

1. Introduction

The New Deal 50plus (ND50plus) was introduced in nine Pathfinder areas of Britain in October 1999, and nationally in April 2000. It is part of the Government's Welfare to Work agenda, and is delivered by the Employment Service and the Benefits Agency. It is directed towards people aged 50 and over who wish to return to employment and have been claiming Jobseeker's Allowance, Incapacity Benefit, Severe Disablement Allowance and Income Support for six months or more, and their dependent partners. Those in receipt of National Insurance credits for six months also qualify.

1.1 The New Deal 50plus

Declining economic activity among older people is an international problem. Many OECD countries have a high proportion of older people outside the workforce. In the UK, the employment rates for men aged between 50 and state pension age have fallen sharply, from 84 per cent in 1979 to an all time low of 64 per cent in 1993. Since then they have started to rise slowly, with the Spring 2001 LFS data showing a rise to 70 per cent – 14 per cent less than 1979; the employment rate of older women has risen less than half as fast as for younger women. Currently a third of people aged 50 to state pension age are inactive; amounting to 2.7 million people, with around 1.4 million of these claiming a sick or disability benefit.

The Performance Innovation Unit report 'Winning the Generation Game' identified that there has been an increasing trend, particularly among older men, to take early retirement at increasingly early ages. This trend can be traced back to the 1970s when high unemployment and a non-buoyant economy meant employers used early retirement as an easy option to 'downsize' their businesses. Many believed that these individuals were mainly affluent people voluntarily trading work for leisure. The PIU identified a very different picture. In 1998:

- only 12 per cent of the 2.8 million were in this category
- only a third of those who retired early had chosen to leave
- 1.4 million were claiming a sickness or disability benefit

- approximately 400,000, 85 per cent whom are women, were looking after home or family; and
- half of those who withdraw early from work received most of their income from state benefits.

The eligibility criteria for the programme are therefore broad and simple. ND50plus is open to anybody aged 50 or over who has not worked for six months, and has been claiming benefit (or indeed, their dependent partners). The programme is voluntary, though some parts of its target client group, those claiming JSA for 18 months or more, are already covered by the related ND 25plus, and here their participation in the Gateway element of *that* programme would be mandatory.

There are three main elements to the programme. The first has become a common feature across the family of New Deal initiatives. It provides:

- access to one-to-one advice and guidance about finding work through a New Deal Personal Adviser (NDPA).

The other two are much less common. They involve:

- a tax free wage top-up (the Employment Credit, or EC) providing £60 a week for those working full time (£40 for part time) for a year, provided that recipients' total income is less than £15,000 a year. This payment goes directly to the individual client, unlike arrangements in other New Deals, where subsidies are generally paid to an employer. In this sense, the EC is intended to operate as an individual incentive, and to open the gap between the benefit income which the client is leaving, and the wage (or income from self-employment) which he/she will be taking up. There are clearly some parallels here with the new Tax Credit arrangements, at least so far as the *intention* of the payment goes. Unlike the Tax Credits though, the EC is not paid into the pay packet of the recipient, but rather directly to them.
- a Training Grant, of up to £750, for those in receipt of the Employment Credit. While the New Deal for Lone Parents also offers a Training Grant, previous generations of labour market interventions have often provided *direct* access to training, and usually *before* the individual takes up work. In this case, the client is empowered to buy training on the open market (provided only that it is relevant to their employment), and to do so once in work.

Individual participation can be quite varied according to individual preferences and circumstances. The typical model involves an unemployed person joining the programme and taking up the advice and guidance which it offers (this is known as 'joining the caseload') as a result of which they find work and claim

the Employment Credit. This makes them eligible for the Training Grant.

However, they are not obliged to join the caseload, and may prefer to look for work just on their own, with little contact with the Employment Service. Either way, they are still eligible for the Credit payment when they find work. There is a retrospective element to the programme, and some clients may have had no obvious or formal engagement with the programme up to five weeks after they have entered work and still be entitled to claim the Credit.

Thus, the programme is designed to be relatively simple and straightforward, to maximise the opportunities to participate and benefit from it, and to offer a variety of assistance according to individuals' circumstances, needs and preferences.

It fits into a family of New Deal initiatives, of which most have a rather longer track record, and are more substantial in terms of the volume of clients which they are designed to accommodate. While that family draws on a common conceptual and operational framework, each programme within it focuses on a particular group of people, with their distinct problems in the labour market, and offers help and support, appropriate to the needs of that group.

In particular:

- The New Deal for Young People (NDYP, or sometimes ND 18-24) focuses on 18 to 24 year olds who have been out of work for six months or more. It was introduced in April 1998, predating ND50plus by two years, and currently attracts about 15,000 starters a month. Unlike ND50plus, it is a mandatory programme, and although it too provides an induction phase (the Gateway) which provides clients with assessment, help with jobsearch, support and advice, it goes on to provide a wider range of subsequent options, of which subsidised employment is just one.
- The New Deal for Long-Term Unemployed, now referred to as New Deal 25 plus, was introduced in June 1998, and was significantly enhanced from April 2001. Jobseekers aged 25 and over now enter a mandatory programme at 18 months unemployment. An initial Gateway period of up to 16 weeks focuses on getting people into work, through weekly interviews with an adviser and a range of other help. Those unable to be helped into work at this stage receive an individually tailored programme designed to increase their employability. Subsidised employment may be entered from any stage of the New Deal programme. The programme currently takes on just over 10,000 clients a month.

Other programmes in the family include the New Deal for Lone Parents and the New Deal for Disabled People, but here provision centres mainly on advice and support in entering or re-entering the labour market, and is consequently less readily comparable with ND50plus.

Finally, ND50plus is not the only measure which can help older people in getting back to work. Although we do not discuss them further in this report, we note that:

- the introduction of a non-statutory Code of Practice on Age Diversity provides guidance for employers on good practice designed to remove age discrimination in employment, (especially in this context) in hiring and redundancy policy and practice
- the National Extension of the New Deal for Disabled People, half of the client group whom are over 50, now provides improved support for older people with a disability or health problem
- the Disabled Person's Tax Credit provides a wage top-up for disabled job-entrants in lower paid jobs
- a Cabinet Committee on older people was established in July 2001 with a remit which includes initiatives to increase activity rates among people aged 50 or more.

1.2 Evaluating New Deal 50plus

The national evaluation of the ND 50plus has been conducted by the Institute for Employment Studies, on behalf of the Employment Service. It comprises three elements:

- The first element of the work looked at the delivery of the programme, and was based on qualitative assessments of ES and BA staff views and experiences in delivering ND50plus. The research was undertaken in two waves; the first looked at very early experiences in four of the nine Pathfinder areas, (Dorset, the Black Country, City Pride (Manchester) and Edinburgh East & Midlothian), and reported in Spring 2000. The second repeated this approach, but looking at later experiences during the national roll-out of the programme, in Newcastle and South Tyneside, Eastbourne and Hastings, Southwark and North Derbyshire. It reported in November 2000.
- The second element of the research looked at clients' experiences and perceptions of the programme, through a series of focus groups and case study personal interviews. This work came in three waves. The first two mirrored the timing of the staff research above, and looked at clients in the same locations, although a small longitudinal element provided insight into developments for a smaller number between the two waves. A third wave, in June 2001, extended this

longitudinal aspect, by re-contacting clients in these areas to assess longer term outcomes and perspectives, and in particular to consider what happened to them when their EC ran out.

- The third element in the evaluation was a two wave, quantitative survey of clients of the programme, based on extensive face-to-face individual interviews with them, and aiming to provide representative quantitative findings about their experiences on the programme. The first wave looked at a cross-section of 1,023 clients in September 2000, while the second wave followed up 250 of them in March 2001, and supplemented the sample with 250 'new joiners', who had entered the programme since the first wave.

The various elements of the research are summarised in Table 1.1.

Additionally, the programme's administrative records fed into the New Deal Evaluation Database. This links together client data from a number of sources to support research and evaluation needs. These are:

- ND50plus Appendix 1 form – a clerical return for each ND50plus client who joined the caseload
- JUVOS records – providing information on the client's previous unemployment (JSA) record
- Employment Credit payment records – these provide details of payments (EC and/or Training Grant) to ND50plus clients; and
- LMS – the Jobcentres' in-house information system provides further information on the client and the kind of jobs which they pursue and enter.

