

Liverpool City Region Youth Employment Gateway (YEG) Evaluation

Summary

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Introduction

In 2013, Liverpool City Region (LCR) was successful in securing £5.9 million of Youth Contact Underspend (YCU) funding, to deliver the Youth Employment Gateway (YEG), an ambitious initiative to reduce youth unemployment across the City Region. The initiative was designed collaboratively across the six local authorities in LCR, and delivered between 2014 and 2017 by six local authorities, four of which delivered YEG directly and two of which sub contracted delivery.

Learning and Work Institute were commissioned by the Liverpool City Region Employment and Skills Team to carry out an evaluation of YEG, focused on:

- the extent to which the programme delivered sustainable job outcomes,
- which aspects of the programme were most effective, and
- lessons for future policy development and commissioning.

The methods used in the evaluation included:

- An analysis of management information (MI) from the programme;
- An online participant survey;
- Qualitative interviews with staff managing and delivering YEG, other stakeholders and programme participants; and
- A benchmarking exercise, comparing trends in the youth claimant count in the Liverpool City Region against trends in comparable cities.

Key findings

YEG participants

YEG participants were largely reflective of the youth claimant population in the Merseyside district in terms of gender and ethnic profile, but larger proportions of younger people (i.e. age 18-21) joined the programme compared to their proportion in the youth claimant count.

The majority (72%) of participants were unemployed for 6 months or less when they joined the programme, but the proportion of long-term unemployed varied markedly across providers, with those unemployed over 6 months making up nearly half (45%) of the YEG population in one provider, compared to less than 1% in another.

The most common barriers to work reported by YEG survey respondents were a lack of work experience, confidence in applying for jobs and job interview skills. This is reflected in Work Star assessments too, which showed that job-specific skills, job search skills and confidence and motivation were the key areas where participants required support.

There was also a small group of YEG participants with more significant barriers to work. For example, around one in five had at least one characteristic or experience

indicating labour market disadvantage¹, and around half of these participants had two or more of these characteristics, encompassing eight per cent of the YEG population in total. Moreover, 12% of YEG participants had a health condition and/or a disability. Almost all of the barriers to work identified by participants were more significant for people with health conditions, those with low qualifications, and longer-term unemployed people.

YEG outcomes

By September 2017, all of the targets for Phase 1 of YEG – including starts on the programme, job starts and 6-month sustained job outcomes - had been met. For Phase 2 the target for starts to the programme had been met, and the job starts target almost met, but the sustained (26-week) outcome target had not yet been met.

Our analysis suggests that most of this difference between the two phases of YEG was down to higher targets in Phase 2 and a longer reporting window for Phase 1 outcomes. If the target in Phase 2 matched that in Phase 1 (as a proportion of programme starts) and the reporting window was the same (with a similar pattern of later-reported outcomes to that seen in Phase 1), we calculate that:

- **130%** of the **job outcome target** would have been achieved for **Phase 2**, compared to **141%** for **Phase 1**, and
- **95%** of the **sustained jobs target** would have been achieved for **Phase 2**, compared to **106%** in **Phase 1**.

