



Evaluation of the Family Employment Initiative

A report to the Coalfields Regeneration Trust

March 2010

ekosgen

4th floor, 137 Sauchiehall

Street

GLASGOW

G2 3EW

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
1 INTRODUCTION	1
EVALUATION AIMS AND OBJECTIVES	1
BACKGROUND TO THE FAMILY EMPLOYMENT INITIATIVE	1
STUDY APPROACH	2
REPORT STRUCTURE	3
2 OVERVIEW OF THE FEI PROGRAMME	4
INTRODUCTION	4
PEN PORTRAITS OF THE FEI PROJECTS	5
ENGAGEMENTS AND OUTCOMES	7
FUNDING	7
KEY ISSUES	8
3 STAKEHOLDER PERSPECTIVE	9
SUCCESS FACTORS	9
ACHIEVEMENTS	11
ISSUES	13
KEY ISSUES	15
4 CLIENT PERSPECTIVE AND OUTCOMES	16
INTRODUCTION	16
REFERRAL AND EXPECTATIONS	16
SUPPORT	16
OUTCOMES	17
QUANTITATIVE IMPACTS	21
SATISFACTION	24
KEY ISSUES	25
5 VALUE FOR MONEY AND SOCIAL RETURN ON INVESTMENT	27
VALUE FOR MONEY	27
FISCAL BENEFITS	27
SOCIAL RETURN ON INVESTMENT	29
FUTURE IMPACTS AND NET PRESENT VALUE	31
KEY ISSUES	32
6 LEARNING, BEST PRACTICE AND FUTURE DIRECTION	33
LEARNING AND BEST PRACTICE	33
EVOLVING EMPLOYABILITY POLICY CONTEXT AND IMPLICATIONS	34
CHALLENGES FOR THE COALFIELDS AREAS	36

KEY ISSUES	37
7 CONCLUSIONS AND RECOMMENDATIONS	38
CONCLUSIONS	38
RECOMMENDATIONS.....	41



Report completed / submitted by: David Eiser

A handwritten signature in black ink, appearing to be "D. Eiser".

Proposal reviewed by [company director]: Pamela Reid

A handwritten signature in black ink, appearing to be "P. Reid".

Date: March 2010

Executive Summary

The aims and ethos of the Family Employment Initiative

The Family Employment Initiative (FEI) is one of the Coalfield Regeneration Trust's flagship programmes for tackling worklessness in deprived communities. It takes a 'whole family' approach, providing personalised and holistic support to individuals and their families to help overcome barriers to employment.

FEI delivery: Responding to local circumstances

FEI was first established in the East Midlands in 2006, and has since expanded to cover six distinct project areas across the midlands and north of England. Although each of the six FEI projects share the core FEI principles (provision of tailored support to individuals and their families through robust referral arrangements with partner organisations), the six FEI projects have each been developed strategically to respond to the specific needs of local circumstances. As a result, the precise approach to delivering FEI has varied across the six areas. Short summaries of each of the six FEI projects are shown in the box below.

In the **East Midlands**, FEI is delivered by CRT across a wide number of coalfields areas, and from a wide variety of locations. FEI in the East Midlands has grown rapidly since its start in 2006, and receives funding from Derbyshire and Nottinghamshire County Councils, as well as the RDA, CLG and Bolsover District Council.

In **Featherstone**, FEI has been delivered by CRT since late 2008 from a prominent position on Featherstone High Street.

FEI in **Knutton** (Newcastle Under Lyme) is delivered by CRT and has been in operation since February 2009. FEI in Knutton was developed alongside – and works closely with – the JET (Jobs Enterprise Training) programme managed by Staffordshire Regeneration Partnership.

In Wigan, the **Bickershaw** FEI is delivered by Wigan Council. Originally developed in response to the regeneration of the Bickershaw Colliery site, the Bickershaw FEI has been operational since February 2009.

In **Sunderland**, FEI is delivered by the Sunderland North Community Business Centre (SNCBC). Although FEI in Sunderland adopts the same principles as FEI in other areas, it is actually delivered by SNCBC as part of the city-wide Job Linkage service, with FEI funds being used to provide additional capacity within Sunderland's coalfields areas.

In **West Cumbria**, CRT is managing and delivering an employment partnership project (the West Cumbria Employment Partnership) which is funded by the Nuclear Decommissioning Authority (NDA). Established in early 2009 the WCEP is a discrete element of FEI which aims to develop strategies for increasing the employment, education and skills of local people, with particular reference to the nuclear sector.

Engagements and employment outcomes

Between April 2008 and December 2009, 4,563 clients were registered on the FEI programme. This demonstrates strong performance given that a number of FEI projects have only recently become operational on the ground (and the West Cumbria FEI is still at the pre-delivery stage).

A large proportion of clients are referred to FEI by their Jobcentre Plus adviser, but clients are also referred to FEI through a wide range of partner organisations, including Citizens Advice Bureau, Connexions, Sure Start centres, local jobs fairs, the probation service, housing associations, and others.

On registering with FEI, many clients receive help with job search activities, and a large proportion of clients undertake training leading to a qualification as a result of support from their FEI adviser. Other support provided to clients includes financial support to access job interviews or to send job applications, job interview practice, and signposting to a range of wider support relating to health advice, childcare or financial advice, depending on individual needs.

Between April 2008 and December 2009, 1,286 FEI clients entered employment. This represents over one quarter of the total number of clients engaged and is a particularly positive result given that it has been achieved during a period of economic recession.

Client satisfaction and wider outcomes

As part of the evaluation, 79 FEI clients were interviewed. The interviews were designed to assess clients' overall satisfaction with the FEI service, and to explore the outcomes of FEI support on clients and their families.

Client satisfaction with FEI is very high. 86% of those interviewed stated that they are 'satisfied' or 'very satisfied', with FEI. The main reason for the high level of satisfaction is that the FEI support can be tailored specifically to the needs of the individual. Clients also value the fact that they can access support flexibly (without appointment if necessary), and that they are able to build a relationship of trust with their adviser where the adviser helps clients to achieve their goals, but does not 'pigeon-hole' or 'push' clients into a particular direction.

Clients believe that FEI has significantly improved their job prospects. Of clients who had already entered employment, 65% felt that it was *not likely* or *not at all likely* that they would have found a similar job *without* FEI support. Of those clients currently looking for work, three quarters felt that FEI has been 'very important' in influencing their job prospects, while the remaining quarter think that FEI has been 'fairly important'. Intensive, personal support on how and where to look for and apply for jobs has been the key factor in influencing these results.

As well as supporting individuals to access employment, FEI has had a number of 'softer' outcomes for clients. Over 80% of clients reported having more confidence to look for and apply for jobs as a result of FEI, and 70% said that they had improved their skills. 50% of clients said that they are less stressed as a result of FEI support, and clients also reported being able to cope better with problems and issues in their life generally.

Value for money

Between April 2008 and December 2009, 1,286 clients found work through FEI. With FEI spend during the period of some £2.7m, cost per job achieved by FEI was £2,077. In other words, each £2,077 of public sector investment in FEI results in one person moving into work. This indicates that FEI is extremely cost effective, with many comparator programmes achieving cost per job figures in excess of £5,000. The reason for FEI's low cost per job is partly a result of cost effective delivery within the heart of local communities, and partly as a result of the high level of effectiveness in placing clients into work.

Exchequer benefits

By placing unemployed people into work, FEI delivers significant benefits to the Exchequer. These savings result from two affects: reduced unemployment benefit payments to clients, and increased tax and National Insurance revenue from clients who have entered employment. Calculating the impact of both effects reveals that the impact of FEI between April 2008 and December 2009 was to generate net savings to the Exchequer of £3m. This more than off-sets the investment of £2.7m that was made in FEI over the same period. The

analysis of Exchequer savings takes into account *deadweight*, which is the proportion of FEI clients who would have found employment in the absence of support from FEI.

Social return on investment

In addition to employment outcomes, FEI also generates significant social benefits. The evaluation has estimated the social value arising from six social benefit factors:

- Distance travelled towards employment for those FEI clients not yet in work;
- Increased earnings for those clients who have entered employment;
- Increased future earnings of FEI clients as a result of enhanced qualifications;
- Improved health outcomes;
- Increased use of community centres; and
- Reduced rates of reoffending.

Incorporating an assumption for deadweight, the social benefits of FEI are estimated at around £10m for the period from April 2008 – December 2009.

The total benefits of FEI are estimated by summing the Exchequer and social benefits together, and projecting the benefits forward over a five year period (factoring in drop-off and a discount rate of 3.5%). This indicates that the Net Present Value of FEI to-date is some £50m. Based on FEI expenditure to-date, the Social Return on Investment is 19.2. This means that FEI generates £19 of benefit for every £1 of public expenditure.

Strategic added value

The Strategic Added Value (SAV) of FEI is the influence and impact that FEI has had on partners and stakeholders (in addition to the impact on clients). Consultations with stakeholders during the evaluation revealed that FEI has generated significant SAV impacts. These include:

- **Influencing the mainstream:** FEI has directly influenced the delivery of mainstream provision in the East Midlands, where it has acted as the 'model' on which Jobcentre Plus' new Flexible Routeways programme is delivered. FEI has also indirectly influenced mainstream provision nationally, which is placing a growing emphasis on individually tailored support to help individuals overcome barriers to work.
- **Adding value to local provision:** FEI has added significantly to local employability provision. In Knutton for example, FEI enables the delivery of intensive employability support in an area that is not eligible for Working Neighbourhoods Funding. At the same time, the strategic approach to delivery of FEI ensures that FEI does not duplicate existing services. In the East Midlands, CRT took the decision not to roll-out services into a part of Mansfield where employability support was already provided by the voluntary sector.
- **Contributing to local targets and forums:** FEI makes a strong contribution to Local Area Agreement (LAA) targets in all areas in which it delivers, and in some areas FEI is seen as the 'main response' to LAA worklessness targets. FEI staff also make an important contribution to local intelligence, in many areas playing an active role in local skills and employability forums.
- **Maximising the value of investment:** In addition to FEI, the CRT invests in a number of related programmes across all six FEI areas – including a variety of skills, sports and well-being initiatives. CRT ensures that strong linkages exist between FEI and these other local projects, ensuring good complementarity and referral between different activity areas.

Issues for improvement

Throughout the evaluation, stakeholders have been very positive about FEI, and raised few issues or concerns. The two most commonly raised issues relate to how the aims of FEI are communicated, while the third is about partnership working at the strategic level.

Some stakeholders have expressed a view that FEI has not been as effective at engaging the hardest to reach (i.e. IB claimants and long-term unemployed) as had been hoped. During the recession however it has been a deliberate policy of FEI – working with Jobcentre Plus – to target Jobseekers Allowance claimants (on the grounds that the JSA claimants of today could become the long-term unemployed of tomorrow). This shift in emphasis reflects FEI's ability to flex and adapt to changing circumstances. However, the fact that some stakeholders have not been made aware of the deliberate shift in emphasis has led some to believe that FEI has not been as effective as hoped at delivering support to its core target group.

Similarly, some stakeholders are unsure about what the 'family' approach means in practice, and hold a view that FEI is in most cases supporting individuals rather than families or households. This issue again reflects some lack of clarity about the objectives of FEI, which are to understand how family and household circumstances influence barriers to work, rather than necessarily providing support to the whole family.

In general, the success of FEI has been influenced by the strength of partnership arrangements on the ground, and the establishment of robust processes for client referral. Inevitably, it does sometimes take time for these relationships to establish and bed-in. Closer partnership working by CRT at strategic level would help to embed these relationships, and also overcome some of the issues around communication that were described above.

Success factors

The success factors of FEI can be identified at two levels: first, on the management and operational level, and secondly on the delivery (i.e. client-facing) level. On the management and operational level, the key success factors of FEI are:

- The strength of partnership arrangements locally which means that clients can be referred to an appropriate source of support to meet their individual needs;
- The strategic and flexible approach taken to delivering FEI in different areas which ensures that local needs are met, and value is added to existing employability provision, while duplication is avoided;
- The fact that FEI is embedded within the communities that it works with, both in the sense of being physically located in those communities, but also the fact that it is delivered by local people who know about local opportunities and can gain the trust of the local community.

On a delivery level, the key success factors of FEI are:

- The emphasis on relationship building with the client, where one adviser works with a client from the moment the client registers to their entry into work (and beyond);
- The fact that support is individually tailored both in terms of the type of support, but also the pace at which the client is expected to progress;
- That support can be accessed flexibly by the clients (no appointments necessary, and no limit to the number of times that a client sees their adviser);
- That support provided is holistic (i.e. it takes into account the full range of skills, confidence, health, financial and lifestyle barriers to employment an individual might face) and that FEI advisers know when and how to signpost clients to other sources of support and advice.

Looking forward

The current government is pursuing a broad range of reforms to the employment and skills landscape. These reforms include the ongoing emphasis on welfare reform and 'making work pay'; a range of increased employability and skills support during the recession; and an increasing emphasis – signalled in the White Paper *Building Britain's Recovery* – on localism and personalisation of support. This creates an opportunity and a threat for FEI – the opportunity is that FEI has an increasingly close fit with national policy objectives; but the threat is that stakeholders see a more limited role for FEI as mainstream support adopts more of the FEI characteristics.

However, as we approach the election in May, now is a time of significant political uncertainty. While most FEI projects have funding secured until March 2011, many stakeholders are unable to assert with any confidence whether (and what) funding may be available beyond then.

What is certain is that there is still 'a job to do' in England's coalfield areas, where worklessness remains higher than the national average and where skills levels tend to be lower. It is also clear that FEI is an extremely effective approach to addressing issues of worklessness in these areas, as reflected by both client and stakeholder feedback during this evaluation.

The post-election challenge for CRT is to ensure that FEI continues to add value to mainstream provision, and continues to make a clear difference to the lives of people within coalfields areas.

Recommendations

It is clear from the study that FEI is a highly respected programme and is making a major difference to the families it works with, the areas in which it operates and its partners and stakeholders. CRT and the FEI are currently operating in an uncertain environment in terms of how the policy agenda might shift, pressure on funding, and possible changes in infrastructures in the medium term. This climate of change represents a challenge for CRT but potentially, also, opportunities. FEI is very well placed to respond to these future opportunities and has the evidence base to demonstrate the added value of the initiative.

Based on the evidence from the evaluation, a set of programme and project level recommendations have been developed which will build on the achievements of FEI to date and enable CRT to respond to local and national changes in a positive way. The programme level (i.e. FEI-wide) recommendations in summary form are:

- Adopt a strategic approach to identification of new areas which would benefit from the FEI approach;
- Continue to evolve FEI to ensure that it remains at the forefront of best practice and innovation in addressing worklessness;
- Maintain focus on targeting the 'hardest to reach' workless people;
- Improve coordination and information dissemination across FEI projects;
- Clarify and communicate the meaning of the family approach in practice;
- Develop a system for tracking and showcasing the initiative's soft outcomes;
- Ensure that employer liaison activity is delivered in partnership with relevant organisations.

The evaluation also identifies a number of project-specific recommendations.

1 Introduction

1.1 Ekosgen was commissioned in November 2009 to undertake an evaluation of CRT's Family Employment Initiative. This is the report of study findings.

Evaluation aims and objectives

1.2 The aims and objectives of the evaluation were set out in the evaluation brief. The overall aim of the evaluation is to 'aid the CRT in deciding priorities and direction for the remainder of the FEI programme'. Specific objectives for the evaluation include:

- Review the performance, effectiveness and impact of the programme within each of the six areas in which FEI is delivered, including the impacts on families supported;
- Assess the benefits of FEI to the Treasury, through a cost-benefit assessment;
- Assess the value added impact of the programme in relation to, for example, partnership working, use of community facilities, etc.
- Assess the value of employment brokerage and the benefits of the FEI programme for employers;
- Explore the implications of current and future policy development for delivery of FEI;
- Make recommendations for the future direction and sustainability of the FEI.

