

# **THE RE-ENGINEERED NEW DEAL 25 PLUS: A SUMMARY OF RECENT EVALUATION EVIDENCE**

**A report for Jobcentre Plus and the  
Department for Work and Pensions**

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<sup>1</sup> Throughout this report reference is made to the Employment Service or ES, even though since April 2002 it has become part of Jobcentre Plus. This is simply because the case studies and qualitative surveys were mainly conducted before the establishment of Jobcentre Plus.



## Abbreviations and Acronyms

ADF	Adviser Discretion Fund
AIP	Advisory Interview Process (pre-April 2000 ND25 plus)
AM	Adviser Manager
BET	Basic Employability Training
CPK	Client Progress Kit
DMA	Decision Making and Appeals
ES	Employment Service
ESF	European Social Fund
FCP	Full Client Picture
IAP	Intensive Activity Period
JSA	Jobseekers Allowance
NDPA	New Deal Personal Adviser
NDYP	New Deal for Young People
ND25 plus	New Deal 25 plus
PWD	Persons with disability
SA	Senior Adviser
LMS	Labour Market System



# Executive Summary

## Introduction

This Summary Report was produced by the Institute for Employment Research, University of Warwick, on behalf of the Department for Work and Pensions and Jobcentre Plus. It forms part of a programme of research that evaluated the implementation and impact of the re-engineered New Deal 25 plus programme that was introduced in April 2001.

The evaluation of the re-engineered ND25 plus was designed to assess issues of implementation and delivery and consisted of three elements. The first element consisted of a series of case studies of ND25 plus delivery. The second was a series of qualitative surveys covering ES staff, providers, employers and clients. The third element of the evaluation was a synthesis of evidence from the two qualitative studies, together with quantitative information from the New Deal Evaluation Database (NDED). This Summary Report presents the findings from this synthesis and provides an over-arching view of the operation and impact of the re-engineered ND25 plus.

## The New Deal 25 plus

First launched in June 1998, the New Deal 25 plus has formed an important element in the government's welfare to work strategy. The original programme aimed to help people aged 25 and over who had been unemployed for two years or more, into a job and to improve their prospects of finding and remaining in employment.

Evaluation of the original ND25 plus programme found that the programme lacked pace and purpose. Despite instances of successfully helping clients into jobs, many participants simply went 'through the motions' of participation, waiting to return to Jobseekers Allowance and having little interest in undertaking any significant activity that would help them gain employment. To counter this, the programme was enhanced in April 2000 with a view to more radical changes being made to it in the following year.

## The re-engineered ND25 plus

In April 2001, a radically revised version of ND25 plus was introduced. The re-design affected most aspects of the programme, including extending eligibility for the programme, extending mandatory participation, streamlining the advisory elements of the programme and introducing a required period of client activity (the Intensive Activity Period).

Re-engineered ND25 plus was designed to be more flexible and offer a greater range of provision. The programme had two objectives. First, to move clients through the programme more quickly than before. Second, to tailor provision to the needs of clients and secure them a job outcome. The reforms have impacted on New Deal Personal Advisers (NDPAs), training providers, employers and, not least, ND25 plus clients.

## **Implementing the changes**

Both the case studies and the qualitative surveys point to a period of some initial difficulty in the implementation of the re-engineered programme. This was to be expected with so radical a reform. Leaving aside these teething problems, the re-engineered programme has largely been well received by ES staff and providers. Both see the reforms as allowing them to help those clients who wish to be helped. ND25 plus clients appeared to recognise benefits from the revised programme. Some were resentful of the compulsion to undertake the IAP but many of these looked back with the benefit of hindsight and acknowledged the help received.

## **Introducing pace and purpose**

The reform of ND25 plus was designed to increase the pace of the programme and introduce purpose to activities. There was clear evidence that the pace of participation has increased. Not only was the reformed Gateway shorter by design (normally a maximum of four months) but NDPAs have been able to accelerate the movement of clients into the IAP where that was appropriate. More intensive contact between NDPAs and clients appeared to have resulted in greater job search and job placements, as well as preparing clients for IAP activities.

The introduction of the mandatory IAP was the most radical element of the re-engineering. ES staff, if not all clients, welcomed the change. Indeed many would wish to see the IAP extended to include the 50+ age group for whom the IAP was not mandatory. The range of provision appeared to have been well received by NDPAs and clients alike. Such provision appeared more oriented to achieving a job outcome than was the case prior to the re-engineering.

There is little firm evidence relating to Follow-through because few clients on the re-engineered programme had reached that stage. In the opinion of NDPAs it was a valuable means to capitalise on any gains produced in the Gateway and the IAP.

## **Impact on outcomes**

The acid test of the changes to ND25 plus is whether they have been successful in speeding up the achievement of job outcomes. Analysis based on data from the New Deal Evaluation Database suggests that since the re-engineering of ND25 plus, there has been a marked increase in the speed with which participants leave ND25 plus and a fall in the time spent on the programme. Just as importantly, the rate at which ND25 plus clients have been entering jobs has also increased. These findings must be treated with caution as the changes have only been in place for just over 12 months.

## **Areas for further improvement**

The evaluation evidence provided many positive messages about the re-engineered programme. It also highlighted some areas where further improvements could be made. First, the re-engineering of ND25 plus had changed the role of the NDPA, requiring additional skills to deal with training providers and employers as well as the more traditional skills of advising clients. Some NDPAs appeared to have experienced difficulty in getting to grips with their new role. Links with providers and employers were not always as strong as might be desirable. Continued staff development and training together with appropriate management of NDPAs will be needed to address this issue.

ES staff welcomed the change in eligibility from 24 to 18 months as it brought into the programme many relatively job ready clients who would benefit from their help to find work. However, many ES staff and providers felt it would be beneficial to reduce the eligibility criterion still further, perhaps to 12 months. This view was particularly associated with ES staff and providers having experience of the ND25 plus pilot programmes some of which allowed entry after 12 months of unemployment.

Many of those involved with ND25 plus felt that the position of the 50+ age group was anomalous. If the IAP was so beneficial to the 50+ client group, should they not be required to undertake IAP activities? However, it was commonly acknowledged that separate provision for the 50+ group was needed as this client group often had rather different skills, work experience and attitudes than younger participants.

Evidence from previous evaluations suggested that ND25 plus worked best for 'middle of the road' clients and this appeared to be the case with the re-engineered programme as well. Those with intermediate or higher skill needs or having specific career aspirations often had difficulty in accessing the help they needed. At the other extreme, NDPAs sometimes lacked the resources needed to help particularly 'hard to help' clients, e.g. those with serious basic skill deficiencies. Many NDPAs questioned whether ND25 plus provision such as BET could address such serious barriers to employment.

The capabilities and needs of different client groups varied greatly and might be expected to be reflected in differences in programme outcomes. In fact, differences in job outcomes between client groups were relatively small. Clients from ethnic minorities appeared least likely to have left the programme or to have entered a job. The reason for this may be related to a greater propensity to enter full-time education and training opportunities and, if so, suggest there may be future benefits in terms of enhanced employability for such clients. Whatever the reason, this is a complex issue and caution should be exercised when interpreting these findings. Clients with a disability were also less likely, in general, to leave ND25 plus for a job, but they did appear much more likely to access employment with the assistance of a ND25 plus job subsidy. In general the older the client, the less likely they were to leave ND25 plus and the less likely they were to obtain a job. The 50+ age group were the exception in that they had a high rate of exits from ND25 plus, although relatively few of these were to jobs of any type. Such differences were to be expected as clients entered ND25 plus with greatly varying degrees of disadvantage and it would be expecting too much of the programme to believe that it could completely overcome such differences in employability. Nonetheless, for many clients ND25 plus would appear to have helped them progress into employment.

## **Conclusion**

In conclusion, the re-engineering of ND25 plus was required because of the shortcomings of the previous programme and because an increasing proportion of programme participants were from 'hard to help' client groups. The objective was to make the programme more job-focussed and to achieve a better match between provision and client need. Qualitative evidence strongly supported the view that the

re-engineering had achieved its objectives. There was widespread support for the changes amongst ES staff, providers and even amongst clients, while analysis of the rate at which clients entered employment from the re-engineered ND25 plus indicated that the changes probably had a positive impact on job entry.



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# 1 Introduction

## Aim of the report

- 1.1 This report provides a summary of the available evidence relating to the evaluation of the New Deal 25 plus programme (ND25 plus). Since it was launched at the end of June 1998, ND25 plus has been the subject of an extensive and rigorous programme of evaluation research. The findings from such research have informed both the operation of the programme and led to its enhancement and re-design.
- 1.2 This report contributes to the latest phase of the evaluation of ND25 plus which was designed to assess the impact and effectiveness of changes made to the programme in April 2001. This Summary Report draws together evidence from qualitative research and case studies, together with other information, in order to provide a synthesis of the evaluation findings and to reflect upon the key messages and lessons to be drawn from the research.
- 1.3 While the purpose of the report is to synthesise evidence relating to the re-engineered ND25 plus, the discussion is not restricted to the period post April 2001 when the changes were introduced. The changes introduced in April 2001 were a consequence of evidence of the way that the programme had operated prior to that date. To appreciate the purpose of the reforms and to assess their likelihood of success it is necessary to be aware of the evidence from earlier ND25 plus evaluation and the changing labour market context within which the re-engineered programme was operating.

## New Deal 25 plus programme

- 1.4 New Deal 25 plus is part of the government's *welfare to work* strategy, and is designed to provide long-term unemployed people aged 25 and over with practical help and opportunities to equip them to re-enter and retain employment. Broadly it is intended to:
  - give long-term unemployed people an opportunity to reassess their situation with the help of a New Deal Personal Adviser (NDPA) and to enable a speedy return to sustainable work;
  - help equip long-term unemployed people with the skills they require to compete for future jobs, including work skills and experience, qualifications, improved motivation and self-confidence and jobsearch skills;
  - encourage employers to give long-term unemployed people opportunities to demonstrate what they can do.
- 1.5 New Deal 25 plus was launched as a national programme at the end of June 1998 and provided a common form of provision for long-term unemployed

adults across the whole country. In addition to the national programme, 28 pilots were launched in November 1998 to test the effectiveness of a range of different approaches to achieving the aims of New Deal 25 plus.

- 1.6 Following a comprehensive evaluation of the programme involving both qualitative and quantitative research, a series of enhancements were made to the programme in April 2000. Subsequent research showed that while these changes were viewed positively, there was a feeling that they had not gone far enough (Winterbotham, Adams and Hasluck, 2001). More far reaching changes – often referred to as the ‘re-engineered programme’ - were made in April 2001.

### **The issues leading to the re-engineering of ND25 plus**

- 1.7 The introduction of the national ND25 plus programme in June 1998 was, in part, a response to concerns at that time that the massive commitment to introduce the New Deal for Young People (NDYP) might overshadow the need to provide similar support for long-term unemployed adults. With the benefit of hindsight it is probably true to say that the first ND25 plus variant was conceived in haste and lacked the thrust (as well as the resources) of NDYP. The introduction of the ND25 plus pilots in November 1998 allowed new and innovative approaches to be tested out more fully before a full-scale overhaul of the programme was undertaken.
- 1.8 The early recognition of the deficiencies of ND25 plus should not be allowed to detract from its achievements. Between June 1998 and March 2000, in excess of 252,000 people participated on the programme. Of these, almost 34,000 left the programme to enter sustained employment and a further 7,400 left for unsustained jobs<sup>2</sup>.
- 1.9 Despite these achievements, evaluation of the early ND25 plus highlighted many shortcomings. Few clients progressed to take up specific ND25 plus Opportunities (subsidised employment or full-time education or training) nor did many progress to Follow-through. Most participants left ND25 plus at the initial advisory stage (called the Advisory Interview Process or AIP) and the majority simply returned to JSA. Although high quality and individually tailored advice, guidance and support had been provided, the evidence suggested that the AIP lasted too long, lacked intensity and pace and, since most clients were not expected to move to Opportunities, lacked purpose other than to secure a job placement.
- 1.10 For some participants, ND25 plus was a helpful intervention with positive outcomes but for others the experience was less productive and even unsatisfactory. Some Employment Service staff regarded ND25 plus as adding little to existing provision for long-term unemployed adults and not fully meeting the needs of this client group.

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<sup>2</sup> A sustained job is defined as one from which the ND25 plus participant does not return to claim JSA for at least 13 weeks.

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- 1.11 Early evaluation evidence identified a number of issues to be addressed. These included:
- the need to provide a clearer purpose and focus for activity on ND25 plus;
  - to improve the intensity and continuity of client-NDPA contact;
  - to reduce the number of participants leaving ND25 plus for JSA;
  - to increase the flow into unsubsidised jobs.
- 1.12 A number of enhancements were made to ND25 plus in April 2000. These changes focussed on the Advisory Interview Process (now renamed the 'Gateway') and were intended to improve the range of help on offer and intensify the process with an increased emphasis on supported job search and placement in unsubsidised jobs. Specifically, the enhancements took the form of additional and more regular interviews with NDPAs, a renewed emphasis on client responsibilities and additional case conferences to facilitate meaningful Action Plans, improved assessment and diagnosis of basic skills needs and barriers to employment, the introduction of specialist careers guidance and mentoring services, additional specialist and other externally contracted provision aimed at meeting the needs of the most disadvantaged clients, making Jobseekers Grant available to ND25 plus participants. In order to inject pace and purpose into the Gateway, a review of progress at three months was introduced to ensure that all options for employment and the enhancement of employability were being actively pursued.
- 1.13 A subsequent evaluation of the 'enhanced' ND25 plus concluded that while the April 2000 enhancements introduced some positive changes, their overall effect was relatively slight. The changes were often perceived of as adjustments to the existing provision rather than a major re-design of the programme. Moreover, the delivery of the April 2000 changes was not always as planned and this was often ascribed by ES staff to the fact that the type of person entering ND25 plus had changed, with a greater proportion of the caseload consisting of participants who were particularly difficult to help into employment. The evaluation concluded that if the core of hard to help individuals were to (re)enter work, more radical steps would be needed.

