

Evaluation of South Yorkshire
Transitional Labour Market Programme

FINAL REPORT

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EXTENDED SUMMARY

The Programme

1. The South Yorkshire Transitional Labour Market [TLM] Programme aims to provide an intermediate or transitional step into work for people who are economically inactive or long term unemployed. It seeks to do this by offering client beneficiaries a package of support interventions [advice and information, supported work placement, access to training, job search etc] over an agreed period which are customised to the individual needs and circumstances.
2. The Programme is funded by Yorkshire Forward [YF] and the South Yorkshire Objective 1 Executive [OI] over September 2004 to March 2008. Initially conceived of as a £27m Programme, lifetime targets are to help 5,640 beneficiaries, achieve 2,898 job outcomes and 1,718 qualifications outcomes.
3. Four Delivery Agents were engaged: Barnsley Development Agency [BDA], the Centre for Full Employment [CFE], Doncaster Chamber [DC] and Phoenix Enterprises [PE]. CFE were contracted to manage the YF contract through SYCON.

The Evaluation

4. This evaluation has been carried out by independent economic consultants **mtl** between November 2006 and April 2007 in accordance with guidance from a Steering Group chaired by Bea Jefferson, Evaluation Team Leader of Yorkshire Forward.
5. The research involved detailed desk-based work and extensive consultations with Programme stakeholders, including: funders, Delivery Agents, providers [employers] offering work placements and beneficiaries and other organisations such as Jobcentre Plus and SYCON.

Conclusions

6. Our first conclusion is that the strategic rationale for policy interventions to tackle worklessness across South Yorkshire remains strong. The focus of such interventions should be at two levels: the most deprived areas and those priority groups known to experience multiple disadvantages in the labour market [but who may not necessarily live in the most deprived areas].
7. Second, the South Yorkshire TLM Programme reflects and incorporates operational features evident in several other initiatives elsewhere with similar objectives - it is by no means unique but did build on the previous ILM Programme.
8. Our third conclusion is that the Programme has not really been a sub-regional one to any significant extent. The sub-regional dimensions stem from the role of SYCON and the contracting arrangements with YF, but in effect four independent, locally based Programmes have been delivered to tackle worklessness and not one.
9. Fourth, overall Programme development and delivery has been hampered by the limited time available for the appraisal of the original bids, delays and inflexibilities in contracting arrangements, communication problems and administrative complexities. These factors have played a part in affecting overall spend and output performance across all Delivery Agents whilst other factors have also come into play [such as institutional factors and Programme management capability] which have affected relative performance.

10. Our fifth conclusion concerns the targeting and take-up of Programme activities. Evidence from SYCON's TLM Beneficiary Database suggests that there has been effective targeting of some priority groups [eg lone parents, ex-offenders, ethnic minorities and people with disabilities] and of people living in some of the most deprived neighbourhoods within local areas. However, less than half of those assisted through the Programme were economically inactive or long term unemployed while just over 40% were qualified to NVQ Level 2 or above. This suggests that there is scope to improve the targeting of the Programme on the hardest to help/ reach by, for example, strengthening linkages with Jobcentre Plus and the VCS. Moreover, many of the people within the economically inactive cohort will probably require significant pre-employment support to increase confidence, motivation and general employability skills and perhaps also enhance their basic skills.
11. Our sixth conclusion is that the Programme has not been sufficiently adept at ensuring that job placement early leavers receive an appropriate degree of follow-up/ follow-on support. Evidence elsewhere suggests that job brokerage schemes in particular tend to be more successful when resources and mechanisms are built in to enable tracking of participants so as to sustain positive outcomes [eg where people remain in work] and to facilitate quick interventions in the case of people who have become detached from the Programme for one reason or another.
12. Our seventh conclusion is that value for money indicators suggest that Programme performance has been mixed. The analysis of financial data indicates that:
- To date 61% of total planned expenditure has been defrayed overall.
 - There has been a lower proportion of spending on beneficiary costs than anticipated, with a higher proportion of spending going to salaries and other revenue costs.
 - Whilst OI's contribution to the total income has been as anticipated [35%], Yorkshire Forward's contribution has increased from 39% to 46%. This is due to the proportion of private and in-kind funding being lower than forecast.

The analysis of current¹ output and outcomes data shows that:

- In terms of output and outcome volumes, CFFE [Sheffield] has the largest contracted output and outcomes targets of all four Delivery Agents.
- In the case of starts, the best performing Delivery Agents have been Barnsley [124% actual against contracted] and Sheffield [107%] although Rotherham also over-achieved [102%]. Doncaster Chamber's starts were significantly below target.
- Barnsley are the best performing Delivery Agent in terms of actual versus planned job outcomes [117% compared with an average of 61%]. Rotherham were the only other Delivery Agent to exceed the average in terms of performance against their revised job outcome targets. Doncaster had the poorest performance at 28%.
- On average 40% of planned qualifications have been achieved. Only Doncaster and Rotherham exceeded this average but in both cases this was in terms of revised contract targets.

If we benchmark actual performance against the original planned contracted output and outcomes we observe that:

¹ Doncaster Chamber and Phoenix Enterprises agreed Significant Changes to their TLM contracts in 2006 resulting in revised output and spend targets. CFFE and BDA did not.

- BDA [Barnsley] and CFFE [Sheffield] significantly exceed the other two Delivery Agents in terms of starts and job outcome performance.
- Doncaster Chamber continues to perform best in terms of qualification outcomes with Barnsley performing second best.

Our analysis of value for money indicators shows that:

- Programme efficiency: CFFE are the only Delivery Agent with a gross unit cost per start [£1,608] below the average for the Programme as a whole [£2,200]. However, separating out TLM costs and outputs from Jobnet reveals a higher TLM unit cost of £8,356 per start in Sheffield.
- Programme effectiveness - we employed two provisional measures:
 - ▶ Start to job conversion rates were highest in Barnsley [52.8%] and Rotherham [40.0%]. Doncaster's rate of 12.7% is significantly below the TLM average and contracted expectations.
 - ▶ Rotherham and Doncaster had the highest start to qualification conversion rates whilst Barnsley's and Sheffield's were low.
- Cost-effectiveness. BDA have the lowest gross cost per job outcome [£7,554] compared with the Programme average [£7,998]. The Full Employment Sheffield Programme as a whole has a relatively low cost per job outcome [£6,236] but the TLM element of the Programme has the second highest [£29,291] after Doncaster Chamber [£31,624].

13. Our eighth conclusion is that the qualitative impacts of the TLM Programme are generally positive, especially amongst beneficiaries. Beneficiary [Programme participants] feedback is generally very positive with many individuals finding the work experience placements particularly valuable and benefiting from growing confidence about their job prospects and increased self-esteem. The feedback also indicates that the Programme can help counter social isolation. There is scope for improvement, however, particularly in relation to information and communication, sourcing and arranging training, job search and longer term development needs. Employer feedback was generally positive but indicated substantial concern about the bureaucracy involved and in some instances the lack of consistent monitoring and support by Delivery Agent staff. There is evidence of opportunistic behaviour amongst a minority of employers who agreed to offer placements to quite large numbers of beneficiaries which may reflect, amongst other things, the quite generous wage subsidy element of the Programme. These issues underline the importance of identifying and engaging employers who share the ethos of the Programme, rather than simply meeting eligibility criteria.
14. Our ninth and final conclusion is that the experience and lessons learnt from the development, organisation and delivery of the TLM Programme have wider relevance and currency, not least of all with regard to the development of the South Yorkshire Cities Strategy initiative which shares so many of the underlying aims and objectives of the TLM Programme as well as the objectives and strategic priorities identified in the RES 2006 - 2015. This conclusion above all underpins our strategic recommendations below.

Operational Recommendations

Yorkshire Forward and the OI Executive

- Continue to take steps to increase Programme flexibility, especially with regard to the reallocation of funds between Delivery Agents due to variations in performance, more coordination and [if possible] integrated monitoring arrangements and better communication with other principal funders and SYCON.
- Consider funding distinctive pre-employment support activities for the hardest to help and most disadvantaged beneficiaries who are *not* ready to commence supported job placements.
- Consider a modification to funding arrangements whereby Delivery Agents may be enabled to respond to applications by SMEs for additional 'top-up' funding to support beneficiary training and development activities over and above those funded already.
- Consideration should also be given to employer requests for funding towards specific training and development actions for beneficiaries *beyond* the TLM placement period to encourage job outcomes in certain circumstances, although alternative funding sources may be available via LSC funded initiatives.
- In light of our strategic recommendations [see below] - begin the process of preparing an employability commissioning document in conjunction with the South Yorkshire Partnership which supports the aims and objectives of both the RES and the South Yorkshire Cities Strategy.

Delivery Agents

- Improve future targeting of the Programme on people who are economically inactive, those with below Level 2 qualifications and people aged over 50. This could be facilitated by:
 - ▶ Devoting more time and resource to community-based outreach work aimed at targeting priority groups in deprived neighbourhoods through mechanism like Jobnets and/ or networking with VCS organisations and forums.
 - ▶ Strengthening and extending referral mechanisms, especially with Jobcentre Plus, Citizens Advice Bureaus, nextstep IAG providers [including but not exclusively Connexions] and community-based 'one stop shop' and 'neighbourhood management' type initiatives, including those supported by local authorities.
- Review all contractual and monitoring documentation which participating employers/ Providers are expected to complete with a view to simplifying requirements and minimising the amount of duplicate paperwork.
- Revise and upgrade Training and Development Plans for TLM beneficiaries to have a slightly broader and longer term dimension akin to something like a Personal Development and Employability Plan. nextstep providers would be worth consulting with regard to this matter.
- Improve current arrangements for on-Programme beneficiary support and ensure that good practice features of client-case-loading are being followed. Particular attention needs to be given to facilitating access to training and job search support, and ensuring beneficiaries [and employers] are paid promptly.

- Review and enhance arrangements [including incentives] for Programme completers and employers to participate in monitoring and provide evidence of job outcomes where appropriate, as well as information about early leavers where available.
- Providing operational staff who deal with clients and the contract administration aspects of the TLM Programme an opportunity to interact and share good practice.
- More careful selection of participating employers and more preliminary work with those who are eligible in more than a 'technical' sense. In particular, ensuring increased engagement with private sector employers, especially SMEs with growth potential and a commitment to 'buy into' the ethos of the TLM Programme.
- Review marketing materials and introductory/ welcome packs and contracts to ensure that they provide employers with a clear and accurate indication of Programme aims and objectives and the respective roles and responsibilities of employers/ Providers and the Delivery Agent.
- Explore whether there is more potential to align the TLM Programme with other business support services and activities which emphasis workforce development and 'corporate' social responsibility for example.
- Ensure that employers do not over-stretch themselves in recruiting too many TLM beneficiaries at any one time.
- Explore how best to develop and strengthen linkages with specialist providers of support [of various kinds, not necessarily related to employability] to key priority groups, be they private or VCS organisations.

SYCON

- Make proposals to all four SYCON members which will encourage and enable them to collectively agree to an effective Communications Protocol so that the SYCON Manager becomes quickly and fully informed of any performance or contract administration problems and can relay information amongst Delivery Agents more efficiently.
- There should be a joint review of contract-related documentation by the Delivery Agents with a view to incorporating good practice and achieving more harmonisation of paperwork and procedures for the collection of data amongst them.
- Enable Delivery Agents to jointly consider wider opportunities for the development of the Programme [and other services they provide] which might arise from strategic developments across the sub-region. The consortium could be more adept at collectively scanning the horizon for potential market opportunities including major infrastructure developments.

Strategic Recommendations

15. If we consider the future of the TLM Programme beyond March 2008, there are three main strategic options to consider:
 - a. Continuation of the South Yorkshire TLM Programme broadly in its current form with changes at an operational level following the recommendations made above. More or less the status quo option.

- b. A modified South Yorkshire TLM Programme which follows insights into good practice and seeks to replicate these across the four delivery models to bring about a more consistent sub-regional model, albeit still delivered at a local area level by one or more Delivery Agents. The structural change option.
 - c. The discontinuation of a discrete sub-regional TLM Programme per se in preference to a more strategic and localised approach to addressing worklessness in the most deprived areas. The mainstreaming option.
16. The balance of evidence collected and analysed as part of this evaluation strongly point towards option c as the most feasible and desirable way forward for four main reasons:
- The justification for a sub-regional approach to addressing issues of employability and worklessness from an operational perspective is weak and the supposed advantages from a contract management perspective are easily overstated.
 - The existing TLM Programme is not firmly set within a coherent strategic framework at either a regional or local level but it ought to be. Neither operational nor structural change can achieve this goal adequately.
 - Experience elsewhere suggests that the contribution of several agencies and sectors need to be coordinated and resourced if entrenched worklessness is to be addressed in specific localities and amongst specific groups and that a long term approach is essential.
 - There is an opportunity, through the new Cities Strategy initiative in particular, to move towards a more coherent approach to addressing worklessness in the most disadvantaged areas whilst retaining an appropriate sub-regional dimension.
17. South Yorkshire was selected as a Pathfinder area and submitted an Expression of Interest to the DWP in July 2006. The Cities Strategy initiative provides a useful mechanism to make better use of existing resources through improved coordination and more flexible deployment. It is already proposed that discretionary funding streams will be pooled by employer-led Work and Skills Boards in each local authority area, including NRF, LSCWY LID [Local Initiative Development] funds, DWP Deprived Areas Fund and pump-priming funds and ESF.
18. We recommend that Yorkshire Forward and the South Yorkshire Partnership [in consultation with OI] formulate Commissioning Frameworks in conjunction with the four Work and Skills Boards which reflect Sub-regional Investment Plan [and therefore also RES] priorities as well as those which have been locally determined and then work together to identify appropriate accountable bodies through which funding can be allocated and performance and impact monitored and evaluated, initially within a three year time frame.
19. This report should be used to help inform the ongoing development of three year Cities Strategy Implementation Plans by the South Yorkshire Consortium of LSPs and their respective Work and Skills Boards, supported by the South Yorkshire Partnership. Jobcentre Plus will undoubtedly be a key stakeholder to work with in future interventions to address worklessness in the most deprived neighbourhoods across South Yorkshire.

I. INTRODUCTION AND BACKGROUND

I.1 In October 2006 Milburn Trinnaman La Court [mtl] were commissioned by Yorkshire Forward to undertake an evaluation of the South Yorkshire Transitional Labour Market Programme 2005-2008. This report presents the findings, conclusions and recommendations arising from our 'mid-term' evaluation of the Programme.

Evaluation Purpose

I.2 The invitation to tender for the evaluation was issued by Yorkshire Forward with our proposal in response dated 6th October 2006. The overall aim of the evaluation is to assess the performance and impact to date of the South Yorkshire Transitional Labour Market [TLM] Programme and to make recommendations for the future development of the Programme. More specific objectives for the assignment call for consideration of the following matters:

- Progress made by the Programme to date in meeting its targeted outputs and outcomes.
- The quality of the service received by beneficiaries.
- The net impact made by the Programme on beneficiaries.
- The effectiveness of the training delivery mechanisms developed in each of the four districts.
- The effectiveness of the delivery arrangements developed between the four Delivery Agents, SYCON, Yorkshire Forward and Objective 1, including the SAV of SYCON and the implications for delivery of initial delays in contracting.
- The effectiveness of the Programme in meeting the changing labour market needs in each District.
- The identification of examples of good practice developed by the Programme.
- The sustainability of activities funded under the Programme.
- Recommendations for the future development of the Programme.

Project Steering Group

I.3 The study was managed by a Project Steering Group comprised of the following organisations:

- Yorkshire Forward
- Objective One Executive
- Barnsley Development Agency
- SYCON

Methodology

I.4 Our method and work plan for this assignment were set out in a proposal dated 6th October. Following our appointment, an inception meeting was held on 6th November at which the brief and work plan were discussed further with members of the PSG and refinements made accordingly.

I.5 The study commenced in November 2006 and was completed in April 2007.

- 1.6 The key stages in the evaluation work plan, as agreed by the steering group, were as follows:
- Inception meeting.
 - Scoping interviews. Interviews were undertaken with members of the PSG, the four Project Managers [Delivery Agents] and Jobcentre Plus [JC+].
 - Review of management and monitoring information.
 - Contextual and statistical review.
 - Development of primary research tools.
 - Delivery agent consultation. Interviews were undertaken with members of operational teams within the Delivery Agents: Barnsley Development Agency, Doncaster Chamber, The Centre for Full Employment, and Phoenix Enterprises, or with their partners, as instructed by Project Managers.
 - Provider and current beneficiary consultation.
 - ▶ A total of 45 interviews with TLM Providers were completed: 10 Barnsley; 13 Doncaster; 11 Sheffield; 11 Rotherham.
 - ▶ A total of 21 interviews with current ['on Programme'] beneficiaries were completed: 4 Barnsley; 6 Doncaster; 2 Sheffield; 9 Rotherham.
 - Wider beneficiary consultation. 40 interviews were held with former beneficiaries: 13 Barnsley; 4 Doncaster; 9 Sheffield; 14 Rotherham.
 - Analysis, report-writing and dissemination.
- 1.7 The approach to the consultation process was to be non-prescriptive. Following an initial interview with key stakeholders and Project Managers in each of the four delivery agents, consultees were invited to suggest further follow-up interviews which would facilitate the evaluation. The balance of consultations across the four areas reflects this process. A list of consultees is given in the Annex [section A] to this report.
- 1.8 A list of abbreviations used in the report is set out in the Annex [section B].

2. THE SOUTH YORKSHIRE TLM PROGRAMME

2.1 This section of the report is intended to provide an overview and assessment of the South Yorkshire TLM Programme.

Programme Aims and Objectives

2.2 The South Yorkshire TLM Programme commenced in September 2004 and was developed following an earlier OI, Yorkshire Forward and Jobcentre Plus funded Intermediate Labour Market [ILM] flagship Programme which operated between July 2001 and December 2004. An evaluation of the latter was completed shortly after the Programme ended². The overall Programme is due to end in March 2008.

2.3 TLM was initially a £27m Programme, with funding from Yorkshire Forward of £8.6m and OI funding of £9.4m. The Programme spend was subsequently revised to £20.2m. To date £12.3m of expenditure have been defrayed.

2.4 The TLM Programme is intended to provide a transitional step into work for people who are long term unemployed or economically inactive [ie people who are not seeking work or not available for work at a given time - they will not claim JSA but will probably claim other benefits such as Incapacity Benefit]. The TLM Programme aims to contribute to a reduction in the economic inactivity rate for South Yorkshire and help to reduce the concentrations of Worklessness in some of the most deprived neighbourhoods across the sub-region.

2.5 The strategic objectives of the TLM Programme are to contribute to a reduction in the long term unemployment rate; a reduction in the sickness, incapacity and income support claimant rates; a reduction of the 'difficult to fill' job vacancy rates; and the specific targeting of people within wards experiencing acute levels of multiple deprivation [ie within wards that fall within the worst 10% IMD categories].

2.6 TLM participants/ beneficiaries] should be drawn from some of the most economically disadvantaged and socially excluded groups and communities. TLM participants should be:

- Aged 18-24 and unemployed for six months or more.
- Aged 25+ and unemployed for 12 months or more.
- Economically inactive ie not registered as unemployed but claiming various state benefits.
- Resident in one of the four South Yorkshire local authority areas.

2.7 The Programme is intended to benefit a wide range of people from socially and economically excluded backgrounds, including:

Lone parents	Incapacity Benefit claimants
Ex-substance abusers	Income Support claimants
Ex-offenders	People with disabilities
People with Disabilities	Women returners to the labour market
Long term unemployed	Ethnic minorities

² Final Evaluation of the SYCON ILM Programme. ECOTEC. 2005.

2.8 The TLM aims to:

- Provide a period of employment in its own right.
- Keep participants in contact with work culture, employment routines and employer requirements.
- Improve the employability of participants.
- Prevent participants becoming unemployed or economically inactive again, at least for long periods.
- Address, to some degree, the recruitment and skill needs of employers and contribute to the achievement of business goals.