The evaluation database provided the research team with sampling information and helped them draw the random samples of clients for the various surveys and focus group research which were undertaken. It also provides some data used in this report about the programme as a whole.

1.3 This report

The present report aims to draw all the elements together into a synthesis, and supplements this primary research by drawing on the programme's evaluation database to provide further quantification.

Rather than simply repeating the findings at different stages of the research, it takes a thematic approach, drawing on all the different elements of the research to address those issues and themes which have emerged during the course of the evaluation.

It is organised into eight sections looking in turn at:

- delivery of the programme
- the client group
- marketing
- advice and guidance provision
- the Employment Credit
- the Training Grant
- immediate outcomes and impact
- longer term sustainable employment.

Table 1.1: Research elements

Research element	Locations	Participants	Fieldwork	Report
Pathfinder ES & BA staff	Dorset, the Black Country, City Pride (Manchester) and Edinburgh East & Midlothian	44 ES and BA staff; face-to-face interviews	January 2000	Evaluation of New Deal 50plus: Qualitative Evidence from ES and BA Staff: First Phase ESR 56
national roll-out ES & BA staff	Newcastle and South Tyneside, Eastbourne and Hastings, Southwark and North Derbyshire	48 ES and BA staff; face-to-face interviews	September-October 2000	Evaluation of New Deal 50plus: Qualitative Evidence from ES and BA Staff: Second Phase ESR68
Pathfinder Clients	Dorset, the Black Country, City Pride (Manchester) and Edinburgh East & Midlothian	38 clients; focus groups and face-to-face interviews	January 2000	Evaluation of New Deal 50plus: Qualitative Evidence from Clients: First Phase ESR52
national roll-out Clients	Newcastle and South Tyneside, Eastbourne and Hastings, Southwark and North Derbyshire	70 face-to-face interviews and ten focus groups	August – October 2000	Evaluation of New Deal 50plus: Qualitative Evidence from Clients: Second Phase ESR 70
Longitudinal follow-up Clients	Newcastle and South Tyneside, Eastbourne and Hastings, Southwark and North Derbyshire	30 individual interviews, mostly face-to-face	June 2001	Evaluation of New Deal 50plus: Qualitative Evidence from Clients: Third Phase forthcoming
Quantitative clients	National	1,023 face-to-face interviews	September 2000	Evaluation of ND50plus Research with Individuals(Wave 1) ESR 91
Quantitative longitudinal & new clients	National	503 telephone interviews	March 2001	Evaluation of ND50plus Research with Individuals (Wave 2) ESR 92

Source: IES survey

2. Delivering the Programme

In this chapter we discuss issues around the organisation of the Pathfinders, looking at both the area and the local office levels, at training and preparatory arrangements, and at links between ES and BA. It is mainly based on interviews with ES and BA staff conducted during early and mid-2000. However, we begin by looking at the inflows of clients, and the scale of operation of the programme, which draws on the most recent data available from the national evaluation database.

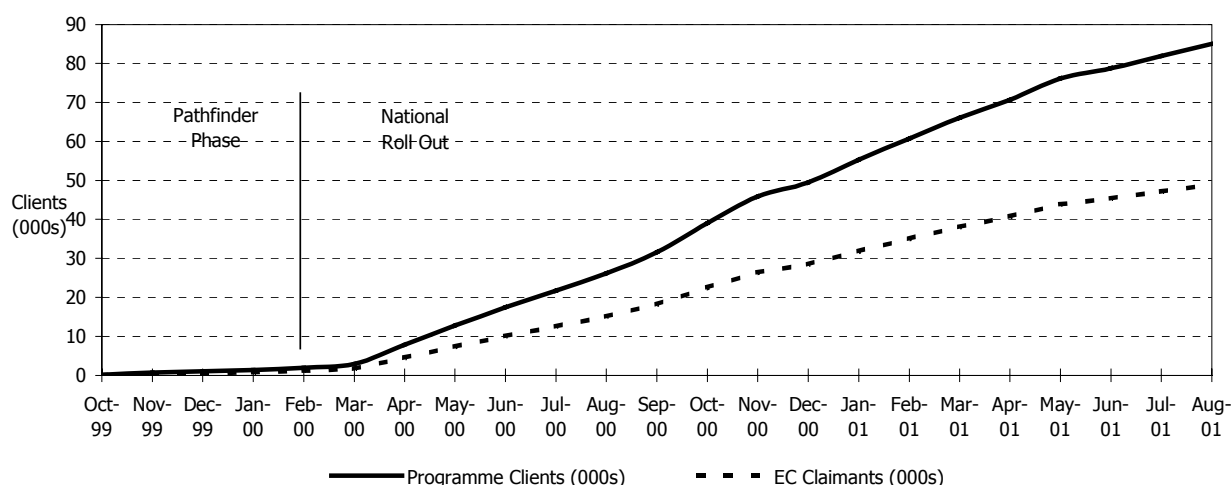
2.1 Programme volume

By the end of August 2001, the programme had attracted at least 85,000 clients, and they were continuing to enter it at a rate of over 4,000 a month. Entry data to the programme are collated from local clerical records, which tend to underestimate the number of clients.

Figure 2.1 shows how the profile has built up over time, beginning with the relatively small numbers of the Pathfinder phase, and then growing rapidly with the national roll-out from April 2000.

It also shows how job entry has risen in parallel with the rise in

Figure 2.1: New Deal 50plus client volumes



Source: ES New Deal evaluation database

participation; by August 2001, there had been some 49,000 claims made for the Employment Credit from these 85,000 entrants. In fact, this too may be an underestimate of the numbers entering work, because some of those who take a job under the programme do not claim the Credit, mainly because the jobs they secure pay more than £15,000 a year. In this case, the Employment Service may not even know that the client has entered work; he/she may simply stop attending interviews with the NDPA, and is under no obligation to tell them that he/she has found work.

2.2 Area organisation

Interviews with ES staff indicated that the new programme had successfully been established locally within the family of 'New Deal' initiatives, drawing on the same staff, administrative arrangements and other resources, and embedded within the local management structure for delivering the New Deal as a whole. This structure varied from area to area, according to the partnership arrangements with other stakeholders in the local labour market and training infrastructure, but in no case did the researchers observe any difficulty in building the new programme in to existing arrangements. Furthermore, the demands of ND50plus for new or different arrangements were negligible.

In most cases, arrangements for delivering the ND 50plus at both Pathfinder and national roll-out, had been discussed and agreed by the local partnership organisation responsible for the New Deal as a whole. However, in practice, the inputs made by many of these organisations represented there had been modest, and their engagement with the programme delivery has been more modest still. For the most part, the plans had been drawn up by, and would be managed by, the designated Implementation Managers within the Employment Service and the Benefits Agency.

These Implementation Managers tended to be senior and experienced officials within their respective organisations, and, so far as ES was concerned, with plenty of experience of implementing the previous parts of the New Deal initiative, particularly NDYP and ND25+. Although there were some minor local variations, the common pattern was that both had the support of teams at national level within their respective organisations to whom they could turn for advice and clarification. Both reported locally, immediately to the area manager, and thence to the Partnership. Both co-ordinated the delivery of the programme through a local office network.

As both chains of communication were vertical within ES and BA, communications between the organisations below the area level had not been strong. Although links tended to be good where ES and BA staff worked together in the same office, these were often not the staff who needed to communicate with each other on

Pathfinder business, and in these cases, there were some concerns expressed about client-specific inter-agency links.

The combination of local Implementation Managers at ES District level, and the spread of Pathfinders across all the regions, meant that national implementation had taken account of both local labour market and institutional differences, and the practical delivery lessons from the Pathfinders, often with considerable advantage to the smooth launch of the new programme.

While the Pathfinders themselves had not been problematic, the national areas had benefited from several practical changes since then which had enhanced the roll-out. Thus:

- inconsistencies and ambiguities had been removed from some of the paperwork; and
- better guidance had been provided for areas where Pathfinder practice had been uncertain.

