

# Liverpool City Region Youth Employment Gateway (YEG) Evaluation

## Final Report

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*In January 2016, NIACE and the Centre for Economic and Social Inclusion  
merged to form Learning and Work Institute*

**Learning and Work Institute**

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## Summary

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 disadvantage<sup>1</sup>, 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.

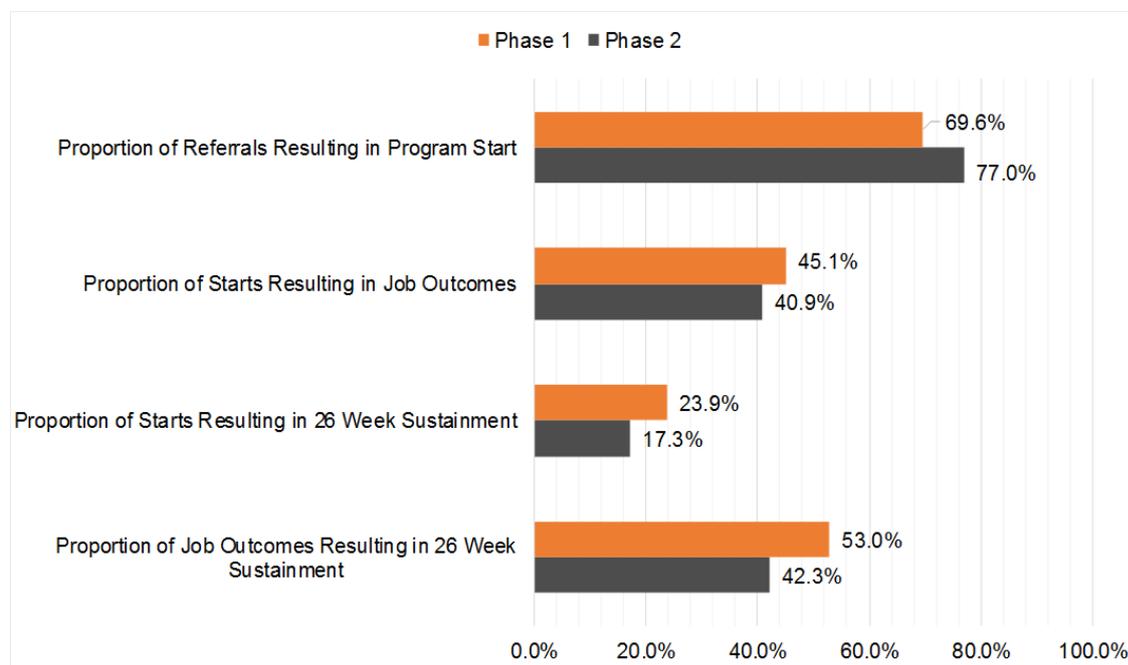
Overall then, YEG was more successful at converting referrals into programme starts in Phase 2, but performed slightly less well in terms of achieving outcomes. This may have been due to time constraints reported by advisers in Phase 2 of YEG due to the

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<sup>1</sup> 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.

pressures of delivering other programmes, such as additional ESF provision, alongside YEG.

**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**

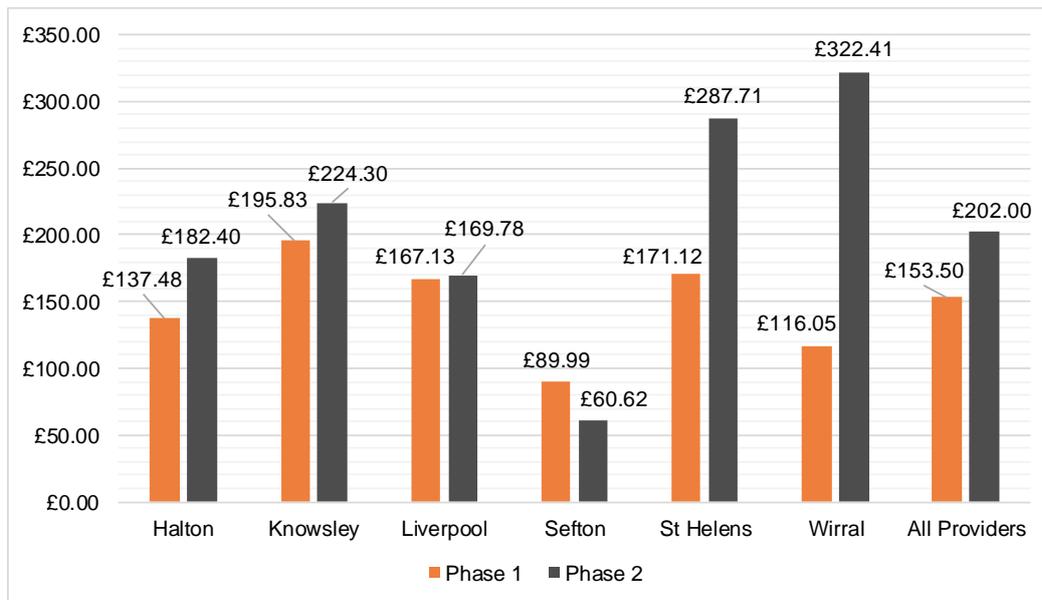
A key question for the evaluation was whether the introduction of the personalised budget in Phase 2 of YEG, which encouraged young people to take greater ownership of their back-to-work journey by giving them more control over their expenditure, resulted in improved outcomes. Comparative analysis of 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.

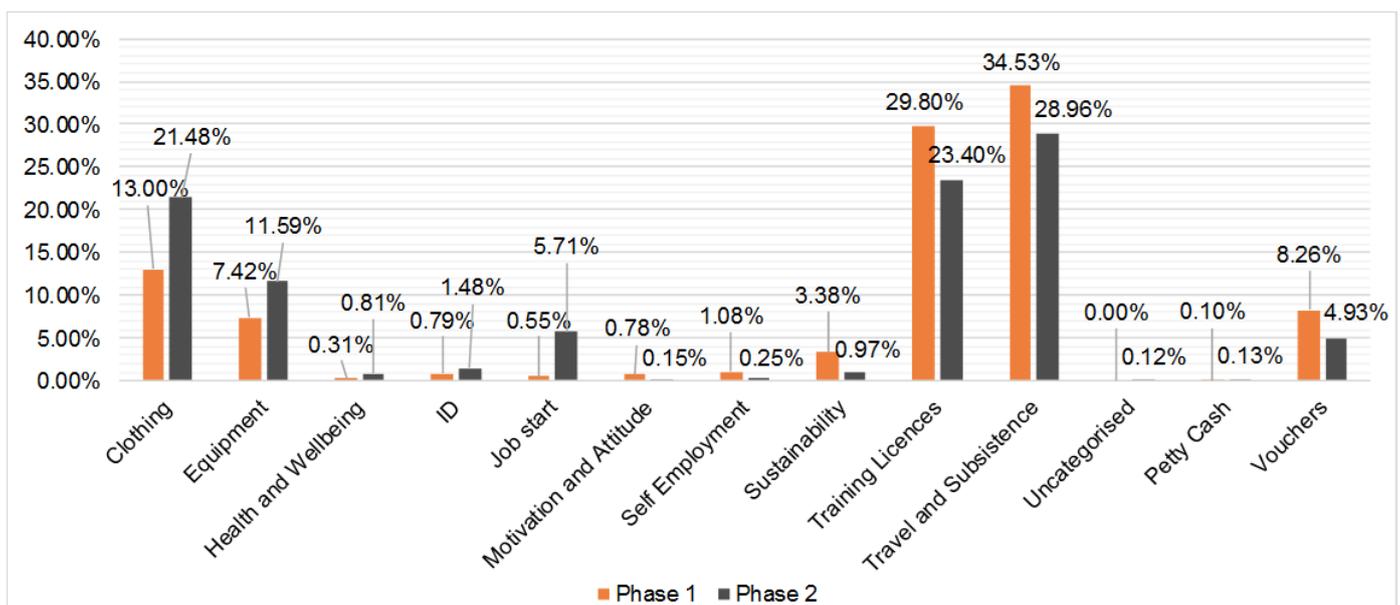
Expenditure patterns between the phases were not significantly different. The spend per person was considerably higher in Phase 2 (Figure 2), although this was not consistent across providers, and there was a small shift in expenditure away from training and licences and towards clothing (Figure 3).

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

**Figure 2: Average per person<sup>2</sup> expenditure by provider and phase**



**Figure 3: Personal budget expenditure by Phase<sup>3</sup>**



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

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

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

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.
- 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.

# 1 Introduction

This report presents the findings from the evaluation of the Youth Employment Gateway (YEG), an ambitious initiative to reduce youth unemployment across the Liverpool City Region (LCR), which ran from 2014 through to 2017. Learning and Work Institute were commissioned by the Liverpool City Region Employment and Skills Team to carry out the evaluation, in order to find out:

- the extent to which the programme delivered sustainable job outcomes and how this compared across programme phases;
- which aspects of programme delivery were most effective, and
- to provide lessons for future policy development and commissioning for tackling youth unemployment at the local level.

## 1.1 The Liverpool City Region Youth Employment Gateway (YEG)

In summer 2013, the Government announced the opportunity for City Regions to bid for a share of Youth Contact Underspend (YCU) funding. Liverpool City Region was one of the successful bidders and was awarded £5.9 million in November 2013, to deliver the Youth Employment Gateway – a programme aimed at reducing youth unemployment in the City Region.

The Youth Employment Gateway was a single programme, designed and delivered collaboratively across all six local authorities in the Liverpool City Region<sup>4</sup>. In four of these authorities, YEG was delivered by the local authority, while in two cases (Wirral and St Helen's) it was delivered by a contracted provider. Representatives from each of the authorities worked together on the initial YCU application, and this collaboration continued during the programme development and delivery stage, via the YEG Steering and Operations groups.

Young people were eligible for YEG if they were aged between 18 and 24 and had been claiming Jobseeker's Allowance (JSA) or Universal Credit (UC) for between eight weeks and nine months. The Universal Credit Live Service was rolled out across the city region during the delivery of YEG, reaching over 80% of 18-24 claimants in the LCR by September 2016, so as the programme progressed, the proportion of UC claimants taking part increased. Eligible young people were referred to YEG by Jobcentre Plus work coaches.

The YEG programme provided young people taking part with access to a personal adviser who delivered individually-tailored employment-related advice and guidance to help participants move closer to, and into, the labour market, which was received

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<sup>4</sup> A similar arrangement had existed previously, with the Pathfinder Enabling Programme (PEP) that ran across the six local authorities between 2008 and 2013.

alongside any support that the young person was receiving from Jobcentre Plus. A unique feature of YEG was the availability of a flexible funding pot (of up to £500 per individual) to help pay for goods or services that would improve their employment prospects. Two different approaches to the management of this fund were deployed in the programme.

- In Phase 1 of the programme, delivered between September 2014 and September 2016, the young person's adviser played a lead role in determining spending decisions. This was referred to as the *individualised budget*.
- In Phase 2 of YEG, which ran from October 2015 through to September 2017<sup>5</sup>, young people themselves took greater responsibility for purchasing decisions. This was referred to as the *personalised budget*.

## 1.2 The Evaluation

The evaluation used a range of research methods and data sources to provide an assessment of the programme's effectiveness. A key question was whether the introduction of the personalised budget in Phase 2 made a difference to young people's experiences of the programme and their outcomes.

Research methods included:

- An analysis of management information (MI) from Phases 1 and 2 of the programme, to examine participant characteristics and outcomes achieved;
- An online survey of participants in each phase, to gain an overview of participant experiences, their views of the programme and any soft outcomes achieved;
- Qualitative interviews with staff managing and delivering YEG in both phases, as well as other relevant stakeholders (such as Jobcentre Plus staff), to gain insight into what was being delivered, changes over time, and perceived strengths and weaknesses of the programme;
- Qualitative interviews with programme participants in each phase – both single point-in-time and longitudinal interviews – to gain more detailed insight into the range of participant experiences, views and perceived outcomes; and
- A benchmarking exercise, comparing trends in the youth claimant count in the Liverpool City Region over the period of YEG delivery against trends in other cities that have some comparability, to try to address the additional impact that YEG may have had.

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<sup>5</sup> Additional funding from ESF extended the programme's eligibility in Phase 2 to a wider pool of participants with delivery lasting until December 2017. This evaluation focuses only on the original participant group, funded through Youth Contract Underspend.

## Data sources

For the key analyses in this report, detailing programme participation and outcomes, we use the programme's management information, since this is the most comprehensive data source on individuals who took part in the YEG programme. MI on participant characteristics and outcomes was collected by providers and is available for all 1,873 people who took part in Phase 1, and 3,112 people who took part in Phase 2.

The participant survey was undertaken in two waves in Jan-Feb 2016 (Phase 1 participants) and Jul-Aug 2016 (Phase 2 participants), with an achieved response rate across both waves of 11%. Given the small sample size, and some observed differences in characteristics between the survey participants and the full YEG population<sup>6</sup>, the survey data cannot be taken as fully representative, and is used in the report primarily for illustrative purposes.

Qualitative research with staff and participants was undertaken in three waves:

- Wave 1 (between December 2015 and February 2016) entailed interviews with 11 managers with strategic responsibility for YEG, 12 frontline YEG delivery staff and 25 YEG participants.
- Wave 2 (between June and October 2016) entailed interviews with 10 frontline YEG delivery staff, 4 Jobcentre Plus staff and 24 YEG Phase 2 customers. In addition, 7 longitudinal (repeat) interviews were undertaken with Phase 1 participants to explore longer term outcomes.
- Wave 3 (between June and July 2017) entailed interviews with 7 YEG delivery staff and 10 YEG participants. This wave of interviews focused particularly on experiences of the personalized budget.

Qualitative data is used in the report to provide insight into the range and diversity of experiences and views of the programme and to help explain how any outcomes were achieved.

### 1.3 Structure of the report

The remainder of this report is structured as follows:

- Chapter 2 describes YEG participants and their barriers to work;
- Chapter 3 describes the types of support delivered in YEG, and staff and participant views on this support, examining any differences between Phase 1 and Phase 2 and across providers;

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<sup>6</sup> E.g. on gender, length of unemployment and outcomes achieved

- Chapter 4 examines YEG outcomes, again comparing across phases and providers, and explores what helped to achieve these outcomes;
- Chapter 5 concludes, presenting key strengths and weaknesses of YEG and suggestions for improvement.

## 2 YEG participants

This chapter describes the characteristics of participants who were supported by the YEG programme and their barriers to work, drawing on a combination of programme management information (MI) and participant survey data.

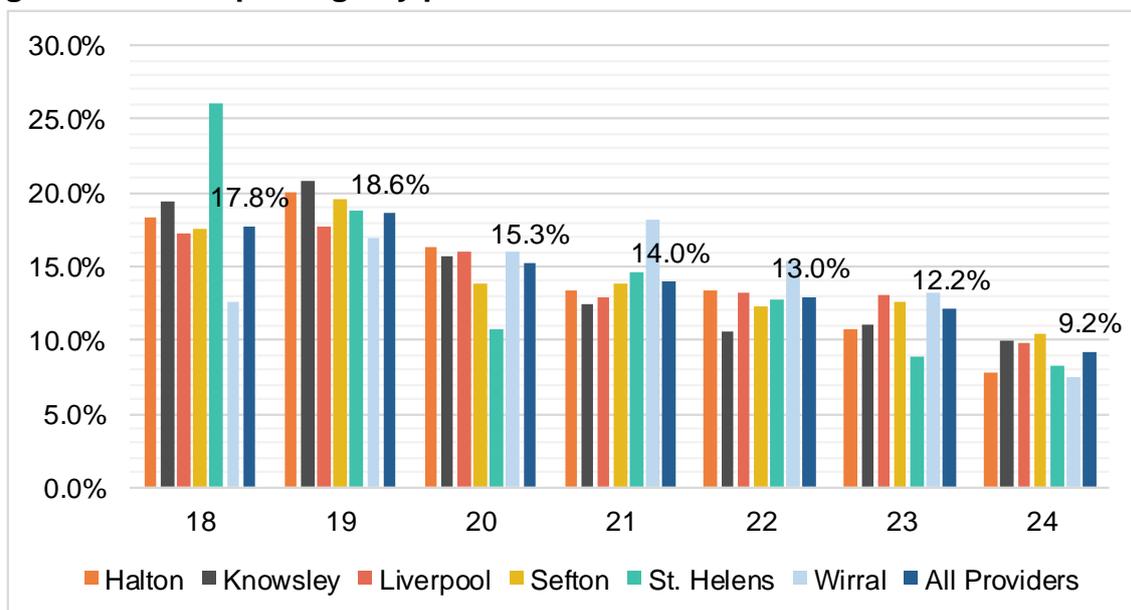
### 2.1 Who did YEG support?

#### Age, gender and ethnicity

Across both phases of YEG, management information (MI) was recorded for 4,985 participants who joined the programme. The majority of participants were male, outnumbering female participants by a ratio of 1.7 to 1. This proportion was fairly consistent across all providers and phases, and was also consistent across age groups. It also broadly reflects the gender split of the 18-24 caseloads in the Liverpool and Merseyside JCP district<sup>7</sup>.

Providers did not record participant ethnicity in their MI, however our survey suggests that the majority of participants on YEG were white (91%) – which is again identical to the proportion in the youth claimant population in the district. The remaining participants were from a range of other ethnic backgrounds.

**Figure 2.1 Participant age by provider**



Source: YEG all provider MI – both phases

Figure 2.1 shows that YEG participants tended to be at the younger end of the 18-24 age range. Over half (52%) of YEG participants were under the age of 21, and a third were aged 18-19 (36%). This is a little different to the 18-24 claimant

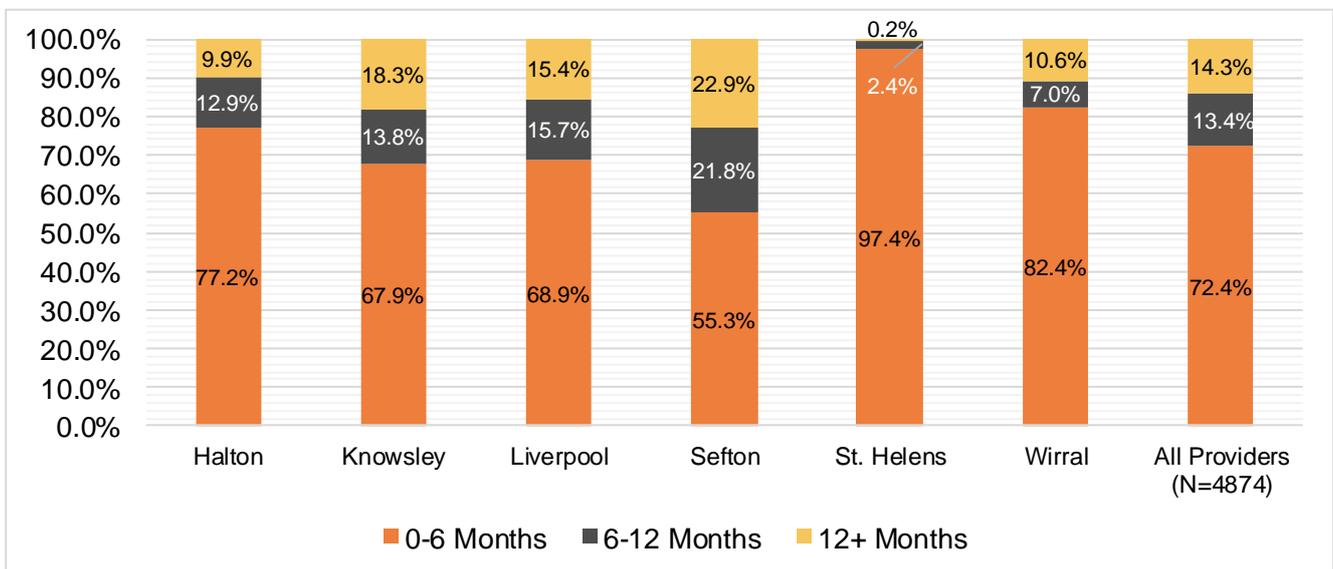
<sup>7</sup> Comparisons to the claimant population are based on DWP analysis undertaken for YEG in October 2015.

population in the district - 38% of whom are under 21, with 22% aged 18-19. This suggests that younger claimants were more likely to be referred and/or chose to join the YEG programme, compared to 21-24 year olds. This may be because the latter have more experience of the labour market and therefore have less need of YEG support.

### Employment history and qualifications

YEG provides support for young people who have been in receipt of JSA or UC for between eight weeks and nine months. Figure 2.2 shows that the majority of YEG participants (72%) had been unemployed for less than six months when they joined the programme, although most providers had also supported young people who had been unemployed for longer.<sup>8</sup>

**Figure 2.2 Unemployment duration by provider**



Source: YEG all provider MI – both phases

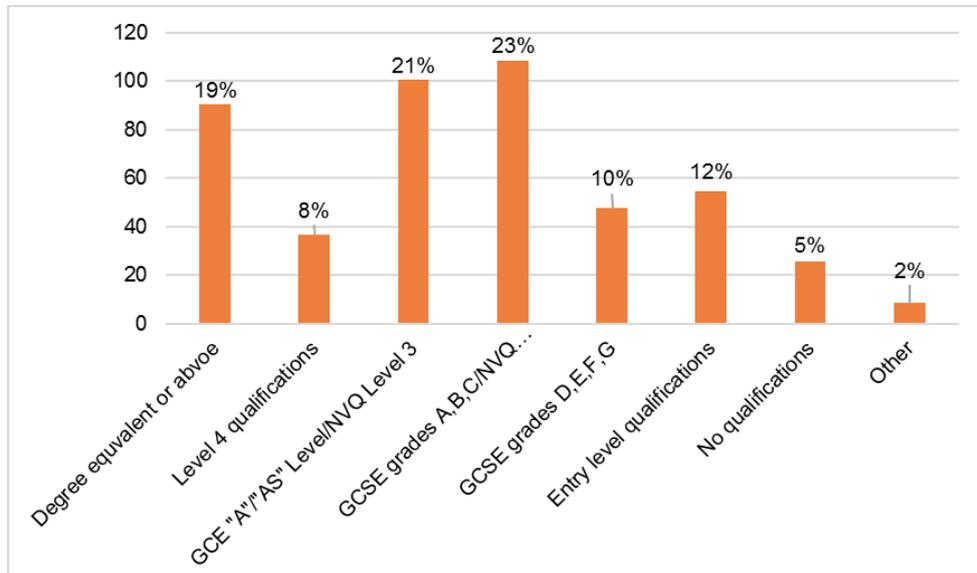
There was very little difference in the length of unemployment on joining the programme between males and females or between the first and second phases of the programme. However, there was some variation across providers. For example, 97% of St. Helens’ participants were unemployed for 6 months or less when joining the programme, but this was only the case for just over half (55%) of participants in Sefton. Sefton also reported the highest number of long-term (12 months+) unemployed participants, who comprised over a fifth of their total caseload (23%).<sup>9</sup> Of all the programme’s participants, just under a quarter (14%) were unemployed for

<sup>8</sup> Note that the length of unemployment recorded in the programme MI is self-reported by participants, and as such may be subject to recall errors.

<sup>9</sup> Note that anyone in receipt of an unemployment benefit for longer than 9 months should not have been eligible for YEG, since they would have ordinarily joined the Work Programme at 9 months. It is possible that participants who self-reported unemployment of 12 months or more may be including periods of worklessness when they were not in receipt of an unemployment benefit.

12 months or more prior to joining YEG. This difference in the composition of participants across providers should be kept in mind when interpreting programme outcomes.

**Figure 2.3 Participants' highest qualification**



Source YEG survey, N=403

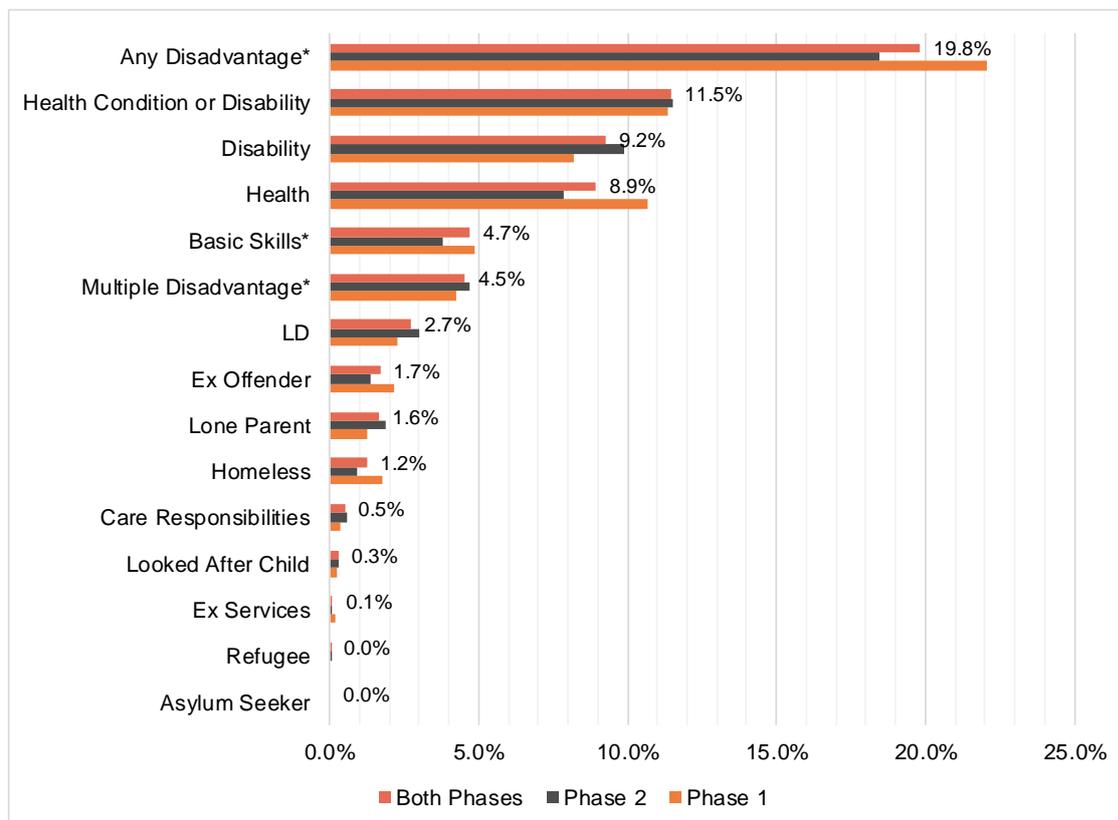
The programme MI did not record participants' qualifications, however our survey suggests that YEG participants varied considerably in qualification level (Figure 2.3). The survey records a fifth of participants (19%) as having a degree or equivalent, while at the other end of the spectrum, 17% had only entry level qualifications or below. Almost a quarter (23%) were educated to GCSE level and a further fifth (21%) to A level standard.<sup>10</sup>

### Labour market disadvantages

Providers also collected MI on a number of other characteristics that indicate disadvantage in the labour market, including having a disability, a health condition, a learning difficulty or basic skills needs, being a lone parent, a carer, ex-armed forces, an ex-offender, a care-leaver, homeless, a refugee or an asylum seeker. The proportion of all YEG participants self-reporting one of these characteristics is shown in Figure 2.4.

<sup>10</sup> National statistics are not available on the qualification levels of JSA claimants. However Labour Force Survey data shows that graduates make up around 14% of the 16-24 population in the Liverpool City Region (Annual Population Survey, Jan-Dec 2015), and nationally, young graduates (age 21-30) have a lower unemployment rate than non-graduates - 4.9% compared to 8.6% (BIS 2016 Graduate Labour Market Statistics, 2015). This suggests that graduates are over-represented either among YEG participants and/or among our survey respondents.

**Figure 2.4 Characteristics of labour market disadvantage**



Source: YEG all provider MI – both phases, n=4178

\* Due to inconsistencies in data recording practices, participants from Wirral have been excluded from the fields marked with an asterisk.

The most common of these ‘disadvantage characteristics’ was having some form of disability and/or a health condition. This was reported by 572 participants in all, equivalent to 12% of total YEG participants. Our survey results were similar to this, with 10% saying they had a health condition or disability at the time they began receiving support from YEG. However, this is a lower figure than for the wider Merseyside youth claimant population as a whole, 17% of whom identified as disabled in 2015.

Another relatively common ‘disadvantage characteristic’ was having basic skills needs, which was recorded for 5% of all YEG participants. Figure 2.4 also shows a range of other disadvantages among YEG participants, albeit affecting only very small proportions of the overall caseload.

