EVALUATION OF THE NEW FUTURES FUND INITIATIVE

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1. THE NEW FUTURES FUND

New Futures Fund (NFF) Initiative
The Origins of NFF
Currently there is considerable interest across the UK in the development of interventions to promote the employability of jobless people on a range of benefits other than Jobseekers Allowance (JSA), the key benefit for people actively seeking work. Many of the groups of working age people on these other benefits, such as Incapacity Benefit and Income Support, confront a wide range of barriers to finding employment and it is common to find that any one individual confronts multiple barriers.

The introduction of the NFF anticipated many of the issues that are now at the heart of the policy agenda. Launched in May 1998, under the management of Scottish Enterprise and Highlands and Islands Enterprise, NFF focuses its efforts on a range of the most disadvantaged client groups including homeless people, those with drug and alcohol problems, ex-offenders, young people with chaotic lifestyles, people with mental health issues, people with learning disabilities and multiply disadvantaged people from minority ethnic groups.

The initiative takes a holistic approach to employability enhancement, aiming to assist the most disadvantaged target client groups, furthest removed from the labour market, to develop the skills, knowledge, attitudes and attributes they need to acquire to be more employable. The service is delivered by a range of voluntary and public sector organisations experienced in working with specific disadvantaged groups.

NFF ran in two phases – Phase 1 from May 1998 to March 2002, and Phase 2 from April 2002 to March 2005. The total budget over Phase 1 and Phase 2 was around £31 million.

The Aims and Objectives of NFF
The NFF initiative was introduced to help resource a process for assisting people with more deeply embedded barriers to work along the road to engaging or re-engaging with the labour market. It was envisaged that this would involve:
- more intensive support for young unemployed people, suffering from serious disadvantages, in looking for work;
- help to overcome barriers such as lack of confidence and motivation, alcohol and drug abuse, and homelessness;

- assistance in developing skills to enhance employability.

Within this the main focus was on the 16-34 age group.

It is important to note that NFF was set up to work with clients:

- who wished to move into the labour market; and
- for whom there were no existing suitable employment and training provision available. Indeed, one of the aims of NFF was to identify gaps in provision.

From the outset it was recognised that the progression routes for NFF clients should not simply be the standard 'into employment' associated with mainstream programmes for the unemployed. Three levels of progression were identified.

- *Level 1*
  - New Deal Gateway.
  - Labour market returners courses.
  - Community based training.
  - New Deal options.
- *Level 2*
  - Vocational training.
  - Further education.
  - Supported employment.
- *Level 3*
  - Employment.

The expectation was that the majority of NFF clients would progress to the Level 1 destinations, with the balance of the remaining positive outcomes distributed between Levels 2 and 3 – but with a proportion failing to progress to any of the three levels. No specific targets were set.

The material advertising the role of the NFF initiative to potential providers focused on the role of the initiative in:

- reaching individuals whose needs are not being met by existing opportunities;
- assisting individuals to develop self-confidence, becoming more 'positive and opportunity-ready';
- enabling individuals to progress onto employment and training-related opportunities;
- acting as a pre-access route to the New Deal Gateway for those not ready to undertake the Gateway programme.

The NFF Initiative

Management Arrangements

The management of the NFF Initiative was placed in the hands of Highlands and Islands Enterprise and Scottish Enterprise. In the case of Scottish Enterprise a small team was put in place to manage and help develop the NFF, with technical support provided by Blake Stevenson. A group of key stakeholders – the Advisory Management Group - was drawn together to provide an advisory input to the process of managing the programme.

Delivering NFF

As an initiative based on the voluntary participation of clients, there was an issue of how to engage effectively with the potential client group. It was decided that NFF funding would go to organisations already working with the specifically targeted disadvantaged groups, with the NFF financial support targeted on the provision of employability-enhancing services of one type or another.

Some of the characteristics of the projects delivering NFF during Phase 2 of the initiative are summarised below.

- The projects worked with a range of client groups: 32% with people with alcohol and drug problems, just under a quarter (24%) with homeless people, 10% with people with mental health problems, 9% with offenders, 7% with people with disabilities, and the rest with young people, ethnic minorities or people with HIV.
- 70% of projects were hosted by voluntary sector organisations, a further 13% local authorities or local authority partnerships, with the balance made up of local economic development companies, wider partnerships, a college and Careers Scotland.
- 73% of the projects operated in Phase 1 and 2 of NFF, with the remainder running only in Phase 2.
- Generally the projects were heavily dependent on the NFF funding: 46% had a high dependency, a further 46% medium dependency, while the few remaining projects were classed as having a low dependency. The NFF contribution to these costs ranged from £60,000 to £525,000, with an average contribution of £200,000.

Client Characteristics

Based on the 6,910 clients joining NFF during Phase 2 in the period up to the end of October 2004, the characteristics of the clients were as follows.

- The great majority of clients were white (93%), mainly male (58%) and relatively young, with 28% falling into the 16 to 19 age group and another 23% into the 20 to 24 age group.
- Nearly 50% of the clients lived in rented accommodation, and around 27% lived either in a hostel or a supported care setting. In contrast, only 9% of clients owned their own home.
- Over a third (39%) had no qualifications, and for 38% their highest qualification was Standard Grade.
- 25% of the clients had never worked.
- In terms of their main source of income, nearly a third were on Income Support, 24% on JSA and 23% on Incapacity or Sickness Benefit.
- 21% were self referrals, 18% of clients had been referred into NFF by social work and 15% had been referred to NFF by accommodation or hostel providers.
- The barriers in relation to training and employment most often cited by clients were lack of confidence (45%), lack of experience or skills (44%), and deficits in education or training (43%). Other often mentioned barriers included substance abuse (36%) and homelessness issues (30%).
- 53% of clients had four or more barriers to overcome, based on a list of 23 potential barriers self-reported by the participants at the time they joined their NFF project.

These statistics underline the very disadvantaged nature of the NFF client group.

Evaluating NFF Phase 2

The evaluation of Phase 2 assesses the extent to which NFF has achieved its goals as set out at the beginning of this chapter. Briefly, these relate to the extent to which the NFF has managed to reach the most disadvantaged unemployed people, assisted them to overcome barriers to employability and to progress and achieve sustainable gains. The evaluation also focuses on the developmental themes for Phase 2 of the NFF initiative described briefly below:

- defining and refining the *NFF approach to enhancing employability*;
- building up *networking*, i.e. working in partnership with other agencies or parts of the same organisations to source essential services for clients or to which clients can be referred;
- pursuing *sustainable* gains for NFF clients once they leave their NFF projects;
- promoting and facilitating the process of *mainstreaming* NFF.

The evaluation also set out to perform a number of additional roles:

- to describe some of the key features of the approaches developed in the delivery of employability enhancement services to clients;
- to assess the effectiveness of these approaches;
- to capture the impacts of the NFF initiative on the individual clients.

The evaluation was carried out in two stages. While the evaluation process is based on an external, independent assessment of the initiative, the first stage, leading to an Interim Report in 2003, was formative, feeding constructive comment to the NFF project team and the NFF Advisory Management Group (AMG) to help improve the effectiveness of the initiative. In the second stage, the findings of which are reported here, the evaluation is summative, focusing to a greater extent on outcomes, impacts and lessons learned.

Evaluation Methods

More details on the evaluation methods are provided in the research methods appendix to this report. Briefly the evaluation used a range of methods including:

- visits to the NFF projects - for the Interim Report, 40 projects were visited, representing around half of the projects funded by NFF in Phase 2 and for the Final Evaluation 10 projects were selected for more in depth study;
- interviews with clients - for the Interim Report group discussions were carried out with current clients of the 40 case study projects. Additionally a survey of over 200 former clients was also carried out;
- statistical analysis of NFF monitoring data to generate information on client characteristics, progression and destinations on leaving NFF;
- assessment of the process of mainstreaming the NFF approach was assessed using a number of different mechanisms.

This Final Evaluation Report is organised as follows.

- *Chapter 2* provides an overview of 10 case study projects and attempts to describe the NFF approach in detail and assess what factors influence effectiveness in these.
- *Chapter 3* assesses the added value of the NFF programme.
- *Chapter 4* analyses the monitoring data and the findings from a follow up survey of NFF project leavers.
- *Chapter 5* evaluates the NFF service's cost effectiveness.
- *Chapter 6* assesses progress in mainstreaming.
- *Chapter 7* summarises the evaluation conclusions and provides recommend-ations.

2. QUALITATIVE ASSESSMENT OF THE NFF APPROACH

Introduction

Clarity about what exactly the NFF approach involves is essential both to evaluate that delivery and to inform any mainstreaming efforts. There are two dimensions to this.

- Potential funders need to know what it is they are being asked to 'buy'.
- Having decided to support the activity, they then need to communicate to their staff or their delivery agent what it is they want them to do.

The Interim Evaluation examined the NFF processes with a focus on the employability-raising activity carried out. The Final Evaluation broadens this perspective to consider how the projects work with the clients from the time when they first join the project until they leave – and beyond; thus it is focused more fully on the overall framework for delivery of the NFF service. It was hoped that this might help generate a better understanding, in broad terms, of the critical ingredients of the NFF approach based on good practice projects.

To construct a detailed picture of how NFF works in practice, 10 case studies were selected from the 71 NFF projects operating in Phase 2 based on a number of different considerations, but where the fundamental choice was built around trying to identify good projects. One source of information was the NFF monitoring data including:

- measures highlighting *throughput*, for example the number of starts and number of closures per project;
- measures of *outcomes* including the percentages of clients leaving projects as a result of achieving desired progress, the percentage moving into employment/self-employment and the percentage moving into positive outcomes on leaving the NFF projects;
- the *average number of barriers* faced by clients within each project, to control for the relationship between the difficulty of the client group and the outcomes achieved.

Average performance across all of the NFF projects was used as a benchmark. However, while the monitoring data served as a guide it was also important to incorporate projects in different geographical locations (including urban and rural projects) and those working with different client groups. This meant that some projects whose monitoring information was not above the benchmark on all measures were included. Finally, as the evaluation team had visited 40 of the 71 projects a qualitative assessment of good projects, based on the visits, also came into play.

The Case Study Projects

A brief description of the 10 case study projects is given below.

Youthstart is run by South Lanarkshire Council and was established in NFF Phase 1. It works with 'looked after' or homeless young people aged 16-24. One of the larger NFF projects, it has seven full time staff.

RAMH/Springboard is run by Renfrewshire Association for Mental Health (RAMH). It was set up in Phase 1 and targets people with severe and enduring mental health problems. It has four full time staff.

New Horizons is located in the Easterhouse area of Glasgow. Established in Phase 2, it has three staff and targets unemployed adults with a history of drug or alcohol abuse.

Flourish House is based in Glasgow. Established in Phase 1, it assists people with mental health problems based on a 'clubhouse' model of support, where members have the opportunity to engage in work-based activity. It has three staff.

STEP is run by South Ayrshire Council. It was established in Phase 1 of NFF and has three staff. It works with socially excluded young people in South Ayrshire experiencing problems such as homelessness, drug and alcohol abuse or who have disabilities or criminal records.

ECSH/PIE is run by the Edinburgh Campaign and Services for Homeless People (ECSH). It was established in NFF Phase 1 and has 3 full time and 2 part time staff. It targets homeless and vulnerable people living in Edinburgh.

Borders Women's Aid is located in Jedburgh. The organisation has used NFF Phase 1 and 2 funding to fund an outreach support worker to work with women who have been abused, and who are either living in the organisation's refuge or have been referred by another agency.

Hope Service is located in Dumfries and was established in Phase 1. It has three members of staff who work with people with learning disabilities, physical disabilities or who are recovering from mental health problems.

NCH/Straight Out is located in Paisley and run by NCH. Established in Phase 1, it has three members of staff and works with young offenders aged 16-25 who are from the Paisley Social Inclusion Partnership area.

FEAT/Better Futures is run by the Fife Employability Access Trust (FEAT). Established in Phase 1, it has two members of staff who work with people with enduring and severe mental health problems.

What Do the NFF Projects Deliver?

The in-depth interviews with the case study organisations confirmed that the projects broadly help clients through a number of stages involving:

- joining the project, with projects having to carry out a range of activities to *recruit* and *engage* the NFF clients;

- *initial assessment* of barriers and needs around employability, and *ongoing assessment* of progress;
- a range of *activities* to overcome barriers and enhance employability;
- a range of actions to assist *progression* of NFF clients into a number of positive outcomes;
- providing some degree of *aftercare* services to NFF clients who have left.

How Do NFF Projects Deliver Services?

Models of Service Delivery

NFF projects can essentially use three different models of service delivery:

- project staff may deliver all aspects of the project themselves;
- they may bring/buy in services to deliver specific aspects;
- or they may refer clients to other services.

It is also likely that projects use a mixture of all three models.

One of the reasons why projects may seek to work with external agencies is that they vary in scale and the amount of resources they have to deliver the service. For example, among the 10 case study organisations, staffing varies from one to seven workers and this is clearly a factor determining the balance between activities delivered in-house by the project or delivered by external expertise. However, other important factors can include:

- the nature of barriers to employability faced by clients (which can vary both within and between projects);
- the type of approach taken by the project and the specific expertise contained in the project;
- whether the project can access appropriate expertise externally. This may simply be unavailable or not available at appropriate times, or not suitable for NFF clients and so projects are forced to deliver everything themselves.

Across the case study projects, use of external agencies to deliver services varied. A couple of the projects delivered all of their activities themselves, while at the other extreme up to two thirds of activities were delivered by external organisations. The projects least likely to use external organisations tended to provide specialist support to NFF clients. Examples are Hope Service and Flourish House which provide supported employment services. For the other projects, use of external agencies was more mixed with colleges, Careers Scotland, Adult Education, Jobcentre Plus, independent trainers or organisations used to working with specific disadvantaged people commonly providing services.

Although overcoming resource constraints on the NFF project and accessing specific expertise in the external organisation are clearly valuable outcomes of working in partnership with external organisations, perhaps the most significant aspect of this is that for the projects which do it, partnership can help to begin moving clients on from NFF. This can be a way of:

- enhancing the support delivered to clients and addressing the problems in an holistic way;
- clients increasing their knowledge of what other agencies do and their understanding of how these agencies might help them in the future;
- developing clients confidence about dealing with other people and about dealing with these agencies in particular;
- giving clients new experiences, broadening their horizons and enhancing motivation.

However, the important point is that these benefits can only be realised if the clients have support from the NFF while they engage with these external services.