2.9 The TLM seeks to tailor a series of activities to individual needs which address key barriers to employment. These activities usually include:

- Assessment of participants needs, capabilities and aspirations.
- Production of individual training and development plans.
- Access to information, advice and other support from dedicated advisors and mentors.
- Access to training to meet individual needs, including basic skills, life skills and work-related skills.
- Subsidised work experience.
- Support with job search, application and interview.

2.10 Importantly, a TLM Programme should present a participant with a realistic and genuine opportunity for accessing employment with a participating business within a reasonable timescale.

TLM Delivery Arrangements

2.11 CFFE won the tender process to manage the Yorkshire Forward contracts through SYCON. SYCON formed in 2000, bring together four existing ILM Delivery Agents. The consortium's role is to:

- Strategically coordinate and deliver TLM opportunities on a South Yorkshire wide basis.
- Achieve synergy between the TLM approach and other initiatives aimed at supporting economic and social inclusion within the target areas and client group.

2.12 The four SYCON partners [TLM Delivery Agents] are as follows:

- Barnsley Development Agency.
- Doncaster Chamber.
- Phoenix Enterprises [Rotherham].
- The Centre for Full Employment [Sheffield]

2.13 Each of the four Delivery Agents was initially required to submit a separate application for TLM delivery to Yorkshire Forward with separate funding applications being submitted to Objective 1.

- 2.14 The role of each TLM Delivery Agent is to:
- Assess whether there is adequate capacity for TLM participants within the employing organisation.
 - Assess the proposed and actual supervision arrangements for the TLM participant.
 - Assess the extent to which the local community will benefit from the Programme as well as individual participants.
 - Ensure there is no risk of double funding.
- 2.15 The Delivery Agents have each devised their own Programmes of support and delivery models resulting in different approach across the sub-region. A profile and assessment of each model is set out in sections 7 - 10 of the report; in the case of Sheffield it is important to note that the whole Programme under consideration is called 'Full Employment Sheffield' [FES] and comprises three strands:
- TLM
 - Jobnet
 - Internships
- 2.16 All three strands have received funding via Yorkshire Forward and OI but the agreed contracts did not provide a breakdown of planned expenditure and outputs by the three strands which impinges on the scope of our analysis compared with other Delivery Agents.
- 2.17 Unlike the other three areas, the Barnsley Programme commenced in 2005/06 and not the previous year 2004/05.

Programme Development

- 2.18 Under the previous ILM scheme, the entire Programme was centrally managed through SYCON. The ILM evaluation flagged up a number of procedural and management issues which funders had been unaware of, and it was felt that the lack of direct contact between funding agents and delivery partners had been a factor in this.
- 2.19 As a result, Objective 1's preference for the TLM Programme was to contract directly with the four Delivery Agents, while Yorkshire Forward's preference was for a sub-regional approach to commissioning. A decision was therefore taken for Yorkshire Forward to contract through SYCON and Objective 1 to contract directly with each Delivery Agent. Contract monitoring has therefore been undertaken by both SYCON [on behalf of Yorkshire Forward] and Objective 1; the data being collected in different formats and over different timescales.
- 2.20 There appear to have been considerable pressures to get the Programme up and running [ie to commence delivery] as soon as funding arrangements had been confirmed; in practice significant delays occurred in regard to OI funding. These pressures meant that limited time was available for commissioning as well as for resolving funders' different preferences regarding contract arrangements.
- 2.21 With more time, the robustness and viability of the TLM proposals submitted by Delivery Agents could have been appraised in more depth and more detailed discussions could have taken place between funders and Delivery Agents regarding capacity to deliver quite stretching targets within the [limited] time available.

Previous involvement of the four Delivery Agents in the ILM Programme provided a degree of reassurance as to their likely capacity to successfully deliver the TLM proposals they submitted.

- 2.22 The contracting arrangements have also given rise to some inflexibilities affecting Programme development and management. Ideally within a sub-regional Programme there would be flexibility to move resources between Delivery Agencies and from one year to the next to facilitate the collective achievement of contract requirements and to increase the effectiveness with which resources are deployed. With the TLM Programme, however, SYCON has had little flexibility to move Yorkshire Forward funding between Delivery Agents and therefore areas to compensate for under and over performance against target outputs. Moreover, each Delivery Agent was given annual budget and output targets to work towards rather than three year Programme targets which they could plan to work towards achieving according to their individual circumstances and capacities.
- 2.23 Where there have been variations in performance, these have subsequently resulted in significant change to contract targets in the case of Rotherham and Doncaster during 2005-06.

3. THE PROGRAMME IN CONTEXT

- 3.1 This section of the report helps contextualise the evaluation. We consider the policy background to the Programme and then make some key observations about South Yorkshire economy and labour market conditions. Additional background information is set out in the Annex [section C] to the report.

Understanding the Problem

- 3.2 High levels of unemployment and economic inactivity remain entrenched amongst certain groups and in certain areas throughout the sub-region despite a reasonably buoyant labour market. Workless people are those who are either unemployed claimants or economically inactive ie people of working age who are not working, not in full-time education and training and not actively seeking work. Amongst the economically inactive are people who are outside the labour market voluntarily [eg due to family commitments, early retirement or a preference not to work or to volunteer] but also people who want a job and would work if they had the right opportunity, incentive or path back into employment.
- 3.3 Recent years have seen an increasing focus on the mismatch between high levels of worklessness in deprived neighbourhoods in areas peripheral to major urban centres like Barnsley, Doncaster, Sheffield and Rotherham. It should be noted, however, that the majority of people claiming benefits for worklessness do not live in the most deprived wards but are spread across wider geographical areas.
- 3.4 There is a significant degree of variation between deprived neighbourhoods in terms of the incidence of unemployment and economic inactivity and the characteristics of the local labour market and institutional context.
- 3.5 The extent and variability of the problem of worklessness in deprived neighbourhoods can be explained mainly in terms of 'compositional effects' - the characteristics and circumstances of individuals and households who tend to be concentrated in these areas. Key factors are household structure [especially lone parenthood], level of qualifications and skills, health and disability status and age and ethnicity [with considerable variation between ethnic groups].
- 3.6 Demand-side factors also play a part in explaining worklessness. In some areas lack of [employer] demand for labour can also be a barrier to work, but more usually the problems appear to stem from [actual and perceived] variations in the quality and sustainability of jobs on offer and, in some circumstances, employers' recruitment practices.
- 3.7 A number of localised factors have an important influence on the scale and nature of the worklessness problem in deprived neighbourhoods and on the effectiveness of policy intervention, these include: the institutional context, including the VCS and access to 'mainstream' provision and services targeted on the workless; the housing market; the benefits system; affordable childcare; public transport services; access to learning provision; and the structure of social networks.

Key Trends

3.8 Key statistical indicators show that:

- South Yorkshire has a higher proportion of working age population claiming JSA compared to the national average, particularly amongst young people, and a lower economic activity rate suggesting a need to increase the proportion of people in work.
- Compared to national trends, Doncaster has a high proportion of long term unemployed [claiming JSA over 12 month] however, long term unemployment is lower than the national average in the other areas of South Yorkshire.
- Across South Yorkshire there has been a decrease in JSA claimants over the past 5 years which has closed the gap with the national average. Intervention is still required to continue this downward trend.
- Vacancy data suggests strong demand for admin/secretarial, sales and customer service and process, plant, machine operatives. These are the types of occupations which TLM client groups may be well placed to fill.
- All areas of South Yorkshire have a higher proportion of people with a long term illness compared to the regional average suggesting a need for measures targeted on this client group if the gap with regional and national trends is to be closed.

National and Regional Context

3.9 At a national level, a number of key policy developments over recent years have given rise to several initiatives which share similar aims and objectives to the South Yorkshire TLM Programme and, in some cases, share similar features. Key policy developments have been:

- The Government's Green Paper "New Deal for Welfare: Empowering People to Work"³.
- The DWP's UK National Action Plan on Social Inclusion 2006-08⁴.
- The 2005 Skills Strategy, "Skills: Getting on in Business, Getting on at Work"⁵.

3.10 Key labour market initiatives to tackle worklessness include:

- The New Deal Programme, including the New Deal for Lone Parents and the New Deal for Disabled People pilots. The 'Learning Option' is being trialled under New Deal for Skills.
- The Pathways to Work Programme.
- The StepUp Programme.
- 'nextstep' adult information, advice and guidance [IAG] services funded by the LSC.

³ <http://www.dwp.gov.uk/welfare-reform/>

⁴ http://www.socialinclusion.org.uk/publications/NSIP_AR2006.pdf

⁵ <http://www.dfes.gov.uk/publications/skillsgettingon/>

- 3.11 At a regional level the need to tackle high levels of economic inactivity particularly in deprived areas has been a priority which is evident in the Regional Economic Strategy for Yorkshire and Humber 2006-2015⁶ in their fourth objective - Connecting People to Good Jobs. This includes priorities to:
- Develop programme and projects to tackle worklessness and get more people into jobs.
 - Use Local Area Agreements to target resources and improve performance in the most deprived areas.
 - Utilise the voluntary sector to reach local people and improve service delivery.
- 3.12 City Strategies is a relatively new initiative to support jobless people to reduce the number of working age benefit claimants in the most deprived areas. City Strategies are currently pilots with 10-15 pathfinder areas expected to go live in the first quarter of 2007. They aim to test whether a local consortium or a partnership of agencies can work in conjunction to increase employment rates. City Strategies are primarily a bottom up approach where local areas are empowered based on their knowledge of the specific problems and barriers people face in their locality.
- 3.13 This is potentially a very important development which could have implications for the Programmes like TLM in the future. They will provide greater flexibility in delivery by pooling partner resources. Key activities will include:
- Using funding committed by partners to fill gaps in existing provision and provide more help to those currently furthest from the support of the welfare state.
 - Joining-up local activity more effectively, so there is more clarity and less duplication, with clearer routes for individuals to take up the support they need to get back to work.
 - Ensuring the provision on offer is tuned to the needs of the local labour market, so individuals gain the skills and attributes they need to access the particular jobs that employers need to fill.
- 3.14 In July 2006 South Yorkshire Consortium of LSPs in Sheffield, Barnsley, Doncaster and Rotherham was designated as a Cities Strategy Pathfinder area. Target wards within the LADs have been identified and include wards within existing NRF strategies and wards where there are high concentrations of worklessness. There is a great deal of overlap between City Strategies and the current South Yorkshire TLM Programme in terms of their ambitions and approach. Indeed, the TLM Programme is identified as a potential route for beneficiaries.

⁶ http://www.yorkshire-forward.com/asset_store/document/res_full_new_060628_162519.pdf

4. PROGRAMME PERFORMANCE

Introduction

- 4.1 The purpose of this section is to set out what the TLM Programme has achieved and to benchmark this against what has actually been achieved to date. It therefore focuses on quantitative issues ie financial and output performance. Qualitative outcomes and impacts are addressed in subsequent sections.
- 4.2 Our review of TLM monitoring and management information has draw upon Programme contracts, Yorkshire Forward quarterly monitoring reports, minutes from the technical and management meetings, financial and output data provided by SYCON, Objective I and delivery partners. *It is this information which has been provided to us in good faith that we have based our analysis on but we cannot therefore vouch for its accuracy.*
- 4.3 Please note that the Full Employment Sheffield Programme comprises three strands: TLM, Jobnet and Internships. All three received funding via Yorkshire Forward and OI but the agreed contracts do not provide a breakdown of planned/ contracted outputs although we have received data on actual performance - this information gap has limited the scope of our analysis of CFFE's output performance under the TLM Programme compared with other Delivery Agents.

Programme Development

- 4.4 Our consultations enabled us to identify several key factors affecting Programme development and delivery.
- Inadequate time was available for the development of Programme proposals by the four Delivery Agents and for their appraisal by Yorkshire Forward and the OI Executive.
 - Delays in contracting which squeezed the time available for set up and Programme delivery and had knock-on effects on match funding and the employment/ redeployment of Delivery Agent staff.
 - Contracting arrangements restricted the ability to respond flexibly to differences in performance and spend between areas [Delivery Agents] and to plan beyond each financial year.
 - The two main funding streams were not matched at source and different output definitions were required for each contract.
 - The retrospective fit of actual and planned performance following Significant Change in Rotherham and Doncaster makes programme evaluation difficult as there is no benchmark against which performance can be measured.
 - Procedural and managerial deficiencies with regard to contract management and monitoring were evident in some instances. These included errors in project design and overly ambitious output and expenditure targets. Some Agents also faced personnel management and recruitment difficulties.
 - Lack of continuity between those people working for Delivery Agents who were responsible for preparing funding submissions and those delivering the Programme, and the lack of a smooth transition from ILM to TLM, have hindered delivery.

- 4.5 It is important to acknowledge that efforts have been made by the funders and SYCON to address some of the key problems. In particular, the financial management of the Programme has been made more flexible over recent months, with scope to borrow and re-pay funding between Delivery Agents.

Overall Programme Expenditure

- 4.6 South Yorkshire TLM was originally envisaged to be a £27m Programme operating over 4 years from 2004/05 to 2007/08. The table in section D of the Annex shows the planned total Programme expenditure at the initial contract stage. Funding sources [in cash and in kind] were to be: Yorkshire Forward, European Funds and other sources, with each contributing approximately a third of total Programme income.
- 4.7 During 2006 of the TLM Programme, contracts between the funding bodies and two of the Delivery Agents [Phoenix Enterprises and Doncaster Chamber] have been renegotiated which has changed the Programmes' planned expenditure.
- 4.8 Table A provides an overview of the total [revised] sub-regional planned and actual expenditure and income based on data supplied directly to us by the four Delivery Agents. The cost items are as follows:
- Other revenue costs include general overheads such as utilities and premises, marketing and publicity and materials.
 - Beneficiary costs include training, wage payments, travel expenses and other costs.
 - Salaries relate to paid staff working with TLM beneficiaries, including administrative and managerial staff.
- 4.9 A more detailed presentation of expenditure and funding data for each Delivery Agent is shown in the Annex [section F].

Table A - Total Programme Expenditure and Funding

	Total Programme Expenditure [planned]						Total Programme Expenditure [actual]				
	2004/05	2005/06	2006/07	2007/08	Total	% of Total	2004/05	2005/06	2006/07	Total	% of Total
Expenditure:											
Salaries	1830616	3990866	2895908	178211	8895601	44	1832157	3565677	303128	5700962	46.3
Other revenue costs	541708	1074934	1105591	67343	2789576	14	541708	1141808	253832	1937348	15.7
Beneficiary costs	408330	3959941	3490075	616840	8475186	42	408330	2349114	1928656	4686100	38
Total Costs	2780654	9025741	7491574	862394	20160363	100	2782195	7056599	2485616	12324410	100
Funding Source:											
In kind	932465	744855	758970	28875	2465165	12	483884	770890	15772	1270546	10
YF Single Pot	1623857	3132577	2793492	424000	7973926	39	976971	3808114	945682	5730767	46
European OI	972964	2551056	3386802	301838	7212660	36*	974133	2459148	870647	4303928	35
Private funding	126433	1043003	194687	42893	1407016	7	126315	302839	9920	439074	3.6
Others	261215	628348	299420	64788	1253771	6	315867	135642	159978	611487	5
Total	3916934	8099839	7433371	862394	20312538	100	2877170	7476633	2001999	12355802	100

Source: BDA, Phoenix Enterprises, CFFE, Doncaster Chamber of Commerce

* The value should be no more than 35% but is higher due to rounding of data.

4.10 The data indicates that:

- To date 61% of total planned expenditure has been defrayed overall.
- There has been a lower proportion of spending on beneficiary costs than anticipated, with a higher proportion of spending going to salaries and other revenue costs.
- Whilst OI's contribution to the total income has been as anticipated [35%], Yorkshire Forward's contribution has increased from 39% to 46%.
- The proportion of private and in-kind funding has been lower than forecast.
- Unlike the other three areas, the Barnsley Programme commenced in 2005/06 not the previous year.

4.11 Our analysis of expenditure across Delivery Agents [and therefore areas] indicates that:

Barnsley Development Agency

4.12 Table B indicates that the programme got off to a slower start than anticipated with only £625,000 of expenditure in 2005/06 compared to a planned £1.2m [51.5%].

4.13 To date in 2006/07 69.7% of Programme expenditure has been defrayed.

4.14 Overall, 45% of total planned expenditure has been defrayed to date.

4.15 Single Pot funding has accounted for a higher proportion of funding than anticipated and private/other funding a lower proportion.

Phoenix Enterprises

4.16 Table C indicates that the actual expenditure has been as planned with 91% of planned expenditure defrayed to date. However this has been influenced by a significant change document completed in December 2006 which retrospectively changed the original profile. Therefore in 2004/05 and 2005/06 Phoenix Enterprise's defrayed 100% of total planned expenditure for these years.

4.17 The table shows that Single Pot funding has accounted for a high proportion of total income [57.7%, compared to 39.4% in Barnsley], although this was planned.

Doncaster Chamber

4.18 Total actual expenditure is significantly lower than planned, with only 43% of planned expenditure being defrayed to date.

4.19 In 2004/05 there was an overspend of £1,540 and in 2005/06 an under-spend of £810,145 with only 30% of expenditure for this year being defrayed. To date in 2006/07 54% of expenditure has been defrayed.

4.20 The data presented in Table D indicates that planned funding was initially £153,173 over planned expenditure. As the staff members responsible for the original funding bid are no longer in post, the delivery agents has been unable to explain why this was the case. However, actual expenditure to date is in line with income.

- 4.21 Actual salary costs have been higher than anticipated accounting for 23.4% of expenditure rather than the 10.3% planned. The impact of this has been lower expenditure on beneficiaries than expected.
- 4.22 Although there has been a decrease in the total amount of Single Pot funding, the contribution to total income has risen from 19.2% to 41.5%. This is primarily due to a decrease in the proportion of funding from private sources.

CFFE

- 4.23 At the end of 2005/06, 63.5% of planned expenditure had been defrayed more or less as anticipated [Table E].
- 4.24 In 2004/05 99.9% of planned expenditure was defrayed and in 2005/06 90.3% of planned expenditure was defrayed.
- 4.25 Compared to the other Delivery Agents, CFFE has a higher proportion of expenditure earmarked for salary costs, being three times more than beneficiary costs [although this was as planned]. This is due to funding being given to Jobnet offices, which cover staff costs and do not attract any beneficiary expenditure.
- 4.26 CFFE's in-kind contribution to total income is also higher than other delivery agents.
- 4.27 To date the relative contribution of different funding streams to total funding has been as expected with Single Pot accounting for 45.2% of total income and OI contributing 34.9%.

Output Performance

- 4.28 SYCON performance statistics have been used to gauge actual performance to date against contract targets at 28th February 2007 - shown in Table B. Unlike the other three areas, the Barnsley Programme commenced in 2005/06 and not the previous year 2004/05.
- 4.29 This analysis is based on the latest data reported to us by SYCON and the Delivery Agents. There may be some under-recording of performance data in cases, for example, where monitoring systems are behind schedule as is known to be the case with Doncaster Chamber. We should also note that this data represents performance *to date* and not final performance at the end of the Programme. Key findings are as follows:
- In terms of output and outcome volumes, CFFE has the largest contracted output and outcomes targets of all four Delivery Agents.
 - In the case of starts, the best performing Delivery Agents have been BDA [124% actual against contracted] and CFFE [107%] although Phoenix Enterprises also over-achieved [102%]. Doncaster Chamber's starts were significantly below target.
 - BDA are the best performing Delivery Agent in terms of actual versus planned job outcomes [117% compared with an average of 61%]. Phoenix Enterprises were the only other Delivery Agent to exceed the average in terms of performance against their revised job outcome targets. Doncaster Chamber had the poorest performance at 28%.
 - On average 40% of planned qualifications have been achieved. Only Doncaster Chamber and Phoenix Enterprises exceeded this average but in both cases this was in terms of revised contract targets.