### **The re-engineered ND25 plus programme**

- 1.14 From April 2001, a substantially changed ND25 plus programme has operated. Some of the key elements of this re-engineering of the programme related to changes in eligibility, an extension of mandatory participation beyond the Gateway to include a new Intensive Activity Period (IAP) as well as improvements to the Gateway and Follow-through. The employment subsidy on offer was now to be available at all stages of the programme, as was an Adviser Discretion Fund.
- 1.15 Eligibility for ND25 plus was widened to accept participants who had been claiming JSA for 18 months as opposed to 24 months previously. Five categories of early entrant were identified who can enter ND25 plus from day one of their unemployment. All adults with 18 months or more

unemployment within a 21 month period are mandated to attend the initial advisory Gateway period. The remainder of the programme is mandatory for those aged 25-49, but is voluntary for those aged 50 or over.

- 1.16 An initial Gateway period of up to 4 months is required of all participants, involving a series of weekly interviews between the client and a NDPA, and focussed on getting people into work. The early stage of the Gateway involves assessment and diagnosis, with particular attention on basic skill needs. Jobseekers can be referred to a range of measures and support aimed at moving people into work. Towards the end of the Gateway, NDPAs focus on planning individually tailored programmes of help for those who need the support of an Intensive Activity Period (IAP).
- 1.17 The IAP is designed to give people the skills and experience needed to obtain employment by offering tailored, full time, intensive provision. Such provision includes Basic Employability Training (BET), work placements, work-focused training and help with motivation and 'soft' skills. The client is expected to receive a minimum of 13 weeks of help, although this can be extended up to 26 weeks. During IAP a New Deal allowance is available to participants.
- 1.18 Those who return to JSA after the IAP enter a period of Follow-through aimed at moving people into work. This involves a series of weekly interviews over a six week period, involving intensive jobsearch and access to Gateway-type provision. Where necessary, Follow-through can be extended for up to 13 weeks and clients are able to access a range of more intensive provision.

### **Sources of evaluation evidence**

- 1.19 There are three principal sources of evidence relating to the re-engineered ND25 plus programme. These are:
  - qualitative surveys of ES staff, ND25 plus participants, providers and employers;
  - case studies of ND25 plus in a number of units of delivery;
  - monitoring information from the New Deal Evaluation Database.

#### ***Qualitative surveys***

- 1.20 The qualitative surveys collected information from ES staff, ND25 plus clients, training providers and employers involved in the programme. Interviews were carried out in three waves: Wave 1 in July and August 2001, Wave 2 in November and December 2001 and Wave 3 in March and April 2002. All four groups were interviewed for all waves, except Wave 1, which was limited to ES staff and providers.
- 1.21 The research covered 8 units of delivery: Barnsley, Bolton/Bury, Cardiff, Hertfordshire, Swindon and Tayside. The areas were selected by ES to provide a geographic spread across Great Britain (covering London, Home

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Counties, South West, Eastern, the North plus one each in Wales and Scotland) and to cover different labour markets conditions (including some inner city areas and more rural areas).

- 1.22 Most interviews were conducted face-to-face, with only employers and a small number of training providers being interviewed by telephone. A total of 127 ES staff were interviewed, 128 staff working at training providers, 104 employers and 151 ND25 plus Clients.

### ***Case studies***

- 1.23 Case studies were carried out in six units of delivery. Interviews were carried out with ES staff, training providers and employers. A total of 129 interviews were conducted with ES staff (plus a group meeting with 70 NDPAs). The number of training providers interviewed was 35 and the number of interviews with employers was 58. Almost all interviews with ES staff were undertaken face-to-face, as were interviews with the main training providers. Approximately half the employer interviews were undertaken face-to-face, with the remaining interviews conducted by telephone. The interviews were undertaken between 5 November 2001 and 12 February 2002.
- 1.24 Case study interviews were driven by detailed topic guides designed for each stakeholder group. Three separate but related topic guides were designed for ES staff to capture differing perspectives of strategic, management, and operational levels. Sampling of staff, providers and employers was achieved through discussions with ES contacts.

### ***New Deal Evaluation Database***

- 1.25 The New Deal Evaluation Database (NDED) collates data relating to New Deal clients from a number of sources. The primary source of data is the ES Labour Market System (LMS). The LMS system is used by ES Advisers to manage their interaction with clients. In addition to a basic client record, the system also contains a record of actions taken (such as interviews, placing in jobs, referrals to training and so on) and has been enhanced in order to record New Deal related actions. NDED matches LMS data to other data from additional sources, such as records of claimant unemployment from the Joint Unemployment and Vacancy Operating System (JUVOS) maintained by the Office for National Statistics and from records of subsidised employment taken from the ES payments system.
- 1.26 The NDED provides a comprehensive picture of the client population of New Deal programmes. Such a picture is restricted to the data that is collected by LMS and other sources. Moreover, as the product of an administrative record system, NDED data is affected by the procedures and practices by which the data is collected and input into the system. Nonetheless, NDED provides one of the most robust sources of data on New Deal clients.
- 1.27 Information based on NDED is published in the form of a Statistical First Release (monthly up to March 2002, thereafter quarterly). The published information is quite limited in its scope and in order to avoid some of these limitations, a copy of ND25 plus client records from NDED (anonymised in

order to preserve client confidentiality) was made available to IER for analysis. The database was supplied by ORC on behalf of ES.

### ***Other sources***

- 1.28 While this report is mainly concerned to summarise the evidence relating to the re-engineered ND25 plus programme, it will be necessary to refer from time to time to evaluation evidence from earlier variants of the programme. The first national ND25 plus programme was subject to a major research programme including both quantitative surveys and qualitative studies of participants and employers. Much of this evidence was summarised in Hasluck (2000b). Evidence relating to the enhancement of ND25 plus in April 2000 is contained in Winterbotham, Adams and Hasluck (2001).
- 1.29 In addition to the externally contracted evaluation research, ES and DWP also carry out internal analysis of management information and the NDED. This data was made available for the purposes of the Summary Report.

### **The focus of the Summary Report**

- 1.30 The introduction of any labour market programme, even one based on almost three years experience of operating a very similar variant of the programme, is likely to involve a period of implementation during which new arrangements and practices are introduced. Such a period often involves the 'bedding down' of the programme as staff learn how to operate the new programme and encounter unanticipated problems. In this regard ND25 plus appears no different to other programmes.
- 1.31 Both the ND25 plus case studies and the qualitative surveys found that the first two or three months after April 2001 were characterised by 'significant confusion' (Wilson, 2002) and 'severe teething difficulties' (Winterbotham, Adams and Kuechel, 2002). These difficulties were various but included delays in contracting with training providers and a lack of up-to-date information for NDPAs on local training opportunities. Staff also had to learn how to operate the new and more complicated programme. In most cases, ES staff received training for the new programme but the majority felt that they were inadequately prepared for such a major re-engineering of the ND25 plus programme.
- 1.32 The ND25 plus case studies identified a second phase of implementation during approximately June to December 2001 when ES staff were recovering from the problems of the previous two or three months and were developing local designs for the delivery of the re-engineered ND25 plus programme. Some features of the re-engineered programme were implemented fairly consistently across all areas from the outset. This was the case with the weekly interview regime on the Gateway. Other elements of the programme were introduced in a more patchy manner, with delays to some elements or different practice in different parts of the country.

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- 1.33 The third phase of implementation was from January 2002 by which time the programme had started to operate largely as intended (Wilson, 2002). At least one area decided to 're-launch' the new programme at the end of 2001 because senior staff felt that NDPAs were unclear about some aspects of the re-engineered programme (Winterbotham, Adams and Kuechel, 2002).
- 1.34 The evidence relating to the ND25 plus implementation period raises an important question, namely 'what is it that is being evaluated'? From an operational perspective it may be useful to reflect on the problems of implementation and learn lessons for the future. From the labour market policy perspective, however, such matters are a distraction from the more important questions relating to the effects and effectiveness of the re-engineered programme *once it is implemented* as intended.
- 1.35 For the purposes of this Summary Report, matters of implementation will be, as far as possible, ignored. The focus of the discussion will thus be on the evidence relating to the extent to which the re-engineered ND25 plus programme has achieved its objective of improving on previous provision for adult long-term unemployed people. In some cases this distinction is difficult to maintain since insufficient time has elapsed to judge whether the programme is yet fully sorted.
- 1.36 Much of the evaluation evidence that has been collected in relation to the re-engineered ND25 plus programme has been presented in terms of the different perspectives of programme stakeholders: ES staff, ND25 plus clients, training providers and employers. This Summary Report takes a different approach by seeking to synthesise the evidence in terms of answers to a number of research or evaluation questions. These questions are as follows:
- did the re-engineered ND25 plus achieve its objectives?
  - how did it achieve its objectives?
  - did re-engineered ND25 plus work for every one?
  - can re-engineered ND25 plus be improved further?
- 1.37 The remainder of this report seeks to provide answers to these evaluation questions. The discussion commences by looking at the labour market context for ND25 plus and the extent of participation in the programme (Chapter 2). The next two Chapters consider the evidence relating to the intensification of the re-engineered programme and the redesign of its structure and purpose (Chapter 3 and Chapter 4). The acid test of the re-engineered programme is the impact of the changes on job outcomes and employability and this is considered in Chapter 5. Chapter 6 concludes by drawing together the findings of the report and identifying a number of aspects of the re-engineered programme where the evaluation has indicated that further development is required.





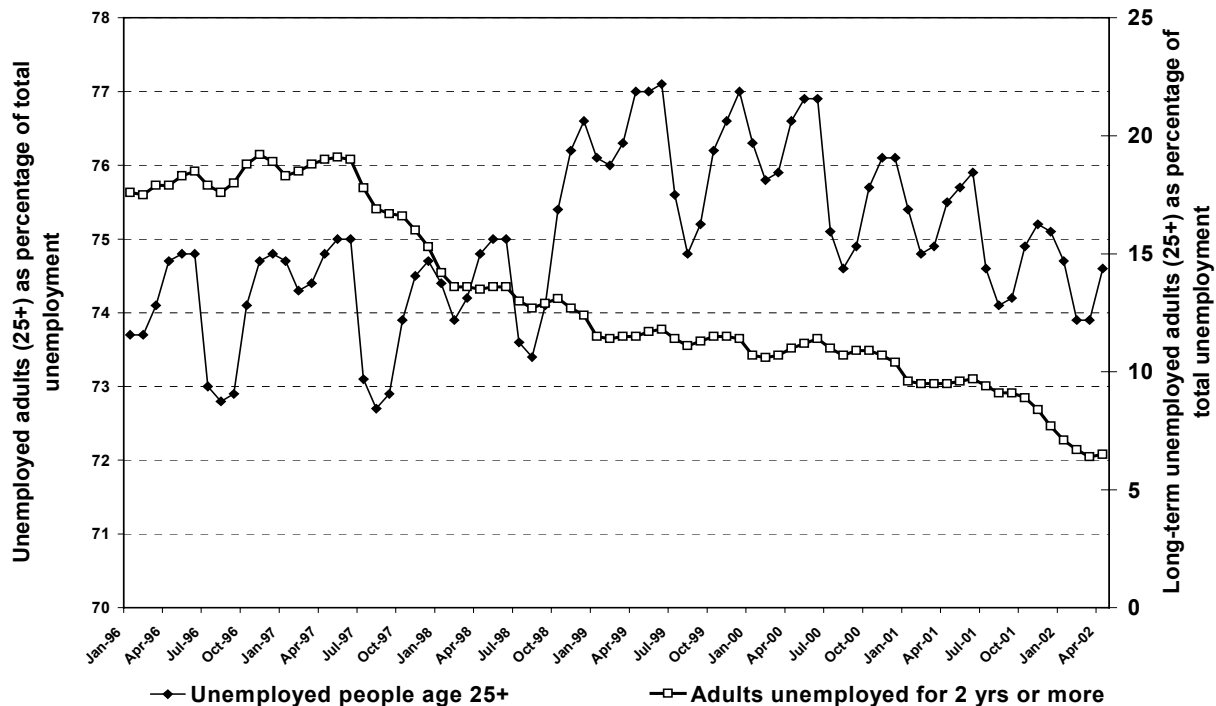
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## 2 Long-term unemployment amongst adults