Background to the Family Employment Initiative

1.3 The Family Employment Initiative (FEI) is one of CRT's flagship programmes to tackling worklessness. It works in some of the countries most deprived wards, aiming to help the hardest to reach residents into employment.

1.4 There are two fundamental principles underpinning FEI. Firstly, FEI takes a 'whole family' approach – working with individuals, families and households to break down barriers to employment. It recognises that many barriers to employment can operate at the level of the family or household unit, and also that support to one individual can benefit others in the family for example improvements in their well being and raised aspirations.

1.5 Secondly, and linked to the first point, FEI provides a holistic service that will lead to economic improvements for the whole household – and to do this through a strong emphasis on partnership working, brokering in services and support in areas such as preventative health, housing, debt advice and other specialist services wherever the need is identified. FEI has established partnership arrangements with District and County Councils, Job Centre Plus; primary health care Trusts, Homes and Communities Agency, debt advice charities, and other local agencies. FEI has access to a Back to Work fund to provide tailored support to individuals – whether that relates to training, childcare, or the costs of travelling to a job interview.

1.6 There are now six distinct FEI projects operating across England. Each project operates within one or more specific coalfield areas, following the principles of FEI as described above. However, each project differs slightly in terms of its delivery approach and funding partners. In later sections of this report we describe each model in detail, and describe our findings for each. In summary, the six FEI projects are:

- In the **East Midlands**, FEI is delivered by CRT across a wide number of coalfields areas, and from a wide variety of locations. FEI in the East Midlands has grown rapidly since its start in 2006, and receives funding from Derbyshire and Nottinghamshire County Councils, as well as the RDA, CLG and Bolsover District Council.

- In **Featherstone**, FEI has been delivered by CRT since late 2008 from a prominent position on Featherstone High Street.
- FEI in **Knutton** (Newcastle Under Lyme) is delivered by CRT and has been in operation since February 2009. FEI in Knutton was developed alongside – and works closely with – the JET (Jobs Enterprise Training) programme managed by Staffordshire Regeneration Partnership.
- In Wigan, the **Bickershaw** FEI is delivered by Wigan Council. Originally developed in response to the regeneration of the Bickershaw Colliery site, the Bickershaw FEI has been operational since February 2009.
- In **Sunderland**, FEI is delivered by the Sunderland North Community Business Centre (SNCBC). Although FEI in Sunderland adopts the same principles as FEI in other areas, it is actually delivered by SNCBC as part of the city-wide Job Linkage service, with FEI funds being used to provide additional capacity within Sunderland's coalfields areas.
- In **West Cumbria**, CRT is managing and delivering an employment partnership project (the West Cumbria Employment Partnership). Established in early 2009, the WCEP is a discrete element of FEI which aims to develop strategies for increasing the employment, education and skills of local people, with particular reference to the nuclear sector.

Study approach

1.7 Reflecting the scope of the evaluation aims and objectives, and the nature of the FEI programme, our approach to the evaluation has involved a wide range of tasks, undertaken at both project and programme level.

1.8 At the level of each of the six FEI projects, our approach has involved:

- Review of background information, finance and monitoring data associated with the project;
- Meeting with the project manager to review the structure and delivery approach adopted by the FEI, and reviewing learning and best practice at project level;
- Meeting with FEI delivery staff (i.e. advisers) to explore the operation of the project in further detail, and get staff views on success factors and limitations of the delivery approach;
- Face-to-face consultations with FEI clients to assess client satisfaction and outcomes;
- Consultations with local stakeholders to assess issues in relation to contribution of FEI to local policy objectives, learning and best practice, and sustainability;
- Consultations with employers to assess the benefits they have experienced as a result of FEI, and their overall satisfaction with the programme.

1.9 At programme level, in addition to consultation with staff at CRT, the approach has involved aggregation of project level information to assess the overall impacts of FEI. In particular, the programme level assessment has focussed on understanding the quantitative benefits of the programme in terms of cost per individual into employment, and the use of a Social Return on Investment approach to calculate the savings to the Treasury and the social benefits of the FEI programme.

Report structure

1.10 The remainder of the report is structured as follows:

- Section 2 provides an overview of the FEI programme, including the strategic approach taken, and a summary of how FEI is delivered in each of the six areas.
- Section 3 presents the results of stakeholder feedback on the success factors, achievements and issues associated with the FEI programme.
- Section 4 describes the outcomes of FEI on clients, drawing in the results of the client survey;
- Section 5 provides an assessment of value for money, calculates the cost savings to the Exchequer, and presents a Social Return on Investment (SROI) analysis to assess the programme's social impact.
- Section 6 considers learning and best practice from FEI, and the implications of the changing policy environment.
- Section 7 draws out the conclusions from the study evidence and provides recommendations.

1.11 A separate report contains more detailed analysis of each of the six FEI projects on a case-by-case basis.

Case-study 1

Alastair was signposted to FEI by his JobCentre adviser in late summer 2008, after having been made redundant from a factory earlier in the year. Alastair had been looking for factory work, but was increasingly demoralised after a number of rejections and admits that he was 'getting lazy' about making applications. Alastair's expectations were that FEI would be 'just another CV help place' and he was 'not hopeful' that it would help him. He was however immediately impressed by the time and attention that his FEI adviser was able to spend with him, and with the interest his adviser showed in his circumstances.

As he established trust with his FEI adviser over the initial weeks, his adviser encouraged him to think more aspirationally about his interests and long-term goals. 'She was always motivating me to think about my choices, and nagging me to apply for more fulfilling stuff' Alastair said of his adviser. Alastair's adviser helped him broaden his jobsearch activities, and suggested he went on a course to improve his literacy and numeracy. Within a few weeks, Alastair had secured a job as a caretaker at a Rail Museum – which was initially a temporary position but which has now become permanent. Alastair says the job 'has transformed my life. I wake up with a smile on my face every day because I love it'. Alastair was 'incredibly satisfied' with the support from FEI, particularly in terms of 'the options they give you and how they motivate you – at the job centre you just get pigeon-holed as a factory worker' he says.

2 Overview of the FEI Programme

Introduction

2.1 The Family Employment Initiative is one of the Coalfield Regeneration Trust’s flagship programmes for tackling worklessness in deprived communities. The FEI Programme started in the East Midlands in 2006, and it has since expanded to cover six distinct geographical areas:

- The East Midlands (where FEI is delivered across the coalfield areas of Derbyshire and Nottinghamshire)
- Featherstone in South Yorkshire
- Newcastle-under-Lyme in Staffordshire
- Bickershaw in Wigan
- The communities of Hetton and Houghton in Sunderland; and
- West Cumbria

2.2 This geographical spread means that FEI is now delivered in parts of all five of the midland and northern regions.

2.3 However, despite being a national level programme coordinated by CRT, the FEI does not consist of one model which is applied rigidly across each of the six areas. Instead, the precise approach to delivering FEI, including the delivery organisation, the target client groups, and the approach to partnership working, has varied across the six areas to reflect the structure of existing employability initiatives locally and the local policy emphasis. In this way, CRT has taken a strategic and flexible approach to the management and delivery of the programme to reflect local need and demand.

2.4 In four of the areas – East Midlands, Newcastle-under-Lyme, Featherstone and West Cumbria – FEI is delivered by the CRT. In Sunderland and Bickershaw, FEI is delivered on behalf of CRT by external organisations (Sunderland North Community Business Centre in Sunderland and Wigan Borough Council in Bickershaw). This flexible approach to delivery reflects the delivery infrastructure that existed within these two areas, and the ambition of CRT that the FEI should add capacity to this existing provision rather than duplicate it.

2.5 Table 2.1 below summarises the six FEI programmes.

Table 2.1 An overview of the FEI Programme

	Start-date	Lead delivery organisation
East Midlands	2006 (this evaluation covers the period from April 2008)	CRT
Featherstone	October 2008	CRT
Knutton	February 2009	CRT
Sunderland	July 2008	Sunderland North Community Business Centre (SNCBC)
Bickershaw	February 2009	Wigan Metropolitan Borough Council (WMBC)
West Cumbria	May 2009	CRT
Total		

Source: CRT

2.6 Although each FEI differs slightly in terms of delivery approach and partnership arrangements, they all share the core principles of FEI, which include:

- Providing personalised holistic support to clients to help them access employment or more towards an employment outcome. Each FEI draws on a 'Back to Work fund' which can be used to support clients flexibly with aspects such as training, transport to job interviews, posting job applications, childcare, and so on.
- Delivering support from the heart of communities, based in accessible community venues, and with a focus on delivering from outreach centres.
- Developing strong referral arrangements with a range of support providers, to whom FEI clients can be referred to, or from which clients may be referred from.

Pen Portraits of the FEI projects

East Midlands

2.7 FEI evolved from joint work between CRT and English Partnerships in 2003 to better integrate the physical and social regeneration of coalfield areas, and to maximise the scope for local people to take advantage of major programmes of physical development. By 2006 CRT had established the FEI as a formal partnership with emda, Jobcentre Plus and Bolsover District Council to ensure that local residents were able to benefit from new job opportunities arising from physical developments as they came on stream.

2.8 The FEI at Shirebrook was perceived as a significant success, and an evaluation in 2007 identified key achievements of the project in relation to effective targeting of those most disadvantaged in the labour market, the strengths of partnership links and referral arrangements for clients, and the holistic and flexible nature of the support provided to clients and their families.

2.9 A review of approaches to addressing worklessness and social exclusion in the East Midlands commissioned by emda in 2007 also highlighted the achievements of FEI, and concluded that the FEI model represented best practice in addressing worklessness. This ringing endorsement of FEI led to a rapid expansion of FEI across coalfield areas in Derbyshire and Nottinghamshire during late 2008 and 2009. FEI now employs 12 community employment advisers who deliver services from 15 locations.

2.10 FEI makes a significant contribution to LAA targets of both County Councils, and has become the main response in relation to LAA worklessness targets. The FEI project in the East Midlands has also been instrumental in shaping changes to mainstream provision in the region, and this is discussed further in the following section.

Featherstone

2.11 FEI in Featherstone was developed in response to the Featherstone Coalfield Action Zone (CAZ) Development Plan, which linked CRT's employment remit with the wider national programme of coalfields physical development. Although the credit crunch caused the wider scheme to be delayed, CRT has pursued its ambition to establish an FEI project in the area. FEI Featherstone was officially launched in January 2009 although delivery began several months prior to this. It is delivered from a prominent position on Featherstone High Street, employing three employment advisers, an administrator, and a manager.

Knutton

2.12 The Knutton FEI was developed alongside a North Staffordshire wide programme called JET (Jobs Enterprise Training). JET, which is delivered by the North Staffordshire Regeneration Partnership, aims to address long-term worklessness across the area.

However, because JET is funded in part through WNF, and Knutton itself is not eligible for WNF funding, there was a potential gap in provision. CRT recognised this gap, and began delivering the FEI programme alongside JET in February 2009. The Knutton FEI employs 2 employment advisers, a manager, and is delivered from the Knutton Centre, where JET advisers are also based.

Sunderland

2.13 In Sunderland, FEI is delivered externally by Sunderland North Business Centre (SNCBC). SNCBC is responsible for delivering the Sunderland-wide Job Linkage service, a programme which has been running for some 14 years to provide one-to-one support for individuals to help them find work, across the city. FEI funding essentially enables this Job Linkage service to be delivered more intensively within the coalfield areas of Hetton and Houghton, employing six employment advisers.

2.14 A separate element of FEI in Sunderland is the appointment of a targeted recruitment and training co-coordinator to help secure employment opportunities for local people during the construction of a housing and country park development at Lambton. This post, to be funded jointly by the Homes and Communities Agency (HCA) and the preferred developer, was due to be in post in 2009, but the recession has delayed the start of this project and will start in mid-2010. Prior to this appointment however, CRT has been working closely with HCA to ensure appropriate labour market clauses are established with the preferred developer.

Bickershaw

2.15 FEI in Bickershaw was established as a partnership between CRT, Wigan MBC and the Homes and Communities Agency, and was developed in response to proposals for the redevelopment of the Bickershaw Colliery site. The redevelopment of the colliery envisages 650 homes, a canal boat marina, and 2,750 square metres of employment space, and partners' desire that local people should be supported to access these opportunities as they are realised. The Bickershaw FEI is delivered by Wigan MBC, following a successful application to FEI for funding. Wigan MBC's position as delivery organisation reflects the fact that it was already delivering significant worklessness activity through its WNF funded Worklessness Strategy, and therefore having the council lead delivery of FEI appeared to be the most suitable approach to avoid duplication and maximise coordination. Working from a community centre in Westleigh, FEI employs 6 employment advisers and a manager.

West Cumbria

2.16 The West Cumbria FEI differs slightly from other FEI models, involving a stronger emphasis on employer engagement and job brokerage. Although it is delivered by CRT, the West Cumbria FEI is overseen by the West Cumbria Employment Partnership (WCEP). The WCEP was established during 2009, meeting for the first time in July 2009. The aim of the Partnership is to develop strategies for increasing the employment, education and skills of local people, with particular reference to the nuclear sector and its supply chain.

2.17 The rationale for the WCEP is that West Cumbria has a very high dependency on the nuclear sector and its supply chain. As decommissioning at Sellafield gets underway, there is a need to break the area's dependence on that sector as a source of employment, while also addressing worklessness more widely. In line with the ethos of FEI, the ethos of the WCEP Programme is to address these challenges through strong partnership working and linkages to existing employability programmes. It remains early days in the development of the West Cumbria model, and the focus to-date has been on establishing partnership arrangements, and engaging employers. An Employer Charter has been developed and signed by a number of local and national employers, staff are in the process of being recruited, and the project manager is working with several employers to assess recruitment needs.

Engagements and outcomes

2.18 Each FEI project has a slightly different set of targets, reflecting funder priorities. In each FEI however, core targets relate to the number of clients engaged, and the number of clients accessing employment. Table 2.2 below sets out the number of clients who have registered on FEI to date, and those entering employment. In total, FEI has registered 4,563 clients between April 08 and December 2009 (although some FEI projects have only been operational since later 2008 or early 2009). Of these, over one quarter have been supported to enter employment.

2.19 The ratio of employment outcomes to registrations is particularly strong in the East Midlands, reflecting the longer time period over which this FEI has been delivering. The ratio is less strong in Knutton, but this is simply a reflection of the recent start-date. Delivery of support services has not yet started in West Cumbria.

Table 2.2 Funding sources and spend

	Clients registered	Clients into work
East Midlands	1992	713
Featherstone	381	160
Knutton	376	29
Sunderland	1170	304
Bickershaw	644	80
West Cumbria	-	-
Total	4,563	1286

Source: CRT/ Wigan MBC/ SNCBC

Funding

2.20 Each FEI project is funded by a slightly different cocktail of funding, reflecting the emphasis on responding to local need and circumstance. Table 2.3 below shows the funding sources for each FEI, and the actual spend to-date.

Table 2.3 Funding sources and spend

	Spend to date	Funding partners
East Midlands	£1,783,273	CRT, Nottinghamshire County Council, Derbyshire County Council, Bolsover District Council, emda (previously Alliance SSP)
Featherstone	£234,712	CRT
Knutton	£159,785	CRT, EPIC Housing Association), Jobcentre Plus, European Social Fund, Newcastle-under-Lyme Borough Council
Sunderland	£307,021	CRT, Homes and Communities Agency, Working Neighbourhoods Fund
Bickershaw	£185,929	CRT, Homes and Communities Agency, Working Neighbourhoods Fund
West Cumbria	£0	Nuclear Decommissioning Authority
Total	£2,670,720	

Source: CRT

2.21 Most FEI projects run until March 2011, although the funding from Nottinghamshire County Council ends in March 2010, while the Bickershaw FEI has funding allocated until 2012, (as does WNF funding for the practice nurse in the East Midlands).

