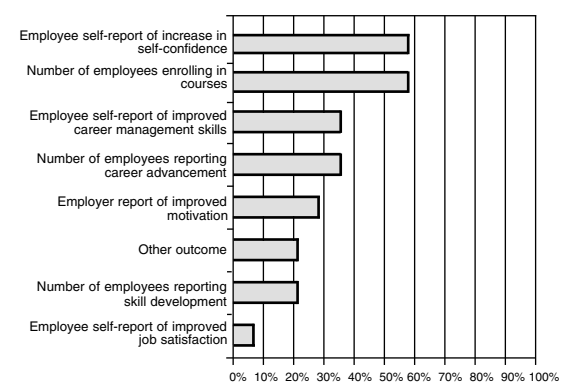
#### 3.6 What are the main challenges of this work?

When asked what are the main challenges of working with employers and employees, 20 Companies gave no reply. A few others commented that they did little work in this area:

‘In this county we do very little commercial work with employers.’

Of those that identified challenges, several commented on lack of time or resource to develop such services:

Figure 3.2: Percentage of Companies collecting information on outcomes (N=14)



‘We don’t have the resources to market a service to employees. If they come to us we will look at meeting their needs.’

Others commented on not having the right expertise or the skills needed to market their services successfully to employers. In particular, there was felt to be a need to develop a ‘brand’ for the services to employers that was distinct from the other services that the Companies offered. There were also several comments about the need to compete with established competitors, such as outplacement and recruitment consultants. Marketing was recognised as being critical in this respect:

‘Effective marketing to break down perception of having been a public service geared primarily to young people needs, ie building up street-cred, finding the right pricing structure.’

‘Having limited resource in terms of staffing, with challenges regarding access, marketing and promotion and generally interest/sales. We have recently commissioned a consultant to carry out market research in order to test the demand for services to employers/ees.’

In some cases it was felt important to separate commercial services to employers from the rest of the organisation:

‘Trying to identify the services that we offer to employers on both a consultancy and training basis, but doing so as a totally commercial, income generating unit.’

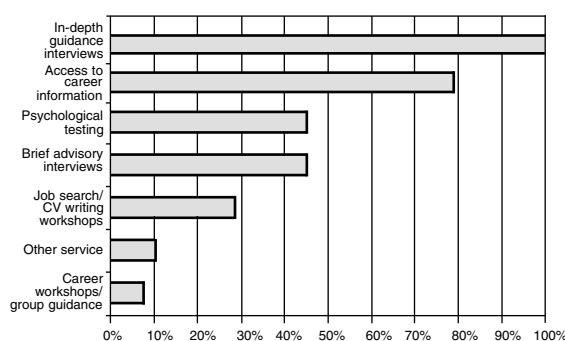
## 4. Individual Learning Accounts

The final section of the questionnaire asked the Careers Service Companies about their experience and views of the impact of Individual Learning Accounts.

### 4.1 What involvement has there been in the ILA pilots?

The first question asked whether the Company had been involved in a Learning Accounts pilot project. Out of the 41 Companies answering this question, nearly three-quarters (30) had been involved in such a project.

Figure 4.1: Services provided as part of ILA pilot (N=29)



All the Companies providing information about the services provided as part of the ILA pilot had provided in-depth guidance interviews, and approximately 80 per cent had also provided access to careers information (see Figure 4.1). Just under half had provided brief advisory interviews and psychological testing, and just over a quarter had provided job-search or CV-writing workshops. Less than ten per cent had provided career workshops/group guidance or other services.