Breakdown of Project Time Across the NFF Stages

Table 2.1 shows how staff time is allocated to these stages, with project worker time broken down in percentage terms across the stages. From the table, a few general points can be made.

- Activities account for the majority of staff time in the projects, although there is some variation across the projects in the proportion of time allocated.
- Recruitment and aftercare usually account for the least amount of staff time.
- There is an even split across assessing clients, and progressing them on to their next destinations.

Table 2.1: Breakdown of NFF Project Workers Time (Row %)

	Recruitment	Assessment	Activities	Progressing	Aftercare
PIE (Homeless people)	10	10	40	20	20
Youthstart (Homeless people)	5	20	60	10	5
Better Futures (Mental Health)	7	7	60	20	7
Springboard (Mental Health)	5	20	50	20	5
Flourish House (Mental Health)	10	15	45	20	10
NCH (Ex Offenders)	5	20	60	10	5
Borders Women's Aid (Abused Women)	5	10	50	25	5
Hope Service (Disabled people)	5	10	75	15	5
STEP (Young people)	5	15	55	15	10
New Horizons (People with drug issues)	5	15	60	15	5
Average	*6*	*14*	*55*	*17*	*8*

Because some services may be sourced externally, the use of project staff time is only a proxy for the allocation of overall source delivery time across the main NFF stages.

Recruitment and Engagement of NFF Clients

Although the case study projects work with a range of client groups, there is a good deal of consensus across the projects about the processes needed to recruit and engage NFF clients.

- There is a need for outreach from the NFF project to referral agencies to make contact and 'sell' the NFF approach. Project staff need to form good relationships with staff in other agencies and to service these networks continually to maintain referrals, although as we have noted earlier this does not necessarily consume a lot of staff time. Building connections with referral agencies is important for all types of NFF clients as a large proportion will be involved with some kind of statutory or voluntary agency prior to joining the NFF project.

- A wide range of referral organisations are used, with a focus on taking prospective clients from those organisations working at the front end of offering support to clients, typically social work, health services, housing services or hostels, criminal justice organisations and voluntary organisations.

- The involvement of a worker from the referring agency at the engagement stage is common. This can help to make the introduction to the NFF project easier for the client in some cases and can also help the NFF project gather more information about the client.

- Some kind of referral form, often filled in by a member of staff in the referring agency, is used to collect background information and to help the NFF project check the client's eligibility and assess the suitability of the potential client for the project.

- An attempt to implement a flexible approach to engagement. The NFF clients can be difficult to engage and a flexible and persistent approach will be needed. This can be assisted by creating the right kind of environment, with all of the projects endeavouring to create a relaxed, informal and welcoming environment. Part of this process is to help clients see that the NFF project is different to other projects they may have worked with in the past.

Examples of approaches to engaging NFF clients are highlighted below.

Youthstart project workers have established a presence in all of South Lanarkshire Council's accommodation units. Good relationships with staff in the units has encouraged them to refer to the project all young people under the age of 25 entering the units. Regular visits to the units by the

Youthstart team allow them to establish informal initial contacts with the young people. Young people feel more comfortable with this and the fact that the contacts are made on their own territory and this can increase the likelihood of successful engagement.

PIE, which works with homeless people, feel that they are good at engaging clients as they convey that the project understands 'where they are at' prior to joining. They have spent a lot of time refining their programme so that the client perceives that it is very relevant to them.

As we have suggested above, the way staff approach work at each of these stages and manage the process are vital to the overall success of the NFF project. Key skills needed appear to be similar across the projects no matter the type of client being targeted and include:

- good communication and interpersonal skills;
- networking skills;
- an ability to put prospective clients at ease and to encourage them to take up the service;
- an ability to assess whether participation is appropriate for the client while being non-judgemental;
- the realism to ensure that mutual expectations are set about what both the project and the client will contribute to the NFF process.

According to the staff involved in recruitment, involvement in these activities accounts for around 5% to 10% of their time – the smallest proportion of project time used. However, this reflects the timescale of the evaluation and the fact that the case study projects are now established projects. It is clear that in the early life of the projects a greater proportion of staff time was invested to establish these networks. Maintaining or extending these networks seems to take less time. None of the projects appeared to have any difficulty sourcing clients.

Although all of the case study projects recognise that successful engagement is an important aspect of the NFF process, they can face difficulties such as:

- a lack of time to get round the agencies which might refer;
- spreading publicity widely enough;
- covering all of their area adequately (especially in rural areas);
- conveying clearly and succinctly to referral agencies exactly what NFF is and what clients can expect to get out of it.

Nevertheless, the recruitment data for the projects show that for the case studies engagement processes are working and that they are able to implement the factors necessary for successful engagement outlined above. Nearly all are investing in

networking and perceive they are offering a flexible service where clients have the opportunity to engage in ways that best suit them.

Initial and Ongoing Assessment

Broadly, assessment has two purposes in NFF projects.

- When the client first joins, to develop an idea of the barriers to employability they may be facing and how the project might be able to assist. In the discussion below we refer to this as 'initial assessment'.
- When the client is working with the project to determine progress towards overcoming these difficulties. We refer to this as 'ongoing assessment'.

The approach to assessment involves the following.

- a conceptualisation of 'assessment' as a two-way process, with the client assessing whether participation in the project is appropriate for them being as important as the project judging whether they think the client is suitable;
- an understanding that the lines between initial and ongoing assessment are often blurred and that assessment should be viewed as an ongoing process. There is certainly always an initial assessment stage which focuses on determining whether the client will benefit from the project and what supports they might need, but ongoing assessment is often about client management as well as assessing progress.

Assessment takes up a larger proportion of time than recruitment and engagement, accounting for around 10% to 20% of staff time. In the majority of the projects both initial and ongoing assessment tends to be carried out by the project worker working most closely with the client, although some projects draw on the experience of other team members who may have specific assessment expertise.

From the case studies, projects working with young people under 25, either offenders or with experience of homelessness, appeared to spend more time on assessment than the other projects. This reflects the difficulty in finding out the young person's barriers to employment; the more intractable problems might not be the ones that clients present with initially.

Initial Assessment

All of the projects tend to use the same initial assessment method for each client although there is considerable flexibility around this depending on each client's degree of comfort with assessment. Likewise, all of the projects view initial

assessment as a participative process. There is consensus across the projects that its primary purpose is to identify how the project can assist the client and to ensure that the service is tailored appropriately. This can involve ensuring the client has a clear understanding of the ways the project can assist them, getting a clear picture of what the client wants from the service and building relationships and trust with the client. This can sometimes take a long time.

Methods vary across the projects and include:
- filling in an assessment form developed by the project jointly with the client (some projects call these forms vocational profiles). The majority of projects working across the client groups used this method;
- one to one discussions based around the NFF baseline form;
- the use of formal assessment tools or instruments, including the Rickter Scale. This seems to work well with a variety of client groups including people with disabilities, young people and people with mental health problems;
- a more organic process involving joint meetings with the client and the support worker from the referring organisation, with the assessment instrument filled in over a number of meetings. Not surprisingly, initial assessment in these circumstances tends to take longer than other projects.

Several of the factors influencing the success of the recruitment and engagement stage are also important to the success of initial assessment, including:
- staff having a good knowledge of the barriers that the client group faces;
- project workers having a good knowledge of the other supports and services available locally to assist clients to overcome these barriers or to whom the client can be referred if the NFF project is not appropriate;
- project workers having appropriate interpersonal skills to help clients open up;
- an ability to use the assessment tools;
- analytical skills that can be applied to assessing how the project can address the particular problems that the client might be facing.

These appear to be generic factors important in all NFF projects irrespective of the client group targeted.

Ongoing Assessment

As outlined above, ongoing assessment is broadly designed to judge whether the client is making progress and several of the projects perceive that this can be useful for both project staff and clients. Ongoing assessment meetings can also be used for a range of other purposes including the following:

- continuing to build or strengthen relationships with clients;
- checking whether the client's action plan is still relevant, sufficiently focused and on track;
- reviewing goals if necessary;
- getting feedback from other agencies which might also be supporting the client alongside the NFF project;
- ensuring the client feels supported and that the project is meeting their needs;
- measuring progress, including any softer outcomes achieved.

Across the projects a range of methods are used to judge progress.
- Some projects use the Rickter Scale either regularly or as required. Most of the projects using Rickter feel that it is useful because it helps the client to see that he or she has made progress when they do not feel that they are making any. Again, Rickter appeared to be appropriate for a wide range of client groups including young people, people with mental health problems and people with disabilities.
- In projects where action planning is used, the action plan tends to be used as a guide for one to one discussions between the client and project worker to assess progress.
- Others use a more informal approach, with one to one discussions on a regular basis.
- In two projects, NFF project staff may be involved in statutory reviews involving the other agencies working with the client.
- A small number of projects have planned review activities which are designed to evaluate provision as well as assess progress.

The skills and requirements necessary for successful initial assessment are pertinent to ongoing assessment, but there are additional factors specific to ensuring that ongoing assessment is effective. These include:
- project workers having a good sense of their role and how this fits with the roles of other workers who may be supporting the client outside the project;
- good administration skills, including file management skills;
- confidence in using the assessment instrument;
- an ability to assess and reassess goals;
- an ability to be sensitive and to give positive feedback.

An example of one project's approach to assessment is highlighted below.

> *Formal and Informal Assessment – Better Futures*
>
> Better Futures works with clients with severe and enduring mental health problems. Although assessment is important, as the project's model of working is based on the view that clients are only likely to progress if their needs are identified accurately and met, initial assessment is fairly brief, involving a one to one meeting with project staff and Rickter assessment. The project perceives that assessment is based very much on project workers' experience and ability to judge whether a client is likely to benefit from joining NFF. Ongoing assessment during the project's workshops often involves clients who have previously been on the project and who are mentoring current clients feeding back to project staff how they perceive clients are progressing.

NFF Activities

NFF provide a range of activities designed to assist clients to enhance their employability. These generally aim to:

- deal with barriers and personal development activities to enhance client's confidence and encourage them to think about progression;
- enhance employability through skills development.

Clearly, achieving the first of these aims should enhance the achievement of the second.

Across all of the case study projects these activities account for the majority of staff time with around 40% to 70% of staff time with an average of 55% devoted to the delivery of these activities, usually split fairly evenly across activities designed to deal with barriers and those for skills development.

Part of the variation across the projects can be accounted for by the proportion of these activities delivered by external partners as discussed above. Projects may call upon colleges, Careers Scotland, local authority departments, trainers or the voluntary sector to deliver some of these activities where they think that specific expertise may be helpful. The projects will use external inputs according to client need, but are in control of the ways clients access these supports and they monitor the outcomes and benefits flowing from these contacts.

Key commonalities across all of the activities provided by the projects, regardless of the client groups they are working with, include:

- one-to-one work with project staff to identify what the client wants to do on leaving the NFF project and to help him or her to access services to assist with barrier-removal or moving on;
- employability-related work, typically involving job search, CV preparation, interview techniques, job applications and discussions of benefits-related issues etc.;

- some personal development activity where clients can find out more about their existing skills and perhaps develop some new skills;
- some kind of skills development ranging from coping skills to employability skills, or improving basic and core skills.

Some, of the case study projects, however, offer more specialist support. For example:

- NCH/Straight Out's cognitive programmes are specifically designed to work with offenders;
- ECSH/PIE's structured learning programme is designed to allow its homeless client to gain insight into the particular factors that may have led to their exclusion.
- New Horizons offer relapse prevention as well as more employability focused provision.
- Hope Service and Flourish House work with people with physical and mental disabilities and mental health problems. Assistance focuses on assessing clients' abilities to do a particular job and helping them to develop the skills they need for that job.

In these ways the NFF projects are attempting to go beyond merely enhancing employability skills. Other examples of the ways that projects have developed programmes to address particular needs are highlighted in the box below.

Borders Women's Aid found that low self-confidence was a common problem for many women joining the project. They provided confidence-building sessions where the clients can discuss employment related issues as well as developing their self-confidence.

FEAT use the Steps to Excellence course as part of their group work programme. They believe that their clients, who have mental health problems, need to build their confidence that they can achieve their full potential and to set goals. The Steps course gives the clients the tools to achieve this.

PIE encourages clients to do an introductory sociology course. As well as helping the clients to develop communication and study skills they find that the content of the course can help develop clients' ideas about citizenship which can have a longer-term impact on the way the clients see their future developing.

Hope Service helps clients to develop a workbook which helps to increase their awareness of their skills. This book can also be used to demonstrate their skills and achievements to prospective employers.

Overall, the evidence from these case studies suggests that there is a lot of similarity in the type of services delivered and commonalities in the way they are delivered.

- All of the projects are looking to achieve similar outcomes for clients, including the development of transferable skills, building confidence and motivation and enhancing the ability of NFF clients to compete in the labour market.
- Most use external expertise to assist them with these activities, including Careers Scotland or Jobcentre Plus.
- Most can vary the ways the support is provided to an extent, depending on client need for more individual support, although several see the value of working in groups.

Progressing NFF Clients

Moving clients on from the NFF project is a key focus for the case study projects and is emphasised from the early stages of engagement with the clients. This was seen to be an important part of explaining the purpose of the project to the clients, and the nature of the support that the project can offer to clients.

Most of the projects use a similar approach to decide when clients are ready to move on from the NFF project and what their options might be. Across all of the projects it was recognised that this is the client's decision primarily, but project workers will do what they can to assist clients to choose what might be the best option.

- Tools, such as the client's Action Plan, are often used to guide these decisions as well as one to one meetings with project staff.
- Performance on work experience may be taken into account when deciding when the time is right to move on.

The process of moving clients on from the NFF project into other options accounts for around 10% to 25% of project staff time with an average of 17%. After activities, this accounts for most project time.

Working With External Partners to Move Clients On

We have seen that project contacts with external organisations are important at the earlier NFF stages.

- These organisations can be a key source of NFF clients at the recruitment stage.
- They may be used to deliver NFF activities if the projects feel that they can contribute valuable expertise and in this way they may help projects to assist clients to either overcome barriers to employment or to help them to develop their employability skills.

Relationships with external agencies are also very important to project efforts to assist clients to move on. Table 2.2 looks at the kinds of organisations which are important for helping clients to move on. It shows the main organisations the projects work with, how many of the projects have links with these organisations and the main purposes of the links. From the table, the most important organisations for moving NFF clients on appear to be:

- Jobcentre Plus;
- local colleges;
- voluntary organisations;
- Careers Scotland; and
- local employment initiatives

Over 80% of the projects have links with these. Fewer projects have links with training providers, employers, local authorities and LECs.