Key issues

2.22 CRT has taken a strategic approach to the development of FEI. As a result of fairly rapid expansion, FEI is now delivered in parts of all midland and northern English regions.

2.23 All six FEIs share the core FEI ethos which is to deliver personalised and holistic support from within communities, in order to help those furthest from the labour market gain employment or move closer to the labour market.

2.24 However, each of the six FEI projects has been designed specifically to meet local circumstances. As a result, the six FEI projects have each established strategic partnerships and funding agreements with a slightly different group of partners, and this is reflected in specific targets for each FEI. Most FEIs are delivered by CRT, but in Bickershaw and Sunderland, FEI is delivered by external organisations, again reflecting the desire to tailor the FEI delivery approach according to the local infrastructure that exists.

2.25 Between April 2008 and December 2009, the six FEI projects engaged over 4,100 clients, placing over one quarter into work. This is a significant achievement given that it occurred during a recession, and at a time when several FEIs (Featherstone, Newcastle, Bickershaw) were starting up and beginning operations (the West Cumbria project has not yet begun delivery of employability support to clients). In subsequent sections of the report we consider some of the likely factors behind this success.

Case-study 2

Bill was referred to FEI two years ago by his Jobcentre Plus adviser, after having been out of work for some time following an accident. His FEI adviser helped Bill to set-up as a sole trader in the construction industry, helping him to produce and distribute leaflets locally.

A year later, Bill's daughter Alison decided that she wanted to pursue a career as a painter and decorator. Jobcentre Plus 'offered nothing' so Bill suggested that Alison go along to FEI. Alison's FEI adviser signposted her to the Prince's Trust where she was able to get information about business start-up. The FEI adviser also helped Alison to produce and disseminate marketing materials, and develop a website with a link from Derbyshire County Council. The Adviser also advised people locally about Alison's new business, helping her to generate a significant proportion of her business from word of mouth enquiries.

Bill and Amanda say they 'have not looked back' since receiving help from FEI. Their FEI adviser is 'helpful, welcoming, and points you in directions you don't know about' says Amanda, and has been instrumental in driving the success of the business. Amanda has recently had to turn business away, and is looking to hire an apprentice soon.

3 Stakeholder perspective

3.1 During the evaluation we consulted with a range of stakeholders associated with each project, including Jobcentre Plus, LSC, local authorities, RDAs, and other partner organisations. This section describes the results of these consultations, focussing on three areas:

- Success factors
- Key achievements; and
- Issues and challenges

Success factors

Robust partnership working and referral processes

3.2 The evaluation found that partnership arrangements work consistently well on the ground, both in terms of referral to FEI and referral from FEI to other support organisations. Strong links exist in all areas with Jobcentre Plus, which is the main source of referrals for clients in most areas. In a number of FEI areas (East Midlands and Sunderland), a Jobcentre Plus adviser is co-housed in FEI premises on a full-time basis, while in other areas (Knutton) the Jobcentre Plus adviser is co-housed on a part-time basis. This reflects the confidence that Jobcentre Plus has in the programme, and helps to embed these linkages further (and contributes to FEI advisers' knowledge of the conditions attached to different Jobcentre Plus benefit entitlements).

3.3 Partnership working with other organisations is also strong. FEI has established relationships with a very wide range of partners, including: Probation Service, Connexions, Housing Associations, Debt Advice Social Enterprises, Sure Start centres, training providers, and others. Referrals typically work in both directions, with some clients signposted to FEI and others being referred from FEI to partner organisations. The fact that FEI advisers 'know their boundaries', and are able to refer clients to other specialists where necessary, is seen as a consistent strength of the programme. In several FEI areas (East Midlands and Sunderland), a practice nurse is also co-housed on a part-time basis within FEI premises, allowing direct referral to take place.

3.4 A minority of stakeholders commented that partnership arrangements locally can be dependent on an advisers' personal contacts and relationships. This means that in some areas, linkages with partners (such as the probation service) are stronger than in others – and while it could be argued that this variation is a weakness, other stakeholders see this ability to vary the focus of FEI in different areas according to different needs as a strength.

3.5 At a more strategic level, a minority of stakeholders feel that CRT could do more to build strategic relationships with organisations such as LSC and Jobcentre Plus in order to better anticipate changes in employability policy, and the implications for the advice given to clients from advisers. At strategic level, there have also been some issues with the type of client referred from the mainstream (e.g. when clients who are not part of the core FEI client group are referred, or when clients are only referred to FEI as a 'last resort'). These issues are relatively uncommon, and need to be dealt with at a strategic level when they arise.

Embedded within communities

3.6 Stakeholders across all FEI areas were keen to stress the importance of the fact that FEI is embedded within the communities it serves. There are two important aspects to this.

3.7 First, stakeholders were consistently positive about the FEI delivery teams (the advisers and management staff), who are seen as committed to the FEI ethos to support local people into work. The individuals employed by FEI are a key factor behind the programmes success – having credibility with their local communities combined with good knowledge of local issues and linkages with local employers.

3.8 Second, FEI makes regular and consistent use of community facilities to deliver outreach work. In Featherstone for example, outreach activity takes place in a community centre and two Sure Start centres. The Bickershaw FEI delivers from four community centres, while the Sunderland FEI runs a half day per week drop in session in a local community centre in partnership with a health adviser and the housing association. The fact that FEI is regularly taken ‘out’ to communities is seen as an important part of its ability to engage.

3.9 Additionally, while the existence of strong referral arrangements was noted above, stakeholders were also keen to note the value of FEI’s recruitment processes, including extensive door-knocking, leaflet drops, and the distribution of marketing material in the local press, and in GP clinics, Sure Start centres, and so on.

Maximising the value of investments

3.10 CRT’s investment in FEI does not take place in isolation, but is linked to CRT’s wider investment in coalfield communities. By ensuring that its investment programmes complement each other, and that each CRT funded project raises awareness of other CRT projects in the area, the value to communities of CRT activity is maximised.

3.11 For example, in Yorkshire, CRT part funds the Wakefield Homebuilder project (which coordinates skills and training for the construction industry), Leeds Rebuild (which provides vocational training within the construction industry), and Wakefield Homestart (which supports families facing difficulties). FEI Featherstone has close links to each of these projects, referring FEI clients to each of these projects, and sometimes receiving referrals from these projects. Indeed, since FEI Featherstone started, the Wakefield Homebuilder has increased the targeting of its services in Featherstone.

3.12 In Sunderland, CRT funds a diverse range of projects, including the Sunderland Volunteer Bureau and Sunderland Centre for Voluntary Service which provide valuable opportunities for FEI clients, as well as the Shiney Row Childcare service. In the East Midlands, projects funded by CRT that have close connections with FEI include Wheels to Work (which supports young people from remoter communities access employment opportunities), the Stavely and Ilkeston Money Advice programme, the Enhanced Driver Training project, and a Community Learning and Skills Centre in Nottinghamshire, and FEI refers to and from each of these initiatives.

3.13 There are also connections between FEI and other non-employability related CRT projects. For example, CRT funded sports programmes in Featherstone are promoted by FEI (as a way of improving health and building confidence among clients), and the Sports Legacy co-ordinator attends the Featherstone FEI steering group meetings. Similar arrangements with sports programmes exists in other FEI areas. In Bickershaw, related CRT-funded projects include Moving on Moving up delivered by Groundwork, which is a personal development programme for adults from deprived areas, and FEI back to sports, which involves sports taster sessions and the possibility to gain sports coaching qualifications.

3.14 Indeed, within all of the FEI areas, CRT funds a diverse range of initiatives relating to sports clubs, music projects, youth projects, homeless support, and childcare, and efforts are

always made to ensure that linkages between the projects are strong. Nationally, CRT intensified its Debt Advice programme across the regions during the recession, and FEI has referred clients to this programme where appropriate.

Tailored and holistic support

3.15 In all areas, stakeholders were keen to stress the importance of the fact that FEI provides personalised and tailored support to clients, depending on their precise needs. This is undoubtedly one of the key success factors for FEI, and is discussed further in section 4.

Achievements

Influencing the mainstream

3.16 FEI has directly influenced mainstream delivery in the East Midlands. In 2007, emda and the regional Employment, Skills and Productivity Partnership (ESP) commissioned research to make recommendations for tackling economic exclusion and worklessness in the East Midlands. This review, undertaken by Martin Yarnitt Associates, found that the FEI model represented best-practice in addressing worklessness, especially among the most disadvantaged people in the labour market.

3.17 Yarnitt recommended the establishment of local multi agency employment teams (known as JOBMAETS), the concept for which was based on the FEI model. This recommendation has been taken forward by Jobcentre Plus which, through a programme known as Flexible Routeways (funded through ESF) has in effect mainstreamed JOBMAETS, contracting-out sub-regional delivery of JOBMAETS. Stakeholders were unanimous in asserting that FEI was the model on which Flexible Routeways/ JOBMAETS was based, although, given that Flexible Routeways is contracted to mainstream providers, it remains to be seen whether Flexible Routeways will have as much success in engaging target client groups as FEI.

3.18 More widely, it could also be argued that FEI has helped shape national policy. Emerging policy at national level (which is discussed further in section 6) places a significant emphasis on providing more personalised, tailored and holistic support to individuals and families. FEI has undoubtedly helped to shape this policy agenda indirectly, although it is harder to make an explicit link between these policies and FEI specifically.

Adding value to local provision

3.19 CRT has taken a strategic approach to the delivery of FEI, ensuring that local needs are met without displacing or duplicating existing activity, and this was noted by stakeholders. At project level, each FEI has been designed to fit local circumstance. In Sunderland and Bickershaw, this involves making use of existing employability infrastructure through which to deliver FEI. In Knutton, this has involved augmenting existing provision to address a geographical gap in worklessness provision.

3.20 Several FEIs have been designed in response to specific local circumstances. In Bickershaw and Featherstone, this has included the opportunity to secure local benefit from major physical infrastructure projects. And in West Cumbria, FEI has been developed in response to the issues that nuclear decommissioning will pose for the area. In each case, stakeholders perceive that FEI has brought significant additionality over and above what would have been available through the mainstream and/or other sources.

3.21 Even within individual FEI projects, evidence of this flexible approach to delivery is evident. In the East Midlands for example, FEI made a deliberate decision not to deliver in parts of Mansfield, where the voluntary and community sector was seen to be providing an effective level of employability support. More recently, FEI East Midlands has agreed a

change in its contract with Nottinghamshire County Council, which is that 75% of FEI clients engaged should have been out of work for 12 months or more.

3.22 This ability to flex and adapt to local circumstance is seen as a key strength of FEI over interventions delivered by mainstream partners.

Strategic added value

3.23 FEI delivers Strategic Added Value in two key ways:

- FEI activity contributes to local employability targets, particularly those associated with Local Area Agreements; and
- FEI project managers play an active part in local worklessness forums, disseminating and sharing intelligence on labour markets.

3.24 In the East Midlands for example, FEI is seen as the 'main response' to Nottinghamshire's LAA target to reduce the number of working age people on benefits, while FEI also contributes to Derbyshire's LAA target to reduce worklessness in the worst performing neighbourhoods. In Knutton, FEI contributes to two LAA targets: reducing the number of 16-18 year olds not in education, employment or training, and reducing the working age population on benefits. FEI contributes to similar LAA targets in other areas, and this role is valued by stakeholders.

3.25 The role that FEI programme managers play in involvement with local employability groups is also highly valued. This is particularly the case in the East Midlands, where the scale of the FEI project is such that the FEI manager is able to attend meetings of the Derbyshire and Nottinghamshire LSP Worklessness forums, and the Nottinghamshire Employment and Skills Board. This enables FEI to share information with partners on key trends, new employers, etc., and this is valued so highly that some stakeholders would like to see FEI's role in this regard expand to include district LSP groups, although the project manager's capacity constrains this from happening. In Knutton, the FEI project manager has similarly been involved in the formal partnership to drive forward the joint FEI/JET Action Plan, while in Featherstone, the FEI is represented on the Wakefield Skills, Enterprise and Work Provider Network which monitors and manages LAA performance in areas of employability and skills.

3.26 The West Cumbria FEI, which has only recently been launched, has taken this local coordination role a step further by establishing the West Cumbria Employment Partnership. This brings together a broad range of partners from the public and private sectors to take a wide overview of employment and skills issues in Cumbria, and to address issues around worklessness in the area.

Case-study 3

John was signposted to FEI by a charity which aims to help people with disabilities find employment opportunities in early 2009. John has a number of physical health problems which affect his mobility. When he first engaged with FEI he was on Incapacity Benefit and 'at a very low point having been off work sick and also made been made redundant from his job in the construction industry. John has a long term alcohol problem and was also drinking heavily. He 'had no idea' what to expect from the project. During the first few weeks John and his Advisor discussed possible options and he developed a clear focus for future training and employment. It was like 'talking things through with a friend' he says 'but she was really professional as well'. John decided to work towards a career in drug and alcohol support services and is now taking a Level 2 Substance Awareness course through which he has done some voluntary work at a local needle exchange. He is also currently training with ADS, a Drug and Alcohol support organisation. Following training, John is hoping to start volunteering with ADS which will include group and 121 work with ex offenders. He will start a Level 3 course in September 2010. John maintains that his involvement with the FEI project 'has been life changing, not just professionally but personally. 'I have stopped

drinking and improved my quality of life 100% - I'm getting the right training and experience to do a job that I feel really drawn to'.

Issues

3.27 Stakeholders have raised relatively few issues with the FEI Programme, but some of the most common issues raised are described below.

Engaging the hardest to reach

3.28 While the rationale for FEI is seen to be to address worklessness among those furthest from the labour market, some stakeholders believe that FEI has been more effective at supporting JSA claimants rather than IB claimants or the long-term employed – and this does appear to be backed up by monitoring data to an extent. Stakeholders did however recognise that this is largely caused by factors out with FEI's immediate control, including:

- The referrals received from Jobcentre Plus, with a large proportion of Jobcentre Plus referrals coming from the JSA rather than IB group, particularly during the recession;
- The clients who 'self-refer' themselves to FEI.

3.29 Indeed, the increase in referrals to FEI from the JSA group is to be expected during a recession, and in a number of areas, Jobcentre Plus was keen to draw on FEI support to help address the growing numbers of JSA claimants.

3.30 Not all stakeholders raised this as an issue, and not all stakeholders saw it as a problem. Wigan for example has a mandatory Pathways service for IB claimants which reduces the referral of clients from this group to FEI. For some stakeholders however, FEI was principally intended as a mechanism through which to address worklessness among the hardest to reach, rather than recent JSA claimants, regardless of whether or not there is a recession. Nottinghamshire County Council for example has recently agreed an extra clause in their funding contract with FEI, which is that three quarters of FEI clients (in Nottinghamshire areas only), should have been out of work for 12 months or more. It remains to be seen what implications this has for FEI operational delivery.

Defining the family approach

3.31 A minority of stakeholders raised concerns that FEI tends to support individuals far more often than it supports families, and therefore that the reference to family is misleading. This view probably arises from a slight misconception about what the Family Employment Initiative is about. It does not mean that support is always provided to all family members, but that a range of holistic support can be provided to an individual (and their family) in order to tackle the barriers to employment that they face.

3.32 The family reference thus relates to the fact that support is holistic in nature, although some FEI staff have made the point that the 'family tag' is not always useful in trying to describe the programme to external audiences.