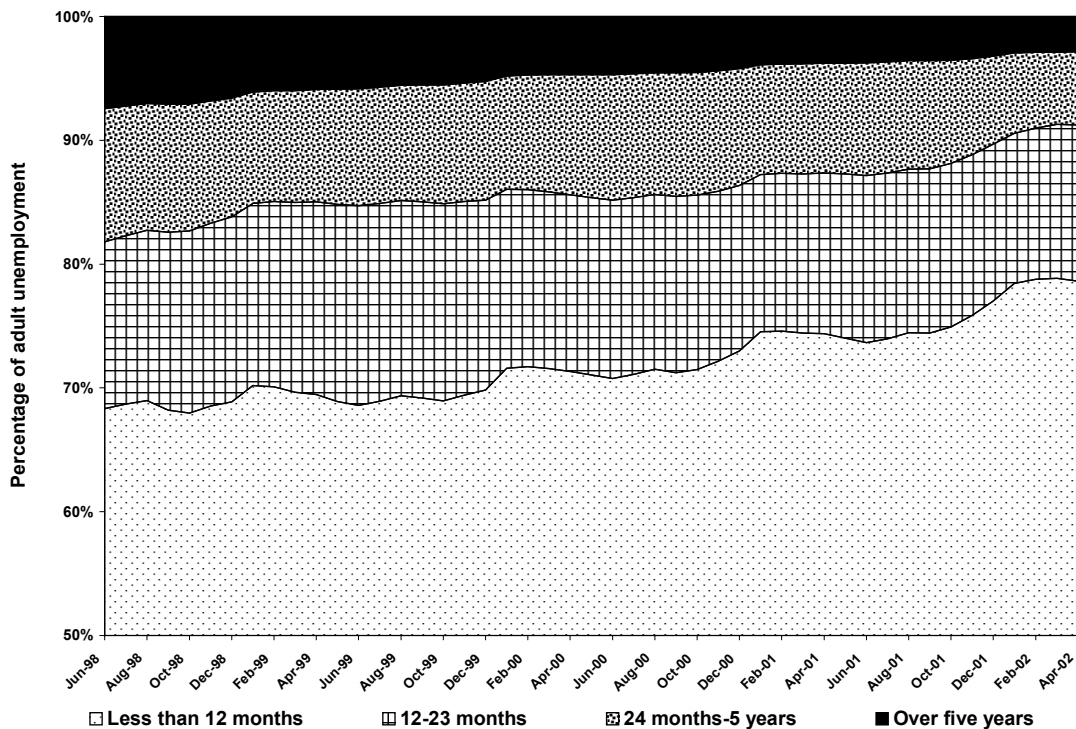
### Adult long-term unemployment

- 2.1 When New Deal 25 plus was introduced in June 1998 there were over 934,000 unemployed people aged 25 or above in Great Britain (around 75 per cent of all registered unemployment). Nearly 170,000 unemployed adults had been unemployed for two years or longer while almost 70,000 had been unemployed for five or more years. By April 2001 (when major changes were made to the programme) the number of adult unemployed had fallen to almost 715,000 while the number of adults unemployed for two years or more had fallen to just over 90,000.
- 2.2 The proportion of total unemployment accounted for by adults was fairly constant throughout much of the 1990s (at around 75 per cent) apart from a pattern of seasonal fluctuation associated with school leaving (which reduced the adult share of unemployment slightly in the third quarter of each year). A slight increase in the 'underlying' adult share of unemployment was, however, evident from mid-1998 until late-2000 when the adult share began to decrease and revert to its earlier trend level. This can be seen in Figure 2.1. As the number of unemployed people of all ages was declining over the whole period, it is evident that unemployment amongst young people (18-24 years of age) must have declined more quickly than did the unemployment of adults.
- 2.3 One obvious factor that might explain the increase in adult share of total unemployment in the period 1998-2000 was the relative impact of New Deal programmes. It is likely that in this period NDYP had a greater impact on the number of unemployed young people than did ND25 plus on adult unemployment. NDYP was launched before ND25 plus (in April 1998) but, more importantly, participation in NDYP was mandatory after six months of claiming JSA (rather than two years for ND25 plus). This meant that large numbers of young people were drawn into the programme. Moreover, NDYP offered greater provision in terms of Gateway activities, Options and Follow-through than did ND25 plus at that time. While it may be pure coincidence that the beginning of the fall in adult share occurred at around the same time as the first enhancements of ND25 plus (April 2000), it might plausibly be argued that the change was due to the improvements made at that time and subsequently (April 2001).

**Figure 2.1**  
**Adult unemployment as a proportion of total unemployment**



**Figure 2.2**  
**Adult unemployment by length of JSA claim**



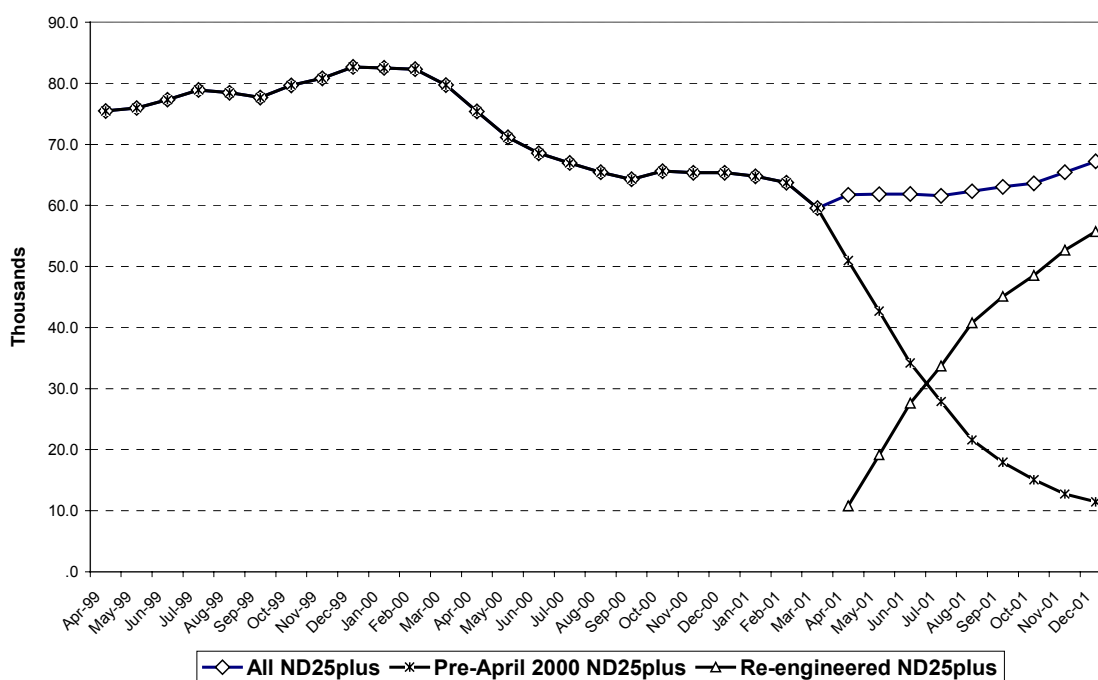
2.4 While the share of adult unemployment remained fairly constant and even rose slightly during the operation of ND25 plus, the share of adult long-term unemployment fell throughout the operation of ND25 plus (although the

start of this decline pre-dates the launch of the programme). This reflects the changing composition of adult unemployment in terms of length of JSA claim. *Figure 2.2* shows the share of adult unemployment accounted for by different groups. The chart shows that the composition of adult unemployment has been steadily shifting towards jobseekers with short spells of unemployment. The largest relative decline occurred amongst those with very long unemployment spells (5 year or over) but was evident amongst the whole ND25 plus client group.

## Participation on ND25 plus

- 2.5 From the time of its introduction in June 1998, the number of participants on national ND25 plus increased steadily until reaching a peak of around 82,000 in December 1999-January 2000. Since that time, numbers have fallen steadily and by March 2001, just before the introduction of the re-engineered ND25 plus, the number of participants had fallen to 61,100 (*Figure 2.3*).

**Figure 2.3**  
Participation on ND25 plus, pre and post April 2001



Source: New Deal Evaluation Database

- 2.6 Clients who started on the pre-April 2001 ND25 plus programme continued on that variant of the programme after April 2001. No further starts on the old programme were made after April 2001 and, as a consequence, the number of participants has dwindled as clients left the programme. Those starting ND25 plus from April 2001 entered the re-engineered programme, the numbers on which built up rapidly, from 10,800 in April 2001 to 54,300 in March 2002.
- 2.7 Taking clients on the original ND25 plus together with those on the re-engineered programme suggests that the total number of unemployed adults on ND25 plus has increased since April 2001 (Figure 2.3). This is most likely to be a reflection of the extension of the eligibility for ND25 plus from 24 to 18 months which has the effect of increasing the eligible pool of clients from which the programme draws.

### **The take-up of ND25 plus activities**

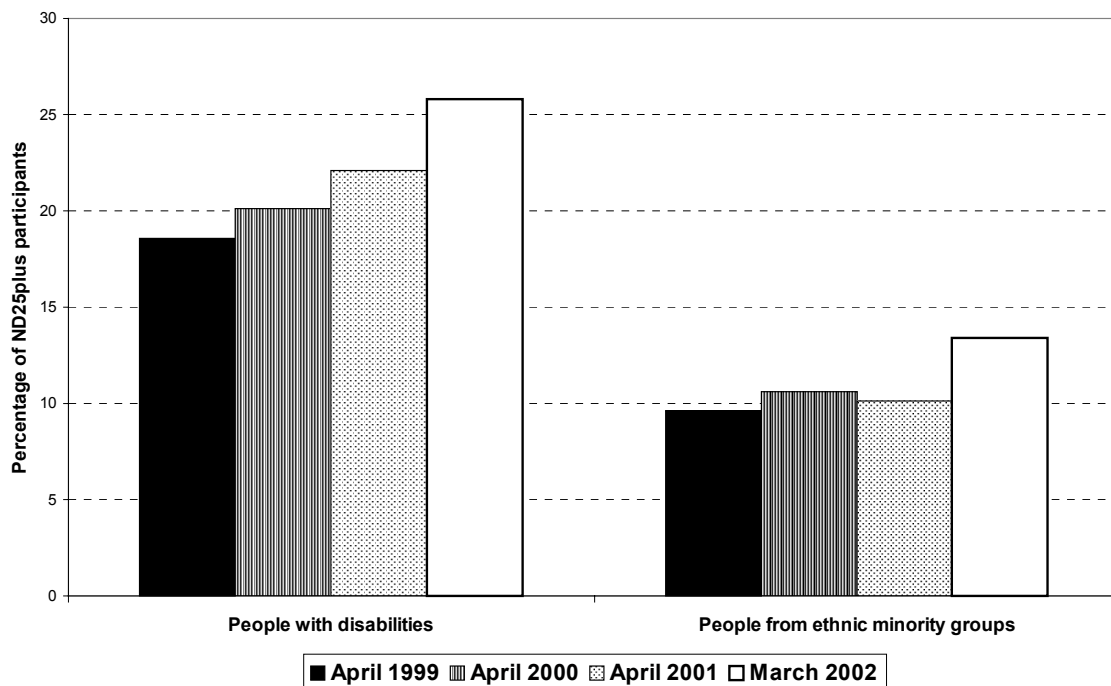
- 2.8 By the end of March 2002, the total number of participants on the re-engineered ND25 plus had grown to over 54,000. The majority of these were on the Gateway (36,000) while almost 11,000 participants were on the IAP. Just 5,000 were in the Follow-through stage of the programme. In addition around 2,400 were in subsidised employment.
- 2.9 Clients who had entered the IAP were mainly on one of three types of provision: a work experience placement (3,300), an IAP training programme (3,300) or Basic Employability Training and Basic Skills training (2,300). Just over 1,200 participants were on self-employment provision but only around 600 clients had entered full-time education or training.
- 2.10 Some differences were apparent in the take up of ND25 plus provision by different client groups. While around two thirds (66 per cent) of all participants were on the Gateway, an above average (70 per cent) proportion of women remained on the Gateway. Clients with a disability were least likely to be on the Gateway (61 per cent). This appears to be because clients from this group had disproportionately moved into subsidised employment or onto the IAP. Nearly 27 per cent of clients with a disability had entered the IAP compared to an overall programme average of just 20 per cent. Around 5 per cent of disabled clients were in subsidised employment. This was around one percentage point higher than other client groups with the exception of clients from ethnic minority groups of whom less than two per cent were in a subsidised job.
- 2.11 Within the IAP, take up of provision also differs between client groups. As a broad generalisation, clients from ethnic minority groups and clients with disabilities were under-represented on activities with a work or employment content. The proportion of ethnic minority clients in self-employment (less than 5 per cent) and on work experience (16 per cent) was half the corresponding average figure (11 per cent and 30 per cent, respectively). Clients with a disability were also under-represented on the IAP activities (21 per cent and 9 per cent). Correspondingly, clients from ethnic minority groups or with a disability were greatly over-represented on IAP training

programmes which accounted for around half of both client groups on the IAP (the programme average was just 30 per cent). Clients from ethnic minority groups and women were more likely than others to take up BET provision (24 per cent each).

### **Changes in the characteristics of the ND25 plus client group**

- 2.12 Qualitative research looking at the April 2000 enhancements of ND25 plus noted that ES staff commonly held the view that clients were increasingly 'harder to help'. NDPAs believed that most of the job-ready long-term unemployed had already been helped into employment and their caseloads increasingly consisted of people with multiple disadvantages and poor job prospects, in some cases entering ND25 plus for the second or even third time (Winterbotham, Adams and Hasluck, 2001).
- 2.13 Evidence from the New Deal Evaluation Database lends support to the proposition that the client population of ND25 plus increasingly consists of those likely to face difficulties entering jobs. The proportion of clients identified by NDPAs as being in Special Group Categories has risen sharply over the past three years. In April 1999 just over nine per cent of participants were in one Special Group Category or another. By April 2001 the proportion had increased to over 12 per cent and by the beginning of 2002 exceeded 20 per cent. The largest proportionate increases were amongst people with a disability and those who were ex-offenders.
- 2.14 Figure 2.4 shows the proportion of ND25 plus clients who were members of an ethnic minority group or who had a disability. Neither group of clients is necessarily 'hard to help' but both characteristics are known from earlier monitoring and evaluation to be associated with a lower proportion of positive employment outcomes (Hasluck, 2000a).
- 2.15 The median duration of JSA claim prior to entering ND25 plus has fallen from 36.7 months in April 1999 to 18.5 months in January 2002. While this appears a positive development since short spells of unemployment tend to have less effect on employability, the changing context of ND25 plus needs to be taken into account. First, the fall in average unemployment spell on entry to ND25 plus reflects the changes in eligibility introduced as part of the re-engineering of the programme. Entry is now at 18 months, as opposed to 24 months previously and the influx of clients with JSA claims of 18-23 months since April 2001 has reduced the length of the average spell on entry. There has also been a significant increase in the proportion of clients entering early. Finally, the length of time unemployed is only a relative indicator of employability. When labour demand is high an unemployment spell of 18 months may be as indicative of poor employability as was a spell of five years in much less favourable labour market circumstances.

**Figure 2.4**  
**Changing ND25 plus client characteristics, 1999-2002**



2.16 Although making no claims to be representative of the ND25 plus client population as a whole, both the case studies and qualitative surveys indicate that ND25 plus clients are increasingly those facing significant, and often multiple barriers to employment. The case studies identified the most common barriers to employment as:

- basic skills needs;
- benefit reliance/financial difficulties;
- drug dependency;
- a history of offending;
- poor confidence and low aspirations;
- lack of motivation;
- transport difficulties.