2.3 Local office organisation

Within the Employment Service, local delivery had not encountered any major difficulties, and had been facilitated by:

- short and simple chains of communication
- a high level of local office autonomy in organising to deliver the programme to clients
- the relative simplicity and straightforwardness of the provisions of the programme
- the relatively light and simple administrative and recording procedures involved
- clarity and simplicity about client eligibility, and in particular the absence of any 'early entry' groups
- the existing stock of skill and experience among local NDPAs
- a cascade approach to training and familiarisation, which had drawn in front-office staff to identify eligible clients and help them access the programme; and
- the ready availability of specialist support, most particularly through Disability Employment Advisers, and the provision of Programme Centre support focused on the needs of the 50plus client age group.

Local variation in the national roll-out phase of the work was more pronounced than was observed during the Pathfinder phase. In particular the researchers noted:

- in one area, much of the information, advice and administrative aspects of the programme were delivered by

client advisers, rather than NDPAs. As a result, caseloading of clients was less actively promoted, although some NDPAs were involved in providing it. Correspondingly, more use was made here of the Programme Centres to deliver advice and guidance to clients.

- another area in which longer term unemployed (12 months or more) clients came under the ambit of a local Employment Zone, which effectively displaced the advisory element of ND 50plus for such clients.

2.4 Role of and inputs from the Benefits Agency

During the Pathfinder phase, and during the initial months of the national roll-out, local BA activities were restricted to fairly low key advertising of the programme, and the referral of eligible clients who inquire at BA offices to the Jobcentres. This involved:

- promotion and advertising of the programme through posters and leaflets in BA offices, and distribution to other agencies used by older people
- drawing clients' attention to their eligibility for the programme during the course of face-to-face meetings with them, both in BA offices, and via their Visiting Officers. However, much of the contact between clients and BA is by mail, and most of this face-to-face contact takes place at the start of a benefit spell. This did not obviously offer an easy way to identify clients who are likely to be both eligible and interested.

The flow of BA client referrals was very modest. Partly as a result, there was little or no 'horizontal' communication, on a case-by-case basis, between front-line ES and BA staff actually delivering the programme.

A marked change in BA's role had been with the start of the national mailings to eligible and potentially interested BA clients. This began in summer 2000, and although restricted to 'flow' eligibles (*ie* those reaching age 50, or six months out of work in the previous quarter) this still produced some 35,000 approaches a quarter. This was to represent the main input of the Benefits Agency into the programme. Although a rather difficult and large scale logistical exercise, identifying and contacting eligible and potentially interested clients has been effectively implemented.

2.5 Characteristics and experience of NDPAs

By far the most important factor underpinning the effective delivery of both Pathfinders and national roll-out, has been the ready accessibility of a well trained, experienced and committed cohort of New Deal Personal Advisers. These were the staff most

heavily engaged in delivering the programme to clients, and formed the bulk of the qualitative interviewees. The researchers concluded that the calibre, experience and commitment of existing NDPAs was a critical element in ES's capacity to deliver the programme, and that the existing NDPA resource, and the skills and insights of the cohort of NDPAs, had generally proved sufficient to deliver the programme effectively.

Jobcentre size was a critical determinant of NDPA organisation. While there was some variation according to local circumstances, the emerging pattern in larger Jobcentres seemed to be for a separate group of NDPAs to deliver NDYP, and another one collectively delivering the other New Deal initiatives, including ND 50plus, although in some of the largest ones, ND 50plus was centred on just one adviser.

Generally, low volumes of clients meant that NDPA caseloads had only been marginally increased by the new programme. The downside of this modest scale was that few NDPAs had quickly built up familiarity with some of the more detailed aspects of programme administration.

2.6 NDPA perspectives on the programme

NDPAs generally liked both the programme (because it was felt to be simple and effective) and the client group (because they were held to be keen, realistic and could be helped). The key features of the programme, which staff had identified as critical to the programme's success were:

- the simplicity of the programme (*ie* clear, simple eligibility criteria, no early entry groups, modest paperwork requirements, *etc.*)
- the non-driven character of progression through the programme avoided NDPAs having to push clients when they thought this would be unhelpful
- the voluntary character of participation was greatly valued by NDPAs for the ease of building productive relationships with clients
- the intrinsic attractiveness and simplicity of the Employment Credit was held to be both a major draw of clients to the programme, as well as a substantial incentive to take work.

2.7 Resources

Generally, the staffing resources provided to deliver the new programme had proved sufficient, both in volume and quality terms. Where they had not, purely local considerations had been to blame.

Training arrangements broadly followed the 'cascade' model and, although modest, had proved entirely adequate so far as the NDPAs were concerned. So far as the front office was concerned, training was more varied, and consequently awareness of the programme at the front desks may not always have been sufficient. However, since 'walk-in' clients had not anyway been numerous, this was not a major issue.

3. The Client Group

In this chapter we consider the experiences of the client group, as they found out about the programme, joined it, and took part in its provisions. Most of this insight comes from a series of focus groups and one-to-one interviews with clients (and some potential clients) which were conducted at intervals between Winter 1999-2000, and Spring 2001. However, we begin by looking at what the evaluation database can tell us about their general characteristics.

3.1 Demographic profile of participants: database evidence

The evaluation database shows, and the two client surveys confirmed, that the client group participating in ND50plus is marked by some strong distinguishing features, as follows:

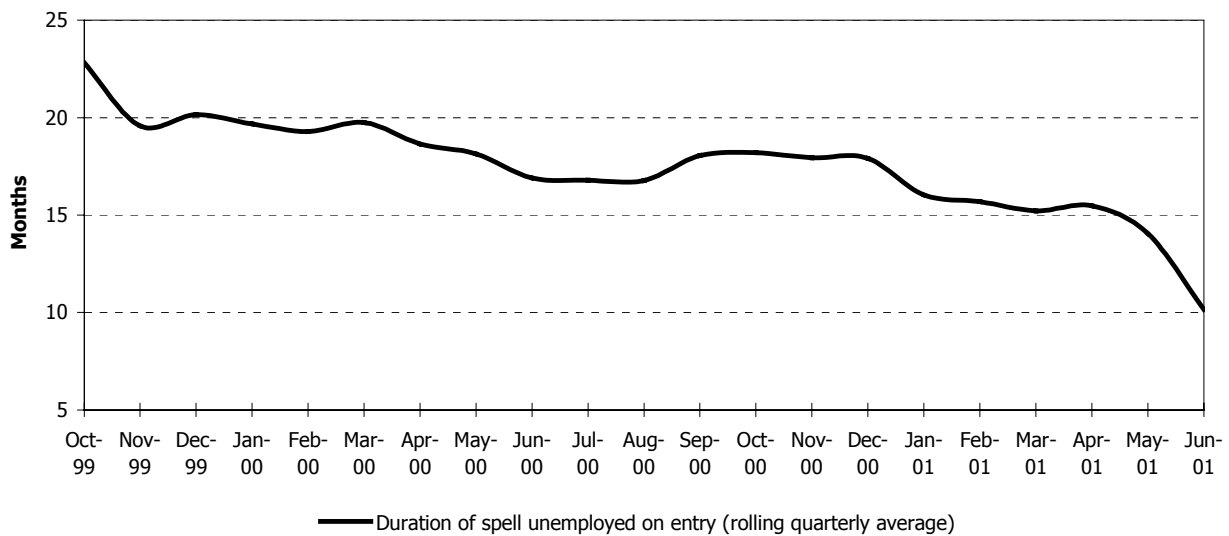
- **Age:** Clients are clustered at the 'younger' end of the eligible population, with just over half in the 50 to 54 age group, and another 41 per cent aged 55 to 59. There are substantial numbers of clients aged 60 and over of course (nearly 5,000 of them), but in general the programme is disproportionately attracting entry from the 'younger' eligibles.
- **Gender:** Clients are mainly men. Nearly three quarters (72 per cent) are men.
- **Health problems or disabilities:** almost a third of clients (32 per cent) have some form of health problem or disability which affects their ability to work.
- **Single households:** Half of the client group (53 per cent) do not live with a partner. The evaluation database does not indicate how far this translates into single income households, but the surveys suggested that only about a third had a working partner bringing a second income into the home.
- **Ethnicity:** Nine out of ten of the client group (92 per cent) are white; and
- **BA clients:** It is not possible to tell from the data what proportion of the clients have been referred from the Benefits Agency, but it is possible to infer this from a consideration of their benefit status on entry. The majority of clients are JSA

claimants (76 per cent), with a further 13 per cent classified as 'NIC only clients', *ie* they are not eligible for JSA, but are registered as unemployed in order to maintain their NI contributions. Just nine per cent of clients were in receipt of Incapacity Benefit, Severe Disablement Allowance or Income Support. This suggests that at least 90 per cent of clients were already in contact with ES when they entered the programme.