Table B - TLM Programme Output Performance

	Total Contract	Actual to Date	Variance	% Actual/ Contracted	% Actual/ Original Contract
Starts - Number of Beneficiaries Assisted ~ Output					
BDA	300	372	72	124	124
Doncaster Chamber	290 [340]	259	-31	89	76
Phoenix Enterprises	239 [588]	243	4	102	41
CFFE* [TLM] [Jobnet]	4,412	4,728 [326] [4402]	316	107	107
Total	5,241 [5,640]	5,602	361	107%	99.3%
Job Outcomes - No. Beneficiaries in Work on Leaving TLM ~ Outcome					
BDA	165	193	28	117	117
Doncaster Chamber	116 [204]	33	-83	28	16
Phoenix Enterprises	130 [412]	96	-34	74	23
CFFE* [TLM] [Jobnet]	2,117	1,219 [93] [1126]	-898	58	58
Total	2,528 [2,898]	1,541	-987	61%	53.1%
Qualifications - No. Beneficiaries Gaining a Qualification ~ Outcome					
BDA	240	82	-158	34	34
Doncaster Chamber	145 [238]	110	-35	76	46
Phoenix Enterprises	166 [412]	129	-37	78	31
CFFE* [TLM] [Jobnet]	828	232 [11] [221]	-596	28	28
Total	1,379 [1,718]	553	-826	40%	32.2%

Source: SYCON

* This data relates to the Full Employment Sheffield Package of: TLM, Jobnet & Internship

The data shown in brackets after this relates to the original Delivery Agent contract values agreed with funders before they were revised.

4.30 If we consider actual performance against the original planned contracted output and outcomes we observe that:

- BDA and CFFE significantly exceed the other two Delivery Agents in terms of starts and job outcome performance.
- Doncaster Chamber continues to perform best in terms of qualification outcomes with BDA performing second best.

Value for Money

Efficiency

4.31 A provisional measure of Programme efficiency can be gained by comparing actual expenditure [resources] to date with beneficiary starts [outputs]. This is just a proxy measure however because we do not have a direct match between spend and output [start] performance in all instances. Table C sets out the details.

Table C: Programme Efficiency Indicators

	Total Programme Expenditure* £	Beneficiary Starts	Gross Unit Cost per Start £
Barnsley	1,457,934	372	3,919
Doncaster	1,044,213	259	4,032
Rotherham	2,220,417	243	9,137
Sheffield** [TLM]	7,601,846 [2,724,096]	4,728 [326]	1,608 [8,356]
Programme Average	12,324,410	5,602	2,200

* The data relates to total Programme expenditure by each Delivery Agent to date

** Data relates to Full Employment Sheffield i.e. TLM, Jobnet and Internship. Data for TLM only is presented in brackets.

4.32 The findings indicate that CFFE [Sheffield] are the only Delivery Agent with a gross unit cost per start [£1,608] below the average for the Programme as a whole [£2,200]. However, separating out TLM costs and outputs reveals a high TLM unit cost of £8,356 per start. Rotherham has the highest gross unit cost per start, some £1,832 [83%] higher than the Programme average and above the unit costs in Barnsley and Doncaster which ran comparable TLM programmes.

Effectiveness

4.33 A provisional measure of Programme effectiveness can be gained by comparing outputs [starts] with outcomes such as those beneficiaries entering work or gaining a qualification. In doing so, we should note that TLM contracts do not assume all people the Programme will result in a job outcome and/ or qualification due to people leaving the Programme early for instance. We should also note that no account is being taken of expenditure at this stage [see below].

4.34 Table D shows performance against two proxy indicators of Delivery Agent effectiveness:

- Start to Job Conversion Rate - the proportion of TLM [beneficiary] starts who subsequently access employment.
- Start to Qualification Conversion Rate - the proportion of TLM [beneficiary] starts who subsequently gaining a qualification.

Table D - Programme Effectiveness Indicators

Start to Job Conversion Rates		
Area	Contracted Conversion Rate	Actual Conversion Rate
Barnsley	55	52.8
Doncaster	40	12.7
Rotherham	54.9	40
Sheffield*	48.0	25.8

* Sheffield data relates to the Full Employment Sheffield Programme e.g. TLM, Jobnet and Internships as the contract does not disaggregate this data.

Start to Qualification Conversion Rates		
Area	Contracted Conversion Rate	Actual Conversion Rate
Barnsley	80	22.0
Doncaster	50	42.5
Rotherham	69.5	53.1
Sheffield*	18.8	5.0

* Sheffield data relates to the Full Employment Sheffield Programme e.g. TLM, Jobnet and Internships as the contract does not disaggregate this data.

4.35 The above tables show that:

- Start to job conversion rates were highest in Barnsley [52.8%] and Rotherham [40.0%]. Doncaster's rate of 12.7% is significantly below the TLM average and contracted expectations.
- Rotherham and Doncaster had the highest start to qualification conversion rates whilst Barnsley's and Sheffield's were low.

Cost-Effectiveness

4.36 We can make a provisional measure of Programme cost-effectiveness by calculating job outcomes as a percentage of total expenditure. This is only a proxy indicator, however, since not all expenditure is devoted to the achievement of job outcomes. It must therefore be treated with caution. Table I sets out the data.

Table E - Cost-Effectiveness Indicator

Area	Total Programme Expenditure £	Job Outcomes [Actual]	Cost per Job Outcome £
Barnsley	1,457,934	193	7,554
Doncaster	1,044,213	33	31,643
Rotherham	2,220,417	96	23,129
Sheffield* [TLM]	7,601,846 [2,724,096]	1,219 [93]	6,236 [29,291]
Programme Average	12,324,410	1,541	7,998

* Data relates to Full Employment Sheffield i.e. TLM, Jobnet and Internship. Data for TLM only is presented in brackets.

4.37 The table shows that BDA and CFFE considerably out-perform the other two Delivery Agents against this proxy indicator.

Programme Additionality

4.38 The gross to net impact of the Programme, though difficult to establish with accuracy or certainty, would appear to be reasonably significant overall, principally because:

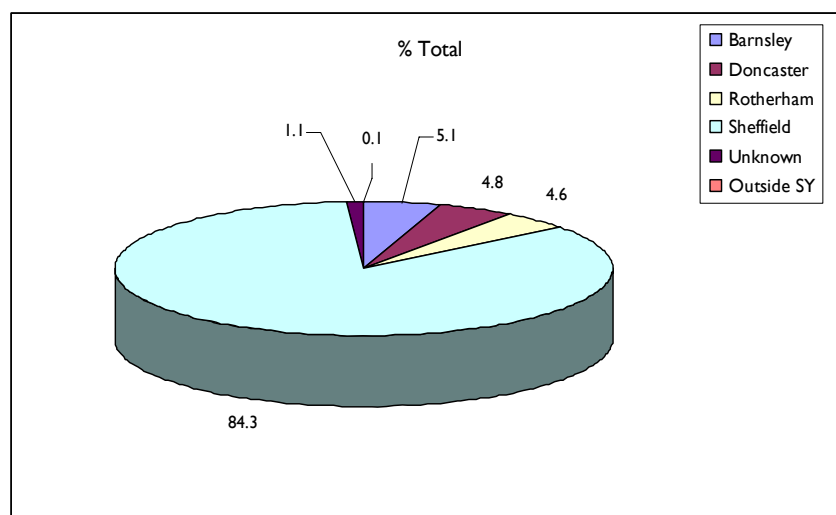
- Although there is some evidence of deadweight in so far as most private sector employers would probably have made efforts to recruit labour in the absence of the Programme, we conclude that only a minority would probably have recruited permanent paid employees instead and a very small proportion would probably have recruited people targeted via the TLM Programme ie the 'hardest to help/ engage'. Conversely, employers in the VCS and public sectors may not have recruited in the absence of the Programme but the likelihood of beneficiaries gaining permanent employment after the Programme period ends is, on the whole, more uncertain than in the private sector.
- Job substitution and displacement effects are not believed to be significant at all due to the relatively small amounts of funding involved and the large geographic areas covered.
- Multiplier effects [income and possibly employment] arising from the subsequent employment of TLM beneficiaries, though modest, should not be discounted especially since many beneficiaries live in relatively poor communities where local expenditure on many goods and services is limited. But the net effects will be higher with regard to employment in the private sector where there is less [if any] dependence on continued public funding unlike the public and VCS sectors.

5. BENEFICIARY IMPACT ANALYSIS

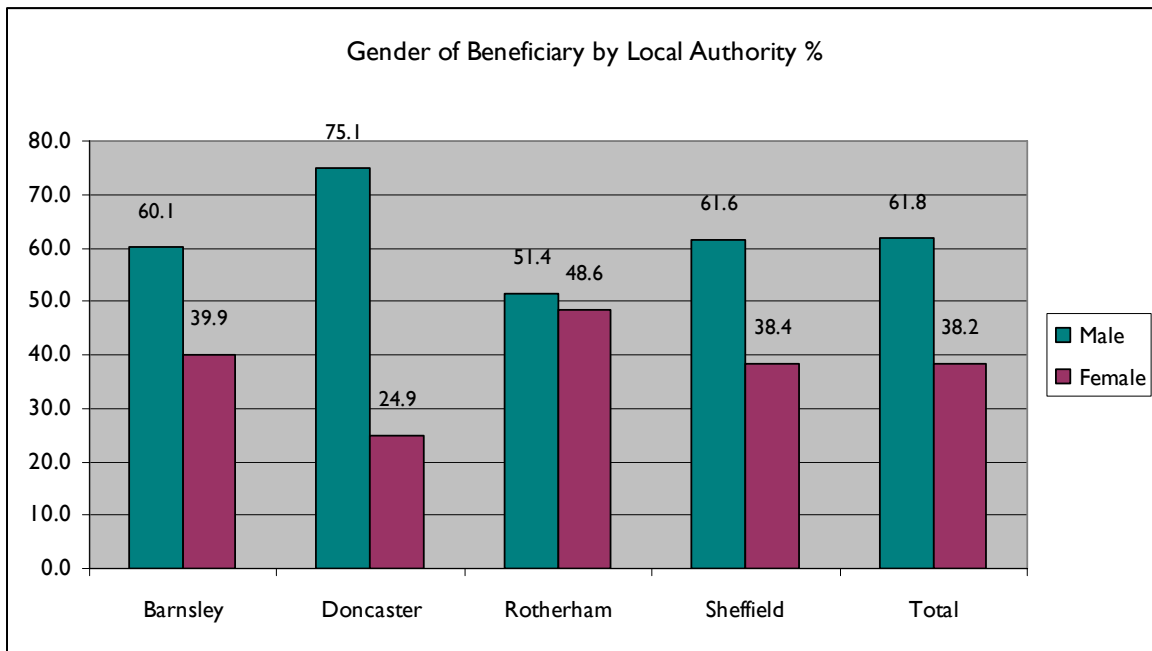
- 5.1 This section of the report draws on SYCON's beneficiary database to provide an overview of who has benefited from the Programme, and the impacts on beneficiaries in terms of destinations post-TLM. The database provides information on 5273 beneficiaries who have accessed the Programme across the four Local Authority districts.
- 5.2 It should be noted however that in the case of Sheffield, beneficiary details include those access Jobnet services as well as participating in the TLM Programme.
- 5.3 Additional data tables and graphs are included in the Annex [section G].
- 5.4 Further qualitative information about beneficiary impacts are contained in sections 6 -9 which draw on the findings of our interviews with TLM beneficiaries across the four areas undertaken as part of this study.

Beneficiary Characteristics

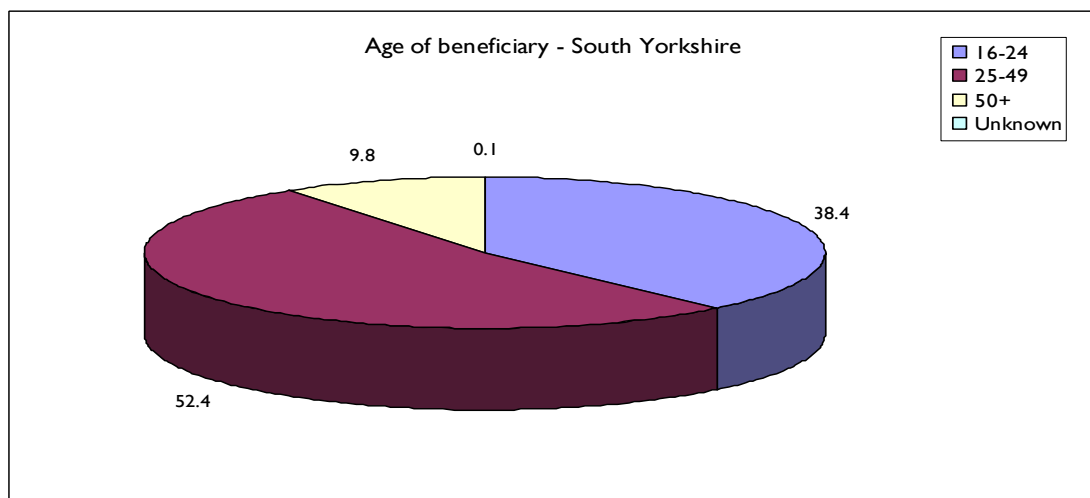
- 5.5 The following graph shows the proportion of beneficiaries from each area. Due to the influence of Jobnet, most beneficiaries are from the Sheffield area. Interestingly 7 beneficiaries came from outside South Yorkshire.



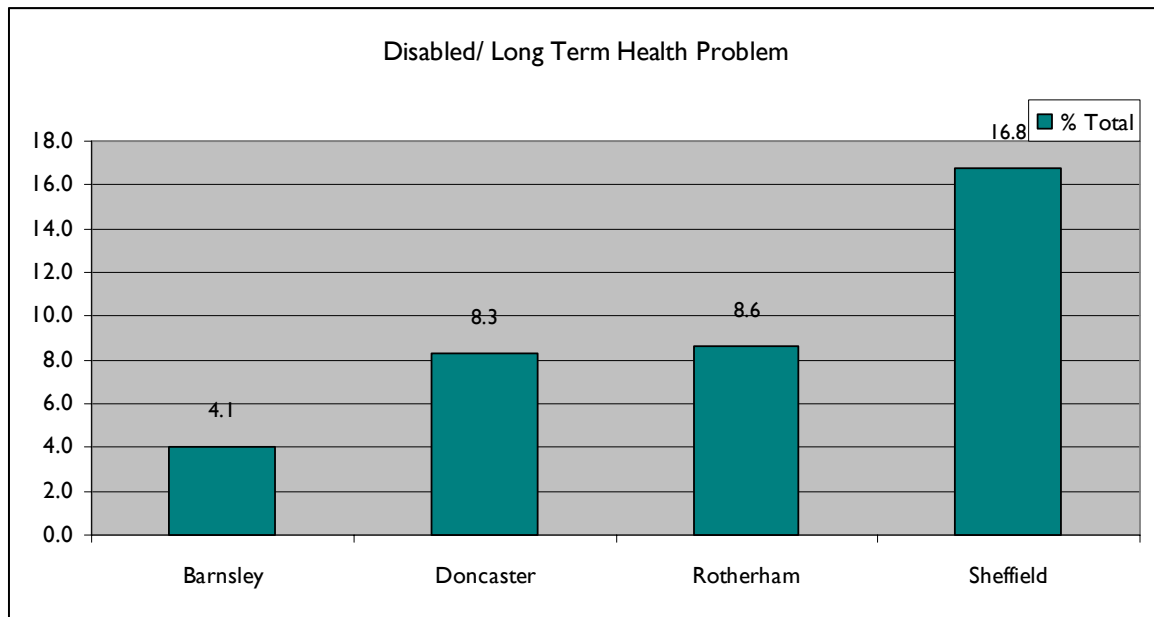
- 5.6 In each area a higher proportion of beneficiaries have been male accounting for 61% of all beneficiaries in total. Compared to other areas, Doncaster has a particularly high proportion of male beneficiaries.
- 5.7 The gender balance of the TLM Programme is similar to that of the previous ILM Programme. However if we consider the economic activity rates of the wider South Yorkshire population, females of working age are more likely than men to be economically inactive, which may suggest the TLM Programme should be seeking to engage a higher proportion of women than men.



5.8 Over half [52.4%] of all beneficiaries were aged 25-49. 38.4% were under 24 and 9.8% were over 50 years of age. Although the Programme has successfully engaged people from all age groups, with 24.6% of the total South Yorkshire population aged 50-retirement age, this may suggest a higher proportion of people over 50s should be engaged if the Programme was seeking to be fully representative.



5.9 15% of all TLM beneficiaries had a disability or long term health problem. This compares with 22.2% of the total South Yorkshire population with a limiting long term illness [Census 2001] and 8.8% of IB claimants as a proportion of the total working age population in South Yorkshire [DWP benefits data, Nov 05]. Compared to these benchmarks, the Programme therefore appears to have accessed a representative proportion of people with a disability or long term illness. There has also been an increase the proportion of disabled people accessing the Programme compared to the ILM evaluation findings [5.8%].



5.10 Lone parents account for 6.8% of all beneficiaries. Table F shows the proportion of lone parent beneficiaries in each area and the proportion of lone parent households with dependent children who are not in full or part time employment.

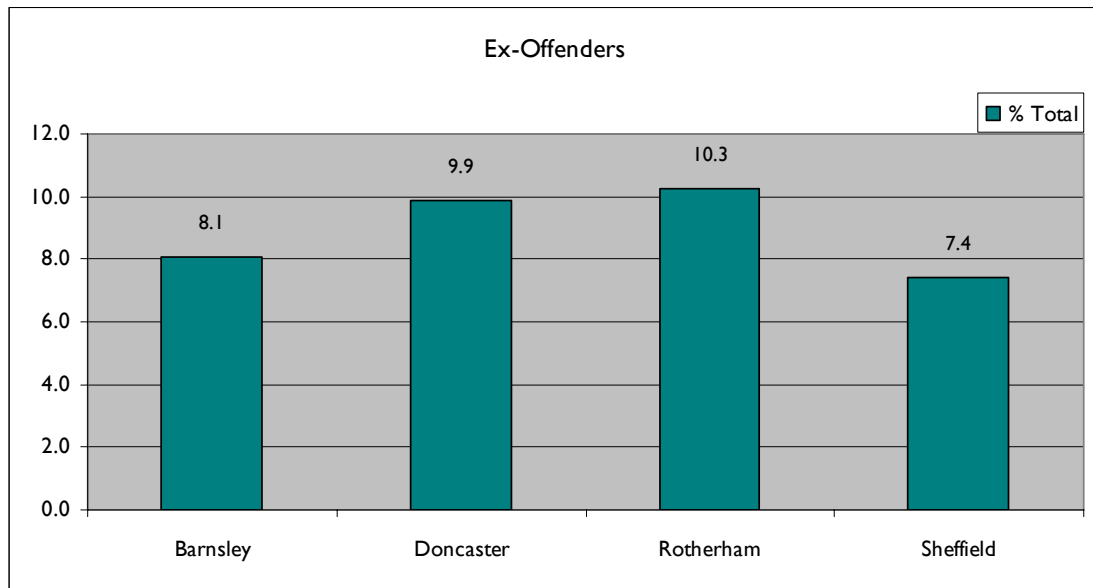
Table F: Lone Parent Households

	Number of Beneficiaries	% of Total Beneficiaries in each area	lone parent households with dependent children not in work as % of total number of households
Barnsley	7	2.6	4.3
Doncaster	15	5.9	3.8
Rotherham	41	16.9	3.7
Sheffield	295	6.6	3.3
Total	358	6.8	n/a

Source: SYCON/ 2001 Census

5.11 The data suggests that overall the Programme has secured the engagement of a representative proportion of lone parents, particularly in Rotherham. Only 2.8% of the total ILM beneficiaries had been lone parents suggesting the TLM has more successfully targeted this client group.

5.12 The following graph shows the proportion of beneficiaries who were ex-offenders.



5.13 The graph shows that around 10% of all beneficiaries in Doncaster and Rotherham were ex-offenders. All areas have engaged a higher proportion of beneficiaries from this client group compared to the previous ILM Programme where 4.3% of total beneficiaries had been ex-offenders.

5.14 The following table shows average Programme participation across the three main client groups of disabled, lone parents and ex-offenders compared to that achieved by the ILM Programme.