2.17 The case studies also noted that many ND25 plus clients had limited employment horizons. For instance, men who had worked in male dominated traditional (and often well paid) industries such as mining were often reluctant to accept employment in jobs traditionally associated with low paid employment of women (such jobs in retailing). In other cases, the clients were people who had been made redundant from management and other senior positions and who felt unable to contemplate a job that paid substantially less or offered less responsibility than their last job.

### 3 Increasing the pace: intensifying ND25 plus

- 3.1 One of the principal concerns of the re-engineering of ND25 plus was to introduce greater pace and purpose to the programme. The purpose of increasing the pace was to reduce the time spent on the programme and to speed up exits to jobs. Increased purpose was sought in order that activities on the programme were focussed on those actions best serving the aim of meeting the needs of clients and helping them into employment.
- 3.2 It is a helpful presentational device to consider those aspects of the re-engineering that brought about an intensification of the programme, as distinct from, first, the changes that affected the nature and purpose of activities and, second, the outcomes achieved. This Chapter deals with the intensification of the programme. Issues of purpose and outcomes are dealt with in the two Chapters that follow.

#### **Key changes to intensify ND25 plus**

- 3.3 Several features of the re-engineering of ND25 plus were intended to intensify the experience of being on the programme. These included:
- earlier entry to the programme by widening eligibility to those unemployed for 18 months and introducing five early entry categories;
  - to extend mandatory participation beyond the initial Gateway period to the IAP;
  - to limit the Gateway to a maximum of four months;
  - to limit the IAP to 13 weeks (although it can be extended for up to 26 weeks in some cases);
  - to intensify the Gateway and Follow-through by means of weekly interviews with clients.

#### ***Earlier entry***

- 3.4 It is widely acknowledged that the employability of jobseekers tends to decline as the length of time unemployed increases for a variety of reasons. Allowing adults to enter ND25 plus earlier means that they are more likely to be job ready on entry and more likely to respond positively to the assistance provided by the programme. The ND25 plus Case Studies found that ES staff welcomed the changes in eligibility as well as the additional opportunities for especially disadvantaged groups to enter the programme before 18 months of unemployment. Some NDPAs' who had experience of entry to ND25 plus at 12 months under one of the ND25 plus pilot programmes felt that there was merit in even earlier entry than that offered by the re-engineered programme.

- 3.5 The ND25 plus case studies found that the proportion of NDPA caseloads that were early entrants varied considerably from office to office. Some offices had very few early entrants although commonly the proportion was between 5-10 per cent. In some offices there was a very high level of early entrants and these appeared to be those where active steps had been taken to generate starts on the programme from groups eligible for early entry. The most common method for this was to liaise with frontline ES staff and those conducting Restart interviews to ensure they were aware of the criteria for early entry.

### ***Mandatory participation and sanctions***

- 3.6 Prior to the re-engineering of ND25 plus, participation was mandatory only in respect of the initial advisory stage of the programme (the Advisory Interview Process before April 2000 programme and the Gateway from April 2000). The re-engineered programme required participation in all stages of the programme, most particularly in the IAP. The exception to this was that participation on the IAP was voluntary for clients aged 50 or more.
- 3.7 Evidence from both the qualitative surveys of ES staff and the case studies found that NDPAs regarded the mandatory requirement to participate in the IAP as a major improvement to the programme. In particular, the threat of sanctions and potential loss of benefits (although rarely used) had a number of desirable consequences. First, it appeared to precipitate an increase in the number of exits from the programme. Sometimes these occurred immediately before the commencement of the IAP (which NDPAs often felt was indicative that the client was already working). In other instances the prospect of being required to participate in the IAP led to increased job search in the Gateway and an exit to a job. Second, mandatory participation in the IAP forced some discouraged and de-motivated participants to undertake activities that they were unlikely to have done under the previous programme design, and from which they derived considerable benefit. In some instances, clients looked back on the requirement to undertake IAP activities as a positive feature of the programme.

### ***More frequent contact with NDPAs and case conferences***

- 3.8 The national model for the implementation of ND25 plus stipulates that clients will have a weekly interview with their NDPA. The case studies revealed some local variation in the pattern and frequency of such interviews. In some areas clients might receive two interviews per week in the early stages of the Gateway with interview frequency being reduced later. Case conferences were also part of the re-engineered programme with the client caseload being reviewed at regular intervals.
- 3.9 Both the more frequent interview regime and case conferences intensify the initial advisory stage of the programme. More frequent interviews identify more quickly the needs of clients and the appropriate responses to such needs. In particular, early interviews appear intended to sharpen the focus of participants on jobsearch and obtaining paid work. Case conferencing also intensifies the process by ensuring that clients were undertaking the

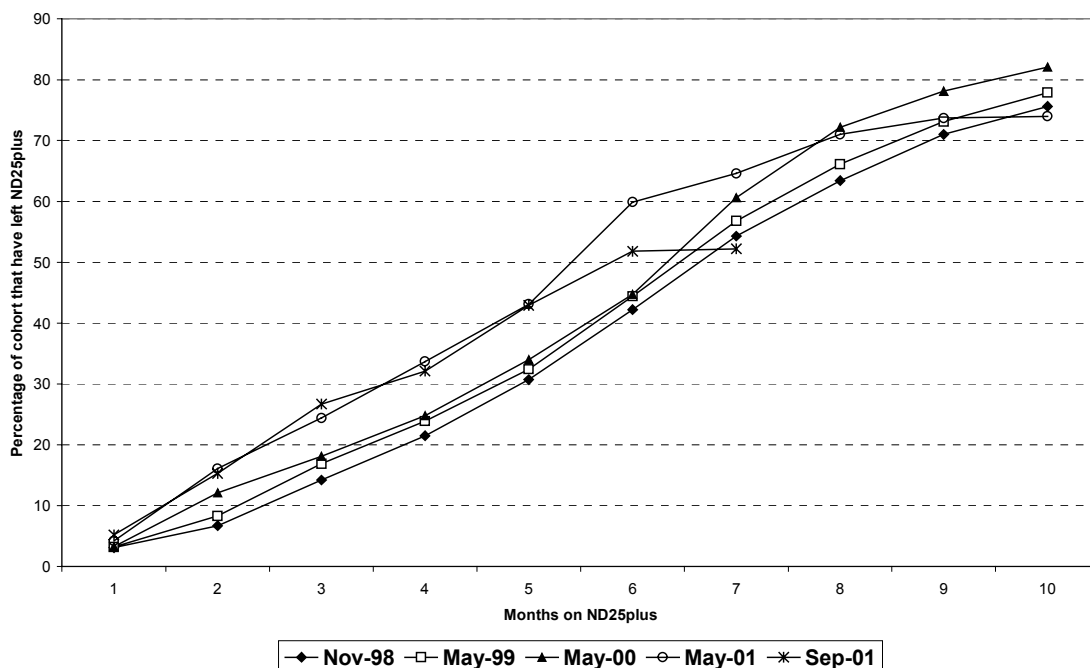


appropriate kinds of activities, reducing the time taken to identify problems and remedies by drawing on the broad experience of NDPAs and colleagues.

### Time on the programme

- 3.10 The intention behind the re-engineering of ND25 plus was to reduce the time that clients spent on the programme. By setting maximum intervals for the Gateway and the IAP and by allowing clients early entry to the IAP where appropriate, participants should move through the programme more quickly than before. The acid test of this is whether clients do actually leave the programme more quickly than those who entered ND25 plus before April 2001.
- 3.11 In order to assess the time taken to progress right through the programme it is necessary to track the status of all clients who entered ND25 plus in specific months. Figure 3.1 presents the results of such a 'cohort analysis'.

**Figure 3.1**  
**Exits from ND25 plus by time on the programme and date of entry**



- 3.12 Figure 3.1 shows, for each cohort, the proportion of participants leaving ND25 plus for each month after joining the programme. The higher the proportion of a cohort that has left the programme by a given time, the faster the implied exit rate and the shorter the average time on the programme. Five cohorts were examined. November 1998 and May 1999 represent participants on the original national ND25 plus programme. The May 2000 cohort represents those who entered the enhanced programme that operated from April 2000 to March 2001. The May 2001 and September 2001 cohorts represent participants who entered the re-engineered ND25 plus programme. While the May 2001 entrants provide the longest run of data for participants on the re-engineered programme, their experience may

not be typical since they entered during the early phase of implementation of the re-engineered programme. Participants who entered ND25 plus in September 2001 were probably more representative of the re-engineered programme since many of the initial teething problems had been overcome by that time (although the qualitative research suggests that it was not until early 2002 that the new programme was fully working as intended). The cost of selecting the September cohort is that there is a shorter run of data for this group of entrants.

- 3.13 Two main findings emerge from Figure 3.1. First, each successive cohort appears to have left ND25 plus more quickly than the cohort that preceded it. This was probably the result of 'learning' by ES staff and the 'continuous improvement' strategy that has been operated. Having said that, the differences between the exit rates of the November 1998, May 1999 and May 2000 cohorts do not appear markedly different. The ND25 plus programme that these clients joined was basically the original national programme (despite the enhancements of April 2000). Comparison of exit rates from the May 2001 and September 2001 cohorts suggests a significant increase in the rate at which participants have left the programme (and a reduction in the average time spent on the programme) since the re-engineering of ND25 plus.
- 3.14 The effect of an increased rate of exits is to reduce the time spent by clients on the programme. It is difficult to compare the pre-April 2001 and post April 2001 ND25 plus programmes because the re-engineering changed the programme structure. Nonetheless, it can be noted that the mean time spent on ND25 plus has decreased markedly over the past three years. Clients who entered ND25 plus in May 1999 spent an average of almost 31 weeks on the programme. A year later, under the enhanced programme, the mean duration had fallen slightly to just over 27 weeks. After the re-engineering the mean duration of participation fell even more sharply. Participants who entered the programme in May 2001 had a mean duration of participation of just under 19 weeks.
- 3.15 Looking at what might be termed 'the advisory phase' of ND25 plus (the AIP and the Gateway) suggests that the time spent in such activities has decreased since the re-engineering of ND25 plus. Clients who entered in May 1999 spent an average of 23 weeks on the advisory stage while those entering in May 2000 spent an average of 21 weeks in the advisory process. Those who entered the re-engineered programme in May 2001 spent just under 16 weeks in the advisory stage of the programme. It would seem that the re-engineered programme has met its objective of increasing the pace of participation.

## **4 Providing purpose: meeting client needs and securing a job outcome**

- 4.1 As originally designed, ND25 plus consisted of a mandatory 26 week period during which clients received advice and guidance, especially regarding job search. Although several Opportunities were on offer following the advisory period, participation in such Opportunities was not required of clients and many chose to leave the programme at this point, returning to normal job seeking activity on JSA. Evaluation of ND25 plus in its original form highlighted this structure as lacking purpose. Many clients and ES staff found it difficult to identify any significant additions to provision beyond that to which clients would have been entitled had they remained on JSA.
- 4.2 To a large extent the lack of purpose of the original ND25 plus design stemmed from the inability of the programme to address the often significant barriers to employment faced by clients. In many cases, the NDPA and client had exhausted any scope for advice on job search well before the end of the 26-week advisory period. Both ES staff and clients knew that few clients would take up one of the Opportunities even if it was in the client's interests to do so. Under the circumstances there was little point in preparing clients for Opportunities. Moreover, the Opportunities were themselves somewhat limited and inflexible, consisting of a 26 week subsidised Employment Opportunity and up to 52 weeks in the Full-time Education and Training Opportunity. For some clients, the progression to paid work or to full-time training was too great a step to take. For such clients there was a need for a more flexible approach, more tailored to their needs.
- 4.3 The ND25 plus pilots, introduced in November 1998, operated under a different model of delivery to the original national ND25 plus programme. In particular, the ND25 plus pilot model required clients to participate in a much shorter advisory period (the Gateway) followed by an Intensive Activity Period during which clients would be required to undertake a variety of activities designed to address barriers to employment and make the client ready for a job. It is clear that the re-engineered ND25 plus design has drawn to a great extent upon this model, making full use of the findings that emerged from the evaluation of pilots and the national model.

### **Meeting client needs**

- 4.4 Although the purpose of ND25 plus has always been to help clients enter employment, the re-engineering of ND25 plus has placed even greater emphasis than before on securing job placements for clients. The changes can be seen as reflecting that emphasis. The re-engineered programme has introduced greater flexibility into programme provision and provided a package of activities tailored to the needs of the individual client. These

to undertake. Close liaison between client and NDPA at the Gateway stage was introduced in order to identify appropriate activities and ensure they were acted upon, while Follow-through was intensified in order to build upon the activities undertaken in the IAP where clients had not entered a job.

4.5 The main changes introduced as part of the re-engineering of ND25 plus were as follows:

- an initial Gateway period:
  - a maximum of four months,
  - screening for basic skills needs,
  - provision for jobsearch and other needs (e.g. Gateway to Work),
  - NDPA case conferencing
  - weekly client-NDPA interviews;
- an Intensive Activity Period. Clients undertake an individual programme from a range of provision:
  - Basic Employability Training (BET),
  - self employment support,
  - Education and Training Opportunities (ETO),
  - combination of work experience placements,
  - work-focused training,
  - help with motivation and soft skills.
- Follow-through for those returning to JSA after the IAP:
  - weekly interviews with NDPA,
  - short intensive period of jobsearch (6 weeks) and access to Gateway-type provision,
  - up to 13 weeks in Follow-through
  - after Follow-through return to normal JSA regime
  - clients not securing employment (and aged 25-49) will be eligible to re-enter the Gateway after 18 months of claiming JSA.

4.6 These changes can be seen as offering a wide range of provision in order to achieve the primary objective of the programme; to secure a job placement for the client. The Gateway period has the dual purpose of helping those job-ready into employment, while preparing the rest for the additional assistance provided by the IAP. The IAP offers a wider range of provision than previously and these elements can be combined if necessary.