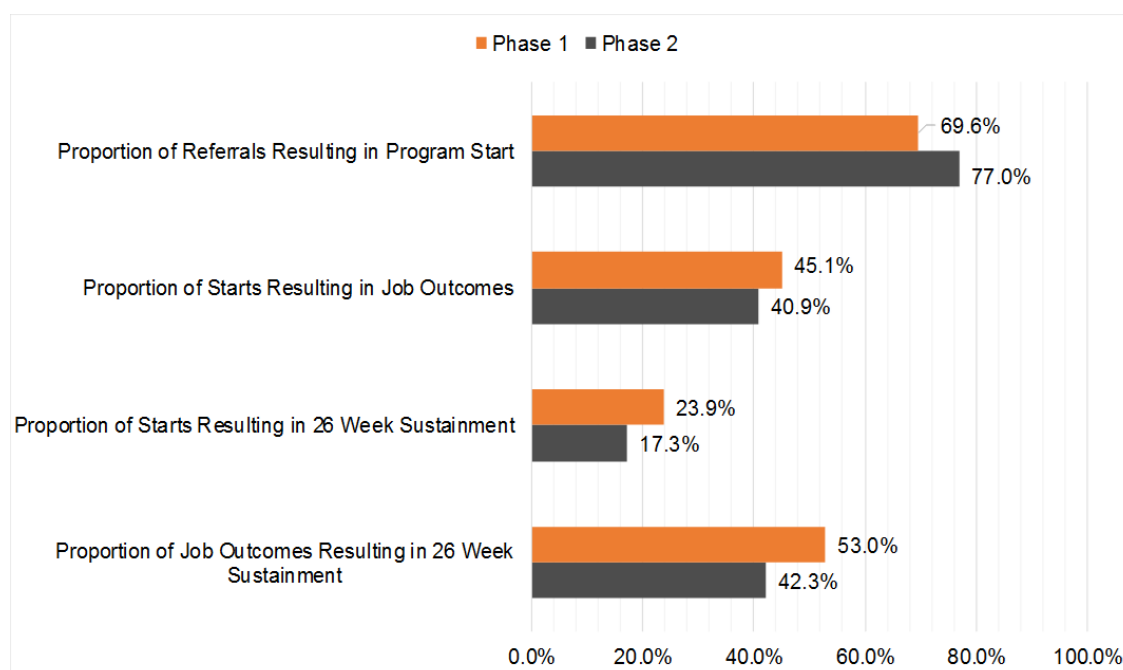
The job outcome rate (as a proportion of starts on the programme) for **Phase 1** was **45%**, and for **Phase 2** it was **41%** (see Figure 1). Six-month sustainments, as a proportion of jobs obtained was **53%** in **Phase 1** and **42%** in **Phase 2**. Again this is partly explained by the longer reporting period for Phase 1.

A cohort analysis showed that YEG performed better for those participants who were closer to the labour market, since job outcome rates reduced as participants remained on the programme for longer. This was more so in Phase 2, where YEG appeared to be better at getting people into jobs quickly, but saw a lower proportion of the total caseload move into jobs than in Phase 1.

Overall then, YEG was more successful at converting referrals into programme starts in Phase 2, but performed slightly less well in terms of achieving outcomes. This may have been due to time constraints reported by advisers in Phase 2 of YEG due to the pressures of delivering other programmes, such as additional ESF provision, alongside YEG.

¹ These characteristics included having a disability, health condition, learning difficulty or basic skills needs, or being a lone parent, a carer, ex-services, an ex-offender, a care-leaver, homeless, or a refugee or asylum seeker.

Figure 1: Job Outcome Rates, Phase 1 & 2, All Providers



Source: YEG performance data – Phase 1 & 2

Who achieved job outcomes?

Job outcomes on YEG were clearly correlated with personal characteristics. Those YEG participants who were longer-term unemployed, lower qualified, with a health condition or disability or multiple disadvantages were all less likely to secure work. For example, around two fifths (44%) of participants who were 0-6 months unemployed prior to joining YEG achieved a job outcome, compared to a third (33%) of those unemployed for 6-12 months and just a quarter of those unemployed for more than 12 months. The trend was similar across all providers and for both phases. A similar pattern is seen for those who sustained work for 26 weeks.

These differences in outcome rates by personal characteristics are likely to partly explain differences in job outcomes across providers, since those providers with the highest job outcome rates were also those with smaller numbers of longer-term unemployed customers. The job sustainment rate (as a proportion of jobs obtained) showed a slightly different pattern, however. For example, one provider appeared to be comparatively effective at sustainment, though achieved comparatively low job outcome rates. It is plausible that this may reflect labour market differences and/or provider practices and this issue may merit further investigation.