Table 2.2: Project Links to Move Clients On

Referral Organisations	No of Projects with Links	Main Purposes of Links
Jobcentre Plus	10	• Identify options for training • Get vacancy information • Access training • Access discretionary funding • Benefits advice • Use their links to employers
Local Colleges	9	• Information about courses • Access courses
Voluntary Organisations	8	• Work experience placements • Volunteering opportunities
Local Employment Initiatives	8	• Access work placements • Access training • Specific information and advice (e.g. for self employment)
Careers Scotland	7	• Access resources • Specialist careers advice and guidance • Sessions for clients – CVs etc • Discretionary funding • Information about courses/labour market etc
Training Providers	6	• Specific training
Employers	5	• Work placements • Skills development • Possibility of employment • Vacancy information
Local authorities	5	• Work placements
LEC	2	• Information about national programmes • Strategic advice • Local labour market information

The approach to moving clients into organisations is highlighted for two case study organisations below.

PIE have a very structured approach to moving on. It is expected that all clients will have begun moving on by the end of the project's teaching programme and so this is planned for from around half-way through the teaching. Clients prepare an exit strategy and all project activities will attempt to build towards moving on. As the clients are with the project for 6 months there is an opportunity to build a strong and close relationship with each client and this means that the project workers generally have the confidence to challenge unrealistic goals. From the project's experience, flexibility and responsiveness in the nature of support offered to clients during this phase is essential to moving on effectively.

Better Futures perceives that one of the key difficulties for people with mental health problems is that they often enter jobs or training or education options that are not suitable and these can break down. The project's programme helps clients to take more considered decisions, with less chance of breakdown. In contrast to many other projects working with people with mental health problems, they have a much stronger focus on moving people on and want to encourage normal paths of progression. For some clients, merely engaging with a service which is not viewed as a health service can be an indicator of, and an impetus to, progression. They feel that they have built effective networks with organisations which can assist clients to progress once they move on from the projects. The support worker can also work with the clients after the workshops to help them to address any specific difficulties in relation to progression.

Few problems were raised during the case study visits in relation to this networking.
- It appears that in most cases networking is regular and is used to help clients both deal with problems and progression.
- Relationships seem to be strengthening as NFF projects become established and also as key agencies such as Jobcentre Plus and Careers Scotland are tending to focus on people who are likely to have similar problems to NFF clients. It is not clear from the case studies whether the impetus for strengthening relationships is coming from the NFF projects or the agencies themselves, although some of the case study projects mentioned how protocols developed in pilot areas with Jobcentre Plus had been useful.

The main purposes of the links to these organisations appear to be the following.
- Jobcentre Plus typically provides NFF projects with information, which can include benefits advice, and offers clients opportunities, for example linked to training or vacancies.
- Careers Scotland is used to access specialist services such as careers guidance, some ways of improving employability skills such as preparing CVs and getting information about the local labour market.
- Colleges are generally used to access information and courses.

- Links with training providers may be used to access specific training which could provide a stepping stone to employment.
- Voluntary organisations can both provide support for clients to address barriers to employment while they are with the NFF project as well as placement opportunities to assist clients to move on.
- Local authorities or local authority-sponsored projects can provide work placements or a variety of specialist employment related services depending on the particular project.
- Local enterprise companies can offer support to develop the project management capacity of organisations.
- Employers can be a valuable source of work placements or work experience although networking with these is less common.

It is also clear that organisations like Jobcentre Plus benefit from the links they have with the NFF projects, which can help as a way of engaging the harder to reach groups which they are now targeting. Additionally, by working with the NFF to reach clients before they move into their own services these organisations ensure that clients:

- have more accurate and realistic expectations of these services when they join;
- are more prepared to engage;
- have a more seamless transition into the new service.

All of these may help to sustain engagement in the service and improve outcomes.

Moving Into Employment

Most projects provide one-to-one support sessions to discuss what is needed to move into employment. This might involve:

- talking to the client about the requirements of the job;
- helping with applications or interview techniques etc.;
- helping to identify appropriate training for specific jobs;
- identifying and negotiating appropriate external supports for the client to help to sustain the job.

NFF clients can face a range of problems moving into employment, including their poor work history, poor understanding of the world of work and coming up against negative employer perceptions. However, probably the most common problem relates to benefits issues where complexity of the benefit system, and the possibility of benefits traps can make the transition into employment difficult.

Projects will help clients tackle these problems by building their confidence to negotiate and will draw on other agencies' expertise including Jobcentre Plus, training providers, specialist advisors such as New Deal Lone Parent Advisors, Careers Scotland, Social Work or specialist local employment projects or teams.

Moving Into Education

Some NFF clients may move into education, usually further education, after leaving the project. Projects may:

- introduce clients to the colleges and help to make going back into education less intimidating;
- assist clients to apply for courses;
- assist them in finding and securing sources of funding and sorting out any financial problems, perhaps related to the impact on benefits;
- help clients to negotiate any support that they may need to access courses, for example flexibilities in attendance or learning support.

The common problems faced in moving clients into education can include:

- difficulties finding appropriate courses locally;
- travel and childcare difficulties;
- financial problems, including clients being able to afford courses and difficulties around benefits;
- the inflexibility of many courses.

Most of the projects are able to help the clients deal with many of these problems by finding people in the appropriate external agencies, such as Jobcentre Plus, Careers Scotland or colleges, able to offer assistance.

Moving Into Training

A proportion of the case study projects' clients also move into training which can include government programmes such as the New Deal and Get Ready for Work. Projects' roles in relation to assisting clients to move into these options are similar to those outlined in relation to education and include making referrals, introducing the client to the training provider and supporting their engagement in the programmes. Projects seem to encounter few problems when clients enter training although one mentioned that it could be a problem if different Jobcentres have different policies around how flexible they can make training.

Moving Into Volunteering

A small proportion of NFF clients can opt to take up a voluntary position. Typically the projects try to ensure that the clients get the maximum benefit from volunteering by supporting the client to negotiate a placement that will offer the opportunity to develop training or skills.

Projects reported few problems linked to volunteering although some said that promised training and support did not always materialise and that it was important to support the client so that it was not perceived as a negative experience if the volunteering did not work out.

Aftercare

Some of the problems faced by NFF clients moving on highlighted above suggests they may need additional support to sustain progression. In recognition of this, most of the projects provide some amount of aftercare although there are variations in the proportion of staff time allocated to this. Most reckon that aftercare accounts for 10% or less of staff time, although in one project it accounts for 20%.

There are broad similarities in approach to aftercare regardless of the client group worked with, for example:

- support is usually for an indefinite period of time;
- support is generally provided by project workers with whom the client has worked in the past.

Providing aftercare can be problematic for the projects, however, and it is probably at this stage of the work with clients that they encounter most problems. These include:

- assessing the demand for aftercare;
- difficulties in juggling time spent on providing aftercare to clients versus meeting the needs of clients still in the project;
- time pressure on staff, with not enough time for in-depth support.

Some projects argue that there is little demand for aftercare and little response from clients, and that it is easy to lose contact with clients.

Lessons on What Makes NFF Projects Effective

When trying to assess what factors contribute to NFF project effectiveness there are two aspects to consider:

- effectiveness *within* projects – and whether at a project level there are clearly some clients for whom NFF works better than for others;
- effectiveness *across* projects – what are the factors that generate effective projects?

Variations in Effectiveness Across clients

While most of the projects indicated that they do take on some NFF clients who need relatively little time and assistance to move on, there is little evidence that projects are creaming clients and not taking on clients who are hard to help. Most of the case study projects are working with people with at least four barriers to employment.

However, a general point emerging from the case studies appears to be that, within NFF target groups, clients are highly variable in terms of the levels of support they require and the time needed for progression. Although some are ready to move on within a few weeks, others will take substantially longer and indeed may never progress into mainstream employment.

The projects can find it more difficult to progress some NFF clients compared to others and this appears to be related to the number of barriers each client has.

- A case study project working with offenders finds clients with more severe problems and multiple needs (including mental health problems and drugs and alcohol problems) alongside their offending history may be more difficult to deal with. It may take much longer for these clients to progress and they may not progress to a positive employment related outcome – the project has to consider whether it is able to assist them to achieve any progression and if they feel this would be possible then they will work with that client.
- A project working with homeless people say some clients have lives that are too chaotic or have insufficient literacy and numeracy skills to enable them to participate in the NFF project. They would like to do some work in hostels with these clients to prepare them for engagement in the NFF project. This project also found clients with anger management issues are difficult to work with. They do some work on conflict resolution but they have found it difficult to find services that can help clients with these problems.
- A project working with people with mental health problems commented that they are unable to help people whose mental health problems have not stabilised as the project staff do not have this expertise. These clients are unlikely to be able to participate successfully in the project's activities, or gain

much benefit from NFF. More flexible medical support in the community for clients could help them to participate more effectively in the NFF programme.

Later the evaluation analyses the impact of NFF on different client groups in a statistical sense – to give a much better idea of the groups for which NFF works better than others.

Variations in Effectiveness Across Projects

Reading across the case studies, there seem to be some common factors linked to NFF effectiveness.

- The skills of staff and their knowledge of the client group they work with is critical. This includes the skills and experience of the project managers as well as the staff who work directly with clients. For example, most managers seem to have a focus on connections to the world of work and are also well-networked. Projects also value working together in teams and have tried to ensure that there is a mix of backgrounds and skills in the team.

- Appropriate, well-planned and effectively delivered activities help to maintain client engagement and commitment to the project.

- All of the case study projects have a strong focus on moving clients on, rather than holding them in – which tends to be the prevailing ethos in the core sectors.

- As part of the above, effective networks need to be built with organisations that can help clients to move on.

In relation to **recruitment** and **engagement** the following seem to be important.

- Staff need to have a good understanding of the client group with which they are attempting to engage and of the difficulties that they may face in the engagement process.

- Given the reliance of most projects on referrals from other agencies for reaching clients, good relationships with these agencies have to be engendered. Staff will need a good knowledge of the statutory, voluntary and community organisations operating in their locality.

- NFF staff need to convey to potential clients that they are flexible in approach and that the project is not too structured and formal. Clients need to understand how provision will meet their needs.

- The methods may be quite standard, but what seems to be key is the ability of the project workers to convince the clients that what they offer is different

from provision elsewhere and from services they may have experienced previously.

In relation to *assessment,* the following are also important determinants of effectiveness.

- NFF project workers need a good understanding of their client group's likely difficulties. They will need to have the skills to assess barriers to employment and evaluate progress as well as an ability to build relationships.
- Projects need to regard assessment as a long term process and it may be that significant barriers to employment may not emerge until some time along the process of working with the client.
- NFF projects can use a variety of assessment methods depending on client need and comfort with assessment processes.

In relation to NFF project *activities,* a number of factors are important.

- Projects need to provide a range of activities to address the particular needs of their client group as well as develop employability skills in general.
- NFF projects will benefit from links with external agencies which can supply specific expertise to assist them in employability activities.
- In managing activities is important to ensure they are tailored to client needs.

A number of features are key for *moving clients on* effectively.

- The project focus on moving clients forward needs to be introduced at the engagement stage.
- This focus will have to be reinforced through action planning and activities to overcome barriers and enhance employability.
- Projects should network with a range of partners to assist clients to move on – the focus of this work is ensuring that these external projects provide a good service to the clients.

Finally, in relation to *aftercare* the following seem to be important.

- Support may need to be provided for an indefinite period of time.
- Systematic mechanisms to track clients are important to avoid losing contact with them.

Overall Assessment

The NFF Employability Model developed in Phase 2 of NFF characterises the enhancing of employability within NFF as a process which:

- starts by stabilising and tackling the barriers to employment posed by social exclusion;
- builds up the assets of the individual in terms of skills, motivation, etc;
- moves on to guide and counsel around careers and builds the capacity of the individual to manage their career;
- finishes with work on the techniques required to maximise the chances of securing work;
- moves people into or towards employment, and helps to sustain their outcomes.

The information from the case studies provides detailed evidence on how this model is implemented in practice. The diagram below (Figure 2.1) represents how employability is being embedded in the NFF projects, typically from a more 'bottom up' perspective than the more 'top down' Employability Framework.

However, there are clearly strong links between the Employability Framework and what has emerged from the case studies with both emphasising:

- how a range of actions will be necessary to address client problems (or personal and labour market context);
- that thinking about a job can only begin once these are beginning to be addressed;
- that some work to address issues around sustaining engagement in jobs or other opportunities will have to be undertaken.

Figure 2.1: The New Futures Fund Approach

Tackling Personal Problems	→	Building Skills + Motivation	→	Thinking About Careers	→	Job Search + Interview Skills	→	Positive Outcomes + Aftercare

Staff skills to facilitate the process

Continual action planning and assessment

Strong links to external agencies

Factors Necessary for Effective Delivery				
• good understanding of the client group • knowledge of what networks can provide support • build confidence in the client that the project can tackle their problems • staff work with client • time taken to identify problems	• plan and arrange activities clients see as relevant • flexibility in approach • revisit problems to assess need for new ways of working on them	• offer clients time to choose options – emphasis on sustainability but introduce at early stage • wide range of activities to develop general and particular skills • identify wide range of supports for this • facilitate involvement of these agencies	• use external agencies and the voluntary sector as necessary • make activities relevant to the client and their aims	• focus on moving on • links to external agencies • support available for an indefinite period

Our view is that the value associated with the approach which has developed in a number of the NFF projects can be characterised in the following way.

1. It is a *client-centred* approach, a way of working with a long tradition in the voluntary sector across a range of service delivery, and pioneered in terms of employability services by European Social Fund (ESF) projects and local employment initiatives in the 1980s. This client-centred, customised approach is, however, only now being taken on board by national employment programmes.

2. It is a ***holistic*** approach, meaning that there is a broad recognition that although tackling the client barriers may help raise employability, particularly for clients with many barriers, raising the probability of sustainable employment means action on many fronts. There is little evidence that employment services have taken on the holistic approach except in rare instances. Although the better NFF projects buy into this way of working, we feel the resource costs involved in sourcing the range of services needed by the client with more complex barriers have been underestimated – not least the staff time involved, in typically small projects, in building and sustaining effective networks. Additionally, there remains a serious issue as to whether specialist projects are the best base from which to promote holistic service delivery.