A further important feature of the client group, which the surveys suggested, and which an analysis of the evaluation database confirms, is that as time goes on, the average duration of unemployment of new entrants to the programme, falls. This can be seen in Figure 3.1. This looks at those clients for whom the evaluation database provides evidence of length of spell of unemployment prior to joining ND50plus (unfortunately this is available for JSA clients only). As the average for each monthly cohort is rather variable, the figure presents a rolling quarterly average for the duration of spell in months.

What seems to have been happening is that in the early months of operation, the programme deals with both *stock* and *flow* entrants; *ie* those whose existing (and longer) durations of unemployment make them eligible for the programme, and those who become eligible as their (shorter) durations of unemployment lengthen to six months. Thus, as time goes on, the *stock* entrants become fewer and *flow* entrants (*ie* those who become eligible as their spell lengthens to six months) become more prevalent among participants.

Figure 3.1: Mean duration of unemployment on joining ND50plus JSA entrants only; rolling quarterly average



Source: ES New Deal evaluation database

3.2 Other facets of the client group

Evidence from NDPA interviews, and directly from the focus groups and personal interviews, suggests that the participating client group (*ie* those engaging most fully with the programme) was highly motivated and reliable, but lacking in self-confidence and self-esteem. To these fairly common problems could also often be added poor or obsolete occupational skills, an unrealistic attachment to their former job status, incomplete core skills (particularly IT), a deep unfamiliarity with the current labour market, problems with their health or physical stamina, and loss of momentum through an extended period of unemployment, *etc.*

Clients generally shared a fairly strong and positive self-image of older workers as 'good' employees, (reliable, experienced, disciplined, sensible, interpersonally skilled, *etc.*) and for this reason were strongly inclined (initially) to identify employer ageism as the main factor stopping them from finding work. Indeed, coupled with a realisation that their current circumstances potentially exposed them to exploitative employers, this view had often sapped both confidence and motivation.

Some NDPAs felt that this was a reason underlying the small number of clients among the oldest age range, but others felt that the oldest potential clients were not entering the programme in great numbers because they already saw themselves as retired.

In addition of course, these clients demonstrated the common problems of all unemployed people, particularly concerns about pay regimes being less secure and more risky than benefits, and benefit trap problems arising from the relatively low wages they were likely to secure.

Finally, the research suggested that an important conditioning factor for these clients was the extent to which they were prepared to consider work which either paid less, or was substantially different from, the work they had previously been used to. Those who held a very fixed idea of their personal worth, and had not come to terms with their relatively poor prospects in the labour market, were generally much less interested in, or supportive of, this programme. Those who were more flexible were generally more positive about the programme and, as we shall see, were generally more successful in finding work through it.

3.3 Work and unemployment record

The first survey found that the majority of New Deal 50plus clients have worked for lengthy periods of time prior to coming onto the unemployment register. This was particularly the case for the men, who often had backgrounds in particular occupations or sectors, which had been hard hit by economic and organisational change in past years.

The evaluation database does not provide evidence of previous unemployment for all the clients, although all will have been without work for at least six months to be eligible in the first place. Among those for whom there are data, the average duration of unemployment before joining the programme was 17 months.

The survey evidence showed that in September 2000, two-thirds of the client group had been out of work for a year or more immediately prior to hearing about the programme. Their confidence about getting work was relatively poor and was lower still about getting the job they wanted.

3.4 Confidence about returning to work

The surveys also showed that about half the clients were not confident about finding work when they joined the programme, and half of these felt very unconfident. Less than one in ten felt very confident. Confidence about a successful re-entry into work seemed to fall away quite markedly as age increases, and this may well be a partial explanation of why the age structure of these participants in New Deal 50plus is so strongly skewed to the younger eligible age group.

To the extent that any of these individuals have a specific job preference, their confidence about getting the kind of job they wanted was considerably less. Thus their general predisposition to try to find work seemed to be influenced significantly by how strongly they held such preferences. A combination of advancing years and a strong idea of the kind of job wanted seemed likely to depress their inclination to re-engage with the labour market, and their confidence that they could do so.

Clients were generally confident that the programme would help them; thus half of them thought that the programme would help them 'a lot'. Just over one in ten thought it would be no help at all. This is to be expected with a voluntary programme.

3.5 Previous experience with the Employment Service and the New Deal

Most participants had had some experience of previous Employment Service provision, or some sort of external support. However, for most ND50plus clients, who had not yet been unemployed for two years, and so were not eligible for ND25plus, the opportunity to have the support and advice of 'their own' NDPA had come as a significant improvement over their previous experience of ES Client Advisers. Furthermore, the capacity of the NDPA to offer a portfolio of support seemed to enhance awareness of, and participation in, other forms of support which had been accessible previously, *eg* Programme Centres, but had not much been used.

The respondents had great difficulty in distinguishing between different kinds of programme in which they had participated, but for those who had been on ND25plus (and by definition were still unemployed), this new programme seemed to offer little more; on the one hand, they had already had the support of an NDPA, and on the other, the additional provisions now open to them (the EC and TG) were not widely perceived as sufficient to 'tip the balance'.

Opinions about the usefulness of sources of support such as Programme Centres and Jobclubs were mixed. Generally, these clients welcomed new provisions earmarked specially for older people, where they would mix more with 'people like us' and less with 'people like them'.

4. Marketing the Programme to Clients

In this chapter we consider the ways in which the programme has generally been promoted, and the ways in which clients had found out about it. We go on to consider what they thought of it at that point. All of these findings come either from the qualitative research, or the client surveys.

4.1 Marketing

Throughout the research, it was observed that the main way in which people had found out about ND50plus was through direct contact with ES staff at the Jobcentre, perhaps when signing on, or visiting to look for vacancies, rather than through some independent advertising or marketing. The simple eligibility criteria for the programme had made it relatively easy for eligible clients to be identified when they did talk to ES staff, and they were easily pointed towards the New Deal Team.

Despite this, during the Pathfinder phase, and early in the national roll-out, clients generally reported that ND 50plus was not particularly well publicised in the Jobcentre or elsewhere. Few had seen posters about the programme, and in several Jobcentres stocks of leaflets had run out. In these early days too, several respondents felt Employment Service staff were unsure themselves about some of the workings of the programme.

In general, among the ES staff, the early marketing of the programme was thought to have been weak, with too little advertising in the media, relatively un-engaging literature, and an insufficiently clear focus on the central attractive feature of the programme, *ie* the Employment Credit.

4.1.1 Formal advertising

The launch of the national advertising campaign for the programme, and the start of the BA mailings to their flow eligible clients marked a significant improvement in the eyes of the NDPAs in the overall marketing of the programme. However, they remained critical of certain aspects of the advertising and marketing materials. More to the point, they had not observed significant increases in client interest or entry as a result.

It is difficult to comment on the response of BA clients to the postal, or other, approaches, made to them, as they constituted such a small minority among the respondents. However, this fact alone suggests that a combination of voluntarism and advertising may be sufficient only to attract the interest of a small number of BA clients. The estimates presented in the earlier chapter suggest that BA clients remain a small minority among the participants in ND50plus.

It is only fair to point out that the interviews were conducted at the very start of the campaign, and the NDPAs themselves accepted that the participation of BA clients might take time to build up. Nevertheless, by March 2001, direct contact with the Jobcentre remained the most important way in which clients had found out about ND50plus. The researchers concluded that while the advertising campaign was taking place, and while BA had begun to write to their eligible clients, the client group was shifting towards shorter-term unemployed people (see above), who, they felt, were probably in and out of the Jobcentres more frequently, and so tended to find out about the programme at those times.

Most clients found that the information they had received about the programme had been easy to understand, and moreover were satisfied with the amount of information they have received. Still, a quarter of them felt that there had been too little information. This is consistent with the surprising numbers of clients who reported that they didn't know about the Employment Credit or the Training Grant, or indeed those who felt that they were not offered caseloading.

4.2 Initial client impressions of the programme

Generally, clients' initial impressions of the programme were very positive. They greatly valued the focus of a programme specifically on older workers, who they felt faced extra specific and serious problems in getting back to work.