4.7 One change that highlights the shift in emphasis on the re-engineered ND25 plus is the change in the role of subsidised employment. Previously, subsidised employment was an Opportunity on offer to those who had progressed through the advisory stage. Under the re-engineered programme, the employment subsidy of £75 per week (£50 per week for part-time employment) is available at any time during the programme. Thus subsidised employment is less of a 'stage' in the programme than an inducement to employers to help secure a job placement for a client. In the same vein, NDPAs can draw on an Adviser Discretion Fund to help clients meet essential costs of entering employment.

## The role of the Personal Adviser

- 4.8 All evaluation evidence of New Deal programmes has pointed to the critical role of the New Deal Personal Adviser (Hasluck, 2000a). NDPAs provide continuity for clients during the programme and where a good relationship is established between NDPA and client, the likelihood of a positive outcome is increased.
- 4.9 Evidence relating to the operation of earlier versions of ND25 plus indicated that NDPA support for clients was patchy. While there were many cases of regular and constructive contact between NDPAs and clients, there were also instances of infrequent and less constructive contact. The enhancement of ND25 plus in April 2000 attempted to redress this by increasing the frequency of NDPA-client contact during the Gateway. Unfortunately, evaluation of the enhanced programme suggested that the intended increase in interview frequency and intensity had often not materialised (Winterbotham, Adams and Hasluck, 2001).
- 4.10 The re-engineering of ND25 plus required NDPAs to hold weekly interviews with clients. Both the case studies and the qualitative surveys found that this aspect of the re-engineering was one of the first to be implemented across all ES offices. The evidence showed that interviews were often held more frequently than once a week, especially in the first few weeks after entry to the programme.
- 4.11 The increase in interview frequency during the early stages of the Gateway appeared was not simply the result of the formal requirement to hold such interviews but arose from a desire by NDPAs (and clients) to take action to identify client needs and actions. The greater use of diagnostics (using devices such as the Client Progress Record) and the need to develop an Action Plan to guide activity of the latter part of the Gateway and the IAP gave the interviews a rationale that was not present to such a degree before the re-engineering. In this regard, it would seem that different elements of the re-engineering have reinforced one another.
- 4.12 Interviews conducted with ES staff point to a consensus that the weekly interviewing regime had significantly improved the re-engineered programme and improved the quality of their relationship with clients. The case studies noted a report of clients 'popping in' to speak to their NDPA for advice. Many advisers believe that the more frequent and purposeful contact had 'improved' attitudes amongst clients (Wilson, 2002). Similarly, qualitative interviews with clients found that the one-to-one contact with NDPAs during the Gateway was one of the best elements of ND25 plus and distinguished it from their usual experience of the Jobcentre or experience on previous programmes.
- 4.13 While it is evident that the re-engineering of the ND25 plus programme has tended to improve NDPA-client relationships during the Gateway period, other aspects of the Advisers role remain less well developed. In particular, NDPA contact with clients during the IAP appears limited. Few ES staff interviewed as part of the case studies were having face-to-face contact with clients as originally envisaged in the re-engineered ND25 plus design,

although some form of telephone contact was more common. NDPAs' explained such lack of face-to-face contact as being the consequence of a lack of NDPA time and a reluctance to visit employers and training providers. The latter factor was a symptom of a wider, more generic issue.

- 4.14 Whatever the strengths of NDPAs in respect of their dealings with clients, case study interviews with NDPAs, their managers, training providers and employers all indicated that the NDPA relationship with training providers and employers were capable of improvement (Wilson, 2002). Tension existed between some NDPAs and training providers. In part, this appears to have resulted from rather different views about the primary objective of the programme (with providers more job outcome focussed than some NDPAs). As experience with operating ND25 plus increased and contact between NDPAs and providers increased, a more common understanding of the aims of the programme seem to have emerged and tension between providers and advisers diminished. Some advisers appeared reluctant to deal directly with providers and employers. This was likely to have adversely impacted on the ability of NDPAs to market ND25 plus and clients to employers and on the ability to monitor the quality of delivery of external programme provision. The case studies indicated that ES managers were aware of these issues and were taking steps to support, train and develop NDPAs.

## **Enhancements to programme provision**

### ***The Gateway***

- 4.15 ND25 plus has always provided an initial period of advice and guidance intended to help clients enter employment. The Gateway period of the re-engineered programme continues this approach but has extended the range of provision available. Case studies of the re-engineered programme found that there was considerable variation in the way in which the national ND25 plus model was implemented at the local level. Local variations related to the length of the Gateway, the management of the Gateway and the type of provision made available.
- 4.16 Typically, clients entering ND25 plus were introduced to the programme and their obligations while on it at their first interview with their NDPA. This initial meeting usually also discussed the client's unemployment, work and learning history. Subsequent interviews tended to be more variable with interviews tailored to the needs of the client. These interviews also discussed the client's job search activity.
- 4.17 For most clients the Gateway consisted of more than a series of interviews with NDPAs. The majority of clients were referred to a Gateway to Work course, usually lasting around two weeks. Usage of such courses varied across ES areas with some routinely referring clients while others used such provision in a more limited manner. Gateway to Work courses were commonly delivered jointly with provision for New Deal for Young People.
- 4.18 Most ES staff were positive about Gateway to Work provision, feeling it tested client motivation, helped identify appropriate IAP provision and

improved job search skills. There was also a view amongst ES staff that Gateway to Work courses were most appropriate for younger clients and, perhaps, the more job-ready. Some areas had developed Gateway to Work courses specifically for the 'hard to help' client group. These courses placed an emphasis on attendance, time-keeping and other work related discipline.

- 4.19 Apart from Gateway to Work, a range of other provision was available. This included mentoring, counselling on drug and alcohol issues, financial advice, careers guidance and work tasters. The evidence from the case studies and qualitative surveys was that such provision was used only infrequently, largely due to its specialist nature or lack of local provision.
- 4.20 ES staff were generally of the view that the Gateway on re-engineered ND25 plus was a great improvement on its predecessor. Some improvements were suggested. These included:
- separate Gateway to Work provision for ND25 plus clients who, many staff felt, had rather different needs from clients on NDYP;
  - more advanced Gateway to Work courses for more experience or skilled clients;
  - Making attendance on Gateway to Work courses mandatory for clients aged 50 or above.

### ***Intensive Activity Period***

- 4.21 In many ways the IAP represents the most central and radical aspect of the re-engineering of ND25 plus. It was also one of the aspects of the re-engineered programme that was most well received by ES staff, largely because the IAP 'gets the client doing something' (Wilson, 2002). The IAP also precipitates exits from those clients who, for whatever reason, wish to avoid a period of full-time activity.
- 4.22 The IAP is intended to provide activities for clients who have not found a job during the Gateway and is mandatory for all clients aged 25-49 years. Clients may be referred to a range of IAP activities (as set out in paragraph 4.5 above). Normally the IAP lasts for a minimum of 13 weeks but can be extended up to 26 weeks, with the exception of Education and Training opportunities (ETO) which lasts 52 weeks. Planning and preparation for the IAP starts early during the Gateway period.
- 4.23 The national IAP model sets out three approaches to IAP provision: modular, routeway including sectoral routeway and a combination approach. The Modular approach offers the full range of IAP provision, managed by NDPAs and delivered through a series of individually contracted modules. Routeways offer the same full range of IAP provision but are delivered through a number of different Routeways packaged and managed by the provider (but still with a significant NDPA input). The ND25 plus case studies reveal that, in practice, there was considerable local variation in the way in which IAP activities were delivered. Indeed, there were considerable local differences amongst ES staff as to what the terms Modular and Routeway, actually meant.

- 4.24 Basic Employability Training is an important element of IAP provision and is designed to help those who lack adequate basic skills. The qualitative surveys noted an increasing tendency over time for clients whose basic skills were adequate to be referred to work experience placements rather than training. This was because NDPAs felt that work experience was what the majority of clients most need in order to obtain a job. Work experience was also best suited to clients who did not have a clear view of the occupational area in which they wished to work and for whom sectoral training might be too inflexible or inappropriate.
- 4.25 As a major element of re-engineering of ND25 plus, it was to be expected that the process of implementing the IAP would prove difficult and, indeed, there have been a number of difficulties. These have included problems with provider contracts, a lack of local providers or too great a reliance on a small number of providers and too few clients to make provision viable. There has been some tension between NDPAs and providers about the appropriateness of the mis-match between clients and the provision to which they were referred. These teething problems are described in detail in the reports of the case studies and the qualitative surveys (Wilson, 2002 and Winterbotham, Adams and Kuechel, 2002). To a great extent such problems will be resolved with the passage of time as NDPAs, providers and employers work together and gain a better understanding of each others perspectives and of the objectives of the ND25 plus programme.
- 4.26 More fundamental concerns related to the extent to which it was possible for the IAP to adequately address the needs of clients. Qualitative evidence from ES staff suggested that most felt that 13 weeks was probably sufficient to achieve a positive result with clients who were work ready and well motivated. For those who were not work-ready or had negative attitudes to the programme and to work, such a spell of activities might be insufficient. Where clients lacked adequate basic skills, they could undertake BET for a 26-week period. Many NDPAs felt that even 26 weeks might be insufficient in the case of those clients with severe basic skill needs.
- 4.27 Much of the provision through the IAP has been aimed at a fairly elementary or basic level, as is appropriate for the majority of clients. Nonetheless, just as was the case on the previous version of ND25 plus, many NDPAs felt that the needs of more experienced or skilled clients were not adequately catered for. Some form of intermediate level training was required for such clients.
- 4.28 Evaluation evidence revealed some other areas of concern. NDPAs expressed concern that clients undertook little job search activity during the IAP period. This concern often emerged at Follow-through and might be seen as a symptom of low NDPA-client contact during the IAP. Second, the increased emphasis on work experience placements had raised the worry that providers had not identified sufficient suitable job placements for clients. Again, the reluctance of some NDPAs to market the programme to employers may contribute to this problem and better relationships with employers in the future will alleviate it. A related concern was that an increasing proportion of work placements were not regarded as being in the 'real labour market' but were seen as 'soft placements' with the training



providers themselves or with non-market organisations such as the voluntary sector. The validity of the latter concern depends very much on what clients gained from their placement.

### ***Follow-through***

- 4.29 Prior to re-engineering, clients leaving ND25 plus and not having secured a job would simply return to normal job seeking under JSA rules. Clients on the re-engineered ND25 plus who have not obtained a job by the end of the IAP enter Follow-through. This consists of a six-week period of intensive job matching and weekly interviews with their NDPA. It also offers a range of provision similar to that in the Gateway. For those requiring additional support, Follow-through can be extended for up to 13 weeks to allow the client access to further provision similar to that available in the IAP. It is, perhaps, rather too early to assess the operation and impact of the Follow-through since relatively few clients had reached this stage by the time of the final qualitative surveys and even less by the time of the case studies. Some observations can, nonetheless, be made.
- 4.30 Firstly, the evaluation evidence indicates that ES staff view the Follow-through as a very important development. They see the benefits of Follow-through mainly in terms of capitalising on the increased employability of clients brought about by activities on the Gateway and the IAP. They also see Follow-through as a means to intensifying job search activity that may have diminished while the client was on the IAP.
- 4.31 While a range of provision is potentially accessible to clients on Follow-through, initial indications are that such provision was rarely used. Some consideration has been given to whether short and more specific provision for clients at the Follow-through stage was desirable.
- 4.32 Whatever the perceived merits of Follow-through, expectations of positive job outcomes from this stage of the programme were not high. Many NDPAs felt that if clients had been through the Gateway and the IAP without obtaining a job, their employment prospects at Follow-Though were slim.

### **Support for employment**

- 4.33 The entry of unemployed people into jobs is not a costless event for both employers and job seekers. From the employer's perspective, the recruitment of an unemployed person is not without risk and cost. Employers are often concerned about the motivation and work-readiness of unemployed people and concerned that they may incur additional recruitment, training and supervisory costs when hiring unemployed people. From the Jobseeker's perspective, entry to a job may bring additional expenditure in the form of travel costs, the purchase of tools, equipment and clothing as well as the short-term financial difficulty of payment in arrears. These additional financial burdens can be a disincentive to taking a job for some job seekers.
- 4.34 The majority of the activity on ND25 plus is designed to change client motivation and behaviour, equip them with basic and other skills and use the

resources of the Employment Service to support job search activity. The disincentive effects of the costs of the transition from unemployment to a job may frustrate such good work in some cases. Any contribution towards offsetting such costs may, at the margin, help ND25 plus clients enter employment and contribute to job outcomes.

### ***The employment subsidy***

- 4.35 Employers recruitment through ND25 plus takes two forms. First, many use the Employment Service and the Jobcentre as part of their normal recruitment procedures. When this is the case, recruitment of ND25 plus clients can be inadvertent rather than the result of a conscious decision. Second, employers can recruit from ND25 plus using an employment subsidy paid to employers.
- 4.36 Evidence from the ND25 plus case studies demonstrated the variety of ways by which employers and ES or ND25 plus clients connect. As a rule, it appeared more common for employers to contact ES than the other way round. A majority of contacts with employers came about through ES staff or clients responding to an employer's job advertisement or by being approached by an employer. It was less common for ES to directly approach employers with a view to placing a client in a job, although the direct approach appeared more common amongst training providers.
- 4.37 Subsidised employment has been a part of the ND25 plus programme since its launch in 1998 and it continues to play an important, albeit slightly changed role in the re-engineered programme. Under the programme, employers recruiting a ND25 plus client to a full-time job may be entitled to a subsidy of £75 per week for a period of up to 26 weeks (or £50 per week in the case of a job offering 16-29 hours per week).
- 4.38 Prior to the re-engineering of ND25 plus subsidised employment took the form of a discrete phase in the programme, following on from the initial advisory period. As such it was not a mandatory part of the programme and the numbers entering subsidised employment were small relative to participation as a whole. The re-engineering of ND25 plus from April 2001 has changed the role of the employment subsidy by making its provision more flexible. The employment subsidy is now available at any time during the programme and not restricted to a post-advisory phase. Clients were issued with a subsidy voucher which they could use at any time when seeking a job.
- 4.39 Quantitative evidence from a large survey of employers in 1999 provided strong evidence that subsidised employment was an effective means of securing sustainable employment for ND25 plus clients (Hales, et al, 2000). That study showed that over 60 per cent of ND25 plus clients in subsidised employment continued to be employed by their employer at the end of the subsidy period (26 weeks) and around half continued to be employed after 12 months. Analysis of employers' recruitment decisions showed that many would not have recruited ND25 plus clients without the employment subsidy.