Table G: Client Group Engagement

Client Group	ILM % of Total Beneficiaries	TLM % of Total Beneficiaries
Disabled and Long Term Illness	5.8	15.2
Lone Parents	2.8	6.8
Ex-Offenders	4.3	7.6

5.15 Table H shows the ethnicity of beneficiaries as a percentage of the total beneficiary population.

Table H: Ethnicity of Beneficiaries

	% of Total TLM Beneficiaries					% of Total SY Population
	Barnsley	Doncaster	Rotherham	Sheffield	SY	
Asian	1.1	1.2	7.8	11.2	10.0	2.6
Black	0.0	1.2	0.0	7.8	9.6	0.8
Chinese	0.0	0.0	0.0	0.8	0.6	0.5
White	95.6	92.1	90.1	60.0	64.0	93.7
Irish	0.3	0.4	0.0	0.7	0.6	0.5
Mixed/ Other	3.0	4.3	2.1	14.2	12.4	1.9
Not known/not provided	0.0	0.0	0.0	1.7	1.5	-

5.16 The table indicates that compared to the composition of the wider South Yorkshire population, TLM beneficiaries have included a higher proportion of people from ethnic minority communities, particularly Asian, Black and Mixed/Other communities.

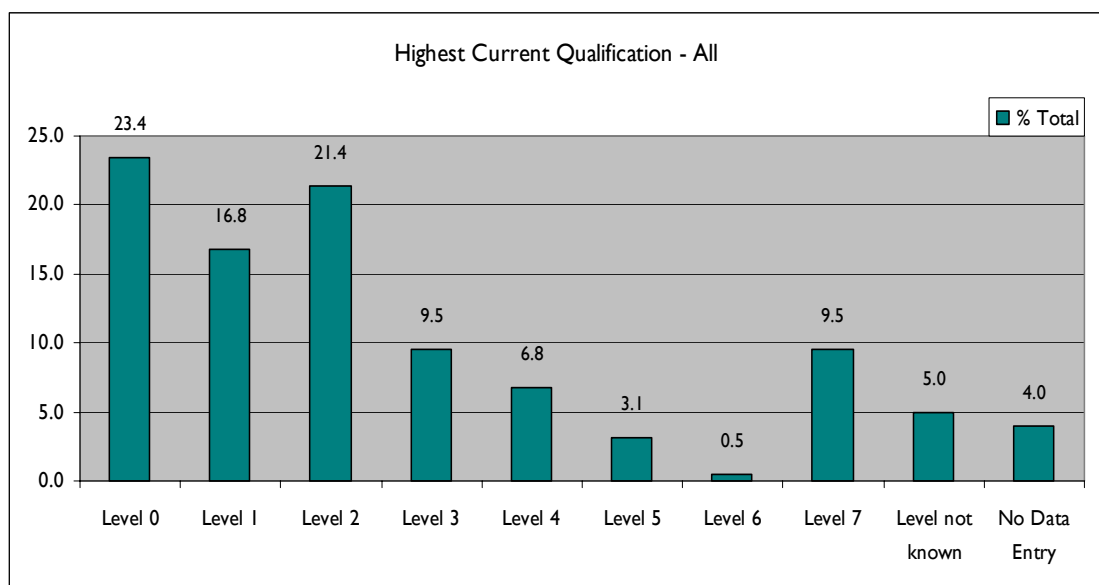
5.17 Compared to the other areas Sheffield has achieved the most diverse TLM population which is appropriate given the higher concentrations of ethnic minority communities within the city.

5.18 Using the beneficiary database [which provides postcode residence information for each beneficiary] it has also been possible to map the distribution of beneficiaries to ascertain whether beneficiaries were from the most deprived communities across the sub-region. The maps are shown in the Annex [section H] to the report - the shaded areas show the most deprived 10% wards.

5.19 Studying the maps visually indicates that:

- Overall [ie for South Yorkshire] a reasonably high proportion of TLM beneficiaries live within the 10% most deprived communities as defined by the Index of Multiple Deprivation.
- The two TLM areas where Delivery Agents have undertaken most outreach work [Barnsley and Sheffield] have consequently engaged beneficiaries across a wider geographical area, including disadvantaged areas beyond the major population centres.

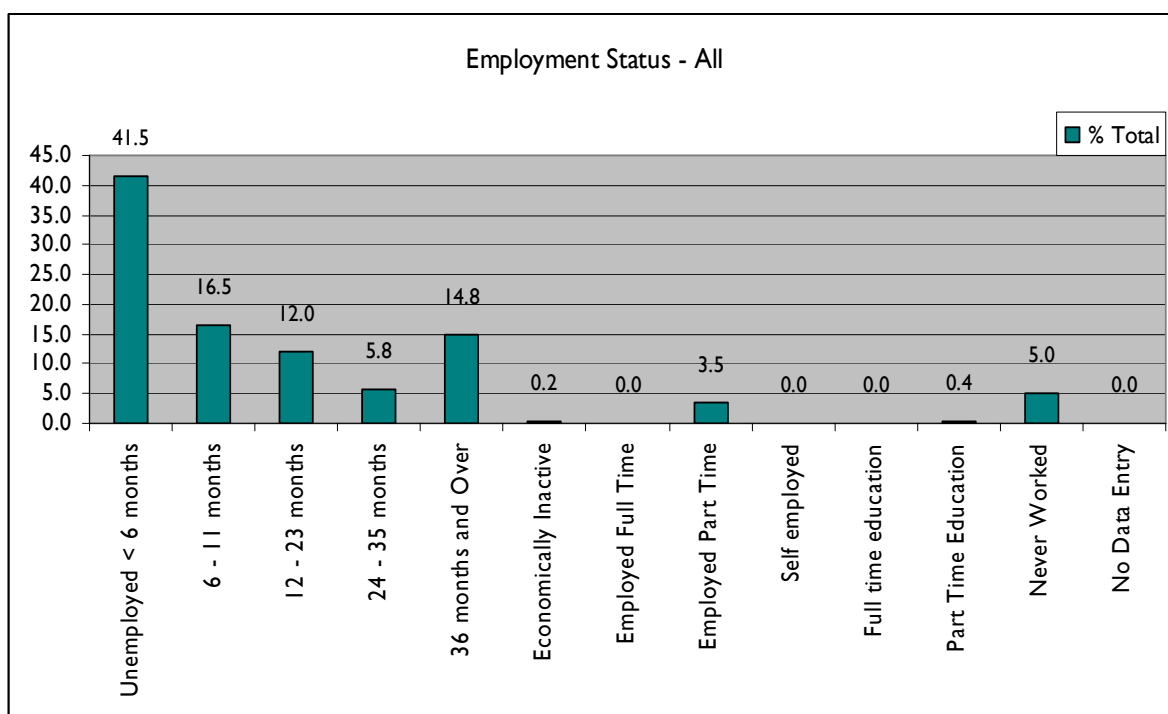
5.20 The following graph shows the highest qualification level of beneficiaries when starting the Programme. The data indicates that a significant proportion of beneficiaries [40.2%] had no qualifications or were qualified below NVQ Level 2 or equivalent. But just over 40% were qualified to NVQ Level 2 or above, including 10% to degree or higher professional qualification level. It should be noted that the priority Groups for the TLM Programme do not include people with below NVQ 2 [or indeed any qualification] level. A key for the graph below is provided in the annex.



5.21 The TLM client database also provides information about the employment status of people accessing the Programme although this needs to be treated with caution given the definitions which apply to registered unemployment and economic inactivity for example which may not always have been interpreted and/ or recorded accurately by Delivery Agent staff.

5.22 A key aim of the TLM Programme of course is to support people who are economically inactive⁷ to re-engage with sustainable employment; however, the client beneficiary data seems to indicate that:

- A significant proportion of beneficiaries appear to have been economically active ie of working age and either in employment or registered as unemployed [and therefore actively seeking work]. Seemingly only 0.2% of South Yorkshire TLM beneficiaries were economically inactive when they accessed the Programme and 5% had never worked. This may however be due to data recording methods which should be revised in order to capture more accurately the proportion of economically inactive beneficiaries.
- Overall, 90.6% of beneficiaries had been registered unemployed when they started the TLM Programme. Of these clients who were registered unemployed, over 45.8% were frictionally unemployed ie they had been registered for less than six months⁸ [41.5% of all TLM beneficiaries]. By area the proportion was: Sheffield 51.6%; Barnsley 20.6%; Rotherham 19.9%; and Doncaster 9.0%.
- If we examine employment status by local areas: Barnsley, Doncaster and Rotherham] the majority of beneficiaries were unemployed for 6-12 months and a relatively high proportion of beneficiaries had been unemployed for over a year.

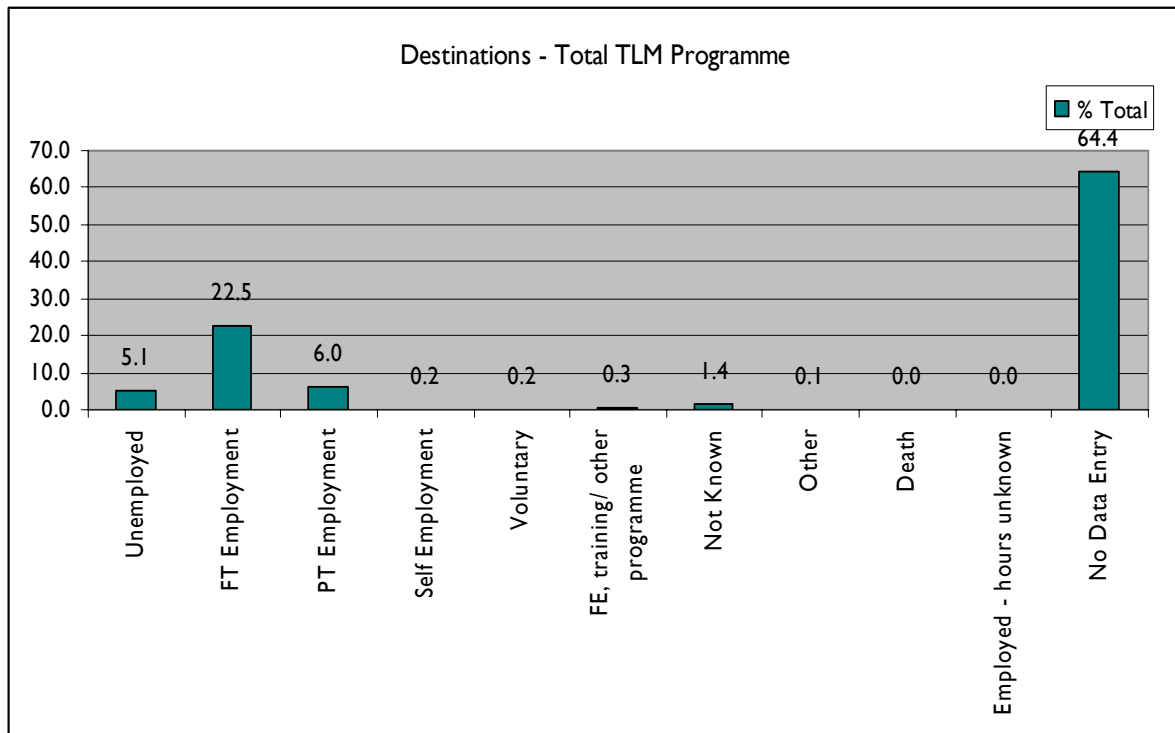


⁷ In this instance, according to SYCON, people are defined as ‘economically inactive’ if they are not in work or in receipt of JSA and have not been seeking work or not available for work in the last four weeks.

⁸ Beneficiaries who had been unemployed for less than 6 months were accepted onto TLM if they were felt to face other barriers to work e.g. if they were a lone parent, were disabled, or had a poor work history.

Destinations

5.23 The following graph shows the destinations of beneficiaries across the whole TLM Programme. We note that data has not been recorded [yet] for almost two-thirds of beneficiaries. Overall, 28.5% of leavers entered work and 5.1% were unemployed at the time the data was collected.



5.24 Analysis of data for each local area suggests that Jobnet in Sheffield significantly skews the overall Programme results and is therefore not directly comparable with the other areas. There are also a high number of beneficiaries on the database for which no destination data has been entered, presumably due to the data not being available, or because the beneficiary is still on the Programme. Looking at data available for each area therefore:

- Barnsley and Rotherham have achieved a high proportion of people into full time employment [42.1%]
- Overall the proportion of people moving into FE, training or other Programmes is low, but is marginally higher in Doncaster than the other areas.
- Around a quarter of beneficiaries in Rotherham remain unemployed, compared to 16.6% on Doncaster and 15.9% in Barnsley.

6. KEY RESEARCH FINDINGS - BARNESLEY

6.1 The focus of this section of the report is on the delivery arrangements and impact of the TLM Programme in Barnsley. The findings largely stem from the consultation process we undertook with the Programme's key stakeholders, namely:

- The funders of the Programme ie Objective 1 and Yorkshire Forward.
- The Delivery Agents.
- Organisations offering TLM placements [Providers] - 10 interviews were undertaken.
- Current and former participants [beneficiaries] in the Programme - a total of 18 interviews were undertaken.

Barnsley Model and Delivery Issues

6.2 The length of placement varies and in some cases has been individually negotiated, but typically lasts between 9 and 12 months.

6.3 BDA have been successful in promoting the Programme amongst VCS organisations and several have provided good placement opportunities. Lately, however, they have been keen to expand the employer base to include more businesses so as to:

- Increase the range of placement opportunities available to potential clients, especially amongst SMEs.
- Increase match funding contributions.

6.4 This shift in emphasis reflects concerns about the fragility of job placements within the VCS and the limited availability of match funding. Although still sourcing VCS placements emphasis is being given to jobs and training which enables beneficiaries to acquire transferable skills and work experience which transcend sector boundaries and may provide a stepping stone into the private sector.

6.5 Employer brokerage is undertaken by dedicated Link Officers. Individual Opportunity Advisers [IOAs] are also a key feature of the BDA model.

6.6 These Advisers provide initial assessment work with clients and build a rapport with them. They provide advice and information and will signpost or refer clients to appropriate provision, including but not exclusively the TLM Programme. IOAs undertake outreach work in deprived communities and have established good working relations with many VCS groups as well as Jobcentre Plus. Take-up of IOA support is however not compulsory for beneficiaries.

6.7 Initially it was anticipated that IOAs would make all the client referrals into the Programme but in fact placements have exceed clients referred [ie supply exceeds demand] so that some TLM job placements have been advertised in the local press and at Jobcentre Plus.

6.8 BDA do not offer a job outcome bonus as an incentive for returning job outcome evidence, but are giving this consideration.

6.9 The key strengths of the Barnsley TLM model and experience include:

- Using research and extensive employer contacts to help align the Programme to labour market needs and facilitate employer brokerage. By trying to target growth areas in employment they reduce the risk of displacement effects.
- Effective outreach and client engagement work undertaken by the team of Individual Opportunity Advisers
- Provision of holistic and individually tailored support based on initial needs assessment.
- Delivery in line with the ambitions and ethos of TLM e.g. outreach to access the hardest to help.

6.10 The limitations and uncertainties about this TLM model include:

- The IOA activity is resource intensive.
- IOA support is optional and not always take up by beneficiaries.

Providers

6.11 Awareness of the Programme came from BDA's activities and Jobcentre Plus [where providers had been involved in the previous ILM Programme]. A number of VCS organisations were involved in regeneration activity of one form or another and knew of BDA.

6.12 BDA's TLM information pack was regarded as informative but some providers felt they should have been clearer, at the outset, as to what the employer contribution was expected to be, particularly in terms of documentation and evidence collection. Some providers were aware of different TLM 'offers' being secured by different providers and felt there should be a standard package or clarity as to whether the offer is negotiable. More clarification as to which costs were eligible for TLM funding and which were not would also be welcomed.

6.13 The majority of the providers we spoke to were in the VCS. The rationale and motivation they gave for engagement in the Programme centred on:

- An opportunity to expand service provision through staff recruitment in a climate where core funding for the voluntary sector is very tight. It is important to note that many VCS organisations are increasingly engaged in service delivery on behalf of Jobcentre Plus, Probation Service, Sure Start and other publicly funded bodies.
- An opportunity to support the local community and economy by providing employment in services which directly and indirectly benefit disadvantaged communities.

6.14 Job opportunities supported were largely in administration, catering and working with children. One provider had initially wanted to provide a more skilled project manager placement, but this was not going to be feasible given the greater complexity of the role and length of placement. Whilst it could be argued that these types of role may be beyond the capabilities of typical TLM beneficiaries, where relevant work experience within a sector is a barrier to employment and for those beneficiaries who may be relatively well educated, the length of placement could be preventing the provision of better skilled/better quality placements.

- 6.15 Virtually all the jobs involved were claimed to be new and additional on the grounds that the VCS is so short of funding [core and project-related] that these jobs could not have otherwise been created if the TLM Programme had not existed. Few were what might be called 'unfilled vacancies'.
- 6.16 There was little evidence of substitution effects. What is interesting to note, however, is that a number of the projects used the TLM to enable volunteers to access paid work experience as a milestone towards employment in the sector or elsewhere. Providers also felt that whilst the VCS may not always be in a position to provide sustainable employment opportunities for recruits, once recruits are placed within the sector there is a good internal network which can help them secure more sustainable employment with other VCS organisations.
- 6.17 Training and the ability to work towards a recognised qualification was identified by providers [and beneficiaries] as being an important feature of the TLM Programme. Whilst in most cases training was related to the needs of the beneficiary and the employment opportunity, there was one example of TLM being accessed to specifically access free training and training being undertaken was not directly relevant to the placement being undertaken.
- 6.18 Some providers commented that there is a danger of training being undertaken just because the budget is available rather than as part of a considered personal development plan [PDP], and the length of placements was a factor preventing greater PDP activity.
- 6.19 Provider observations about the TLM recruitment and selection process included the following:
- Job placement opportunities were promoted in various ways - Jobcentre Plus and the local press mainly. Individual Opportunity Advisers enabled TLM placements to be promoted within local communities as did the VCS organisations engaged in the Programme.
 - Most providers valued the support offered by BDA in reviewing job specifications, advertising jobs and checking applicants eligibility. Some also benefited from advice or involvement in the interview and selection process by BDA.
 - By and large providers adopted a slightly different approach to interviewing and selection of candidates than would ordinarily be the case; this was variously described as "softer" or "more lenient" or that the employer made "more allowances". Several employers suggested that in normal circumstances many of the TLM applicants would not even have reached the interview stage due to lack of relevant experience or qualifications and quite probably a poorly presented CV. However some providers were deliberately not more lenient and stated that the beneficiaries selected had to show they could have been recruited through the open labour market. This therefore raises an interesting point about beneficiaries who may be TLM eligible, but who may not face significant barriers to employment and therefore whether TLM resources could be better deployed.
 - Importantly, virtually all of the employers emphasized that in reaching decisions about who to recruit they placed significant emphasis on personal attributes and social skills such as politeness, enthusiasm, honesty and commitment and an ability to communicate effectively.

6.20 Key points raised about the placement period and BDA involvement were as follows:

- The placement period was not felt to be of a sufficient duration to enable most of the individuals to achieve an NVQ Level 2 or equivalent qualification. It is worth noting however, that this view contrasts with that of beneficiaries interviewed who overall felt the length of placement was about right.
- The BDA had been reasonably proficient at monitoring and were usually prompt payers. Overall, monitoring was not felt to have been too onerous. Some providers indicated it had been difficult to get hold of staff occasionally, although staff were felt to have been helpful and supportive.
- Providers would have liked more hands-on help from BDA in identifying training courses for recruits. Time spent searching for courses was found to delay training which can make it difficult for training to be completed within the placement timescale. It is particularly important to access courses relevant to the business as well as the individual. Support with the appropriate wording of employment contracts would also have been useful for some providers new to TLM schemes.
- Some providers commented that delays between rounds of TLM placements meant there were gaps between recruits finishing their placements and new recruits starting. This may suggest that the TLM Programme is being used to address a core business need and potentially displacing employment which without TLM would have to be filled rather than being truly additional.
- Some providers commented that the length of placement needs to be tailored to the needs of the beneficiary. One provider extended the length of the placement and stood the extra cost.