What role did YEG play in these outcomes?

There are considerable difficulties in assessing the *additional* impact of YEG – over and above the impact of any support that young people might have received from DWP or elsewhere. This could only be assessed robustly with access to individual-level (DWP-held) benefit data or through a randomised control trial, neither of which were possible for YEG.

Instead, a benchmarking exercise was conducted, comparing trends in the youth claimant count in Liverpool City Region with Greater Manchester over the period of YEG operation to provide some insight into this question. This analysis showed a larger fall in the youth claimant count in the LCR, compared to Greater Manchester, by 6.8 percentage points. Given a similar Universal Credit rollout schedule in both areas, and broadly comparable macro-economic conditions, the difference in claimant count reduction in the two areas appears to be due to other factors, which include employment support programmes such as YEG. This is consistent with the hypothesis that YEG has had a positive impact on reducing the youth claimant count in Liverpool City Region, although we are not able to specify with certainty how much of this difference is directly attributable to YEG.

In terms of participants' self-reporting of the role played by YEG, just over half (53%) of our survey respondents who had entered work said that YEG had played a role in their achievement of this outcome. Similarly, just over half (53%) of participants in work said that YEG had played a role in helping them to stay in work. YEG participants who were more disadvantaged (as measured by length of unemployment on joining the programme), while less likely to achieve a job outcome on YEG, were *more* likely to say YEG had played a role in helping them to achieve this job outcome.

Participants who had not found work also reported that YEG had resulted in soft outcomes. For example, 85% of survey respondents who had not yet found work said that they had made progress towards work while on YEG, and around two thirds of those who felt they'd become more job ready reported that this was all, or substantially, as a result of YEG support. However participants who were more disadvantaged were more likely to say they had made only limited progress.

How did YEG achieve these outcomes?

YEG staff and participants were in agreement over the key ingredients of the YEG programme that were most successful in enabling outcomes. These included:

One-to-one adviser support

This played a key role in building participants' confidence and motivation, providing support in job search and in job applications, and delivering a personally-tailored package of support to address participant barriers and work towards their aspirations.

YEG participants were overwhelmingly positive about their personal advisers; over 90% of survey respondents 'agreed' or 'strongly agreed' that their adviser:

- gave good advice and support,
- developed a good relationship with them,
- gave the right support at the right time,
- understood their individual needs, and
- was knowledgeable.

The support of their personal adviser was the most important aspect of the YEG programme for many participants. They especially valued their advisers' approach and characteristics, such as friendliness, helpfulness and trustworthiness, and valued being able to engage with an adviser they trusted and who treated them as an individual, by listening to their needs, concerns and aspirations.

Employability support

This included support with improving job search skills, enhancing CVs and job applications, coaching in interview techniques, access to an enhanced range of employment and training opportunities and good quality job matching. This type of support formed the core of support provided through YEG, and largely reflected the barriers reported by YEG clients, which were primarily related to employability, such as job search skills, confidence in applying for jobs and interview skills.

The participant budget

A key feature of YEG was the availability of a budget of £500 per participant that could be spent flexibly on items that would aid work entry or retention. This was a key aspect of the provision that was highly valued by advisers and participants alike, particularly the flexibility in how it could be spent. When asked to rate the helpfulness of the support received on YEG, financial support was rated the highest, with 97% of those receiving it rating it as 'extremely' or 'quite' useful. Receipt of financial support was also positively correlated with overall satisfaction with YEG - three quarters (77%) of those who received financial support were 'very satisfied' with YEG, compared to three fifths (61%) of those who did not receive financial support.

Wider partnerships

In addition to one-to-one adviser support, participants had access to a range of other in-house and external support, which was extended and strengthened over the course of YEG. Examples included:

- YEG advisers working more closely with employer engagement teams on job matching for YEG participants;
- developing new employability courses in-house;
- making links with a wider range of external provision, including for health and wellbeing; and
- enhanced collaboration with JCP to ensure the co-ordination of support.