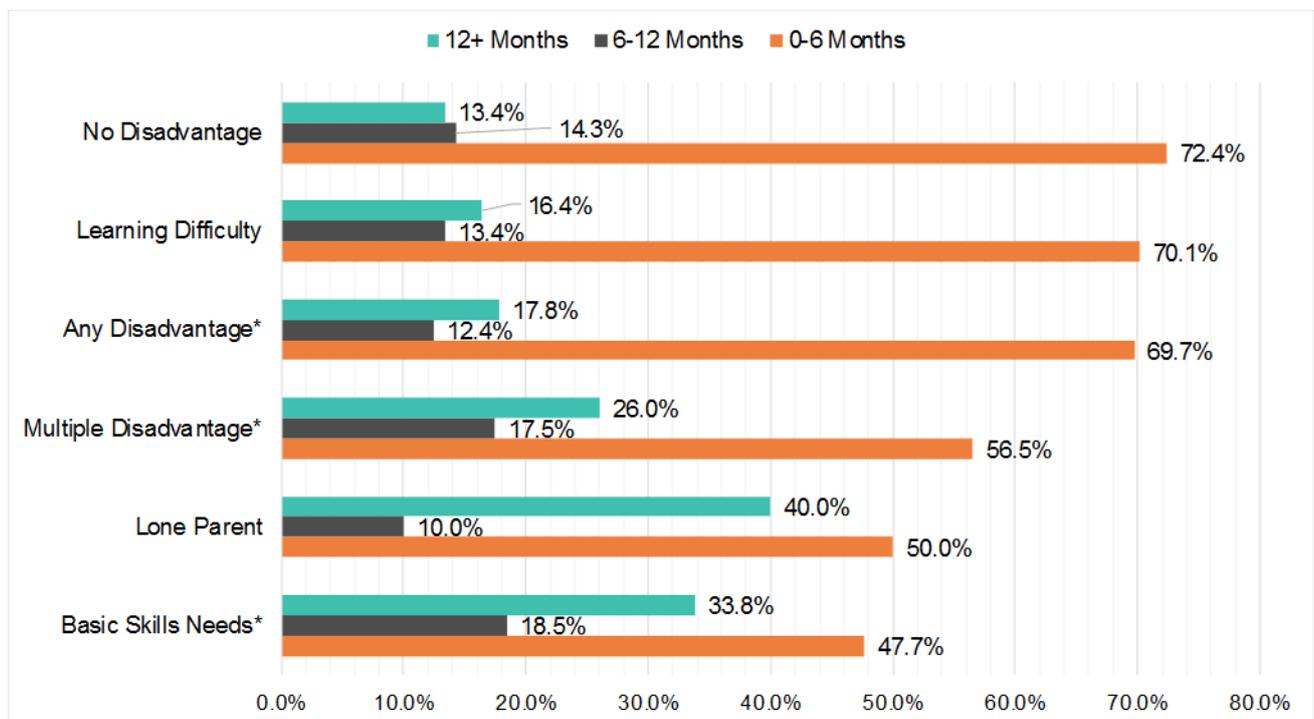
Providers did not record whether participants had dependents, however our survey suggested that 12% of respondents had dependent children and two thirds of these people were lone parents (8% of total participants). The figures may be higher in the

survey than the full YEG population, due to the disproportionate number of female respondents to the survey<sup>11</sup>.

Around one in five participants (19.8%) were recorded as having at least one of the 'disadvantage characteristics' identified and around a fifth (22%) of these participants had two or more.<sup>12</sup> The number of participants with multiple disadvantages was not insignificant therefore, representing 4.5% of the total YEG population. This was similar across both phases of the programme.

Looking at Figure 2.5 and 2.6, we can see the influence of these characteristics in terms of labour market disadvantage. Those who reported having a disability or a health condition, those that had basic skills needs and those who were lone parents had all been out of work for longer, on average, than those recording no disadvantages.

**Figure 2.5: Duration of unemployment by disadvantage characteristics**

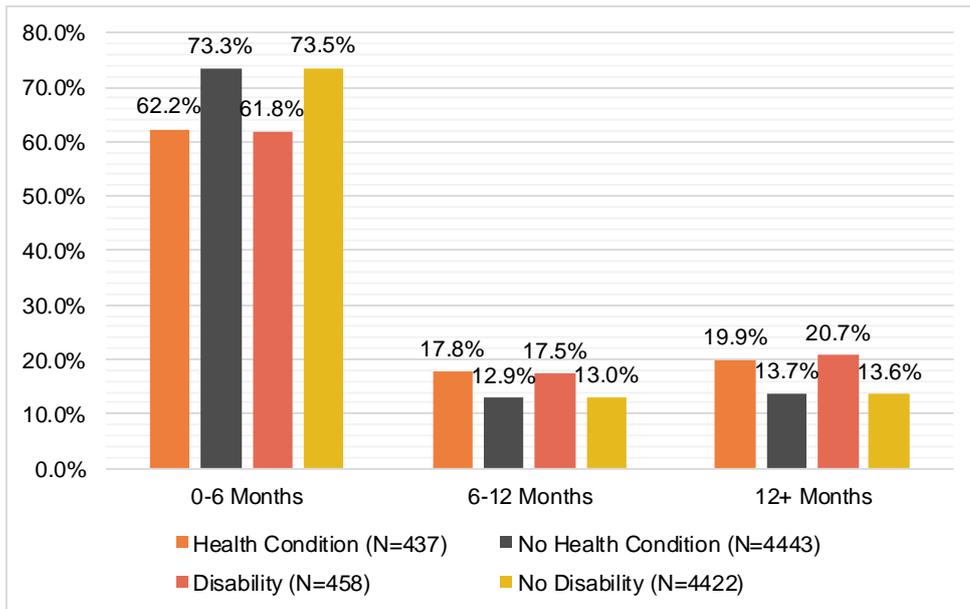


Source: YEG all provider MI – both phases

<sup>11</sup> In the MI, 3% of females were lone parents while less than 1% of males were lone parents.

<sup>12</sup> Health condition and disability have been combined into one indicator (representing people who had *either* a health condition or a disability) in this analysis, since there was a high degree of overlap between participants self-reporting a health condition and those reporting a disability.

**Figure 2.6: Duration of unemployment by health status**

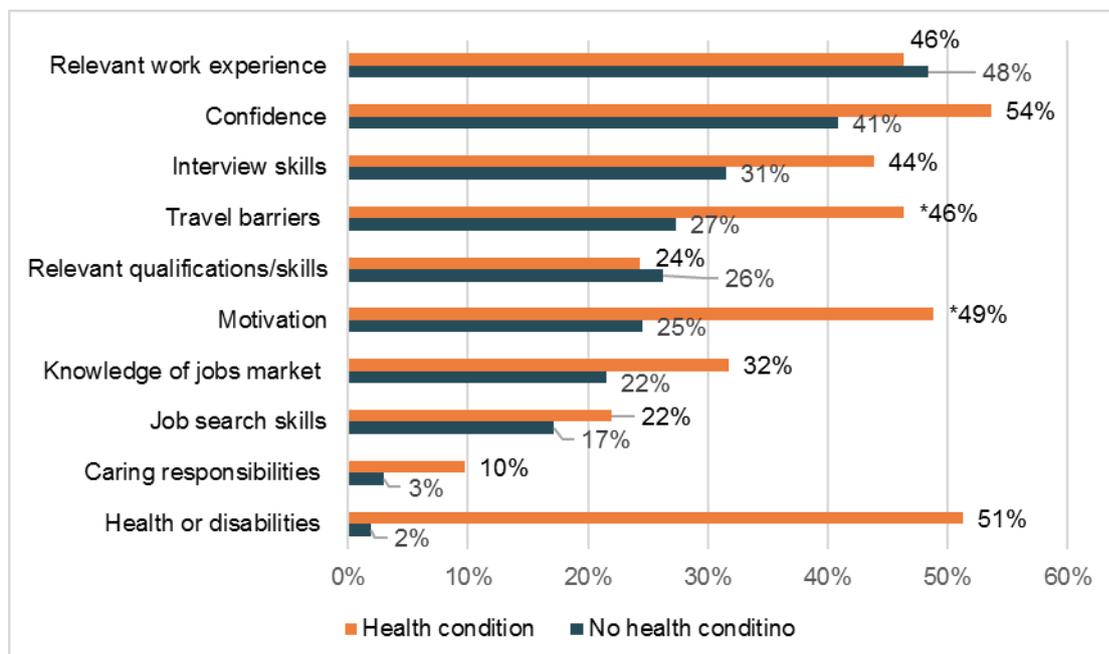


Source: YEG all provider MI – both phases

## 2.2 Barriers to employment

In our survey, we also asked respondents what they thought was holding them back from finding a job. The most common barriers reported by participants were a lack of work experience, reported by almost half of all participants; confidence in applying for jobs, affecting two fifths of respondents; as well as limitations in interview skills, reported by a third; and travel barriers, affecting 29% of participants.

**Figure 2.7 Participant barriers by health status**



Base: 403 in total, 41 with a health condition

Again, the difference in the incidence of barriers between those with a health condition and those without is clear, as shown in Figure 2.7.

With the exception of having relevant work experience and qualifications, those reporting a health condition at the time of starting on YEG were more likely to identify each of the barriers identified as holding them back from finding a job. In particular, travel barriers and motivation were issues that disproportionately impacted on people with a health condition. Additionally, confidence was also a key issue for these participants.

A similar picture is found when looking at barriers by length of unemployment and qualification level. In each case, the differences are smaller than with respect to health condition, however young people who have been longer-term unemployed (over 6 months) are significantly more likely to cite confidence and motivation as barriers to work, as well as lack of interview skills and work experience. Confidence is also a more significant issue for those with lower levels of qualification, although knowledge of the jobs market and lack of work experience were more likely to be cited as barriers by the highly qualified, perhaps because this group has less work experience due to the time spent gaining qualifications.

The barriers to work faced by participants were also recorded in the form of a Work Star assessment, which was completed by participants when they joined YEG. The Work Star tool assesses participants' situation against seven domains:

1. job-specific skills,
2. motivation,
3. job search skills,
4. stability,
5. basic skills,
6. social skills, and
7. wider challenges.

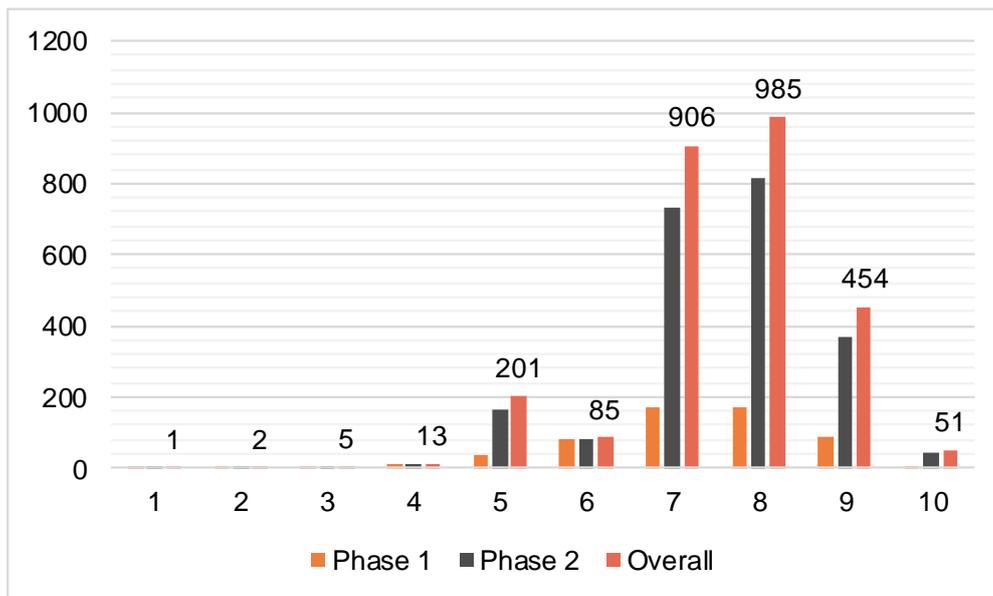
Each domain is scored from one to ten, with the scale focusing on the extent to which each issue is stopping a participant from progressing into work. A lower number indicates a greater barrier, and a higher number a lesser barrier.

Figure 2.8 shows the distribution of the Work Star scores for those YEG participants who were assessed<sup>13</sup> in either Phase 1 or 2 of the programme. The score is the average across all seven of the Work Star domains.

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<sup>13</sup> These were not recorded in the MI for every participant, since paper-based versions of the tool were used in the early days of the programme.

**Figure 2.8 Work Star Scores by Phase**



Source: YEG all provider MI – both phases

As can be seen, most participants scored at the higher end of the Work Star scale. Just over half (55%) of participants scored eight or higher in their assessment.

Figure 2.9 shows that YEG participants scored lowest (and therefore needed more help) with respect to: job-specific skills, aspiration and motivation and job search skills<sup>14</sup>. They tended to score more highly on: social skills, stability and basic skills. This suggests that for the majority of participants, their barriers to work were primarily related to job search skills and personal development / soft skills, although participants also felt they lacked relevant skills for the job/career path they were pursuing. However, for a small proportion of YEG participants, their Work Star score suggested more significant barriers to employment. For example, one per cent of participants who were assessed scored less than five as an average across the seven domains.

Work Star assessment scores did not vary dramatically by provider, as can be seen from Figure 2.9 below, but there were some differences. Knowsley had the lowest average score (indicating greater need), while Wirral and St Helens had the highest. Not too much should be read into differences across providers however, since this may reflect differences in how the assessments were conducted.

<sup>14</sup> Low scores are colored red, high scores green to indicate the varying levels of help needed.

**Figure 2.9 Work Star scores by provider (both phases)**

Provider	Job Specific Skills	Aspiration and Motivation	Job Search Skills	Stability	Basic Skills	Social Skills for Work	Challenges	Average Score
Halton	6.85	6.96	7.35	7.82	8.33	8.27	6.82	7.49
Knowsley	6.51	6.61	6.76	8.02	7.76	8.08	6.92	7.24
Liverpool	6.88	7.04	7.36	8.07	7.97	8.30	7.77	7.63
Sefton	6.86	7.07	7.37	8.57	8.23	8.45	7.77	7.76
St. Helens	7.61	7.92	7.77	8.70	8.73	8.68	8.51	8.28
Wirral	7.42	7.37	7.90	8.45	8.56	8.68	8.10	8.07
All Providers	6.98	7.11	7.39	8.22	8.18	8.38	7.64	7.70

Source: YEG all provider MI – both phases

## 2.3 Summary

Participants on YEG are similar to the youth claimant population in terms of gender and ethnicity, but larger proportions of ‘younger young people’ (i.e. age 18-21) join the programme compared to their proportion in the youth claimant count. The majority (72%) of participants were unemployed for 6 months or less when joining the programme, although the proportion of long-term unemployed varied across providers, with those unemployed over 12 months making up over a fifth of the YEG population in Sefton. This would be expected to affect programme outcomes across providers (which is discussed further in Chapter 4).

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 the 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.

However, there was also a small but significant group of YEG participants with much more significant barriers to work. Around one in five participants had at least one ‘disadvantage characteristic’, and around half of these participants had two or more disadvantages, which encompasses 8% of the total YEG population. Moreover, 12% of YEG participants had a health condition and/or disability.

Almost all of the barriers to work identified were more significant for:

- people with health conditions – who were more likely to report travel barriers and motivation as a barrier, in addition to their condition itself;
- those with low qualifications, who were more likely to report their qualification level and confidence as barriers; and
- longer-term unemployed people, who were more likely to report confidence and motivation, lack of work experience, low skills or qualifications and limitations in interview skills as barriers.

## 3. YEG Delivery

This chapter describes the support delivered on the YEG programme and staff and participant views about it, drawing on management information (MI), survey data and interviews with YEG staff and participants. It explores differences in delivery between Phase 1 and 2 of the programme and across the providers.

### 3.1 Referral

The referral route for young people onto YEG was via Jobcentre Plus (JCP). Providers found that it was helpful to have YEG advisers located in JCP offices on particular days/times in order to strengthen the links between YEG and JCP, resulting in a smoother referral process. By being present at job centres, YEG advisers were able to clarify the eligibility criteria for the programme and to discuss the progress of YEG participants directly with JCP staff. This created an environment which encouraged JCP staff to refer young people on to the programme.

One of the key challenges for YEG, however, was differences in referral rates across JCP offices. Though overall YEG advisers had good relationships with JCP staff, the rate of referrals tended to be lower from some JCP offices, while another challenge was fluctuation in referral rates, which made it difficult to predict capacity and resources. The key reasons for differences in referral rates across offices were reported to be:

- Staff turnover in JCP offices, which could result in new work coaches with limited awareness of the YEG programme; and
- Variable levels of management support for YEG across JCP offices. It was felt that a good referral flow depended on proactive support from both YEG and JCP managers.

Effective ways of improving referral rates, introduced during the programme by YEG and JCP staff, included:

- maintaining a database of all new claimants and when their eight-week eligibility criteria would be met;
- pre-referral of potential participants to YEG after five weeks of a claim, which allowed YEG providers to identify potential participants and prepare them for referral in advance;
- YEG staff delivering group information sessions at JCP for potential participants to provide information about the programme;
- mandating attendance at the first YEG meeting (to prevent drop-out between referral and the first meeting); and

- Improving awareness of YEG among JCP staff by YEG staff distributing leaflets and organising regular meetings to discuss the programme and to respond to any queries.

Both YEG and JCP staff would have liked to be able to refer young people to YEG from day one of their claim, since they felt that waiting eight weeks often dampened claimants' enthusiasm for the support. YEG providers would also have liked to use a wider range of recruitment channels besides JCP. Where other approaches were used by providers (such as word of mouth marketing), potential new participants were then signposted back to JCP in order for the referral to take place.

Ensuring the eligibility of the young people referred onto the programme was another key challenge for YEG providers. Jobcentre Plus was not required to share data on the claims history of young people who were referred, and so providers had to rely on participants to inform them of their benefit start date for eligibility purposes. Improved data sharing between Jobcentre Plus and YEG providers might have improved this aspect of the referral process.

### **3.2 First Meeting and assessment process**

The initial YEG appointment usually took place at the job centre, where participants completed the registration paperwork, were shown the YEG website, and were then invited for a subsequent appointment at the provider's venue. An ongoing challenge throughout the programme was the amount of paperwork that had to be completed at this initial meeting, which staff felt could detract from effective engagement. Some advisers also reported that the extensive paperwork requirements could prohibit them from properly introducing the YEG website to participants at the outset which could limit its use.

Staff reported that the individualised/personalised budget featured prominently in their initial discussions with YEG participants, as well as in programme marketing, as it was felt to be an effective draw for the programme. Advisers told participants that there was a £500 allocation, which could be used to help them access or sustain work. In Phase 2, where there was an emphasis on young people making their own expenditure decisions, advisers generally provided examples of budget use, but emphasised that participants could request a wide range of items if they felt that this would help them enter work.

#### **Work Star assessments**

YEG providers used the *Work Star* tool to assess participants' barriers and support needs on joining the programme. In most cases, this assessment was completed at the induction meeting, however in some cases it was completed later, both to reduce the amount of paperwork in the initial meeting, and so that advisers could get to know their participants better before carrying it out.

It was envisaged that the *Work Star* tool would also be used with participants on a regular basis to assess 'distance travelled'. However, repeat use of the tool was inconsistent, both across providers and between advisers. Most commonly, advisers reported that they completed a new assessment with participants after a 'significant intervention' – however this was not defined consistently. Some managers reported that the minimum requirement was to complete the assessment once every three months, but they often had to remind advisers to do that. Usage of the tool did not appear to grow over time - those advisers who used it regularly from the start continued to do so, and those who used it once-only continued with this.

Advisers had mixed opinions on the value of the *Work Star* tool. The majority considered it useful as an 'ice-breaker', finding it effective at engaging participants in discussing particular issues. For example, the question around stability was felt to be useful in opening up the conversation and moving it away from a narrow focus on employability. Those who used the tool regularly also found it was helpful as a motivational tool, by showing participants how far they had come since their first meeting. However, other advisers felt the *Work Star* was unnecessary, and described it as a 'box-ticking exercise', since they asked questions which covered the areas in the *Work Star* anyway, and did not feel that the tool added any value.

Advisers tended to think that the assessment process worked best when the adviser talked through the questions with the participant and discussed responses while they completed the tool, rather than the participant completing it independently. This allowed more discussion and consideration of responses during completion, which then better reflected the participant's circumstances. Some advisers also commented that the language used in the tool made it inappropriate for some participants to be able to complete independently. However, most advisers felt that the value of the *Work Star* depended on the individual participant, and that it required flexibility in its use.

Participants were mostly positive about their first meeting at YEG and often reported that it was focused on understanding them as a person, what they wanted and what their needs were, which they valued, and often contrasted to other employment services. Most did not remember the *Work Star* assessment itself, but those who did were largely unimpressed by it. They commented that the procedure felt repetitive, that they disliked the process of '*scoring*' themselves, or that they already had '*a pretty good idea of how it would turn out*'. Overall, participants preferred it where the initial assessment felt like a discussion of their individual needs and was tailored to them as a person, rather than following a standardised procedure. This was dependent on the adviser skills and approach rather than the tool per se.

## Action Plans

Action Plans were considered useful by all the YEG advisers, as they provided a way of keeping track of participants' progress towards goals. Action Plans were tailored through discussion between the adviser and the participant, and so the content varied, covering anything from attending a session on mental health, enrolling on a maths, English or ICT course, to researching the cost of a course or organising driving lessons. The actions put in place tended to act as a 'to-do' list, which were then reviewed and amended at each appointment. This created a live document, which was regularly updated and changed according to the participant's needs.

### 3.3 Appointments

The frequency of appointments on YEG varied from more than once a week to monthly, but was normally around fortnightly, often coinciding with a participant's JCP appointment. The time spent in appointments also varied, from quick five minute catch-ups to more in-depth one-hour sessions. Almost all participants saw just one adviser, with whom they often described a close and productive relationship. Advisers described tailoring the frequency and format of contact to the individual's requirements and level of support need, but tended to agree that they liked to see participants in person at least once a month and preferably more frequently.

In addition to face-to-face contact, many participants described being in frequent contact with their advisers either by text, telephone or email. Respondents cited examples of advisers phoning or texting them to find out how an interview had gone, to check they knew their way to an interview or to tell them about new job vacancies or apprenticeships. Some respondents also called in to their provider's offices regularly to pick up reimbursement for travel expenses or to carry out job search.

For many customers, the flexibility of their adviser's support was an invaluable aspect of the YEG programme. They valued the fact that it was possible to rearrange appointments or to get an 'on-the-spot' slot if they had an urgent requirement or if they were passing by and wanted to 'pop in'.

### Maintaining engagement

Disengagement from the programme was an ongoing challenge for YEG throughout the delivery phase. This was most likely to occur immediately following the initial registration meeting. Advisers felt that this may have been a result of participants attending YEG simply to 'pay lip-service' to JCP requirements

Participants also identified other factors that could contribute to disengagement including:

- a poor referral experience, with limited information provided about the programme so that they had little idea of what to expect

- limited motivation to engage due to negative experiences of previous employment programmes

YEG advisers felt that the key to keeping their participants engaged was to build up a good rapport with them, if possible from the first meeting. They also felt that telling participants about the budget as early as possible acted as a good hook for participant engagement. Those providers that used initial group information sessions about YEG at JCP also felt that this facilitated subsequent engagement.

YEG staff also developed and refined strategies for re-engaging with participants during the course of delivery, including:

- using several modes of communication with ‘dormant’ participants,
- ensuring that written communications looked ‘inviting’, and that ‘the offer’ was presented clearly (e.g. giving example uses of the participant budget),
- closer communication with the participant’s work coach at JCP,
- promoting a range of support options and tailoring this to the individual’s interests and goals where possible, and
- reminding participants about any remaining funds in their budget as an excuse to ‘check in’ with participants they hadn’t heard from recently.

### 3.4 YEG advisers

The YEG adviser was considered by most participants to be central to the support provided by YEG and a key element in their positive perception of the support. Similarly, advisers saw their relationship with participants as key to the success of YEG, not least because continued engagement with the service relied upon the quality of the adviser-participant relationship.

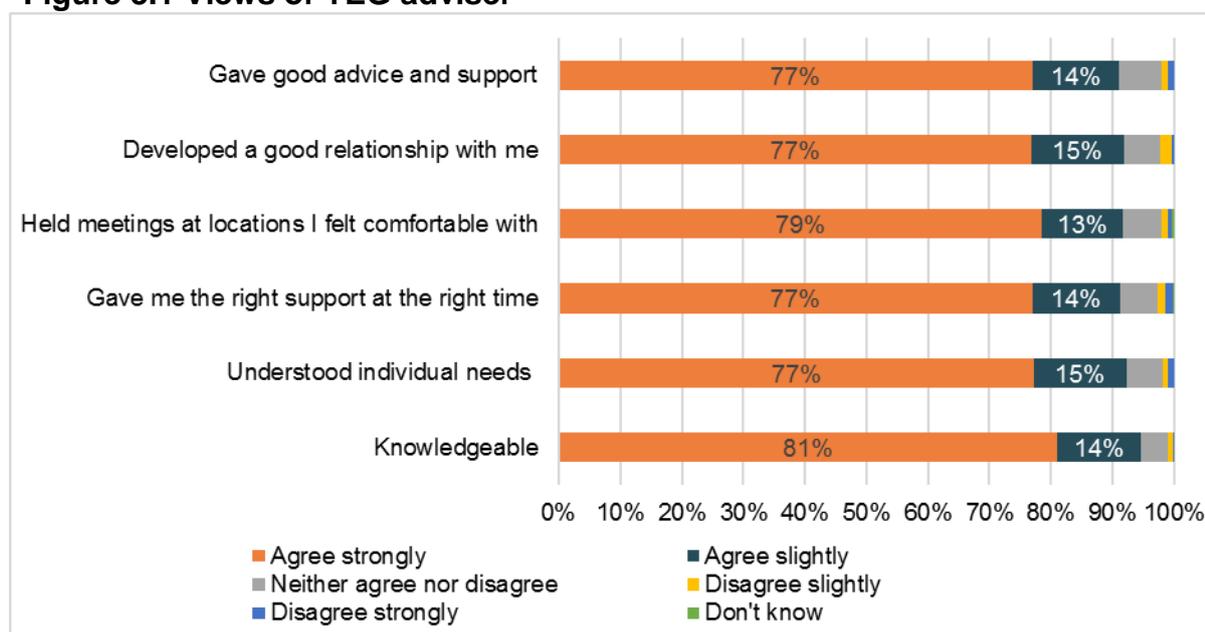
Participants responding to the survey had overwhelmingly positive views of their YEG adviser (see Figure 3.1), with at least nine out of ten respondents either agreeing or strongly agreeing that:

- 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.

In interviews, participants highlighted their adviser’s approach and characteristics as being important, such as friendliness, helpfulness and trustworthiness. They valued being able to engage with someone who they felt would listen to their concerns:

*‘She’s just really nice, just her in general - She’s helped me, she treated me as a person as opposed to someone who’s coming in so she can do her job, she made me feel like she wanted to help me.’ (YEG participant)*

**Figure 3.1 Views of YEG adviser**



Source: YEG survey, Base: 413

Participants also reported that their adviser treated them as an individual, by listening to their needs, concerns and aspirations, and they felt that they were supported to work towards a job that they aspired to. Likewise, advisers described how they listened to participants' long-term aspirations and worked with them to break these down into smaller steps that they could work towards.

The good relationship between advisers and participants also enabled advisers to 'push' and encourage participants to try various provision or apply for jobs or courses that they hadn't previously considered, including apprenticeships, employability courses or jobs in different sectors. Participants valued the fact that they could discuss the pros and cons of different options with their advisers, rather than feeling coerced:

*'She's very chatty and she's very fair. She doesn't like force me to do anything, but she's pushing me to do things.'* (YEG participant)

*'She gives me confidence, she says I can do it... she believes in me, she encourages me.'* (YEG participant)

The advisers' motivational approach was highly valued by participants, with a number of them directly crediting their YEG adviser with producing their outcomes rather than any other forms of support.

Key to this positive relationship, from both adviser and participant perspectives was spending sufficient time with the adviser in order to build up trust. This was also

valued by JCP staff, who viewed the time that YEG advisers were able to spend with participants delivering intensive and tailored one-to-one support, as a key added value of YEG:

*'It's not just the money, it's the help; they've got more time to deal with people than we have. We see people every other week for either 10 or 20 minutes and it's not enough time, they've got time to spend with the customers.'* (JCP staff member)

However, some YEG advisers reported greater time pressures in Phase 2 of the programme, and that consequently they had less face-to-face contact time with participants. This was attributed to larger caseloads (in some cases from other programmes as well as YEG). In these cases, advisers reported relying more heavily on telephone and email contact as well as group support sessions. This time pressure was also reflected in some Phase 2 participant interviews, where respondents expressed disappointment that their adviser seemed too busy to maintain regular contact.