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- 4.40 Recent qualitative evidence from the re-engineered programme tends to confirm the importance of the employment subsidy to many employers who recruited ND25 plus clients (Winterbotham, Adams and Kuechel, 2002). Few employers will ever recruit simply to gain the subsidy and other criteria than cost tend to dominate. Recruiting the right people is too important for most employers and other criteria than cost tend to dominate. Nevertheless, the employment subsidy does appear to work as an inducement to recruit unemployed people at the margin. This was particularly the case with small employers and businesses where labour costs were a high proportion of total costs. Here the subsidy could make a significant impact on wage costs and offset some of the risk of recruiting from ND25 plus. In some instances, the subsidy had meant that employers had been able to recruit more than one ND25 plus client or recruit to a full-time position rather than a part-time one.
- 4.41 Despite the evidence that the employment subsidy has had an effect on job outcomes, some concerns remain. First, many employers remain largely unaware of ND25 plus as a whole and the employment subsidy in particular. Both the case studies and the qualitative surveys also point to weaknesses in the links between NDPAs and employers and in the marketing of the ND25 plus programme. Employers often appear willing to be more involved in programmes such as ND25 plus but often seem to face a cultural divide between the world of business and the world of the public sector bureaucracy which makes it difficult to communicate with ES and training providers about such involvement.
- 4.42 One positive feature of the re-engineering of ND25 plus was that work placements become a much more important element of programme activity. Such work experience placements allow employers to try out ND25 plus clients without the level of commitment associated with hiring them to a permanent post. Employers often felt that such work placements were of real value to the participants. It was not uncommon for employers to offer ND25 plus clients a job at the end of a work placement.

#### ***The Adviser Discretion Fund***

- 4.43 An innovation introduced as part of the re-engineering of ND25 plus was the Adviser Discretion Fund (ADF). This fund provides a discretionary fund from which NDPAs can purchase items for the purpose of helping clients make the transition from unemployment to employment. The case studies found that the ADF had been used for two main purposes. These were, first, to prepare and support interviews (for instance, help with the purchase of appropriate clothing) and, second, to get clients into work and sustain them over some initial period (for instance meeting travel or subsistence costs where the employee must work a week in hand). The case studies identified a wide range of examples of ADF purchases ranging from driving lessons and driving tests and purchase of bus passes to purchase of an alarm clock and essential work tools.
- 4.44 Evidence from both the case studies and the qualitative surveys was that the ADF was extremely popular with NDPAs who felt empowered and better able to help clients obtain jobs. It also appears that it took some time for NDPAs to adjust to a new regime that allowed them discretion over expenditure,

even if relatively modest in scale. Interviews with ES staff indicated that the ADF had been a useful tool in improving NDPA-client relationships since it provided NDPAs with something additional to give to clients.

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## 5 Obtaining jobs, enhancing employability

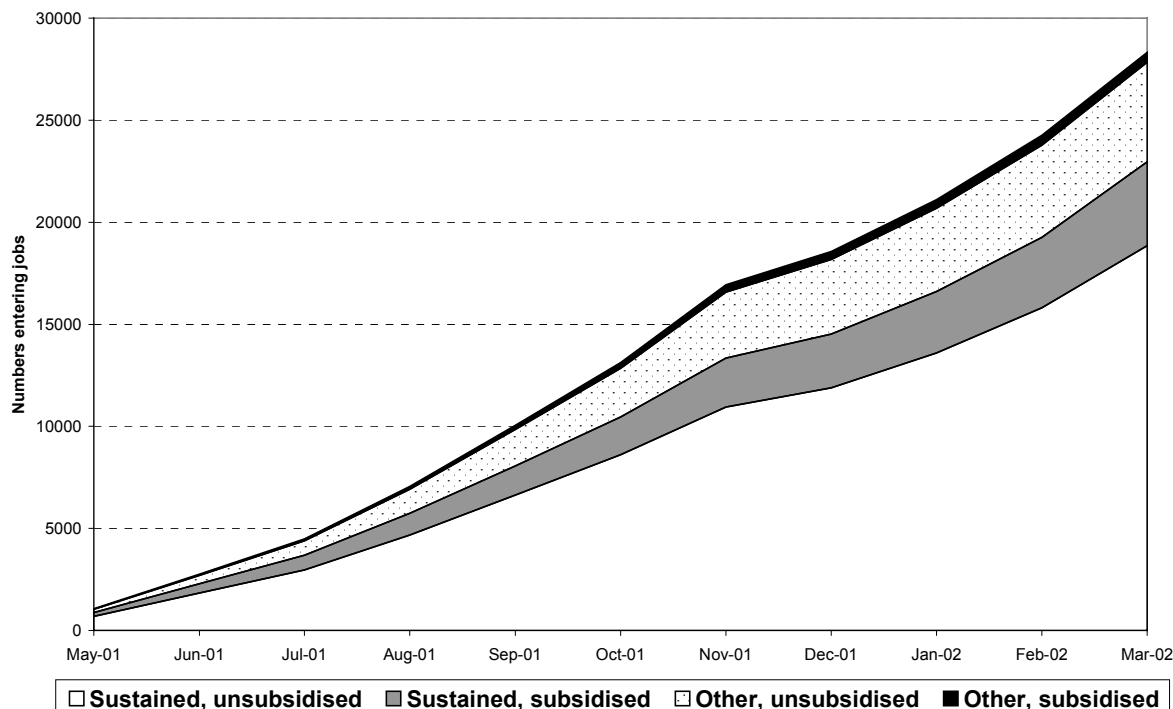
- 5.1 The aim of New Deal 25 Plus has always been to help long-term unemployed people obtain and sustain employment. The key issue has been how best to achieve this aim. The re-engineering of ND25 plus has provided NDPAs with a much greater array of tools to help them achieve this objective. The re-engineering was not solely about providing more flexible and tailored provision. Fundamentally, it was about changing the orientation of activities on the programme.
- 5.2 The re-engineered ND25 plus programme is much more job outcome oriented than its predecessor. The client's needs are to be assessed in terms of what they need to obtain a job as quickly as possible, rather than what they would like to do regardless of feasibility. While this change in the culture of ND25 plus would, at first sight, appear relatively straightforward, the recent evidence from case studies and qualitative surveys of the re-engineered ND25 plus have indicated that achieving such a culture shift in practice has not been easy, as it impacts on every aspect of the programme and, especially, on the role of the NDPA.
- 5.3 If the purpose of the re-engineering of ND25 plus is to make the programme more job outcome oriented, one test of its effectiveness is the extent to which it achieves higher levels of job placements than hitherto. Unfortunately, it is, perhaps, too early to be able to assess fully the impact of ND25 plus on job placements: the re-engineered programme has been in place for little more than 12 months. Moreover, the evaluation evidence is qualitative in nature and is thus limited in what it can say about quantitative issues such as the impact of the programme on job placement and employability. Nonetheless, some indications of the impact of the re-engineered programme can be gleaned from the evaluation evidence and from the New Deal Evaluation Database.

### **Entry to employment from ND 25 plus**

- 5.4 Whatever the perceived deficiencies of the original national ND25 plus programme, the fact that 73,000 long-term unemployed people entered a job from the programme between July 1998 and March 2001 should not be overlooked. Over 60,000 of these jobs were sustained jobs (that is, the participant did not return to JSA within a 13-week period of leaving ND25 plus. Those who entered ND25 plus before April 2001 have continued on the original programme and continue to enter employment, albeit in diminishing numbers as the number of participants on the pre-April 2001 programme declines.
- 5.5 The number of participants who have entered work from the re-engineered ND25 plus programme has been building up since April 2001. Over the first full year of operation the number of entrants to work from the re-engineered

programme was 28,400. The majority of these jobs were sustained (23,000) and unsubsidised (18,800). Figure 5.1 describes the cumulative entrance to jobs from the re-engineered programme between May 2001 and March 2002. The chart distinguishes between subsidised and unsubsidised jobs and between sustained and other jobs. The relative importance of unsubsidised and sustained jobs is clearly apparent.

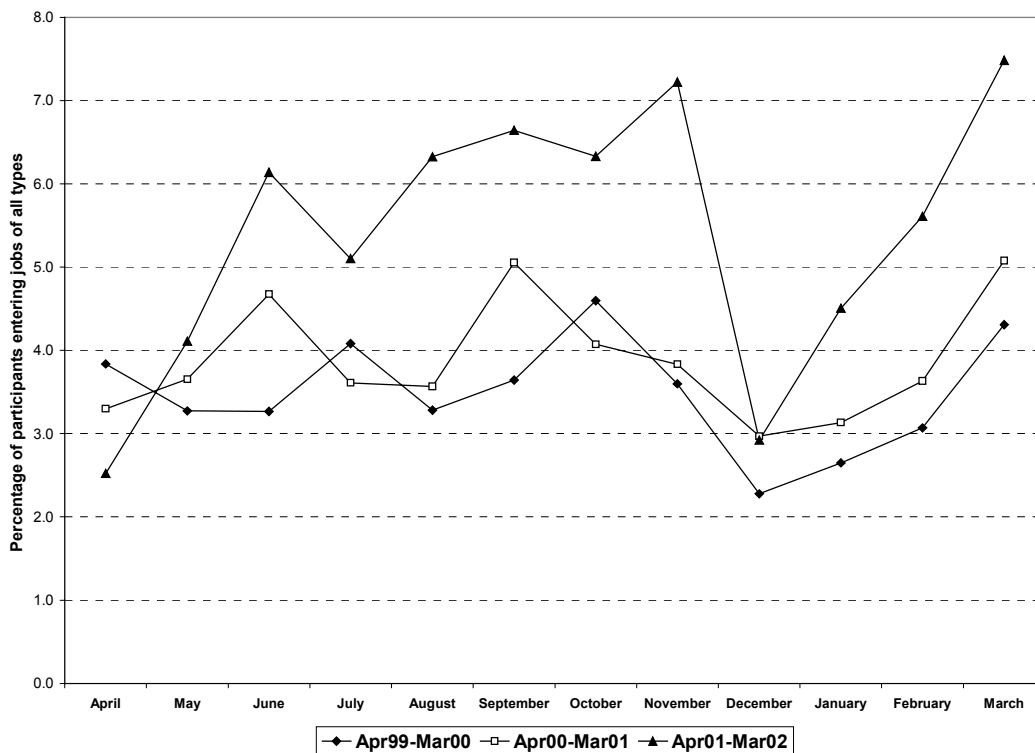
**Figure 5.1**  
**Number of people entering employment from re-engineered ND25 plus**



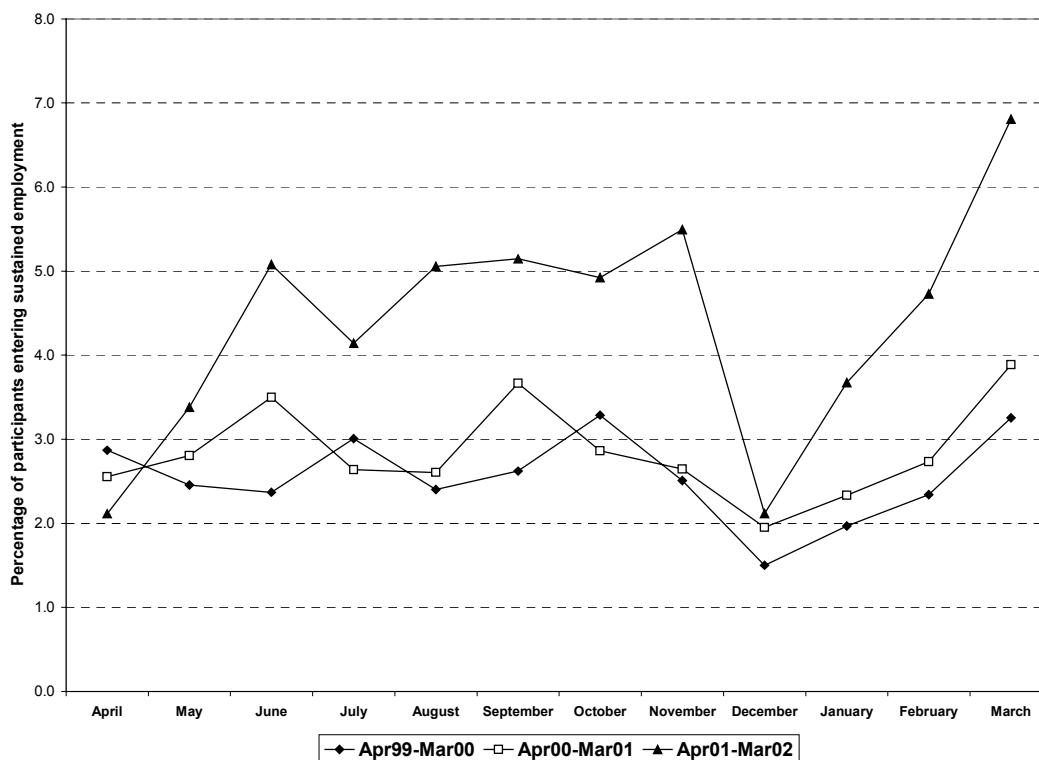
Source: New Deal Evaluation Database

5.6 A key question for the evaluation of re-engineered ND25 plus is whether or not the design changes have had the desired effect of increasing entry to jobs. Figures 5.2 and 5.3 provide indications that this has been the case. Figure 5.2 shows the proportion of participants on ND25 plus who entered any type of job for the final period of the original national programme, for the period of enhanced ND25 plus and, finally, for the period of the re-engineered programme (April 1999 to March 2000, April 2000 to March 2001 and April 2001 to March 2002, respectively). Figure 5.3 shows similar information but is restricted to entry to sustained jobs.