The key element of the programme was seen as the Employment Credit. The substantial amounts of tax-free money which the EC provided, and the duration of payments, had quickly caught the attention and interest of most clients when they first heard about the programme; other aspects had been less engaging, and less immediately attractive. As we shall see, few had heard about the Training Grant and many of the longer term unemployed respondents did not readily distinguish the advice and guidance element from that available under ND25plus.

Finally, participants were also happy with the 'private' character of the EC; the fact that neither employers nor workmates need know about their receipt of the subsidy was a positive feature of the programme.

5. The Initial Interview

Initial interviews are intended to tell the client more about the programme and what he/she can get from it, and to help them decide how they might like to go forward, *ie* through joining the caseload, or in some cases, simply through claiming the EC when they found a job. The evidence here is based wholly on research with clients and NDPAs.

5.1 Advice and guidance

The research showed that the initial interview took quite different forms, reflecting the several possible routes through which clients might make their way to the new programme. Nevertheless, it seems to have been reasonably effective in confirming eligibility, explaining about the Employment Credit (though not the Training Grant), and making the offer of caseloading to those not already receiving it under ND 25plus.

The client surveys showed that three-quarters of clients who were unemployed at the time they heard about the programme recalled being offered meetings with an NDPA. This was taken as a (proxy) measure of having received an initial interview although this is likely to be an underestimate. It is likely that more clients did undergo an initial interview but did not go on to join the caseload, and so may have discounted it.

Leaving aside issues of recall and relevance, it may be that some lack of clarity at this stage about what the programme actually offered constrained entry to the caseload. If a quarter of the new entrants who were not already in work when they first encountered the programme could not recall being offered the support of a personal adviser, then there may be scope for increasing participation by making this offer clearer and more insistent.

Despite this, the research found that client preferences remained by far the principal influence on caseload take-up, and that generally, all the groups studied were strongly receptive to the offer of caseloading when it was made. At the same time, there was some evidence to suggest that NDPAs were also varying the way in which they made the offer, and influencing take-up,

according to whether they thought that the client would benefit from it, and the demands of their existing caseload.

Within some Jobcentres, the programme had become the responsibility of older NDPAs, but in many cases the age of NDPAs delivering the programme was 20 years younger than the client group. Evidence from the focus groups with clients suggests that most clients found it preferable to work with a mature adviser, although younger NDPAs rarely accepted this.

5.2 Caseloading

While clients received some substantive help through their initial interview, this was usually restricted to information-giving and assessment. A series of fortnightly caseload interviews between client and NDPA was the principal source of the substantive advice, guidance and support provided under the auspices of the programme.

5.2.1 Who was caseloaded?

NDPAs felt that caseloading was valuable to many clients, particularly those who had not been out of work for long, and who have not had this kind of one-to-one support previously. This overlapped somewhat with the clients' views; the clients who wanted, or were keenest on, caseload support were generally:

- those who had not been out of work long enough to have had access to NDPA support previously
- those lacking in self confidence, and/or having difficulty focusing on effective jobsearch; but also
- those who were keenest, and wanted an extra bit of help, even if they did not really need it.

By contrast, those often not wanting NDPA advice and guidance included:

- those having already had it under ND 25plus without success
- professionals and those formerly in managerial occupations who often felt that it was not appropriate to their needs and circumstances
- those who were most self-confident, whether or not they were also effective jobsearchers
- those whom NDPAs felt were not really serious and keen about finding work.

Drop-out from caseloading was low, reflecting (a) the voluntary nature of the programme anyway, and (b) the selection focus on clients most likely to benefit from it. Most caseloaded clients

whose series of interviews came to a premature end reported that this was because they had found work.

5.2.2 What was provided

Caseloading sessions generally comprised six half hour sessions at fortnightly intervals, although NDPAs were reasonably pragmatic in changing such arrangements to suit individual client needs. They usually covered similar ground however:

- assessment of client needs and preferences
- jobsearch preparation, including any job re-orientation needed; and
- assisted jobsearch.

For those pursuing self-employment, business advice and support was not typically provided by an NDPA. Rather, they provided advice on the process of claiming the Credit and referred clients to other sources of help for business advice.

Close to half the survey samples had met with an ES representative only once or twice. Subsequently, the incidence of multiple meetings declined consistently, and then increased again to 12 per cent who had six or more meetings. This seems quite consistent with a fairly rapid progression through the caseloading system of those who were most responsive to it, with the hardest to place group having had the benefit of the (usual) quota of six or more caseloading sessions with NDPAs.

5.2.3 What did caseloading add?

NDPA respondents were mostly clear that the crucial positive feature, which only caseloading seemed to provide, was to establish a new psychological basis for the client-adviser relationship, with the adviser clearly recognised to be personally committed to the client, unambiguously on their side, and in a sustained relationship.

Feedback about the support and advice caseloaded clients received from their NDPA was generally very positive. They particularly appreciated seeing the same person regularly, who built up knowledge about their circumstances. More than half of caseloaded clients reported that they could not have managed without it or that it was very helpful. NDPAs were generally perceived to have understood the problems faced by the client group in their search for work. Additionally, any informal contact between the adviser and the client once the client had started work, or caseloading had ended, was greatly appreciated.

Despite this, the surveys identified no statistical correlation between caseloading and the likelihood of securing employment,

even when the effect of those who entered the programme already in employment is removed. By way of explanation, this is almost certainly due to the fact that clients who are harder to help and have a greater distance to travel to rejoin the labour force were more likely to enter the caseload than the job-ready, more likely to stay on it longer, and less likely to find work. Those entering employment quickly were arguably more job-ready and likely to secure work without needing the caseloading help offered by New Deal 50 plus.

6. The Employment Credit

As mentioned above, the Employment Credit is perhaps the most novel feature of ND50plus, and was the most prominent and attractive element perceived by clients. In this chapter we consider the structure of the EC, client perceptions, take up and impact.

6.1 Design features

The Employment Credit was regarded by NDPAs as both the key feature of the programme in objective terms, and the most visible and attractive in the perceptions of clients. The client interviews amply confirmed this.

Objectively, it was felt to have an important effect on clients' reservation wages, and so to have significantly increased the range of jobs which they could now afford to consider. Subjectively, they report that clients easily understood the 'offer', were often strongly attracted to it, and viewed it as the main part of the programme.

The EC was designed to provide a Minimum Income Guarantee, whereby a person entering a full-time job at the minimum wage, would have their income boosted to at least £180 (£189 from October 2001). However, this aspect of the design was neither readily understood by clients, nor used by NDPAs to sell the Credit to them. Clients tended to focus on the actual wage level in the vacancies they were interested in, rather than on a hypothetical minimum wage. In their calculations the EC was added to the former to give a *specific* anticipated income, rather than to the latter, to give a *generalised* floor below which their income would not slip.

The amount of the Credit was believed to be sufficiently large to prevent it being dismissed on principle, and to represent a significant contribution to attainable incomes in work for older workers. The duration of the Credit was similarly seen as long enough to make clients take it seriously, while not being long enough to allow them much chance of replacing it in full (through promotion, pay awards or job changes) by the time it expired.

Initially some NDPAs were concerned about the modest level of proof of earnings required of EC recipients, although this diminished as the programme got under way. And against this concern, it should be noted that the relatively unbureaucratic eligibility and administrative aspects of the Credit were greatly valued by clients. Furthermore, and perhaps as a result, the process of claiming the Employment Credit seemed to be largely trouble free, and on the whole the payments came through quickly at the outset, and subsequently were widely reported to be on time and regular.

6.2 Awareness of the Credit

Among clients, the overall level of awareness of the Credit was high, although a non-trivial proportion of them maintained that they had not heard about it. The fact that many of the latter had in fact claimed it suggests that conscious awareness may decline rather sharply among some of these clients.

Views about the Employment Credit were generally very positive. For most claimants it appeared to be addressing both a 'benefits trap' they might otherwise encounter, and offering some assured continuity in income which they feared their job might not. As a result, it was regarded as an incentive to work.

However these positive perceptions varied by individual circumstance and by location. For example, non-claimants with mortgages, and those receiving Housing Benefit, were particularly unsure whether it would compensate for a loss of benefits, particularly if they were to take a part-time job. More importantly perhaps, although appreciation of the top-up effect was particularly evident in the most depressed labour markets, it was felt to be weaker and less consistent in London and the South East. Generally speaking, the lower the local level of earnings which claimants could expect, the more positively the Credit was viewed.