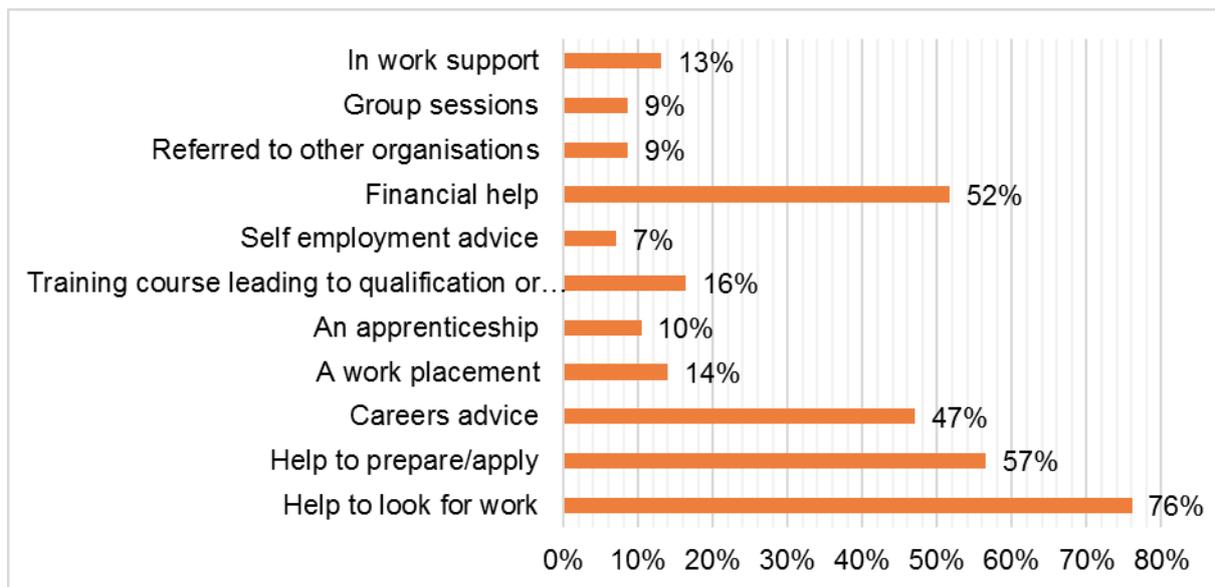
Some advisers reported that they tried to encourage greater self-reliance among YEG participants as a way of managing these time constraints in Phase 2, e.g. encouraging participants to do their own research on training or travel options, rather than doing this together. This was facilitated by the switch to the personalised budget in Phase 2 (see Chapter 4), which gave greater control over expenditure to participants rather than advisers.

### **3.5 Types of support delivered**

There was a wide range of support available to YEG participants, delivered either by their adviser, through delivery partners or via signposting to external support organisations. Participants were most positive about the support they received when they felt that it was carefully tailored to their specific needs.

Figure 3.2 shows the types of support accessed by survey respondents across both phases of YEG delivery. As can be seen, the most commonly used types of support were help to look for work, accessed by around three quarters (76%) of all respondents; and help to apply for jobs, careers advice and financial help, accessed by around half of all participants (57%, 47% and 52% respectively). Other types of support were less common, accessed by no more than a fifth of total respondents. This largely reflects the barriers reported by participants (presented in Chapter 2), where job search skills, confidence in applying for jobs and job interview skills predominated. However, some other commonly reported barriers, such as a lack of work experience, appear less likely to have been addressed through YEG.

**Figure 3.2 Types of Support Accessed**



Source: YEG survey, Base: 413

Some participants accessed several different forms of support. Around three quarters of respondents accessed between 1 and 4 different types of support, though around a fifth had accessed more than this. Younger respondents (aged 18-21) were significantly more likely than older respondents to access more than two types of support (59% compared to 42%). This might reflect the additional support needs of younger participants.

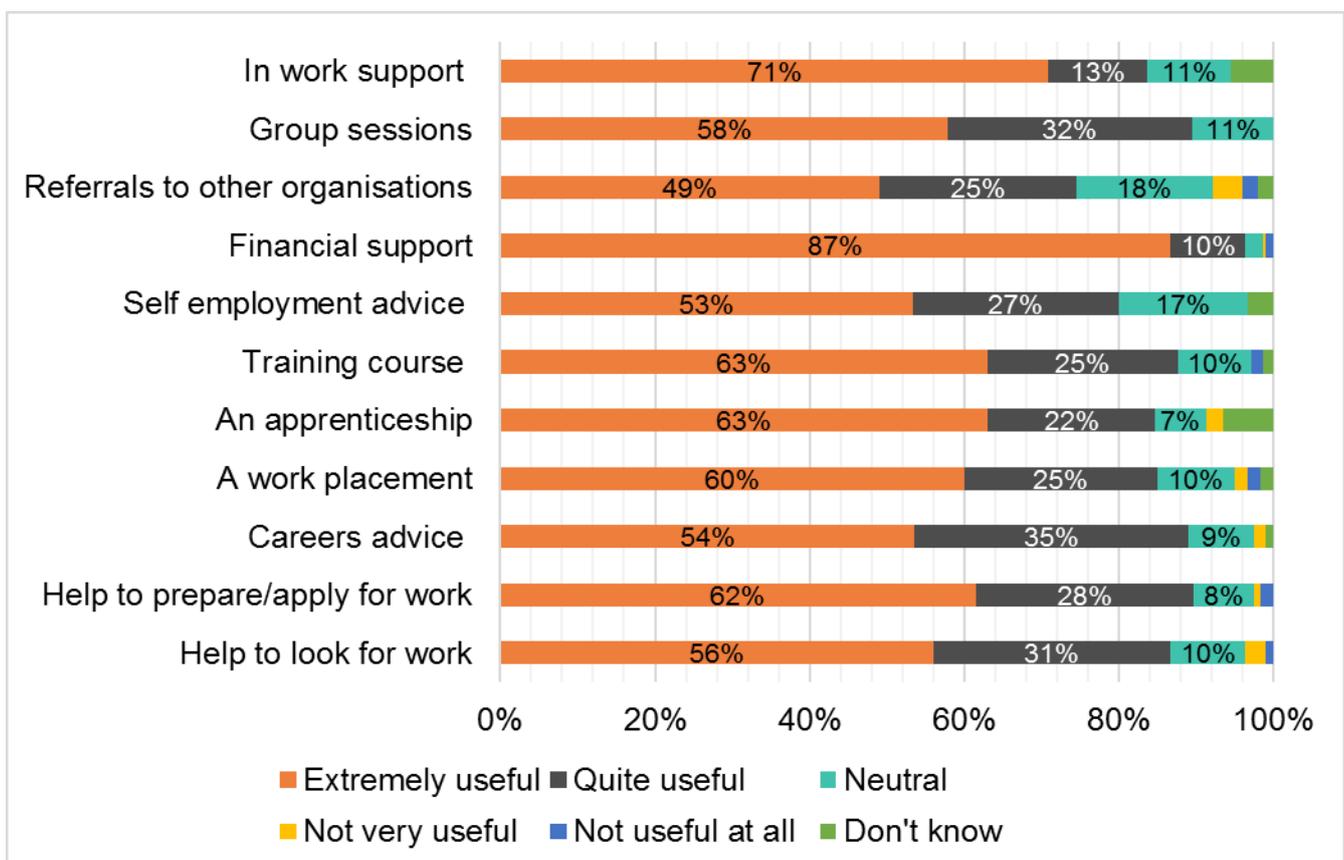
The types of support used also varied somewhat according to participant characteristics. For example:

- Participants who were more highly qualified (level 4 qualifications and above) were significantly more likely to access financial support, as well as help to look for work, help to prepare for jobs and careers advice. Lower qualified young people (up to level 2 qualifications) were significantly more likely to access a work placement or an apprenticeship.
- Those longer-term unemployed (6 months +) were more likely to access careers advice and training courses, but less likely to access financial support.
- 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.

## Helpfulness of YEG support

The survey asked participants to rate the helpfulness of each type of support they had accessed on YEG. The results are shown in Figure 3.3. Respondents were overwhelmingly positive about all types of support they received. The support perceived as least helpful was referrals to other organisations, self-employment advice and careers advice, although even here, around half of all respondents who had used these types of support said they found them ‘extremely useful’. The financial support provided on YEG was perceived to be the most helpful, with 87% of those receiving it rating it as ‘extremely useful’ and a further 10% finding it ‘quite useful’. This was consistent across both phases of the programme.

**Fig 3.3 Helpfulness of Support**



Source: YEG survey (Bases vary)

## 3.6 Support provided by advisers

Much of the support and advice provided through YEG was delivered directly by advisers. Those who were closer to the labour market felt that their adviser’s support in improving their CVs and covering letters, signposting them to self-employment advice or providing support through mock interviews, had been instrumental in them finding work:

*'She changed it [CV] completely, but not in a bad way. She didn't try to force me to change it or say it was all wrong, change it all, she wasn't like that. She basically improved it dramatically though... I think personally I've received more offers since having that more improved CV.'* (YEG participant)

Respondents with higher support needs described their advisers helping to build their confidence and self-esteem, as well as providing practical support, e.g. printing off maps and travel instructions, providing information about childcare options and showing them how to undertake online job searches. Advisers also sourced employability and basic skills courses, apprenticeships and traineeships.

In the few instances in interviews where participants were dissatisfied with their adviser, it was because they felt that their adviser did not have the right expertise to help them find employment in their chosen field, or where participants were disappointed that job outcomes had not been achieved.

### **3.7 Other in-house and external support**

In addition to the delivery of one-to-one support, advisers signposted YEG participants to a network of other types of in-house and external provision that was developed and enhanced over the course of YEG. This comprised referrals to training providers to improve vocational or soft skills, as well as provision for more holistic support, particularly physical and mental health and wellbeing. In addition, YEG staff worked in partnership with Jobcentre Plus to organise joint ventures, such as courses for employability and basic IT.

Participants reported receiving in-house support from their providers, ranging from one-to-one sessions with employer relationship managers, to small workshop sessions or one-to-one support on CVs, interview techniques and job search:

*'We had the one-to-one for my CV and cover letter, just to improve it and then I actually had a session with him on interview, what employers look for, what they don't look for in someone - attire, manners, body language, everything like that, and it did help out a lot because it's now got me a job and I passed my interview because I've taken in what [he] has said in these sessions.'*  
(YEG participant)

YEG advisers reported that there was a wider range of external organisations to signpost participants to in Phase 2 of the programme. Popular referrals included to Citizens Advice and the Money Advice Service for help with debt, finances, budgeting, benefits and in-work benefit calculations. Other referrals included to carers' and disability organisations, housing associations and business support for self-employment. In some cases, closer links had also been developed with local Further Education colleges and careers services. Some advisers also strengthened their contacts with recruitment agencies and employers, as well as specialist training

providers (e.g. for forklift truck licences, first aid and Construction Skills Certification Scheme courses).

YEG advisers also developed stronger links with their providers' employer engagement teams throughout the course of programme delivery. One provider described how each adviser had their own designated employer relationship manager who met all of their job-ready YEG participants. Others described an increasingly active relationship, with the employer engagement team providing daily updates on vacancies and job matching for YEG participants. Some advisers found that emailing daily lists of vacancies could also prove a useful way of re-engaging participants who had '*fallen off the radar*'.

Local authority providers made use of internal council support and specialist staff, for example Early Years Teams (to provide advice on childcare), homeless units, debt advisers, council tax officers and Troubled Families teams for those with more complex needs. Some advisers also highlighted the growing importance of accessing support for participants with mental health problems. One provider was working in conjunction with the Recovery College to run a six-week '*Think differently, Cope differently*' course for participants with mental health problems; another was signposting to counselling services for people who were referred but not quite ready to join YEG.

One provider introduced a range of new training provision during Phase 2 of delivery which was accessible to their YEG participants, including sector-based training (e.g. in hospitality, retail and office administration) arranged through the local authority's adult learning service, as well as sessions on behaviour in the workplace and professionalism. These were delivered both for YEG participants and those on other programmes, in part to ensure sufficient attendance, but also because advisers felt that a mixed cohort - in terms of age and experience – worked well for these sessions. One provider was also running '*Dress to impress*' and confidence building courses internally, as well as a cloud computing course, principally for those applying for jobs using their mobile phones. The provider's digital inclusion team had made the content available, so that participants could learn in accessible 'bite-sized' chunks, rather than having to do a whole course.

### Support gaps

Despite the breadth of partnerships developed, there were some gaps identified by staff in the support available to YEG participants. These included:

- affordable housing for those in hostel accommodation who were moving into work and facing a large rise in rent;

- provision of flexible Maths and English courses to meet participant's needs (e.g. shorter and more engaging provision rather than an eight-week classroom-based course); and
- long waiting lists for counselling, and limited support options for young people with learning disabilities.

Some providers also reported difficulties with a lack of access to private space in their offices for meeting with participants.

### 3.8 Working with Jobcentre Plus

Relationships between YEG and JCP staff were enhanced over the course of the programme, becoming closer and smoother over Phase 2. In cases where collaboration was well-developed, YEG and JCP staff communicated regularly to discuss individual participants (e.g. to find out why a participant had failed to attend a meeting or to discuss support options). One YEG manager described providing JCP with a weekly email detailing all of those participants who had attended the introductory session, who had signed up to YEG, who had gone into work and a breakdown of how funding had been used. This helped publicise the value of YEG to the JCP work coaches and increased referrals.

Other positive examples included greater collaboration in the provision of support, e.g. young people using their YEG actions for JCP claimant commitment requirements or joint (JCP-YEG) funding of childcare (while on a work placement) or training courses. Some YEG advisers and JCP work coaches described working together closely to ensure that their support and referrals were complementary, particularly for participants who had more intensive support needs. There were examples of JCP coaches using discretion not to trigger referral to the Work Programme if the participant was still in need of further YEG support, or delaying work placements in favour of YEG training if that was more suitable for the participant. YEG and JCP staff also worked collaboratively in organising training, work placements and job matches for YEG participants:

*'I won't refer anyone to something just to hit a number, I only refer if I think they could benefit, so one of my customers [...] if there's a [YEG-funded] course available that I think is going to improve their job prospects I would be quite happy for them to let the work experience take a back seat and refer them onto a course - you've just got to make a judgement call on what's best for the customer.'* (JCP work coach)

*'The thing is she [YEG adviser] won't just refer anyone to these employers because they're employers she's dealt with before...so we have conversations about that, what do you think of this person for this job type thing. I just think the whole scheme works really well.'* (JCP work coach)

However even among providers where relationships were generally good, YEG advisers noted that there could be inconsistency in the extent of collaborative working across different JCP offices and across individual work coaches. Both YEG and JCP staff also referred to some tensions regarding the support provided. For instance, some YEG staff felt that the six-week mandatory work experience placements used by JCP could be unsuitable and left their participants feeling disengaged. JCP staff, for their part, felt that the YEG participant budget was sometimes used inappropriately, e.g. on driving lessons where this did not improve a young person's employability. Other difficulties encountered were around communication and information sharing due to pressures on staff time and the absence of shared data systems.

At the programme level, the organisation of joint YEG – JCP events provided an effective forum for addressing some of these ongoing tensions and promoting collaborative working.

### **3.9 In-work support**

Support for participants who entered work was provided in different ways by YEG providers. In some cases, this was delivered on an ongoing basis by the same adviser, in other cases a dedicated in-work support team made regular telephone contact with people in work and referred participants back to their adviser if they were experiencing any challenges or issues, and in yet other cases, participants were seen by a specialist in-work support adviser.

Advisers reported completing an in-work risk assessment prior to a young person starting work, in which they assessed potential barriers and agreed a schedule of contact. Some providers had also developed a RAG (red-amber-green) system to assess how much support a participant would need in work, with categorisations taking into account risk factors such as being in seasonal employment or having a previous history of leaving work.

The first four weeks in employment were widely held to be the most critical period when the young person was most at risk of leaving work, for example if they struggled to settle in or encountered setbacks.<sup>15</sup> During this period, contact with the provider was often by phone or face-to-face, e.g. when participants called into the provider's office to pick up reimbursement for travel costs or rent. This financial support was reported by several of the young people interviewed as crucial in

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<sup>15</sup> There is limited official data available on the duration of work spells for benefit-leavers to corroborate this assumption. Analysis of claimant data does show that young people (22-24 year olds) are more likely to make repeat claims for JSA – indicating movement in and out of work – than older people (DWP, 2013, JSA Benefit History and Benefit Receipt). Earlier analysis of the JSA claimant survey showed that 8% of JSA claimants (all ages) returned to benefit within 1 month of entering work from JSA and 21% within 3 months (Ashworth, K. and Liu, W. 2011 Jobseeker's Allowance: Transitions to work and early returns to JSA).

enabling them to stay in employment, by bridging the gap in their finances before their first pay cheque. Advisers also echoed this, citing the ability to spend the participant budget while in work as having an important impact on work retention.

After the first month in work, the mode and schedule of contact was dependent on the individual preferences of the participant. In interviews, there were examples of participants in temporary work who were receiving email lists of new vacancies from their adviser, and some participants who were accessing ongoing support with job search or confidence building while in work. In all of these cases, participants were in contact with their original YEG adviser. However, in both phases of delivery, most providers reported difficulties staying engaged with the full complement of participants once they had entered employment; indeed one described this as a '*massive, massive task*'. Particular problems included participants moving into work and failing to tell their adviser; changing their mobile phone numbers; moving from working for an agency to direct employment; and generally losing interest in contact with the provider, because, as one provider stated, '*we've served our purpose*'.

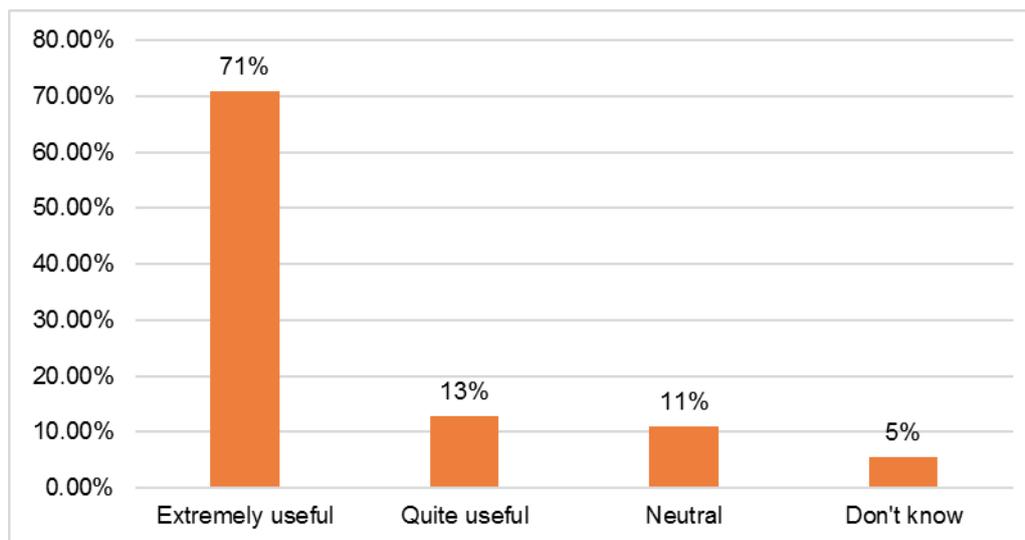
Approaches used by providers to try to re-engage participants in work included writing letters to their home address or trying to make contact via employers. However they often had limited success. Employers were often hard to engage with, although local employers and those with whom the employer relationship managers had contact were easier to communicate with. Successful approaches to in-work communication included:

- Calling participants outside of office hours; e.g. one provider stayed open late on one evening per month to catch up on calls with in-work participants who they were unable to speak to during working hours
- Making use of the personal budget to maintain contact; e.g. one provider was using the budget to offer driving lessons to participants in work and found that this was a useful mechanism for maintaining in-work contact.

Of the survey respondents who started work while on YEG, only around a fifth (18%) said that they received in-work support from YEG. However almost half (48%) said (elsewhere in the survey) that they received help both to enter work *and to stay in work*. This could suggest that YEG helped some young people stay in work although they did not receive in-work support. This could be because YEG helped them to get a good job in the first place, which might support work retention, or it could be that they used the participant budget while in work, but did not perceive this to be 'in-work support'.

Of those who said they did receive in-work support, the vast majority (71%) found it 'extremely useful' and none rated it negatively – see Figure 3.4.

**Figure 3.4 Usefulness of in-work support**



Source: YEG survey, Base = 55

While some of the participants interviewed who were in work were having regular contact with their YEG adviser and were receiving intensive support, e.g. with looking for a more suitable or more secure post, there were also instances where participants were not receiving in-work support or were unaware of the YEG in-work support offer. Some of these people expressed a need for ongoing support, ranging from light-touch support, such as receiving relevant job openings, to more intensive support, such as emotional support following a difficult transition to employment. If participants were not contacted by their adviser initially, they often did not feel able to re-contact them as they were perceived as being ‘too busy’:

*‘What would be useful if like she sent me an email while I was working still, because, like, at the end of the day, some days people are still looking for other jobs, so I think an email now and then... At the moment, this is just a job to stay off the dole as long as I can, but an email now and again and go, ‘Oh actually, I’ll apply for that job,’” (YEG participant)*

Equally, there were also other respondents who were perfectly content without further contact once they had started work:

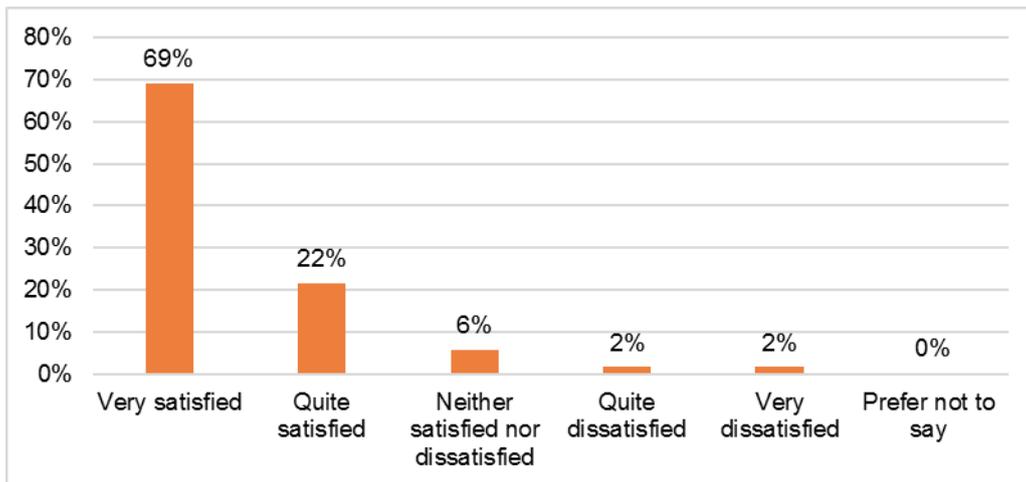
*‘I was happy [to have no further contact], I guess, because I’ve got my job now so I didn’t really need to see her any more I don’t think.’ (YEG participant)*

*‘I don’t believe that’s really necessary. I mean, for some people, I suppose, if you’ve got a terrible apprenticeship and you were worried that you were going to get stuck in it and you were suffering from, like, bullying or whatever, it’s the right sort of support you needed. But for me it wasn’t, everything was working out well.’ (YEG participant)*

### 3.10 Overall satisfaction with YEG

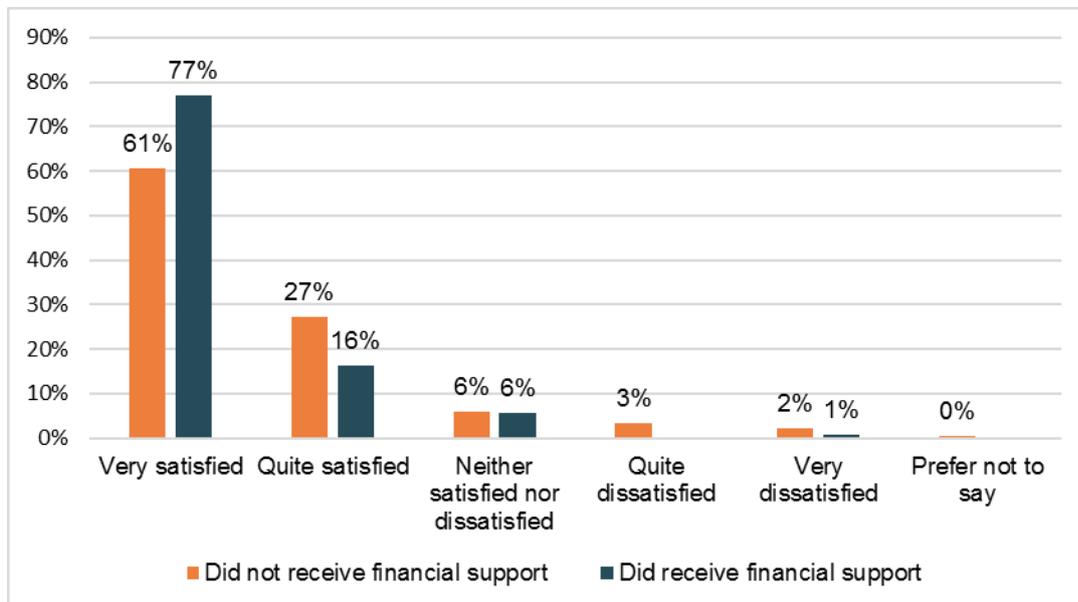
Overall, the vast majority of participants found the YEG programme to be a positive experience. Survey respondents across both phases were exceedingly positive about the YEG programme; nine in ten of them (91%) said they were ‘very satisfied’ or ‘quite satisfied’ with the support received (see Figure 3.5).

**Figure 3.5 Overall satisfaction with YEG**



Source: YEG survey, Base: 413

**Figure 3.6 Overall satisfaction by whether received financial support**



Source: YEG survey, Base: 413

Satisfaction ratings were not significantly different by respondent characteristics, such as age, length of unemployment, qualifications or health condition. However, whether or not a participant received financial support did make a significant difference to overall satisfaction (Figure 3.6). Those who received financial support

were much more likely to say they were 'very satisfied' with the support received through YEG (77% of those who did use the budget, compared to 61% of those who did not), and significantly less likely to say they were dissatisfied.

### 3.11 Summary

Referrals to the YEG programme continued to improve throughout delivery due to closer relationships with JCP, although these reportedly varied across JCP offices.

Participants had overwhelmingly positive views of their YEG adviser and often attributed their job outcomes to the one-to-one adviser support they received. Key aspects of the adviser support that they valued were: flexibility in the delivery of support; the tailoring of support to individual needs and requirements; a friendly approach; advisers taking interest in them as a person, and listening and responding to their aspirations.

During Phase 2, some advisers had less time to spend with participants due to higher caseloads and demands from other programmes. This could threaten the development of positive adviser-participant relationships which was widely perceived to be the key to the success of the programme.

The most common type of support accessed by YEG participants was employability support, such as help to look for work, help to apply for jobs, careers advice and financial help to overcome work barriers. This largely matches the types of barriers that participants felt were most significant for them, although work experience was only accessed by around 1 in 7 participants, despite being cited as a barrier by almost half of participants. Younger participants (age 18-21) were more likely to access a greater range of types of support.

All of the support provided was rated as 'extremely useful' by at least 50% of those who received it, with financial support by far and away perceived as the most helpful (87% finding it 'extremely useful').

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; and making links with a wider range of external provision, including for health and wellbeing. Collaboration with JCP was also enhanced, with several positive examples of joint working to ensure the co-ordination of support.

Adviser reported difficulties staying in touch with the full complement of participants once they were in work and only a fifth of survey respondents who entered work reported receiving in-work support. There were positive examples of ongoing support

around looking for better jobs or confidence building. Equally, there were some participants in work who were not aware of the support offer and would have benefited from ongoing support.

Overall, participants were satisfied with YEG support: nine in ten were very or quite satisfied, a figure that was higher for those who had received financial support on the programme.

## 4. The participant budget

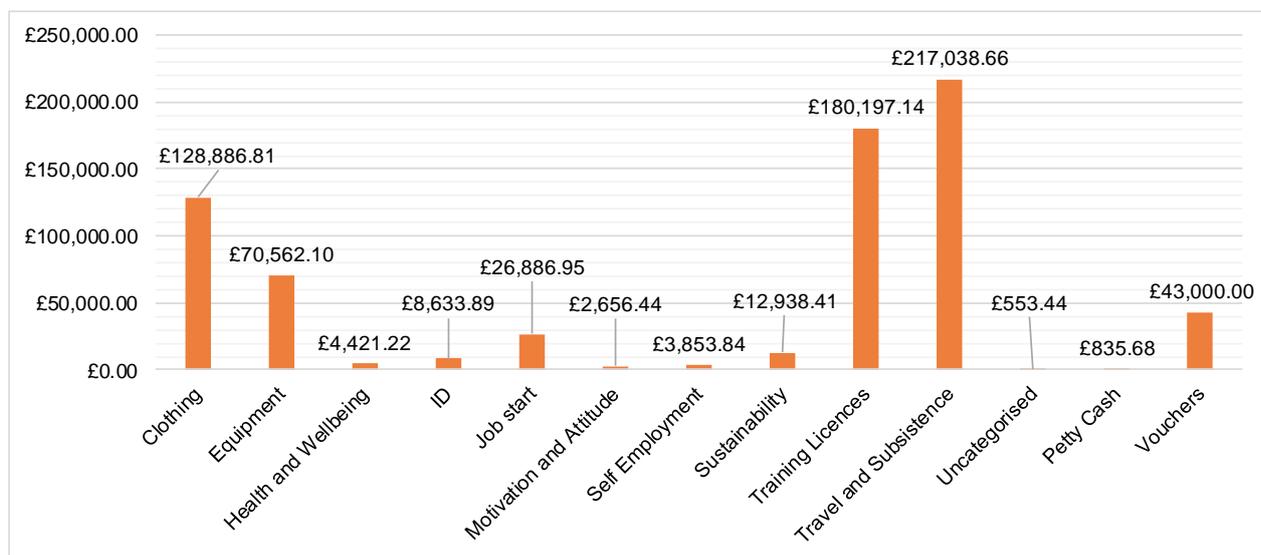
A key feature of YEG was the availability of a budget of £500 per participant that could be spent flexibly on items that would aid work entry or retention. In Phase 1, this was referred to as the *individualised budget* and the young person's adviser played a lead role in determining spending decisions. In Phase 2, the *personalised budget* was introduced, in which young people were encouraged to take greater responsibility for purchasing decisions.