**Figure 5.2**  
**Proportion of clients entering jobs, April 1999-March 2002**



**Figure 5.3**  
**Proportion of clients entering sustained jobs, April 1999-March 2002**



- 5.7 Both Figures 5.2 and 5.3 suggest that the proportion of participants leaving the re-engineered programme for a job in any month was proportionately greater than during the original ND25 plus programme or the period of enhanced provision. While the rate of exit for jobs was fairly similar in both the previous periods, the exit to jobs rate from April 2001 is considerably greater (and only converged with previous rates in December when employers tend not to be recruiting). This pattern appears true of both sustained jobs and jobs considered as a whole.
- 5.8 Figure 5.2 and 5.3 are likely to understate the impact of the re-engineered programme because the data used is not adjusted to take account of differences in time spent on the programme. For instance, in (say) June 1999 and June 2000 many participants will have been on ND25 plus some time and will have received a lot of support from their NDPAs. On the other hand, clients on the re-engineered programme in June 2001 cannot have been on the programme for more than two or three months and many will have just started. It is remarkable to note that exits to work from the re-engineered programme were running as high as 6 per cent of participants per month from June 2001 onwards.
- 5.9 While the quantitative evidence from the New Deal Evaluation Database is strongly indicative of an increased outflow to jobs as the result of the re-engineering of the programme, the data cannot explain the reasons for the increase. In order to shed some light on this issue it is necessary to look to the recent evidence from the qualitative surveys.

### **Factors associated with exits to jobs**

- 5.10 The observed increase in exits to jobs from the re-engineered programme might arise for several reasons. It could be a reflection of the increased risk of sanctions and the deterrent effect of the IAP. It might be the consequence of improved NDPA-client relationships or it may arise from improved and more flexible programme provision.
- 5.11 ES staff interviewed in both the qualitative surveys and the case studies were firmly of the view that mandatory participation in the IAP (and the associated threat of sanctions) had the effect of precipitating exits from the programme. Many such exits took place immediately prior to entry to the IAP. In view of this many NDPAs liked to spell out the requirements of the IAP at an early stage of the Gateway in the hope that it would induce greater job search and an early exit to a job from the Gateway. NDPAs also indicated that more frequent interviews with clients (in some cases twice a week) and the associated need to attend the Jobcentre had provided greater scope for flushing out clients who were already working.
- 5.12 More positively, the re-engineering of ND25 plus was designed to speed up participation and exit by offering flexibility in the timing of activities (for instance, early entry to the IAP) and activities that would enhance the clients' employability. The widely reported improvement in NDPA-client relationships during the Gateway and the increased use of diagnostics might be expected to be reflected in an improved matching of clients and the job



vacancies that emerge during job search. Some NDPAs reported they had delayed the entry of a client to the IAP when they felt the client was job ready and could be placed in a job by means of further job search.

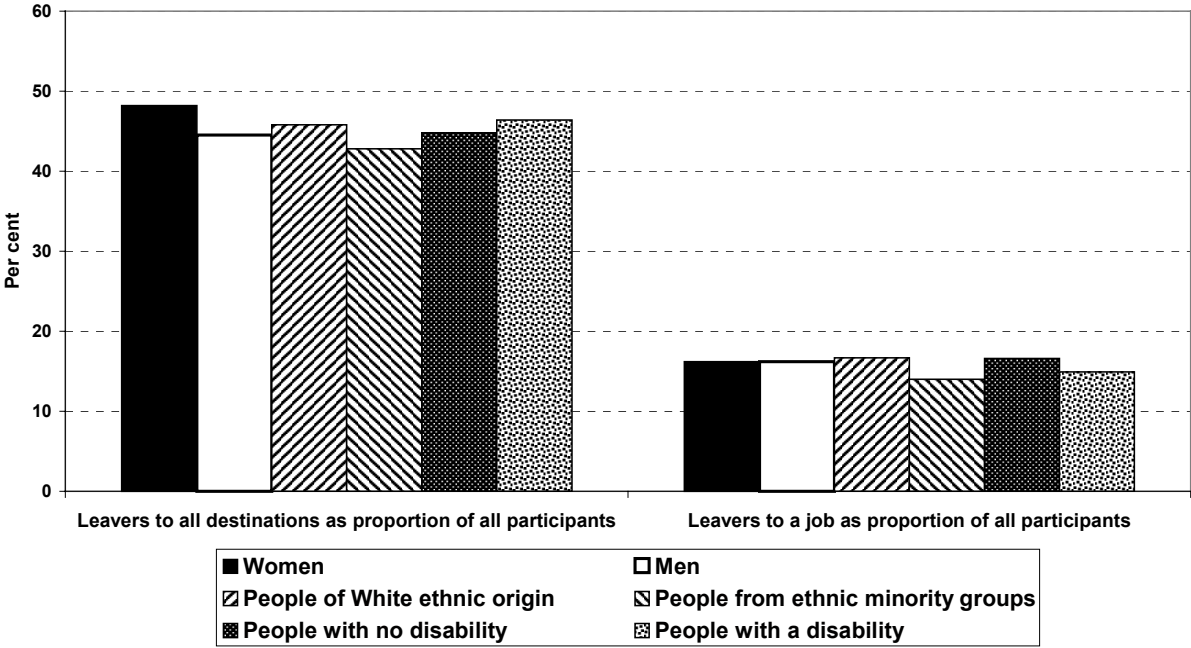
- 5.13 Training providers reported that their provision had been able to help those clients who wanted to be helped. Often the greatest impact was on the motivation of clients who previously had low self-esteem and low confidence. Training providers interviewed in the qualitative surveys felt that they had focussed their provision on enhancing the employment prospects of clients rather than delivering training for the sake of it. Training providers often see their links with local employers and knowledge of the local labour market as crucial factors in achieving job placements. Providers that were new to an area had more difficulty in meeting their job outcome targets than more established providers who already knew the local job market.
- 5.14 ND25 plus clients displayed mixed views about the role played by ND25 plus in helping them obtain work. Some acknowledge the help received. Such clients often stressed support of the programme in terms of their self-confidence and motivation and the crucial role played by the NDPA. The gains from participation were often seen in practical terms in regard to producing CVs, improved interview techniques and generally improved jobsearch. The majority of clients interviewed in the qualitative surveys described the training and work experience accessed through ND25 plus as giving them useful skills and boosting their confidence, although opinions tended to be sharply divided with clients either feeling very positive or very negative about their experiences (but seldom indifferent).
- 5.15 Other clients were keen to play down the role of ND25 plus in securing employment. This group often argued that they had obtained their job without assistance. Some clients (around a quarter of those interviewed in the qualitative surveys) were wholly or largely negative about the programme, such as those who claimed not to have 'got on' with their NDPA and suffered a reduction in their confidence and self-esteem as the result. Some clients felt that the provision was not relevant to them (especially older clients and those previously in senior jobs) and, insofar as this was the case, then ND25 plus was unlikely to have increased their employability.
- 5.16 It is not clear whether such negative views will always be associated with a lower exit to jobs. It is plausible that in some instances clients may feel compelled by their negative perceptions of the programme to redouble their efforts to obtain work. In cases where confidence is reduced, the effect may be to delay an exit to a job.

### **Differences in job outcomes**

- 5.17 Evaluation of earlier versions of ND25 plus highlighted differences in the likelihood of entering employment amongst different groups of clients (Hasluck, 2000b). Such differences may be reflections of the underlying labour market disadvantage that lead some people to become ND25 plus clients in the first place. It would be unrealistic to expect ND25 plus to be able to overcome all such disadvantage.

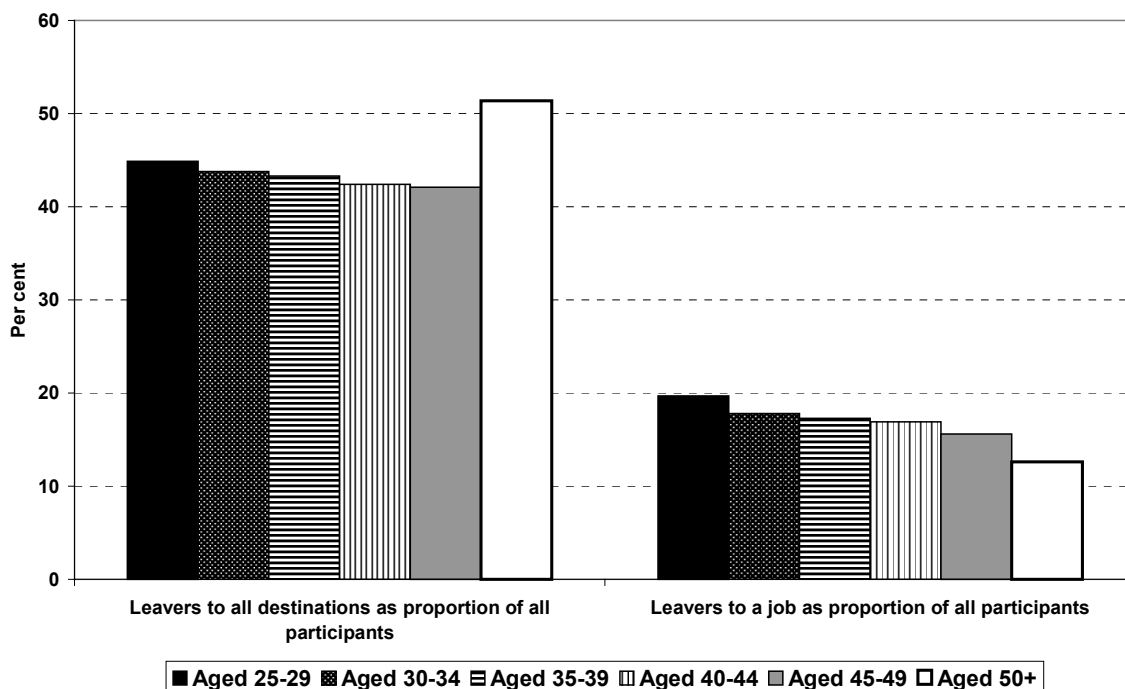
- 5.18 The rates at which clients enter employment will partly reflect their likelihood of leaving ND25 plus (as opposed to remaining on the programme) and partly reflect their likelihood of entering a job upon leaving. Figures 5.4 - 5.7 describe the proportions of different client groups who left the re-engineered ND25 plus programme for employment during the first nine months of operation (up to January 2002).
- 5.19 Figure 5.4 describes overall exit rates from the programme and job exit rates for the main groups of client groupings: gender, ethnicity and disability. Although the differences were not large, women were more likely than men to have left ND25 plus, as were clients with a disability compared with clients without a disability. People from an ethnic minority group were the least likely of the groups considered to have left ND25 plus. In terms of exits to jobs, there was no difference between men and women in the likelihood of leaving ND25 plus for a job, although people from ethnic minorities and people with a disability were both less likely than others to have left the programme for a job.

**Figure 5.4**  
**Overall and job exit rates for different client groups (to January 2002)**



- 5.20 Figure 5.5 presents similar information in respect of different age groups. The chart shows that the rate at which clients left the programme declined slightly with age with the notable exception of the 50+ client group. The 50+ age group had the highest exit rate from the programme of all age groups. However, as the chart also indicates, these exits were largely to destinations other than jobs. The likelihood of leaving the programme for a job declined with age and was markedly lower for the 50+ age group. This suggests that the latter client group were probably leaving ND25 plus to other benefits or were retiring from the labour force altogether.

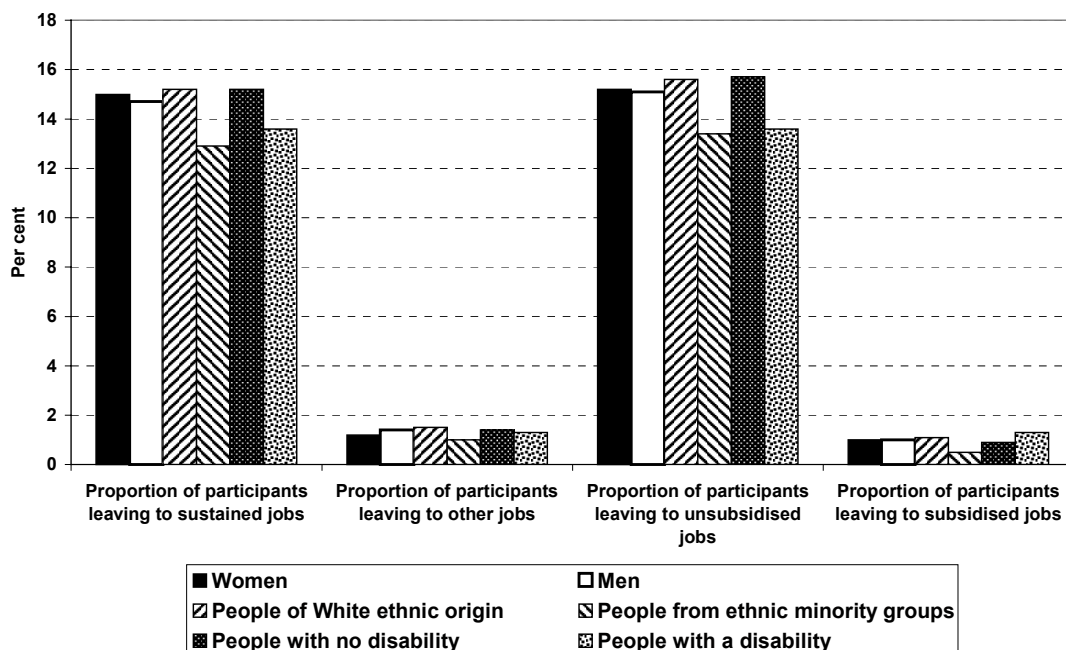
**Figure 5.5**  
**Overall and job exit rates for different client age groups (to January 2002)**