This wider provision was particularly valuable for some YEG participants who had additional needs. For example, survey respondents with a health condition were more likely than others to say that referral to another organisation was what helped them most on YEG.

YEG delivery challenges

The key challenges faced in the delivery of YEG included:

- Time pressures on advisers in Phase 2 of the programme, due to larger caseloads (in some cases from other programmes as well as YEG), which meant that they had less face-to-face contact time with YEG participants.
- Problems with participant disengagement, often following the first meeting, which could be due to a poor referral (e.g. limited explanation of YEG by the person making the referral).
- Maintaining contact with in-work participants and obtaining evidence of employment and sustained work from employers. There was often anecdotal evidence to support a claim of job retention, but it was difficult to get the individual or the employer to provide the standard of evidence that was required.
- Inconsistencies and fluctuations in referral rates across JCP offices, which were in part due to: a lack of awareness of YEG amongst some JCP staff; the rate of staff turnover; movement of staff between teams and offices; and competing priorities.
- Gaps in external support provision, including:
 - affordable housing for young people leaving supported (hostel) accommodation;
 - a paucity of good quality training provision;
 - flexible provision of basic Maths and English to meet working participants' needs;
 - long waiting lists for counselling; and
 - limited support options for young people with learning disabilities.
- Payment processing times for the participant budget, which could result in lengthy delays for participants (e.g. in starting a course) or mean that they had to pay upfront and claim the costs back.
- The amount of programme paperwork, which remained a source of contention for many advisers, including duplication of forms completed both in paper and online. This was especially so when the young person was also on other programmes being delivered by the provider, which had their own paperwork requirements.

Differences between Phase 1 and Phase 2 of YEG

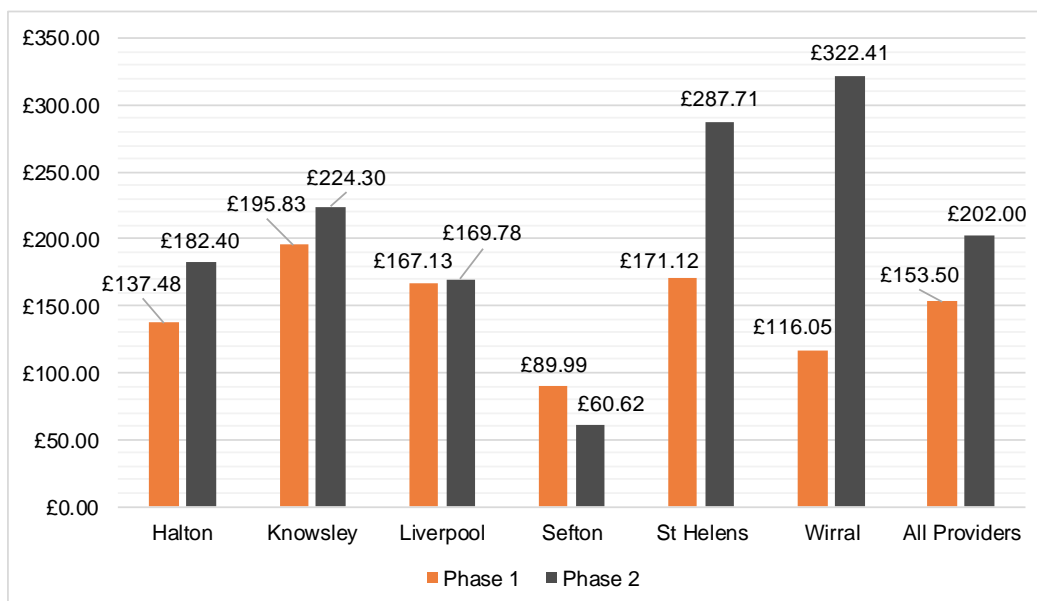
A key question for the evaluation was whether the introduction of the personalised budget in Phase 2 of YEG, which encouraged young people to take greater ownership of their back-to-work journey by giving them more control over their expenditure, resulted in improved outcomes. Comparative analysis of job outcomes and sustained job outcomes in the two phases (above) suggests that this was not the case. Phase 2 performance was slightly lower than for Phase 1, largely but not completely explained by a longer reporting window for Phase 1 outcomes. Reported

pressures on staff time in Phase 2 may also have detrimentally influenced Phase 2 outcomes.

