



Evaluation of the Family Employment Initiative:

Executive Summary

A report to the Coalfields Regeneration Trust

March 2010

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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.