Project specific issues

3.33 There have been some project specific issues arising as a result of the different policy and infrastructure landscapes operating in each area, although these are all being addressed.

3.34 In the East Midlands, the roll-out of Flexible Routeways caused some challenges. As noted above, FEI was the impetus for Flexible Routeways, Jobcentre Plus's mainstream approach to addressing worklessness amongst hard to reach groups. The initial roll-out of Flexible Routeways in mid-2009 caused some issues in areas in which FEI was operational,

in that it wasn't clear to stakeholders what the respective role of FEI was in relation to Flexible Routeways. These issues have now largely been resolved and a range of Service Level Agreements are in place which secure FEI as the principle deliverer of employability activity in particular areas. Agreement has also been made with Jobcentre Plus that both FEI and Flexible Routeways can deliver support to the same client, although in practice this does not tend to happen often.

3.35 In Knutton, the early days of FEI have been subject of some confusion as to the relationship between JET and FEI (which both provide similar but not identical services from the same premises), the eligibility of clients from different areas for JET and FEI, and the role of JET Business in providing job brokerage services to FEI. A recent evaluation of JET found that JET was suffering from 'growing pains' and recommended that it should 'systematise' its processes around the client journey. These issues, and the relationship with FEI, are being resolved through ongoing discussion and dialogue.

Employer engagement and job brokerage

3.36 Each FEI has taken a slightly different approach to employer engagement. In Sunderland, the Job Linkage programme through which FEI is delivered has close links with the Sunderland-wide Employer Link Team, and job brokerage takes place through that. In Featherstone, employer outreach was initially conducted by the FEI team, but there were challenges in engaging employers who found it difficult to understand how FEI differed from a recruitment agency. As client caseloads have built up, dedicated focus on employer engagement by Featherstone's relatively small FEI team has been difficult to maintain.

3.37 In Knutton, job brokerage is undertaken by JET Business. There have been some issues of coordination between FEI and JET (described above), and CRT is now considering whether it should deliver a job brokerage role itself. In the East Midlands, FEI has tended not to get involved in employer engagement specifically, although this will change in the near future, as funding has been secured for a Job Brokerage co-ordinator, to be employed by the Chamber of Commerce and to work alongside FEI at the Shirebrook HQ. In Bickershaw, FEI clients are signposted to the Jobcentre Plus job brokerage programme, which has links with Morrisons and Hitchens and Anchor Homes and has been effective at placing clients into employment.

3.38 The lessons from these different approaches to employer engagement and job brokerage seem to be that effective job brokerage works most effectively when it is undertaken by a dedicated position. The skillset required to engage with businesses is not necessarily the same as the skillset required to work with clients, and engaging with employers can be equally, if not more, resource intensive. It helps if employer engagement is undertaken by an organisation which has profile with employers, hence the rationale for the East Midlands employer engagement post to be employed by the Chamber of Commerce. Where job brokerage is undertaken externally however, it is critical that strong partnership arrangements are in place with that organisation, and that the referral processes are well defined.

Soft outcomes

3.39 Funders have a tendency to focus on the quantitative outcomes associated with FEI, particularly in terms of employment outcomes. The majority of stakeholders recognise that the FEI programme also delivers substantial softer outcomes, supporting clients to build confidence and skills, improve health and financial position, and make the transition towards the labour market.

3.40 Several stakeholders suggested that, although funders are ultimately interested in employment as an outcome, the FEI programme could explore ways to monitor and present information on the softer outcomes achieved.

Key issues

3.41 Stakeholders consulted during the evaluation were unanimously positive about the FEI programme. The programme's strengths are seen to include: the flexibility of its delivery approach in different areas; its adaptability to changing policy circumstances; the strategic approach taken to ensure that it reflects local circumstances and need; and the strategic links made to other CRT activity as a source of referral.

3.42 Across all six areas, FEI has established robust partnership arrangements with a wide range of partners on the ground. This is particularly impressive given that FEI has only recently been established in some areas, and partnership arrangements have had to be developed 'from scratch' over a short period of time. A minor criticism is that partnership links have been developed in part through advisers' own contacts, although this is also a strength in that it allows referral processes to reflect local need. In some areas there may be scope to develop stronger partnership arrangements at a more strategic level (i.e. between senior staff at CRT and partner organisations) in order that FEI can be even more responsive to changing policy conditions.

3.43 The approach to employer engagement has varied across FEI projects. Employer engagement works most effectively when it is delivered by a specialist resource that has a profile with employers, and when clear linkages exist between FEI and the broker. On the whole however, a low proportion of FEI clients are supported into employment through brokerage, with the majority responding to openly advertised positions.

3.44 Stakeholders raised few issues of concern in relation to FEI. Some stakeholders are concerned that FEI has had more success in engaging JSA claimants and the recently unemployed, rather than IB claimants and the longer term unemployed. Other stakeholders however recognise that this shift in focus is part of FEI's flexibility in the face of the recession, and reflects the changing nature of referrals from Jobcentre Plus during this period. However, there is scope in some cases to work more closely with stakeholders to agree what proportion of the client group should come from different claimant groups.

3.45 There have been some project specific issues, largely in relation to partnership working at a strategic level. These issues are being addressed.

3.46 The FEI programme delivers significant strategic added value to partner organisations. It contributes towards LAA outcomes, and is the main response to worklessness targets in some areas. FEI staff also play an active role in local LSP groups and employability forums, where their contribution to local intelligence is highly valued.

3.47 FEI has directly influenced mainstream delivery in the East Midlands, acting as the model on which Jobcentre Plus' Flexible Routeways programme has been based. Indirectly, FEI has also influenced policy at national level, which now has an increasing focus on personalisation and holistic support.

4 Client perspective and outcomes

Introduction

4.1 Face-to-face interviews were undertaken with clients at FEI offices and a number of FEI outreach centres. In total, 79 clients were interviewed, distributed across the FEI areas as indicated in Table 4.1.

Table 4.1: Distribution of FEI client interviews

FEI Area	Clients interviewed
East Midlands	16
Featherstone	17
Knutton	10
Sunderland	22
Bickershaw	14

Source: *ekosgen analysis*

Referral and expectations

4.2 Clients were asked how they found out about FEI. In Sunderland, East Midlands and Knutton, the most common response was Jobcentre Plus. In the East Midlands, almost two thirds of clients had been referred to FEI by Jobcentre Plus, while the figure was 55% for Sunderland and 44% for Knutton. In Bickershaw, a large proportion of clients found out about FEI from the Leigh Skills shop.

4.3 Across all areas, clients have found out about, or been referred to FEI from a wide variety of sources, including:

- Citizens Advice Bureau
- Connexions
- Sure Start Centre
- Local Jobs Fair
- Shaw Trust

4.4 Clients were asked what their expectations of FEI had been at the time of registering. Most clients were expecting to receive help on their CV and job applications, and ultimately to find work. Some clients had specific expectations of FEI (normally around attaining a particular qualification, or undertaking a CSCS test), and some were seeking funding for a specific qualification. Many clients however had no real expectations of the service – in fact many admitted to having been pessimistic about the service, stating that they thought it would be ‘just another CV service’.

Support

4.5 The vast majority of clients interviewed (86% across the sample) received various types of ‘jobsearch’ skills – including help with CVs and job applications, as well as searching for vacancies. A large number of clients (67% across the sample) also undertook training leading to a qualification. A smaller number of clients received support in relation to financial advice, health advice, or support with childcare.

4.6 Types of support identified by clients included:

- Purchase of clothing to assist at job interviews
- Interview practice
- Travelling to interviews with the client
- Preparing marketing materials and supporting the dissemination of these marketing materials locally for a client who had set-up as a sole trader.
- Sorting out CRB checks to help a client get work at a children's centre
- Funding support for a qualification (Health and Safety at Level 3) which was vital in helping a client find employment

4.7 A large number of clients also commented on how their adviser had helped motivate them. Advisers were seen to have 'opened my eyes to more fulfilling opportunities', and 'given me a kick up the arse', raising client confidence and aspirations. Indeed, a common point raised by clients was the fact that their adviser had been able to raise awareness of different opportunities available, and to support the client to make their ambitions a reality.

4.8 Clients have been supported to undertake a wide-range of qualifications through FEI, including:

- Electrical qualifications (17th Edition)
- Construction site health and safety (CSCS) and Construction Diploma
- Basic literacy and numeracy
- Security industry qualifications
- Food hygiene, catering and manual handling courses at various levels
- NVQ Business and Administration
- Social care courses of various durations and levels

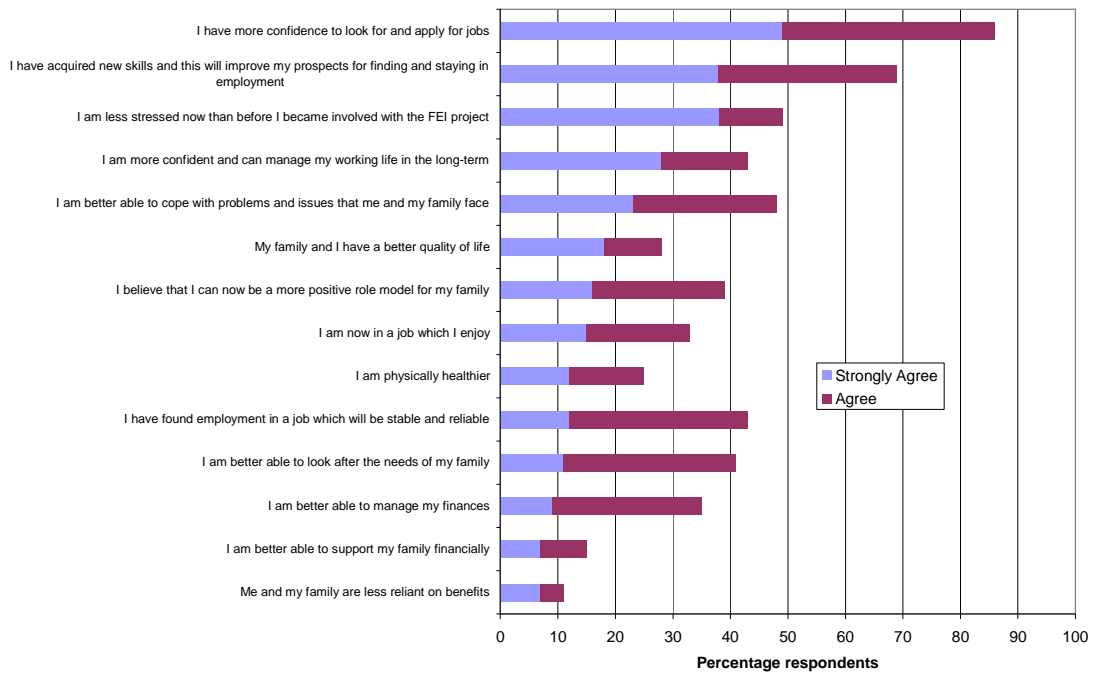
4.9 Clients were unanimously very positive about the support they have received from FEI. Clients valued the personal support and attention they receive when undertaking job searches and job applications, with many commenting that they previously hadn't been sure how to work computers, and were not sure how to prepare a CV or covering letter. More generally, clients were very positive about the flexibility of the support provided, and the lengths that advisers were able to go to assist clients in achieving their goals. Clients commented that 'my adviser bent over backwards for me', and that the support was 'brilliant'. Clients were also very positive about the personal and friendly nature of the FEI support, often remarking that this was 'way better than Jobcentre Plus', where the focus on targets and deadlines tends to make clients feel that they are 'just a number' and does little to motivate them.

Outcomes

4.10 Clients were read a series of statements about the difference that their involvement in FEI may have made to them and their families. The results are shown in Figure 4.1. The most commonly experienced outcomes relate to having the confidence to look for and apply for jobs (with over 80% of clients identifying this as an outcome of FEI), and 'acquiring new skills which will improve my prospects for finding and remaining in employment' which almost 70% of clients identified as an outcome. Other core outcomes are: being less stressed; being better able to cope with problems and issues; and having more confidence to look for and apply for jobs. Around one third of clients interviewed had entered employment and therefore agreed with the statement 'I have now found a job which I enjoy'. Interestingly, only 11% of

respondents agreed with the statement: 'Me and my family are less reliant on benefits', perhaps highlighting the range of benefits that clients tended to receive.

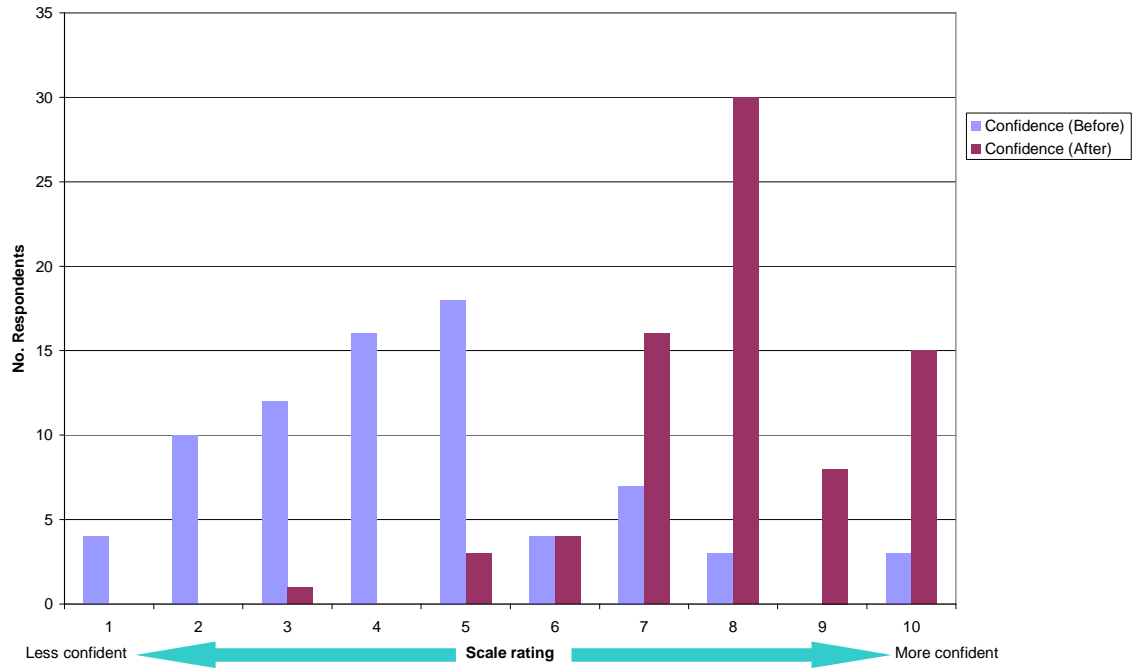
Figure 4.1: FEI outcomes



Source: ekosgen analysis

4.11 Clients were then asked to rate their confidence, health and financial position, both when they registered with FEI and now. The results are shown in the next three figures. In terms of confidence, there is a pronounced difference between how confident clients felt when they first registered with FEI (shown in blue), and how confident they are now (shown in purple). When they registered with FEI, the vast majority of clients rated their confidence at 5 or less; whereas the majority of clients rate their confidence at 7 or more now.