Using a mixture of MI, survey and qualitative data, this chapter examines the delivery of the YEG participant budget, including what it was spent on, what staff and participants thought of it, which participants made use of the budget, patterns of expenditure across providers, challenges faced in using the budget, and the extent to which the introduction of the personalised budget succeeded in its aim of encouraging young people to take greater responsibility for budgeting.

### 4.1 Types of expenditure

Figure 4.1 shows the type of items that were purchased with the participant budget (across both phases of YEG). This shows that the four key areas of expenditure were: training and licences; clothing; travel and subsistence; and equipment.

**Figure 4.1 Total Expenditure Across Expenditure Types (Both Phases)<sup>16</sup>**



Source: YEG all provider MI – both phases

<sup>16</sup> Data for Wirral has been excluded from all analyses in this chapter, due to inconsistencies in the way that client expenditure was recorded.

The types of expenditure reported by survey respondents followed a similar pattern to this, with travel and subsistence and clothing predominating, followed by equipment.

The flexibility of the budget, in terms of what it could be spent on, was seen as a major advantage, and indeed a key selling point of the YEG programme, for advisers and participants alike:

*'It's good to have ... the flexibility that we have got with the funding, because never in any other programme that I've worked on have I been able to do stuff like that scenario with that young girl, where we could reimburse her, pay her personal electricity. Because she was going to have nothing to live on. Basically, if we didn't do that she could not take that job ... because she couldn't fund herself for a month.'* (YEG adviser)

The budget was particularly valued by staff in light of the diminishing budget available to JCP work coaches for these purposes. In particular, there was a recognition that 'easy wins' could be gained through relatively small amounts of funding, such as providing funding for claimants to obtain identification documents or a DBS check:

*'I could name you maybe up to 100 people that have come to me and said that if they had the DBS check, they would be off tomorrow but they cannot do it.'* (JCP staff interview)

Some advisers felt that driving lessons were a particularly useful purchase from the budget to enhance a participant's future employability and so offered this to a wide range of participants. Box 4.2 describes the types of expenditure reported most commonly by advisers.

#### **Box 4.2: Examples of Expenditure from the Participant Budget (both phases)**

- **Travel expenses** - to and from job interviews, work experience placements and work (in the first month of employment);
- Interview or work **clothes**;
- A range of **training provision and licences** - e.g. CSCS card, SIA licence, HGV licence, taxi-driving licence, fitness instructor, accounting software qualification;
- Forms of **identification** – e.g. provisional driving licences, passports and birth certificates, particularly for agency work, or checks such as medical checks, **DBS checks**;

- **Equipment** for those starting up in self-employment - e.g. a sewing machine, camera equipment, make-up for a beautician or other essential work equipment such as safety boots.
- Help with participants' **living costs** when starting work – e.g. accommodation, transport, food, gas and electricity and childcare costs, or relocation costs for participants who had found work in other cities;
- Transport options such as **bicycles** where poor public transport connections made commuting difficult;
- **Driving lessons** for those who had been offered work which involved driving, who wanted to become self-employed, or those who had moved into work and still had funding left to spend.

Participants also commented on the helpfulness of having a fund available, especially in order to:

- Pay for the things they needed to apply for a job (such as mobile phones, DBS certificates and licences such as CSCS cards),
- to pay for travel to interviews, as well as to and from YEG appointments, and
- to purchase appropriate interview clothes – which made them feel presentable, smart and '*interview ready*'.

## 4.2 Who made use of the budget?

Use of the YEG budget varied according to participant characteristics. Figure 4.3 shows that those who were unemployed for a longer period of time prior to joining YEG were *less* likely to use the participant budget. Only 35% of long-term (12 months+) unemployed participants used the budget, compared to half (50%) of short-term (<6 months) unemployed participants. This may have been because longer-term unemployed participants were not so close to the labour market (and indeed were less likely to enter work while on YEG) and were therefore less in need of expenditure for interview clothes and work travel, which were two of the largest areas of expenditure.

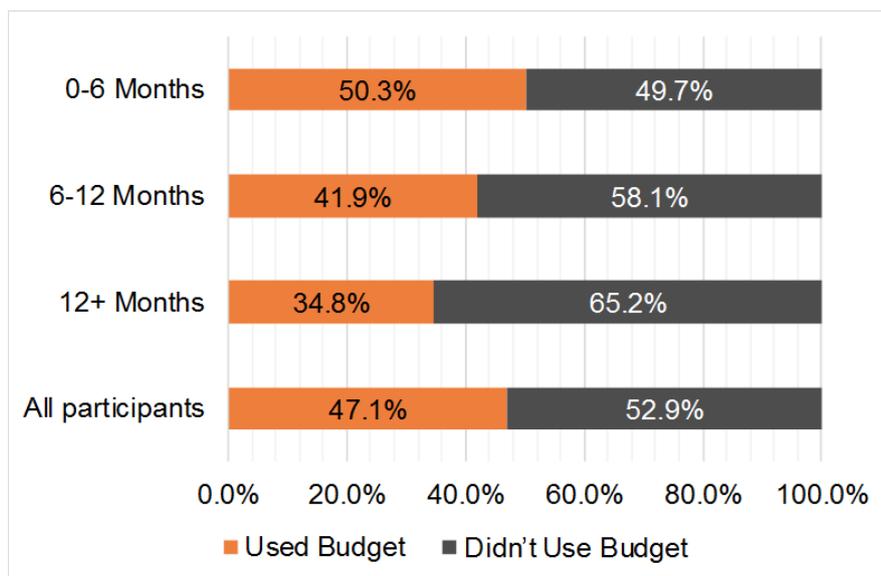
Indeed, as shown in Figure 4.4, those unemployed for a shorter period of time were more likely to spend the budget on equipment and travel, and less likely to spend it on training and licences. This suggests that those who were shorter term unemployed had fewer barriers to work and used the budget primarily for getting to interviews and helping with the costs of starting work.

The YEG survey also suggested some differences between the types of expenditure for participants with different characteristics, namely:

- More highly qualified young people (level 4 and above) were less likely to spend the budget on obtaining ID documents;
- Those unemployed more than 6 months were less likely to spend the budget on clothing than those unemployed for a shorter period;
- Older participants (22 and over) were more likely to spend the budget on clothing and travel and subsistence than younger participants – perhaps because they were more likely to live independently rather than with their parents. They were also more likely to spend it on something that enabled them to start work or on health and wellbeing.

This variation in patterns of usage suggests that the participant budget was being tailored to individual requirements and needs, as intended. However, given lower usage among those participants who were longer-term unemployed, it may be helpful to consider for the future whether the budget could be used more effectively for those participants further from the labour market.

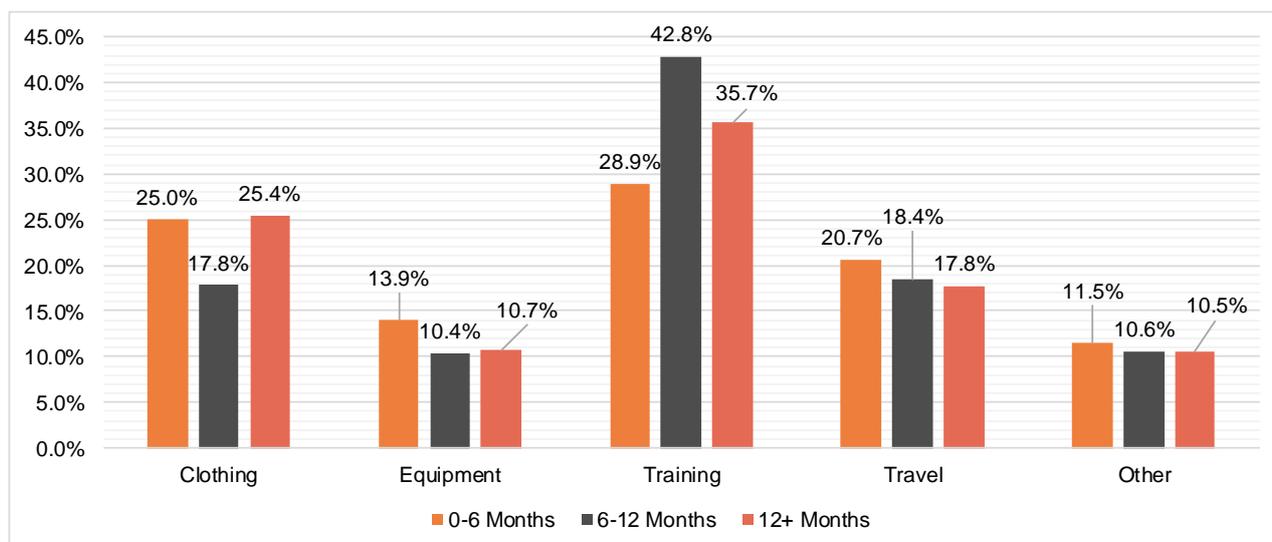
**Fig 4.3 Budget Use by Length of Prior Unemployment<sup>17</sup>**



Source: YEG all provider MI

<sup>17</sup> Bulk purchase items are excluded from this analysis since they cannot be allocated to individuals. These made up between 0 and 43% of overall budget expenditure across providers. Given that bulk purchases were primarily for clothing and travel vouchers for job interviews or starting work, we can assume that including them would further bias the expenditure towards those closer to the labour market.

**Figure 4.4 Expenditure Type by Length of Unemployment<sup>18</sup>**



Source: YEG all provider MI

### 4.3 Differences in expenditure across providers

While YEG advisers concurred in their views of the usefulness of the participant budget, there was significant variation across providers in the total amount of expenditure, as shown in Figure 4.5. As can be seen, Liverpool had by far the highest overall expenditure from the budget at £315,742, while the lowest levels of expenditure overall were in Sefton (£44,621) and Halton (£68,243).

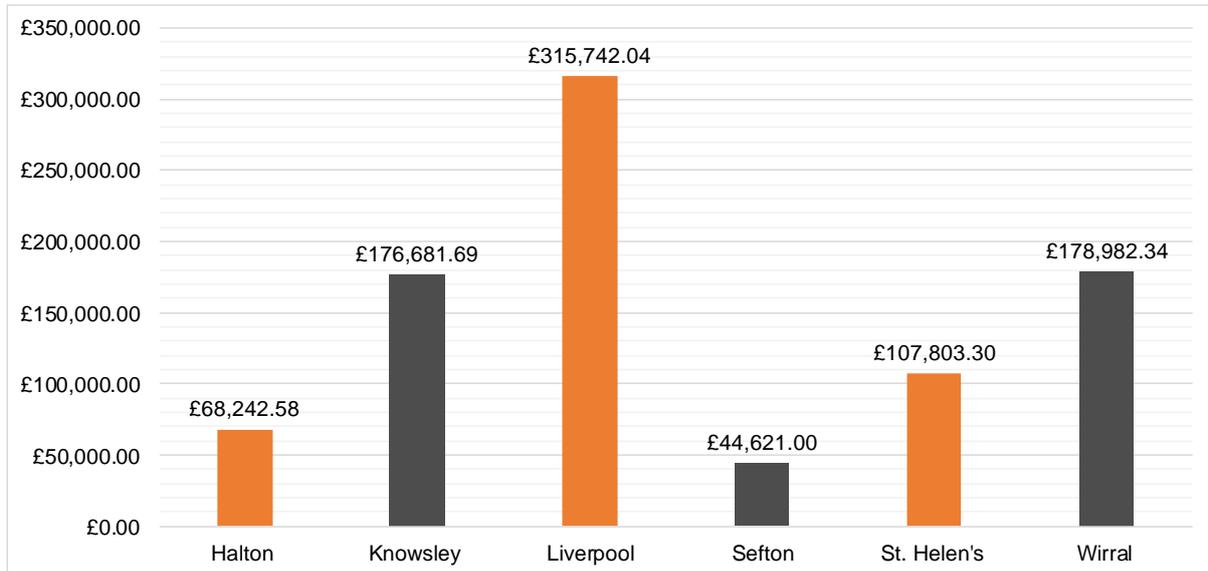
Figure 4.6 shows the same figures proportional to caseload size for each provider.<sup>19</sup> This shows some significant differences, with St Helen's and Wirral spending the largest amount, on average, per participant, at £253 and £222, respectively. Sefton is a clear outlier, spending by far the smallest amount, at £71 per participant on average. To some extent this appears to reflect differences in participant need across providers. Those providers with a larger proportion of short-term unemployed participants (e.g. Wirral and St Helen's) spent larger amounts of the budget per person, which reflects the above findings that the budget was primarily spent on participants closer to the labour market to address 'final' barriers (e.g. around travel or clothing). Conversely, Sefton had the largest proportion of longer-term unemployed participants and spent the smallest amount per person. However the size of the differences in per person expenditure between providers suggests that

<sup>18</sup> 'Other' includes the following expenditure types: Health and Wellbeing, ID, Job Start, Motivation and Attitude, Self-Employment and Sustainability.

<sup>19</sup> Note that it is not possible to ascertain the proportion of YEG participants who made use of the budget since a significant proportion of the budget is comprised of bulk buys that are not allocated to individuals. Therefore the amounts presented are an average across every participant on the programme.

this may also have been a result of differences in the way that the budget was promoted and used by advisers.

**Figure 4.5 Total Spend Across Providers**



Source: YEG Provider Performance Data – both phases

**Figure 4.6 Average per Person<sup>20</sup> Expenditure by Provider**



Source: YEG all provider MI – both phases

<sup>20</sup> This is an average across all participants on the caseload for each provider, regardless of whether they received any budget.

## 4.4 Differences between the individualised and the personalised budget

The key difference between Phases 1 and 2 of YEG was in the delivery of the participant budget. During Phase 1, an individualised budget was used, which rested more of the decision-making with the adviser. In Phase 2, the personalised budget was designed to give more autonomy to the individual participant, allowing them to determine for themselves how their fund was spent.

### Differences in extent and type of expenditure

Most of the YEG advisers felt that the shift to the personalised budget in Phase 2 of the programme had relatively limited impact on the extent and types of expenditure. Some advisers reported that their spending had become '*more creative*' in Phase 2 of the programme, in part because there were more examples available, particularly on the website, to show both advisers and participants what could be purchased. For example, equipment to facilitate job search, e.g. laptops and smart phones were said to be a more common purchase in Phase 2 (although advisers differed in how acceptable they felt this to be, with some saying it was essential to support digital access, while others felt that public libraries offered adequate facilities for job search).

Some advisers also commented that the budget was being spent more quickly in Phase 2, partly as a consequence of participants being more aware of having £500 to spend and thus being more proactive in suggesting items that they needed. Indeed, some advisers maintained that the suggestions for expenditure on the YEG website were unhelpful, as this encouraged participants to ask for things '*which they don't necessarily need*':

*'Participants are requesting more of it because it's almost like, for them... it's almost like it's their entitlement ... Everyone's directed to the website and they're hearing that Joe Bloggs has had a laptop or, you know, some sort of gym membership for his health and wellbeing, and the participants, kind of, then start to think that that's their entitlement.'* (YEG adviser)

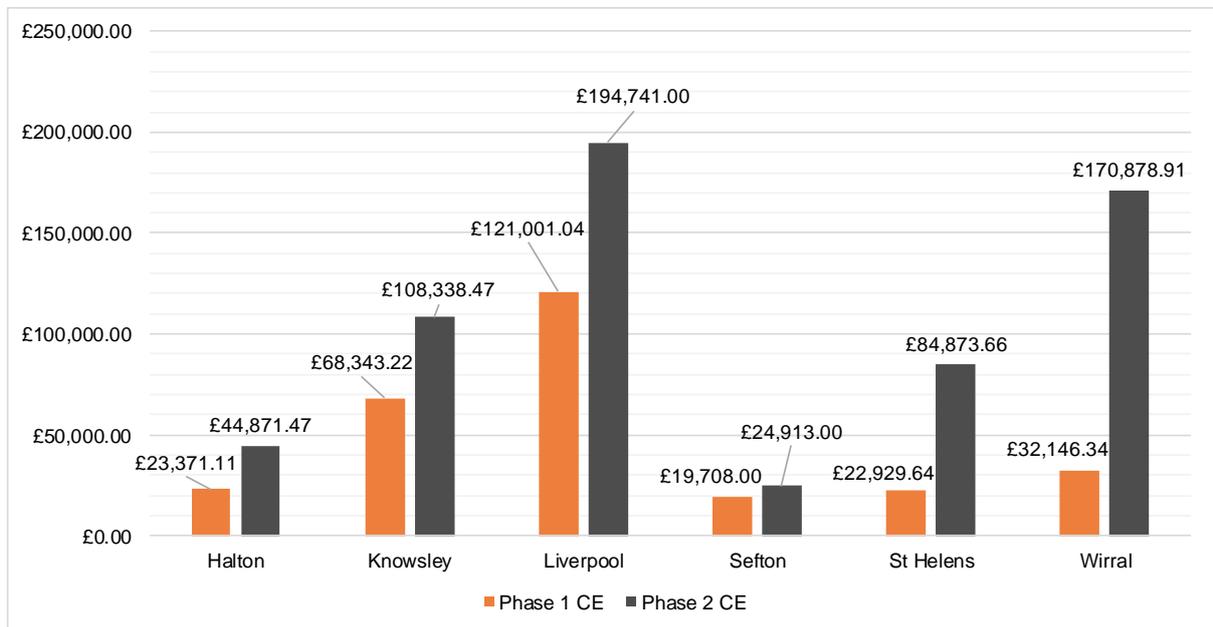
The MI data shows that budget expenditure did increase considerably in Phase 2, both overall and per participant (see Figures 4.7 and 4.8). This shows that the increase in expenditure was not only a result of the larger caseload but also that advisers spent more as a proportion of the caseload than previously - £153.50 per participant in Phase 1 and £202 per participant in Phase 2.<sup>21</sup> This is likely to be a

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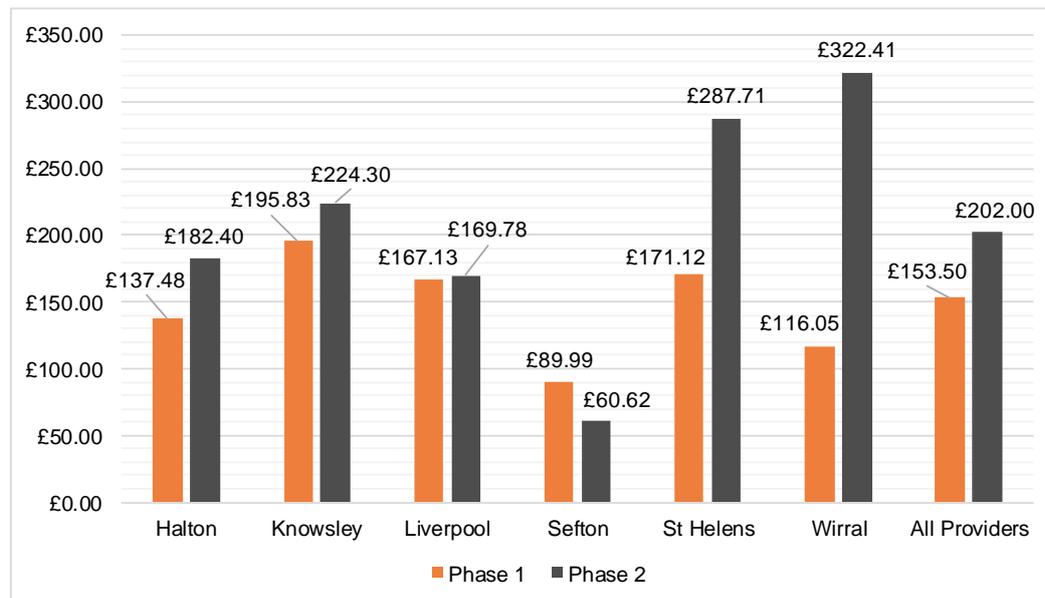
<sup>21</sup> Note that we do not know whether expenditure reached a larger proportion of individuals within each caseload, since we are not able to allocate the bulk buys to individuals, as explained previously.

result of more familiarity with using the budget among YEG advisers, as well as possibly more demand from participants.

**Figure 4.7 Total spend across providers by phase**



**Figure 4.8: Average per person<sup>22</sup> expenditure by provider and phase**



Whilst total expenditure increased for all providers in Phase 2, when this is considered as a proportion of caseload size there is, again, considerable variability between them. The largest increases in expenditure per person from Phase 1 to Phase 2 were seen in St Helen’s and Wirral, with other providers only increasing per

<sup>22</sup> This is an average across all participants on the caseload for each provider, regardless of whether they received any budget.

person expenditure slightly, and in one case, Sefton, per person expenditure decreased in Phase 2.

Figure 4.9 shows that the *types* of expenditure were broadly similar across both phases of YEG, with travel and subsistence, clothing, and training and licences predominating in both phases. However in Phase 2 there was less spending, proportionally, on training and licences (which reduced from 30% to 23% of all expenditure) and more on clothing (which increased from 13% to 21% of expenditure). Given that longer-term unemployed participants were more likely to spend their budget on training and licences (as reported above), this suggests a shift away from using the budget to address the needs of these participants and towards addressing the needs of those closer to the labour market in Phase 2.

By provider, there were also some differences in types of expenditure<sup>23</sup> (see Tables A4.1 to A4.3 in Annex 1). For example:

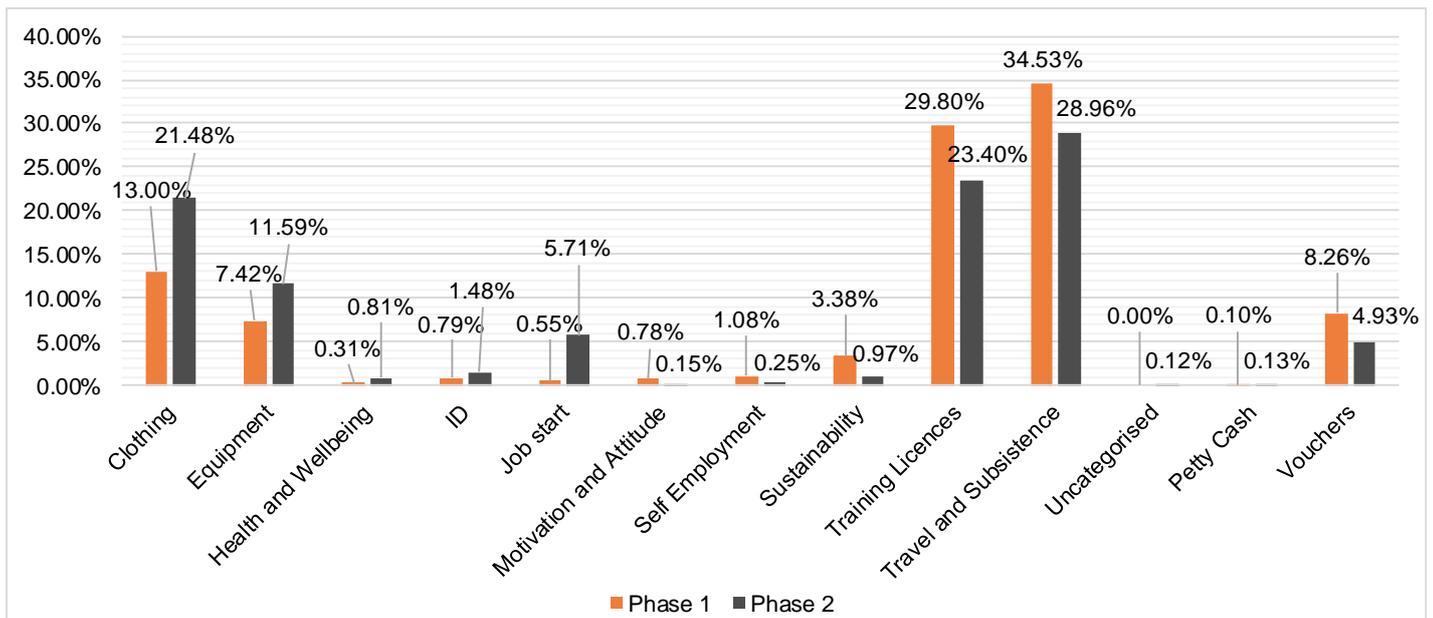
- Liverpool spent little, comparatively speaking, on travel costs, but spent more on clothing than other providers;
- The spend on training and licences, as a proportion of the total, was noticeably lower in St Helen's and Wirral than in other places;
- Sefton and Wirral were the two providers most likely to spend their budget on travel and subsistence;
- Wirral spent more on health and wellbeing than any of the other providers; and
- In Phase 2, Liverpool was more likely to spend the budget on 'Job Start' than any other provider.

These differences are likely to reflect differences in need across providers. For example, St Helen's and Wirral had the smallest proportion of longer-term unemployed participants who were most likely to spend the budget on training and licences; Sefton and Wirral's higher expenditure on travel may reflect their geographical size and location, etc.

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<sup>23</sup> It should be borne in mind that this analysis only gives a basic idea of differences between providers and phases, as there is likely to be considerable diversity within these categories and also some overlap between them.

**Figure 4.9: Type of expenditure by phase**



Source: YEG all provider MI – both phases

### Adviser involvement in decision-making

Notwithstanding the shift in emphasis in Phase 2 towards young people taking greater responsibility for their expenditure, YEG advisers generally reported having a continued involvement in participants' spending decisions, although the extent of their involvement differed depending on individual capabilities and preferences. Likewise, participants in both phases also usually reported that decisions about how to spend the fund were made jointly between themselves and their adviser. In some cases, suggestions originated more with the adviser and at other times with the participant:

*'She asked if I needed a suit for my interviews, I had an interview in security, [so] I said "Yes, I could do with a suit."' (YEG participant)*

*'I suggested it to them, because they said the budget could be used for anything you wanted as long as you could justify it towards work, towards gaining a job... I told them I want to go and do this, the licence is dead expensive and the job centre is not funding me, I've got no job. Could I use that money towards it, you know partially anyway?... They went yes, sure... but would you like me to see what other stuff you could use it for? Or do you want to hang back a little bit and see what else we can find you? I said yes to that ... [and] I used the money in the end to do my retest'. (YEG participant)*

Overall, budget spending decisions appeared to be closely related to an assessment of participants' circumstances and needs and this largely remained the same across both phases. Advisers continued to remain involved in participants' decisions about

how to use the fund in Phase 2, but conducted this as a two-way exchange, so that participants had more of a sense of ownership over the decisions. For example, advisers reported that if participants asked for suggestions of what to spend it on, they often utilised job descriptions to identify any gaps in requirements which the budget could fill. This ensured a relevant and individually-tailored approach.

As the programme became increasingly well known, advisers also asserted that greater awareness of the budget from word of mouth or referral sources could make some participants less careful about how to spend it, and so they had to be more 'strict' with them:

*'It just makes them think, "Ooh I can get this, and I can get that," rather than it being about what they need. So we still have to advise carefully: "We've got to be careful how we spend that budget because it's got to benefit you in the best way"'. (YEG adviser)*

Advisers used their guidance skills to navigate these issues by challenging participants to justify their purchase in the context of their individual goals, and suggesting more relevant alternatives where necessary.

Overall, across both phases then, advisers played a crucial role in interrogating and challenging participants' choices to check that the funding would overcome a barrier and help them move into work. Likewise participants, too, saw their advisers as 'authorising' their expenditure and ensuring that it was something that would be beneficial for them. There was also a clear emphasis from advisers on making 'a good business case' for items funded through YEG:

*'Obviously, we listen to what they want it for, and if we feel it's unrealistic we'll let them know that we don't think that's going to get them into work, we think that they maybe need to look at something else, and we'll support them in what we feel is right for them as well. And then we have to put a case forward to our manager to get the money signed off then, to make sure that it's going to help them get back into work. Because sometimes they ask for stupid stuff and you think, That's never going to get you into work! so we won't agree with it'. (YEG adviser)*

Staff also believed that they had a critical role to play in ensuring that participants received the best value for money, often through sourcing goods or services from providers with whom they had preferential rates, who were known to be reliable suppliers, or who offered free provision:

*'It's just the same [as Phase 1]. It's just still making sure it's the right thing that the person wants, making sure that we're sourcing it from providers who are going to be able to deliver it, whether it's training or whether we're*

*purchasing goods for the participant. We always try and get it free before we use the budget, so we've got the budget for something else'. (YEG adviser)*

Therefore, in both phases of delivery, staff researched the best value purchases and in some cases obtained a range of quotes. This process was sometimes conducted collaboratively with participants in appointments, but not always.