### 4.2 Have ILAs been discussed at a strategic level?

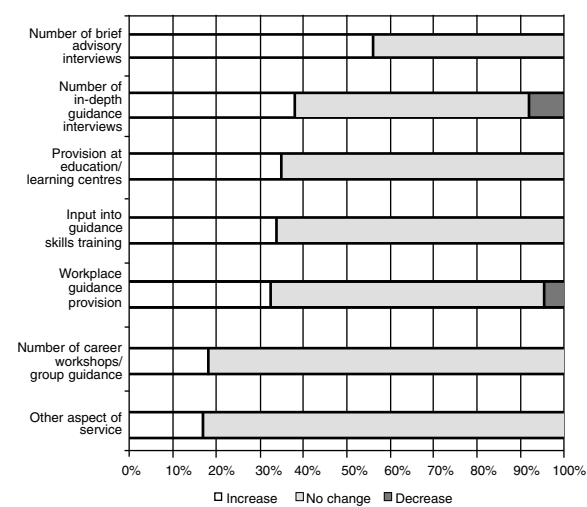
Just over half (24) of the Companies reported that they had discussed the introduction of ILAs at a strategic level (eg in board meetings). However, eleven Companies had not. A further ten Companies did not answer this question.

### 4.3 What immediate impact will ILAs have on adult guidance provision?

Respondents were asked to assess the impact of ILAs on their adult guidance provision over the next 12 months. Slightly under two-thirds (28) of respondents answered this question (see Figure 4.2). Of these, 56 per cent thought the introduction of ILAs would lead

to an increase in the number of brief advisory interviews, and 39 per cent to an increase in the number of in-depth guidance interviews. About a third also thought that the introduction of ILAs would lead to an increase in Careers Service Company provision at education/learning centres, their input into guidance skills training and their workplace guidance provision.

Figure 4.2: Impact of ILAs on services (N=28)

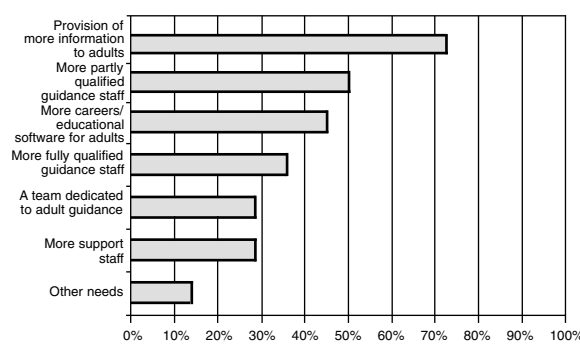


Few respondents thought that the introduction of ILAs would lead to a decrease in any activities: three thought it would lead to a decrease in in-depth guidance interviews, and one to a decrease in workplace guidance provision.

The questionnaire also asked respondents to anticipate how the introduction of a national framework for ILAs would affect other aspects of the way they provided services (see Figure 4.3). Only about half of the Companies (22) identified any requirements, so results must be considered tentative. However, about three-quarters of respondents who answered the question thought that the introduction of the national framework would lead to the provision of more information to adults, and about half to more guidance staff qualified to NVQ levels 2 and 3. Under half thought that more career/educational guidance software would be required, and just over a third that more fully qualified guidance staff would be needed as a result of the introduction of ILAs.

## 4. Individual Learning Accounts

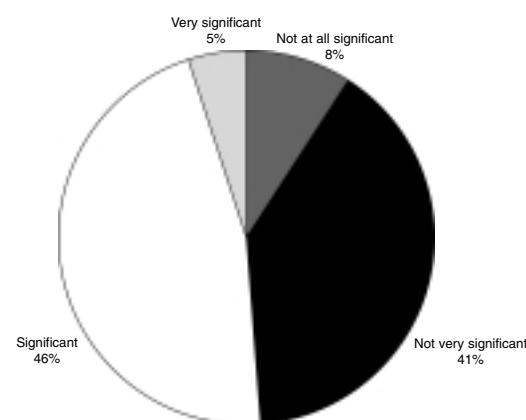
Figure 4.3: Anticipated requirements for ILAs (N=22)



### 4.4 What is the significance of ILAs for the funding of lifelong learning?

Respondents were asked how significant they thought ILAs would be for the funding of lifelong learning in the longer term. Figure 4.4 shows that of the 39 Companies answering this question, just over half thought that ILAs would be significant or (in a few cases) very significant, whereas just under half thought that they would be not very significant or (in a few cases) not at all significant. Sixteen (57 per cent) of the 28 Companies that had been involved in ILA pilots thought that ILAs were likely to be significant or very significant for lifelong learning, compared to 4 (40 per cent) of the 10 Companies which had not participated in an ILA pilot.