6.21 Observations made about the TLM beneficiaries themselves were varied, but key issues were as follows:

- The recruits who had performed best and made the most of the TLM opportunity tended to be 'self-starter's in that they were self-motivated and able to use their own initiative and willing to learn. But even with these recruits employers reported some problems with time-keeping, work ethic, multi-tasking and ability to handle stress.
- Those who struggle most with their placements tend to have attitudinal problems, personality issues [eg anxiety, depression] or complicated and unstable social circumstances outside the workplace.
- According to some employers, sometimes TLM recruits appear to have unreasonable expectations about working life or specific terms and conditions such as pay and holiday entitlement, but these are in the minority. Many are unwilling or unable to travel long distances to and from work.
- TLM beneficiaries generally require more supervision and support than employees recruited using conventional means but this is true in most cases, not all.
- Many recruits faced basic employability barriers, particularly how to market themselves to prospective employers e.g. how to identify their transferable skills, what employers expect/look for, how to write a good CV etc. This led some providers to suggest a need for more pre-employment support prior to placements or wider job-search.
- Key/life skills were felt to be poor amongst a high proportion of beneficiaries. Time-keeping in particular was frequently cited by most employers as an issue.

6.22 Key areas for improvement from the perspective of providers were identified as:

- More resources for initial assessment of personal as well as training needs and how best to meet them throughout the placement.
- A longer placement period overall and more assistances in arranging relevant training and support for beneficiaries from the Delivery Agent.
- More clarity regarding provider obligations and monitoring of beneficiaries, including evidence gathering and completing paperwork.
- Longer term tracking of leavers and completers when possible.

6.23 Providers have benefited from the Programme in two main ways:

- Increasing their capacity to expand their services [though not necessarily diversify them] at relatively low financial cost.
- Helping unemployed and economically inactive people to improve their economic and social well-being in keeping with the ethos of many of the employers involved, not just exclusively VCS organisations.

Beneficiaries [Current]

6.24 Key issues arising from beneficiary interviews were as follows:

- Word of mouth and TLM job adverts in the local paper caught the interest of these individuals.
- All were seemingly job ready as they were actively looking for job opportunities, but some lacked work experience and the others qualifications so their motivations for engaging in the Programme were slightly different. Some recruits were looking for a more holistic TLM experience - work experience, training and job search support.
- The application and selection process was felt to be reasonably straightforward and fair and they were notified of decisions quickly.
- The work experience and training received had been valuable and the Programme was a boost to their confidence as well as their employability in a more technical sense ie skills, knowledge and work experience.
- There was one example of the TLM being used specifically to access free training. In this particular case the recruit was confident they would have been able to access a job in the open labour market, but had specifically chosen TLM because of the training budget. Prior to TLM the recruit had accessed a similar employment Programme for the same reasons.

Beneficiaries [Completers and Early Leavers]

6.25 mtl conducted 13 interviews with beneficiaries who had been involved at some point in the TLM Programme in Barnsley. The key findings include:

- Although IOAs provided an outreach service to engage beneficiaries, most TLM recruits heard about the Programme through adverts in the local press.
- The majority of people interviewed had been unemployed for more than 12 months suggesting the Programme is successfully engaging those most detached from the labour market. Three beneficiaries had been unemployed for 8, 12, and 15 years.

- Family commitments, being made redundant and ill health were most frequently cited as the reason for being unemployed. This again suggests that the Programme is successfully engaging beneficiaries from core, hard to reach, target groups.
- Help to find a new job and access training were the main reasons for engagement in the Programme.
- 69% of beneficiaries said the support received by BDA was either very good or ok.
- The length of placement was, overall, felt to have been appropriate. Interestingly, this contradicts the perceptions of some providers who would like longer placements.
- Training was found to be worthwhile and enjoyable. A range of training was undertaken which included both accredited and non-accredited courses suggesting flexibility and customisation of the Programme to individual needs.
- All beneficiaries interviewed who completed the placement secured employment suggesting the Programme is successfully reconnecting people to the labour market.
- Qualitative impacts of the Programme include increased confidence and employability and increased awareness of different work options and vacancies. It was commented that the Programme was particularly helpful for those people with additional barriers to employment e.g. “people of a certain age”.
- Reasons for beneficiaries leaving the Programme early were mixed. In some cases this was a positive move e.g. a job being secured. Whilst others felt the placement was not for them, or the training was poor. This may indicate that there remains a cohort of people for which the Programme is not meeting needs and who may need additional support to retain engagement.

7. KEY RESEARCH FINDINGS - DONCASTER

7.1 The focus of this section of the report is on the delivery arrangements and impact of the TLM Programme in Doncaster and the findings largely stem from the consultation process we undertook with the Programme's key stakeholders, namely:

- The funders of the Programme ie Objective 1 and Yorkshire Forward.
- The Delivery Agents.
- Organisations offering TLM placements [Providers] - 13 interviews were undertaken.
- Current and former participants [beneficiaries] in the Programme - a total of 10 interviews were undertaken.

Doncaster Model and Delivery Issues

7.2 Doncaster Chamber manage a 26 week [6 months] TLM Programme with participants being paid a minimum wage throughout. Access to vocational training [target Level NVQ 2] is available up to a subsidised cost of £1,000 and participants should be provided with continuous support throughout. The Programme will continue until March 2008.

7.3 The TLM model involved an eight step process towards entering the mainstream labour market:

Referral >	Assessment >	Interview >	Induction >	Work experience >	Training >	Job search >	Exit interview
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7.4 All TLM participants complete an Individual Training Plan at the assessment stage which outlines a Programme of training to be undertaken and qualifications achieved whilst on placement.

7.5 Potential TLM clients are initially referred for assessment by a range of agencies including: Jobcentre Plus, Probation Service and Careers Guidance Services [a nextstep subcontractor]. Referrals from the VCS and community based projects has been far less significant.

7.6 The Chamber have sought to position the Programme to address skill shortages in four key sectors: Construction; ICT; Transport and logistics; and Sport and Fitness.

7.7 OI contracting delays had a significant negative effect on the Chamber's ability to draw down available NRF match funding. However, a variation to contract was submitted by Doncaster soon after the start of the Programme to allow for increased match funding to be drawn down in light of initial contracting delays. Where re-profiling has taken place this has not allowed for cost of living index raises, and it was felt the overhead recovery rate has initially set too low for the Programme. The overhead recovery rate [initially set at 4.7] was subsequently raised to 7.85.

7.8 Doncaster Chamber had to take the decision to freeze recruitment in September 2006 and subsequently asked TLM employers to either take on and employ existing TLM clients or to make them 'redundant' since further Programme payments to employers were unaffordable. Two key factors in particular appear to have brought about over-recruitment:

- There appears to have been some confusion or misunderstanding between the Chamber and SYCON about whether the TLM Programme might be able to operate as a rolling contract rather than a fixed annual budget as appears to have largely been the case until quite recently. The contract was signed under a three year agreement containing the provision for an annual review of expenditure.
- Once the funding came on stream the project went into recruitment 'over drive' but without accurately re-profiling spend and output targets. One provider [Doncaster MBC] appears to have recruited over 40 TLM clients without clear authorisation from the Chamber with poor communication and delays in receiving MI being key issues.

- 7.9 Subsequently the Chamber were able to retrieve this situation with support from funding partners. It should be noted that support and guidance continued to be made available to clients during this period. Clearly this episode caused concern and confusion amongst TLM employers and several beneficiaries as became apparent in our consultations with both [see below]. A similar set of circumstances prevailed in Rotherham.
- 7.10 For some time Doncaster Chamber seem to have been beset with MI problems relating to spend and output performance, but especially providing evidence of all job outcomes.
- 7.11 The departure and re-deployment of some Chamber staff appear to have been a complicating factor during the early stages of programme development and delivery. These have led to periods of irregular monitoring of TLM beneficiaries. The arrival of new staff has led to rapid improvement in monitoring and post-Programme follow-up to collect evidence of job and qualification outcomes. For some time the Chamber experienced problems in gathering comprehensive and up to date data about job start outcomes although recently significant improvements have been made in the data gathering and analysis process.
- 7.12 The Chamber benefit from very good relationships with Jobcentre Plus who undertake eligibility checks and promote TLM placement opportunities quickly and efficiently. Jobcentre Plus referral numbers are not high however, so the Chamber Team have undertaken some cold calling of private firms as well as advertising TLM placement opportunities in the local press.
- 7.13 There is expected to be a relatively small number of placements next year of perhaps 30 or so. Given past performance on job outcomes, there is a need [acknowledged by the TLM Team] to diversify the employer base by engaging a larger number of private sector firms and correspondingly reducing the number placed with the public sector, DMBC in particular.
- 7.14 With the prospect of a scaled down Programme in the months to come, and in the light of problems alluded to above, the Chamber are reviewing their TLM employer base and planning to engage new businesses in the Programme and ensure they understand and support the ethos of the Programme.
- 7.15 The key strengths of the Doncaster TLM model and experience appear to be:
- The promotional materials used to describe the Programme and convey its benefits to Providers and participants.
 - Good working relationships and procedures with respect to Jobcentre Plus and other agencies.

- The targeting of sectors known to be experiencing shortfalls in labour within the Borough.

7.16 The limitations of this TLM model have been:

- The scope for unauthorised recruitment which reflect, in part, poor Programme management by the Chamber as well as the opportunism of some TLM providers [notably Doncaster MBC].
- Inadequate monitoring of TLM participants for some periods, largely due to staffing issues at the Chamber.

Providers

7.17 In terms of awareness of the TLM Programme, most of the Providers we spoke to had either been contacted by Doncaster Chamber or previously involved in the ILM Programme.

7.18 The main reasons for provider involvement in the Programme centred on:

- They wanted to take on more labour to help the business expand.
- They wanted to give local people a chance to get a job.

7.19 The majority of job opportunities filled by TLM beneficiaries were in⁹:

- IT.
- Construction.
- Marketing, sales, administration and customer care.
- Warehousing, stock control and driving.
- Caring for the elderly.

7.20 Providers indicated that the majority of jobs were new rather than long standing unfilled vacancies. In some cases jobs had emerged as a result of restructuring within the business so that the net effect may have been zero.

7.21 Several Providers were unsure what steps they would have taken if the TLM Programme had not existed, but of the others virtually all said they would have attempted to recruit some but not all of the jobs they had filled through the TLM.

7.22 TLM employers made several observations about the recruitment and selection process of which four are of particular interest:

- In most cases the Chamber were felt to have been very useful in helping to firm-up job specifications, advertise posts in the press and via Jobcentre Plus and then help sift and select candidates to go forward for interview. SMEs valued this help highly.
- There were mixed views about the number of [TLM eligible] people who responded to adverts with some employers expressing disappointment and others being pleasantly surprised. In some instances it wasn't so much the number of applications but their quality that was the chief source of concern. We found no instances of jobs having been re-advertised.

⁹ This refers to those within providers consulted as part of the evaluation rather than the total beneficiary population.

- In a number of instances private firms took on quite large numbers [4, 5 and even 6] of TLM beneficiaries, often at once or in a relatively short space of time. The local authority recruited a very large number 41 of these not authorised by the Chamber] of TLM participants in a relatively short space of time but around 40 of these were reported to have been non-authorised by the Chamber.

7.23 Provider experience of the TLM placement period was decidedly mixed; key issues were as follows:

- TLM documentation and paperwork was the single most cause for complaint by employers we interviewed. With few exceptions, the volume of paperwork, and especially the amount of repetition and duplication involved, was felt to be overly burdensome and disproportionate. It was suggested that a lot of information on forms could be condensed and simplified, especially with regard to participants on the Programme. A small number of employers said they would not have participated in the Programme if they had known about the amount of paperwork involved, especially with regard to monitoring. [“The paperwork is a nightmare and we were never told it would be like this”.]
- Several Providers were dissatisfied with the Chamber’s performance in processing claims and making payments - it was suggested that there were too many delays and poor communication as to what was happening and when payments would be made. Delays in receiving payments presented serious financial problems for smaller firms. Some employers felt that overly complex paperwork and guidance significantly increased the risk of them making errors in submitting claims. It should be noted, however, that in some instances incorrect claims are submitted to the Chamber which cannot be immediately processed, although this largely reflects the earlier point about completing documentation and submitting evidence alongside claims.
- There was a widely held view that the TLM placement period [26 weeks] was insufficient for the achievement of a Level 2 qualification, especially since contract delays and time involved in induction and the sourcing and organising training narrowed the window in which training could actually be undertaken. It should be remembered that the previous ILM Programme had been for a 12 month period.
- A number of employers felt that they had not received sufficient help from the Chamber in sourcing and organising training [courses and Providers] for TLM beneficiaries and felt that they had been led to believe there would be more help on offer than proved to be the case in practice. Interestingly, most employers felt that the training allowance of £1,000 was a reasonable sum.
- Monitoring visits were felt to be useful but several Providers indicated there had been gaps and often the Chamber staff undertaking visits had changed. The frequency of meetings had begun to vary considerably at times. However lately the monitoring had been significantly improved.

7.24 Employers were asked about their experience with their TLM participants. The response was mixed. Two issues emerged:

- Some employers expressed surprise about the diverse backgrounds, circumstances and experiences of TLM participants. Where a large number of beneficiaries were involved this diversity added to the complexity and cost incurred by the provider in managing the team. It was also noted that just one or two individuals could prove very time-consuming in terms of their need for employer support although employers were usually quite prepared to respond to their needs as best they could.

- Those beneficiaries who had been out of work longest [or who had very little work experience] seem to face problems in adjusting to the routines and challenges of working life. Employers were not unsympathetic in most cases but some felt the beneficiaries lacked work motivation or communication skills and were apt to be late or they had conditions [eg depression] or poor basic skills which affected their attitude to work and other colleagues.

7.25 We asked about the prospects for keeping TLM beneficiaries on after the placement and wage subsidy period had ended. Amongst the employers we spoke to these appeared to be generally favourable, but that probably reflects the fact that unsuitable participants had left earlier on in the placement leaving those who were or had become most job ready. Small and newly established firms tend to emphasise that decisions about recruitment would depend on business performance and prospects.

Beneficiaries [Current]

7.26 The Chamber recently undertook a TLM participant questionnaire survey involving 88 on Programme beneficiaries. Key findings were as follows:

- 49% indicated that their induction to their workplace was 'very good'.
- 66% were working towards an NVQ.
- 79% indicated that their progress would be reviewed on a monthly basis.

7.27 As part of this evaluation, interviews were undertaken with 6 on Programme beneficiaries. Key findings to emerge from this consultation was as follows:

- Most found the TLM application and recruitment process straightforward but admitted to being quite nervous given the length of time since their last interview.
- With regard to training:
 - ▶ The recruits were reasonably pleased with the training they had received but two felt it could have been more challenging and another would have liked more training.
 - ▶ Some male recruits acknowledged in private they had basic skills problems but seemed reluctant to address these through training, preferring to engage in more vocational training related to their job [eg landscaping, driving, health and safety].
- The main benefits arising from involvement in the Programme have been:
 - Access to work experience and training with qualifications.
 - Improved job prospects overall, but not necessarily with the TLM provider.
 - Increased confidence and social benefits, especially making new friends.
- Beneficiaries identified the following areas for improvement:
 - ▶ More information about their prospective employer and job at the application stage, and simple explanations of any special phrases or concepts such as social enterprise.
 - ▶ Less paperwork to complete.
 - ▶ More funding towards taking driving lessons.

Beneficiaries [Completers and Early Leavers]

7.28 **mtl** conducted 4 interviews with beneficiaries who had been involved at some point in the TLM Programme in Doncaster. Key Findings included:

- 2 of the 4 people interviewed had been unemployed for over 24 months suggesting the Programme is engaging those most excluded from the labour market.
- 2 of the 4 people were unemployed due to ill health and one was an ex-offender which again supports the view that the Programme is accessing the hardest to help.
- There was a desire amongst beneficiaries to access employment rather than seek more general support with a job being the main reason for engagement.
- The majority of those consulted found the support they received by the delivery agent very good or good.
- Of the people interviewed only one completed the Programme but had been unable to secure employment at the time of the interview. The other beneficiaries had left the Programme early due to health issues and gross misconduct whilst on the Programme. The three early leavers were all unemployed at the time of the interview.

8. KEY RESEARCH FINDINGS - ROTHERHAM

8.1 The focus of this section of the report is on the delivery arrangements and impact of the TLM Programme in Rotherham and the findings largely stem from the consultation process we undertook with the Programme's key stakeholders, namely:

- The funders of the Programme ie Objective 1 and Yorkshire Forward.
- The Delivery Agents.
- Organisations offering TLM placements [Providers] - 11 interviews were undertaken.
- Current and former participants [beneficiaries] in the Programme - a total of 23 interviews were undertaken.

Rotherham Model and Delivery Issues

8.2 The Rotherham TLM Programme initially offered a wage subsidy of 100% for 6 months and 50% for the following 3 months. This was however phased out and is now 100% funded for the full length of the placement.

8.3 The Rotherham TLM contract period was relatively short and intended to start earlier than other areas. However contracting delays, coupled with a nine month placement, resulted in a significant pressure on starts from the beginning. Hence a decision was made to start recruitment onto the Programme, but to operate at risk until contracts were confirmed.

8.4 An interesting feature of the Rotherham TLM model is that it enables participants to have access to a Learning Tutor who can help organise and provide training as well as a support worker who offers information and advice and can access specialist help in fields such as homelessness, drugs and childcare.

8.5 Phoenix Enterprises and key stakeholders acknowledge that implementation of the Programme has not gone as expected. This has been due to the following factors:

- There was a significant shortfall in match funding, particularly from employer contributions, withdrawal of JC+ funding and contracting delays.
- A lack of understanding amongst some delivery staff of the procedures and regulations pertaining to the delivery model and also of the ethos behind a TLM as distinct from Jobcentre Plus schemes which had previously been delivered by the team.
- A lack of experience of working with private sector employers which meant time had to be taken to establish contacts and relationships.

8.6 Throughout the delivery of the contract Phoenix and OI have been in negotiations regarding the inclusion, delivery and eligibility of claims for an environmental project within the Programme. The consultations suggest there are still differences of opinion as to whether agreement was reached regarding the eligibility of certain costs prior to contracting. However, this did lead to an Article 4 audit and subsequently, discussions between the relevant agencies were held to identify and agree an appropriate way forward.

8.7 The Article 4 audit identified areas for improvement within Rotherham's processes, particularly in relation to better evidencing of outputs and querying eligibility of invoices provided by placement providers [specifically within the environmental field]. Following the audit, payments from OI and YF were put on hold until any queries had been addressed.

- 8.8 Following Objective 1 audit, recruitment onto TLM was stopped and Phoenix has since agreed with Yorkshire Forward and Objective 1 to provide a work placement scheme for Non-Teaching Assistants [NTA]. Phoenix has experience of delivering this type of Programme and has good contacts within local schools where there is strong demand for NTAs.
- 8.9 The key strengths of the Rotherham TLM model and experience appear to be:
- Good engagement with at risk groups [such as ex-offenders and people with disabilities] and the agencies who support them in other ways.
 - Recruits receive an induction to TLM and access to a tutor who can address training needs and provide pre-employment support.
 - Recruits receive access to a support worker who can provide specialist assistance/advice on personal/social barriers to employment such as homelessness, debt, drugs etc therefore ensuring beneficiaries receive a holistic support package which considers all barriers to employment.
 - Internal audit and review to examine performance and delivery.
- 8.10 The limitations and uncertainties about this TLM model have been:
- The TLM contract period was relatively short and with contracting delays as well, TLM start targets became unachievable.
 - TLM staff were not adequately briefed about the TLM Programme aims and the means by which it was to be implemented.
 - Phoenix may have been inadequately prepared to source private sector placements and secure private sector investment in the TLM.