## **Budgeting**

Several advisers felt that one of the most significant changes between Phases 1 and 2 of the programme was the degree to which budget management had come to the fore. In Phase 2, they placed more emphasis on encouraging participants to manage the budget so that they might be better able to manage their earnings on a monthly basis once in work. These advisers saw empowering participants to manage their money as a core aspect of their role, and felt that the participant budget allowed them to have these conversations with young people:

*'I'll always encourage them to think through longer-term: "So if you did start work, how would you fund that? How would you be able to get there? If you're going for jobs in Warrington or Liverpool, you need the cost of a train ticket as well, how much is that going to cost you a month?" And just making sure that they understand that it isn't just £500 that you turn up once and get and then, "Oh, thanks very much for that"'. (YEG adviser)*

This was reflected to an extent in participant interviews, where some young people expressed a desire to keep some of their fund 'in reserve' for when they started work. However in other cases, there was very limited awareness of their responsibility for budgeting the money. For example, some participants reported a concern that they hadn't spent all of their budget and their time on the programme was coming to an end. Other participants claimed not to have been told how much budget was available for them to spend, and as a result hadn't applied for some items they could have benefited from, or had used their own money to fund these.

## **Using the website for budgeting**

In order to promote individual responsibility for budget management, the intention was for Phase 2 participants to use the YEG website to plan their purchases. Participants who were interviewed varied in their use of the website. Those who had used it generally reported that they found it '*easy to navigate*' and '*intuitive*' to use.

In most cases where the website was used, participants had discussed the spending with their adviser first and had come to a mutual decision about how to spend the money, and were then directed to the website to record their request – in some cases after they had made the purchases. However there were also instances of

individuals, having used the website a first time with their adviser, then using it independently themselves to select items:

*'Say you've got £400 left, you'll see a colourful circle and it'll say "You've got £400 of your budget left", when you log in. Underneath, it'll say a 'wish list' and if you want anything you put it in the wish list and then your adviser sees it and then sorts it out for you. So if you need a birth certificate they ring you up, book you in for an appointment to come in and sort what you want out on the wish list'. (YEG participant)*

Some advisers also reported that they were consciously adopting a more hands-off approach to the budget in Phase 2, e.g. by encouraging participants to proactively undertake their own research:

*'If you need a bike to travel, to go to work, go on the Halfords website, have a little look for a bike, copy and paste the link into your Mersey Interactive, put the price on there, add it to your basket, and then obviously when you go in for your appointment it's so much easier. So they're doing their own search and they're saying exactly what they want to use their funding for.' (YEG adviser)*

However a number of advisers reported that there was limited use of the website among their YEG participants and that it was difficult to encourage participants to engage with it. This was partly because they felt some participants struggled with using the website, particularly the registration process and navigating the site, especially those who had limited IT or literacy skills or young people with learning disabilities. There were also some technical difficulties experienced by users.

Advisers also reported a more general reluctance among participants to engage with the website independently. It was perceived by many participants as an additional step in a process which worked quite smoothly using paper-based forms and face-to-face appointments. Thus the majority of participants completed a request form for a purchase in a face-to-face meeting with their adviser. Often, an email request lacked the information to justify the funding so a conversation was preferred by staff and was preferable to participants, even for those with good IT and literacy skills.

Another common difficulty was that participants did not trust that their request through the website had been read, so would phone or come to the provider office anyway. These situations were exacerbated by network problems or staff absences. It was suggested that some form of 'read receipt' for participants who submitted a request could help resolve this issue.

For these reasons, some staff felt that the website was '*more of a hindrance than a help*', adding little value, since they reported that they were still having the

discussions with participants anyway, and using the appointment time to go on to the website:

*'We've already had that conversation in an interview and I'm directing him to go onto the website to ask for it, it doesn't make sense. It's just duplication.'*  
(YEG adviser)

There was also consensus among advisers that website use wasn't sufficiently incentivised and that the website itself could be improved, in order to encourage participant engagement with it. For example, they felt that there was currently insufficient 'added value' in the website to make it worth participants logging on, suggesting that additional features like CV builders, skills assessments or live vacancies might help. Advisers and participants also suggested that making the website into a simplified mobile app might encourage more regular review and management of the budget.

#### **4.5 Processing payments**

Across both phases of delivery, YEG staff expressed concern about the time it took to secure payments when using the budget. This was generally down to local authority procurement procedures, rather than to YEG per se, and consequently varied across providers. Mechanisms used by individual providers for paying for budget purchases varied, including petty cash, vouchers, credit cards, cheques and invoicing.

Lengthy processing times for payments could be problematic, e.g. where training providers required upfront payment before a participant could start on a course:

*'A lad wanted to do an online course on photography, so I had to contact the place and we could have just done it straight online if we'd've had a debit card... and instead he had to wait about six/seven weeks for it to all be processed'.* (YEG adviser)

These procedures could also hold back access to small but important items, such as travel passes:

*'You know, I have to get all the paperwork done and then go and get a bus pass issued and bring it back to them, or they'll have to come up for it [...] So they'll have to wait a week and I'll come and see them next week.'* (YEG adviser)

Some advisers also highlighted that restrictions on approving larger purchases without managerial sign off could also cause delays for individuals. In some cases, participants were asked to pay themselves and wait for reimbursement, which wasn't always possible.

Providers developed a range of tactics for making purchasing more efficient, such as:

- ordering items online with delivery to participants' homes,
- buying from the authority's list of suppliers,
- making use of high street shopping vouchers rather than reimbursing cash,
- introducing credit cards for their advisers.

Using credit cards was felt by advisers to be the most efficient way to purchase budget items, especially as some purchases (such as courses) would only accept a credit card payment. Credit cards also enabled advisers to access discounted purchases, such as ID, by purchasing them online, which provided enhanced value for money and more flexibility than invoicing or cheques and increased the range of suppliers they were able to access.

#### **4.6 Summary**

The YEG participant budget was highly valued by both staff and participants, particularly the flexibility in what it could be spent on, and in the context of the limited availability of such flexible budgets in other programmes. The key items of expenditure were clothing, travel & subsistence and training and licences. Staff thought the budget was important in gaining 'easy wins' - where participants were work-ready but just required, for example, a DBS check or a particular licence to gain employment. Travel and living expenses while in work were also an important use of the budget, with staff and participants seeing this as playing an important role in work retention.

The amounts and types of expenditure varied considerably across providers, which appears to partly reflect different needs across the boroughs. However, one authority, Sefton, was an outlier in having a much lower level of budget expenditure as a proportion of caseload size, which also decreased between Phase 1 and Phase 2. This may reflect differences in the staff approach to using the budget.

Budget use also varied according to individual participant characteristics. Participants who had been out of work for longer prior to starting on YEG were less likely to have used the budget and to have spent a smaller amount. They were also more likely to spend the budget on training and licences rather than travel and equipment. While this may reflect tailoring of the budget to individual need, it may nonetheless be helpful to consider for the future whether the budget could be used more effectively for those participants further from the labour market.

In general, YEG staff felt that differences between the two phases, with the transition from the individualised to the personalised budget, were minimal. While overall expenditure (as a proportion of total caseload) increased, the types of expenditure remained broadly the same, although expenditure on training and licences reduced

proportionally, while spending on clothing increased. Staff reported that in both phases they played a key role in challenging participants' choices and ensuring that spending was used effectively to remove work barriers.

Some advisers reported placing more emphasis on promoting budget management in Phase 2, than in Phase 1, and using the budget planner on the YEG website to encourage participants to be more self-reliant in researching expenditure options. Greater self-reliance among participants in undertaking these tasks was seen to be particularly helpful in the context of larger caseloads in Phase 2, which meant that advisers had less time to spend with participants. However other advisers felt that the website had little added value, and advisers typically reported low usage of the website among participants and an ongoing reliance on the adviser to suggest options for spending the budget.

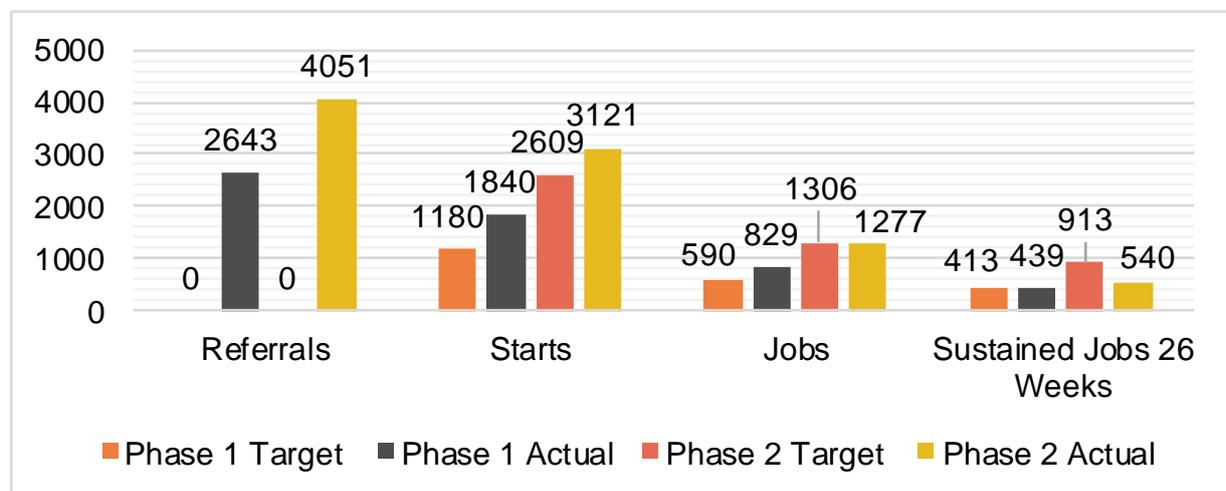
## 5. Outcomes from YEG

This chapter presents the outcomes that have been achieved by the YEG programme up to the end of September 2017, comparing outcomes for Phase 1 and Phase 2. It starts by looking at provider performance against targets set for the programme, and then looks at a range of performance measures, comparing across the two phases of YEG. Following this, it uses the programme's management information (MI) to look at how outcomes vary by participant characteristics. Finally, survey data is used to explore the processes leading to these outcomes.

### 5.1 Provider performance against targets

Figure 5.1 shows YEG performance on referrals, starts on the programme, job outcomes and sustained job outcomes by phase.

**Figure 5.1 YEG performance by phase**



#### Phase 1

By December 2016, the Phase 1 programme targets for starts, job outcomes and sustained outcomes had all been achieved:

- 1,840 starts on the programme had been achieved, against a target of 1,180 (156%);
- 829 participants had entered work, against a target of 590 (141%); and
- 439 participants had remained in work for 26 weeks, against a target of 413 (106%).

#### Phase 2

For Phase 2, by September 2017, after two years of delivery, the target for starts had been achieved, and the target for job starts almost achieved (98%), but only 59% of the target for sustained job outcomes had been achieved:

- 3,121 starts on the programme had been achieved, against a target of 2,609 (120%);
- 1,277 participants had entered work, against a target of 1,306 (98%); and
- 540 participants had remained in work for 26 weeks, against a target of 913 (59%).

The lower performance against job outcome and sustained job outcome targets in Phase 2, compared to Phase 1, can be partly explained by:

- higher targets in Phase 2, as a proportion of actual starts on the programme, and
- the slightly shorter timeframe for achieving outcomes compared to Phase 1.<sup>24</sup>

We have calculated that if the Phase 2 target for job outcomes had been based on the same ratio of job outcomes to starts on the programme as Phase 1<sup>25</sup>, the target would have been over-achieved. Phase 2 performance on job outcomes would be at 128% of the target, compared to 141% for Phase 1. Similarly, if the target for sustained jobs had been based on the same ratio to starts on the programme as Phase 1<sup>26</sup>, 77% of the 26-week sustainment target would have been reached (compared to 106% in Phase 1)

To account for the shorter window for recording outcomes in Phase 2, we also looked at how many job outcomes and sustainments were achieved or reported after the initial 24 months of delivery in Phase 1. The data show that 15 job outcomes (1.8% of the total for Phase 1) and 83 sustainments (18.9% of the total for Phase 1) were achieved or reported after Sep 2016.<sup>27</sup> If the same pattern applied in Phase 2, and providers had the same timeframe for reporting outcomes, then the projected number of total job outcomes for Phase 2 would be 1,300, and the number of sustainments would be 666. If the revised target was used (as above), this would mean 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, compared to 106% in Phase 1.

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<sup>24</sup> Providers can record job outcomes for Phase 2 up to the end of December 2017, but the figures shown are for Sep 2017, after 24 months of delivery only, while Phase 1 figures are for 27 months of delivery. In addition, while outcomes for Phase 1 had to have been achieved by Dec 2016 to be eligible, providers continued to be able to evidence achieved outcomes after this date, which is likely to have increased reported outcomes further.

<sup>25</sup> The ratio of job outcomes to actual starts for Phase 1 was 32.1%. If this was applied to Phase 2, the job outcome target would be 1,002 instead of 1,306.

<sup>26</sup> The ratio of sustained outcomes to actual starts for Phase 1 was 22.4%. If this was applied to Phase 2, the sustained outcome target would be 699 instead of 913.

<sup>27</sup> This is a combination of outcomes achieved in the final 3 months of Phase 1, plus outcomes reported after this time.

This suggests that the vast majority, but not quite all, of the difference in performance between Phase 1 and Phase 2 on job outcomes and sustainments is due to different targets and the duration of the reporting window. Combined with some reported pressures on staffing in Phase 2, due to the delivery of a wider range of programmes by providers, this likely accounts for the slightly lower performance of the programme in Phase 2.

### Variations by provider

Looking at performance across providers, there is substantial variation (see Annex 1, Figure A5.1). Halton, Knowsley and Wirral achieved all their targets for both phases, except for the sustained job outcome targets for Phase 2. However, Liverpool and Sefton did not achieve targets for job starts or sustained jobs in Phase 2, while St Helen's only just achieved the job start target. Both St Helen's and Liverpool also missed their sustained outcome targets for Phase 1.

These differences in performance across providers can be at least partly explained by differences in the characteristics of their respective caseloads, as we show later in this chapter.

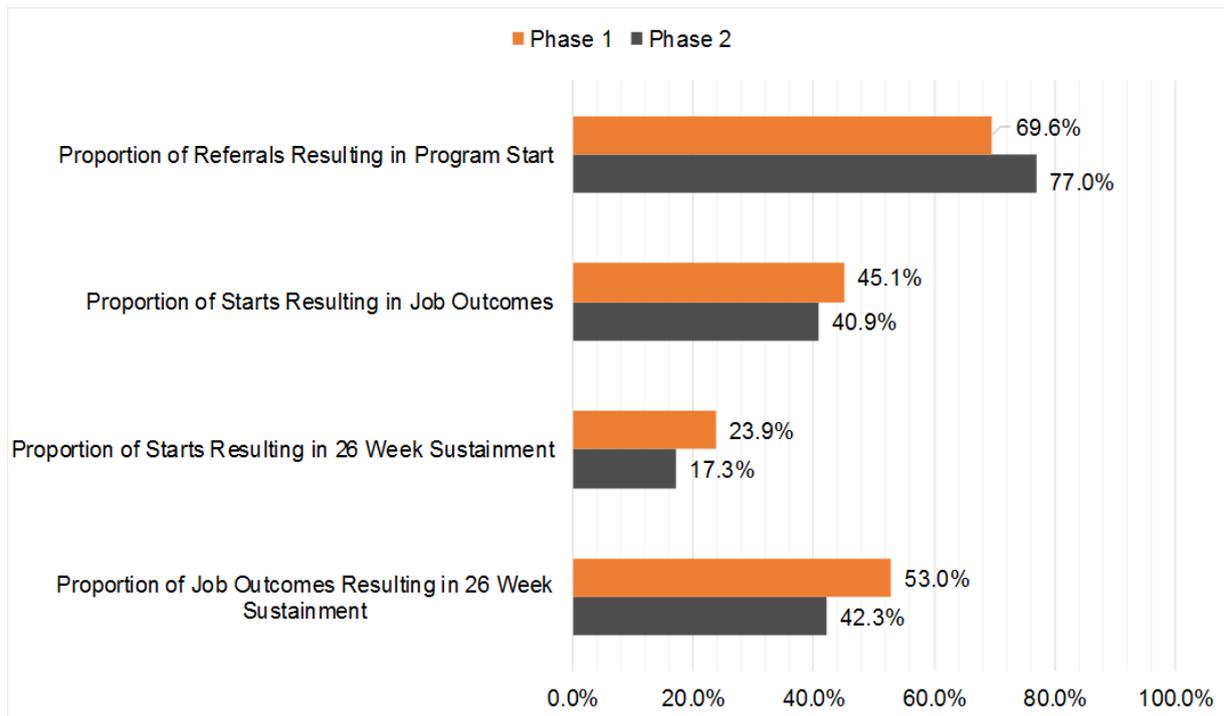
## 5.2 Outcome rates

Figure 5.2 shows outcome rates for the programme and per provider, for a range of outcomes, including:

- Programme starts, as a proportion of referrals,
- Job outcomes, as a proportion of starts on the programme, and
- Jobs sustained for at least 26 weeks, as a proportion of starts on the programme and as a proportion of job outcomes.

This shows that YEG performance in Phase 2 was slightly better than in Phase 1 for conversion of referrals into starts on the programme: 77% of referrals in Phase 2 were converted into starts, compared to 70% in Phase 1. However Phase 2 performance was poorer than Phase 1 on the job outcome measure (where 41% of starts were converted to job outcomes compared to 45% in Phase 2) and on the sustained job outcome measure (where 17% of starts were converted into sustained job outcomes compared to 24% in Phase 1).

**Figure 5.2 Job Outcome Rates, Phase 1 & 2, All Providers**

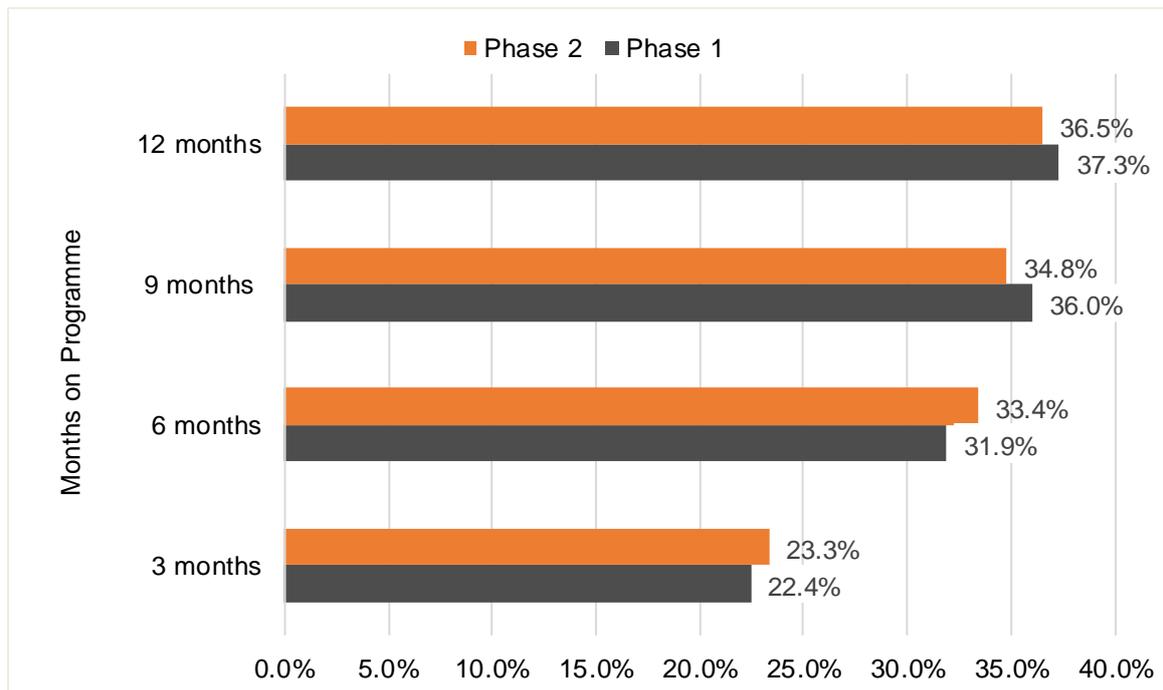


Source: YEG performance data – Phase 1 & 2

As noted above, outcome rates for each phase are not directly comparable, as the length of the observation window was longer for Phase 1 (i.e. there was more time to record outcomes). To examine differences between outcome rates in the two phases further, we conducted a cohort analysis (Figure 5.3), which shows the proportion of participants in each phase who achieved a job outcome within 3 months, 6 months, 9 months and 12 months of starting on the programme<sup>28</sup>. This analysis excludes any participants who have not been on the programme long enough to have achieved the outcome concerned. This analysis shows that job outcome rates were broadly comparable across the two phases of the programme. In Phase 2, there was a slightly higher outcome rate than Phase 1 at 3 months and 6 months, but a slightly lower rate than Phase 1 at 9 months and 12 months.

<sup>28</sup> This analysis includes 85.1% of job outcomes achieved on the YEG programme. Exclusions were made due to lack of sufficient and valid data for job outcome dates. For this reason, the outcome rates figure is slightly lower than referenced above, but the trends and comparison between phase 1 and 2 still hold true. This missing information is split evenly across phases; 13.6% of phase 1 outcomes, 16% of phase 2 outcomes. There is no reason to suspect that this missing information would influence the trends seen and discussed in this section.

**Figure 5.3 Job Outcome Rates by Months on the Programme: Phase 1 and 2**

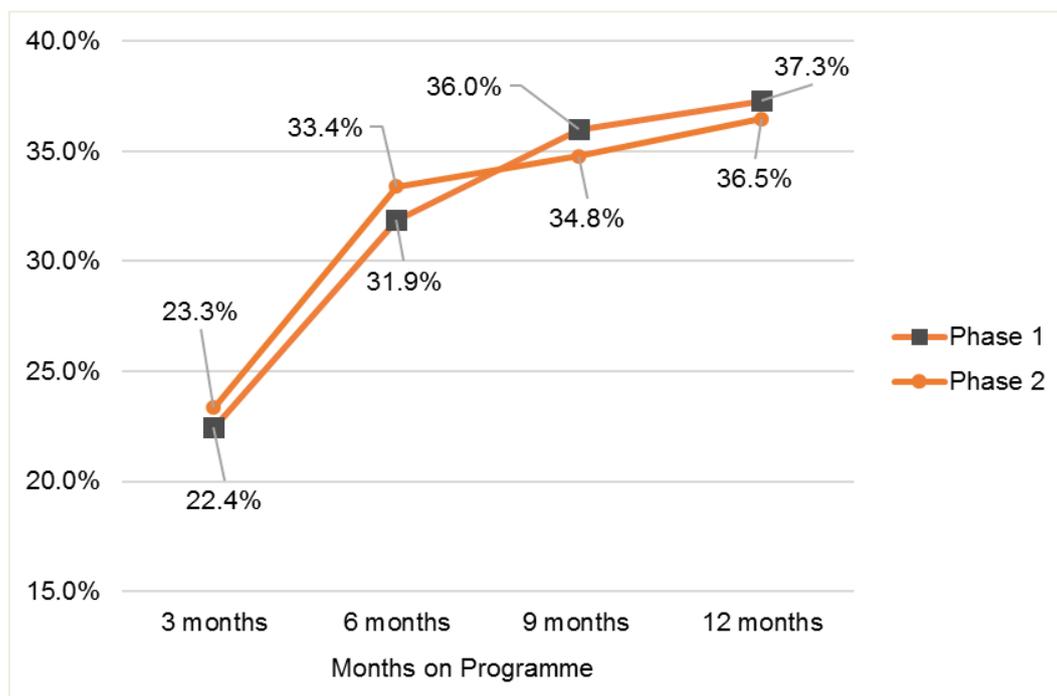


Source: YEG MI data – Phase 1 & 2

More generally, the analysis shows that the rate of increase in job outcomes decreases over the lifespan of the programme, particularly after the 6-month mark. As participants stay on the programme for longer periods of time without achieving a job outcome, the likelihood that they will achieve a job outcome decreases - as can be seen clearly in Figure 5.4. This is a pattern commonly seen across employment support programmes and reflects the fact that those closer to the labour market achieve job outcomes faster than those participants who are further away from the labour market. Moreover, with a voluntary programme such as YEG, participants will naturally disengage and turn to other sources of support (or be mandated to additional support) if they do not achieve a job outcome within a reasonable timeframe.

Figure 5.4 also shows that this 'tailing off' in outcomes was more noticeable in Phase 2 than in Phase 1. This is also reflected in the average time taken to achieve a job outcome by phase. The median time to a job outcome for Phase 1 was 2.3 months, while for Phase 2, it was 1.9 months.

**Figure 5.4 Job Outcome Rates by Months on the Programme: Phase 1 and 2<sup>29</sup>**



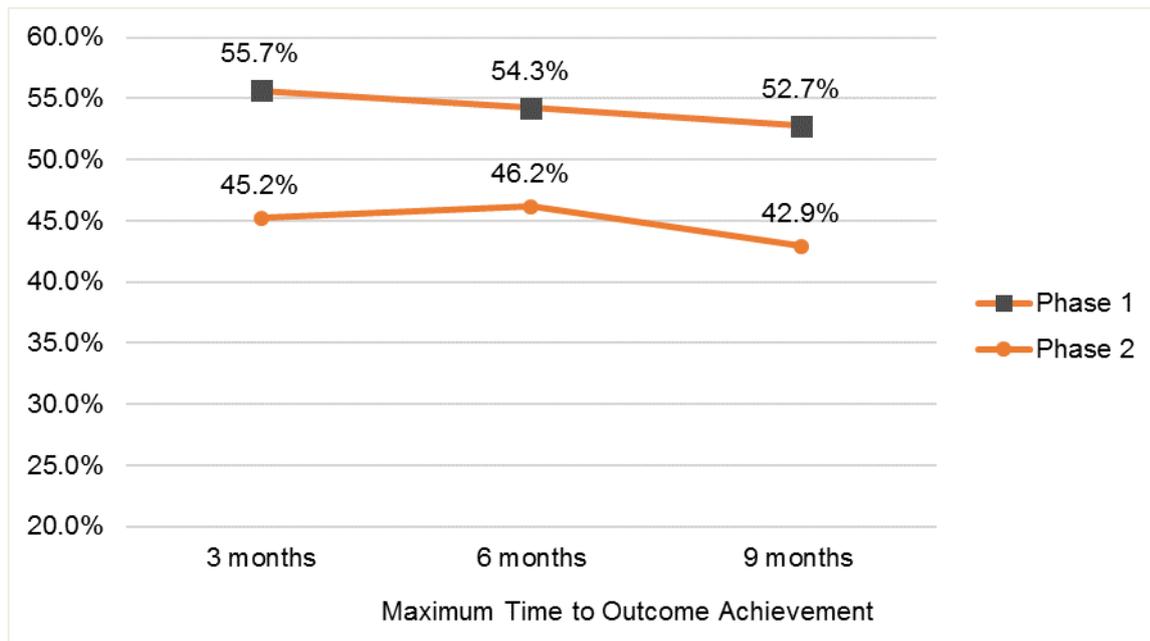
Source: YEG MI data – Phase 1 & 2

Figure 5.5 shows the 6 month sustained outcome rates (as a proportion of job outcomes) for those achieving job outcomes after 3, 6 and 9 months on the programme. Again those who have not been on the programme for a sufficient length of time to achieve the outcome have been excluded to make the rates across phases comparable. It shows that, overall, the longer it took participants to achieve a job outcome, the less likely they were to have sustained the job for 6 months. For Phase 1, the sustained outcome rate decreased steadily for each cohort, while in Phase 2, the sustained outcome rate for the 6-month cohort is slightly higher than for the 3-month cohort, but then drops off again for the 9-month cohort.

Figure 5.5 also shows that Phase 1 of the programme performed better in converting job outcomes into 6-month sustainments, for all cohorts, than Phase 2. The sustainment rate for those in Phase 1 who achieved a job outcome was between 53 and 56% across the cohorts, while for Phase 2 it was 43 to 46% across the cohorts. This is likely to be partly explained by the longer window for reporting outcomes in Phase 1, as described above (a fifth of total Phase 1 sustained job outcomes were achieved or reported after the first two years of delivery).

<sup>29</sup> This analysis includes 85% of the job outcomes achieved on the programme. Exclusions were due to insufficient or invalid data for job outcome dates. For this reason, the job outcome rate used in the cohort analysis is slightly lower than that referenced above, but the trends and comparison between phases is still valid, since the missing information is split evenly across phases.