6.3 Impact of Credit on jobsearch activities

Clients were less willing to concede that their efforts to find work had been influenced by the Credit. The survey research found that only half of those who had heard about the Credit reported that it had influenced them in any way when looking for work.

Nevertheless, for many, especially those in areas of low wages, the Employment Credit was an incentive to take a lower paid job; some described it as enabling them to afford to be able to work. A low paid job was often seen as a transition to something better. Respondents also thought it could help with the transitional costs of moving from unemployment to employment.

For other respondents, the Employment Credit was more of a bonus. This was because they had already accepted the job prior to hearing about the Employment Credit or they would have accepted it without this wage top-up. Nevertheless, it was described as something which boosted self esteem, was making life more comfortable, and enabled people to pay off debts they had built up during their unemployed spell.

The Employment Credit was seen as much less of an incentive by:

- respondents in areas where the cost of living was high relative to the wages on offer
- individuals with more fixed ideas of the type of work they would accept; and
- those who were facing multiple or more severe barriers to employment.

The way in which the Credit affected jobsearch was mixed. The survey evidence showed that it had more impact on the ways in which people looked for work, on the reservation wages which they would accept, and the kind of job which they now sought. It was much less influential on the hours people were able or willing to work, or on whether they would consider becoming self-employed.

It would seem that the effects of the Credit were enhanced in combination with caseloading. Clients who had been caseloaded were more likely to be influenced by the Employment Credit in terms of broadening their jobsearch activity, looking at different types of job and hours, and accepting a smaller wage. Even with a self-evidently attractive offer, positive help from an advisor was still important in showing how to use it most effectively.

Even at an early stage in the research, when most clients were only just entering the Credit, their main concern about it was the one-year limit. Those living in areas of low wages and high unemployment were particularly concerned, as they saw less prospect of being able to find a better paying job. For some of the respondents who were still unemployed at the time of the research, this concern was acting as a barrier to taking up a job and claiming the Credit.

Respondents who were more optimistic about the Employment Credit ending were those who saw more chance of gaining a pay increase (either through a promotion, extra hours or a better paid job), those who were less dependent on their own income, and the self-employed.

6.4 Take-up of Employment Credit

As indicated in Chapter 2, the evaluation database shows that by August 2001, there had been some 49,000 people successfully claiming the Credit. Seven out of ten of these job entrants were men. Over two-thirds of these jobs (71 per cent) were full time, with over a quarter (29 per cent) part time, and 12 per cent self-employed.

It was pointed out above that this number of EC starts somewhat underestimates the number of job starts since not everybody actually claimed the Credit when they started work. The surveys showed that take-up of the Employment Credit was generally high, with 80 per cent of all job entrants claiming it. Approximately half of those who did not claim the Credit reported that they were not aware that they could, whilst a similar proportion were unable to claim because they were ineligible.

Take-up of the Credit seemed to vary a lot between the research areas. Important influences on this variation seem to be:

- the prevailing level of wages in the local labour market (*ie* low wages = high take-up)
- the extent to which NDPAs had actively offered the Credit retrospectively to eligible clients who had found work without being aware that they qualified.

Just over a quarter of the Employment Credit recipients were working part time. Where part-time work was being used as a stepping stone to full-time work, the Employment Credit seemed to work very well. However, some part-timers felt that the level of the Employment Credit should be the same for part-time work as full-time, because their living expenses were no less.

Among the self-employed, clients were especially positive about the Employment Credit, as it was helping them to get through the first year of setting up a business. One year was seen as sufficient to get a business up and running; most felt they would know after one year whether it would be viable or not.

6.5 Utility of Employment Credit

The Employment Credit was generally perceived to be very helpful and the surveys showed that more than 90 per cent of clients who had received it said that it was vital or very helpful to them.

However, the research also found that more than half of those who claimed the Credit said that they would have taken their job without it, indicating a fair degree of deadweight (although lower than many other initiatives of this type). Against this, Credit

recipients were more likely to have taken a job sooner as a result of the Credit. Furthermore, it had helped a significant proportion to stay in work longer than they might have otherwise done.

Ten per cent of claimants had claimed the EC retrospectively, having found work before formally joining the programme.

6.6 Replacing the Employment Credit

The focus groups and interviews with clients suggested that when first claiming the Credit, clients concerns about replacing it when it expired were generally subsumed under the more pressing worries about settling in to, and coping with, a new job. However, as time went on, this concern tended to become more, sometimes much more, prevalent. There was a relatively pessimistic assessment of their chances of replacing a significant amount of the Credit within the 12 months, and this too seemed to get worse as time wore on.

Some clients had entered jobs on a 'starter' rate, and could look forward to some modest increase in income. Most had some hopes of a pay rise in the first year; few thought that promotion was likely so quickly. As a result, the majority of clients thought it was very unlikely that they could replace much of the Credit by an increase in salary alone.

They were rather more optimistic about increasing their income by working more hours, finding better-paid employment or taking on a second job. Despite this, the survey research in September 2000 showed that some 40 per cent of Credit claimants expected simply to continue working but for less money. We discuss in Chapter 9 what actually happened to them.

7. The Training Grant

As we noted in the introduction, the Employment Credit and the Training Grant share a common feature in their novelty as elements in UK labour market initiatives. Beyond that, the contrast could hardly be more marked. While the former has generally been well and widely received, the Training Grant has remained little used.

7.1 Awareness of the Training Grant

The surveys showed that awareness of the Training Grant among clients was fairly high. Approximately two-thirds of the respondents knew about it and the majority of these had a fair idea of its value. Furthermore, they were generally well disposed towards it; nearly two-thirds of clients who had not taken it up thought that the Grant might be helpful, even though they have not yet made use of it.

There was some evidence from the focus groups that those clients who most favoured a training-based strategy towards getting back to work really wanted 'training first and job second'. In effect, they wanted training which would underpin a re-entry to the labour market at a comparable level of status or income that they had previously enjoyed. For them, the Training Grant was largely irrelevant because it reversed this order; 'job first, training second'.

For the majority though, training was not really a priority. As a result, the Training Grant was generally not very well understood. Those clients who were well informed about it were generally people who had a specific interest in training and had asked their NDPA about it. Those who knew least were those who were not interested in it when it was explained to them in their initial interview; it had simply passed them by, in a way in which the Employment Credit certainly had not.

NDPAs recognised this lack of interest, and understandably had pushed hardest that element which clients did show most interest in, *ie* the Credit. They had found it difficult to get clients to take the Training Grant seriously, and so had tended to restrict themselves to informing clients about it, in the hope that they

might take it up later. Almost half of those who had not taken up the Training Grant could not recall ever having met with an ES official to discuss the Grant.

7.2 Take-up of the Training Grant

Appreciation of the Training Grant remained wholly theoretical for most. Take-up has been both low and slow. In the first survey of September 2000, just five per cent of those who were in work (and so eligible) had in fact taken up the Grant. Six months later this had more than doubled, to 11 per cent among those who were re-contacted, but remained at eight per cent for clients as a whole.

The evaluation database suggests a somewhat lower figure – it shows that by August 2001, there had been just 1,975 people receiving the Training Grant, or some four per cent of the EC claimants at that time. On average they had received £400 each.

This slow build up confirmed what the focus groups had suggested: that clients' initial priorities in taking work focused intently on coping with their new job and changed circumstances. As a result, eligible clients were often far too busy settling in to their new job, managing the financial transition off benefits, and worrying about whether they could cope with the new job, to be interested in training.

It is unfortunate then that as time passed and they got over these hurdles, that their contact with NDPAs diminished, often to nothing more than the administration of their EC renewal, and the relevance of the Training Grant may thus have lost some of its appeal. At the same time, almost half rejected the notion that their lack of interest in the Grant was due to a shortage of information about it.

Turning to other reasons for non-take up, the research found that:

- many clients (48 per cent) felt that the kind of jobs they were going after simply did not require them to acquire new skills
- clients had no experience of buying training for themselves, and as a result they had little or no knowledge of what training they needed, what £750 might buy, where was a good place to get it, *etc.*; and
- it was difficult to integrate this potential spend with any investment that the employer might be making in their training. In some small firms, this integration had proved possible, and was valued by both client and employer alike, but this was very rare. More often, with the onus wholly on the individual, it was extremely hard to get employers to help, and difficult to avoid deadweight if they did.