Providers

- 8.11 Awareness of the Programme largely stemmed from direct contact from Phoenix Enterprises or previous involvement in the ILM Programme.
- 8.12 The reasons employers became engaged in the Programme were principally because:
- It offered a low cost and relatively low risk way of adding to the workforce in order to keep the business growing.
 - They were fed up with the quality of the service [and job applicants] they received from Jobcentre Plus and employment agencies.
 - They wanted to help give a local person a chance of getting a job.
- 8.13 The vast majority of employment opportunities offered as part of the Programme involved basic manual work: warehousing, driving/ delivery, tyre-fitting, landscaping, cleaning, kitchen assistant.
- 8.14 There were also a few administrative posts, including secretarial, on offer. There was also one example of a semi-skilled trade [window fabrication] and an intermediate professional occupation [trainee Business Adviser].

- 8.15 Around half of the employers interviewed indicated that they were using the Programme to help fill previously unfilled [sometimes long-standing] vacancies, especially lower level and more unskilled posts. The remainder had effectively developed new jobs or replicated existing ones in response to the Programme.
- 8.16 We found no clear evidence of job substitution ie an existing employee being replaced by a TLM beneficiary. With one possible exception, where a business had been in difficulties and was downsizing [ie making redundancies] at the time they recruited a TLM employee.
- 8.17 When asked what they would have done in the absence of the TLM Programme, most employers seemed to be unsure but when prompted with possible options we found that many would either:
- Have still recruited for some of the jobs, but for fewer.
 - Have made an attempt to fill any vacancies by contacting Jobcentre Plus or an employment agency. But very few would have paid to advertise jobs themselves.
- 8.18 We encountered quite a varied set of views regarding the provider's experience of recruiting TLM employees, but two key issues did emerge from our interviews:
- In most instances Phoenix Enterprises were regarded as having been reasonably proficient in advertising jobs, checking the eligibility of applicants and offering useful advice to employers during the TLM interview process. In some cases the Delivery Agent had provided their premises as an interview venue and this was much appreciated.
 - Providers were generally happy with those candidates that turned up for interview but felt that several clearly lacked experience and therefore confidence. However, providers tended to find the selection of candidates for interview fairly straightforward with the most suitable candidates [in their mind] easy to spot. Employers are obviously keen to select the most suitable candidate for the job advertised but they are [almost by definition] the most job ready. Some employers indicated that Phoenix Enterprises had tried to influence their decisions towards other candidates however, and in some cases successfully.
- 8.19 Employers were invited to make observations about the support they and the TLM beneficiaries had received once the placement period had begun. Three key issues emerged:
- Monitoring visits undertaken by Phoenix staff were generally valued by TLM beneficiaries and their employers but there were periods when these did not occur due to changes in the Delivery Agent's TLM Team. Discontinuity of support also led to, on some occasions, slow responses to queries raised by employers and beneficiaries.
 - There were relatively few administrative problems associated with the Programme: beneficiaries were paid directly and usually on time and paperwork was reasonably straightforward.
 - Several providers [and beneficiaries - see below] expressed a degree of annoyance and concern about arrangements for training TLM employees; experiences varied and were by no means all negative, but some of the difficulties encountered were as follows:
 - ▶ There wasn't enough help in identifying the right type of training quickly enough.

- ▶ Courses had not been booked in time or at all.
- ▶ Arrangements were changed without informing beneficiaries in time or at all.
- ▶ Some courses were deemed to be too basic, others too challenging, with lack of time for assessment and planning being a key issue.

8.20 Providers were asked to identify areas for improvement - whether significant problems or missed opportunities. There were only two areas which attracted comment:

- Improvements should be made to arrangements for identifying, coordinating and supporting training activities for TLM beneficiaries. This was the key area of concern.
- New TLM staff in Phoenix Enterprises should be better briefed about TLM providers and their beneficiaries prior to undertaking monitoring visits.

8.21 The Programme placement period of nine months was felt to be fair and reasonable by most providers although it could present problems for beneficiaries attempting to achieve NVQ Level 2 or equivalent qualifications. The wage subsidy [and training budget] element of the Programme was regarded as reasonable by most and generous by some. The training budget allocation was generally felt to be adequate.

8.22 We asked providers about their experience with the TLM beneficiaries they had recruited. The response was broadly positive. Issues arising from our discussions were as follows:

- Persistent poor timekeeping and 'attitude' problems were key reasons for dismissing TLM employees, although this was not a frequent occurrence.
- A small number of beneficiaries left to take up jobs elsewhere, usually on amicable terms with their TLM employer.
- Where problems emerge and beneficiaries are most at risk of leaving, they tend to be fairly early on in placement. We did find instances where employers felt the roles and responsibilities of the chosen job [and/ or working environment] were initially too challenging for the TLM person. Employers response to this issue varied - some felt the individual was simply 'not up to it' while others set about redesigning elements of the job by simplifying tasks or changing procedures and/ or providing more on the job training in key skills. Boosting the person's confidence was felt to be important during the early stages of the placement.

8.23 We asked about the prospects for keeping TLM beneficiaries on after the placement and wage subsidy period had ended. Most of the employers we spoke to were fairly cautious in their response, for two main reasons:

- Private sector employers tended to emphasise that any decision about recruitment into the workforce permanently would depend on their business performance at the end of the placement ["it depends on the state of the books when the day comes".]
- Some were more keen to seek extensions to the TLM placement [ie temporary contracts] rather than to employ the TLM permanently and/ or full time.

Beneficiaries [Current]

8.24 Interviews were undertaken with 9 on Programme beneficiaries. Key issues arising were as follows:

- Awareness of the Programme came from Jobcentre Plus and TLM job adverts in the local press as well as word of mouth.

- Reasons for lengthy periods out of work included: criminal conviction, lack of work experience, having children and ill health. Some interviewees also said they had periods when they felt they could not get a decent job and so stopped actively looking for employment except from time to time.
- The application and recruitment process was fairly straightforward although some individuals felt the job description they were given was too generic and there was insufficient information about the employer.
- The TLM induction day was useful but according to some interviewees, several people appeared to leave early and some were put off by the maths and English tests.
- Monitoring visits were useful since they could get advice and point out problems [especially regarding training] but they had often seen different people from Phoenix Enterprises at different times during the placement.
- A number of critical comments were made about the training component of the TLM package; this was clearly an area that TLM recruits were generally unhappy about. Key issues raised were:
 - ▶ The placement period is not long enough to achieve NVQ level 2 or equivalent qualifications.
 - ▶ It was sometimes unclear about what training was eligible and there could be long delays in getting approval and funds to attend courses from Phoenix Enterprises. Administrative errors were almost common place.
 - ▶ Several trainees said they had been unable to get the training they wanted [on time] and felt frustrated by delays and poor communication.
 - ▶ On the positive side, some of the training undertaken had been relevant and enjoyable.
- Beneficiaries generally valued the opportunity to meet with Phoenix Enterprises staff during monthly monitoring visits since they could review progress and try and resolve issues about training and payments when problems arose. Some recruits felt they got adequate support from their employers and so six weekly or bi-monthly monitoring visits [or even phone calls] would be adequate. Staff changes at Phoenix meant that some recruits had seen different support staff and there had been periods when there were no monitoring visits on a regular basis.
- Delays in receiving payments were mentioned by some beneficiaries and there was frustration about poor communication from Phoenix Enterprises as to when payments would actually be made.
- Following communication by Phoenix Enterprises, some beneficiaries had been made aware by their employer that funding for their placement would probably end earlier than expected. This made them feel unsettled and worried about what would happen to them.
- Beneficiaries were generally happy with the TLM Programme experience and felt the two main benefits were:
 - ▶ It enabled them to be more active and to socialise with other people like them [“they’re in the same boat as me and we get on alright”].
 - ▶ They feel more confident about applying for other jobs but will miss the support they get [“it doesn’t feel like a Government scheme but you still get more help than when you do it on your own”].

- Asked how their placement could be improved, beneficiaries tended to focus on three things:
 - ▶ Making sure payments were always on time. And more money.
 - ▶ Making access to training and payments for it simpler and quicker.
 - ▶ More help with job search when the provider was unable to make a job offer.

Beneficiaries [Completers and Early Leavers]

8.25 **mtl** conducted 14 interviews with beneficiaries who had been involved at some point in the TLM Programme. The findings are as follows:

- Compared to the other areas, a significant proportion of beneficiaries were referred to the Programme by Jobcentre Plus suggesting awareness of the TLM Programme amongst wider agencies.
- 50% of beneficiaries interviewed had been unemployed for over 12 months. Two had been unemployed for 9 and 7 years.
- The majority of beneficiaries were unemployed after being made redundant or due to family commitments.
- Feedback on the support provided by Phoenix was positive. Over 70% said the support was good or very good and had been useful in helping them access work.
- There were isolated cases where beneficiaries had been unhappy with the Programme because they did not feel the placement was appropriate and due to a lack of continuity in support staff following staff changes.
- Beneficiaries felt the length of time on the Programme was appropriate.
- 70% of the beneficiaries received an accredited qualification suggesting the Programme is supporting skills development and achievement at NVQ2 level. The training was valued by beneficiaries and felt to have been beneficial in making them more employable.
- Of the beneficiaries completing the Programme 64% had found employment. One beneficiary who was unemployed at the time of the interview had decided to pursue a career in nursing. This highlights cases where job outcomes may not have been secured, but the Programme has had a positive impact on beneficiaries and provided a kick-start to their job search activities.
- Beneficiaries specifically highlighted the impact of the Programme on raising their confidence and motivation to work. Many beneficiaries would recommend the Programme to a friend which is a good indicator of the perceived value of the Programme.
- Of the people who left the Programme early, a lack of interest/enjoyment of the placement was a common problem.

9. KEY RESEARCH FINDINGS - SHEFFIELD

9.1 The focus of this section of the report is on the delivery arrangements and impact of the TLM Programme in Sheffield and the findings largely stem from the consultation process we undertook with the Programme's key stakeholders, namely:

- The funders of the Programme ie Objective 1 and Yorkshire Forward.
- The Delivery Agents.
- Organisations offering TLM placements [Providers] - 11 interviews were undertaken.
- Current and former participants [beneficiaries] in the Programme - a total of 11 interviews were undertaken.

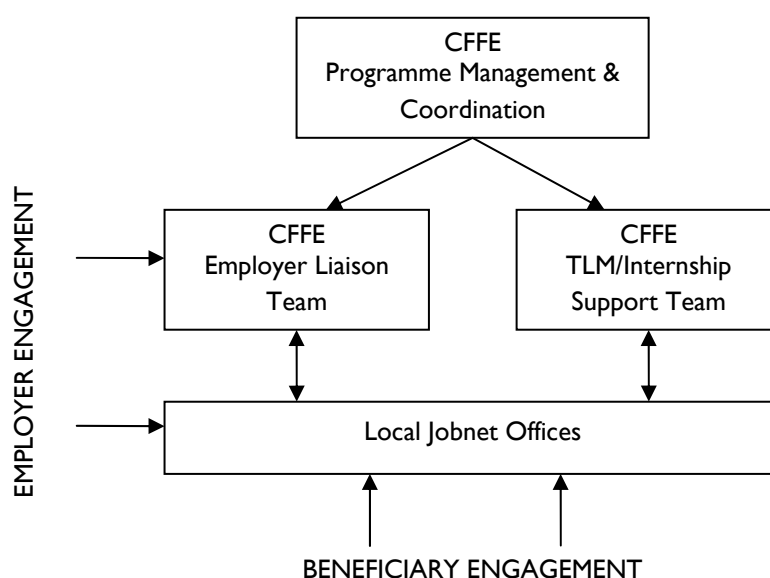
Sheffield Model and Delivery Issues

9.2 Sheffield's Programme is called Full Employment Sheffield. The Programme has been developed based on the premise that people require different intensities of support depending upon their circumstances. The Programme aims to provide a range of short term, light touch interventions alongside more intensive provision.

9.3 There are three main strands to the Programme. These are:

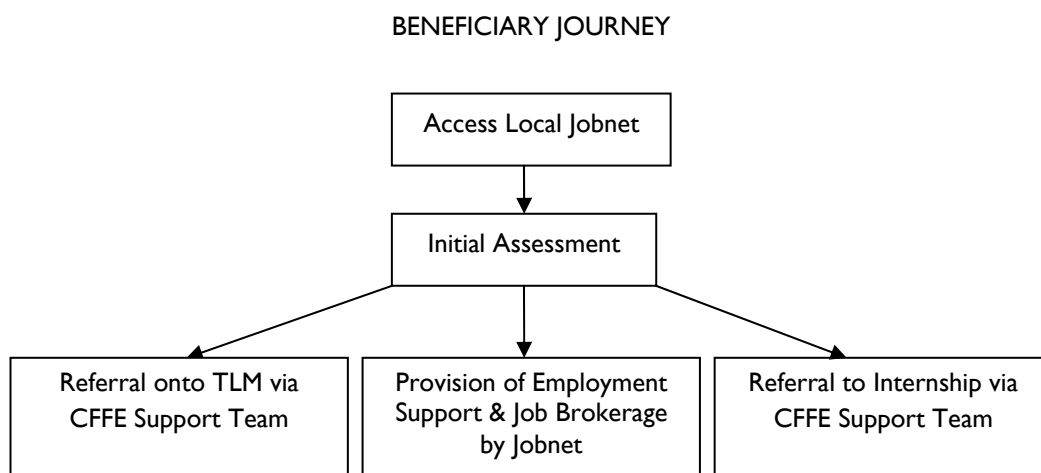
- TLM; offering up to 52 weeks subsidised employment placement and training.
- Jobnet; providing local community access to employment support and services.
- Internships; a 13 week employment guarantee scheme.

9.4 The diagram below illustrates the TLM delivery model.



9.5 CFFE correctly observe that worklessness and under-employment tends to have a strong spatial dimension with concentrations particularly evident within small, tightly confined neighbourhoods within and on the outskirts of the city. They have therefore established Jobnet offices and relied heavily on these as a source of referrals into the TLM Programme, and as a means of promoting it within these areas.

- 9.6 Jobnets essentially play a job brokerage role by providing assessment, information and advice and referral services to a broad cross-section of local people, not all of whom are job ready. Of those which may not be able to find employment in the open labour market, the TLM Programme is one of several options available to Jobnet clients, although TLM is delivered and managed centrally by CFFE. Referrals are usually made where Jobnet Advisers feel clients lack evidence of work experience and work-related qualifications.
- 9.7 Jobnets tend to have close working relationships and referral arrangements with Jobcentre Plus. Jobnets have SLAs with JC+ to undertake outreach work at Sure Start Centres, while referrals are made to JC+ managed Programme such as Work Trials and Pathways to Work. Over the duration of the current funding contract, the focus of the Programme has shifted slightly in response to labour market conditions away from TLM and towards greater job brokerage through Jobnet and the shorter work placement through Internships. This is shown in the diagram of typical beneficiary journeys below.



- 9.8 CFFE's Employer Liaison Team take the lead role in securing placement opportunities with employers and ensuring they understand the ethos behind TLMs and their roles and responsibilities under contract. Vacancies are managed via a network-wide Hanlon database system. The CFFE Support Team undertake client monitoring visits.
- 9.9 The TLM Programme in Sheffield, managed by CFFE, is an extension of the previous and quite successful ILM Programme. There are two main differences however:
- An increasing priority given to job placement opportunities in the private sector as distinct from the VCS as had previously been the case.
 - Jobnet offices have been given a higher profile and more resources as a key referral mechanism onto the Programme.
- 9.10 A third key feature of the model is the payment of a management fee to providers to cover the additional costs associated with the supervision and support of TLM recruits. This fee is intended to ensure that the provider incurs no additional costs through their involvement in the TLM Programme.
- 9.11 CFFE also decided to invite beneficiaries and providers to submit applications for funding rather than provide a training budget per beneficiary. This was intended to prevent training for training's sake and ensure that only appropriate training was supported and resources used more effectively.

9.12 The Programme has performed well on engagement and employment starts, largely due to referral from Jobnets and proactive work in identifying TLM placements via CFFE's Employer Liaison Team.

9.13 The key strengths of the Sheffield TLM model and experience appear to be:

- Jobnets form a cohesive community-based network with common structures, referral and client management procedures and MIS systems. They are also mutually supportive and engage in joint planning and capacity-building activities, sometimes in conjunction with CFFE.
- The initial assessment of client needs, aspirations and expectations by Jobnet Advisors is impartial and free-standing ie it is not used as the first step towards engagement into a specific Programme or scheme, including TLM. This means that Jobnets have a strong and visible client-centred focus coupled with local visibility and credibility in disadvantaged communities. It also means that basic and life skills issues can be identified and addressed early on the engagement process, and often prior to engagement in any work experience type Programme.
- The CFFE Employer Liaison Team have a clear strategic and operational focus and have developed depth of expertise in engaging employers in the TLM Programme as well as good referral mechanisms within the business support network. A dedicated team like this can help increase the quality as well as the number of job placements available to TLM candidates.
- CFFE has responded to labour market changes and moved emphasis of the Programme accordingly. There has been a shift away from longer term 'employability' interventions towards shorter term 'hireability' activities.

9.14 The limitations and uncertainties about this TLM model have been:

- Individuals joining the TLM Programme usually lose touch with Jobnet Advisors with whom they have often developed good relationships. This is because Jobnet Advisors have no direct stake in the TLM Programme, they simply make referrals to CFFE who then take things forward from there. This means that clients experience a lack of continuity of support which may, in some circumstances, lead to disengagement.
- TLM appears as one of several avenues of support open to the clients on the caseloads of Jobnet Advisors. Although many referrals are made to CFFE, this raises the question of whether TLM Programme funding may also be used to support referrals into other [complementary or alternative] schemes, initiatives or projects. This need not of itself be a 'bad thing' since the client should benefit from customisation of support but there is a risk of double funding [or displacement] nevertheless.
- Jobnet offices do not appear to have adequate resources [including display materials, funding for leaflets etc] to promote the TLM Programme more pro-actively but to do so might be counter to their ethos of being independently managed and non-aligned to any particular agency or Programme. They are not champions of this or any other Programme as such which might be deemed a strength and a weakness also.

Providers

9.15 Interviews were undertaken with 11 providers; the majority were VCS agencies and social enterprises.

- 9.16 Awareness of the TLM Programme was in large part due to previous engagement in the ILM Programme. Comparisons between the two invariably concluded that the ILM Programme had more attributes compared to the TLM Programme; the main issues were:
- There was more flexibility and discretion under the ILM Programme eg with monitoring and accessing funding for training.
 - Providers were paid in advance.
 - The Programme period, at twelve months, was more realistic and worthwhile for the employer and beneficiary.
- 9.17 The main motivations to become engaged in the TLM Programme were as follows:
- An opportunity to increase service delivery capacity and reach.
 - To support volunteers in their efforts to gain paid employment in the sector.
 - To provide disadvantaged people with an opportunity to improve their quality of life.
- 9.18 Interestingly, several providers had a lot of experience of dealing with people in the priority client groups [eg lone parents, ex-offenders] through their mainstream service delivery work [eg advice, guidance, nurseries] or involvement in specialist projects.
- 9.19 Job opportunities supported under the TLM Programme were reasonably diverse in Sheffield and included:
- Administration, clerical and secretarial work.
 - Driving and mechanics.
 - Assistant IT technicians.
 - Advice workers.
 - Childcare, nursery and family support.
 - Conservation and environmental improvement work.
- 9.20 Most of the jobs involved had been newly created in response to the TLM Programme benefits [ie wage subsidy, management fee and TLM recruit]. VCS organisations indicated that they simply could not afford to employ someone at all, or from this client group, without public subsidy. Some of the driving jobs involved are understood to have been unfilled vacancies as there is a consistently high demand for drivers amongst local operators.
- 9.21 If the Programme had not existed almost all the employers suggested that they would not have been able to take people on as employees but may have sought to increase their pool of volunteers.
- 9.22 Providers made two key observations about their experience of the TLM recruitment and selection process:
- Conventional selection criteria still apply but the weighting attached to some of them has to change - motivation, commitment and flexibility are regarded as very important basic employability attributes.
 - Several providers felt that responses to TLM job adverts was relatively poor but that Jobnet referrals were often good because there had been some initial screening and assessment as well as basic information about the Programme.