Qualitative data from the evaluation suggests that, in practice, there was relatively little difference in the way that the YEG budget operated between the two phases of the programme. Therefore the absence of any significant difference in outcomes between the two phases of YEG is not very surprising. YEG advisers generally reported having a continued involvement in participants' spending decisions in Phase 2, although, as in Phase 1, the extent of their involvement differed depending on individual capabilities and preferences. Likewise, participants in both phases also reported that decisions about how to spend the fund were made jointly between themselves and their adviser. In both phases, advisers also reported that they played a key role in challenging participants' choices and ensuring that spending was used effectively to remove work barriers.

Expenditure patterns between the phases were not significantly different. The spend per person was considerably higher in Phase 2 (Figure 2), although this was not consistent across providers, and there was a small shift in expenditure away from training and licences and towards clothing (Figure 3).

Figure 2: Average per person² expenditure by provider and phase

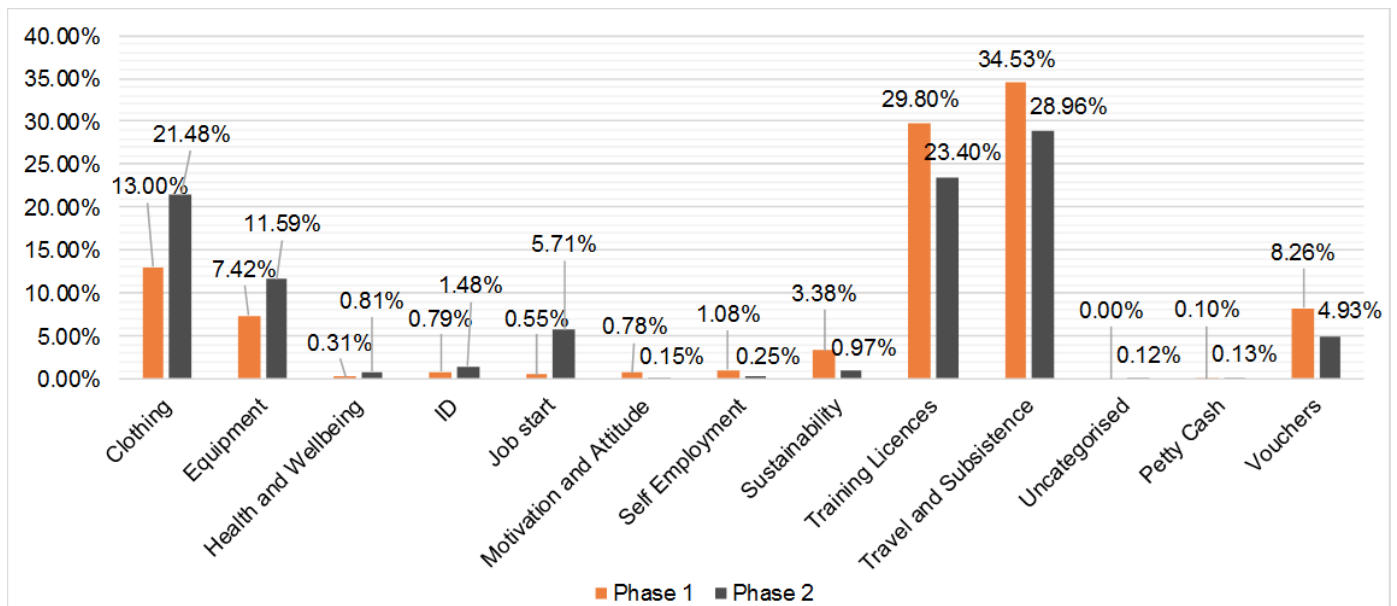


Some advisers reported placing more emphasis on promoting budget management in Phase 2, than in Phase 1, and some reported that they used the YEG website to encourage participants to be more self-reliant in researching their expenditure options. There was some suggestive evidence that this had a positive influence on participant capabilities, since a higher proportion of survey respondents in Phase 2 reported gaining budgeting skills as a result of YEG, and in interviews some

² This is an average across all participants on the caseload for each provider, regardless of whether they received any budget.

participants spoke of actively managing their fund to cover out-of-work and in-work costs.

Figure 3: Personal budget expenditure by Phase³



Source: YEG all provider MI – both phases

However this approach to promoting budget management was not taken uniformly by advisers across the programme, with a number of them feeling that the budgeting website had limited added value. Moreover, advisers typically reported low usage of the website and a reliance among many participants on the adviser to suggest options for purchases.

Supporting young people further from the labour market

A key underpinning ingredient of YEG’s success was the provision of personally-tailored support. A wide range of support options were available, to suit the range of needs and barriers facing participants, and the options taken up differed according to participant characteristics. For example, our survey suggested that:

- Young people who were more highly qualified were more likely to access financial support, as well as help to look for work, help to prepare for jobs and careers advice, while lower qualified young people were more likely to access a work placement or an apprenticeship.