**Figure 5.5 Sustained Job Outcome Rates, by Length of Time till Outcome**



Source: YEG MI provider data – Phase 1 & 2

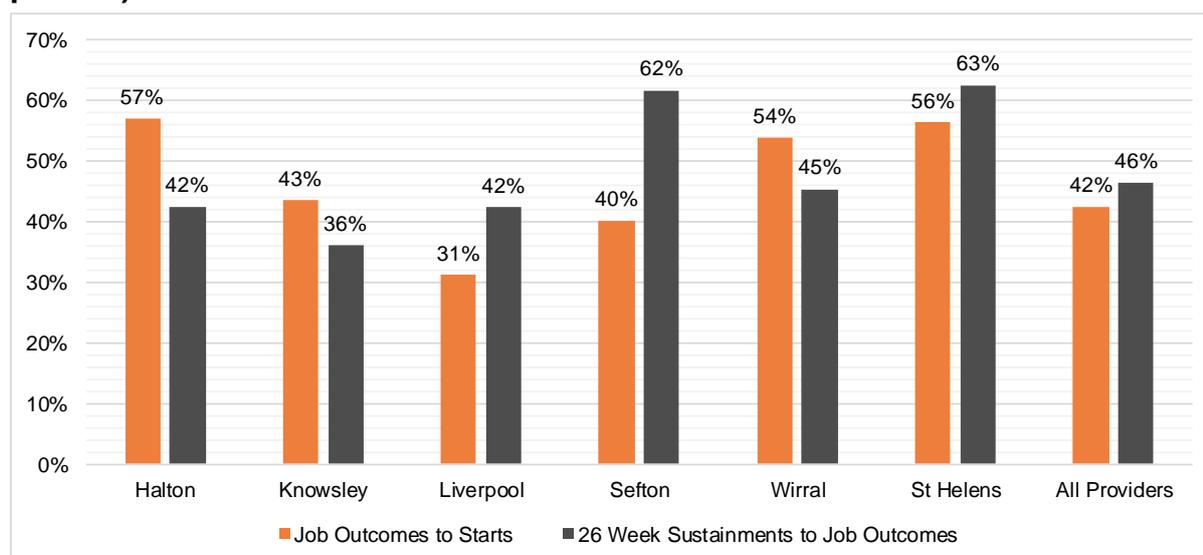
Together, Figures 5.4 and 5.5 suggest that YEG performed better for those participants who were closer to labour market, since job outcome rates taper off rather quickly after 6 months on the programme. This was particularly the case in Phase 2, where YEG appeared to be better at getting people into jobs quickly, but saw a lower proportion of the total caseload move into jobs than in Phase 1. This may be due to the voluntary nature of the programme, meaning that participants disengaged from the programme after a significant period of not achieving an employment outcome or moved on to alternative mandatory provision such as the Work Programme. Another possible explanation could be that new registrations to the programme were prioritised for support over ensuring that all of the existing caseload achieved job outcomes.

Sustained job outcome rates tapered off at about the same rate in both phases, with the 9 month cohorts approximately 3 percentage points less likely than the 3-month cohort to sustain the job for 6 months. Jobs sustained for 6 months, as a proportion of all job outcomes, were higher in Phase 1 than Phase 2 for all cohorts, however this is again affected by the length of time for reporting outcomes. It is also plausible that greater pressures on adviser time in Phase 2 reduced the achievement and/or reporting of sustained job outcomes or that other changes in the external environment across the two phases of YEG (for example the introduction of UC) had an effect on the achievement of outcomes.

## Outcome rates across providers

Breaking down these rates by providers again shows considerable variation. Figure 5.6 shows that Halton, St Helen's and Wirral had higher job outcome rates (54 to 57%) while Knowsley, Sefton and Liverpool had lower rates (31 to 43%). However for sustained jobs (as a proportion of job starts), there is a different pattern. Sefton and St Helen's had rates of 62 and 63% respectively, compared to 36 to 45% for the other providers.

**Figure 5.6 Outcome Rates for jobs and sustained jobs by Provider (both phases)**



Source: YEG performance data –Phase 1 and 2

Looking at this by Phase (see Annex 1, Figures A5.2 and A5.3), job outcome rates reduced slightly for most providers in Phase 2, and more substantially for Halton (67 to 50% from Phase 1 to Phase 2<sup>30</sup>). However they increased slightly in Phase 2 for Sefton and St Helen's. Again, the rate of six-month sustainments (as a proportion of job outcomes) reduced in Phase 2 for most providers (especially for Liverpool, where they fell from 59 to 31%), but rose for Knowsley and St Helen's.

## 5.3 Types of jobs obtained

Using the YEG survey data, we can look in further detail at the type of job outcomes obtained by YEG participants. The survey shows that participants moved into both part-time and full-time jobs; approximately three fifths of survey respondents who obtained work while on YEG moved into full-time work (of 30 hours or more), while two fifths moved into part-time work. Young people with a health condition or

<sup>30</sup> The drop in outcome rates between Phase 1 and 2 for Halton may be partly explained by the differential make-up of Halton participants across phases. For example, the proportion of Halton's participants that were long-term unemployed more than doubled, from 6% in Phase 1 to 13% in Phase 2 and the proportion of participants with multiple disadvantage also doubled, from 4% to 8%, between Phase 1 and 2.

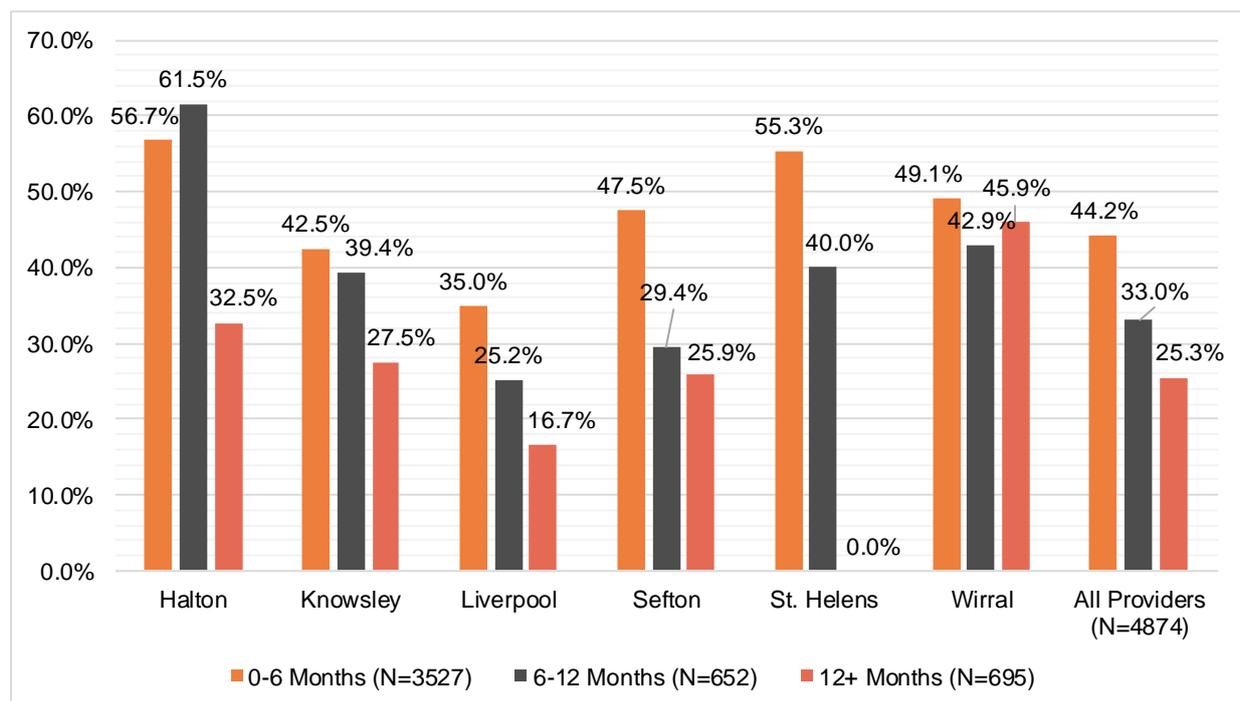
disability were significantly more likely to work part-time. For example, almost two thirds of people without a health condition worked at least 30 hours a week compared to just over a third of those with a health condition.

The most common wage level of survey respondents who entered work was between £5 and £7 an hour, which accounted for 44% of all respondents. A further third earned between £7 and £10 per hour, while around one in ten reported that they earned less than £5 an hour (below the National Minimum Wage rate at the time of the surveys).<sup>31</sup>

The majority of respondents in the survey who found work had had just one job since starting on YEG. Of those who left work, the main reason given – by over half of respondents (54%) - was due to the job ending (e.g. a short-term contract or other unforeseen circumstances from the employer side). A further fifth of respondents reported ‘other’ reasons for leaving a job, which included personal difficulties relating to physical or mental health, feeling overwhelmed and/or underqualified in their job role or other difficult life circumstances.

## 5.4 Job outcomes by participant characteristics

**Figure 5.7: Job Outcome Rates by Length of Unemployment**



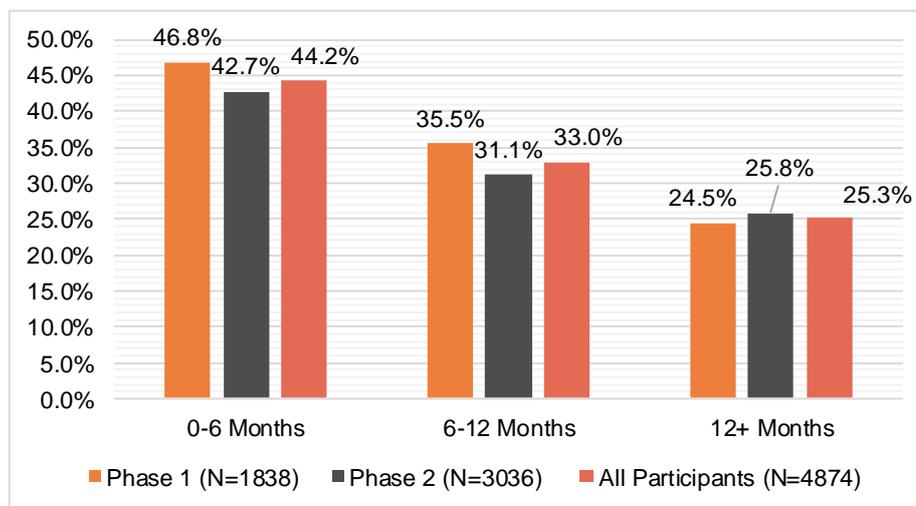
Source: YEG all provider MI – both phases

Figure 5.7 shows job outcomes achieved on the programme by length of unemployment. It shows very clearly that those with shorter periods of

<sup>31</sup> This was £6.70 per hour for 21-24 year olds and £5.30 an hour for those aged 18-20.

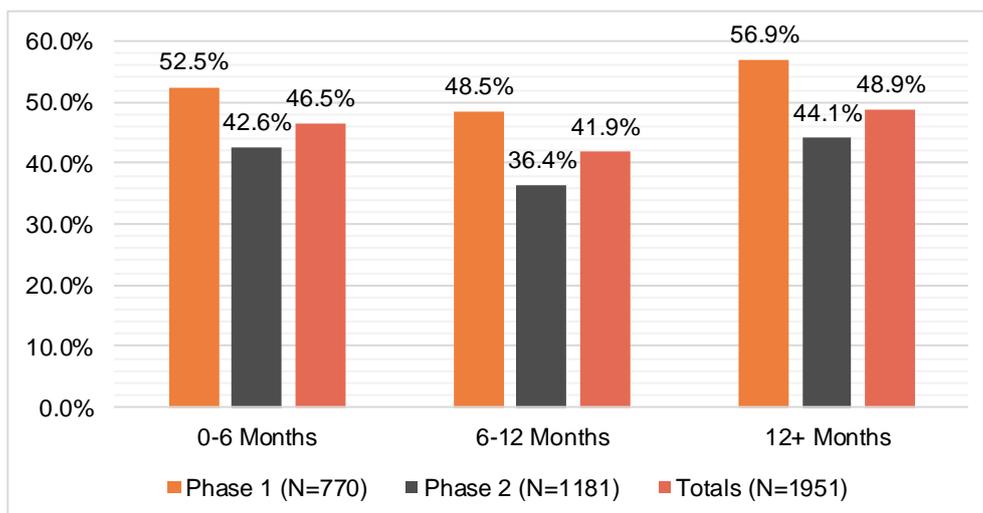
unemployment were much more likely to achieve a job outcome while on YEG. Around two fifths (44%) of participants who were 0-6 months unemployed prior to joining YEG achieved a job outcome, compared to a third (33%) of those unemployed for 6-12 months and just a quarter of those unemployed for 12 months or more. The trend is the same across all providers, except in Halton, where those unemployed for 6-12 months had higher outcome rates than those unemployed between 0-6 months, and Wirral where outcome rates were similar across all groups, and those unemployed for 12 months or more had slightly higher rates than those unemployed for 6-12 months.

**Figure 5.8 Job Outcome Rate by Length of Unemployment, by Phase**



Source: YEG all provider MI – both phases

**Fig. 5.9 Sustained Job Rate by Duration of Unemployment (of those who achieved a job outcome), by Phase**



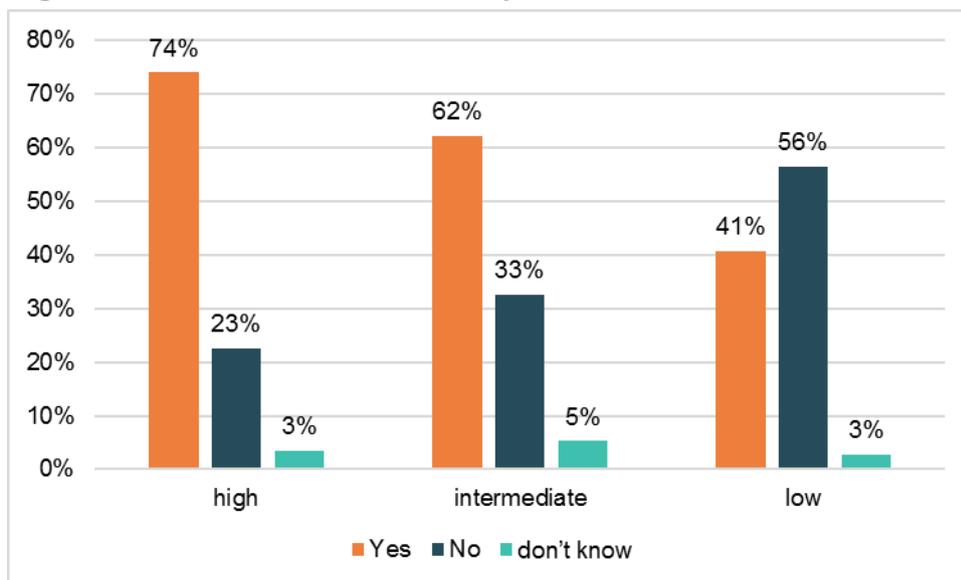
Source: YEG all provider MI

Figure 5.8 compares job outcome rates by length of unemployment across the two phases of YEG, and shows a similar trend: those participants who had been unemployed for a shorter duration of time were more likely to find a job in both phases of the programme.

The relationship between length of unemployment and job sustainment is less clear-cut (see Figure 5.9). While 47% of those unemployed for less than 6 months who found work sustained their job over 26 weeks, this was true for 49% of those unemployed for 12 months plus, but only 42% of those unemployed 6-12 months.

The differences in job outcome rates by length of unemployment are likely to partly explain the differences in performance across providers presented earlier. Liverpool, Sefton and Knowsley, which have the lowest job outcome rates, also have the highest proportion of YEG participants that were unemployed for 6 months or longer when starting the programme (see Chapter 2). For example, just under half (45%) of Sefton’s YEG participants (both phases) were unemployed for longer than 6 months on joining the programme, compared to only 23% in Halton, 18% in Wirral and 2.6% in St. Helens – where the highest rates of job outcomes were recorded.

**Fig. 5.10 Paid Work Since YEG by Qualification Level**



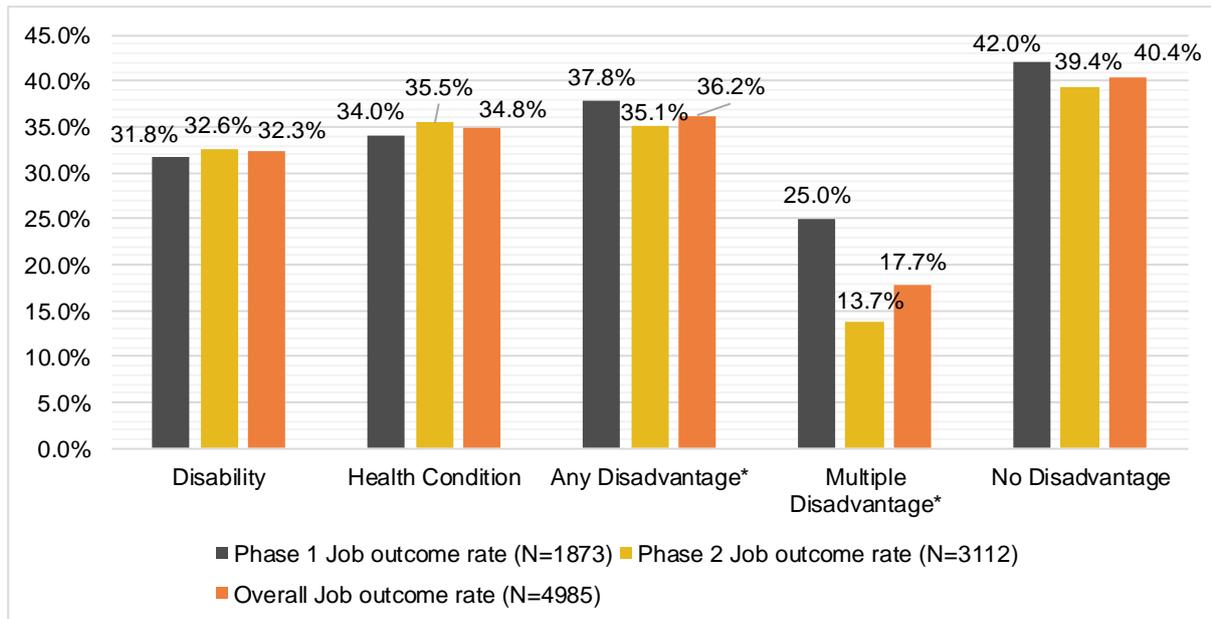
Source: YEG survey, Base = 414

The programme MI does not record information on participant qualifications, but data from the YEG survey suggests that those with higher level qualifications were also significantly more likely to achieve a job outcome while on YEG. As Figure 5.10 shows, among survey respondents, almost three quarters (74%) of those with high level qualifications got a job while on YEG, compared to three fifths (62%) of those

with intermediate level qualifications and just two fifths (41%) of those with low qualifications.<sup>32</sup>

Figure 5.11 shows job outcomes by other characteristics indicating labour market disadvantage. Again this shows higher outcome rates for participants with none of the recorded disadvantages. Two fifths (40%) of those with no disadvantages achieved a job outcome, compared to 36% of those with any disadvantage and just 18% of those with multiple disadvantages.

**Figure 5.11: Job outcomes by disadvantage characteristics**



Source: YEG all provider MI – both phases

## 5.5 The role of YEG in achieving employment outcomes

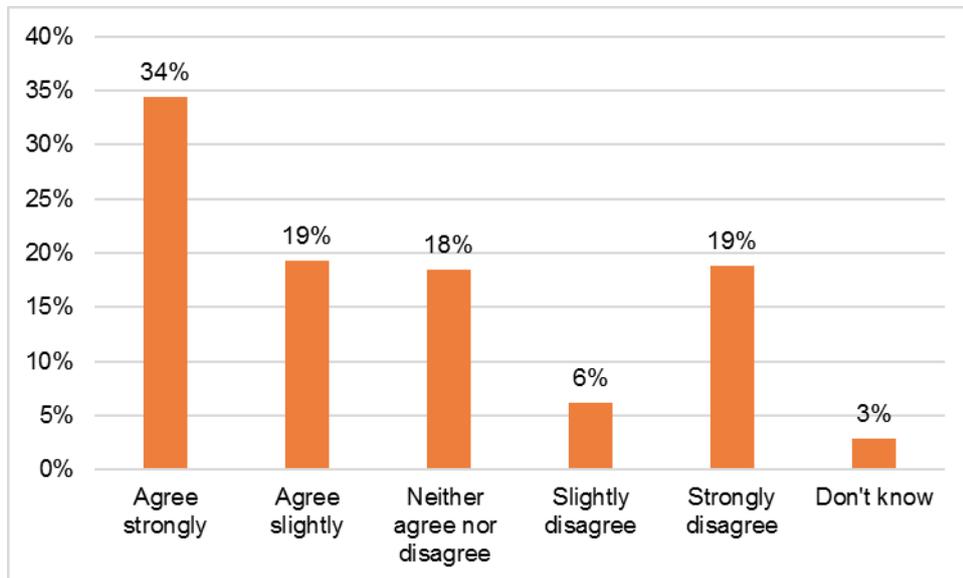
Survey respondents who had entered work while on YEG were asked if YEG had played a role in helping them secure this work. As shown in Figure 5.12, just over half (53%) agreed that YEG played a role (34% ‘agreed strongly’ and 19% ‘agreed slightly’), while a quarter (25%) disagreed (slightly or strongly) that YEG had played a role.

Those with a shorter unemployment duration (0-6 months) were more likely to *disagree* that YEG had played a role in the work they secured (30% compared to 17%) (see Annex 1, Figure A5.4). This suggests that while those who were shorter-term unemployed were more likely to obtain a job outcome while on YEG, YEG was

<sup>32</sup> While the proportions of survey respondents achieving a job outcome are much higher than in the MI (reflecting a bias in who responded to the survey), the differences in outcomes according to qualification are likely to be reflective of the full YEG population.

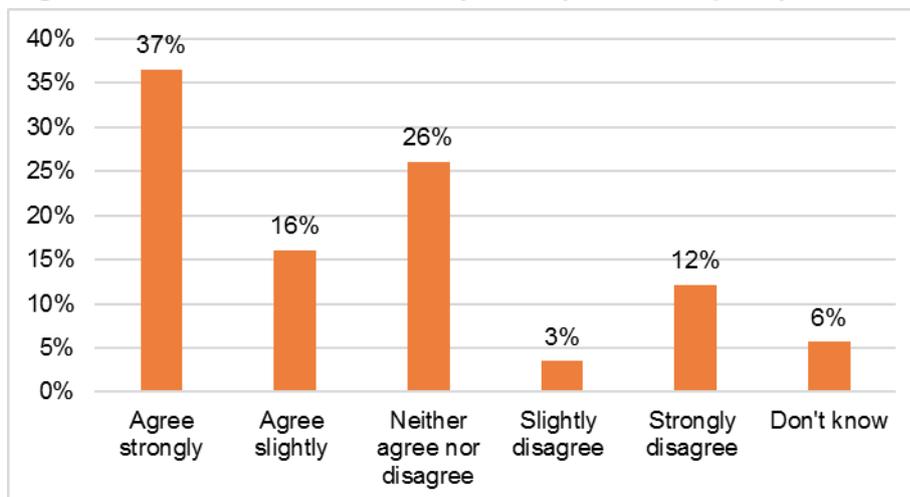
perceived to play a more important role in securing any job outcomes for those who were longer-term unemployed.<sup>33</sup>

**Fig. 5.12 How much would you say YEG helped you to secure paid work?**



Source: YEG survey, Base = 244

**Figure 5.13 How much would you say YEG helped you to sustain your job?**



Source: YEG survey, Base 230

Respondents who had worked since being on YEG were also asked what role YEG had played in helping them to stay in work (Figure 5.13). Again, just over half (53%) agreed that YEG had played a role, with 37% agreeing strongly and 16% agreeing slightly. This is almost identical to the proportions who stated that YEG played a role in helping them find work. This high level of attribution of staying in work to YEG is remarkable given that YEG is primarily an into work programme. Interestingly,

<sup>33</sup> Higher qualified participants were also more likely to disagree that YEG had played a role in their work outcome.

although only a very small number of people in the survey with a health condition entered work, those who did were much more likely than those without a health condition to *disagree* that YEG played a role in helping them stay in work (46% compared to 14%). This may suggest that these respondents were receiving more specialist support from other sources to help them stay in work.

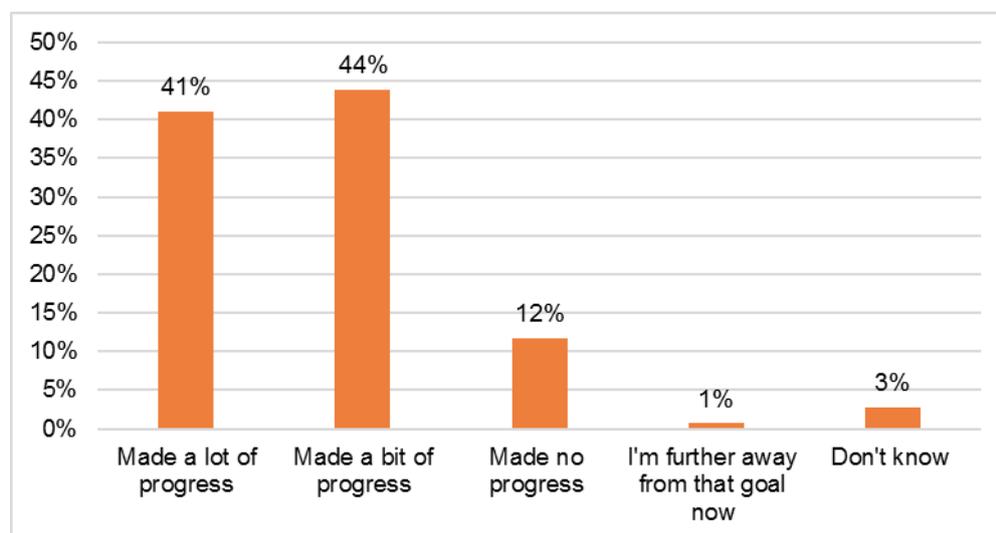
## 5.6 Soft outcomes

In addition to employment outcomes, the YEG survey also asked participants about other types of outcomes they had achieved from taking part in the programme. This included whether they felt they had moved closer to work, their job readiness, skills gained, and personal development outcomes.

### Movement towards work

Those survey respondents who had not entered work while on YEG were asked whether they felt they had moved closer to work (Figure 5.14). The vast majority (85%) said that they had – 41% felt they had made ‘a lot of progress’ and 44% ‘a little progress’. However, those who were shorter-duration unemployed (0-6 months) and those with higher qualifications (level 4 and above) were more likely than longer-term unemployed and lower-qualified young people to say that they had made a lot of progress (rather than only a little). People with a health condition were also more likely to say they had made no progress<sup>34</sup>. This suggests that there was a group of more disadvantaged participants who had not found work while on YEG and felt that they had made relatively limited progress.

**Figure 5.14 Perceived movement towards work while on YEG**

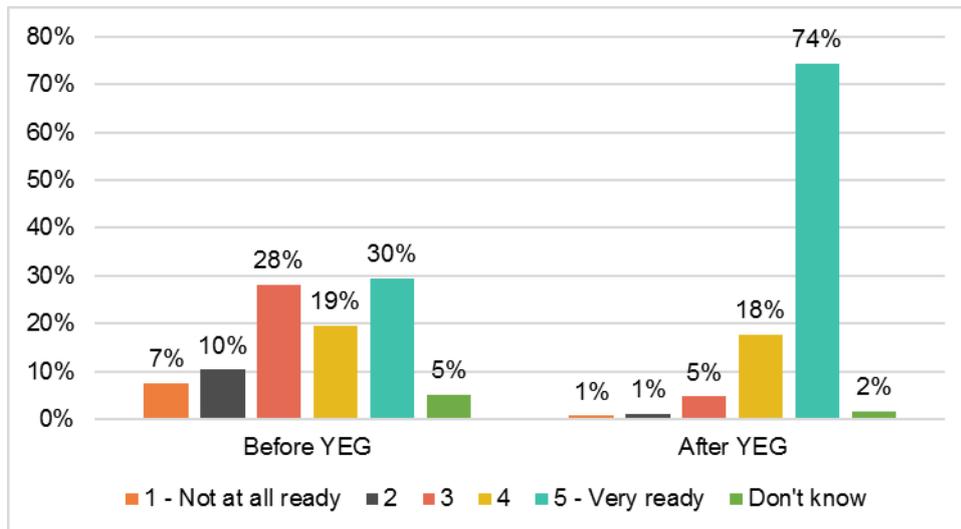


Source: YEG survey, Base = 146

<sup>34</sup> Although there were only small numbers of respondents with a health condition.