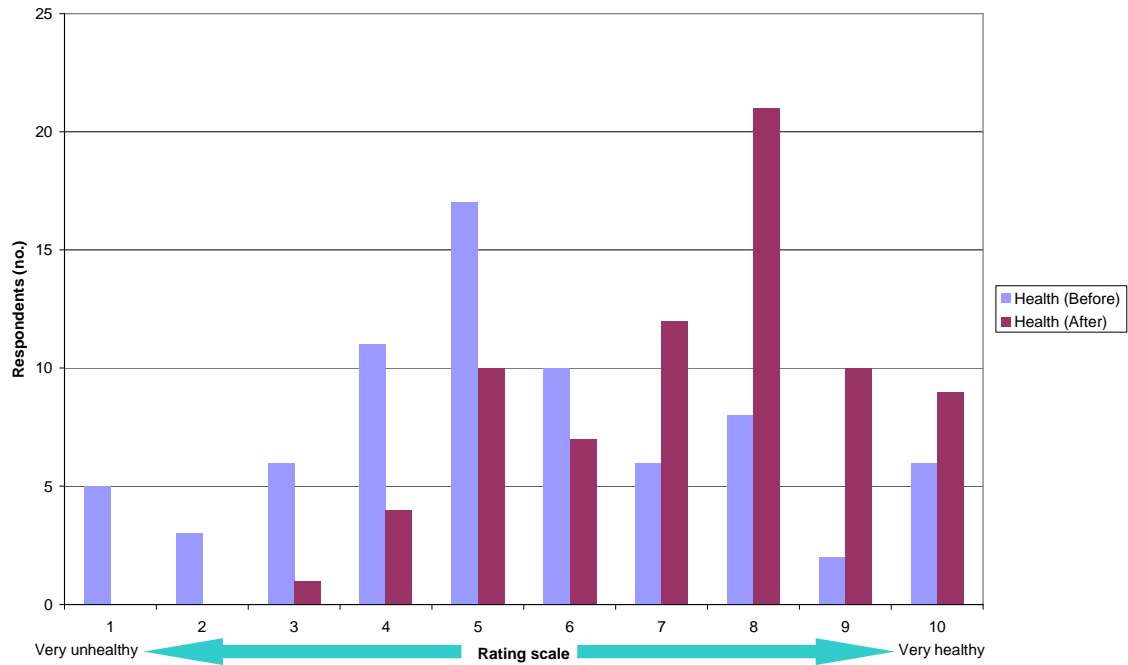
Figure 4.2: Client confidence before and after FEI



Source: ekosgen analysis

4.12 There is also a pronounced (although not quite so strong) affect of FEI on health outcomes with a clear difference between clients health rankings before and after FEI engagement.

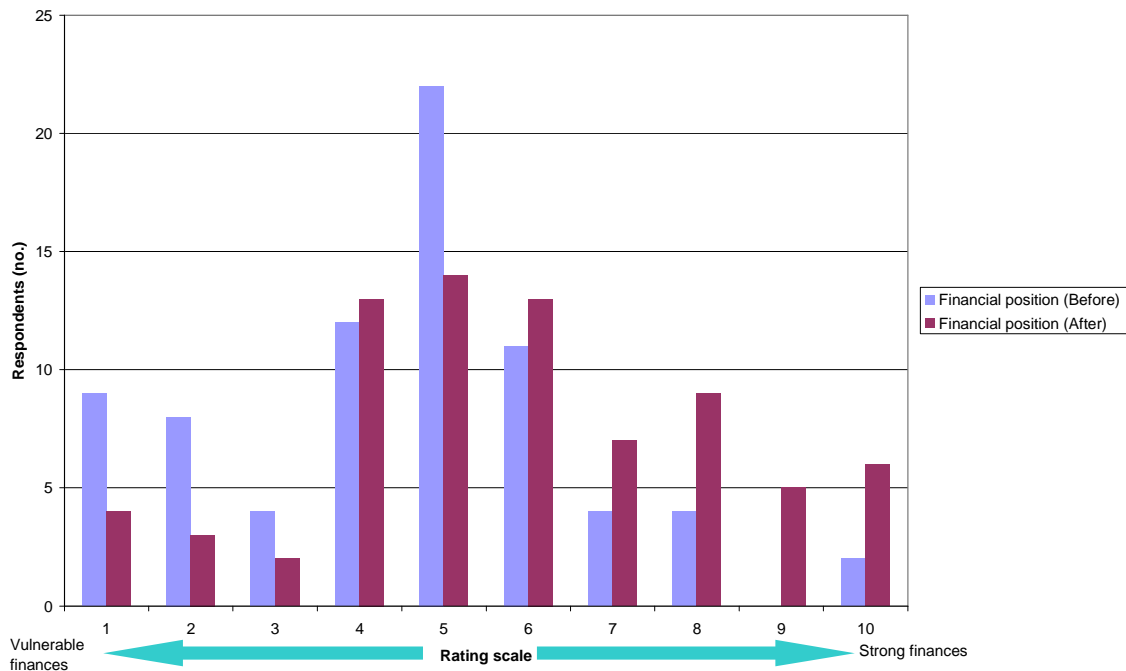
Figure 4.3: Client health before and after FEI



Source: ekosgen analysis

4.13 There is not quite such a clear difference in clients' financial position before and after FEI engagement. This is as a result of two factors: first, the majority of clients interviewed have not yet found work; and second, even for those clients who have found work, there can be a lag before clients feel financially secure.

Figure 4.4: Client financial position before and after FEI



Source: *ekosgen analysis*

Quantitative impacts

4.14 Of the clients interviewed, 23 had entered employment. Asked how likely they thought it was that they would have found a job similar to the one they are doing without FEI, the majority (65%) felt that it was either not likely or not at all likely that they would have found similar employment without FEI. Only two respondents felt that it was likely or very likely that they would have found similar employment if they had not benefited from FEI support. This suggests that FEI has been instrumental in securing employment for two thirds of the clients who have entered employment.

4.15 Clients currently in work were asked how confident they are of keeping their current job. Over half – 57% - said that they are 'very confident' of keeping their job, with all remaining respondents saying that they are either confident or quite confident. No respondents said that are not confident about keeping their job. These results imply that clients believe their employment outcomes will be sustainable.

4.16 Clients currently not in work were asked how confident they are of securing a job within the next six months. One quarter of clients said they are 'very confident', around a third are 'confident' and a further third are 'reasonably confident'. Only 10% are not confident of finding a job in the next six months, demonstrating the confidence that most clients place in FEI in helping them to enter employment.

4.17 All clients were then asked how important they think FEI has been in terms of their future employment prospects. Almost three quarters of clients think FEI has been 'very

important' in influencing their future job prospects, and a quarter believe FEI has been 'fairly important'. No respondent stated that FEI has not been important in terms of their future employment prospects.

4.18 Clients were then asked to explain their response (i.e. why FEI has been so important to their future job prospects). Many clients responded that they now have much greater clarity on where and how to look and apply for jobs. 'I just didn't know where to start before I came here' was a typical response. Clients often noted that 'you don't get this level of help from anywhere else'. Linked to this, many clients referred to the fact that their FEI adviser helped them to build confidence to apply for more or better jobs. A selection of typical quotes is shown in the box below.

'Without FEI I wouldn't have known where to start. This is the first time in my life that I've had a plan. But you can't ask questions to other providers, which is why FEI is much better'

'Job applications can be complicated and the staff help me sort out everything I need to put in a application'

'They have taught me how to apply for jobs and be confident in interviews'

'Provides me with everything I need in terms of resources .e.g computer, telephones, job searching and help with the costs of travel'

'Without FEI, wouldn't have known how to move into a new area - FEI opened new avenues and let me do what I was really interested in'

'The quality of help I had with job search skills was very good. I had a lot of help with writing letters and doing my CV. I hadn't done a CV before. I could not look for a job by myself if I had to.'

'The FEI project has been life changing - not just profession wise but personally. I have stopped drinking and improved my confidence and quality of life 100%. I have focus now and I'm getting the right training and experience to do a job that I feel drawn to.'

'Advisors text me job opportunities and help me out - when I didn't have any phone credit, they let me use their phone.'

4.19 Clients were asked to state what their household income (including benefits) was when they first registered with FEI, and now. The results are shown in table 4.2 below. On average, clients' household income was around £640 per month on registering with FEI, rising to £804 currently (a small minority of FEI clients may not have been claiming all the benefits they were entitled to). Needless to say, this increase in average income is largely driven by those clients who have entered employment during the period – clients who have remained out of work have tended to see their household income remain constant. The average household income of the 22 clients who had entered employment increased from £600 per month to over £1300 per month.

Table 4.2: Monthly household income before and after FEI

	Household income	
	On registration with FEI	Now
All respondents	£643	£804
Respondents in employment	£601	£1,330

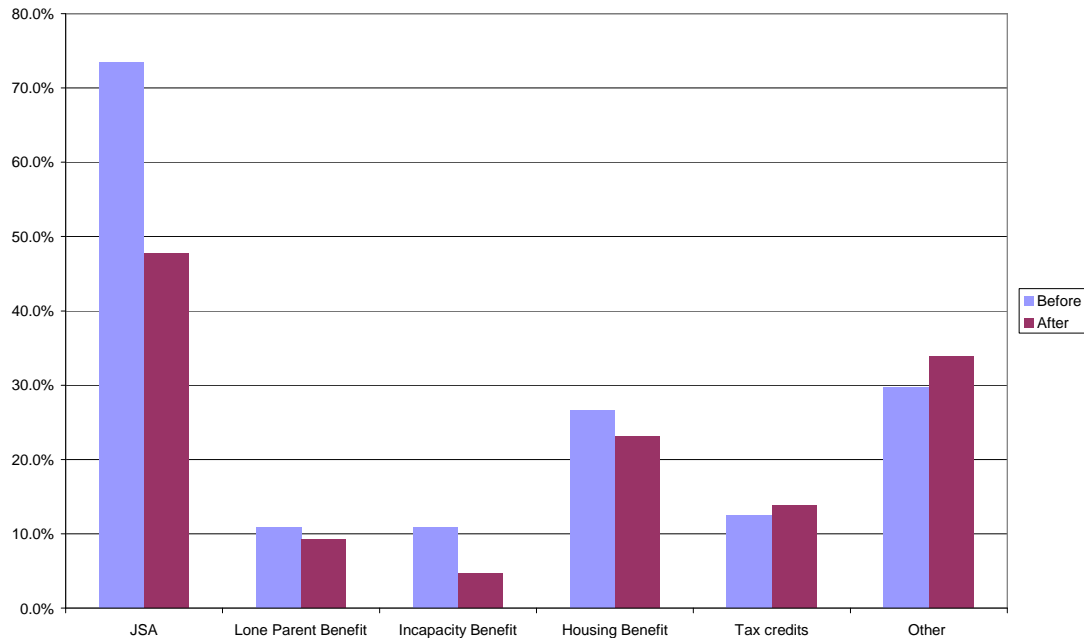
Source: *ekosgen analysis*

4.20 Clients were then asked whether the changes in their income were as a result of FEI support. 91% of clients who have entered employment stated that the increase in income has been because of their involvement with FEI, with only one respondent saying that the change would have happened anyway.

4.21 Clients were asked about the benefits they were claiming when they registered on FEI, and the benefits that they are claiming now. Figure 4.5 shows the results. On registering

with FEI, around 70% of clients were claiming JSA, falling to under 50% now (reflecting the fact that some of the clients interviewed had entered employment during the period). The number of clients claiming incapacity benefit and housing benefit also fell between registration and currently.

Figure 4.5: Benefits claimed before and after FEI



Source: *ekosgen analysis*

4.22 Clients were then asked how much of different benefit types they were claiming both now and when they registered with FEI. The results are shown in Table 4.3 and 4.4. Across all clients interviewed (Table 4.3), there is not a significant difference in average claim between registering and now. This however is because the claim of those remaining in out of work has tended to remain constant. Looking at table 8.4 (which shows the claims of those who have entered employment since registering with FEI), shows a marked difference in average claim, as would be expected.

Table 4.3: Level of benefits claimed before and after FEI (all clients)

All respondents	JSA	Lone Parent Benefit	Incapacity Benefit	Housing Benefit	Tax credits
Percentage claiming benefit – on registration	72%	9%	11%	27%	13%
Average claim of those claiming – on registration	£71	£41	£71	£96	£81
Percentage claiming benefit – now	48%	9%	5%	23%	14%
Average claim of those claiming – now	£69	£34	£73	£82	£80

Source: *ekosgen analysis*

Table 4.4: Level of benefits claimed before and after FEI (clients in employment)

Clients in employment	JSA	Lone Parent Benefit	Incapacity Benefit	Housing Benefit	Tax credits
Percentage claiming benefit – on registration	71%	12%	18%	12%	12%
Average claim of those claiming – on registration	£44	£27	£50	£52	£47
Percentage claiming benefit - now	0%	6%	0%	6%	18%
Average claim of those claiming – now	£0	£10	£0	£18	£75

Source: *ekosgen analysis*

Satisfaction

4.23 Clients were asked how satisfied they were with the quality of service from FEI. An incredible 86% of respondents said they were ‘very satisfied’ with the support received, with a further 13% ‘satisfied’. Only one respondent said they were neither satisfied or unsatisfied, and no respondents said they were dissatisfied.

4.24 Clients were then asked what they particularly liked about the FEI service. Most clients here referred to the friendliness of the staff, and the trust that they build up with their advisors. Typical comments from clients included: ‘they [FEI advisor] were very welcoming; I never sat down with anyone from other support organisations in that way’; ‘Friendly but not pushy; they understand your position and do their best to help’; ‘always thought I could phone them’; ‘it was like going to a mates for support’; ‘they are on your side’; ‘always there, never a delay, always going out on a limb’; ‘genuine people who will go the extra mile’; ‘They listen to you first and then give advice. They really switched the light on with a lot of things and had very good knowledge about vacancies and good ideas about what I could try.’

4.25 Clients were positive about the fact that advisors never ‘talked down’ to them, and the fact that clients were always able to see the same person was seen as important. In summary, clients valued the one-to-one support and the friendliness and approachability of staff.

4.26 Many clients made a comparison with other mainstream provision, and highlighted that they would not get such understanding, one-to-one support from the mainstream. Other factors that clients mentioned included financial help with job applications and travel costs, and support with interview skills.

4.27 Clients were then asked whether there was anything that could be improved about FEI. The majority of clients were not able to identify improvements, but some of the few suggestions included:

- More computer points for job searching
- More resources. The staff are amazing but If they had more money they could give you more time and let you do more advanced courses

4.28 Finally, clients were asked what parts of the FEI service were the most important in driving the changes in employment status, confidence, and financial position:

- The most common response related to the training that clients have undertaken through FEI – whether that related to a security badge, a health and safety certificate, literacy and numeracy, and so on.
- Many clients also highlighted the job search activities, ‘finding opportunities that I wouldn’t have otherwise found’, and in particular being able to use the FEI office phones and computers.
- Another common response related to the interview skills practice, and ‘mock exams’ that clients had benefited from.
- Many clients referred to the ongoing motivation and confidence building role that their advisors had played. Several clients for example highlighted that they did not have the confidence to go to college or to training providers before receiving support and advice from their FEI adviser.

4.29 A couple of clients summed it up by saying: ‘Its the overall package, the staff are very helpful and they provide you with all the help and assistance you need’; and ‘The way that staff go out their way to help you, every stage of the process they always offer help guidance and support you in learning new things’.

Key issues

4.30 FEI clients have been referred to FEI from a wide variety of sources, although referral from Jobcentre Plus tends to be the most common route. Clients have received a diverse range of support from FEI, most often including funding support for a variety of training, and support to undertake job search and job applications. A smaller number of clients received support relating to financial advice, health advice, or childcare.

4.31 Client satisfaction of FEI is extremely high across all FEI project areas, with 86% of respondents stating that they have been very satisfied with the support received, and no clients stating that they have been unsatisfied. The key factor in such high levels of satisfaction is the personal nature of FEI support – flexible, unhurried, and tailored to the individuals’ needs.