Figure 4.4: Significance of ILAs for funding of lifelong learning



When asked to give reasons for their answer, approximately two-thirds made additional comments. A major concern was the level of funding available for ILAs: that £150 would not provide much of a financial incentive for clients to pursue courses –

‘Funding is not at a high enough level to cover much learning.’

However, a number of positive comments were made, in particular regarding the difference which ILAs could make for those on low incomes:

‘One of the major barriers to learning for those on low wages is paying for courses.’

Several respondents commented on the complexity of the process, which it was felt would put some people off, especially those in the target groups (eg people with low skill levels and/or low earnings). It was also felt that the effectiveness with which ILAs were marketed would be a major factor in determining their success:

‘Impact of marketing will be significant. Also the way in which organisations such as colleges and providers of learning in UFI/Learn Direct Learning Centres promote ILAs as a way of purchasing learning and skills development.’

The questionnaire asked respondents what impact ILAs would have on the funding, scope and nature of adult guidance provision. Two-thirds made comments here. Roughly a third of the comments were concerned with whether ILA funds could be used to purchase guidance and whether people would be prepared to spend their ILA on guidance. Several respondents commented on a recent announcement that in future ILAs would not be available for guidance, viewing this as a cause for concern:

‘It is essential that the ILA can be used to fund guidance in the future.’

‘ILA should allow £50 to be spent on buying guidance before embarking on a course, with potential for drop out and wastage of money.’

Overall, only a few comments could be taken as unequivocally suggesting that ILAs would have a positive impact on adult guidance provision:

‘It will greatly help us to gain access to the employees of small firms who do not have personnel departments to promote guidance’.

‘A significant contribution for a limited group of adults.’

## 4. Individual Learning Accounts

Many felt their impact was likely to be limited:

‘Based upon our ILA experience, IAG will be much more significant.’

One pointed out that much depended on future policy developments:

‘If the fees for higher education were brought within the ILA remit, I think ILAs would have a much higher profile and if some of the ILA money was for funding guidance, then the implications could be major in terms of increased demand.’

Most of those who answered a question on the role of guidance activities in attracting non-traditional learners back to learning were positive about its role. The main benefits of guidance were seen to be in awareness raising and in stimulating confidence:

‘Non-traditional learners need extra: encouragement, confidence-building, motivation often over a period of time and in small steps, which are resource intensive. Guidance activities, delivered by skilled and experienced staff, can support individuals to achieve an outcome.’

There was also a recognition that people needed labour-market information to make informed choices:

‘By linking learning with employment or better jobs via knowledge of the labour market, skill shortages and employer requirements.’

‘Clarifying links between learning and earning.’

Several respondents commented on the importance of outreach work in communities to raise awareness both of the role of learning and of available learning opportunities:

‘Outreach and work within communities will be particularly important. We will need to look at how we can train “barefoot” workers.’

One commented that it had been working with UNISON on targeting their lower-paid members. It was also suggested that guidance activities would be important in identifying barriers to learning, both real and perceived, and in developing strategies to overcome them. This included having an advocacy role in supporting individuals to gain access to services to which they were entitled.

## 5. Factors influencing service provision

Further analysis was carried out to identify factors influencing service provision. First, we examined the impact on services of the pattern of funding that Careers Service Companies received. Second, we looked at the impact of client type and, in particular, what effect there was when more than half of adult clients were unemployed.

### 5.1 What impact do sources of funding have on service provision?

#### 5.1.1 Impact of employer contracts

The main factor that seemed to affect the range of service provision was whether the Careers Service Company had employer contracts. Twenty (44%) Companies said their adult guidance services were funded to some extent by employer contracts.