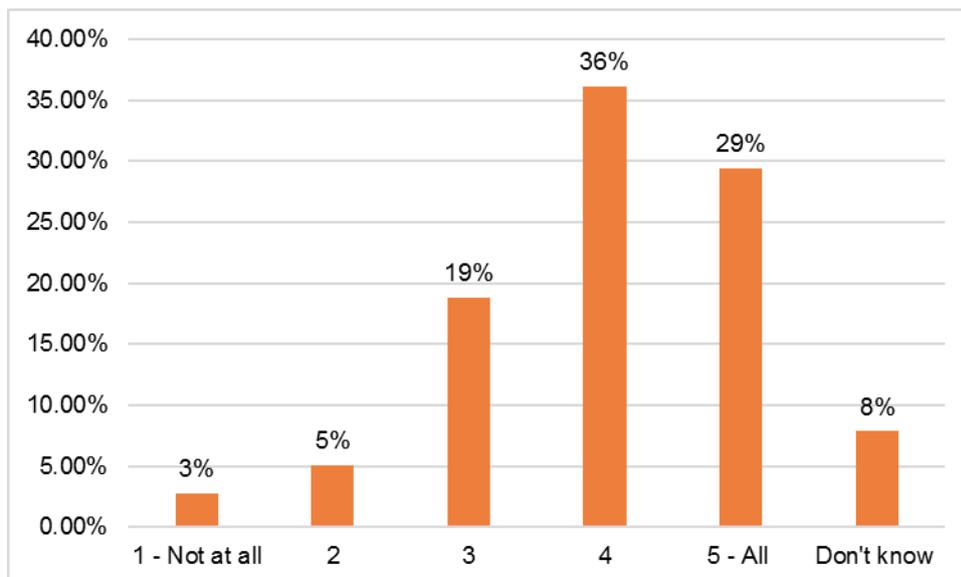
## Improving job readiness

**Figure 5.15 Job readiness pre and post YEG**



Source: YEG survey, Base = 447

**Figure 5.16 Attribution of change in job readiness to YEG**



Source: YEG survey, Base = 255

Survey respondents (including both those in and out of work) were also asked how ready for work they felt on a scale of 1-5 both before starting on YEG and at the time of the survey, and if there was a positive change how much of this they attributed to YEG. As shown in Figure 5.15, three quarters of respondents (74%) felt that they were 'very ready' for work at the time of the survey, compared to less than a third (30%) who thought they were job-ready at the start of YEG<sup>35</sup>. Moreover only 2% said

<sup>35</sup> Note that this is not a true pre/post test, as respondents are asked to think back retrospectively to how ready they were to start work when they joined YEG. This is a less reliable measure than one asked at the actual time of joining.

they were 'not ready' at the time of the survey (i.e. a score of 1 or 2) while 17% felt they had not been ready at the start of YEG.

Around two thirds (65%) of those respondents who improved their job readiness agreed that this change was all, or substantially, a result of YEG support (Figure 5.16). However, around 15% thought this change was not at all, or hardly at all, because of YEG, or weren't sure.

### Skills gained

Respondents were also asked about the skills they had gained from participating in YEG. The results suggested that the key skills gained tended to be employability-focused, e.g. job-related skills and job search skills, which were reported by over two thirds of respondents, as well as interview, communication and social skills, reported by just under two thirds of respondents. Fewer participants said that they had gained functional skills, such as maths, English or IT.

Interestingly, given the emphasis on personal budgeting in Phase 2 (see Chapter 4), more respondents in Phase 2 said that they had gained skills in budgeting than in Phase 1 (57% to 44%). While this result should be treated with caution, due to the low response rate to the survey, it provides suggestive evidence that the introduction of the personalised budget in Phase 2, which gave more autonomy to participants in determining how the budget was spent, resulted in perceived improvements in budgeting skills among participants. This supports the comments of some advisers that they placed a greater emphasis on budget management in Phase 2.

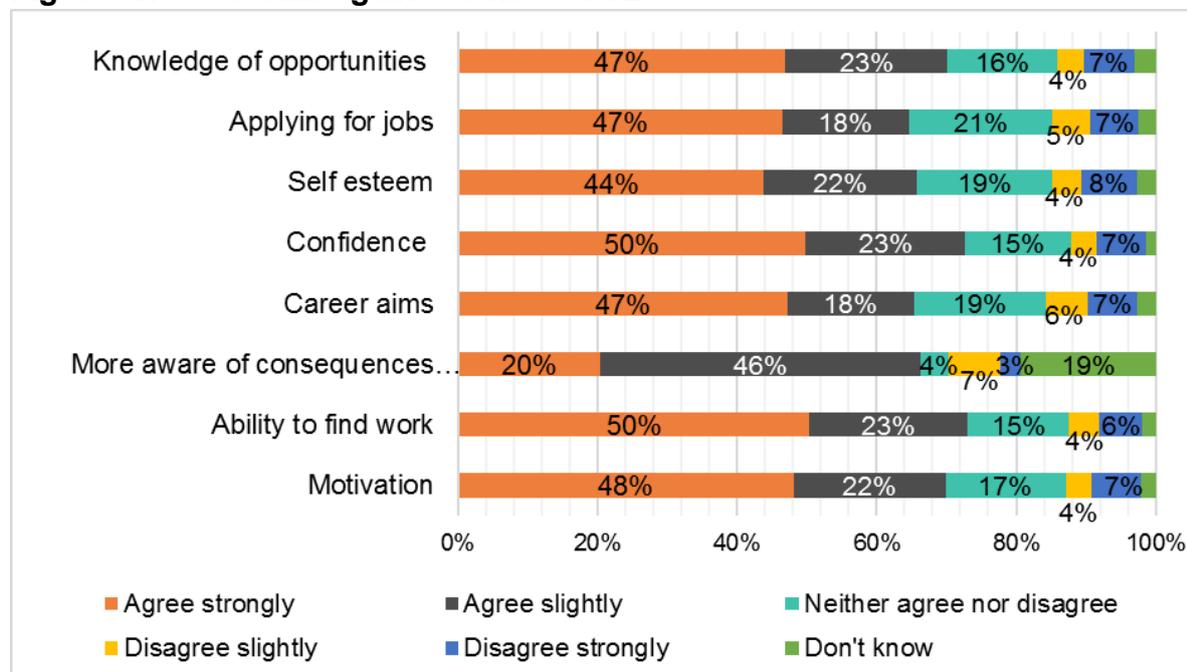
Respondents with lower qualifications (up to level 2) were more likely to say that they had gained numeracy, literacy and IT skills while on YEG, while those with higher qualifications (above level 4) were more likely to have gained job search skills. People who had been unemployed for longer than 6 months were more likely (than those shorter-term unemployed) to have gained skills in communication and interview techniques. Older participants (aged 22 and over) were more likely to say that they had gained job-related skills.

Finally, respondents were also asked about whether, while on YEG, they had seen improvements in their:

- knowledge of opportunities
- ability to apply for jobs
- self-esteem
- confidence
- career aims
- awareness of the consequences of their decisions
- ability to find work and
- motivation.

Respondents generally felt they had improved in all of these ways as a result of participating in YEG (see Figure 5.17). Around two thirds to three quarters agreed (slightly or strongly) that they had done so. The most commonly reported improvements were in confidence (73%) and ability to find work (73%).

**Figure 5.17 Soft skills gained while on YEG**



Source: YEG survey, Base=396

## 5.7 What helped participants to achieve outcomes

Survey respondents who had entered work were asked which aspects of YEG support had helped them most in achieving their job outcome. The three most common responses were help to look for work, help to apply for work and financial help – with around a quarter of respondents choosing each of these responses. Again, there were some differences by respondent characteristics:

- Younger respondents (aged 18-21) and those who were lower qualified were more likely to cite an apprenticeship as the thing that helped them most
- Older respondents (age 22-24) and those more highly qualified were more likely to cite the financial help as the most helpful for them. This is perhaps because these respondents were less likely to need other forms of YEG support to address additional barriers.

The aspects of support that came out most strongly in qualitative interviews, when discussing what most helped participants in gaining employment, was again the financial support available on YEG, plus the support of an adviser in building confidence. As reported above, an increase in confidence was one of the most commonly reported soft outcomes from YEG. This increase in confidence was

mainly attributed to the support received from YEG advisers, through their encouragement of participants, although other areas of support, such as coaching in interview techniques was also highlighted:

*'It has improved my chances - I'm speaking a lot more confident now, I didn't used to speak my mind. When I met [adviser] I was shy, I didn't speak to her like I'm speaking now, we didn't do that. Since I started seeing her my confidence has started building. When I see her she can't stop me talking! [...] But now I know I could just go straight into a job and get to know everyone dead easy because I'm dead confident now.'* (YEG participant)

A number of the participants interviewed reported that they had mental health conditions, such as anxiety, and many of these participants also reported feeling more self-confident as a result of taking part in the YEG programme. They felt that being able to take part in group sessions on CV writing and interview techniques helped develop their confidence to interact with people:

*'I suffer from anxiety, so I don't really have much confidence, but because I had to go out and interact with people I don't know, and I've had to do the course with people I don't know, it's built up a lot.'* (YEG participant)

Support in developing high quality job applications, such as a strong CV or cover letter, also increased participants' confidence in their ability to gain employment. In one case, where a participant had a learning difficulty, knowing they had a professional CV increased their confidence in their ability to apply for work:

*'It [my confidence] did improve a little bit knowing that my CV was... there was no spelling mistakes in it, there was no like errors and it was done well, so when you're sending your CV, I felt okay with sending that CV. But in the past, it was like, I'd send it and I was a bit like, "Oh, I bet you I've spelt this wrong or I've spelt this wrong," and stuff like that.'* (YEG participant)

## 5.8 Summary

By September 2017, all targets for Phase 1 of YEG had been met, while for Phase 2 the target for starts to the programme had been met, and the job starts target almost (98%) met, but the sustained (26-week) outcome target had not yet been met. This is mostly, but not fully, explained by higher targets (as a proportion of starts on the programme) in Phase 2 and a longer period for reporting outcomes.

If the targets for job outcomes and sustained job outcomes were set at the same ratio of programme starts as Phase 1, and if reported outcomes increased at a similar rate to Phase 1 for a comparable reporting period, 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, 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%. 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 shows that YEG performed better for those participants who were closer to the labour market, since job outcome rates were substantially lower for participants who remained on the programme for over six months without achieving a job. This was particularly the case 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. The falling off of outcome rates after 6 months is likely to be because participants disengaged from the programme after a significant period of not achieving an employment outcome or moved on to alternative mandatory provision such as the Work Programme. Sustained job outcome rates also tapered off, in both phases, for those who achieved jobs less quickly.

Job outcomes are 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 while on YEG. 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 (Halton, Wirral and St Helen's) 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. In particular, Sefton appeared to be comparatively effective at sustainment, though achieved comparatively low job outcome rates.

Just over half of survey respondents who found work attributed their job outcome solely or partly to participating in YEG. Longer-term unemployed participants were more likely to do so, indicating that YEG played a greater role for people in this group, even though they were less likely to find work. Just over half of working respondents also felt that YEG played a role in sustaining their work.

For survey respondents who had not yet found work, 85% felt that YEG had moved them closer towards it, although those with lower qualifications and those who were longer-term unemployed were less likely to say that they had made a lot of progress towards work. People with a health condition were also more likely to report having made no progress. This suggests that a small number of people with more complex barriers to work made more limited progress on YEG.

The key soft skills gained on YEG were employability-related, e.g. job-related skills, job search skills, interview skills, communication skills and social skills. A greater proportion of respondents in Phase 2 said that they had gained skills in budgeting than in Phase 1 (57% to 44%), which coincides with the introduction of the

personalised budget. The most commonly reported soft outcomes were improvements in confidence (73%) and ability to find work (73%).

When asked to choose which single thing on YEG had helped most, the most common responses were:

- help to look for work,
- help to apply for work and
- financial help.

Financial help was more likely to be selected by older respondents and those who were more highly qualified – possibly because they were less likely to need support in addressing other barriers. An apprenticeship was more highly valued by younger people and those with lower qualifications.

## 6. Benchmarking Liverpool City Region outcomes

Chapter 5 set out the outcomes achieved by YEG. In order to assess the added value of the programme, it is necessary to consider the *additional* impact of the programme compared to what it is estimated would have happened in its absence. In this chapter we aim to do this, by benchmarking trends in the youth claimant count in the Liverpool City Region against trends in other comparable cities.

### 6.1 Methodology

There are several difficulties in undertaking a robust assessment of the additional impact of YEG:

1. The provision is voluntary. So simply comparing the outcomes of participants to those of young unemployed people who did not participate might say more about the differences between those who choose to volunteer for employment support and those who don't, rather than about the effectiveness of the support itself. This is known as *selection bias*, and can have a significant effect.
2. Individuals participate in DWP programmes at the same time as being on the YEG programme. This makes it difficult to untangle the impacts of YEG from the impact of other services they may be using.
3. A straight comparison of employment/benefit outcomes between Liverpool City Region and other areas would not control for differences in youth claimant characteristics or local labour market conditions.

Given these difficulties<sup>36</sup>, we have chosen to benchmark trends in the youth claimant count in the Liverpool City Region (LCR) over the period of YEG delivery against trends in other cities that have some comparability. This is a form of 'difference-in-difference' methodology, which attempts to attribute any difference in changes in the youth claimant count to known changes affecting the areas – including the presence of employment programmes such as YEG.

It is important to note that this means that we are presenting a measure of the impact of YEG on the youth claimant count *overall* in Liverpool City Region, rather than just on the population of claimants who received YEG support.

We use statistics on the total numbers of young people who claim benefits on the grounds of being unemployed, which are available on a comparable basis for

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<sup>36</sup> It was initially hoped that DWP would undertake an impact assessment for YEG using individual-level benefit data, matching YEG participants to similar benefit claimants in different (but similar) areas. This proved not to be possible.

combined authorities and other geographies. This data includes young people who claim Jobseeker's Allowance and those who claim Universal Credit and are in the conditionality group with all work requirements. These young people - both JSA and Universal Credit claimants - are required to sign a Claimant Commitment and to look for work intensively.

Although we initially intended to compare trends in Liverpool City Region to all of the other Core Cities, which have historically been comparable in terms of labour markets, we have restricted the comparative analysis only to Greater Manchester and Merseyside. This is because the proportion of the youth claimant count that were Universal Credit claims were broadly parallel in these two city-regions over the relevant period, and this proportion affects trends in the youth claimant count – as we show later.

## 6.2 Trends in youth claimants

Figure 6.1 shows the numbers of youth claimants in Liverpool City Region and in Greater Manchester over the period since YEG started in mid-2014. It shows that in both city regions, there was a substantial fall in the youth claimant count over this period.<sup>37</sup> The number of youth claimants fell in the Liverpool City Region by just over 2,500, or 29.5%, and in Greater Manchester by 2,800, or by 22.7%.

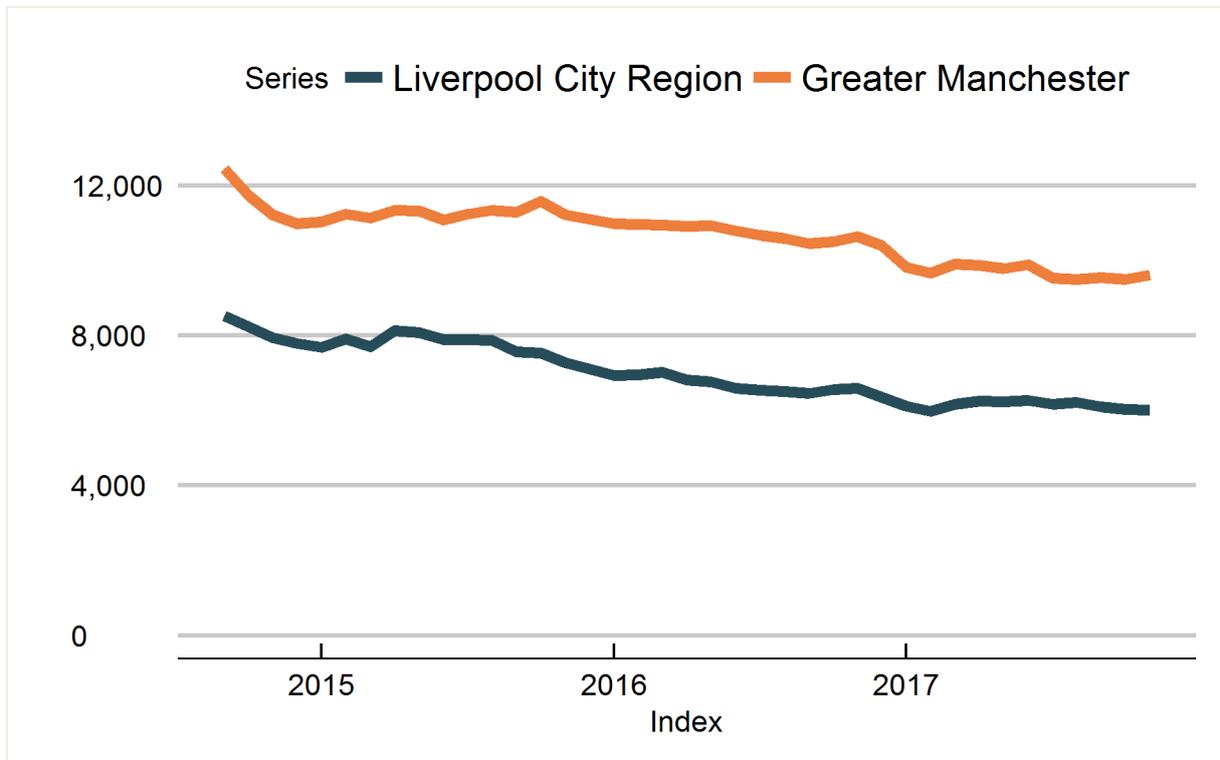
While there was a substantial fall in the youth claimant count in both city-regions, analysing the *annual changes* in the claimant count shows very substantial changes in the trend over this period. Figure 6.2 shows these trends. It indicates that prior to the start of YEG, the numbers of youth claimants were declining sharply. In January 2015, shortly after YEG implementation, the annual fall in youth claimants approached 40% in both Liverpool City Region and Greater Manchester. After that, however, the fall in claimants slowed down markedly in both city regions.

It appears that this slowdown in the fall in the youth claimant count in both city-regions parallels the increase in the proportion of youth claimants that were claiming Universal Credit, as shown in Figure 6.3, below. From September 2016 onwards, over 80% of 18-24 claimants in the Liverpool City Region were claiming Universal Credit and by November 2017, this proportion reached 83%, the highest proportion of all the Core Cities.

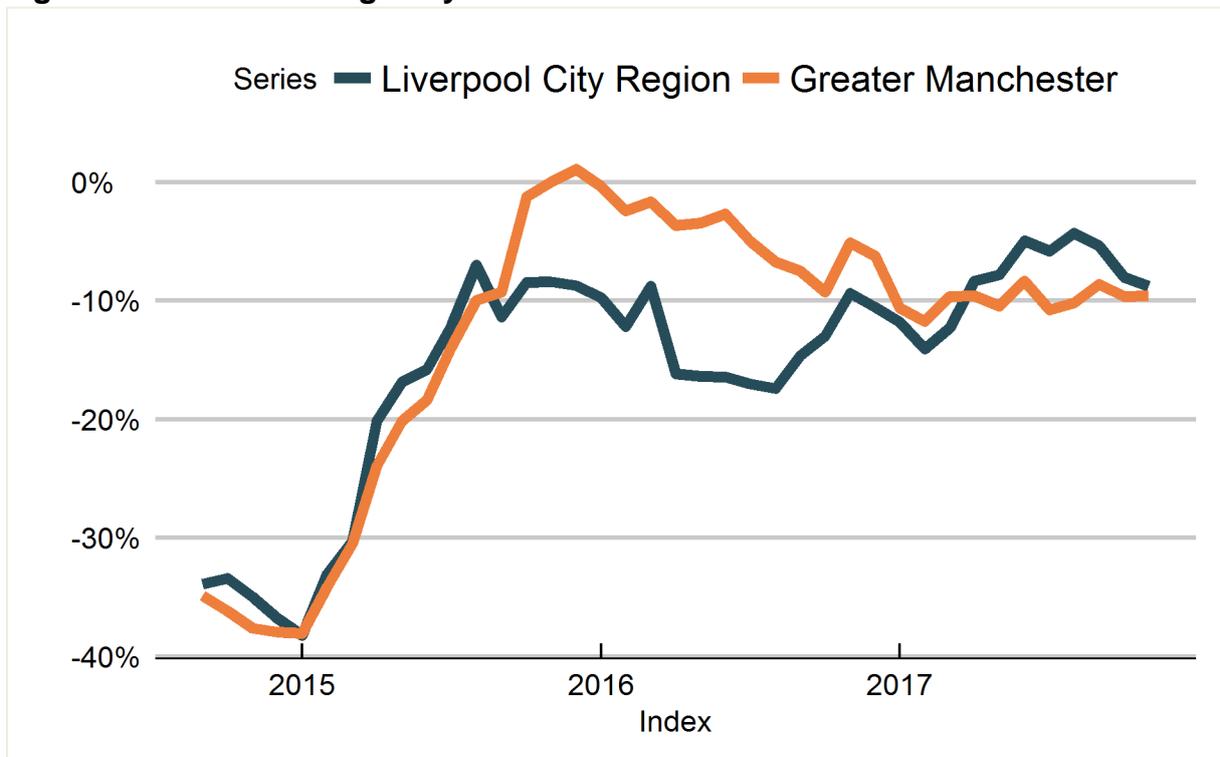
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<sup>37</sup> The figures have been seasonally adjusted using the European standard TRAMO-SEATS methodology. This is particularly important for the youth claimant count as it is affected both by new claims after young people leave full-time education in the summer, and by seasonal jobs related to the Christmas season (including postal/courier jobs).

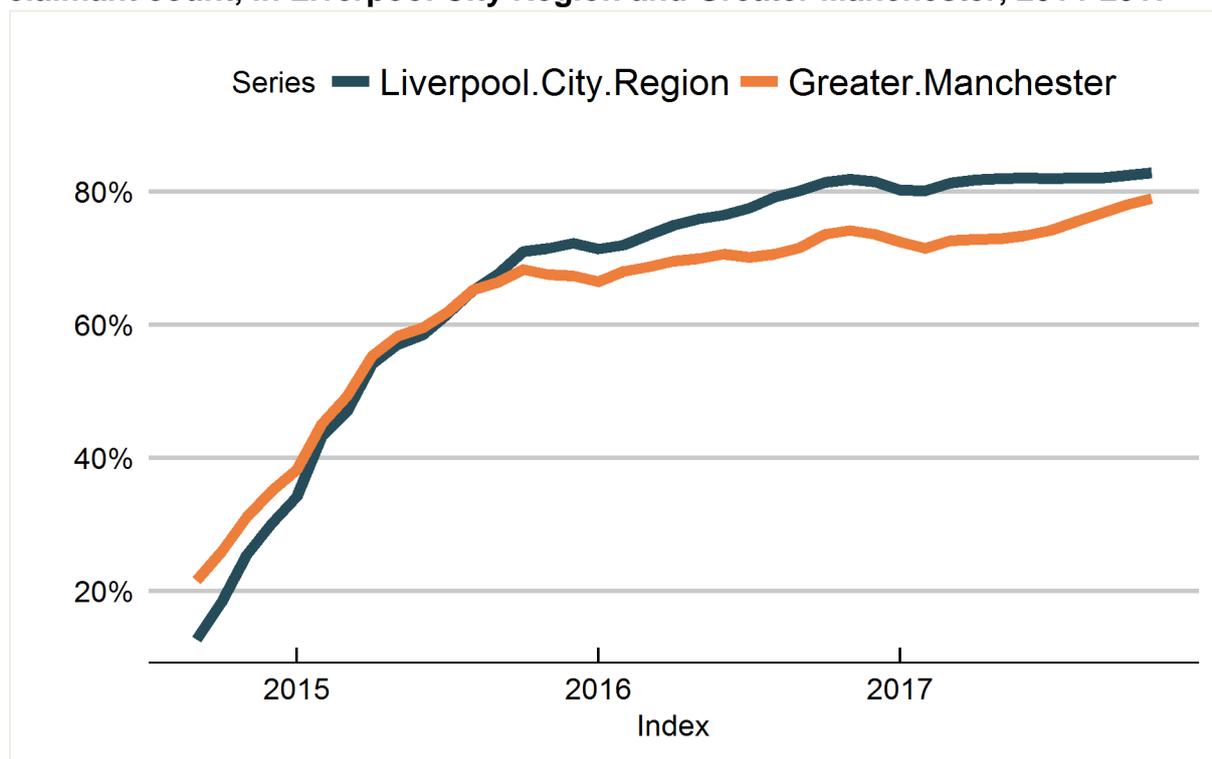
**Figure 6.1 Number of youth claimants in Liverpool City Region and Greater Manchester 2014-2017**



**Figure 6.2 Annual change in youth claimants in LCR and Greater Manchester**



**Figure 6.3 Trends in Universal Credit claims, as a proportion of the youth claimant count, in Liverpool City Region and Greater Manchester, 2014-2017<sup>38</sup>**



The finding implied by these trends, that the implementation of the Universal Credit Live Service was associated with a reduction in the rate of decline in youth claimants, is in contradiction to DWP's research on the impacts of Universal Credit (Live Service) on employment.<sup>39</sup> However, we find that in other cities (not shown here), similar reversals of the trend in the decline in the youth claimant count also occurred at the same time as the implementation of Universal Credit in that area.

### 6.3 The role of YEG

The difference in youth claimant count over the period, between Liverpool City Region and Greater Manchester, is 6.8 percentage points in favour of Liverpool City

<sup>38</sup> These estimates of the proportion of youth claims that are Universal Credit are derived from the Claimant Count estimates from NOMIS for 18-24 year olds, and the equivalent ones for JSA claimants. Universal Credit claimants are counted as the difference between the two. The ONS has revised the Claimant Count methodology so that the number of UC claimants counted is those who are not in work and are on the highest level of conditionality. The definition is slightly different as there is a theoretical possibility that people could claim JSA and undertake paid work in a mini-job, while in Universal Credit such people will be counted as in-work conditionality cases. However, the number of JSA claimants who were working more than very occasionally has been very small, and disincentivised both financially and through Work Coach monitoring of conditionality.

<sup>39</sup> DWP (2017) Universal Credit Employment Impact Analysis, DWP ad hoc Research Report no 53, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/644541/universal-credit-employment-impact-analysis-update.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/644541/universal-credit-employment-impact-analysis-update.pdf)

Region. This derives from comparing the 29.5% fall in the claimant count in Liverpool City Region to that of 22.7% in Greater Manchester over the same period.

If the same trends had applied to Liverpool City Region as to Greater Manchester, the claimant count in November 2017 in Liverpool City Region would be 582 higher than the current, seasonally-adjusted, estimate of 6,004.

We cannot necessarily attribute all of this difference in the youth claimant count trends between the Liverpool City Region and Greater Manchester to YEG since we are not able to control for other factors (such as differences in the characteristics of youth claimants and differences in local labour market conditions) that may explain differences in performance between the two cities. However, it is one substantial source of difference between the two areas, given the similarity in the rollout of UC in the two areas. Therefore these findings are at least consistent with the hypothesis that YEG had a positive impact on reducing youth claimant rates.

The impact of YEG could in fact be larger than this, since the proportion of the youth claimant count covered by Universal Credit is higher in Liverpool City Region than it is in Greater Manchester.<sup>40</sup> If, as our analysis suggests, the introduction of the UC Live Service is associated with a reduction in the rate of claimant count fall, we would expect the higher proportion of young claimants on UC in Liverpool City Region to be associated with a slower fall in the claimant count than in Greater Manchester. The impact of other factors (including potentially YEG) may therefore be larger than 6.8 percentage points.

## 6.4 Summary

Comparing trends in the youth claimant count in Liverpool City Region with Greater Manchester over the period of YEG operation shows a similar steady fall in claimant counts in both areas, which is larger in LCR by 6.8 percentage points. Trends in annual changes, however, show significant fluctuations over this period for both city-regions, which appear to parallel the rollout of the UC Live Service. It thus appears that UC rollout reduces the extent of fall in the claimant count quite dramatically. A comparison with Belfast, where UC has not been implemented, reinforces this interpretation.

Given a similar UC rollout schedule in Greater Manchester and LCR and broadly comparable macro-economic conditions, the difference in claimant count reduction in the two areas is likely due to other factors, which would include employment programmes such as YEG. This analysis is therefore consistent with the hypothesis that YEG has had a positive impact on reducing the youth claimant count in

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<sup>40</sup> This could be due to a different balance between people with simpler and more complex claims in the two cities (with a higher proportion of youth claimants with more complex claims in Manchester than in Liverpool).

Liverpool. However we are not able to specify with certainty how much of this difference is directly attributable to YEG, since we are not able to control for other factors that may explain differences in performance between the two cities.

## 7. Conclusions

### 7.1 YEG performance

The overall job outcome rate (as a proportion of programme starts) on YEG was 45% in Phase 1 and 41% in Phase 2. Just over half (53%) of the jobs obtained in Phase 1 were sustained for six months or more, while this was the case for 42% of those obtained in Phase 2.

There are difficulties in estimating how many of these job outcomes were a direct result of YEG that would not have been achieved without the programme. This is because YEG is a voluntary programme, so simply comparing the outcomes of participants and non-participants might say more about who chose to take up the programme than its effectiveness. Also, because individuals participate in DWP programmes at the same time as being on the YEG programme, it is difficult to untangle the impacts of YEG itself from the impact of other services that participants may be using.