3. It is an ***engaging*** process, where the better projects are delivering activities that attract and sustain client involvement. It has to be this way because there is no compulsion on clients to join or stay with NFF projects. In the main, the activities themselves are unremarkable, although in some instances they build on professional specialisms (e.g. around addiction treatment). The other part of the engagement process lies with the way staff behave towards potential and actual clients, and this builds on attitudes towards working with disadvantaged or jobless people, developed again in the 1980s though projects and initiatives often funded from Europe.

4. It is a ***moving on*** approach. From an early stage, in the better projects, the emphasis is on moving clients towards the labour market – or at least to a stepping stone on the way. This stands as a distinctive approach in relation to care provision in health and social work (although this is now changing) – and indeed the 'backwoods' of some of our national training programmes where the 'training weeks – bums on seats' approach to clients still remains. The statistical evidence (reviewed later) shows that a significant proportion of clients do indeed move on relatively quickly. Although this aspect of NFF is rarely highlighted, we view this as one of its most significant contributions.

5. It is a ***partnering*** approach, where service provider and client work together. The Action Plan, tools such as Rickter and other aspects of the NFF approach seek to share with the client the process of finding solutions and tracking progress. Although the evaluation evidence is lacking to date to support the effectiveness of this way of working in terms of positive employability outputs, it is intuitively appealing and is now finding its way into more mainstream approaches. It is part of a move from using, say, Action Plans as an auditable service to a positive motivational process for both projects and clients.

6. It is a *path finding* approach. The individual elements of NFF are all well-tried. There is nothing particularly innovative here. The key value of NFF is in:

- linking the elements together for a jobless group for whom progression towards the labour market is currently limited;
- demonstrating to care service providers that there is a distinctive and reliable pathway along which some of their clients can travel towards the labour market.

There is generally a lot of talk about this, but NFF has put it into practice.

Key Points

1. The NFF projects are well networked with the organisations dealing with disadvantaged client groups. This is entirely appropriate as we would expect that the majority of referrals should come from agencies working with clients at the greatest distance from the labour market and who are likely to have the greatest number of barriers to employment. A continued focus on these groups is necessary for NFF to maintain added-value and this will require continued servicing of these networks to ensure the most disadvantaged clients are reached.

2. Although NFF projects provide consistent support to clients as they progress towards employability, they may not deliver all aspects of the service the client receives and projects may bring in external services to deliver specific aspects of provision or refer clients to external services. The proportion of services delivered by external agencies can vary across projects depending on factors like the capacity of the NFF project and the particular expertise of the NFF staff. An important role for the NFF projects is therefore coordinating involvement with these external agencies and supporting client engagement.

3. NFF project staff can have a variety of employment backgrounds although qualifications in fields such as social work or guidance and counselling may be helpful. Having the appropriate skills, knowledge, attitudes and behaviours is probably more important than having specific qualifications, however.

4. One of the features of NFF is the attempt to involve the client in a meaningful way at all stages of the process. Assessment is not carried out for assessment's sake and clients are encouraged to have ownership over their own assessment as this allows them to recognise their progress in their own terms. This is clearly pertinent to assisting clients to develop self-confidence and become more positive, both important to re-engagement with the labour market.

5. The holistic focus of NFF and the expectation that it will work with people to address more deeply embedded barriers to employability means that projects need to provide a range of activities focused on particular barriers and enhancing skills. The evidence from the case studies suggests that both of these aspects are being addressed by the projects. While there are commonalities in the activities delivered by the NFF projects and employability-related work that might be found in more mainstream provision, there are also specific activities developed in response to an identified client need.

6. All of the case study projects have fairly well-developed links with the range of organisations able to help clients to progress beyond the project. Strong links with other organisations are necessary to solve any problems clients may face in moving on.

7. Aftercare has developed unevenly across NFF projects. This may be due to lack of clarity about whether this should really be part of the NFF service and/or lack of resources to deliver appropriate and comprehensive aftercare services.

8. The outcomes achieved by NFF projects should not be the sole criterion used to judge their effectiveness as factors like the number of barriers clients face and the level of support they require will influence achievement of positive outcomes. This can vary both within and across projects. However, effective projects tend to have:
- staff with the appropriate skills;
- taken time to ensure that they make their provision relevant to clients;
- a strong focus on moving on;
- effective networks with external agencies.

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3. ADDED-VALUE OF THE NFF PROGRAMME

Introduction

The last section analysed the NFF approach in terms of practical service delivery. This section looks more narrowly at the NFF programme as a funding stream managed by Scottish Enterprise (and Highlands and Islands Enterprise) to assess whether the money and the associated management effort created added-value in terms of service delivery. In principle, it is perfectly possible that the organisations receiving NFF funding were being paid to deliver services they were already delivering, and this is all the more likely as the NFF Initiative targeted organisations already actively engaged with the client group.

Two types of additionality are explored in this section.
- Did NFF project funding change service delivery?
- Did the active management of NFF by Scottish Enterprise add value?

Each of these is discussed in turn.

Additionality in NFF

Project Feedback

A qualitative assessment of additionality in NFF is based on a review of the interviews conducted with 40 of the NFF projects.
- Around half of the projects were doing some kind of employability work prior to receiving NFF funding.
- The other half had recognised that their clients could benefit if they were given employability support.

All of the projects perceived that the NFF funding was helping them to address identified gaps in service.
- Clients could benefit from the organisation's existing service but were not, either because the project did not have the resources to target this group or their service was unable to offer the intensive support they needed. In these cases the clients could be described as 'harder to help' as they needed more intensive or longer-term support. They may have accessed the services before, but may have not been able to sustain engagement.
- Clients could benefit from employability support which would lead to better longer-term outcomes for the client group. This gap was generally in projects working with groups like the homeless or drug users where there seemed to be an increasing recognition that enhancing these client employability skills could

increase the likelihood that they would be able to get over their problems in the longer term.

This first group tended to be the projects which had been involved in employability work prior to NFF coming on stream. For these projects, NFF funding had allowed them to:

- work in a more intensive way with clients needing more support;
- reach more clients, either through doing outreach work or delivering the NFF project in geographical areas where the organisation did not work before;
- work with new client groups, including younger people or people with drug problems.

Projects with no prior experience of employability work seem to have used NFF to enhance their existing services by adding employability support. This work was not done prior to NFF because either:

- they did not have staff with specific expertise in this field; or
- staff were too busy dealing with the clients' immediate problems to introduce employability support work.

In these cases the NFF funding allowed expansion of staffing either by bringing specialists in employability or new staff who would have time to devote to employability work.

In the absence of NFF funding:

- the majority of the projects perceived employability work would not be getting done at all with their target client groups;
- a small proportion perceived that it may have been getting done, but in a less intensive way or on a very much smaller scale;
- only two projects said that they would have looked around to secure other funding to try to allow the activities to be developed.

A summary of the project responses on additionality due to NFF issues is tabulated below.

Table 3.1 Additionality in NFF – Project Perceptions

	Number of projects
Service would not be running in the absence of NFF funding	25
NFF has allowed us to work in a different way with existing clients	15
NFF has allowed us to provide new employability focussed services	14
NFF has allowed us to provide employability support to new client groups	11
Service would be running without NFF funding but on smaller scale	11
Would have tried to secure funding if had not got NFF	2
Don't know whether service would be running or not	2

Note: Based on feedback from 40 NFF projects. More than one answer can be given.

Client Perceptions

Feedback from clients is also a source of information about the additionality of NFF, focusing on their perception of the way the NFF service differs from other services aiming to enhance employability. Clients perceived that the NFF services differed from their earlier experiences of employability services, such as training programmes and Jobcentres, in a number of specific ways, the most important of which appeared to fall into three areas.

- Clients in around half of projects felt the ***attitude of the project staff*** was different with project staff perceived to be more approachable and helpful, more informal, forward-looking and able to communicate that they value what the client has to say.

- In around a quarter of the projects, clients argued that the ***type of support offered*** was different. Clients judged that the NFF projects offered a larger range of activities and had more resources than other services which they had used, were more responsive and flexible to client needs and requirements, could link in clients to a greater range of opportunities and were not prescriptive.

- For the clients of around 1 in 7 of the projects, the ***way that the support is delivered*** was different. In particular, clients appreciated the way that attendance is voluntary, that there are no deadlines or need to achieve outcomes within a certain timescale. This made them feel less pressurised and more relaxed. Projects appeared to be able to create safe, comfortable environments. Clearly, however, there is a need to create the right balance between providing a relaxed approach and making sure that clients feel that they should be progressing.

Overview

The project-based evidence shows clearly that NFF generated additionality in terms of extra employability services delivered, new ways of working with clients and wider access to employability services. Additionally, clients perceive that the services offered by NFF projects are very different to those delivered by the conventional providers.

Management of New Futures Fund Initiative

It is important to remember that NFF was set up as a pilot. It represented an opportunity to test new approaches to working with people further from the labour market to enhance their employability, and could also be seen as a catalyst for change. The evaluation of Phase 1 of NFF found that it had achieved its objective of providing employability support for a hard-to-reach vulnerable group, but that there were a number of areas of work that still needed to be developed to improve effectiveness.

- Although project activities were assessed as being largely well-balanced and appropriate, they needed to be more tightly focused on employability.
- There was a need to improve linkages to the New Deal and employers to assist moving clients on.
- Tracking and follow-up of project leavers had to be improved.

These developmental issues were carried forward into Phase 2 of NFF, which started in April 2002. Phase 2 was seen as an opportunity to assess whether variations in scale and client groups, and different models of funding, would make a difference. There was also a stronger focus on employability enhancement as the core activity. Finally, from the outset of Phase 2 there was a recognition of the need to learn the lessons of NFF and promote the mainstreaming of NFF beyond March 2005. To summarise, Phase 2 had a focus on a number of specific areas for development, principally:

- *enhancing employability*;
- building up *networking*;
- pursuing *sustainable* gains for NFF clients;
- promoting the *mainstreaming* of NFF.

The main developments in Phase 2 in each of these areas are highlighted briefly below.

Enhancing Employability

Work carried out to define and refine the NFF approach included the development of the Employability Model and Employability Framework. In this way, the issue of

employability was addressed in a more formal and structured way in the second phase of NFF.

The Employability Model identifies the business case for NFF, the fundamentals of the approach and key components of the NFF service, while the Employability Framework identifies the four main components of work with clients needed to improve their employability. These include:

- *Personal and labour market context* – recognising that the ability to raise employability depends on external factors, personal circumstances and the interrelationship between the two. Projects work with clients to assist them to overcome personal barriers to accessing the labour market.
- *Assets* – helping clients to acquire knowledge, skills, personal attributes and attitudes that will help them to get a job.
- *Marketing and deployment skills* – assisting clients to develop all aspects of career management including job search skills, adaptability and the capacity to plan.
- *Presentation* – coaching clients to develop the ability to demonstrate their assets to get a job. This may involve such things as improving interview techniques, working on personal appearance or providing work experience.

By assessing project activities against these four components, projects should be able to identify whether they are providing necessary support to their clients and where there may be any gaps in their services.

The Interim Evaluation discovered that projects had mixed views about the utility of the Employability Framework for this purpose. For some, the exercise of completing the Framework had been useful as it had confirmed that their activities were sufficiently focussed towards developing employability. Others, however, clearly struggled to conceptualise employability in this way and found it difficult to incorporate their activities into the Framework.

More recently, comments from some of the case study projects visited for this final evaluation suggest that the Employability Framework has helped them to shape their service and has kept the focus on employability to the fore, suggesting that NFF projects are now more comfortable with the Framework. There may be a number of reasons for this.

- Guidance from the NFF team has helped develop project understanding of the Employability Framework in the period since the Interim Evaluation.

- Projects may be becoming more familiar with the language of employability and, as they have developed their expertise in this work, may be more likely to see the relevance of their activities for enhancing employability.
- Continued development of the Framework has led to the creation of the Employability Services Mapping Tool. This allows projects to assess their activities against the various elements of employability preparation including how they can address a client's personal circumstances, enhance skills, engender appropriate attributes for employment, help them to explore career possibilities and support them to sustain involvement in the opportunity they progress into. The language of the Mapping Tool appears to be more straightforward than that used in the Framework.

Additionally, these tools have been used to help to explain to potential funders where the NFF project might fit with other local mainstream services, expanding the Employability Framework's utility beyond merely outlining how employability can be addressed within projects to describing how it can be adopted by a range of partners working alongside NFF projects.

The Interim Evaluation had called for the need to generate a more detailed description of the NFF way of working and greater emphasis on the later stages of employability enhancement within the activities offered by the projects. It appears that there has been good progress in these areas through the development of the Employability Services Mapping Tool.

Building Up Networking
In Phase 2 the position of the NFF as an initiative combining both economic inclusion and labour market goals was clarified, with NFF uniquely placed to promote linkages between welfare and employment agencies to support excluded individuals' first steps towards the labour market. However, this was only likely to happen if strong and effective linkages between these agencies could be developed both:
- laterally to bring clients into the NFF projects and ensure that they had access to the range of supports they needed to address barriers to employment; and
- vertically to ensure that they could access the key agencies to help them move on.

However, the Evaluation of Phase 1 and the Interim Evaluation of Phase 2 had highlighted weaknesses in networking, including the need for projects to form better links with organisations closer to the labour market and with employers. There were

also variations across projects in the quality of networking with key agencies such as Jobcentre Plus. Given the importance of NFF as a mechanism to enhance the progress of clients into mainstream employability, poor links with Jobcentre Plus services and programmes was seen as a particular weakness.

Variations in networking were partly due to difficulties commonly found across many initiatives, including staff simply not having the time to network effectively. However, it was also clear that, at least in some NFF projects, there was some scepticism that mainstream agencies like Jobcentre Plus had the capacity to work effectively with NFF clients. These difficulties resulted in an uneven pattern of referral between Jobcentre Plus and the NFF projects. Whilst 74% of NFF projects referred clients to Jobcentres, just over half of the projects reported receiving referrals from Jobcentres.

A pilot initiative to improve networking between the NFF projects and Jobcentre Plus was established in 2002 to address particular weaknesses in the relationship. The objectives of the pilot were to support Jobcentre Plus and NFF staff to develop a clearer understanding of each other's roles and to explore how joint working relationships could be forged, through the development of a protocol for joint working covering:

- communication – how improvements in exchange could be promoted between projects and local Jobcentres;
- the setting up of joint staff development events;
- outreach – how Jobcentre Plus advisors could work on an outreach basis within NFF projects;
- referral – the development of an agreed procedure between Jobcentre Plus and NFF.