The key problem with the Training Grant seems to be that it has little resonance with the client group: it is more complicated than the Credit, it is detached from employer-centred training, and it relies too heavily on the client to be proactive.

For only one group was the take-up of the Training Grant significantly higher than eight per cent; this was among the self-employed. Here there were fewer problems with seeing the relevance of the training; many had taken general courses in business administration, marketing, *etc.*, which were widely available locally, and of obvious appeal to people new to self-employment.

7.3 Utility of the Training Grant

The two client surveys, and the later sweeps of the focus group research, looked more closely at people who had actually taken up the Grant. Claimants of the Training Grant had used it to enhance their employment opportunities through development of skills, gaining the skills necessary for a current job, or among the self-employed, to develop the range of services they could offer. Almost exactly two-thirds (67 per cent) of those who had taken up the Grant, had used it to acquire skills relevant to their present job, with just a third seeing it as more relevant to a future one.

Among non-claimants, about half appeared to be interested in some training. This was mainly for updating certificates for individuals in trades such as plumbing, or for more generic skills, such as IT-related. This indicates that potentially there could be more demand for the Grant than the level of take-up suggests.

8. Outcomes and Impact

Here we turn to consider the kinds of impact which the programme has had on the clients who have used it. We draw here mainly on the survey and qualitative research with clients, beginning with their general feelings about participation.

8.1 Satisfaction with the programme

While satisfaction with the programme varied most obviously with the job outcome from it, this was variation around a generally positive assessment. There was no really serious negative comment, and this led the researchers to the view that there are no fundamental sources of dissatisfaction with the main features of the programme. Almost all the respondents said that they would recommend the programme to a friend.

Lower levels of satisfaction were to some extent correlated with negative experiences under the programme; difficulties in getting accurate information, lack of clear communication about it, *etc.* as well as with the lack of a job outcome.

8.2 Intermediate outcomes

The research found widespread and positive, though not always strong, effects on clients' general demeanour and perspectives about eventually finding work. These effects turned on:

- motivation: the programme did seem to have provided additional motivation for significant numbers of respondents
- reservation wage and the return from working: eligibility for the Credit was well known to the participants, and it had widely impacted on their reservation wage, and on the perceived net gain from working. This effect was not as widespread as it might have been due to concern with an offsetting loss of housing and other benefits, as well as considerations of job-type.
- there was some evidence of more effective jobsearch than previously, under the guidance of an NDPA, but this was largely restricted to those out of work for shorter periods; and

- the role of the Credit as a stable, reliable ‘earnings platform’ seemed to be an important improvement in the assessments of many clients of what their circumstances would be like if they did take a job.

Among those not finding work, confidence in eventually finding a job appears to have risen as a result of the programme. Thus, even though the most confident have left the cohort to take a job, the level of confidence among the others has risen.

However, for something over a third of participants, confidence had been low on entry and remained so throughout the programme. Those who had found the programme least helpful tended to have approached it with less than average confidence in themselves and in the programme’s capacity to help them. They had been less likely to enter the caseload, and to have found it less satisfactory when they did so. They have no strong group characteristics otherwise, save that they are more likely to be men, and to be much less willing than average to reduce their reservation wage.

At the other end of the spectrum, three-quarters (78 per cent) of those in work were confident about their future work prospects.

8.3 Job outcomes

Job outcomes had been relatively high. The first survey, in September 2000, six months after the national roll-out, found that almost two-thirds of the respondents were working (36 per cent full time, 20 per cent part time and seven per cent as self-employed). The second survey, looking at people who had joined the programme between September and December, found that 59 per cent were working.

Multivariate analysis on job entrants showed that success in finding work under the programme was strongly correlated with:

- age: those aged between 50 and 55 were roughly twice as likely to have found work than those aged over 60
- being female: this also seemed almost to double the odds of finding work as a client of New Deal 50plus
- not having a very long duration of unemployment prior to joining New Deal 50plus; and
- being willing to reduce the reservation wage in order to take work.

There was little evidence of job-hopping among this group – once they had found a job they tended to hang on to it. Nevertheless, there was some evidence of clients getting and then leaving (or losing) jobs fairly quickly; among those not working at

the time of the second survey, a quarter said they had done so at some point after joining the programme.

Among those working full time, the majority were found in:

- plant and machine operations
- clerical and secretarial occupations
- craft and related occupations; and
- personal and protective services.

Those working part time were more likely to be in personal and protective services and sales jobs, with fewer in the other three groups. Those working as self employed were most likely to be in craft and related occupations, or in a professional or managerial position.

Not all those then in work, or who had worked, had claimed the Credit, however. In the first survey, fully a fifth of those with some experience of taking work had not claimed it. However, for those who had claimed it, the Credit was felt to be absolutely vital by a third, and very helpful by most of the rest.

The most important factor in deciding how influential the Credit seemed to have been was whether or not the recipient had a working partner or not; in effect, the importance of the Credit payment as a proportion of household income.

9. The Employment Credit and Sustainable Employment

The sustainability of employment is as important to the overall effectiveness of the programme as it is to the well-being of those who take part in it. If they simply and quickly fall out of employment again, then the net effect is likely to be modest. This aspect of the evaluation is perhaps more important for this programme than for others, as an important element in it, the EC, is exhausted after 12 months. The latter phase of both the survey and qualitative research provide some opportunity to consider the longer term outcomes, and the effects of the loss of the EC. We should note, though, that the final pieces of research mostly followed quite quickly on the ending of respondents' EC. The results here then can only offer an indication of what longer term outcomes might be expected.

9.1 Longer term impact

Survival rates for individuals taking work under the programme appear to be quite high. The second wave of the client survey showed that a substantial proportion of those who had taken work under the programme were still in work six months later.

- Among those entering full time work, 75 per cent were still working full time, six per cent were working part time, and a handful had become self-employed.
- Among part-time workers, 68 per cent were still working part time, two per cent had moved up to full time, and six per cent had moved into self-employment.
- Almost two-thirds of the self-employed continued in that mode six months later, interestingly with part-time work (at 25 per cent) being the most prominent move for those leaving self-employment. This group was least likely to return to unemployment.

Turning to the number of jobs held, the picture is one of a relatively large and stable core of people who have had just one job and were still in it when interviewed. Among those in work in March 2001, almost four out of five have just had one job, and

multiple job holding was extremely rare. While this confirms that older workers are much less susceptible to labour turnover than practically any other groups, it also suggests that relatively few would be replacing the Credit on expiry by moving to a better paid job. This does not seem to be a cohort which is very mobile when in work.

Unfortunately this stability also extended to those who had not been working six months earlier; the results showed that only one in five of those who had not found a job in September 2000 were in one six months later.

Finally, if these data suggest a picture of stability among the majority of those who are successful in getting work under the programme, this is also true for those who were initially successful, but then lost their job; most of these had not returned to work.

This raises an issue about the structure of the programme. The NDPAs who were interviewed frequently reported that the caseloading support offered under the programme terminated too abruptly, both for those getting a job, and for those who did not. Once individuals entered work, they wanted to be resourced to offer a follow-up service, which they felt could usefully:

- support the job entrants while they made the difficult transition into work
- help them in thinking about replacing the Credit income, before it expired
- encourage them to take more interest in the Training Grant, and how they might beneficially use it; and
- continue to offer substantive support to the hardest to help.

Many of these NDPAs recognised the benefit of some kind of follow-up for clients of the programme, and had often tried to provide this on an informal, personal basis, but as the results suggest this may not be sufficient.

9.2 Replacing the Credit

Many of those whom the second survey contacted again in March 2001, and who were still in work, were approaching the expiry of their Credit. However, it had actually expired for only 15 respondents. This very small number makes the exact proportions rather unreliable, but ten of them simply went on working and accepted a lower net income. None had moved to a higher paying job, or had increased their working hours at this late stage. Only two (14 per cent) had actually gone back onto benefits of some kind when their Credit stopped.