4.32 Clients value the jobsearch support particularly highly – especially given that, in many cases, clients reported being unsure of how to start looking or applying for jobs previously. In this respect, the fact that the advisers can devote ample time to clients where needed, and can build clients’ confidence, is important. Clients also valued jobsearch support in terms of the resources available to FEI projects – computer access, and being able to make phone calls from FEI offices. Clients were also very positive about the training that they had been able to undertake, and felt that this was instrumental in improving their job prospects.

4.33 Clients perceive that FEI has been critical in improving their job prospects. Of those clients who have entered employment, the majority think it is unlikely or extremely unlikely that they would have found a similar job without FEI support. Among clients still looking for work, almost three quarters feel that FEI has been very important in improving their future job prospects.

4.34 FEI has also had important softer or wider outcomes on clients and their families. Most commonly this includes greater confidence (both in terms of looking for jobs and the broader approach to life), acquiring new skills (cited by 70% of clients), and being less stressed (cited by 50% of clients). Clients were less likely to identify that their financial circumstances had improved, reflecting the fact that many clients interviewed had not yet

entered employment, and also that there is a lag before clients who have entered employment feel financially better off.

Case-study 4

Kieran and Samantha have a six month old baby together and have been FEI clients since late 2009. At the time neither were in work and, since having the baby were spending most of their time at home, increasingly disconnected from the outside world. Kieran became an FEI client after being referred by another local employment support project. His initial objective being to 'to get into a job' and he was helped by the project to start working towards a Passenger Carrying Vehicle (PCV) licence. Soon after, Samantha decided to take some courses at the FEI centre. Although she wasn't ready to start looking for work, she was encouraged by the advisors to take steps to prepare herself for employment in the future and her immediate objective is to gain Maths and English GCSE at Grade C. Kieran has also decided to do this, putting the PCV licence on hold for the time being to lay the foundations for future study.

Looking forward, Samantha now hopes to start looking for work in around six months and the advisors have recently taken the family to the local Sure Start children's centre to look at the day care facility there. Kieran and Samantha particularly value the friendly support of the FEI advisors and the relaxed atmosphere. Being able to take courses at the centre was also an important factor. Kieran says that he 'wouldn't have has the gone to a big college but ... would be able to do that now'. For both, the FEI has improved their immediate quality of life and raised their aspirations: Kieran reflects that 'coming here has got us out of the house. We're meeting people and building our confidence and looking forward to getting qualifications so we'll have better job prospects and not just be stuck in a basic job.'

5 Value for Money and Social Return on Investment

5.1 In previous sections we have considered the outcomes of FEI on clients supported, and on partnership working and strategic added value locally. In this section we consider the fiscal benefits of the programme, and the Social Return on Investment secured.

Value for money

5.2 The cost per job of FEI is shown in Table 5.1 below. FEI costs take into account all costs associated with delivering FEI, including staff costs, premises costs, in-kind costs, the Back to Work fund, and a contribution to CRT Head Office. The direct cost of placing an FEI client into work, based on FEI spend to date and outcomes achieved to date, is £2,500 per job in the East Midlands, £1,500 in Featherstone, £1,000 in Sunderland¹, and £2,300 in Bickershaw. Cost per job is higher in Knutton at £5,500 per job, reflecting the fact the Initiative has only recently begun delivering.

5.3 Across the FEI programme as a whole, cost per job outcome is £2,077. It is difficult to make comparisons with other employability initiatives as they can often differ in important respects. For example, making cost per job comparisons with New Deal is inappropriate given that New Deal is mandatory whereas FEI is voluntary. Nonetheless, the cost per job outcomes for FEI, at £2,077 per job outcome, represent extremely high value for money – guidance provided by CRT suggests that an average benchmark figure for supporting an individual into work is around £5,000, with some ILM type programmes costing over £10,000 per job. The differences between different programmes are explained partly by the characteristics of the target client groups, and partly through the costs associated with project delivery. FEI is run as an efficient programme in cost terms, delivered from community based premises outside of city centres.

5.4 In terms of comparators, the JET programme in Staffordshire has achieved a cost per job of £5,200, while the Sheffield Construction JobMatch programme cost £35,000 per recruit into long-term employment. FEI compares favourably with both of these.

Table 5.1 Cost per job

	Clients into employment	Spent to date	Cost per job
East Midlands	713	£1,783,273	£2,501
Featherstone	160	£234,712	£1,467
Knutton	29	£159,785	£5,510
Sunderland	304	£307,021	£1,010
Bickershaw	80	£185,929	£2,324
Total	1286	£2,670,720	£2,077

Source: CRT/ SNCBC/ WBC/ ekosgen analysis

Fiscal benefits

5.5 The fiscal gain of a year long move into employment by a claimant on JSA or IB/ESA is substantial. The Freud Report states that moving an average recipient of JSA into employment saves the Department for Work and Pensions £4,100 per year in reduced benefits payments and administrative cost savings². For an average claimant of Incapacity Benefit, this figure is higher, at £5,900 per claimant entering year-long work. In addition to

¹ The reason for the particularly low cost per job figure in Sunderland is thought to be because the Sunderland FEI draws on wider resources (including LSC) to support clients through training. These wider costs are not reported as part of the spend to date figures, hence the particularly low cost per job.

² The Freud Report, DWP (2007), p.68

benefits savings, there are also benefits to the exchequer (direct and indirect taxes paid both by the individual and her employer, less any additional tax credits paid). Freud estimates these impacts to be £4,000 per JSA claimant, and £3,100 per IB claimant, on average.

5.6 Estimating the Exchequer savings from the FEI programme requires us to know what proportion of FEI clients who have entered work were claiming which benefits. It is then possible to estimate the savings both to DWP through benefits savings and the Exchequer through higher taxes. Table 5.2 below shows the proportion of FEI clients who were claiming JSA and IB/ESA on registration. We will assume in the following analysis that the profile of clients entering employment matches the profile of clients registering.

Table 5.2 Benefit status on registering

	% clients JSA	% clients IB/ ESA
East Midlands	62.0%	3.0%
Featherstone	56.0%	3.0%
Knutton	25.0%	4.0%
Sunderland	56.0%	12.3%
Bickershaw	68.0%	4.0%
Total		

Source: *ekosgen analysis*

5.7 Table 5.3 below shows the number of clients entering employment in each of the FEI areas. The Freud estimates of Treasury benefits from moving claimants into work take into account the fact that clients' higher incomes will feed through to reduced levels of other benefit payments, such as housing benefit, council tax benefit, and so on. However, the Freud estimates are based on a client being in work for a full year. To account for this, we assume that only 70% of clients who have achieved an employment outcome enter year-long employment. This assumption seems reasonable on two grounds: 1) over 60% of East Midlands clients in employment have already entered 'sustained employment' of 13 weeks, and this figure is likely to increase over time as clients who are already in employment remain in employment; and 2) all respondents to the client survey stating that they are confident of keeping their current positions.

5.8 Applying this assumption that 70% of employment outcomes will become sustainable outcomes indicates that the total DWP saving from FEI to-date will be around £1.7m, while the benefit to the Treasury will be around £1.6m, giving a total gross benefit to the Exchequer of £3.3m (Table 5.3).

5.9 To calculate the net impacts of FEI it is necessary to make an assumption about the number of clients who would have found a job anyway (i.e. those who would have found employment without the support of FEI). This is known as deadweight.

5.10 To estimate deadweight, we have drawn on the results of the client survey. This shows that only 9% of clients who have entered employment thought that it was likely that they would have found similar employment without FEI. On this basis, we have assumed a deadweight figure of 10%. Subtracting deadweight from our estimate of the Exchequer benefits of £3.3m thus indicates that the net exchequer benefit of FEI to date is £3m (far right-hand column of Table 9.3). This implies that the total cost of delivering FEI to-date (£2.7m) is more than offset by the Exchequer saving.

Table 5.3 Exchequer benefits

	Clients into employment	Gross DWP saving	Gross Treasury benefit	Total gross exchequer saving	Total net impact
East Midlands	713	£949,937	£898,929	£1,848,866	£1,663,979
Featherstone	160	£193,883	£182,907	£376,790	£339,111
Knutton	29	£17,919	£15,972	£33,891	£30,502
Sunderland	304	£450,112	£390,469	£840,581	£756,523
Bickershaw	80	£118,541	£111,485	£230,026	£207,023
Total	1286	£1,730,392	£1,599,762	£3,330,154	£2,997,139

Source: *ekosgen analysis*

Social Return on Investment

5.11 The above analysis assesses the impacts of FEI on the Exchequer in terms of reduced benefit payments and increased tax income. In addition, FEI generates wider social impacts for clients and their communities. This section estimates the value attached to some of these wider social impacts using Social Return on Investment (SROI) methods. SROI translates social outcomes into tangible monetary values, helping to paint a fuller picture of the benefits that flow from investments of time, money and other resources. The benefits can then be seen in terms of the ‘return’ for individuals, communities, society or the environment.

5.12 Our assessment of the SROI from FEI is commensurate with the guidance and best-practice produced by the SROI Network³. In consultation with stakeholders and clients, we have identified six indicators that FEI is likely to have impacted on:

- Distance travelled towards employment (for those out of work)
- Increased income for those in work
- Improved health outcomes
- Increased potential future earnings from enhanced qualifications
- Increased use of community centres
- Reduced rates of re-offending

5.13 We now describe the process of attributing a value to each of these indicators.

Distance travelled towards employment

5.14 Even where a client has not yet accessed employment, social value can be attached to the distance that they have travelled towards the labour market. During the client survey, clients were asked to rate their confidence (on a 10-point scale) when they first registered with FEI, and now. If each of these 10 points is taken as a step closer to the labour market, and the value placed on entering employment is assumed to be £2,100 (which is the average cost of moving a client into employment, as identified above), then each step towards employment is worth £210 to society.

5.15 Survey results indicate that, on average, clients moved up 3 steps on the confidence ladder following registration with FEI, an average of £630 per client. Multiplying this figure by the number of FEI clients engaged who have not yet found work (3,277 clients) gives a figure of £2.06m. This is the social value attached to moving clients closer to the labour market, even where that client has not yet found work.

³ Measuring Value: a guide to Social Return on Investment. UK SROI Network, 2008.

Increased income for those in work

5.16 Those who have found work benefit from increased income. Survey results indicate that on average, clients' monthly income increases by £730 per month on entering employment. Grossing this figure up over all 1,286 FEI clients who have found work, and assuming that clients in employment pay an average £2,900 per annum tax and National Insurance, indicates that the net benefits to clients from increased income is £7.54m per annum.

Improved health outcomes

5.17 Many clients indicate that their health had improved as a result of FEI. Nearly 50% said they were less stressed, and one quarter said that they are physically healthier. According to the General Household Survey 2001, the average number of annual visits to a GP that an adult makes is five. The average cost of a GP visit is £26, while the cost of a community health visit is £24⁴. If we make a conservative assumption that FEI clients make one less trip to their GP per annum, then the total impact across all 4,563 clients engaged is £118,638. This is a very conservative estimate because many FEI clients face acute health issues when they first register on the programme. In addition, FEI is likely to have significant preventative effects for more serious health issues. An acute mental health episode may cost the exchequer £6,000, and by helping to prevent these occurring, FEI will have further health impacts which we have not accounted for.

Increased potential earnings from enhanced qualifications

5.18 A recent report by UKCES indicates that a Level 2 qualification increases potential earnings by 4-8%⁵, while another study indicates that a qualification such as a CSCS card can increase potential earnings by £1.50 per hour⁶. If we assume, conservatively, that 5% of FEI clients will be supported to achieve a NVQ L2 or equivalent, and 25% will be supported to achieve a CSCS card of equivalent, then the benefits from increased earnings potential among those not yet in employment are around £1.69m (this assumes that the annual increase in earnings potential from a CSCS card or equivalent over no qualifications is £1875, while the increase in annual earnings potential from a NVQ L2 is £936, representing 6% of the average FEI client salary on entering employment).

Increased use of community centres

5.19 FEI is delivered in 47 community and other outreach centres, helping to maintain the viability of these locations for their local communities. To estimate a value associated with this, we assume that each FEI employment adviser spends an average of 0.5 days per week delivering FEI from outreach locations. The value of this time can be expressed as an equivalent proportion of an advisers' salary, assumed to be £20,000 per annum. 0.5 days per week is equivalent to 10% of advisers' time, and on the basis of 29 advisers employed across FEI, the value of FEI delivery in outreach centres is £58,000 per annum.

Reduced rates of reoffending

5.20 There are likely to be few FEI clients who have been convicted of criminal offences and spent time in jail (although in some areas, FEI works closely with the probation service). However, during our client consultations we interviewed two such individuals, both of whom stated that their involvement with FEI had been instrumental in reducing the likelihood of them re-offending.

5.21 Information from CLG indicates that the cost of reoffending, taking into account the costs involved in convicting someone and the costs of keeping that person in prison for an

⁴ Unit costs of Healthcare. Netton and Hurtis (2003)

⁵ The economic value of intermediate vocational education and qualifications. UKCES, 2009

⁶ Lifelong Learning Statistics. Scottish Government, 2005

average length of time, is around £83,000⁷. If we assume that 0.5% of FEI clients are at risk of re-offending, and that FEI cuts the likelihood of these individuals from re-offending by 50%, then the total benefits from FEI is £947,000.

Summary

5.22 Table 5.4 below summarises the gross impacts from each element of the SROI and sums together. This indicates that the gross impact of FEI is around £12.4m. As with the Exchequer analysis presented above, it is necessary to calculate net impacts by making an assumption about deadweight (i.e. the proportion of benefits that would have happened without FEI). We have assumed deadweight of 20%, implying that the net impact of FEI is £9.9m.

Table 5.4 Summing the SROI

	Gross Impact	Net impact (after deadweight)
Distance travelled towards employment	£2,065,000	£1,652,000
Increased income for those in work	£7,540,000	£6,032,000
Improved health incomes	£119,000	£95,200
Increased potential earnings from enhanced qualifications	£1,690,000	£1,352,000
Increased use of community centres	£58,000	£46,400
Reduced rates of reoffending	£947,000	£757,600
Total	£12,419,000	£9,935,200

Source: *ekosgen analysis*

Future impacts and Net Present Value

5.23 The benefits to the exchequer, and the wider social benefits, will not simply be experienced in one year, but over several years. Table 5.5 below sums the Exchequer benefits and SROI benefits together over the next five years. In line with SROI Guidance, a drop-off rate of 10% per year is assumed (drop-off reflects the fact that some of the people who have found employment or moved closer to the labour market will subsequently come out of employment or move further away from the labour market again).

Table 5.5 Future benefits (£m)

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Exchequer impact	£3.00	£3.00	£3.00	£3.00	£3.00	£14.99
SROI	£9.94	£9.94	£9.94	£9.94	£9.94	£49.68
Total benefit	£12.93	£12.93	£12.93	£12.93	£12.93	£64.66
Drop-off	£12.93	£11.64	£10.48	£9.43	£8.48	£52.96

Source: *ekosgen analysis*

5.24 In line with HM Treasury Guidance, we apply a discount rate of 3.5% to the future impacts (after accounting for deadweight and drop-off). This implies that the total net present value of FEI is some £49.85m.

5.25 The SROI from FEI can be expressed as the net investment to-date (£2.6m) divided by the net present value of benefits (£50m). The SROI for FEI is therefore 19.2, which implies that £19 of social benefit is secured for every £1 invested in FEI.

⁷ Benefits realisation of the supporting people programme, working paper 4. ODPM, 2005

Key issues

5.26 The FEI Programme delivers significant value for money in achieving job outcomes. The cost per client supported into work averages £2,077. This compares very favourably with similar programmes and benchmark figures.