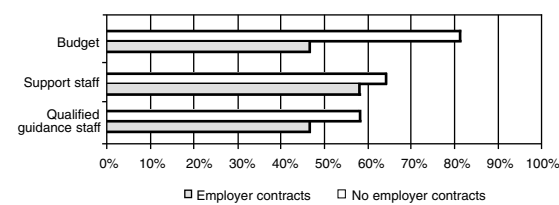
Companies with employer contracts seemed to be more active in their provision of adult guidance services. Key findings that illustrate this point are that Companies with employer contracts:

1. *Offered a wider range of services to adults.* In particular, the survey found that:
  - all the Careers Service Companies with employer contracts offered job-search/CV-writing workshops, compared to roughly two-thirds of the Companies without such contracts;
  - nearly two-thirds of Careers Service Companies with employer contracts offered career workshops/group guidance, compared to just over one-third of the Companies without such contracts.
2. *Offered more services to employers and employees in the workplace.* Not only were Careers Service Companies with employer contracts more likely to offer individual services: they also offered a wider range of services. Companies with employer contracts offered 7 different services on average, compared to 5.2 on average for other companies.
3. *Had more organisations involved in their IAGA partnerships.* Careers Service Companies with employer contracts reported that they had an average of 7.1 types of organisations involved in their IAGA partnerships, compared to an average of 6.0 for Companies without employer contracts.
4. *Identified different sources as their most important sources of referrals.* 70 per cent of Companies with employer contracts reported that FE Colleges were one of their three most important sources of referrals, compared to 40 per

cent of those without such contracts. Companies without employer contracts were more likely to have other sources of referrals, with 70 per cent of these Companies mentioning various other sources of referrals as one of their three most important sources, compared to 39 per cent of Companies with employer contracts.

5. *Spent more of their budget and allocated more of their staff time to adult guidance activities.* Figure 5.1 shows that 81 per cent of Companies with no employer contracts spent less than 10% of their budget on adult guidance activities, compared to 47 per cent of those with such contracts. Although the differences were less marked in terms of the proportion of staff time spent on adult guidance, there were still differences in this respect.

Figure 5.1: Companies spending less than 10% of staff time/budget on adult guidance



6. *Had more sources of funding in 1999/2000 and expected to have more sources of funding in 2000/2001.* Companies with employer contracts reported an average of 6.3 sources of funding in 1999/2000 and 6.1 sources for 2000/2001, compared to 4.1 for other companies in both years.
7. *Were more likely to be involved in ILA pilots.* 89 per cent of Companies with employer contracts reported that they had been involved in an ILA pilot, compared to 59 per cent of those without such contracts.

#### 5.1.2 Impact of individual user fees

Slightly over three-quarters of the Companies said that fees from individuals were one of their sources of funding but only 10 Companies identified such fees as one of their three most important funding sources. Twelve companies did not identify fees from individuals as a source of funding.

Those Companies which relied to a significant extent on fees from individual users to fund their services

## 5. Factors influencing service provision

tended to be less active in terms of adult guidance provision. In particular, these Companies:

1. *Were less likely to offer as many services as other Companies to employers and employees in the workplace.* They offered 4 services on average, compared to 6.6 for other companies.
2. *Had slightly fewer organisations involved in their IAGA partnerships:* an average of 5.8 organisations involved, compared to 6.7 for other companies.
3. *Had fewer sources of funding in 1999/2000:* an average of 4 sources of funding, compared to 5.6 for other companies.
4. *Expected to have fewer sources of funding in 2000/2001:* they anticipated 3.4 sources of funding, compared to 5.6 sources for other companies.
5. *Were less likely to have the majority of their adult clients unemployed.* The majority of clients were unemployed in half of these Companies, compared to 70 per cent of other Companies.

The proportion of unemployed adult clients was not related to whether Companies had employer contracts or not.

It is important to note that Companies that did not charge adults for services did not differ significantly from those that did. This is probably a reflection of the fact that most Companies only charged for some of their services (eg psychological testing), providing most of their services free of charge. It was only when individual user fees were one of the three *most important* sources of funding that we observed a different pattern of service provision.