- Those participants who were longer-term unemployed (at the start of the programme) were more likely to access careers advice and training courses but less likely to access financial support.

³ Inconsistencies in the way that client expenditure was recorded by Wirral mean that it has been excluded from this analysis.

- Younger people (aged 22 or under) were significantly more likely than those aged over 22 to access most forms of support, especially help to prepare for work, help to look for work and careers advice.

A striking finding is that the financial support available through the YEG participant budget was less likely to be used by longer-term unemployed participants. This may have been because they were less work-ready (and indeed less likely to enter work while on YEG), and the budget was often used to address 'final' barriers to job entry for those who were already job-ready, for example clothing and travel expenses for interviews. Indeed, longer-term unemployed participants if they used the budget were more likely to spend it on training and licences and less likely to spend it on travel and clothing.

While this variation in patterns of usage suggests that the participant budget was being tailored to individual requirements and needs, as intended, it may be helpful to consider for the future whether the personal budget is able to be used to effectively address barriers for those participants further away from the labour market. This is a particular concern given the shift away from expenditure on training and licences, and towards clothing in Phase 2 of the programme.

Recommendations for future provision

A key objective of the YEG evaluation was to provide lessons for future policy development and commissioning for tackling youth unemployment at the local level. The context has changed substantially since YEG was initiated, with the youth claimant count reducing in the Liverpool City Region (reflecting nationwide trends) over the course of YEG, by just over 2,500, or 30%. The introduction of Universal Credit also changes the context for youth employment provision, with 18 to 21 year olds now mandated to take part in the Youth Obligation for the first six months of their claim, and then expected to apply for an apprenticeship or traineeship, gain work-based skills or take up a mandatory work placement if still unemployed after six months.

Any future provision therefore needs to align with this new context. Nonetheless, YEG has provided a successful model of employment support in the Liverpool City region, both reinforcing findings about good practice from other provision, as well as bringing new insights, for example on use of the participant budget. On the basis of the findings from the YEG evaluation, we make recommendations for future provision in six areas, set out below.

1. Invest in personalized, adviser-led support with effective links to employers and good job matching

The evaluation identified the key elements of successful support on YEG as:

- The provision of tailored, adviser-led support;
- partnership working across a range of services to address wider barriers;

- access to pre-employment training with good links to employers and effective job matching.