Evaluation of the projects which took place in Glasgow and Dumfries and Galloway was positive with:

- the protocols encouraging communication, understanding and the promotion of better working relationships between NFF and Jobcentre Plus;
- a substantial improvement in Jobcentre Plus referrals to NFF projects;
- greater understanding of potential difficulties in working with clients with particular needs due to the kinds of barriers these clients face and the regulatory frameworks which Jobcentre Plus had to follow;
- the identification of some areas where further developmental work could take place to support NFF client access to Jobcentre Plus services, including

improving the flexibility of provision, strengthening communication, developing greater understanding of client needs and breaking down organisational and cultural stereotypes.

The pilot generated added value for both the NFF projects involved and Jobcentre Plus – and ultimately for their clients.

The lessons from the NFF/Jobcentre Plus protocol have the potential to help the NFF projects to develop an approach to networking with organisations closer to the labour market. At least among the 10 case study organisations featuring in the Final Evaluation it appears that there are strong relationships with Jobcentre Plus and other organisations closer to the labour market. This may be due to greater efforts on the part of Scottish Enterprise's NFF team to promote the idea of networking and to a greater emphasis on employability in Phase 2. Additionally, as projects mature they may find the time and have the connections needed to develop effective networking.

Promoting Sustainable Gains

A third developmental theme focussed on to how the progress of individuals could be strengthened and sustained beyond participation in NFF. The issue of poor tracking and aftercare was raised in the Phase 1 evaluation of NFF.

The Interim Evaluation of Phase 2, however, revealed variable effort across projects. Some projects were unclear about their role in aftercare, had little planned provision for this service and were unsure about whether there was really a demand for aftercare from NFF clients.

The NFF team developed a range of actions.
- The team organised workshops on tracking and aftercare, in order to identify good practice and issues around how to track effectively.
- A set of guidelines was produced to assist and encourage projects to set up formal and informal arrangements to talk to clients beyond their closure date. It was also intended that projects record outcomes of clients at this stage.

Many projects were keen to receive very practical support to set up systems, and the Scottish Enterprise NFF team featured the paperwork of a group of Glasgow projects on their website, to be downloaded as projects wished. Additionally, the staff proactively worked with projects on monitoring visits to ensure systems were put in place, and to promote the guidelines and paperwork available.

More recent project views on aftercare assessed for the Final Evaluation, suggest that there is still uncertainty about the demand for aftercare and what NFF should be doing about this. Awareness of the guidelines for tracking and what can reasonably be offered by way of aftercare to clients was limited. Unless there is effective tracking of clients it is difficult for projects to assess the demand for aftercare services and deliver these services effectively where there is demand.

Our view is still that the resource demands associated with tracking and aftercare were underestimated at the outset of NFF – and continue to be underestimated in the policy and funding community more generally.

Mainstreaming

The issue of mainstreaming is of critical significance. For this reason it is treated in depth in a later section of the evaluation.

Overview

The evidence from the process of consultation and review suggests that the small NFF Management Team in Scottish Enterprise added significant value to the delivery of NFF, particularly in the embedding of the employability framework and the promotion of networking.

Key Points

Additionality

1. Additionality in NFF has been created in three ways.
   - For 37% of the projects interviewed for the evaluation, it has allowed them to provide new services for existing clients who were perhaps unable to benefit fully from their existing services prior to NFF.
   - For 35% of the projects it has resourced them to develop employability services which previously were not provided by the organisation.
   - For the remaining 28% of projects, NFF has allowed them to expand their services to work with new client groups, either in new geographical areas, or with younger clients for example.

2. Given that some of the mainstream providers of employability services are looking to develop support for more vulnerable groups, the areas where NFF has possibly most potential to add value in the future appear to be in:
   - reaching clients which perhaps may not have been targeted by employability services in the past;

- preparing clients for engagement in the mainstream (Chapter 3 highlights that some of the projects are already doing this);
- providing specialist employability support in agencies such as drugs projects in the hope that this will help support the clients to achieve longer term outcomes.

Programme Benefits

3. Earlier evaluations of Phase 1 and the Interim Evaluation of Phase 2 suggested there was a need for a tighter focus on employability, better networking with organisations closer to the labour market and supporting the sustainability of client gains.

4. A review of work undertaken by the NFF team since the Interim Evaluation suggests that there had been good progress in these areas. In particular, projects seem more comfortable with the employability focus of their work and have stronger relationships with organisations closer to the labour market which can help clients to move on. Aftercare provision, however, remains patchy and a firm view on what constitutes aftercare in the context of NFF does not appear to have been developed.

4. IMPACT OF NFF ON CLIENT PROGRESSION

Introduction

In this section, the earlier qualitative assessments of NFF are buttressed by a more systematic quantitative analysis, drawing on two sources:

- the NFF monitoring database which holds information on all clients;
- a follow-up survey carried out by the evaluation team (based on a selection of the case study projects).

A key aspect of the Phase 2 evaluation is the need to *quantify* what, if any, impact NFF appears to have on the clients. Even if the NFF approach appears sound and the clients like it, it needs to progress in a sustainable way a reasonable proportion of the clients to justify the resource devoted to it.

Analysis of NFF Monitoring Database

This section uses the data on Phase 2 NFF clients joining the initiative between the start of April 2002 and the end of October 2004. Unless noted otherwise, the analysis includes all of these clients who have taken part in NFF.

Scale of Activity

As of the end of October 2004:

- 6,910 clients had started in NFF projects during Phase 2;
- 4,787 clients had left the NFF programme, i.e. were logged as closures.

Referral

The main sources of referrals are listed below:

- 21% of clients self-referred, evidence of a strong, positive word of mouth network;
- 18% were referred by social work, 15% by hostel accommodation providers and 8% by other parts of the host organisation;
- health services referred only 6%, and there must be scope to increase the connections here;
- only 5% of referrals came through Careers Scotland or employment services, possibly raising questions about the visibility of the NFF projects and the knowledge base of the staff of careers and employment services organisations.

There is little evidence of clients moving in from other NFF projects, or returning to their NFF project. Only 281 clients (4%) were recorded as having had a previous NFF engagement during Phase 2.

Duration in NFF Project

The length of stay in the NFF programme is reasonably short on the average, but variable.

- Just under 10% of clients moved on within 1 month.
- The two biggest groupings were clients staying for one to three months (27%), or three to six months (30%).
- 22% stayed between six and 12 months, and 11% remained with their projects for over 12 months before leaving.

Client Barriers

At the heart of the NFF approach is an attempt to deal effectively with clients with deeply embedded and/or multiple barriers. On the basis of what clients reported at the time they joined their NFF project:

- 13% had no or only one barrier;
- 34% had two to three barriers;
- 53% had four or more barriers.

The most quoted barriers (Table 4.1) were lack of confidence (45%), lack of experience or skills (44%), and lack of education or training (43%).

Table 4.1: Client Barriers

Perceived Barriers	%
Lack of confidence	45
Lack of experience/skills	44
Lack of education/training	43
Substance abuse (drugs/alcohol)	36
Homelessness Issues	30
Criminal Record	30
Benefit Issues	25
Mental Health	25
Emotional/behavioural barriers	24
Lack of transport	17
Attitudinal Barriers	14
Learning Difficulties	13
Literacy	13
Long-term illness	12
Childcare/dependent care issues	11

Source: NFF Database, October 2004

A quarter of NFF clients had never worked, but approximately two thirds had some form of previous work experience.

Client Progressions Within Project

When clients leave NFF projects, a closure form notes the barriers recorded in the Action Plan and indicates progress the client has made in overcoming these barriers. Table 4.2 indicates the extent to which clients met the goals of these Action Plans. Progression is judged by the project staff with the help of client's Personal Action Plan, ongoing reviews and a final assessment. It is clear that there is considerable variability across different groups in terms of progress made towards Action Plan objectives on barrier removal.

- Most progress has been made towards issues around accommodation and independent living.
- Least progress has been made around drug and alcohol abuse, or for clients with learning difficulties and people facing transport issues.

Table 4.2: Progression Towards Action Plan Objectives by Barrier (Row %)

Barriers	Action Plan Objective Met (%)	Some Progress Made (%)	No Progress Made (%)	Sample Size
Accommodation	33	38	27	1,887
Independent living	27	51	22	1,405
Childcare/dependent care issues	25	51	22	575
Disability	24	42	30	430
Offending behaviour	24	49	26	1,396
Drug abuse	23	51	25	1,174
Transport issues	23	35	41	628
Drug and alcohol abuse	20	50	30	620
Health issues	19	58	21	1,589
Alcohol abuse	14	53	30	710
Learning difficulties	10	57	30	817

Source: NFF Database, October 2004

Onward Referral

Maintaining contact with clients is an important dimension in NFF project outcomes, and this becomes more difficult as clients are referred on to other agencies or services. The onward referral agency is known for 67% of clients. In 9% of cases the referrals

are to other parts of the host organisation. The most frequently reported referral agencies are:

- addiction services (13% of referrals);
- voluntary sector projects and Employment Service/Jobcentre Plus (12% of referrals);
- social work (10% of referrals);
- other referrals include Careers Scotland (9%), housing services (9%), health services (7%) and hostel/accommodation providers (6%).

Given the profound and multiple barriers faced by many NFF clients it is not surprising that in a significant proportion of cases onward referral is to agencies involved in tackling barriers. Progressing jobless people with multiple and/or deeply embedded barriers is not a simple linear process.

Destinations of NFF Clients

NFF is expected to progress clients along the employability spectrum – it is about moving clients forward in a sustainable way rather than holding them in to care systems or recycling them around care providers. Table 4.3 analyses its success in this regard. The main destination categories are the three 'levels' defined at the outset of the NFF Initiative. The categories adopted here are as follows.

- *Level 3 outputs* include those moving into employment and self-employment.
- *Level 2 outputs* include those moving into supported employment (where clients may receive intensive support for a period of time when in work), further and higher education, Training for Work, Skillseekers, Special Training Needs (STN) Skillseekers or Get Ready for Work, or into an Intermediate Labour Market (ILM) project.
- *Level 1 outputs* include those moving into New Deal options, New Deal Gateway, pre-vocational training, voluntary work, other employability projects and community based education.

The key points on the destinations of clients are summarised below.

- 51% achieve positive outputs as defined at the outset in terms of NFF's objectives. The figure may well be slightly higher but the assumption is made here that the 'destination unknown' clients have dropped out of the process and are unlikely to register positive outputs. This is a hard judgement, but in the absence of contrary evidence we think this is an appropriate procedure.
- 18% have moved to destinations close to the labour market including programmes such as Skillseekers.

- 15% of clients achieve the hardest output which is entry to employment or self employment.

Table 4.3: Immediate Post NFF Destinations (Column %)

Destinations	%
Level 3	**15**
• *Employment*	• *14*
• *Self Employment*	• *1*
Level 2	**18**
• *Supported Employment*	• *1*
• *FE/HE*	• *11*
• *Training for Work*	• *2*
• *Skillseekers*	• *1*
• *STN Skillseekers / Get Ready for Work*	• *2*
• *ILM Project*	• *1*
Level 1	**18**
• *New Deal Option*	• *2*
• *New Deal Gateway*	• *1*
• *Pre-vocational Training*	• *3*
• *Voluntary Work*	• *4*
• *Other Employability Project*	• *4*
• *Community Based Education*	• *4*
Other	**11**
Destination Unknown/ Unanswered	**40**
Sample Size	4,787

Source: NFF Database, October 2004
Notes: 1. 'Other' includes destinations such as addiction services, health support, prison, etc.
2. Column total does not sum to 100% due to rounding

Table 4.4 breaks down the average performance by splitting the projects into quintiles based on the broad measure of positive outputs as well as the narrower (employment plus self-employment) Level 3 outputs. The differences between the projects are substantial.

- In terms of the broad definition of positive destinations, the best performing projects average 73% and the poorest performing at only 28%.
- In terms of the percentages into employment or self-employment, this varies from 33% for the best performers down to only 2% on average for the poorest performance.

Table 4.4: Clients Moving Into Positive Destinations (Column %)

Quintiles on % into Positive Destinations	Level 3 + 2 + 1	Level 3
Top 20% of projects	73	33
21-40% of projects	59	21
41-60% of projects	52	15
61-80% of projects	43	7
81-100% of projects	28	2

Note: 1. Projects were ranked and placed into quintiles based on the percentage of leavers moving into positive outcomes (Level 3, 2 and 1) in the first column
2. Projects were ranked and placed into quintiles based on the percentage of leavers moving into employment or self-employment (Level 3 outcomes) in the second column.

In relation to the broader measure of positive destinations, there is no ready explanation of these differences in relation to the client groups served. For example, five projects dealing with substance abuse are in the top performing group and seven are in the bottom category. More generally, similar types of projects appear in both the top and bottom categories. However, on the narrower measure based on employment/self-employment, addictions projects made up a disproportionate share of the projects in the poorest performing category – although nonetheless two addictions projects are among the top performers. Mental health projects do not appear in the top performing category but account for 20% of the poorest performing projects. This is the client group where there is the strongest apparent association with the ability of projects to move their clients into work.

Variations in Destinations by Client Type
This section explores some of the factors which appear to be associated with whether or not clients achieve positive outputs from NFF.

Benefit Status
Dividing clients up into those receiving Jobseekers Allowance, versus those on other benefits such as Incapacity Benefit and Income Support, there are two clear findings:
- in terms of the wide range of positive outputs achieved, there is no difference between these two sets of clients;
- in terms of job entry, 20% of Jobseekers Allowance clients go into a job versus 12% of those on other benefits.

Length of Stay in NFF

Variations by length of stay are summarised in Table 4.5. There are a number of interesting findings.

- Unknown destinations fall steadily on moving from the short to long stay clients. This reflects two things: the high turnover and unstable lifestyles of many shorter duration clients and the strong relationships built up with time for other clients.
- A sizeable proportion of short stay clients move on to positive outputs, clearly illustrating the diverse nature of this client group.
- For the average client, increasing length of stay appears to be associated with better outputs, although whether this is due to the benefit of staying longer in the projects or the declining number of clients with unknown destinations (and lack of positive outputs) as those with more deeply embedded barriers drop out is hard to say.