This tenacity is consistent with the earlier findings about the high levels of motivation to work among these clients, relatively low levels of fall out from employment during the 12 month period of the Credit, and clients expressed views about how many of them would tackle the loss of income when it expired. Nevertheless, an expectation to stick with their job in the face of reduced income may not be quite the same thing as a longer-term capacity to cope with earnings which stabilise at a significantly lower level, and the third wave of qualitative work, which looked more closely at clients whose Credit had expired offered some less positive findings (see below).

9.3 Staying in employment

This third wave of qualitative research found that the way in which the expiry of the Employment Credit had affected recipients depended on the type of work they were doing, the level of pay, the number of hours they worked, the cost of living in the locality, and personal circumstances such as family support, responsibilities, financial commitments and other sources of income.

The sample was split fairly evenly three ways, between those for whom the impact of the expiry was not felt too greatly, those who were coping in the short term and those who were now in distress.

9.3.1 Thriving

Many of the first group were relatively well paid, in self-employment or able to draw on other sources of income, usually a working partner. Although they too had not been much able to improve their working circumstances, nor did they really need to. Self-employment was a route with these noticeably positive outcomes. Virtually all clients had been able to create businesses which were at least surviving and some were thriving.

9.3.2 Surviving

Some of the second group were coping with the expiry simply by working extra hours – sometimes very long hours. This group remained generally positive about their future prospects, but it was clear that they were not progressing in the labour market. In effect they were coping as best they could, increasing their earnings where this was possible, and accepting a lower income where it was not. Most often it was a combination of both, and their preference for work over idleness seemed often to be the main factor influencing a not very attractive financial outcome.

9.3.3 Drowning

Clients in the final group were often on low wages, and/or working part time, and/or unable to increase their hours. They also had no other sources of support. Many felt that they would be unable to remain in work, and some felt that the distress their circumstances were causing them was having an impact on their health. Some were aggrieved that they had not been better informed about the potential implications of the Employment Credit expiry when they first joined the programme (though in fairness, they had been informed, and generally their own views had been at that time that they would 'cross that bridge when they got to it'). The researchers concluded that many in this group would not long remain in their jobs, but would eventually return to unemployment and such benefits as they could secure.

This last group faced the difficulty that voluntarily leaving their job, because their post-EC earnings in it were lower than their minimum sustainable needs, would place them in a difficult position in re-claiming JSA. Their application would be subject to adjudication, and at worst, it could be six months before they were fully eligible for JSA once again. This was a source of some distress and ill-feeling among several respondents, who maintained that *this* circumstance had definitely not been forecast by their NDPA.

It is not possible to quantify the likely balance between these groups across the client base as a whole, on account of the small size of the sample. But it had not been selected against any criteria of anticipated post-EC wellbeing, and so it is reasonable to expect that all three outcomes would be fairly well represented among ND50plus clients in the longer term.

10. Concluding Remarks

The research reported here has followed the progress of the New Deal 50plus from its early implementation in four Pathfinder areas, through the national launch, and into its first 15 months of operation. It has used both qualitative and quantitative methods. It has drawn on both primary and secondary sources, and it has focused on the sometimes differing viewpoints of the officials delivering it, and the clients who have taken part in it.

10.1 'It's a smashing little programme, really smashing'

The evaluation has revealed generally positive views about the programme from both clients and ES/BA staff.

The clients liked and valued:

- a far better and more personal level of support in their efforts to find work than they had often enjoyed before
- a recognition of the fact that they believed themselves to face considerable discrimination in the labour market
- a substantial and lengthy top-up to the kind of wages to which their (sometimes reduced) circumstances in the labour market constrained them
- the fact that the programme made few administrative/bureaucratic demands on them, while it was simultaneously efficient, fast and accurate in paying out their Employment Credit.

The staff delivering the programme liked and valued:

- the voluntary character of the programme, and the associated high level of motivation and commitment among clients who chose to take part in it
- the administrative simplicity and straightforwardness of the programme; and
- the opportunity to help a group whom they believed to face considerable problems in getting back to work, and for whom little extra support had previously been available.

Furthermore, as we have shown above, although it is not the largest of the New Deal stable of programmes, it has operated on a considerable scale, and has been successful in moving a high proportion of clients into employment. Moreover, drop out from employment during the period of the Employment Credit has been modest. Sustained employment outcomes look to be significant. There have been some gains in self-confidence and self-esteem even among those who had not been successful in finding work under the programme.

There may be substantial deadweight involved in the operation of the programme, but in some respects its design makes this unavoidable. In particular, the retrospective eligibility for the Credit of those recently entering work without taking part in the programme provides a built-in element of deadweight. Furthermore, arguably the relatively short spells of unemployment of some of the client group, suggest that non-trivial proportions would re-enter work in the absence of the programme. In any case, an estimated deadweight of around 50 per cent does not seem to be disproportionate compared with the much higher ones often found in other active labour market measures.

10.2 Some reservations

It is against this positive background that some reservations about the programme should be assessed.

Firstly, it does not appear to have been very successful in attracting substantial numbers of non-JSA clients, despite a targeted mailing to large numbers of BA clients who are eligible, and a substantial advertising campaign. Again, this may simply reflect the intrinsic difficulty of drawing BA clients into employment using *labour market initiatives* of this kind when their needs may be greater, or in any case, different from those of the actual participants.

Secondly, the most successful participants in this programme, have tended to be the 'easier' cases; those without extended previous periods of unemployment, those at the 'young' end of the eligible age range, those who were not too fussy about the kind of job they would take, those most willing to cut their reservation wage, *etc.* While in some respects this is exactly what one might reasonably expect, it does beg the question about what happens to the harder cases. The answer here seems to be that nothing more happens to them until their unemployment spell lengthens sufficiently to draw them into ND25plus.

Thirdly, while the advisory caseloading and the Employment Credit seem to have been very successful in achieving their ends, the Training Grant has manifestly not done so. Take-up has been very low, clients have not spontaneously seen much value in it (*cf* the massive appreciation of the EC), it has proved difficult to align

with any company-provided training, and it does not seem to have contributed to the subsequent advance of those entering work in any significant way at all.

Finally, the programme has too much of a 'job and finish' aspect. This is evident in three respects:

- Clients who fail to find employment fairly early on during their caseloading sessions, tend to stay unemployed.
- Clients who do find work fall quickly out of formal contact with their NDPA, and receive little or no follow-through support (which might be helpful in taking up the Training Grant or in gearing up to deal with the EC running out).
- Some clients who exhaust their EC find themselves effectively stuck in a (too) low paid job without a practical option of returning to JSA.

10.3 Some possible improvements

To the extent that the programme can be improved, the research identified several areas which might benefit from a re-think:

- **Better marketing:** there are two challenges here. The first is to draw in more non-JSA clients, and while this may well require more than just better marketing, it seems clear that individual mailshots have not produced a significant response from a potentially large BA client group. Secondly, to the extent that the programme cohort shifts towards shorter-term unemployed eligibles, more Jobcentre-based publicity may be needed to capture a cohort which is quite active around Jobcentres.
- **Better dissemination of information about the programme to new clients:** The research showed that a sizeable number of people remain under-informed about the various aspects of the New Deal 50plus, most importantly their eligibility for caseloading. More formal initial interviews, perhaps with more written guidance, seem to be the most appropriate way to improve this.
- **Aftercare for clients:** Continuing support for clients, whether they are in work, or still failing to find it, has been a recurrent theme of several of the studies. NDPAs seem to want to offer it; clients seem to need it. Yet the programme makes no formal provision for this.
- **A re-design of the Training Grant:** While take-up has been increasing slowly, this aspect of the programme has been far from successful, and needs to be re-engineered in particular to deal with:
 - *Eligibility:* many potential clients of ND50plus want 'training first, then a job', yet the current arrangements

reverse this. It might be helpful if the Training Grant could also be made available to clients registered with the programme before they found a job.

- *Selling*: most currently eligible clients seem to be receptive to the Grant only when they have got settled in a new job. To sell the TG effectively to them would therefore require (1) re-contact with their NDPA, which presently barely happens, and (2) perhaps a time extension on their eligibility for the Grant.
- *Compatibility*: most new starters looked to their employer to provide training. They found it difficult, if not impossible to supplement this through using the Training Grant.
- *Long-Term Support*: A substantial minority of EC claimants will find themselves in financial difficulties when the EC expires. Their own strong commitment to work ought not to provide a justification for leaving them to it. If the EC cannot be extended to provide longer term support, then a route back to benefits ought in fairness to be provided.