5.27 By placing unemployed people into work, FEI delivers significant savings to the Exchequer, both in terms of benefits savings and increased tax revenue. Based on assumptions contained within the Leitch Review, and factoring in deadweight, FEI's impact to-date has been to generate Exchequer savings of around £3m. The cost of delivering FEI to-date is therefore more than offset by the savings to the Exchequer.

5.28 FEI also generates significant social benefits. Adopting a Social Return on Investment (SROI) approach, this evaluation has estimated the social value arising from: increased earnings of those in employment, increased future earnings as a result of enhanced qualifications, movement towards the labour market among those not yet in employment, increased use of community centres, and reduced rates of reoffending. Incorporating an assumption for deadweight, the social benefits of FEI are estimated at around £10m.

5.29 The total benefits of FEI are estimated by summing the Exchequer and social benefits together, and projecting the benefits forward over a five year period (factoring in drop-off and a discount rate of 3.5%). This indicates that the Net Present Value of FEI to-date is some £50m. Based on FEI expenditure to-date, the Social Return on Investment is 19.2, implying £19 of benefit for every £1 of public expenditure.

6 Learning, best practice and future direction

Learning and best practice

6.1 Although operating slightly differently in each area, common elements of best practice and learning have been revealed. In terms of best practice, a distinction can be made between best practice in client engagement, and best practice in strategic working.

6.2 In terms of client engagement, it has been clear throughout this study that the client group is most effectively engaged when:

- Clients have time, in an unpressured environment, to build a relationship of trust with their advisor – and feel able to discuss their issues confidentially;
- Clients can be given intensive support as and when required to look for and apply for jobs – with a high proportion of clients lacking confidence to undertake this themselves.
- Clients can access jobsearch facilities flexibly, i.e. without appointment;
- Support is available locally, and delivered by advisers who are seen to be part of the community, and who have local knowledge of issues and opportunities.
- Clients are not pushed into undertaking a particular type of training or support, but can be offered a wide range of holistic support – whether this is in terms of any number of training courses, signposting to health or debt advice, support with childcare, or simply with the costs of a stamp for a job application or phonecall to an employer.

6.3 It is the combination of each of these factors that benefits clients, and ultimately what distinguishes FEI from much mainstream provision – which typically involves stricter rules on what clients can and can't be funded to do, limited one-to-one support to undertake jobsearch, and limited opportunity to discuss issues or establish any relationship with an 'adviser'.

6.4 In terms of strategic working, best practice demonstrated by FEI includes:

- Strong partnership working with a wide variety of referral and support agencies, often involving the secondment of staff to FEI locations. This partnership working has been key to the effectiveness of FEI engaging clients and being able to broker the appropriate type of support for clients. Strong partnership arrangements have been made with Jobcentre Plus, locally based debt advice services, Primary Care Trusts, Housing Associations, Chambers of Commerce, probation service, drug and alcohol charities and advisers, Connexions, and local community services, such as Sure Start centres for example. The success of this partnership working owes a great deal to FEI staff in each area, who have established and fostered these relationships. Recognising which types of support FEI staff can provide, and which is more effectively brokered from partners, has underpinned the success of FEI as a service for clients.
- The ability to flex to meet local need. The ability of FEI to adapt its delivery operations in different areas has been a core part of its added value to wider stakeholders. In the East Midlands particularly, FEI has responded to partners concerns about particular gaps in provision – but also agreed to pull out of areas if there is a risk of displacing existing provision made by the voluntary and community sector. In Knutton FEI was developed to fill a gap that could not be met by WNF; and more widely FEI is tailored to meet the needs of partners, in some cases targeting particular client groups more than others (e.g. Nottinghamshire).

6.5 Some of the key lessons of FEI include:

- Job brokerage is difficult, and requires specialist skills and focus. This has been recognised by FEI, with FEI projects working closely with other partners (such as Chambers of Commerce or specialist job brokers) to deliver this element.
- Establishing the trust of local communities is critical, but this cannot happen overnight. Delivery of FEI in 'new' areas needs time to embed, and targets need to reflect this.
- Engagement of the truly hard to reach (as opposed to those on JSA) is difficult. But if targets are based on the number of clients into work, and if there is a policy of not turning away clients who are referred to FEI, there is a tendency for support to focus on those who are closer to the labour market. This may need to be reflected through specific targets for specific groups.

6.6 FEI has been delivered by CRT in some cases, and by external organisations in others. Delivery by CRT has advantages, notably in terms of being able to maintain a clear focus on the FEI ethos, i.e. the holistic family support. Where FEI is delivered externally, there is a risk that the family emphasis is lost to a more individually focussed employment support approach, and protocols need to be in place to ensure that this doesn't happen.

6.7 However, the strength of the FEI programme is its ability to adapt to local circumstances, and the decision to use external delivery partners in Sunderland and Bickershaw – where strong employability infrastructure support already existed – was without doubt the right one. Where FEI is delivered by CRT in areas where the employability infrastructure is already complicated, (particularly in Knutton), strong partnership protocols need to be established, and these can take time to become embedded.

Evolving employability policy context and implications

The context

6.8 The national employment and skills policy landscape has evolved rapidly during the past two years. Even before the recession, the landscape was changing, as a result of two main drivers. On the one hand, the 2008 White Paper Raising expectations increasing support: reforming welfare for the future (DWP, 2008) sets out proposals for ongoing reform of the welfare system. At the heart of these reforms is the emphasis on making work pay, and placing stronger requirements on benefit recipients to take up the help that is available. This includes new requirements on lone parents with older children to seek work, as well as the introduction of the Work Capability Assessment for those in receipt of Incapacity Benefit, shifting the focus from what claimants can't do to what they can.

6.9 On the other hand, the move towards greater integration of employment and skills services is continuing, in response to the Leith report (HM Treasury, 2006). Integrated Employment and Skills trials have been underway to pilot more integrated approaches to skills screening and signposting, skills health checks and skills action plans.

Additional support during the recession

6.10 Within the context of welfare reform and integration of employment and skills services, the recession has provided additional impetus for new policy developments. Policy responses introduced during the recession have included:

- The Future Jobs Fund – a £1 billion resource, announced in the 2009 budget, to which local authorities and others can bid create 150,000 new jobs, primarily aimed at 18-24 year olds who have been out of work for a year.
- New Jobseeker Regime and Flexible New Deal – this was implemented in half of all job centres in 2009, and will be rolled out to all job centres in April 2010. The New Jobseeker Regime includes more resources for directed and supported job search for those on JSA less than one year; and, during Flexible New Deal (for those on JSA for 12 months plus), greater levels of return to work support and an individually-tailored Action Plan.
- The 6-month offer – including a recruitment subsidy for employers and more resources for work related training.

6.11 In December 2009 the Government published the White Paper Building Britain's Recovery: Achieving Full Employment. This restates the Government's response to the recession and signals the start of the programme to return to full employment. The White Paper announces further support to help young people get back to work, including:

- A dedicated personal adviser from day one of their unemployment claim and more time with an adviser throughout their claim;
- Extra support for 16-17 year olds from Jobcentre Plus, working closely with local Connexions services;
- A Young Person's Guarantee for 18-24 year olds that, if they are still unemployed after six months, they will be offered a job, training or internship and will be required to take it up before they complete 10 months on JSA.

The future: localism, personalisation, and a move to more holistic support

6.12 The White Paper also sets out plans for more personalised support, to help everyone get back to work. It announces changes to the way that skills training is provided for people out of work. In particular, skills accounts will ensure that training is tailored to the needs of individuals. This will be combined with new funding to ensure that people on JSA who take up training have their travel and childcare costs paid.

6.13 The Government is placing an increasing emphasis on the implications of worklessness on families, and the importance of family factors in influencing ability to work. Learning from the Past: tackling worklessness and the social impacts of recession (HM Treasury, 2009) notes that a quarter of families in Britain report having more family arguments as a result of money problems caused by the recession. In response, Building Britain's Recovery sets out various proposals to support people to balance work with family life. These include reforms of housing benefit to make the gains from moving into work less ambiguous, and encouraging Jobcentre Plus to do more to better match individuals to jobs that match their family commitments.

6.14 Learning from the Past sets out details of pilot projects – that will run in four Jobcentre Plus districts from April 2009 – to give Jobcentre Plus offices more freedoms in the funding they can provide claimants, using this funding to wrap around the individual to address complex barriers and help customers to secure stable employment. This more tailored and personalised service will require a holistic assessment of client needs – including needs relating to childcare, relationship counselling and debt advice. Importantly, Learning from the Past stresses that whole family approaches will be required in some cases, coordinated by key workers who can work with the family intensively to address barriers to employment and

build their readiness for work. The paper announces the expansion of Family Intervention Projects to reach the 50,000 most complex families, with employment as a core outcome of these projects.

Implications

6.15 Where does this leave FEI? In many respects, the Government is placing more emphasis on embedding some of the core principles from FEI into mainstream provision. This includes a greater emphasis on skills accounts to tailor training solutions to individuals' needs, ongoing integration of employment and skills services, wider recognition of the importance of support from one adviser. It also includes more tailored support for families and individuals, including meeting the costs of travel and childcare for those taking up training opportunities, and the roll-out of Family Intervention Projects to achieve employment outcomes in families facing complex barriers to employment.

6.16 However, this does not mean that the specific needs of individuals and their families will always be met through mainstream provision. FEI is different precisely because it is not part of the mainstream, but is delivered by locally delivered support. Indeed, Building Britain's recovery recognises the vital role that local authorities and their partners must play in supplementing national support through locally tailored and designed services that respond to local needs, opportunities and circumstances. The White Paper envisages 'Jobcentre Plus, local authorities and other local partners will work together to tackle worklessness and the causes of worklessness'. This is consistent with the principles of Total Place, which emphasises localism, greater collaboration, and personalisation of services. The White Paper supports the greater involvement of local partnerships in tackling worklessness, including in the location of outreach services and improved service delivery.

Challenges for the Coalfields areas

6.17 A recent interim evaluation of the coalfield programmes⁸ concluded that there is still a set of problems in the coalfields related to their dependency on coal mining and that there remain unique challenges in the coalfields, with inner city type deprivation coupled with rural isolation. The report identified that:

- 60% of coalfield residents do not have employment rates close to the national average
- There are higher levels of worklessness both for young (16-24) and older (50+) groups, with claimant rates 35% higher for young people and 50% higher for older people
- There are low rates of self-employment and entrepreneurship
- The number of people with no qualifications is high

6.18 A lack of skills, employment, poor health and low income are therefore linked to lack of progress. CRT is highlighted as making an important contribution to the transformation of the coalfields, playing a valuable role in funding a range of innovative community based projects which have added value to the regeneration effort in the most disadvantaged parts of the coalfields. The report concludes that the work of CRT has been both cost effective and efficient, providing the foundations for regeneration and growth in areas where problems were deeply entrenched. However, this comes with the caveat that, unless this regeneration effort

⁸ 'Regenerating The English Coalfields. Report by SQW for CLG/ EP

is sustained, the adjustment difficulties will continue to persist in the coalfields and the value of the work undertaken so far could itself be lost.

6.19 Most of the issues remaining require critical support from mainstream providers and engagement and agreement with Jobcentre plus, Local Authorities, Primary Health Care Trusts and other bodies runs through the ethos of this plan.

Key issues

6.20 The employment and skills landscape has evolved very rapidly during the past two years. If anything, the aims and approach of FEI now fit closer with the national policy agenda than previously. Indeed, FEI's emphasis on a whole family approach, and a personalised and holistic service, is at the heart of many of the government's reforms – and it could be argued that FEI has helped shape this thinking.

6.21 While these reforms mean that FEI-type activity will be increasingly delivered through the mainstream, it does not negate a role for locally managed and delivered projects – and FEI has the potential to play this role where resources are available. However, the significant level of uncertainty that exists at the moment in the run up to the election, means that it is not yet clear exactly what resources will exist for local partners to support FEI type activity, and what gaps might exist in mainstream provision.

6.22 Each of the six current FEI areas face specific challenges in terms of sustaining activities. In the East Midlands there is strong support for FEI, but uncertainty around the effectiveness of Flexible Routeways and what this implies for FEI. CRT will need to work closely with partners to understand how Flexible Routeways is evolving, and what role FEI can play within this context. In Bickershaw, opportunities for mainstreaming FEI as part of Wigan's Worklessness programme are strong, while in Featherstone there is appetite to integrate FEI into a more district wide employability programme. Most existing FEIs have funding in place until March 2011, although Nottinghamshire County Council's support for FEI will cease in March 2010, and the East Midlands practice nurse is funded until 2012.

6.23 There is also the possibility of a change of government in May, and the policy environment, and the 'fit' of FEI with this, could change dramatically. Despite this, it is clear that communities continue to face many of the core employability issues that FEI is designed to address.

6.24 More widely, there will be scope for CRT to become more strategic in its management of FEI, while maintaining the emphasis on connecting people to mainstream and other opportunities in education, training, health, financial and other holistic support. There will be scope to expand FEI into new areas where gaps arise, and at the same time, FEI may need to retrench in other areas depending on the ambitions of local partners.

7 Conclusions and recommendations

Conclusions

Overview

7.1 FEI has grown rapidly from its roots as a community focussed project in Shirebrook, to a significant initiative operating as 6 distinct projects across the coalfields areas of England. Despite its growth however, it remains firmly embedded within the communities in which it operates, run by local people with local knowledge. As a programme, FEI has now engaged with over 4,500 clients, placing almost 1,300 into work.

7.2 All six FEIs share the core FEI ethos which is to deliver personalised and holistic support from within communities, in order to help those furthest from the labour market gain employment or move closer to the labour market. However, CRT has taken a strategic approach to the development of FEI, ensuring that the delivery approaches adopted fit with the local employability infrastructure, and that the delivery activities meet specific local needs. This ability to be flexible to the local context has been critical to the success of FEI generally, and has been a key factor in the expansion of FEI into new areas, and the embedding of FEI in existing areas, over the past two years.

7.3 CRT has also aligned its other coalfield programmes with FEI, ensuring that strong referral takes place between projects, and that different CRT-funded projects contribute to achieving shared outcomes – such as the sustaining of activities within particular community centres.

7.4 Across the six areas, FEI is delivered from 47 community-based locations, including a number of community outreach locations. These outreach locations include community centres and Sure Start centres – and FEI activity in these locations helps to maintain the viability of local community infrastructure, and maintain these resources as hubs of their local communities. In total, FEI employs (when at full strength) some 42 staff across its six areas – as well as the management and support staff based at CRT Head Office.

7.5 Across all six areas, FEI has established robust partnership arrangements with a wide range of partners on the ground. This is particularly impressive given that FEI has only recently been established in some areas, and partnership arrangements have had to be developed 'from scratch' over a short period of time. Stakeholders consulted during the evaluation were unanimously positive about the FEI programme. The programme's strengths are seen to include: the flexibility of its delivery approach in different areas; its adaptability to changing policy circumstances; the strategic approach taken to ensure that it reflects local circumstances and need; and the strategic links made to other CRT activity as a source of referral.

Client benefits and outcomes

7.6 Clients are very positive about their experience of FEI across the five areas where activity is currently delivered, with over 85% stating that they are either satisfied or very satisfied with support. Clients value the friendliness and approachability of FEI staff, the intensity of support that their adviser is able to provide in searching for and applying for jobs, and the flexibility that advisers can offer in funding a diverse range of training opportunities, and in signposting clients to wider support where necessary. The ability to build up a relationship of trust with an adviser who is seen to be on the clients' side is critical in fostering a relationship of honesty where effective solutions can be brokered.