Table 4.5: Destination by Length of Stay (Column %)

Destination	Length of Stay In NFF Project				
	Under 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**12 + months**
Level 3	13	13	13	16	18
Level 2	11	16	18	20	24
Level 1	10	16	17	17	22
Other	12	13	11	11	7
Unknown destination	55	42	40	36	30
Sample Size	469	1,276	1,455	1,061	524

Source: NFF Database, October 2004

Number of Barriers

Table 4.6 provides an analysis of destinations by the number of barriers reported by the client when they joined NFF.

- Discounting the small number of people reporting no barriers, there is a clear relationship between a higher number of barriers and lower job entry rates, i.e. the Level 3 output.
- Looking at the other levels of output, NFF appears to perform as well for the groups with multiple barriers as for those with no or low numbers of barriers.

Table 4.6: Destination by Number of Barriers (Column %)

Destination	Number of Barriers				
	None	**1**	**2**	**3**	**4+**
Level 3	12	19	16	17	12
Level 2	10	19	17	19	18
Level 1	10	12	17	17	18
Other	10	11	12	10	11
Unknown destination	57	39	39	37	42
Sample Size	49	565	814	837	2,472

Source: NFF Database, October 2004

Qualification Levels
There are significant variations in positive outputs across clients with different levels of qualifications.

- Around 4% of leavers had degree or degree-equivalent qualifications. Over 65% of this group were achieving positive outputs, and 23% were going into employment or self employment.
- At the other extreme, positive outputs for clients with no qualifications were around 40%, with 10% going into employment or self employment.

Client Barriers
Table 4.7 provides a detailed analysis of destinations by type of barrier. Clearly, in a number of instances the same individuals will be cropping up under different barriers, and we have already noted how the number of barriers influences, in particular, the proportions going into employment. Some of the key features of the table are noted below.

- On the Level 3 outputs, principally people into jobs, there are quite marked variations with the long term ill, physically disabled, people with learning difficulties and with literacy problems the least likely to move into employment. On the other hand where the barriers are around transport, benefit issues, homelessness and discrimination the job entry rates are higher – and yet there is no evidence to suggest these barriers are easier to address.
- Defining the outputs more broadly by adding up Level 1, Level 2 and Level 3 outputs, NFF appears to generate genuine progress beyond the project for all of these groups, although the mix of outputs varies from group to group.

Table 4.7: Destinations by Type of Barrier (Row %)

Barrier	Destination					Sample Size
	Level 3	Level 2	Level 1	Other	Unknown	
Health						
• Mental Health	11	16	20	14	40	1,169
• Long term ill	6	19	19	15	42	534
• Physically disabled	5	25	19	13	37	209
Substance abuse						
• Drugs and Alcohol	11	14	19	11	46	1,742
• Drugs	11	14	20	11	45	1,174
• Alcohol	11	12	21	12	44	710
Accessibility						
• Transport	14	18	16	13	39	773
• Residential Care	12	14	17	13	44	319
• Child/Dependant Care	11	15	21	11	42	519
• Benefit issues	15	17	18	12	39	1,159
• Discrimination	19	19	18	10	35	243
• Homelessness	14	13	14	12	46	1,475
• Criminal Record	13	14	15	13	45	1,451
Education/Training						
• Lack of education/training	13	18	18	11	41	2,035
• Learning difficulties	7	25	19	14	34	626
• Lack of experience/skills	13	20	18	11	39	2,006
• Literacy	7	21	20	9	43	621
Softer Skills						
• Attitudinal barriers	12	20	15	9	44	726
• Emotional/behavioural issues	12	18	17	11	42	1,145

Source: NFF Database, October 2004

Linking In-Project Progress and Post-Project Destinations

To see the extent to which the NFF programme has helped clients to achieve their objectives and progress into positive destinations at the end of their time in the NFF project, we can compare Action Plan progress with client destinations post-NFF. Table 4.8 shows that the more progress a client has made towards achieving Action Plan objectives to overcome barriers, the more likely they are to progress to positive destinations. The relationship is quite striking.

- 77% of clients meeting all their Action Plan objectives moved into positive destinations from an employability perspective, compared to 17% of those making no progress towards their Action Plan objectives. Similarly, 30% of those meeting all their Action Plan objectives enter employment compared to only 3% of those making no progress.

- There is a marked relationships between a client's progress against their Action Plan objectives and whether or not their post-project destination is known. In part, this reflects a situation where clients with whom projects find it difficult to engage meaningfully make limited progress towards their Action Plan objectives and, because there is limited engagement, they are more likely to leave to unknown destinations.

- The concerning finding is that only a small percentage of NFF leavers meet all their Action Plan objectives, with nearly twice as many making no progress towards achieving these objectives. However, this may simply reflect the very disadvantaged nature of the client group.

Table 4.8: Next Destination by Progress in Meeting Action Plan Objectives in Relation to Barriers (Column %)

Destination	All objectives met	Some progress towards meeting objectives	No progress towards meeting objectives	No objectives set on barriers
Level 3	30	14	3	17
Level 2	30	19	8	19
Level 1	17	20	6	13
Other	5	12	13	9
Unknown destination	18	35	70	42
Sample size	371	3,016	732	632

Source: NFF Database, October 2004

Review of Key Findings

Some of the key findings from the analysis of the monitoring database are as follows.

- Multiple disadvantage is the norm as 53% of clients on NFF had four or more barriers to employment.

- This is also reflected in the fact that the onward referral agency was often in the social services as opposed to employability services field.

- Notwithstanding the disadvantaged nature of the client group, 51% achieved positive destinations in terms of employment or progress towards employment. Within this, 15% moved into employment or self-employment.

- There were big variations between the projects with the top 20% of projects securing positive destinations for 73% of clients compared to only 28% for the lowest performing projects.
- There is a strong correlation between whether or not clients meet or make progress towards their Action Plan objectives and the likelihood of securing a positive destination on leaving the project.

Follow-Up Survey

Introduction

Over 200 former NFF clients were followed up in the survey managed by the evaluation team. The follow-up survey provides scope to make an assessment of the impact of NFF which is:

- independent of the projects and the programme management database records;
- 'current' in terms of capturing the views of clients some time after they left the project.

The survey methods are described in the Appendix on research methods.

Client Expectations

Before joining their projects, clients report that they were most interested in support relating to their problems and being able to talk to someone about their problems (Table 4.9). The level of interest in information, advice and guidance, or specialist services was lower. Information on jobs and training, sourcing training and getting a job was of interest to around 70% of the clients, although 29% said that they were not at all interested in employment when they started on the NFF project. Clients expressed least interest in help to source work experience.

Table 4.9: Extent of Clients' Interest in…. (Row %)

Area of Interest	Very interested	Some interest	Not at all interested	Not answered
Help with issues related to your barriers	70	14	10	6
Being able to talk to someone who understands problems and concerns	57	28	10	4
Information on jobs and training	56	23	18	3
Getting into training	55	22	19	4
Increase chances of employment	54	21	22	3
Getting a job	52	16	29	3
Information, advice and guidance, or accessing specialist services	47	26	22	5
Help with getting some work experience	40	26	31	3

Source: CPC Client Survey

When asked how important getting a job was to them, clients were split into those who considered it very important and their main goal, and those who said it was not at all important (Table 4.10). Overall, employment was very or quite important to more than a third of clients, with a further 18% of clients saying they were interested but felt they were not yet ready for work. A quarter expressed no interest in employment and a fifth had more interest in activities other than work. The NFF initiative was set up with an explicit focus on clients who wanted to progress towards the labour market. These figures raise some issues about the effectiveness of the client engagement and assessment processes.

Table 4.10: How Important is Getting A Job? (%)

	Frequency	%
Not at all	51	25
Not really, more interested in activities and training	41	20
Interested, but not ready	37	18
Quite important	21	10
Very important/ main goal	57	28
Total	207	100

Source: CPC Client Survey

Value of NFF Project

Table 4.11 summarises the client perspective on the specific services they received while engaged with NFF – whether or not these services were provided specifically by the host project - and, for these services, the ones they found most useful.

- It is clear from the table that many of the core services expected of an NFF project were received and recognised by clients.
- The services regarded as most useful tend to revolve around practical activities (help with your CV) or group-based activities. It is interesting to note how confidence-building and anger management/conflict resolution/assertiveness training are very much to the fore in the mind of the clients. The latter in particular generally forms a modest part of the service delivery of more mainstream employability services.

Table 4.11: NFF Activities and Client Assessment of Usefulness

NFF Activities	% Participated in	Found Most Useful (% of previous column)
Review of your situation and condition		
Rickter scale assessment/test	46	3
Health check	21	0
Referral to specialist (GP, drugs, etc)	21	2
Skills check	46	2
Action/Career Plan, Your Record/File Preparation		
Looking at your previous experience in training/education/work/skills developed	64	1
Identifying goals, objectives and needs (agree where you wanted to improve)	82	3
Talked through the content of your file/record/Action Plan with your project worker	73	2
Information, Advice and Guidance		
IAG around removing main problems identified	79	2
Referral to mainstream services or support agencies	36	3
IAG around finding training/FE	77	6
IAG around accessing work	62	<1
Support and advice concerning benefits (in-work and others)	57	<1
Activities		
General chat to see how you are with your project worker	95	12
Work experience/tasters	21	7
Core skills training (literacy, numeracy, communication)	37	9
Confidence building, group activities	69	17
Anger management/conflict resolution/assertiveness course/activities	31	18
Job search support	56	5
Help with your CV	52	7
Tips for job etc. what to do in interviews	58	8
Mentoring or after-care when got a job	58	2
Familiarity visits to training/employment settings	37	8
IT training/courses	54	13
Other	60	27
Sample Size	210	195

Note: Percentages do not sum to 100 because of multiple responses

Table 4.12 captures the more detailed views of ex-NFF clients on which skills and competencies have been developed by their time with NFF projects. This reinforces the general perception that NFF projects build client confidence and motivation, and the quality of their lives in general. This has direct implications for the process of finding work, as reduced confidence and lowered self esteem are consequences of long term unemployment and major barriers to securing employment. However, the results are weaker in relation to the areas closer to the labour market – with 30% saying the NFF project had not helped them improve their chances of getting a job, almost as many as argue that NFF has been a lot of help in this regard.

Table 4.12: To What Extent Has Project Helped Client With Their…(Row %)

	A lot of help	A little help	No help	Not applicable
Confidence and self-esteem	76	18	3	3
Motivation	74	19	4	3
Housing problems	57	29	9	5
Social life	48	30	17	5
Health issues	40	27	18	15
Vocational skills	37	26	16	21
Your chances of getting a job	33	29	30	8
Family situation	30	22	21	28
Core skills	24	20	20	36
Quality of life in general	22	10	24	44
Job searching skills	22	17	23	38

Source: CPC Client Survey

Note: 'Not applicable' includes those clients who said they either did not need or did not receive support from their NFF project in relation to these broad needs.

In terms of the focus on employment in NFF projects:
- 79% discussed employment with their project worker, and in 52% of the cases the initiative had been the project worker's;
- for 50% of the respondents employment was discussed as soon as they started in the project, whilst for 7% it was mentioned when they left.

Across the client groups (Table 4.13):

- former clients were uniformly positive about the impact of NFF on their quality of life, ranging from 100% of young people down to 59% of former clients with mental health issues;
- on the impact of the NFF project on increasing their skills, the former clients were still positive, but less so compared to the quality of life benefits;
- similarly to the skills benefits, the impact on the chances of getting a job were positively assessed, but much less so that in relation to the quality of life.

Table 4.13: Project 'Very Helpful' in Improving Quality of Life

Main Client Groups	Quality of Life (%)	Skills (%)	Chances of a Job (%)	Sample Size
Lone Parents	100	50	100	4
HIV	100	67	67	3
Disabled	76	76	59	17
Young People	75	63	38	8
Ethnic Minorities	75	43	43	7
Drugs	73	54	42	48
Multiple Disadvantage	71	62	53	27
All Client Groups	68	55	46	206
Homeless	67	51	40	43
Offenders	60	50	40	20
Mental Health	59	45	45	29

Source: CPC Client Survey

Half the clients interviewed (Table 4.14) said they would not have made any progress towards the labour market without the NFF project support and a further 24% would have progressed to some extent, but not as far as they had with NFF support. 83% of respondents said that if they had not taken part in NFF they would not have received similar help from elsewhere, further evidence on the additionality of NFF discussed more fully in Chapter 3.

Table 4.14: If Not Involved in NFF, What Progress Would You Have Made Towards Employment and/or Training? (%)

	%
I would not have made any progress	53
I would have progressed the same with a similar service elsewhere	3
I would have progressed the same because didn't need service	9
I would have progressed, but not to same extent	24
I would have progressed further	2
Don't know	2
No response	7
Total number	211

Source: CPC Client Survey

Table 4.15 assesses whether the additionality associated with NFF participation is related to the post-project destination. Considering only those categories with reasonable sample sizes:

- the group with the highest percentages saying they would not have made any progress in the absence of NFF are the unemployed not on JSA, people not looking for work due to ill health or for no particular reason, and people involved in volunteering;
- the groups where less than 50% say they would not have made progress in the absence of NFF include former clients finding employment and going to further or higher education.

These findings tie in with the perceived greater impacts of NFF on quality of life versus skills or employability.

Table 4.15: If Not Involved with NFF Project, Progress Would Have Made Towards Employment/Training by Destination at Time of Interview (Row %)

Destination at Interview	Not have made any progress	Progressed but not to same extent	Progressed same as similar service elsewhere	Progressed same because didn't need service	Progressed further	Don't know	Sample Size
employed/self-employed	29	20	33	17	0	0	36
learning/ training	56	29	3	9	3	1	36
volunteering	85	15	0	0	0	0	13
unemployed	51	35	7	7	0	0	22
not looking for work/trng-carer	30	20	0	30	10	10	10
not looking for work/trng-ill health/disabled + other	59	16	1	12	6	5	70
Other	77	17	7	0	0	0	19
Sample Size	*115*	*52*	*7*	*22*	*5*	*5*	206

Source: CPC Client Survey

Post NFF Destinations

Respondents were asked what they did immediately after leaving the NFF project and what they were doing at the time of the interview (which took place at least three months after leaving the NFF project). Table 4.16 shows that:

- 17% left to a job, a figure very close to the percentage (15%) generated from the monitoring database;
- 20% moved on to some form of further education or training;
- 17% joined a government or other programme;
- 7% undertook some form of volunteering;

- 4% were back into NFF;
- 31% did not look for work (for a variety of reasons) and 7% became unemployed.