These findings reflect wider evidence on good practice in the delivery of employment support for young people and reinforce the need to invest in this type of provision.

2. Invest in a flexible budget to address barriers to work entry and sustainment and explore ways of making this work most effectively for young people further from the labour market

The participant budget was a unique element of YEG provision that was highly valued by both staff and participants alike. Its particular selling point was the flexibility of the resource, so that it could be used to address a wide range of individual needs, including those of people in work. It is therefore likely to be a useful tool in future provision. The experience of the personal budget in YEG could be built on in two main ways:

- **Supporting claimants with budgeting skills:** In Phase 2 of the programme, the personalised budget encouraged young people to take greater responsibility for their spending decisions, supported by an online budget planning tool. While not all staff saw the added value of this, it did enable some YEG advisers to use this as a tool for opening up conversations about financial management with young people, encouraging them to develop their budgeting skills so that they could better manage their income and outgoings. In the context of the rollout of Universal Credit, which entails monthly instead of weekly benefit payments, this type of support is likely to become more important in future provision, and good practice developed during YEG could usefully be built upon further.
- **Reviewing the use of the budget for participants further from the labour market:** Participants on YEG who were longer-term unemployed when they joined were less likely to make use of the personal budget, partly because the budget was often spent on addressing the ‘final’ barriers to job entry for work-ready participants. For future provision, it would be useful to review personal budget expenditure and explore ways of using it more effectively for meeting the needs of participants further from the labour market.

3. Focus on increasing awareness of support among key referral partners and co-ordinating efforts to engage and enroll participants

Relations between the YEG providers and Jobcentre Plus – as the sole referral partner for YEG - were crucially important to achieve targets for programme starts and hence outcomes. These relationships improved over the course of YEG, helped in part by the joint workshops held between YEG and JCP staff, and there were numerous examples of good practice between YEG advisers and JCP work coaches. This was reflected in an improved conversion rate of referrals to

programme starts in Phase 2 of the programme. However the strength of the relationships and the nature of referral flows remained uneven across providers and JCP offices. For future provision, there remains room for further improvement in co-ordinating efforts to engage and enroll participants in provision, especially co-ordination between Jobcentre Plus and Combined Authority-commissioned provision.

4. Ensure that wider support services to address barriers and promote sustainable work for young people are available and accessible, in particular for young people with additional barriers

Partnership working to address the wider support needs of YEG participants, to promote access to training offers and to enable effective job matching and placement improved over the course of YEG. However there remained gaps in support. Findings also suggested that there was a small group of young people on YEG who had more complex barriers to work and who made more limited progress. For future provision, efforts should be made to map and understand any gaps in the wider provision available to support young people to address their barriers and move into sustainable work and work towards ensuring that these gaps are addressed to support improved programme outcomes.

5. Explore ways of building on the effective adviser-led models of support developed in YEG, with a greater focus on support for young people to sustain and progress in work

In-work support for young people who had entered work was an area where providers struggled to deliver support consistently. Our interviews found a number of examples of young people struggling with the work transition or stuck in insecure or unfulfilling work who could have benefitted from ongoing support. In-work support to promote sustainment and progression is a relatively new area of provision that will become more important as Universal Credit Full Service rolls out. There is scope to develop and improve this area of provision in the future through supporting attempts to share good practice, both from within YEG, and from wider experiences, of both delivering and commissioning in-work support for young people.

6. Support collaborative ventures across the Liverpool City Region in the delivery of future employment support, in order to better co-ordinate support services and share and promote good practice

YEG provided a successful model of joint working across the six local authorities in the Liverpool City Region, who worked collaboratively in the design and delivery of the programme. This provides a key area of strength to build on in future commissioning. Efforts should also be made in future to ensure common systems for recording data are utilized to ensure the reliability of data for monitoring and evaluation purposes.