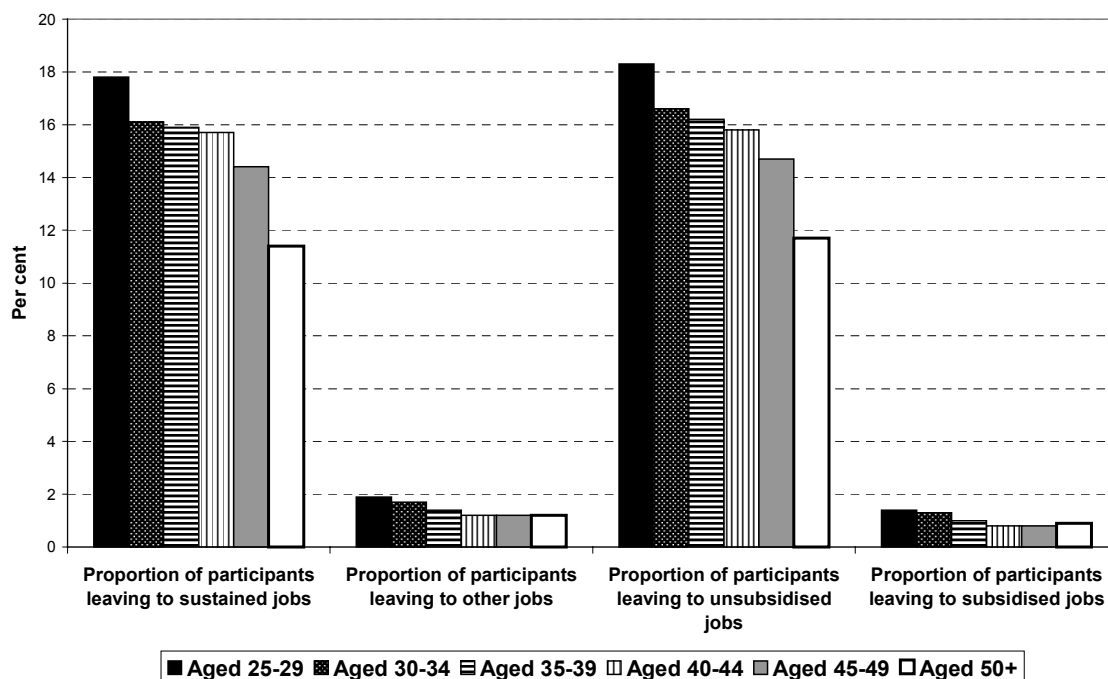
5.21 Figure 5.6 and 5.7 look at the rates of entry to jobs in a little more detail, distinguishing between sustained and other jobs and between subsidised and unsubsidised jobs. The rates express the number of people who left ND25 plus for a particular type of job as a proportion of all participants on the programme. In effect these rates measure the average probability of leaving the programme for a particular group of clients and a particular type of job. Figure 5.6 looks at such rates for different client groups while Figure 5.7 looks at differences between clients in different age groups.

5.22 Figure 5.6 indicates that women were more likely than men to have left ND25 plus for a sustained job, although the difference was relatively small. Women were less likely than men to have entered 'other' jobs (that is, jobs lasting less than 13 weeks before the client returned to JSA). There was little difference between men and women in their likelihood of entering unsubsidised and subsidised jobs.

**Figure 5.6**  
**Job entry rates by client group and type of job (up to January 2002)**



**Figure 5.7**  
**Job entry rates by age group and type of job (up to January 2002)**



5.23 People from ethnic minority groups were less likely than other ND25 plus clients to have entered jobs of all types. The difference was most marked in respect of sustained and unsubsidised employment, although the proportion entering subsidised jobs was the lowest of any of the groups examined here. People with a disability were also less likely to have entered a job, but the difference was less marked. Indeed, a larger proportion of clients with disabilities entered subsidised jobs than did people from other client groups.

- 5.24 The differences in job outcomes described above should be treated with caution and regarded as indicative only, as the issues concerned are complex. For instance, the apparently low rate of entry to jobs by people from ethnic minority groups may result from them staying on ND25 plus longer in order to participate in full-time education and training. If so, the delay in leaving and the lower immediate job exit rate may well be offset by higher rates of entry to sustained jobs in the long-term, since such clients will have enhanced their employability through education and training. It is still too early to assess some of the long-term impacts of the re-engineered programme on different client groups.
- 5.25 The final report of the qualitative surveys observed that the re-engineered programme worked particularly well in what it described as a mainstream area, such as retailing or hospitality, where work experience placements can be easily found (Winterbotham, Adams and Kuechel, 2002). The report continued by concluding that the evidence from ES staff pointed to three client groups that were not being helped as much as could or should be the case. These groups were:
- those aged 50+;
  - those with intermediate or more advanced skills needs,
  - those with basic skills needs;
- 5.26 The qualitative survey found that it was widely believed by ES staff that the 50+ client group gained little from the programme, often because they did not enter the IAP (which was not mandatory for this age group). Many NDPAs would like to see the IAP become a mandatory requirement for the 50+ client group. There may also be a case for making the content of Gateway to Work and some IAP provision more specific to the older age group as this age group was more likely than other client groups to report that ND25 plus provision was not relevant or appropriate for them.
- 5.27 Many 50+ clients have considerable work experience and skills from their previous employment (albeit some may also be rather inflexible in their attitudes to the jobs they would consider). Such clients may require training at an intermediate rather than at a basic level. Some younger clients, especially those who became unemployed after a period in further or higher education, may also need intermediate rather than basic training. The qualitative surveys highlighted a common perception amongst ES staff and clients that the needs of clients requiring intermediate level training was not well served by ND25 plus provision (Winterbotham, Adams and Kuechel, 2002). While there was often ample provision of basic or low level training during Gateway and on the IAP, there appeared to be less provision at the intermediate level. Whether such a lack of provision had an impact on the job prospects of those needing intermediate training is difficult to judge because the data relating to client qualifications contained in the NDED is not sufficiently robust to allow an analysis of job outcomes for clients with different levels of qualifications.
- 5.28 Finally, the provision of basic skills training appeared patchy. In some areas provision appeared to work reasonably well but in other areas skill provision for those needing basic skills training was not felt to be meeting client needs.

People without basic skills will be at a serious disadvantage in the jobs market and it is to be expected that where such needs go unmet, then positive programme outcomes will be less than might have been achieved had such needs been met.

## 6 Building on the changes to ND25 plus

- 6.1 The New Deal 25 plus has been an important element in the government's welfare to work strategy. The original programme aimed to help people aged 25 and over, and who had been unemployed for two years or more, into a job and to improve their prospects of finding and remaining in employment.
- 6.2 It is probably not an exaggeration to describe the ND25 plus programme prior to the introduction of the re-engineered programme in April 2001 as the Cinderella to the much larger scale, more structured and better resourced New Deal for Young People. Evaluation of the original ND25 plus programme found that the programme lacked pace and purpose. Despite many instances of successfully helping clients into jobs, many participants simply went 'through the motions' of participation, waiting to return to JSA and having little interest in undertaking any significant activity that would help them gain employment. Enhancement of the programme in April 2000 did not fully deliver the changes needed and more radical change was necessary.
- 6.3 The re-engineering of ND25 plus represents a radical redesign of the programme. Most aspects of the programme have been affected. This includes eligibility, the extension of mandatory participation, the streamlining of the advisory elements of the programme and the introduction of a required period of client activity (the IAP). The operation of the programme has become more flexible and the range of provision greater with the twin objectives of moving clients through the programme more quickly than before and of tailoring provision to the needs of clients and the objective of securing them a job outcome. The reforms have affected all involved, from ES staff and particularly the NDPAs, training providers, employers and, not least, the ND25 plus clients.
- 6.4 Two major evaluation projects have been conducted to assess the impact of the re-engineering of ND25 plus. The first consisted of a series of case studies of ND25 plus delivery and the view of various ND25 plus stakeholders. The second was a series of qualitative surveys collecting information from ES staff, providers, employers and clients. The evidence from these studies has been taken, together with other information such as that contained in the New Deal Evaluation Database, to provide a summary of the evidence and to present an over-arching view of the impact of the re-engineering of ND25 plus.
- 6.5 Both the case studies and the qualitative surveys point to a period of some initial difficulty in the implementation of the re-engineered programme. This is to be expected with so radical a reform. Leaving aside these teething problems, there can be no doubt that the re-engineering of the programme has largely been well received by ES staff and providers who see the reforms as allowing them to help those clients who wish to be helped. ND25 plus clients appear to recognise the benefits from the programme. Some are

- resentful of the compulsion to undertake the IAP but many of these look back with the benefit of hindsight and acknowledge the help received.
- 6.6 The re-engineering was designed to increase the pace of the programme and introduce purpose. There is clear evidence that the pace of participation has increased. Not only was the reformed Gateway shorter by design (normally a maximum of four months) but NDPAs have been able to move clients into the IAP in a shorter time where that was appropriate. More intensive contact between NDPAs and clients appears to have resulted in greater job search (and job placements) as well as preparing clients for IAP activities.
- 6.7 Without any doubt, the introduction of the mandatory IAP has been the most radical element of the re-engineering. ES staff, if not all clients, certainly welcomed the IAP. Indeed many would wish to see the IAP extended to include the 50+ age group of clients for whom the IAP is currently not mandatory. The range of IAP provision appears to have been well received by NDPAs and clients alike. Such provision appears to be much more oriented to achieving a job outcome for clients than was the case prior to the re-engineering.
- 6.8 Little can be said of Follow-through because insufficient time had elapsed for significant numbers of clients on the re-engineered programme to have entered that stage of the programme. The qualitative surveys did note that NDPAs saw Follow-through as a valuable means to capitalise on any gains produced in the Gateway and the IAP.
- 6.9 The acid test of the re-engineering of ND25 plus is whether the re-design has been successful in speeding up the achievement of job outcomes. Analysis based on data from the New Deal Evaluation Database suggests that since the re-engineering of ND25 plus, there has been a marked increase in the speed with which participants pass through the programme and a fall in the time spent on the programme. Just as importantly, the rate at which ND25 plus clients have been entering jobs has also increased since the introduction of the re-engineered programme. These findings must, however, be treated with caution since the programme has only been operating for just over 12 months.
- 6.10 While the evaluation evidence has provided many positive messages about the re-engineered programme, it also highlighted some areas where further improvements might be made. The first area for further development was that of the role of the NDPA. The re-engineering of ND25 plus has changed the role of the NDPA to a considerable extent, requiring additional skills to deal with training providers and employers as well as the more traditional skills of advising clients. Some NDPAs appeared to have experienced difficulty in getting to grips with their new role so that links with providers and employers were not always as strong as might be desirable. Continued staff development and training together with appropriate management of NDPAs will be needed to address this issue.
- 6.11 Generally, ES staff welcomed the change in eligibility from 24 to 18 months as it brought into the programme many relatively job ready clients who could



be helped to find work. There was a widely held view amongst ES staff and providers that it would be beneficial to reduce further the eligibility for the programme, perhaps to 12 months. This view was particularly associated with ES staff who had experience of such eligibility on ND25 plus pilot programmes. Any benefits from a more general earlier entry to the programme would have to be weighed against the additional costs that would arise from larger ND25 plus client numbers.

- 6.12 Many of those involved with ND25 plus felt that the position of the 50+ age group was anomalous. If the IAP was so beneficial to clients, why should the 50 plus client group not be required to undertake IAP activities. However, it was also recognised by many that provision specifically for the 50+ group was also required as this client group often had rather different skills, work experience and attitudes to employment to those of younger participants.
- 6.13 Previous evaluation of ND25 plus has highlighted two issues that still appear evident in respect of the re-engineered ND25 plus. The first issue is that the programme appears to work best for 'middle of the road' clients. Those with intermediate or higher skill needs or those with specific career aspirations often have difficulty in accessing the help they need through ND25 plus. At the other extreme, NDPAs may lack the resources to significantly help clients who are particularly 'hard to help', for instance those with serious basic skill deficiencies. Many NDPAs questioned whether ND25 plus provision such as BET could address such serious barriers to employment.
- 6.14 The considerable differences that exist in the capabilities and needs of different client groups can be expected to be reflected in differences in outcomes for these groups. The evidence from the NDED is that such differences in job outcomes do exist. Groups such as people from ethnic minority groups do appear to be clustered in those parts of ND25 plus that do not involve employment and have a relatively low rate of entry to jobs. To some extent clients who have a disability are in a similar position although such clients do appear able to access employment with the assistance of a ND25 plus job subsidy to a greater extent than many other groups. The rate of entry to a job from ND25 plus tends to decline with age and is lowest for the 50+ age group. It is to be expected that such differences exist. ND25 plus cannot be expected to overcome all disadvantage in the job market. What the evidence suggests is that the re-engineering has been successful in increasing the effectiveness of the help that is given to clients and has helped them to enter employment at a faster rate than was the case before the re-engineering.
- 6.15 By way of conclusion, it may be observed that the re-engineering of ND25 plus was intended to provide a radical overhaul of the previous programme. In part this was needed because of the shortcomings of the previous programme but was also necessary because of the increasing proportion of people in the client population who were 'hard to help'. A significant programme of evaluation has been undertaken to establish the extent to which the re-engineering has achieved its desired effects. The evidence strongly supports the conclusion that the re-engineering has achieved its objectives. There is widespread support amongst ES staff, providers and amongst clients for the changes that have been made. The qualitative

surveys and case studies provided evidence that an intensification of the ND25 plus experience has been achieved and that the scale and form of the provision has improved over that available previously. The objective of the programme has become much more focussed on the placement of clients in jobs while the scale and form of provision appears much better matched to client needs. Such improvements can be expected to impact on entry to jobs and this does appear to have occurred. Evidence from NDED lends objective support to the subjective views of ES staff, providers and clients that the re-engineering has achieved its fundamental objective of increasing the rate at which clients enter employment.

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