Table 4.16: Post-NFF Project Destinations (%)

Destination	Immediate Destination	Destination at Interview	Remaining in Same Destination
Employed full time	13	12	43
Employed part-time	4	4	50
FE/HE	15	11	41
Vocational training	5	2	40
Government programme	6	5	46
Back in NFF	2	4	75
Core skills / pre-vocational training	<1	<1	100
Joined another programme	7	5	47
Other	3	2	29
Volunteering	7	6	57
Unemployed - receiving JSA	2	4	50
Unemployed - not receiving JSA	5	9	70
Not looking for work/training – ill health/disabled	20	23	81
Not looking for work/training – doing nothing	7	8	71
Not looking for work/training – carer	4	5	88
Sample Size	*211*	*211*	*211*

Source: CPC Client Survey

The percentages in different destinations remain similar at the time of the interview.
- People not looking for work were very stable after leaving NFF, with about 80% still in the same position.
- Although the proportions in employment are very similar when comparing immediate post-project destinations with the position at the time of survey, there is a lot of churn with less than 50% of those finding employment immediately still employed at the time of the survey.

Looking at other approaches, the proportion sustained in employment is 71% for Training for Work, but this deals with a much less disadvantaged client group.   The sustainability figure for New Deal for Disabled People is 39%. NFF is towards the bottom of the range in terms of sustainability, although this is hardly surprising given the significant number of clients with multiple barriers.

Review of Key Findings

Some of the key findings from the follow up survey are summarised below.

- Clients valued a wide range of services provided through their NFF project, with confidence building, anger management, conflict resolution and assertiveness training featuring strongly.

- High percentages reported that their confidence and motivation had improved a lot, although lower percentages reported a similar impact on their skills and chances of getting a job.

- Over three quarters of clients argued that they would not have made any progress towards employment or training, or would not have progressed to the same extent, without the support of NFF.

- 37% went on to education or training of some kind.

- 17% left to employment or self-employment and 16% were employed or self-employed at the time of the interview. However, the proportion sustaining employment is less than 50%.

Performance Benchmarks for NFF Outputs

Establishing the relative performance of programmes such as the NFF Initiative is not straightforward. Despite the wide range of projects supporting similar client groups, there are few directly comparable ***programmes*** which aim to work with an equally disadvantaged client group.

Evaluations of mainstream programmes often note that they are less effective with more disadvantaged client groups. However, despite the wealth of information presented in these studies, few provide a detailed analysis of programme effectiveness for two main reasons.

- Research tends not to report client characteristics in detail – health issues, particularly mental health, drug and alcohol misuse and criminal records, tend not to be recorded in monitoring data and therefore the analysis of what works does not reflect the depth and range of client needs.

- The current research view is that the types of clients with whom NFF has successfully engaged tend not to turn up to mainstream programmes (hence the term 'hard-to-reach'). In this sense, some researchers suggest that such interventions have yet to be tested on more disadvantaged clients.

Nationally, Progress2Work, the Adult Guidance Pilots and specific New Deal programmes targeted towards disabled people and lone parents work with clients who have some of the problems facing many of the clients of the NFF initiative. In Scotland, programmes like the Beattie Inclusiveness Projects and Get Ready for Work target younger people who may have similar problems to some of the younger NFF clients. An overview of these programmes is provided in Table 4.17. Evaluations of these programmes report a range of outcomes. For example:

- the Adult Guidance Pilots evaluation found that 17% of clients who had been unemployed for more than six months found work;
- the evaluation of the Neighbourhood Support Fund for disadvantaged young people aged 13-19 found that more than one third (35%) of clients had moved into education, training or employment;
- an evaluation of the New Deal for Lone Parents reported that 51% of participants entered work of at least 16 hours per week, whilst the evaluation of the New Deal for Disabled Personal Advisor Service found that 22% moved into work;
- 23% of leavers from Get Ready for Work moved into a positive outcome and 17% progressed into employment.

While there are many issues in comparing programmes which aim to help similar (but not directly comparable) client groups, these results suggest that the NFF performance is well within the range of other interventions dealing with similar client groups, particularly given the incidence of multiple barriers among NFF clients.

- The percentages entering employment, and a range of employment-related destinations, are towards the bottom end of the range of programmes for which data are available, but the NFF client group is amongst the most disadvantaged.
- However, the top 20% of projects show what can be done through the NFF approach with 78% of clients achieving employment-related outcomes and 33% going into employment or self-employment.

It is important to recall that these results are based on the conservative assumption that all leavers with unknown destinations have simply returned to inactive joblessness. There is no doubt in our minds that, well delivered, the NFF approach is a significant intervention for clients with multiple and/or deeply embedded barriers to employment.

Table 4.17 : Summary of Comparative Approaches

Programme	Client Group	Descriptor of Approach	How Delivered	Length of time on	Outcomes
Adult Guidance Pilots Funded by DfES	Disadvantaged individuals including: • disabled people • people with low basic skills • refugees/asylum seekers • offenders	The pilots aim to provide a seamless information, advice and guidance service to disadvantaged people.	Clients are offered sessions with a guidance advisor (90% of whom qualified to level 3 or 4). Much of this delivered on an outreach basis	50% of clients used the service on more than one occasion Of these, 50% finished contact within 8 weeks; Over one third of clients in contact for more than 20 weeks	13,132 clients participated. 9% improved qualification levels 30% of people unemployed for less than 6months moved into work; 17% of people unemployed for more than 6months moved into work 50% engaged in taught learning
PartiSIPate [1] Funded by Scottish Enterprise Lanarkshire, Careers Scotland, SIPs, North Lanarkshire Council, South Lanarkshire Council.	Young people aged 16 – 17 disengaged from education and unlikely to be able to participate in existing labour market programmes	To provide a range of interventions to assist young people to address their individual labour market barriers.	Three projects located in SIP areas in Lanarkshire. Young people attend for between 3 – 5 days per week and work with project support workers or are referred to external projects which can provide support. Paid £11 per day	Average attendance is 8 – 12.5 weeks	110 clients participated. 65% moved into 'positive labour market outcomes'; 20% into 'neutral outcomes like pregnancy and 15% left without a positive outcome. Overall 31% moved into a job.
Neighbourhood Support Fund Funded by DfES	Disadvantaged young people aged 13 – 19 who have low levels of educational achievement, special educational needs, who may be excluded from school or at risk of offending.	To encourage young people to engage or re-engage in education, training or employment. Projects offer advice, information, counselling, skills development, recreational programmes and individualised learning.	660 projects located in 40 disadvantaged areas in England. These may be voluntary or community based projects which can offer opportunities to engage in a range of structured opportunities.	17% remain for less than 30 days; 29% for 31 – 90 days; 30% for 90 –180 days; 24% for more than 180 days	22,350 joined between February 2000 and December 2001. 51% of leavers went into positive outcomes 35% went into education/training or employment outcomes

[1] David Smart Consultancy Services

Programme	Client Group	Descriptor of Approach	How Delivered	Length of time on	Outcomes
Get Ready For Work[2] Scottish Enterprise and Highlands and Islands Enterprise	16 – 18 year olds who would be unable to access training or learning opportunities or make a successful transition from school to work without support	To help young people to identify individual support needs. Provision may include assistance with applications and CVs, enhancing skills, work tasters or placements. Trainees are paid a training allowance	Young people are recruited through Careers Scotland's Personal Advisor Service and directed to an appropriate option delivered by training providers. These are: life skills, core skills, vocational skills or personal skills	19% undertake 2 training episodes 7% remain for less than 1 week; 15% for 1-3 weeks; 20% for 3-6 weeks 26% for 7-13 weeks; 26% for 13 – 26 weeks 6% for more than 6 months	By end of year 1: 23% of leavers moved into a positive outcome 17% progressed into employment 6% into education and training; 20% leave and rejoin
Beattie Inclusiveness Projects[3] Funded by Scottish Executive Enterprise & Lifelong Learning	16 – 24 year olds who need additional support to achieve a successful transition from school to employment	To provide an inclusive service for vulnerable young people making the transition from school and care environments and to reduce specifically the proportion of young people not in education, employment or training	The inclusiveness projects are located in the 17 Careers Scotland delivery areas. Key workers support young people before, during and after transition into outcomes	36% remain for less than 6 months; 23% remain for 6 months to a year; 38% remain for over 1 year (for 3% duration appears to be unknown)	Limited monitoring data available. Participation estimated at between 8000 – 8500 and of these 7,611 progressed into employment and training outcomes in the first year
Progress2Work Funded by DWP through Jobcentre Plus	People recovering from illegal drug misuse	Specialist support to help clients access and sustain work. Assistance includes assessment, development of a tailored action plan, employment counselling, work preparation and support to address barriers to employment which may be delivered through external agencies	Through Jobcentre Plus who refer clients to providers who may be in the voluntary, public or private sector. Some of these may be drugs services	Not available	Not available

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[2] Smart Consultancy, Eddy Adams Consultants and LRDP Ltd (2003) *Get Ready for Work Programme: First Year Evaluation and Future Development Options*
[3] SQW Limited (2003) *A National Evaluation of the Inclusiveness Projects.* Interim Report to the Scottish Executive Enterprise and Lifelong learning Department

Programme	Client Group	Descriptor of Approach	How Delivered	Length of time on	Outcomes
New Deal for Lone Parents [4] Funded by DWP through Jobcentre Plus	All lone parents on Income Support and who are working less than 16 hours per week	A range of supports is offered to lone parents including information, advice and support to assist them to find jobs or training.	Voluntary programme where New Deal Personal Advisors working in Jobcentre Plus offer lone parents support.	Not available	317,000 lone parents participated between October 1998 and September 2002. Of these, 51% entered work of at least 16 hours
New Deal for Disabled Personal Advisor Service [5] Funded by DWP through Jobcentre Plus	People of working age on incapacity benefits whose incapacity has lasted for 28 weeks or more	To assist disabled clients to clarify and set labour market goals and if necessary be referred to specialist providers who can offer particular support to overcome barriers to work	Interviews with a personal advisor to identify supports necessary to move into work	Not available	10% of clients left benefit 22% moved into work

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[4] Evans, M *et. al.* (2003) *New Deal for Lone Parents: Second Synthesis Report of the National Evaluation.*
[5] Lournidis, J *et. al.* (2001) *Evaluation of the New Deal for Disabled People Personal Advisor Service Pilot.* DWP RR 144

Very few evaluations have been able to take on board the differential impact of *multiple disadvantage* – and 53% of NFF clients have four or more barriers to employment. Research based on over 500,000 Labour Force Survey records[6] has delivered a compelling analysis of multiple disadvantage which suggests that while the nature of the disadvantage is important, it is the number of disadvantages which clients face which largely determine their chances of being in employment. Table 4.18 shows that:

- 97% of clients facing no disadvantages were in employment; compared to
- only 9% of those people facing six disadvantages.

These are dramatic differences of the severe impact of multiple disadvantages.

Table 4.18: Impact of the Number of Barriers on Employment Prospects

Number of Disadvantages	All Individuals (Column %)	In Employment (Row %)
None	31	97
One	40	87
Two	20	72
Three	7	48
Four	2	26
Five	0.3	13
Six	0.02	9

Source: Reproduced from Berthoud, *op cit*, p31

It is not possible to benchmark NFF performance against the Berthoud study because it focused on six 'disadvantages' compared to the 23 barriers used when clients join NFF, and the disadvantages are generally quite different from the barriers used in NFF. Berthoud's disadvantages are based on age, family structure, skill level, impairment, ethnic group and the local unemployment rate. Nonetheless, Berthoud's study shows convincingly how multiple disadvantages greatly increase the risk of non-employment, and multiplicity of barriers is a defining characteristic of the NFF client group.

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[6]   R. Berthoud, *Multiple Disadvantage in Employment: A Quantitative Analysis*, Joseph Rowntree Foundation, Work and Opportunity Series N° 31, 2003.

Key Points

1. The monitoring data reveal the intensity of disadvantage of the NFF clients, with over 50% reporting four or more barriers to employment.

2. The projects are able to help significant percentages tackle barriers with progress against individual client action plans. However, there is a lot of variation by client group in the effectiveness of this process.

3. Although NFF is an employability initiative, the bulk of onward referrals at the end of the NFF project stay are to Social Work departments, addiction services and other 'social' services and projects.

4. On the basis of the monitoring database:
    *   15% go into employment/self employment;
    *   36% progress to various types of education, training or other positive outputs;
    *   the figures rise to 33% and 73% respectively when the top 20% of projects are considered.

These are conservative estimates as unknown destinations have been assumed to result in no positive outputs. There is no doubt in our minds that, well delivered, the NFF approach is a significant intervention for clients with multiple and/or deeply embedded barriers to employment.

5.   Progress within NFF projects in terms of softer indicators is strongly connected with the achievement of employability-related outcomes after leaving the project.

6   According to the CPC follow-up survey, a higher percentage felt NFF had improved their quality of life relative to enhancing their chances of getting a job. Typically, only between a quarter and a third felt NFF had helped 'a lot' with core and vocational skills, job search, etc.

7. These findings raise possible issues for the delivery of the NFF approach in terms of:
    *   the effectiveness of client engagement and assessment processes;
    *   the appropriateness of the NFF model for different types of clients;
    *   the intensity of delivery focus on raising employability

8. At the time of the interview:
    *   16% were employed;

- 24% were involved in education and training of some kind.

9.   The percentage with employment-related positive outputs compares reasonably well with other benchmarks such as:
- Progress2Work – 17% into work;
- Adult Guidance Pilots – 17% into work;
- Neighbourhood Support Fund – 35% into education, training or employment.

A key consideration here is the high average number of barriers to employment experienced by NFF clients. Additionally Progress2Work would be regarded as a positive output and a stepping stone towards employment for NFF.

5. EVALUATION OF NFF COST-EFFECTIVENESS

Background

To date there appears to have been limited analysis of the *costs* of delivering the NFF approach, with most of the emphasis placed upon the *benefits* of NFF for the client groups engaged. This section considers cost effectiveness, and is essential to form the basis of a rational discussion of whether the NFF approach should or could be mainstreamed.

The analysis is based upon:
- NFF expenditure information provided for the period of Phase 2 up to 30 September 2004;
- a range of statistics covering activity levels and outputs drawn from the NFF monitoring database, covering the period of Phase 2 up to 31st October 2004.

A problem with the monitoring data is that, for around 10% of cases, multiple destinations are reported (e.g. community-based education and volunteering). All multiple destinations were recoded to a single destination by the evaluation team, using a simple hierarchy of destinations.