9.23 Providers views about the support they received from CFFE throughout the Programme were generally rather critical. In particular:

- There had been too many staff changes at CFFE leading to discontinuity of support. The knock on effects were that monitoring visits became more sporadic or appointments were missed and employers and beneficiaries felt somewhat disengaged from the Programme.
- Monitoring procedures and requirements were unrealistic, especially evidence requirements and attributing management costs. There was also a suggestion that CFFE were too inflexible in the way monitoring was undertaken. Overall, the level of detail required for monitoring was felt to be excessive for the level of funding.
- Changes made to the way the funding for training was allocated favoured recruits who had entered the Programme earlier over those who did not. The process of applying for funding for training became more time-consuming and inflexible and resulted in less time to complete training courses. Another mid-Programme change concerned the separation of the wage and management fee components of the Programme. Providers suggested these types of changes were not properly explained and seemed to increase inflexibility.

9.24 The provider management fee was, predictably perhaps, regarded as a positive feature of the TLM Programme and justifiable given the additional support needs of most TLM beneficiaries. Whilst the management fee was welcomed by providers, some of whom may not have offered placements if there had been a cost implication, this has made Programme monitoring and management more complex. Nearly all providers commented that the monitoring/claim process is too onerous for the level of funding sought and the complexity largely derives from having to apportion management costs.

9.25 Employers were asked for observations about the TLM recruits they had been involved with; key issues were as follows:

- Many TLM beneficiaries would struggle to get interviews in the wider labour market due to poor social skills and, in some instances, unrealistic expectations about work.
- Time-keeping and absences tended to be of major concern to employers with regard to those clients with the most acute needs. Personal problems, not just work-related, usually explained the lack of reliability employers felt in these cases.
- Some groups, especially women returners and lone parents, may be reasonably well qualified and job ready. Their main problem is lack of recent work experience. As a consequence many require very little on Programme support but do require access to the training component of the package, including basic skills.

9.26 Observations about good practice and scope for improvement included:

- The importance of tailoring the job and training content of a placement to the individual TLM recruit as early and as consistently as possible. The more the recruit can become engaged in shaping some aspects of the placement opportunity then the greater the chance that they would remain in it.
- The Programme length needs to be extended [or be more flexible] to allow sufficient time for assessment, organising training and job search.
- Employers would welcome simplification to the monitoring and evidence collection arrangements and more flexibility in accessing funds for training. More clarity at the start about employer obligations and responsibilities would have been helpful.

- More stability within the CFFE team to enable relationships and communication channels to be enhanced.
- More flexibility in the job search element of the Programme, particularly in terms of how and when this is undertaken and the level of support required.

9.27 Most of the providers we spoke to were reasonably optimistic about the prospects for TLM beneficiaries to gain employment at the end of the Programme although a number suggested that this might be elsewhere within the VCS rather than necessarily with their organisation. The prospects for those who had left the Programme early were not felt to be good at all, not least because they had been given opportunities within organisations which pride themselves on being good employers and supportive of people at a disadvantage ie VCS organisations.

9.28 Funding availability is the key factor influencing the job outcome rate in the VCS, education and health sectors ie sectors which are themselves heavily dependent on public funding.

Beneficiaries [Current]

9.29 Interviews were undertaken with 2 on Programme beneficiaries. Key issues to emerge from these interviews were as follows:

- Aspects of the Programme seem very inflexible when it comes to collecting evidence eg timesheets and job search activity.
- Queries are handled reasonably well but staff changes within the CFFE Team have caused problems. There is also a loss of continuity and sometimes not enough time to develop relationships with support staff.
- The duration of the placement should be extended to allow time for training to a higher level and a long enough work placement experience.
- The Programme has been a positive experience overall.

Beneficiaries [Completers and Early Leavers]

9.30 **mtl** conducted 9 interviews with beneficiaries who had been involved at some point in the TLM Programme in Sheffield. The key findings are:

- Beneficiaries heard about the Programme from a wide range of sources including the local press, JC+, word of mouth and Jobnet suggesting the Programme is widely publicised.
- Over 50% of beneficiaries had been unemployed for over 12 months which indicates the Programme is successfully accessing those most detached from the labour market.
- The Programme is also accessing beneficiaries within key target groups including those on incapacity benefits and lone parents.
- Most beneficiaries found the support received by CFFE good. Interestingly this contrasts with the views of beneficiaries currently on the Programme who were slightly more critical of CFFE support. However their suggestions for improvement were similar relating to the availability of adviser support and the time taken to agree/access training funding.

- Beneficiaries had been on the Programme for varying lengths of time suggesting the Programme has been sufficiently flexible to accommodate different individual needs.
- Beneficiaries undertook a combination of accredited and non-accredited training which again illustrates Programme flexibility and tailoring to individual needs. One beneficiary had been unable to complete NVQ training during their placement which was a shortcoming identified by many providers across the sub-region.
- All beneficiaries had found employment since completing their placement indicating the Programme is successfully supporting employability. A small number of beneficiaries had since been made redundant which may raise questions as to the longer term sustainability of employment opportunities.

10. THE ROLE AND ADDED VALUE OF SYCON

- 10.1 In addition to the monitoring and management of YF funding, the role of SYCON has been to monitor the sub-regional impact of the Programme and co-ordinate the exchange of best practice, ideas and support¹⁰.
- 10.2 Over 2005-2007 SYCON's total budget has been £87,601. Just under three quarters of the total budget is spent on staff costs e.g. Recruitment, salary, subsistence and a quarter is spent on office costs. The remaining 4-5% is spent on external monitoring and stationery.

Table I- SYCON Costs

SYCON Costs April 2004 - Feb 2007		
	2005/06 [£]	2006/07 [end Feb] [£]
Unit Costs e.g. staff costs	1,6259.54	37,343.38
Office Costs	4,800.54	7,694.38
Other Costs e.g. events and publicity	0.00	2,464.52
Total	21,060.08	47,502.28

Source: SYCON

- 10.3 There were concerns that the operational and strategic roles/responsibilities of SYCON had not been clearly articulated or settled on and were complicated by the different contracting arrangements adopted by YF and OI. This contrasts to the previous ILM Programme where both OI and YF contracted through SYCON. Some continuity between the two Programmes was therefore lost.
- 10.4 The SYCON Technical Meetings are generally regarded as being useful since they provide a forum for information exchange and dialogue amongst and between Delivery Agents and funders. On occasion they have enabled operational/ procedural issues to be raised and addressed and facilitated a degree of sharing of good practice albeit to a more limited extent than most consultees would like.
- 10.5 There has been some reticence about sharing information of a sensitive nature regarding performance and sources of funding, but not to the extent that this has impacted upon local performance/delivery. It was suggested by some consultees that there may have been scope for delivery partners to include SYCON at a much earlier stage when they had concerns or queries and make more use of the monitoring and management expertise of SYCON's Contract Manager.
- 10.6 Questions have been raised regarding the extent of delivery agent engagement in Technical Meetings as partners do not always provide agenda items and contribute to meetings. There may be scope to get more value out of these meetings if greater support could be secured. SYCON has also suggested holding meetings for delivery agents which exclude funders to try to encourage more openness and buy-in to Technical Meetings.
- 10.7 There is a complication arising from the SYCON Contract Manager and CFFE. As an employee of one Delivery Agent, the Project Officer's modus operandi must be restricted somewhat and there are likely to be circumstances when it might be difficult to perform some tasks [eg chasing late claims, offering a critical appraisal of procedures].

¹⁰ Taken from YF contract.

- 10.8 SYCON's Contract Manager is widely recognised as being both approachable and competent. She has helped Delivery Agents resolve administrative and financial planning matters and provided information and advice on a range of issues of interest to funders and Delivery Agents.
- 10.9 The consultations suggested that SYCON could benefit from additional staff resource. At present there is only one employee, the Contract Manager, responsible for all monitoring, management and administrative activities. It has been suggested that there may be value in creating an administration post which would provide greater flexibility for the Contract Manager to co-ordinate strategic joint working, the sharing of good practice as it is within these activities that the added value of SYCON lies.

11. KEY FINDINGS FROM THE EVALUATION

11.1 In this penultimate section of the report we set out the main conclusions and recommendations to emerge from this ‘mid-term’ evaluation of the South Yorkshire TLM Programme.

Key Findings

Policy and Research

11.2 The problem of high levels of unemployment and economic inactivity in some deprived neighbourhoods, and amongst some groups irrespective of where they live, remain evident in South Yorkshire as they do in other parts of the region and beyond. As entrenched as these problems may seem at times, they are not insurmountable.

11.3 The weight of research evidence indicates that:

- A series of demand and supply-side factors go towards explaining these problems. Both individual and household factors, and institutional factors, have an important influence on worklessness.
- There is a significant degree of variation between deprived neighbourhoods in terms of the incidence of unemployment and economic inactivity and the particular underlying factors which give rise to these differences.
- The problem is not confined to deprived areas; people in particular groups are more vulnerable than others such as lone parents, people who are disabled or have health problems, older people and some ethnic minority groups.

11.4 National labour market policies and programmes [eg New Deal, StepUP, Pathways to Work] while broadly successful in overall terms in reducing unemployment levels, have been less successful to date in helping the most disadvantaged groups and in reducing worklessness in deprived neighbourhoods.

11.5 City Strategies is a particularly significant policy development. It aims to tackle worklessness in the most disadvantaged communities by testing how best to combine the activities of Government agencies [eg Jobcentre Plus], local government and the private and voluntary sectors in a concerted local partnership. The Strategy is based on the idea that local partners can deliver more if they combine and align their efforts behind shared principles and priorities, and are given more flexibility to innovate and tailor services in response to local need. The South Yorkshire Consortium of LSPs was designated a pathfinder area in July 2006 and target [NRF] wards within the four local authority areas have been identified.

11.6 A variety of localised initiatives and delivery models to address worklessness have been developed and tested elsewhere across the UK - including job brokerage; pre-recruitment and customised training; information, advice and guidance; intermediate labour market; and employer engagement projects and schemes. They have met with varying degrees of success in terms of their effectiveness in securing job outcomes for the most disadvantaged groups.

11.7 There are at least five main lessons from experience at this level to date:

- There is a need for client-centred and customised approaches to working with the most disadvantaged individuals.

- A 'holistic' approach involving a range of options and opportunities which address multiple barriers to work [not just employability] is required.
- Inter-agency collaboration, including working across administrative [eg local authority] boundaries and engaging with the voluntary and community sectors within deprived neighbourhoods and those representing particular groups.
- Effective outreach and targeting of individuals and employers is essential for engagement and programme development and innovation.
- There is a need to work with employers at the local level to seek to influence recruitment, training and workforce development practices so as to provide opportunities and support for the most disadvantaged people who wish to take up employment. But agencies should not become preoccupied with trying to locate new jobs in the most deprived areas eg via new business start-ups or job subsidy.

Programme Features

11.8 CFFE won the tender process to manage the Yorkshire Forward TLM contract through SYCON. The four SYCON partners [TLM Delivery Agents] are as follows:

- Barnsley Development Agency.
- Doncaster Chamber.
- Phoenix Enterprises [Rotherham].
- The Centre for Full Employment [Sheffield]

11.9 The delivery models and management arrangements have varied between the four areas in an effort to reflect local labour market circumstances, institutional arrangements and Delivery Agent's capacities and priorities. The Full Employment Sheffield Programme comprises three strands: TLM, Jobnet and Internships, all of which received funding via Yorkshire Forward and OI. The other three Delivery Agents provide discrete TLM Programmes. In all cases the TLM Programme seeks to tailor a series of activities to individual needs which address key barriers to employment; these activities usually include:

- Assessment of participants needs, capabilities and aspirations.
- Production of individual training and development plans.
- Access to information, advice and other support from dedicated advisors and mentors.
- Access to training to meet individual needs, including basic skills, life skills and work-related skills.
- Subsidised work experience via assisted work placements for 6 - 9 months..
- Support with job search, application and interview.

11.10 The core ingredients of the TLM Programme are broadly similar to those offered by many other initiatives designed to address employability issues elsewhere.

11.11 The three main distinguishing [but not necessarily unique] features of TLM are:

- It should provide a reasonably well integrated package of support, although in practice the assisted work placement element is the central feature around which other support is usually designed.
- It should effectively target and support people from 'priority groups' known to experience particular labour market disadvantage both within and outside the most deprived neighbourhoods.
- It should achieve [through SYCON in particular] a degree of sub-regional strategic coordination and added value through, for example, efficient contract management and the sharing good practice.

Programme Development

11.12 The TLM Programme is a large and in many ways a complex one and it should be acknowledged that all the Delivery Agents, together with YF and OI, have made significant efforts to make it work as efficiently as possible. Overall, however, the Programme has faced a number of significant challenges affecting its development:

- Inadequate time was available for the development of Programme proposals by the four Delivery Agents and for their appraisal by Yorkshire Forward and the OI Executive.
- Delays in contracting which squeezed the time available for set up and Programme delivery and had knock-on effects on match funding and the employment/redeployment of Delivery Agent staff.
- Contracting arrangements restricted the ability to respond flexibly to differences in performance and spend between areas [Delivery Agents] and to plan beyond each financial year.
- The two main funding streams were not matched at source and different output definitions were required for each contract.

11.13 We have four key observations to make about SYCON:

- There have been varying expectations about the role of SYCON based on the differing contracting arrangements put in place by YF and OI and the different delivery models put in place by Delivery Agents.
- The primary function of SYCON has been to clarify and help address operational requirements and issues pertaining to the TLM Programme, rather than strategic coordination.
- SYCON's Contract Manager provided valuable advice and practical help to all the Delivery Agents with regard to contract monitoring and documentation and, in some instances, played a key role in helping to address Programme management difficulties.
- SYCON Technical Meetings have been partially successful as a forum for information exchange, networking and monitoring performance amongst the four Delivery Agents but there has been a degree of reticence about the disclosure of some information regarding funding arrangements and performance and a tendency to see them as more procedural than about supporting ongoing programme development.

11.14 The TLM Programme was originally intended to be a £27m initiative delivered across the four local areas over four years from 2004/05 - 2007/08. The analysis of financial data indicates that:

- To date 61% of total planned expenditure has been defrayed overall.
- There has been a lower proportion of spending on beneficiary costs than anticipated, with a higher proportion of spending going to salaries and other revenue costs.
- Whilst OI's contribution to the total income has been as anticipated [35%], Yorkshire Forward's contribution has increased from 39% to 46%. This is due to the proportion of private and in-kind funding being lower than forecast.

11.15 The analysis of current¹¹ output and outcomes data shows that:

- In terms of output and outcome volumes, CFFE [Sheffield] has the largest contracted output and outcomes targets of all four Delivery Agents.
- In the case of starts, the best performing Delivery Agents have been Barnsley [124% actual against contracted] and Sheffield [107%] although Rotherham also over-achieved [102%]. Doncaster Chamber's starts were significantly below target.
- Barnsley are the best performing Delivery Agent in terms of actual versus planned job outcomes [117% compared with an average of 61%]. Rotherham were the only other Delivery Agent to exceed the average in terms of performance against their revised job outcome targets. Doncaster had the poorest performance at 28%.
- On average 40% of planned qualifications have been achieved. Only Doncaster and Rotherham exceeded this average but in both cases this was in terms of revised contract targets.

11.16 However, if we benchmark actual performance against the original planned contracted output and outcomes we observe that:

- BDA [Barnsley] and CFFE [Sheffield] significantly exceed the other two Delivery Agents in terms of starts and job outcome performance.
- Doncaster Chamber continues to perform best in terms of qualification outcomes with Barnsley performing second best.

11.17 Our analysis of value for money indicators shows that:

- Programme efficiency: CFFE are the only Delivery Agent with a gross unit cost per start [£1,608] below the average for the Programme as a whole [£2,200]. However, separating out TLM costs and outputs reveals a higher TLM unit cost of £8,356 per start in Sheffield.
- Programme effectiveness - we employed two provisional measures:
 - ▶ Start to job conversion rates were highest in Barnsley [52.8%] and Rotherham [40.0%]. Doncaster's rate of 12.7% is significantly below the TLM average and contracted expectations.
 - ▶ Rotherham and Doncaster had the highest start to qualification conversion rates whilst Barnsley's and Sheffield's were low.

¹¹ Doncaster Chamber and Phoenix Enterprises agreed Significant Changes to their TLM contracts in 2006 resulting in revised output and spend targets. CFFE and BDA did not.

- Cost-effectiveness. BDA have the lowest gross cost per job outcome [£7,554] compared with the Programme average [£7,998]. The Full Employment Sheffield Programme as a whole has a relatively low cost per job outcome [£6,236] but the TLM element of the Programme has the second highest [£29,291] after Doncaster Chamber [£31,624].

11.18 Our qualitative assessment of Programme additionality is mixed but broadly positive:

- Displacement and substitution effects [whereby Programme beneficiaries gain at the expense of others] are not felt to be significant.
- Leakage effects [whereby some non-priority groups benefit rather than those intended to] are unlikely to be significant given the eligibility criteria for the Programme which focus on the unemployed and economically inactive, although this is of course a very diverse group.
- We have some concerns over deadweight [whereby effects would probably have arisen without the intervention], especially with regard to employer recruitment, but we acknowledge that many client beneficiaries may not have been able to access supported work placements without the TLM Programme, but they may well have been able to access other support available from Jobcentre Plus, nextstep IAG providers, specialist community groups or [in the case of Full Employment Sheffield] Jobnet offices which are funded from other sources.
- Positive income and possibly also employment multiplier effects arising from TLM job outcomes, albeit modest, should not be discounted since many beneficiaries who access paid work through the Programme continue to live in relatively deprived areas.

11.19 In addition to the economic impacts of the Programme we should also acknowledge its beneficial impacts in terms of broader social cohesion and inclusion benefits on beneficiaries and the households and communities in which they live, especially where their involvement in the Programme reduces their dependence on welfare and allows them to live and more independent, fulfilling and healthy lifestyle.

Beneficiary Engagement

11.20 Our analysis of SYCON's TLM Beneficiary Database indicates that:

- There has been reasonably good engagement of some key priority groups, namely; people with a disability or long term health problem; lone parents; ex-offenders; and ethnic minorities. But this has not been the case with regard to people aged over 50.
- A reasonably high proportion of TLM beneficiaries appear to reside in the 10% most deprived areas across the sub-region but the widest geographical spread and targeting of such areas is in Sheffield and Barnsley.
- Although a very high proportion of beneficiaries were unemployed when they accessed the Programme, the data suggests that only 39% had been long term unemployed [over 12 months], economically inactive¹² or had never had a job.

¹² Defined in this context as people not in paid employment or in full-time education, not registered as unemployed and who have not been actively looking for work in the 4 weeks prior to initial engagement with the TLM Delivery Agent.

- Just over 40% of the clients assisted were qualified to NVQ Level 2 or above, and 40% had Level 1 or no qualifications.

Consultation Feedback - Beneficiaries and Providers/ Employers

- 11.21 The qualitative impact of the Programme, across all four areas, appears to have been very good with most beneficiaries feeling they have benefited significantly from the assisted work experience opportunities offered by the Programme and that their job prospects have generally improved, in some instances significantly, irrespective of whether they have been directly employed after their Programme period ended.
- 11.22 Beneficiaries attach a high priority to the support offered by Delivery Agent staff [although this has sometimes been intermittent and fragmented], the opportunity to achieve training and qualifications and the social benefits of work which have enhanced their confidence and related life skills.
- 11.23 The three main areas which many beneficiaries identified as meriting improvement were:
- More information about their prospective employer early on in the application and assessment process - the communication process appeared to be too one-sided.
 - More help in identifying and sourcing training opportunities shortly after job placements began.
 - More intensive and earlier help with job search, CVs and job applications in circumstances where job outcome prospects looked to be poor.
- 11.24 We observed that there was a great deal of variation in the incidence and quality of Training and Development Plans which beneficiaries should have across the four areas and that the focus of these was often quite narrow and short-term. Overall feedback from employers who provided TLM job placement opportunities were mixed but by no means unduly negative or directed at one Delivery Agent more so than the others. Key issues raised in these discussions were:
- There is far too much paperwork and administrative work associated with the Programme and that some Delivery Agents did not make this sufficiently clear at the outset.
 - Delivery Agents were able to offer valuable advice and practical help to employers concerning the advertisement of job placement opportunities, interviewing candidates and selecting those most appropriate to the Programme and the employer.
 - Several Providers [especially SMEs] were disappointed with the support they received from Delivery Agents regarding the sourcing of qualifications and training and felt that this was the key factor in delaying training for beneficiaries. The financial support towards meeting training costs was widely regarded as a positive feature of the Programme however.
 - The Programme duration was often not sufficiently long enough to allow beneficiaries to gain [or even make a reasonable start towards achieving] NVQ or equivalent qualifications, often because of delays in identifying suitable qualifications, providers in the early stages and, in some cases, logistical problems to do with accessing the training such as childcare responsibilities and access to transport.