Our approach to estimating this additional impact of YEG was a difference-in-difference analysis, comparing trends in the youth claimant count in Liverpool City Region with Greater Manchester over the period of YEG operation. This showed youth claimant counts rise in both city regions over this period, likely due to the roll out of Universal Credit Full Service, but the rise was less pronounced in Liverpool City Region compared to the comparator area. Some of this difference between the two areas may be attributable to the impact of YEG, though we are unable to specify precisely how much.

Measured in terms of performance against targets, the data shows that in Phase 1, YEG targets for programme starts, job outcomes and 26-week sustained outcomes were all met, while in Phase 2, targets for programme starts were met and those for job outcomes almost (98%) met, although sustained outcome targets were not met (by September 2017, the latest data available). Our analysis suggests that most of this difference between the two phases of YEG in the achievement of targets 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, compared to 106% in Phase 1.

A cohort analysis shows 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.

A clear pattern in job outcome rates across providers was evident for both phases, with Halton, Wirral and St Helen's achieving higher job outcome rates than Knowsley, Sefton and Liverpool. This is likely to be explained to a large extent by patterns of disadvantage across the region. Knowsley, Sefton and Liverpool all had higher proportions of participants on the programme who were longer-term unemployed at the start of YEG, and the data clearly shows that length of unemployment affected job outcome rates.

The pattern of sustainment rates (as a proportion of job outcomes) is slightly different, with Sefton in particular achieving high job sustainment rates alongside comparatively low job outcome rates. It is plausible that this may reflect labour market differences and/or provider practices in terms of the emphasis placed on achieving or reporting sustained job outcomes. There is limited evidence to support either of these explanations to date, so this issue may merit further investigation.

## **7.2 Delivery strengths and challenges**

### **Strengths**

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

1. One-to-one adviser support, which 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.
2. Employability support, including 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.
3. The YEG budget - a flexible pot of financial support to overcome individual barriers to work entry or to sustaining work, which was a key highlight of the programme for advisers and participants alike, providing an attractive offer to help 'sell' the programme and maintain engagement, and perceived to make a crucial difference to removing work barriers.

4. Access to a wide range of holistic support, through the partnerships established by YEG, which was not taken up by all respondents but was an important element for those with additional barriers to work.

## 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.

### 7.3 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 (detailed 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, although this was not consistent across providers, and there was a small shift in expenditure away from training and licences and towards clothing.

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

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.

More generally, advisers reported a range of other incremental improvements to the delivery of YEG in Phase 2, such as:

- Developing closer relationships with specialist employer relationship managers, which resulted in more effective job matching and placement for YEG participants;
- Improvements to in-house training offers and enhanced links with a wider range of external partners; and
- Closer working relationships between providers and JCP staff which strengthened the flow of referrals and ensured more integrated support.

However, apart from referrals, which did improve in Phase 2 of the programme, the other reported changes appear not to have been substantial enough to drive significant improvements in programme outcomes.

#### **7.4 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 support 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.
- 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.

YEG participants with greater barriers to work who had achieved outcomes tended to perceive YEG support as more crucial to the outcomes that they had achieved (either job outcomes or improvements in job readiness). However those with greater barriers were also more likely to say that they had made limited progress while on YEG. This suggests that there was a group of more disadvantaged participants who had not found work and felt that they had made relatively limited progress on YEG. For future provision, it will be important to ensure that the provision is able to appropriately support everyone to progress towards work, including those with more complex barriers. Partnership working to ensure access to a wide range of provision is central to this. Use of the participant budget should also be reviewed to see if it could be used more effectively for this purpose.

## **7.5 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 identifies the key elements of successful support on YEG as:

- The provision of tailored, adviser-led support, covering, for example, work preparation, job search, job brokerage and in-work support;

- partnership working across a range of services (e.g. health, employment, skills, housing and social services) to address wider barriers to labour market entry, particularly for those further from the labour market;
- effective employer engagement to facilitate access to ring-fenced vacancies, effective job matching and pre-screening, and pre-employment training with good links to employers and attuned to local labour market demand.

These findings reflect wider evidence on good practice in the delivery of employment support for young people<sup>41</sup> 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 – both as a tool for programme engagement and for addressing barriers to work entry and retention. 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 was also especially valuable in the context of a reduction in the availability of such budgets in mainstream provision.

A flexible personal budget is therefore likely to be a useful tool in future provision and the experience of the participant budget on YEG has already informed other LCR provision. In future, 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.

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<sup>41</sup> See, e.g., Rosas, G. (2015) *Active Labour Market Policies: What works for youth?* International Labour Office, available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=22>; Wilson, T., Bivand, P., Rahman, A. and Hoya, C. (2015) *Worklessness, welfare and social housing CESI* <http://www.learningandwork.org.uk.gridhosted.co.uk/wp-content/uploads/2017/01/NHF-CESI-FULL-Report-FINAL.pdf>

- **Reviewing the use of the budget for participants further from the labour market:** Participants on YEG who were longer-term unemployed were less likely to make use of the personal budget than those who were unemployed for a shorter length of time when they joined. This is partly because they were less likely to be work-ready and the budget was often spent on addressing the 'final' barriers to job entry for work-ready participants. In addition, during Phase 2 of the programme there was a shift in expenditure away from training and licences (which longer-term unemployed people were more likely to spend the budget on) and towards clothing and travel. 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, which were reflected in an improved conversion rate of referrals to programme starts in Phase 2 of the programme. Effective ways of improving referral rates, introduced during the programme, included:

- maintaining a database of all new claimants and their eligibility and pre-referral of potential participants to prepare them for YEG in advance;
- improving awareness of YEG among JCP staff by distributing leaflets and organising regular meetings to discuss YEG and respond to queries;
- delivering group information sessions at JCP for potential participants to sell the benefits of the programme;
- mandating attendance at the first YEG meeting (to prevent drop-out between referral and the first meeting).

However the strength of the relationships and the nature of referral flows remained uneven across providers and JCP offices and teams, partly due to staff turnover in JCP offices which limited frontline staff awareness of YEG, but also due to competing priorities among JCP managers. For future provision, therefore, 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. This should include efforts to explore more effective data sharing.

#### **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, with some innovative examples of partnership working. For example, one YEG provider had developed specific provision for people with mental health conditions in collaboration with local providers, suggesting opportunities to share best practice in this area across local providers could be useful. However there remained gaps in support, such as affordable housing for young people leaving supported accommodation; flexible provision of basic Maths and English to meet working participants' needs; and long waiting lists for counselling, and limited support options for young people with learning disabilities, which were identified by different providers across the region.

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. In particular, young people with health conditions and disabilities, who comprised 12% of YEG participants, had lower job outcome rates. Furthermore those with health conditions who hadn't secured work, were less likely to feel that they had made 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 to 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 was an area which providers struggled to deliver in a consistent manner. Some innovative approaches were developed of engaging with participants in work, such as using the participant budget as a hook for ongoing engagement. However, our survey found that only a fifth of people who had found work received in work support, whilst our interviews found examples of people who had struggled with the transition from unemployment to employment or who were in employment but wanted to move on to better work, all of whom would have benefitted from such 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. Our survey suggested that around two fifths of YEG participants obtained part-time

work, and over half were paid less than £7 an hour. A significant number would therefore likely to be subject to in-work conditionality in the future and would need support for progressing their income. 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. Collaboration continued during programme delivery via the YEG Steering and Operations groups. This enabled trouble-shooting of common problems faced by providers and the sharing of good practice, and was seen as a key programme strength by stakeholders. 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.

## Annex 1: Additional charts

Figure A4.1 Expenditure Proportions By Provider (both phases)

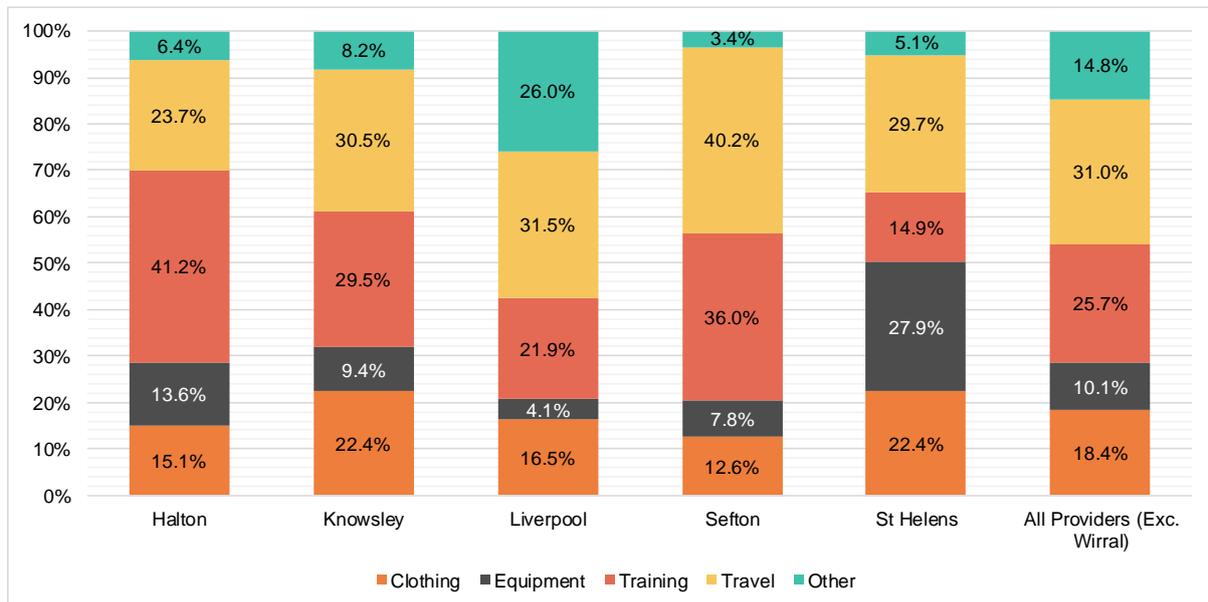
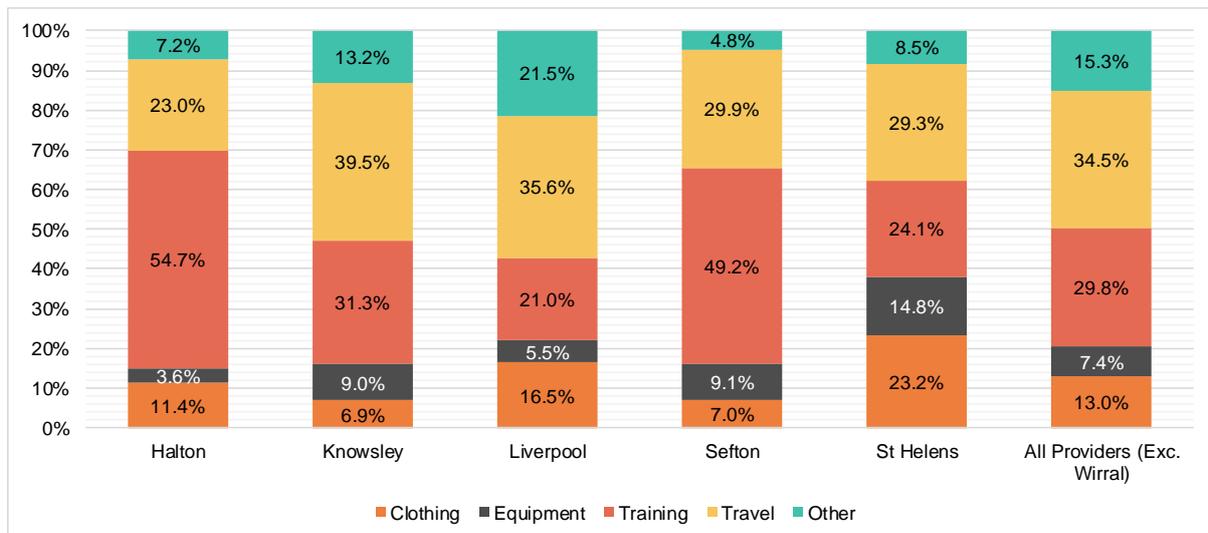
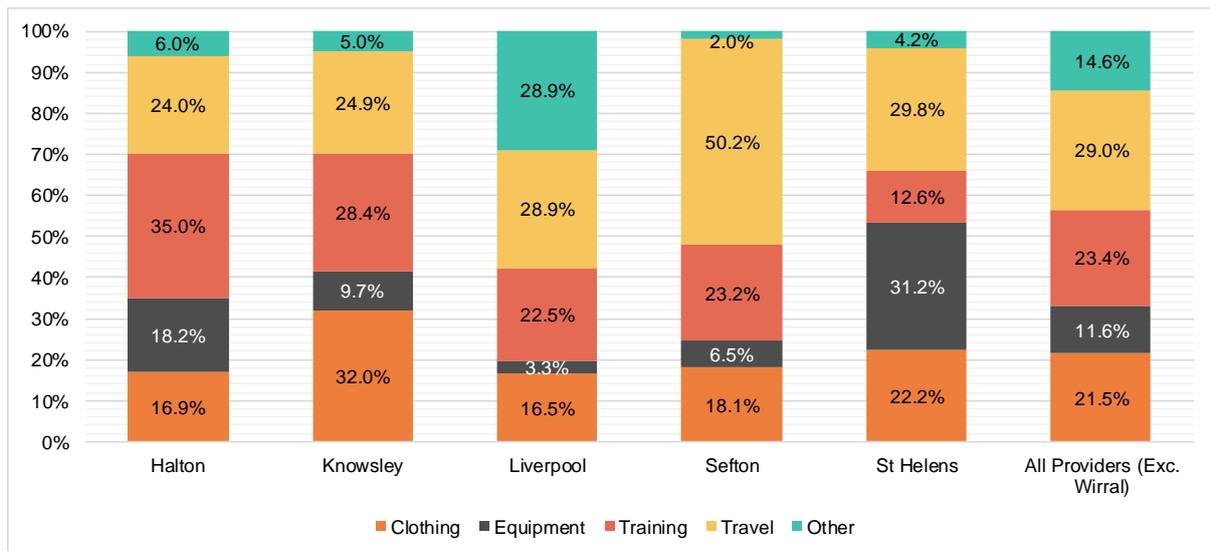


Figure A4.2 Expenditure Proportions By Provider (Phase 1)

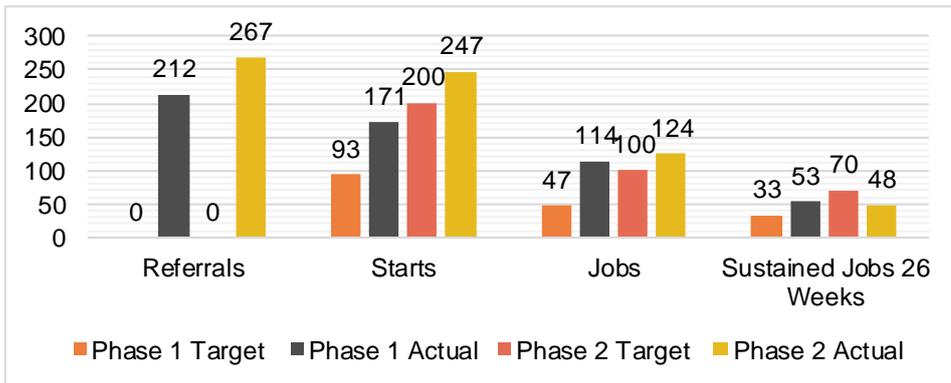


**Figure A4.3 Expenditure Proportions By Provider (Phase 2)**

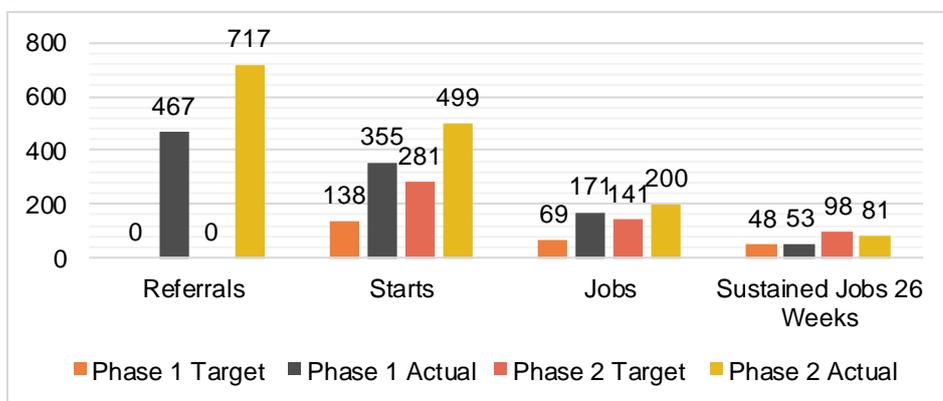


**Figure A5.1: Provider performance against targets (Phase 1 & 2)**

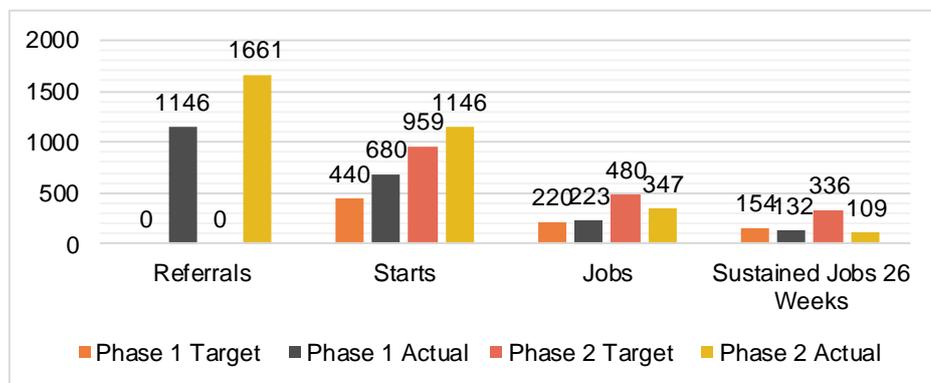
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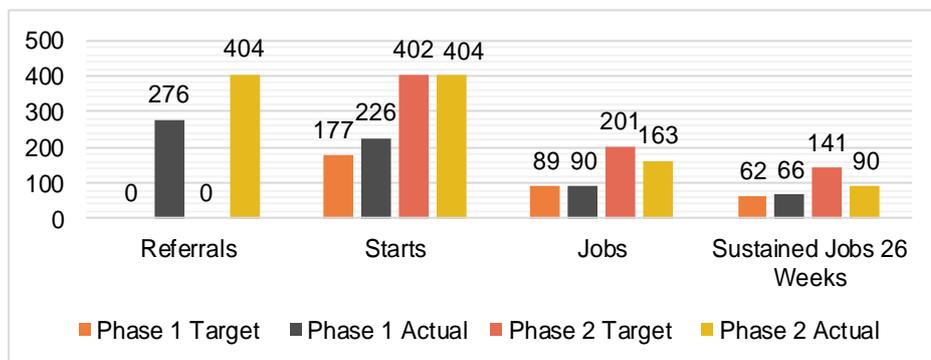
Knowsley



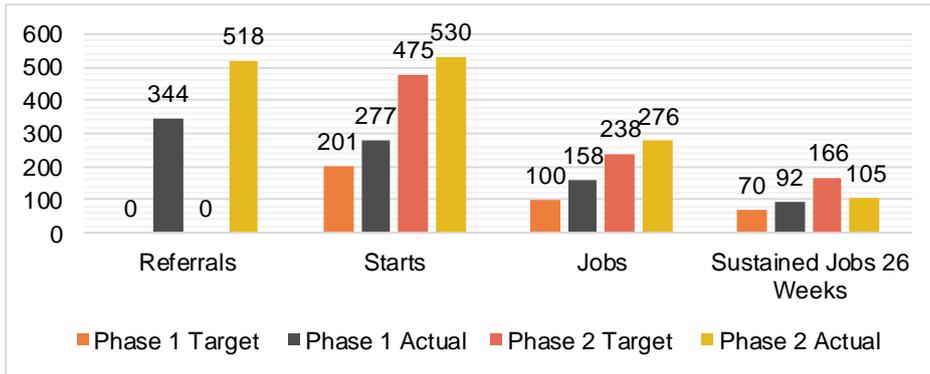
Liverpool



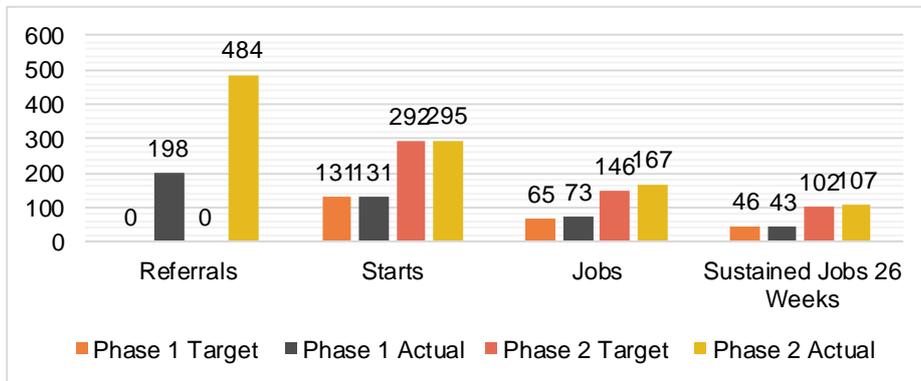
Sefton



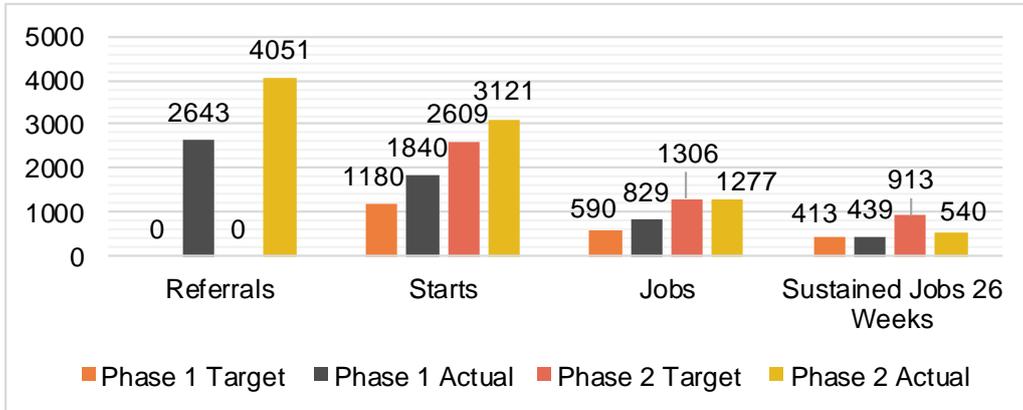
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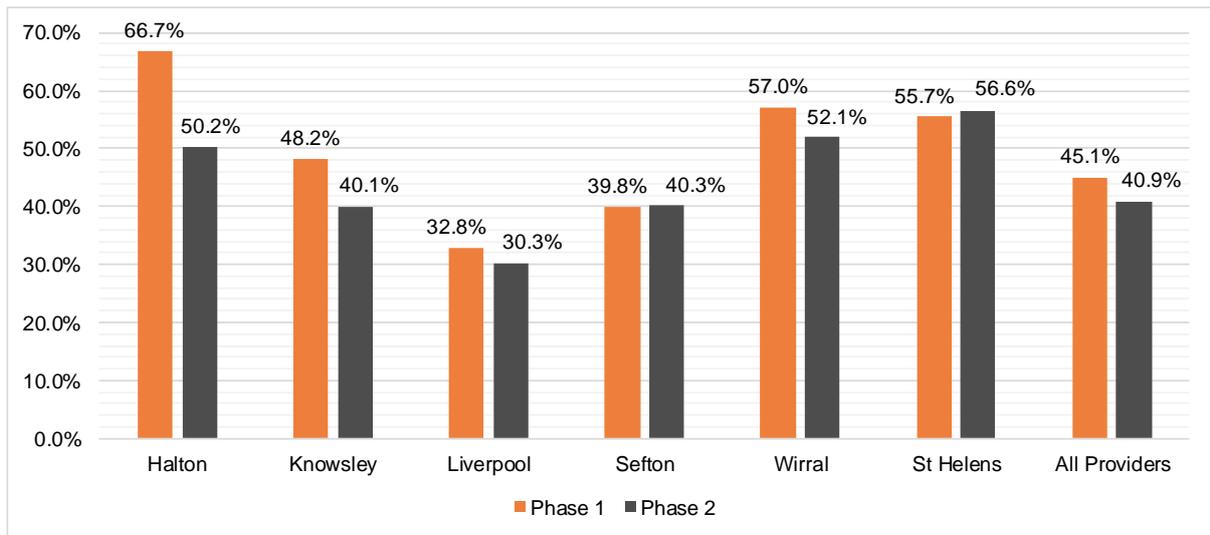
St. Helens



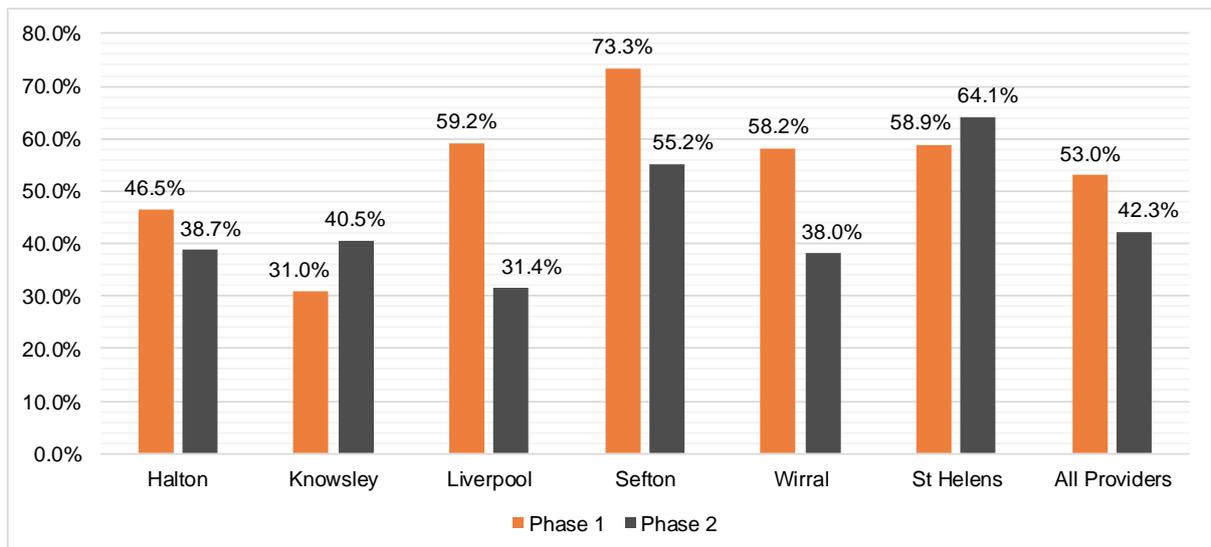
All Providers



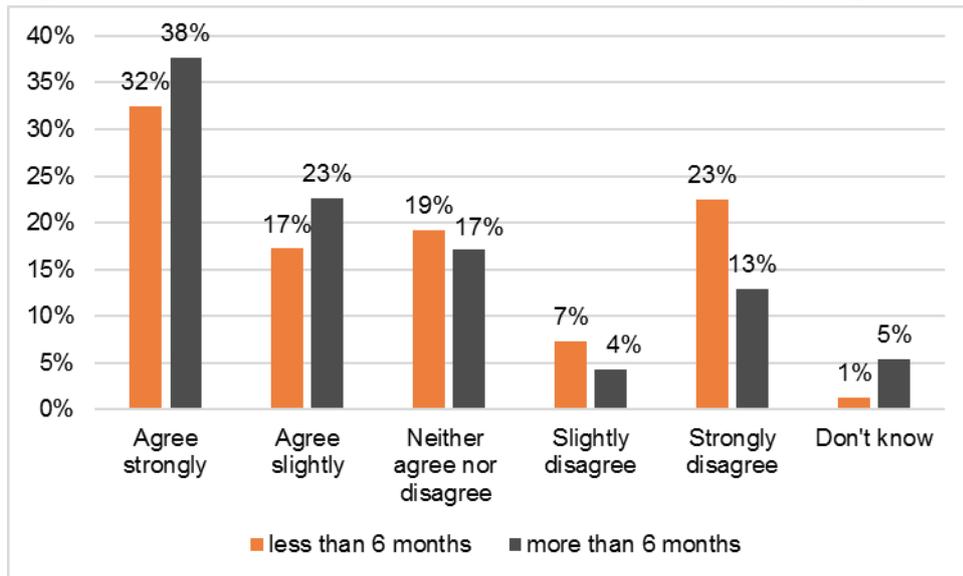
**Figure A5.2: Job outcome rates by provider and phase**



**Figure A5.3: Sustained job outcome rates by provider and phase**



**Figure A5.4 Attribution of Work Outcome to YEG by length of unemployment**



Source: YEG survey, Base 244