7.7 The outcomes of FEI on clients are clear. Across all areas, involvement in FEI has resulted in a significant increase in client confidence and client health and well being. Almost 90% of clients report being more confident in looking for and applying for jobs, and over two thirds believe that, through FEI, they have learnt new skills that will improve their job prospects. Clients also reported being less stressed, and in a better position to manage their life. Three quarters of clients believe that FEI has been 'very important' in influencing their future job prospects, with the remaining quarter stating that FEI has been 'fairly important'.

7.8 By December 2009, almost 1,300 FEI clients had entered employment. All FEI areas are performing in line with target or ahead of target in this respect. This is a significant achievement given that the period of this evaluation has coincided with the deepest recession since the second world war. This represents a cost per job of £2,077 and, although it is difficult to make comparisons with the cost per job of mandatory New Deal programmes, FEI represents significant value for money. The performance in value for money terms reflects the effectiveness of FEI in placing clients into work, which in itself is a result of two key factors – the fact that FEI is embedded within communities (both physically and in the sense of being thought of as 'part' of the community), and the effectiveness of partnership arrangements, both for client referrals to FEI, and in signposting clients to other providers where necessary.

Cost-benefit analysis, Social Return on Investment, and wider impacts

7.9 By placing unemployed people into work, FEI delivers significant savings to the Exchequer, both in terms of benefits savings and increased tax revenue. Based on assumptions contained within the Leitch Review, and factoring in deadweight, FEI's impact to-date has been to generate Exchequer savings of around £3m.

7.10 As well as impacts on clients, FEI has had a range of wider benefits. These include the use of 47 local community centres for delivering FEI, which helps support the viability of these centres as hubs for their local communities. It also includes strong links to other community and voluntary providers, helping to maintain local service infrastructure.

7.11 FEI also generates significant social benefits. Adopting a Social Return on Investment (SROI) approach, this evaluation has estimated the social value arising from: increased earnings of those in employment, increased future earnings as a result of enhanced qualifications, movement towards the labour market among those not yet in employment, increased use of community centres, and reduced rates of reoffending. Incorporating an assumption for deadweight, the social benefits of FEI are estimated at around £10m from April 2008 – December 2009.

7.12 The total benefits of FEI are estimated by summing the Exchequer and social benefits together, and projecting the benefits forward over a five year period (factoring in drop-off and a discount rate of 3.5%). This indicates that the Net Present Value of FEI to-date is some £50m. Based on FEI expenditure to-date, the Social Return on Investment is 19.2, implying £19 of benefit for every £1 of public expenditure.

7.13 It is harder to assess the impact of FEI on employers, mainly because FEI tends not to undertake direct job brokerage, and employers therefore tend not to be aware that they have employed an FEI client. However, in the cases where we have spoken to employers, they have been positive about the suitability and performance of FEI clients, and the role that FEI has played in pre-selection.

Strategic added value

7.14 Strategically, all FEI projects have placed a strong emphasis on partnership working, and this has been a key factor underpinning the initiative's success. Effective partnership links are made with Jobcentre Plus (which has seconded staff into several FEI offices,

demonstrating the commitment to FEI), local authorities and local providers. FEI makes an important contribution to local LAA targets in all areas. Indeed, FEI represents the 'prime response' to LAA worklessness targets in some areas. FEI is often represented on local employability working groups – and FEI staff play an important role in providing intelligence on key trends and issues, and designing responses to those issues, in that respect. This role is valued by local partners.

Issues

7.15 Stakeholders have raised relatively few issues with FEI during the evaluation, As already noted, stakeholder feedback has been extremely positive in terms of the role that FEI contributes to local priorities, and its flexibility to adapt its response to meet local needs. The principal issues raised are as a result of some lack of clarity around the precise aims of FEI. They include:

- In some areas, a view that FEI has not been as effective at engaging the hardest to reach (i.e. IB claimants and long-term unemployed) as stakeholders had hoped, with several stakeholders of the view that it is principally JSA claimants that have accessed support from FEI. To a large extent however, this reflects a deliberate policy by FEI, working with Jobcentre Plus, to adapt FEI targeting during the recession, and reflects FEI's strategic and adaptive capacity.
- Some lack of clarity around what a 'family' approach means in practice, with some stakeholders asserting that there is limited evidence of FEI providing support to whole families, as opposed to individuals. This reflects some confusion about what a family approach involves – which is as much about understanding how an individuals family circumstances influence their ability to access work, as it is about providing support to all members of a family. Indeed, some FEI managers have commented that the 'family' tag has not always been helpful, because of the confusion it causes.
- In some areas, working arrangements with partners have taken time to establish. Largely, this is as a result of complexities around the respective roles of different partners in the client journey and employer engagement, and these issues are being resolved. More generally however, while FEI has been very successful at brokering working arrangements with partners on the ground, there is scope to improve partnership working at strategic level, particularly with Jobcentre Plus.

Future

7.16 Many of the core principles of FEI are now being embedded into the national policy landscape. Recent policy announcements have emphasised the objective to improve the integration of employment and skills services, provide clients with a more tailored package of training support, provide additional jobsearch support for those who need it, and provide more holistic support for families that face complex barriers to employment. The emphasis is on localism, personalisation of services, and partnership working.

7.17 While this does mean that FEI has a very close fit with national policy direction, it may also make it harder to make the case for FEI locally. However, the government's latest White Paper makes clear that local players will continue to have an important role to play in contributing to local delivery, particularly through outreach activity and embedding support within local communities. There will still be a role for FEI in the new policy approach. The challenge for CRT is to continue to raise awareness of the experience that it has in this area, and to explore with local partners how FEI may need to evolve and adapt further to fit within the evolving landscape – the answer is unlikely to be the same in each FEI area.

Key achievements

7.18 In summary, the key achievements of FEI have been:

- Rolling out the delivery of FEI across a wide area, without losing focus on the ethos to provide locally based support that is embedded within the community.
- Retaining a focus on the underpinning ethos of FEI, while being able to flex the precise targeting and delivery approach adopted in each area to reflect local funding, provision and need.
- Contributing to local strategic objectives both in terms of delivering against LAA targets, but also by playing an important partnership role within LSP employability forums.
- Meeting or exceeding all targets in relation to the engagement of clients, and the placing of clients into work.
- Directly influencing the mainstream approach to addressing employability in the East Midlands, as well as influencing the government's continuing reform of the national employment and skills policy landscape. FEI's legacy in this respect has been significant.

Recommendations

7.19 It is clear from the study that FEI is a highly respected programme and is making a major difference to the families it works with, the areas in which it operates and its partners and stakeholders. It has a number of unique elements that have been core to its success which have been discussed in previous chapters. It is important that these special features are not lost in the future.

7.20 CRT and the FEI are currently operating in an uncertain environment in terms of how the policy agenda might shift, pressure on funding, and possible changes in infrastructures in the medium term. This climate of change represents a challenge for CRT but potentially, also, opportunities. FEI is very well placed to respond to these future opportunities and has the evidence base to demonstrate the added value of the initiative.

7.21 In developing the recommendations we have had to assume that the broad levels of overall funding will remain the same albeit that funding sources and packages may change and some partners and their priorities may also change. Whether this is the case, or there are more major changes, the fact will remain that FEI has a significant and important role to play in the regeneration of coalfield areas.

7.22 Based on the evidence from the study, we have developed a set of programme and project level recommendations which will build on the achievements of FEI to date and enable CRT to respond to local and national changes in a positive way.

Programme level recommendations

Recommendation 1: Adopting a more strategic approach

7.23 The evolution of policy towards a greater emphasis on personalisation and holistic support fits well with the FEI agenda, and provides CRT with the opportunity to adopt a more strategic approach to its targeting across coalfields areas. With finite resources, CRT needs

to be sure that it is targeting FEI in the areas and at the populations where it can make most difference by addressing unmet need.

7.24 CRT should regularly review the areas in which the FEI is working to assess whether there is still a need in current FEI areas and whether there are other areas where it could make a difference and which should now be a priority for FEI activities. This would either mean adding new areas and also, potentially increasing the budget for FEI or moving resource from one area to another. Reasons for tapering off services in an area may be that particular worklessness issues have been resolved ie there is no longer a significant workless population and/or other agencies have, as a result of FEI, changed the way they work and now address the gap that FEI came in to fill. It may be that in some of the areas, FEI shifts its focus from a smaller area, for example Featherstone, to another area nearby to address worklessness there.

Recommendation 2: Maintaining FEI at the cutting edge

7.25 The FEI Programme has been at the forefront of best practice in engaging hard-to-reach groups, and has played a key role in shaping regional and national mainstream agendas. It is important that FEI continues to evolve to maintain this position. This may mean broadening the range of partnership working, potentially to include more work with schools, colleges and social services, and contributing to a broader range of partners' LAA targets. It could also mean working even more intensively with families, perhaps through the appointment of support workers to work with families on an outreach basis and in their homes.

7.26 CRT needs to consider how FEI remains at the cutting edge of employability policy, potentially through establishing wider partnership links and contributing to the agendas of wider partners. It should also continue to review examples of best and innovative practice from elsewhere, including internationally.

Recommendation 3: Targeting the hardest to reach

7.27 Since April 2008, FEI has had more success in supporting recent JSA claimants into work than it has in supporting IB claimants and the longer term unemployed into work. This largely reflects the nature of referrals which, during the recession, have shifted towards JSA claimants. As the economy emerges from the recession, now is an appropriate time to refocus on those furthest from the labour market, as this is where FEI can demonstrate the added value and impacts from its unique approach. CRT and FEI projects should consider, alongside funding partners, how higher numbers of clients from harder to reach groups, particularly the IB group, can be engaged on FEI, and supported into work.

7.28 It will be useful for CRT to consider what other innovative approaches it can take to engaging this hard to reach group. This might include peer recruitment, targeting particular areas and working more closely with intermediary organisations and services who engage with the hardest to reach families. This may require a renegotiation of targets with funders, to reflect the longer lead-in times required in engaging and working with these clients and achieving a positive outcome.

Recommendation 4: Programme level co-ordination, dissemination and influencing role

7.29 Although the six FEI projects share the same overall aims and ethos, the study showed that they largely operate as six individual projects rather than being part of the same programme. There would benefit from closer working between FEI projects in order to share intelligence, learning and best practice and ensure a more strategic approach.

7.30 CRT has a major role to play in ensuring that advisers are kept abreast of relevant policy developments and at strategic level, to include: brokering strategic relationships with partners (as opposed to delivery relationships which seem to work well); raising the profile of FEI nationally; and lobbying for funding.

7.31 To address this, CRT should establish a programme of knowledge sharing between FEI projects and staff. CRT should continue to broker relationships with partners at strategic level, as projects themselves are often too heavily focussed on delivery for this to happen effectively.

Recommendation 5: Clarifying the meaning of the family approach

7.32 There is some confusion among stakeholders about what is meant by a family approach. There is a lack of clarity about whether it means working with the whole family, working with an individual to benefit the whole family or taking the needs of the family into account in tackling the barriers to employment of one or more adults in the household. This lack of clarity means that some stakeholders believe that FEI is failing to deliver a family approach because it tends not to work with all individuals within a family.

7.33 CRT, and FEI projects, must work to ensure that future marketing, lobbying and communication about FEI to external stakeholders, funders and families should make a clearer distinction between working with families, and for the benefit of families, in order to tackle the perception that FEI is not delivering against its family agenda.

Recommendation 6: Tracking soft outcomes

7.34 Funders' ultimate interest is in employment outcomes, and this is reflected in the targets for FEI projects and FEI Advisers. However, it is important that funders and stakeholders are made aware of the important impact that FEI has on softer outcomes for clients particularly in terms of confidence, aspirations, health and well-being. On registering for FEI, clients should be asked a series of specific questions, using a rating or ranking scale in a way that is similar to the one used in this study. This will give an individual baseline position for each client against which changes can be tracked by asking the same questions at three monthly intervals (or when they find work), in order that progress can be tracked.

7.35 This will give CRT harder evidence of these outcomes, demonstrate to clients how they have moved forward, enable FEI to review what works well with particular client groups and to provide funders, potential funders and partners with a wider range of outcomes to consider in assessing their support to FEI.

Recommendation 7: Job brokerage through partnership

7.36 Employer liaison and job brokerage is a specialist skill which is best delivered by organisations and individuals with expertise in working with employers. Recognising this, FEI Sunderland works with Sunderland Council's Employer Link Team, FEI East Midlands has entered into partnership with the Chamber of Commerce, and FEI Knutton works with JET Business. These partnerships should be retained and strengthened, recognising that the skills may not exist within FEI staff.

7.37 In areas where these partnerships do not currently exist CRT should ensure that employer liaison is conducted by specialist staff who have been recruited for the purpose, or that formal links are established to relevant external organisations to provide this service.

Project-level recommendations

Recommendation 8: East Midlands – complementing Flexible Routeways

7.38 FEI in the East Midlands is very well known and highly valued by stakeholders. It has been instrumental in shaping mainstream provision, with Jobcentre Plus' new Flexible Routeways programme modelled directly on FEI. Because Flexible Routeways has recently begun delivery, it is not yet clear how effective it is in addressing its agenda, and what gaps might remain for FEI to fill.

7.39 CRT must work closely with key partners (Jobcentre Plus, local authorities and emda) to understand how FEI needs to evolve in response to Flexible Routeways. Partners are convinced there will remain a role for FEI, but it is not yet clear exactly what or where this role will be.

7.40 CRT should work closely with partners in the East Midlands to understand the role that FEI can play in relation to Flexible Routeways.

Recommendation 9: Knutton – partnership with JET

7.41 Some lack of clarity about the respective roles of FEI and both JET and JET business risk reducing the outcomes achieved from the Knutton FEI. Dialogue between the parties is ongoing to resolve these issues, and this should remain a priority for FEI and CRT in this area.

7.42 CRT should continue to work with JET and partners (North Staffordshire Partnership, Newcastle Borough Council and Stoke City Council) to resolve issues around joint working with JET.

Recommendation 10: Sunderland and Bickershaw – confirming the family approach

7.43 The two externally delivered FEIs in Sunderland and Bickershaw are performing well in terms of core outcomes. However, as both of these projects are delivered as part of wider programmes, there is a tendency for delivery staff to 'forget' that they are delivering a Family Employment approach. This is particularly the case in Sunderland where the projects is seldom referred to as FEI, but instead as Job Linkage. This branding issue may not be a problem if families are getting the support that they need although if it impacts on the adherence to the family approach, then it must be addressed.

7.44 To tackle the problems, CRT should work with delivery partners to confirm how the partnership approach is being delivered in these areas and the awareness of FEI.

Recommendation 11: West Cumbria – establishing the targets and commencing delivery

7.45 Strong progress with the West Cumbria FEI has been made since mid 2009, with a robust partnership in place, and a number of employers engaged to the Employer Charter. However, there is some concern among some stakeholders that specific objectives and targets have not yet been defined, and full delivery is yet to commence.

7.46 To reassure partners, it will be important to clarify specific targets for FEI West Cumbria soon, and begin delivery on the ground.

Recommendation 12: Featherstone – reviewing project progress

7.47 The Featherstone project is operating well, and in some ways the priority should be for business as usual in the short-term. It will however be important to work with local partners throughout 2010/11 to decide whether the Featherstone FEI has been a 'short sharp push' to address worklessness during the recession, or whether it will be rolled-out across a wider areas as part of an integrated part of the employability landscape.

Recommendation 13: Project level sustainability assessments

7.48 The future funding and policy environment is very uncertain, and stakeholders in all FEI areas have been reluctant to make any commitments about where FEI might sit within emerging delivery structures post March 2011. As the environment becomes clearer following a general election, it is critical that CRT and FEI project managers work with partners to establish sustainability or exit strategies. The shape of these forward strategies is likely to be quite different in each area, reflecting different local delivery structure and funding opportunities.