### 5.2 What impact does client type have on service provision?

Two-thirds of companies reported that over half their adult clients were unemployed. Where a higher proportion of adult clients were unemployed, we find that more organisations were involved in IAGA partnerships: an average of seven organisations, compared to 5.6 for those companies with a lower proportion of unemployed clients. Companies with a higher proportion of unemployed adult clients also reported that:

- they provided more services to employers and employees in the workplace: an average of 7.1 services, compared to 4.1 for other companies;
- worked with more employers: the median number being 20, compared to 10 for other companies;

- were more likely to have participated in an ILA pilot: 79 per cent had participated, compared to 55 per cent of other companies;
- were more likely to see ILAs as being significant for lifelong learning: 58 per cent saw ILAs as significant or very significant, compared to 46 per cent of other companies.

### 5.3 Implications

The main difficulty is to understand how these three factors interact. The proportion of companies falling into each category varies considerably: from two-thirds of companies reporting that over half their adult clients are unemployed, to just under a quarter of companies reporting that fees from individual users are an important source of funding. The distribution of companies when categories are combined is very uneven. However, nearly three-quarters of companies fall into one of three categories:

- over half of adult clients unemployed, with employer contracts, individual fees not important (13 companies);
- over half of adult clients unemployed, no employer contracts, individual fees not important (11 companies);
- half or less adult clients unemployed, no employer contracts, individual fees not important (7 companies).

Note that none of these groups include companies where fees were an important source of funding. The ten Companies which reported that fees from individual users were an important source of funding were equally divided between those having high and low proportions of unemployed clients.

The three factors were not statistically related. In other words, whether a Company had employer contracts made virtually no difference to the likelihood of that Company reporting that fees from individual users were one of their most important sources of funding, or to the likelihood of a higher proportion of their clients being unemployed. In terms of adult guidance provision, Companies with a high proportion of unemployed clients, with employer contracts and where fees are not an important source of funding tend to be the most active, followed by other companies with employer contracts, and so on. The impact of these three factors seems to be additive, although the uneven distribution of Companies across categories makes this difficult to test statistically.

## 5. Factors influencing service provision

Without more detailed information about the local labour markets in which the Careers Service Companies operated and/or statistical information to allow us to assess the social deprivation of the geographical area in which Companies operated, it is hard to disentangle what might be cause, and what might be effect, in these variations in service provision between Companies. However, it is possible to offer some tentative conclusions from our analysis.

Whether Companies had employer contracts would seem to be largely a function of their own initiatives. But it may also be linked to overall levels of funding, especially where higher proportions of clients are unemployed. Companies with employer contracts reported having more sources of funding than other Companies, and may therefore have had more resources available to develop their work with employers. They also had more organisations involved in their IAGA partnerships: this may indicate that they had better links with their local community.

Companies that relied on fees from individual users as an important source of funding appeared to have less access to other sources of funding. They also offered fewer services to employers or employees in the workplace, perhaps again because they lacked access to the pump-priming funding that other Companies might have used to develop their services in this area. Half this group reported that less than half their adult clients were unemployed. Here, then, it seemed that reliance on fees from individual users served a *compensatory* function, substituting for rather than building upon other funding sources.

Several of the sources of funding for adult guidance services are targeted at unemployed people. It is not surprising, therefore, to find that Companies with higher proportions of unemployed clients tend to be more active in adult guidance in general. However, it is interesting that they also appear in particular to do more work with employers and employees in the workplace.

## 6. Conclusions

In this final section we review the results from the survey and suggest some conclusions about the ways in which Careers Service Companies are developing their adult guidance services in England. We also discuss the implications for ILAs of the ways in which these services are developing.

It is important to realise that, although the survey achieved a high response rate for a postal survey of this kind, the relatively small number of Careers Service Companies means that the possibility of bias in response could have a considerable effect on the survey findings. Companies that did not respond to the survey may differ in several respects from those that responded. The results from the survey, therefore, need to be interpreted with some caution.

### 6.1 Variations in approach

It is apparent that Companies vary considerably in how they approach their adult guidance provision, with a small number of Companies appearing to devote a much higher proportion of their resources to adult guidance work than others. Similarly, a few Companies are engaged in much more work with employers than others.

The main message, however, is that adult guidance work and work with employers seem to be shaped as much by funding patterns as by the demands of clients. Of course, the availability of funding from government sources, whether the TEC, DfEE or ESF, is based to a considerable extent on perceptions of need.