- Monitoring and support is widely regarded important for Programme participants since many have limited employment experience, at least over long periods, and they may also have other problems affecting their lives. There were complaints that some Delivery Agents had not met their expectations in terms of the continuity and level of support they promised to provide and that staff changes had led to discontinuity of support as new staff were not familiar with the beneficiaries or employers.

Programme Delivery and Impact - Key Factors

11.25 Drawing on the experience of all four Delivery Agents, we have identified what we believe to be amongst the most significant [success] factors influencing TLM Programme delivery and impact, which are:

- Time and expertise to undertake a reasonably in-depth assessment of need and circumstance prior to referral elsewhere or the take up of a TLM job placement. Sufficient time and resource needs to be devoted to an in-depth and preferably independent assessment of an individual's suitability and not just their eligibility to join the Programme.
- A proactive approach to client engagement which involves getting close to and into disadvantaged communities and to priority client groups is essential. Experience in Sheffield and Barnsley in particular shows that this takes time and requires a visible local presence.
- A good spread of TLM job placement opportunities by sector but a strong or growing private sector dimension in sectors where there is not just employment growth but also opportunities for job/ career progression from lower skilled and lower paid jobs into more secure and better paid ones.
- Emphasis is given to assessing the capacity, capability and ethos of employers offering placements, and to encourage more employers to retain beneficiaries. There is particular caution given to engagement or dependence on a small number of large organisations [such as local authorities] which offer to provide 'bulk/ high volume' job placements.
- A willingness and ability to [further] customise job placements and working arrangements to suit beneficiary needs and aptitudes throughout the duration of the placement as well as local labour market circumstances. Our consultations indicate that while the majority of Providers would like longer placement periods although most beneficiaries, by and large, felt they were sufficient.
- Attention is given to improving employers' recruitment practices in ways which make them fairer and more cost-effective. In some circumstances, but not all, Delivery Agents may [also] be able to challenge employer perceptions about the employability of certain groups of people in society and the labour market.
- There must be some flexibility to negotiate an offer with an employer is important and should be preferred to offering a standard, 'off the shelf' package but with one proviso - the Delivery Agent must ensure Providers are clear about their particular responsibilities and duties under the agreement, especially with regard to beneficiary support, access to training and prompt collection of key data for monitoring purposes.
- Effective monitoring arrangements which provide regular, reliable and bespoke support for TLM recruits/ beneficiaries.

- Qualification achievements can be improved if Delivery Agents provide more and earlier support to beneficiaries and Providers in assessing basic and vocational/transferable skill needs and providing practical help in sourcing relevant courses and qualifications. Training plans should be discussed and revised at review sessions and bespoke training developed where this may be necessary.
- Effective monitoring and [post-exit] client tracking arrangements which enable accurate and up to date information to be collected from Providers and beneficiaries about Programme performance by Delivery Agents. Delivery Agents should take steps to ensure that contract and monitoring documentation is fit for purpose and not unnecessarily burdensome to Providers in particular.
- Efficient administrative and financial competencies, systems and procedures within Delivery Agent organisations must be supported by effective communication and problem-solving with both Providers and beneficiaries.
- The Programme delivery model, contracting arrangements and management need greater consideration and planning. Disjointed arrangements have prevented the added value of a sub-regional model being fully realised.

12. CONCLUSIONS AND RECOMMENDATIONS

12.1 This final section of the report sets out the main conclusions of our evaluation and the recommendations arising from the study and the experience of our practice.

Conclusions

12.2 Reflecting on the key findings of this evaluation we draw the following conclusions.

12.3 Our first conclusion is that the strategic rationale for policy interventions to tackle worklessness across South Yorkshire remains strong. The focus of such interventions should be at two levels: the most deprived areas and those priority groups known to experience multiple disadvantage in the labour market [but who may not necessarily live in the most deprived areas].

12.4 Second, the South Yorkshire TLM Programme reflects and incorporates operational features evident in several other initiatives elsewhere with similar objectives - it is by no means unique but did build on the previous ILM Programme. The experience gained from the Programme has tended to confirm, rather contradict or add to, the accumulating [though still incomplete] body of evidence concerning lessons of good practice in this policy arena. In particular:

- Holistic, client-centred approaches are needed to address the multifaceted factors explaining worklessness. Integrated packages of support need to be tailored to suit individual needs and support is often required over long periods to achieve sustainable outcomes - there is rarely a 'quick fix'.
- Institutional, not just individual or household, factors have an important influence on the scale and nature of economic inactivity and unemployment. Inter-agency communication and collaboration across and within the public, VCS and private sectors is therefore essential.
- Effective outreach and monitoring is essential to targeting support and sustaining client and employer engagement. Engaging people who are economically inactive, and not just long term unemployed, is usually challenging and resource intensive.
- Efforts need to be made to influence labour demand [especially employer recruitment practices] as well as supply-side constraints and imperfections. But efforts to stimulate employment development in deprived areas are rarely cost-effective or additional.

12.5 Our third conclusion is that the Programme has not really been a sub-regional one to any significant or meaningful extent and nor should it be. This is not to suggest that there hasn't been any merit in the work of SYCON but we found little evidence that there had been strategic coordination and planning at a sub-regional level. The rationale for ascribing a 'sub-regional' dimension to the Programme was in line with Yorkshire Forward's move from projects to programmes and it was felt this would provide a more efficient contracting mechanism. The evaluation findings however suggest that the rationale for developing and managing a sub-regional approach to addressing worklessness is not especially compelling.

12.6 Fourth, and in part related to the last conclusion, we conclude that overall Programme development and delivery has been hampered [especially in the early stages] by limited time available for appraisal of [overly ambitious] delivery plans, delays and inflexibilities in contracting arrangements, communication problems and administrative complexities.

These factors have played a part in affecting spend and output performance across all Delivery Agents whilst other factors have also come into play [such as institutional factors and Programme management capability] which have affected relative performance between Delivery Agents. We also conclude, however, that lessons have been learnt and that problems are being addressed in a coordinated way and that the prospects for the achievement of outstanding spend and output targets for the remaining period of the Programme are reasonably good.

- 12.7 Our fifth conclusion concerns the targeting and take-up of Programme activities. Evidence from SYCON's TLM Beneficiary Database suggests that there has been effective targeting of some priority groups [eg lone parents, ex-offenders, ethnic minorities and people with disabilities] and of people living in some of the most deprived neighbourhoods within local areas. However, less than half of those assisted through the Programme were economically inactive or long term unemployed while just over half were qualified to NVQ Level 2 or above. This suggests that there is scope to improve the targeting of the Programme on the hardest to help, although people in these groups are more likely to require significant pre-employment support to increase confidence, motivation and general employability skills [eg IAG, basic skills, personal development, resolution of health or housing issues etc] prior to starting a supported employment option if they are to achieve positive outcomes from such an option. This underlines the need for a holistic package of support for the most disadvantaged workless people and for strong inter-agency collaboration to facilitate referrals and joint-working which was evident in some areas such as Sheffield and Barnsley.
- 12.8 Our sixth conclusion is that the Programme has not been sufficiently adept at ensuring that job placement early leavers receive an appropriate degree of follow-up/ follow-on support, although the BDA model addresses this issue quite well through the work of its Individual Opportunity Advisers. Evidence elsewhere suggests that job brokerage schemes in particular tend to be more successful when resources and mechanisms are built in to enable tracking of participants so as to sustain positive outcomes [eg where people remain in work] and to facilitate quick interventions in the case of people who have become detached from the Programme for one reason or another. Monitoring of beneficiaries beyond six months would enable more evidence to be gathered of the longer term impacts of the Programme, the sustainability of job outcomes and the distance travelled and soft outcomes achieved by the individuals and employer benefits. We are aware, however, of the practical difficulties and potential costs of tracking and engaging leavers from Programmes such as TLM, although a body of good practice evidence has been developing in this field.
- 12.9 At £12.3m invested in the Programme thus far, a very substantial investment has been made towards achieving the aims and objectives set out in the original contract specifications issued by Yorkshire Forward and the OI Executive. Our seventh conclusion is that value for money indicators suggest that Programme performance and additionality has been mixed but broadly positive while qualitative assessments of beneficiary impact are generally very good [see below]. In terms of quantitative indicators, the Programme delivered by Barnsley Development Agency, in particular, and CFFE perform well relative to their contracted targets and in comparison with the other two Delivery Agents whose targets have been subject to significant change.
- 12.10 Our eighth conclusion is that the qualitative impacts of the TLM Programme are generally positive, especially amongst beneficiaries. Many individuals finding the supported work experience placements particularly valuable and benefiting from growing confidence about their job prospects and increased self-esteem. The feedback also indicates that the Programme can help counter social isolation.

There is scope for improvement, however, particularly in relation to information and communication, sourcing and arranging training, job search and longer term development needs.

- 12.11 Provider feedback was generally positive although there was many employers expressed concern about the bureaucracy involved and in some instances lack of consistent monitoring and support by Delivery Agent staff. There is evidence of opportunistic behaviour amongst a minority of employers who agreed to offer placements to quite large numbers of beneficiaries which may reflect, amongst other things, the quite generous wage subsidy element of the Programme. These issues underline the importance of identifying and engaging employers who share the ethos of the Programme and rather than simply meeting eligibility criteria.
- 12.12 Our ninth and final conclusion is that the experience and lessons learnt from the development, organisation and delivery of the TLM Programme have wider relevance and currency, not least of all with regard to the development of the South Yorkshire Cities Strategy initiative which shares so many of the underlying aims and objectives of the TLM Programme as well as the objectives and strategic priorities identified in the RES 2006 - 2015. This conclusion above all underpins our strategic recommendations below.

Recommendations

- 12.13 The recommendations of this report are organised at two levels:

- The first concern operational issues for consideration by funders and Delivery Agents which are relevant to the remaining period of Programme delivery to March 2008; three of the four Delivery Agents expect to continue to develop and deliver the Programme during this time [CFFE, Doncaster Chamber and BDA] whereas Phoenix Enterprises are focusing more on their Non-Teaching Assistants Programme.
- The second are strategic recommendations for consideration by funders which concern the future development of the Programme beyond March 2008.

Operational Recommendations

- 12.14 Given that the TLM Programme continues to operate in three of the original four designated local areas [and that similar job brokerage and employment support initiatives also co-exist] we would like to offer the following operational recommendations stemming from this evaluation. We acknowledge that not all these recommendations apply to the same extent to each Delivery Agent or local context but they do nevertheless reflect features of good practice within the TLM Programme and elsewhere.

Yorkshire Forward and the OI Executive

- Continue to take steps to increase Programme flexibility, especially with regard to the reallocation of funds between Delivery Agents due to variations in performance, more coordinated and [if possible] integrated monitoring arrangements and better communication with each other and SYCON.
- Consider funding distinctive pre-employment support activities for the hardest to help and most disadvantaged beneficiaries who are *not* ready to commence supported job placements; this would appear to be particularly important in relation to the Doncaster Chamber TLM model.

These could be delivered by Delivery Agents staff directly and/ or with support from specialist providers who have particular expertise in working with priority groups for example.

- Consider a modification to funding arrangements whereby Delivery Agents may be enabled to respond to applications by SMEs for additional 'top-up' funding to support beneficiary training and development activities over and above those funded already, these might include training in skills to more intermediate/ advanced levels [eg ICT, customer care] and help to address client-centred needs around disability and health impairment for example.
- Consideration should also be given to employer requests for funding towards specific training and development actions for beneficiaries *beyond* the TLM placement period in circumstances where beneficiaries are employed on a permanent basis but who still require additional training to achieve a higher level NVQ for example or to address a particular skills gap. Options as to how this might be made to work in practice, including the role of Delivery Agents, should be given close consideration and it should be born in mind that existing programmes funded by the LSC may be as or more appropriate to additional TLM funding.
- In light of our strategic recommendations [see below] - begin the process of preparing an employability commissioning document in conjunction with the South Yorkshire Partnership which supports the aims and objectives of both the RES and the South Yorkshire Cities Strategy.

Delivery Agents

- Improve future targeting of the Programme on people who are economically inactive, those with below Level 2 qualifications and people aged over 50. This could be facilitated by:
 - ▶ Devoting more time and resource to community-based outreach work aimed at targeting priority groups in deprived neighbourhoods through mechanism like Jobnets and/ or networking with VCS organisations and forums.
 - ▶ Strengthening and extending referral mechanisms, especially with Jobcentre Plus, Citizens Advice Bureaus, nextstep IAG providers [including but not exclusively Connexions] and community-based 'one stop shop' and 'neighbourhood management' type initiatives, including those supported by local authorities.
- Review all contractual and monitoring documentation which participating employers/ Providers are expected to complete with a view to simplifying, consolidating and clarifying. Particular attention should be paid to the use of Plain English and minimising the amount of duplicate paperwork.
- Revise and upgrade Training and Development Plans for TLM beneficiaries to have a slightly broader and longer term dimension akin to something like a Personal Development and Employability Plans. nextstep providers would be worth consulting with regard to this matter.
- Improve current arrangements for on-Programme beneficiary support and ensure that good practice features of client-case-loading are being followed. Particular attention needs to be given to facilitating access to training and job search support, ensuring beneficiaries are paid promptly and [where appropriate] resolving problems in a tripartite fashion involving themselves, the beneficiary and the employer.

- Review and enhance arrangements [including incentives] for Programme completers and employers to participate in monitoring and provide evidence of job outcomes where appropriate, as well as information about early leavers where available.
- Providing operational staff who deal with clients and the contract administration aspects of the TLM Programme have an opportunity to interact and share good practice. A workshop-style event could be organised and independently facilitated under 'Chatham House Rules' which brings together, perhaps exclusively, operational staff from BDA, CFFE, Doncaster Chamber and Phoenix Enterprises together with SYCON.
- More careful selection of participating employers and more preliminary work with those who are eligible in more than a 'technical' sense. In particular, ensuring increased engagement with private sector employers, especially SMEs with growth potential and a commitment to 'buy into' the ethos of the TLM Programme. Referrals through the new Business Link Regional Gateway should be explored once a Lead Provider has been identified in June or July of this year.
- Review marketing materials and introductory/ welcome packs and contracts to ensure that they provide employers with a clear and accurate indication of Programme aims and objectives and the respective roles and responsibilities of employers/ Providers and the Delivery Agent. Case studies can be used to illustrate various aspects of the Programme.
- Explore whether there is more potential to align the TLM Programme with other business support services and activities which emphasis workforce development and 'corporate' social responsibility for example. This might be particularly relevant to organisations like the BDA and Doncaster Chamber who provide investor support services to indigenous businesses and inward investors. Could TLM job placement opportunities be given a higher profile within the business support packages on offer?
- Ensure that employers do not over-stretch themselves in recruiting too many TLM beneficiaries at any one time [notably local authorities] and where beneficiaries are offered job placements in circumstances where the likelihood of sustainable job opportunities is small [notably the VCS] except where those placements are of a particularly high standard.
- Explore how best to develop and strengthen linkages with specialist providers of support [of various kinds, not necessarily related to employability] to key priority groups, be they private or VCS organisations. And consider where they might be 'brokered-in' to provide practical help to beneficiaries during initial assessment and beyond in conjunction with Delivery Agent staff.

SYCON

- Make proposals to all four SYCON members which will encourage and enable them to collectively agree to an effective Communications Protocol so that the SYCON Manager becomes quickly and fully informed of any performance or contract administration problems and can relay information amongst Delivery Agents more efficiently.
- Enable Delivery Agents to jointly consider wider opportunities for the development of the Programme [and other services they provide] which might arise from strategic developments across the sub-region.

The consortium could be more adept at collectively scanning the horizon for potential market opportunities as has been done in relation to Directions Finningley, investor aftercare and Creative Sheffield for example.

- There should be a joint review of contract-related documentation by the Delivery Agents with a view to incorporating good practice and achieving more harmonization of paperwork and procedures for the collection of data amongst them.

Strategic Recommendations

12.15 If we consider the future of the TLM Programme beyond March 2008, there are three main strategic options to consider:

1. Continuation of the South Yorkshire TLM Programme broadly in its current form with changes at an operational level following the recommendations made above. More or less the status quo option.
2. A modified South Yorkshire TLM Programme which follows insights into good practice and seeks to replicate these across the four delivery models to bring about a more consistent sub-regional model, albeit still delivered at a local area level by one or more Delivery Agents. The structural change option.
3. The discontinuation of a discrete sub-regional TLM Programme per se in preference to a more strategic and localised approach to addressing worklessness in the most deprived areas. The mainstreaming option.

12.16 The balance of evidence collected and analysed as part of this evaluation strongly point towards option c as the most feasible and desirable way forward for four main reasons:

- The justification for a sub-regional approach to addressing issues of employability and worklessness from an operational perspective is weak and the supposed advantages from a contract management perspective are easily overstated.
- The existing TLM Programme should be more firmly set within a coherent strategic framework at the local [rather than sub-regional] level.
- Experience elsewhere suggests that the contribution of several agencies and sectors need to be coordinated and resourced if entrenched worklessness is to be addressed in specific localities and amongst specific groups and that a long term approach is essential.
- There is an opportunity, through the new Cities Strategy initiative in particular, to move towards a more coherent approach to addressing worklessness in the most disadvantaged areas whilst retaining an appropriate sub-regional dimension.

12.17 South Yorkshire was selected as a Pathfinder area and submitted an Expression of Interest to the DWP in July 2006. On 2 April 2007 the Secretary of State announced that all 15 Pathfinders would have the following:

- Direct control of £32 million from the Government's Deprived Areas Fund once targets have been agreed. This would amount to £2.1m per Pathfinder area if allocated simplistically.
- A key role in shaping the delivery of the Government's flagship Pathways to Work programme to help people off incapacity benefit.
- Access to improved data-sharing.

- A greater ability to influence the provision of training opportunities and employment programmes at a local level.
- Potential additional reward funding if they are successful in meeting their targets to get people back to work.

12.18 City Strategies initiative provides a useful mechanism to make better use of existing resources through improved coordination and more flexible deployment. It is already proposed that discretionary funding streams will be pooled by employer-led Work and Skills Boards in each local authority area, including NRF, LSCWY LID [Local Initiative Development] funds, DWP Deprived Areas Fund and pump-priming funds and ESF. Against this background, and the conclusions of this evaluation, we recommend that Yorkshire Forward should primarily focus future investment towards achieving Objective 4 of the RES [‘Connecting People to Jobs’] through the City Strategies initiative and approach in conjunction with the South Yorkshire Partnership and the South Yorkshire Consortium of LSPs.

12.19 Accordingly, we also recommend that Yorkshire Forward and the South Yorkshire Partnership [in consultation with the OI Executive] formulate Commissioning Frameworks in conjunction with the four Work and Skills Boards which reflect Sub-regional Investment Plan [and therefore also RES] priorities as well as those which have been locally determined and then work together to identify appropriate accountable bodies through which funding can be allocated and performance and impact monitored and evaluated, initially within a three year time frame.

12.20 Finally we recommend that this report is used to help inform the ongoing development of three year Cities Strategy Implementation Plans by the South Yorkshire Consortium of LSPs and their respective Work and Skills Boards, supported by the South Yorkshire Partnership. Jobcentre Plus will undoubtedly be a key stakeholder to work with in future interventions to address worklessness in the most deprived neighbourhoods across South Yorkshire.