#### 6.1.1 The importance of funding

The development of adult guidance provision has been heavily influenced by the availability of funding. At the time of the survey, the demise of the TECs, which has been a major source of funding in many areas, was causing a great deal of uncertainty for Careers Service Companies. Many Companies were still unsure what alternative sources of funding would be available for them in the financial year 2000/2001.

Our impression from the comments made is that there has been even greater uncertainty this year about funding than in previous years. Despite this, most Companies anticipated that demand for services would expand.

This uncertainty, however, had a number of consequences. Companies were more reluctant to enter into commitments to develop or expand their

services, due to resource constraints. They also expressed concern about whether they would be able to retain existing staff.

Companies that still provided the bulk, if not all, of their adult guidance work without charging for it were critically dependent on the grants and funding they received from statutory agencies for the funding and development of such services. While most Companies saw IAGA funding as an important source of funding for 2000/2001, the fact that it did not provide funding for guidance was a concern to some Companies.

Other Companies had already achieved a more diversified pattern of funding for their adult guidance services. In several instances, this work had probably been developed from seed-corn funding from TECs and other sources. However, it might also have been influenced to some extent by the nature of the local economy and the establishment of links with employers who had purchased services from the Careers Service Companies.

#### 6.1.2 Skill and resource needs

The survey also raises the question of whether some Companies have the skills they need to develop more fee-paying services for employers and individuals in employment. Several Companies commented on their lack of marketing expertise as a factor constraining their ability to develop their activities with employers. Coupled with a perceived tightening of resources in the short term, this is a major challenge. Many Companies expect to be in a situation where the number of adult clients wishing to use their services is increasing more rapidly than the resources they will have available to develop and expand them.

### 6.2 Three approaches

It seems to us from the survey findings that Careers Service Companies have adopted one of three broad approaches to adult guidance work. First of all, there are those Companies which do relatively little adult guidance work. These Companies are effectively *youth-oriented*. They are unlikely to have employer contracts or to report that fees from individual users are a significant source of funding for their services. Somewhere between a quarter and a third of all Careers Service Companies seem to adopt this approach to their work.

Secondly, there are a number of Careers Service Companies that are predominantly offering services



## 6. Conclusions

for fees: that is, they charge employers and individuals for the services they offer, although fees from individuals are not usually one of their three most important sources of funding. These Companies can be considered as adopting an *entrepreneurial* approach. They have been proactive in developing their links with employers and a range of services for adults. Some of these Companies have high proportions of unemployed clients but others do not. Up to a quarter of companies can be considered to adopt this approach to their adult guidance provision.

Thirdly, there are Careers Service Companies that are active in providing services to adults but are mainly doing so with designated funding that allows them to offer free or mostly free services to their adult clients. Many of these are located in areas with high rates of social deprivation and unemployment. It would appear that Companies in this group are adopting a *public-service-oriented* approach to their work with adults. We estimate that about a third of companies come into this group.

The second and third of these approaches, in particular, are not necessarily mutually exclusive. Some companies that cater extensively to unemployed clients are also active with services to employers and employees in the workplace. These Companies appear to sustain a mixed economy with elements of both the above approaches, so that some clients (individuals and employers) pay for services and others do not. A likely explanation is that the marginal cost of extending an already existing service is almost certainly less than setting up a new service from scratch.

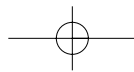
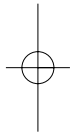
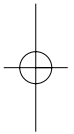
### 6.3 Implications of Individual Learning Accounts

Initiatives such as Individual Learning Accounts are seen as potentially stimulating a demand for guidance, but at the present time it is unclear how that guidance will be provided. It is clear from the survey that most Companies provide access to information and advice without charging for it. There is concern that some clients who would benefit from guidance will not be eligible for a free guidance interview and may not be willing (or, perhaps, able) to pay for one.

However, the general view from Careers Service Companies who responded to the survey was that other initiatives, notably IAG partnerships, were likely to be more significant – at least in the short term – in shaping the pattern of future adult guidance provision.

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