A number of measures of cost-effectiveness are used.
- Some of the measures attempt to capture the cost-effectiveness of service delivery in a direct way (e.g. cost per closure, cost per person into positive outputs, etc.).
- Other measures are there to qualify the cost information. For example, the average number of barriers proxies the need for more resource to move people forward.

For the measurement of positive outputs, the Levels 1, 2 and 3 outputs set out for NFF at its inception are used. As a reminder, these are as follows.
- Level 3 outputs include those moving into employment and self-employment;
- Level 2 outputs include those moving into supported employment, further and higher education, Training for Work, Skillseekers, STN Skillseekers / Get Ready for Work or into an ILM project;
- Level 1 outputs include those moving into New Deal options, New Deal Gateway, pre-vocational training, voluntary work, other employability project or community based education.

Three major caveats need to be set beside the data:

- Whereas the cost data cover the period up to end September 2004, there are clients still within, or who have left only recently, their NFF projects – and so the figures on outputs associated with the expenditure are understated and costs per output are inflated. The understatement could be quite significant as 31% of starts had not yet been recorded as closures as of the end of October 2004.
- At the start of Phase 2 clients from Phase 1 were carried over. The outputs for these clients are included in the cost effectiveness analysis, but not their Phase 1 costs. This leads to an underestimation of the cost of achieving positive outputs.

These two barriers work in opposite directions and so cancel each other out to some extent.

The third caveat is that NFF may not be the sole source of funding for the employability work – broadly defined – of some projects. Projects with additional non-NFF funding will tend to look more cost-effective from the NFF perspective because they are able to bring extra resources to the process.

Cost Effectiveness
Overall Position and Variation Across Project Type

Table 5.1 summarises the position on costs and outputs.

- Costs per start and closure vary greatly across the different types of project.
  - HIV, lone parent, mental health and disability projects have higher average costs.
  - projects for young people, ex-offenders, homeless people and ethnic minorities are below the average.
- On the widest definition of positive outputs, the average cost per positive output is around £6,000, rising to £21,000 on the narrowest definition which is the numbers into jobs.
- The costs on the wider definition of positive outputs are significantly above average for HIV, lone parent and disability projects – and lower for homeless people, young people and ethnic minorities
- Some of the cost variation can be explained by the longer time spent working with individual clients as represented by the number of days per closure, and

Table 5.1 Cost Effectiveness – Total and by Project Type

Measures	All Projects	Type of Project									
		HIV	Lone Parents	Homeless	Young People	Mental Health	Drugs	Disabled	Ethnic Minorities	Offenders	Consortium (Grampian)
1. Number of starts	6,910	62	182	2,200	420	489	1,891	296	230	691	449
2. Number of closures	4,787	22	95	1,449	324	347	1,283	201	186	517	363
3. Number of barriers	4.1	4.1	5.0	4.3	2.9	3.7	4.7	3.4	3.1	3.1	4.0
4. Number of days per closure	172	359	134	181	183	182	151	189	237	151	178
5. Number into positive outcomes – Level 3	675	5	27	237	28	48	128	8	47	108	39
6. Number into positive outcomes – Level 2+3	1,531	8	42	471	96	125	337	76	64	184	128
7. Number into positive outcomes – Level 1+2+3	2,335	10	55	663	119	193	593	129	120	252	201
8. Cost per start	£2,100	£2,600	£3,100	£1,700	£1,400	£2,500	£2,400	£3,700	£1,600	£2,000	£1,200
9. Cost per closure	£3,000	£7,300	£6,000	£2,500	£1,900	£3,600	£3,600	£5,400	£2,000	£2,700	£1,400
10. Cost per number into positive outcomes – Level 3	£21,100	£31,900	£21,200	£15,500	£21,600	£25,800	£36,000	£135,100	£8,000	£12,900	£13,400
11. Cost per number into positive outcomes – Level 2+3	£9,300	£19,900	£13,600	£7,800	£6,300	£9,900	£13,700	£14,200	£5,900	£7,600	£4,100
12. Cost per number into positive outcomes – Level 1+2+3	£6,100	£16,000	£10,400	£5,600	£5,100	£6,400	£7,800	£8,400	£3,100	£5,500	£2,600
13. Total NFF Contract Actual Spend	£14,234,934	£159,496	£571,929	£3,684,932	£604,716	£1,239,301	£4,602,707	£1,080,441	£375,242	£1,392,084	£524,087

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.
2. Level 3 positive outputs include those moving into employment and self-employment
3. Level 2 positive outputs include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.
4. Level 1 positive outputs include those moving into New Deal options, New Deal gateway, pre-vocational training, voluntary work, other employability project, community based education.
5. Cost is based on total NFF contribution to each project.

- the number of barriers per client. This is certainly a factor for the HIV clients, although much less so for the other high cost situations.

The figures in Table 5.1 were reworked in order to look at the range of cost effectiveness between high and low cost projects. There are a number of justifications for this approach.

- NFF has been a pilot programme, albeit a major pilot. This has involved a lot of experimentation and innovation and, in these circumstances, you would expect to find a wide range between the more successful and the less successful experiments.
- More importantly, in looking at the case for taking the NFF approach forward, particularly given the pilot nature of the exercise to date, it is not necessary to focus on the average performance. The relevant approach is to consider the better practice on the grounds that there is no good reason why this cannot be replicated as the approach is scaled up.

With these thoughts in mind Table 5.2 breaks down the cost estimates by dividing the projects into quintiles based upon their ranking on cost-effectiveness in relation to the widest definition of positive outputs, which takes on board all the outputs expected to flow from NFF at the outset. This analysis proves to be extremely revealing.

- There is quite significant variation across the quintiles in terms of the cost per start and cost per closure. In rough terms the cost per start and cost per closure in the more 'expensive' projects is between three and four times the figure for the least expensive.
- When the output measures are put together with the cost estimates the variance is much more dramatic. In terms of the cost per positive output the more expensive projects are spending up to seven times as much as the least expensive ones to achieve an output, using the widest definition of a positive output.
- Similar differences apply when more restrictive definitions of positive outputs are adopted.

The purpose here is not to try and identify projects that are poor performers, although this would also be a serious consideration were this kind of approach be rolled out and the service delivered on a project basis. The real purpose is to ask whether the cost-effectiveness of the best performing projects brings this type of service more into the realms of something that could be delivered on a more comprehensive basis to these types of client groups. Two conclusions emerge from this based on the best projects.

Table 5.2: Cost Effectiveness Variations Across Projects Ranked by Performance

Measures	All Projects	Ranked on cost per number into positive outputs (level 1+2+3)				
		Top 20%	21-40%	41-60%	61-80%	81-100%
1. Number of starts	6,910	2,379	1,640	1,157	1,010	724
2. Number of closures	4,787	1,865	1,167	724	630	401
3. Number of barriers	4.1	3.7	4.2	4.6	4.2	4.1
4. Number of days per closure	172	169	172	174	185	163
5. Number into positive outcomes – Level 3	675	259	190	111	62	53
6. Number into positive outcomes – Level 2+3	1,531	638	385	243	163	102
7. Number into positive outcomes –Level 1+2+3	2,335	955	578	400	255	147
8. Cost per start	£2,100	£1,200	£1,700	£2,400	£2,800	£4,200
9. Cost per closure	£3,000	£1,500	£2,400	£3,900	£4,500	£7,700
10. Cost per number into positive outcomes – Level 3	£21,100	£10,700	£14,600	£25,200	£45,500	£58,000
11. Cost per number into positive outcomes – Level 2+3	£9,300	£4,300	£7,200	£11,500	£17,300	£30,100
12. Cost per number into positive outcomes – Level 1+2+3	£6,100	£2,900	£4,800	£7,000	£11,100	£20,900
13. Total NFF Contract Actual Spend	£14,234,934	£2,762,874	£2,775,879	£2,800,597	£2,821,752	£3,073,833

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.
2. Cost is based on total NFF contribution to each project.
3. Level 3 positive outputs include those moving into employment and self-employment
4. Level 2 positive outputs include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.
5. Level 1 positive outputs include those moving into New Deal options, New Deal gateway, pre-vocational training, voluntary work, other employability project, community based education.

- The cost of getting somebody into a job is over £10,000 – but then NFF was not developed principally to get people directly into jobs.
- The cost of achieving positive employability outputs on the widest measure is approximately £3,000.

An important point to underline is that these results were achieved on relatively good volumes – and may in part be a consequence of this. The top 20% of projects on cost-effectiveness measures accounted for 34% of starts, 38% of closures and 41% of positive outputs on the widest measure.

One of the obvious explanations for the significant variation in cost-effectiveness figures between the high and low cost projects is that this simply reflects the fact that they are dealing with different client groups. In Table 5.3 we try to tackle this to some degree by focussing on projects dealing with people with drugs issues, or with homeless people. These two types of projects produce sufficient numbers of projects to carry out some simple analysis, in this case restricted to comparing projects below and above the average cost of a positive output.

Table 5.3 is again revealing as, even on the basis of this more restrictive analysis, significant cost variations nonetheless emerge.
- Cost per start and cost per closure in the higher cost projects are nearly twice as much as in the lower cost projects – for the same client groups.
- Once the output data is added to the cost data, the variances typically become greater, with cost per output generally around two to three times higher.

Analysis of Variances
We have already seen that correcting for the ***type of project*** reduces to some extent the variance in cost effectiveness across projects, but as Table 5.3 clearly shows significant variation remains even within project type.

On ***scale of funding,*** cost effectiveness seems to increase as total NFF funding declines (Annex A5.1). This is a consistent finding irrespective of the measure of cost effectiveness, and indeed the projects with less than £150,000 in NFF funding are much more cost effective than the two better-funded categories.

On ***NFF funding dependency*** (Annex A5.2), cost effectiveness is approximately 16% lower for those projects defined as having a 'high' NFF dependency versus those with 'medium/low' NFF dependency.

Table 5.3 Cost Effectiveness Variations - Homeless and Drugs Projects

Measures	All Projects	Homeless Projects		Drug Projects	
		Top 8	Remaining 8	Top 11	Remaining 12
1. Number of starts	4,091	1,314	886	1,127	764
2. Number of closures	2,732	886	563	809	474
3. Number of barriers	4.5	4.3	4.3	5.0	4.3
4. Number of days per closure	167	171	197	141	169
5. Number into positive outcomes –Level 3	365	157	80	85	43
6. Number into positive outcomes – Level 2+3	808	312	159	243	94
7. Number into positive outcomes – Level 1+2+ 3	1,256	425	238	432	161
8. Cost per start	£2,000	£1,300	£2,300	£1,800	£3,300
9. Cost per closure	£3,000	£1,900	£3,600	£2,500	£5,400
10. Cost per number into positive outcomes – Level 3	£22,700	£10,700	£25,100	£24,100	£59,400
11. Cost per number into positive outcomes – Level 2+3	£10,300	£5,400	£12,600	£8,400	£27,200
12. Cost per number into positive outcomes – Level 1+2+3	£6,600	£3,900	£8,400	£4,700	£15,900
13. Total NFF Contract Actual Spend	£8,287,638	£1,675,697	£2,009,235	£2,047,453	£2,555,254

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.

2. Level 3 positive outcomes include those moving into employment and self-employment

3. Level 2 positive outcomes include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.

4. Level 1 positive outcomes include those moving into New Deal option, New Deal gateway, pre-vocational training, voluntary work, other employability project, community based education.

5. Cost is based on total NFF contribution to each project.

6. Projects ranked on cost per positive outcome (level 1+2+3)

On *type of host organisation* (Annex A5.3), cost effectiveness is lower for the voluntary sector relative to other host organisations, typically local authorities. This may reflect the ability of local authority-hosted projects to draw in other support services at low or no cost.

Comparing *existing and new projects* (Annex A5.4)*,* projects which operated in Phase 1 as well as Phase 2 are much more cost-effective than the new Phase 2 projects. This may reflect the time required to develop and deliver the service and, if so, this is a very important lesson. However, part of the explanation is that Phase 1 projects carried over into Phase 2 clients (and any subsequent positive outputs) but not Phase 1 expenditure.

There is significant variation according to the number of *client starts* (Annex A5.5) which is another proxy for the size of service delivery. Here there are *massive* variations in cost-effectiveness. The largest projects (100+ starts) are typically *three times* more cost effective than the smallest projects (less than 50 starts). Accepting that there may be some other factors behind the cost variation, these again are very important findings in terms of creating a cost-effective service.

If these are real sources of variations as opposed to proxies for underlying factors, this analysis gives indications of how budgets could be re-configured to secure greater cost effectiveness were the NFF service to continue to be delivered on a project basis.

Assessment

A key finding is that the average cost figures are extremely misleading for this type of programme. This may be a reflection of great diversity of client group although, controlling for client group, there is still a very significant cost variation. There is a good case to be made that some projects have been able to deliver the NFF employability services on a much more cost-effective basis than others – and these projects could be the guide on how to make this a more comprehensively available service at a price the relevant agencies may be prepared to pay.

One of the difficulties is finding an effective benchmark in terms of cost effectiveness for these client groups, where the policy intervention is seeking to enhance employability. The principal potential benchmarks are in relation to national programmes for jobless people such as Training for Work. The problem is that these programmes are increasingly orientated towards helping people directly into work, more so with the tightening of the labour market making it easier to gain entry to jobs.

Additionally, because there is now a clearer focus on job entry, clients are selected in part in terms of the likelihood that will be able to find work. Over 2004/05, 38% of Training for Work leavers went into work at a cost per job entry of around £2,600.

Although some benchmarks are available on the outputs side (e.g. number of job entries), there are limited benchmarks on cost-effectiveness for programmes dealing with a client group similar to NFF. Table 5.4 tries to summarise some of the information – but it is really too limited to help in benchmarking the cost-effectiveness of NFF.

Table 5.4: Effectiveness Measures for Projects with NFF-Type Client Groups.

Programme	Client Group	Costs
Adult Guidance Pilots	Disadvantaged individuals including: • disabled people • people with low basic skills • refugees/asylum seekers • offenders	Average cost per participant across the pilots was £220; but there was substantial variation: • minimum - £101 • maximum - £2,531
PartiSIPate	Young people aged 16 – 17 disengaged from education and unlikely to be able to participate in existing labour market programmes	For 2001/02 cost was £455,000 Average cost of £3,138 per participant and £5,056 for a positive labour market outcome
Neighbourhood Support Fund	Disadvantaged young people aged 13 – 19 who have low levels of educational achievement and special educational needs, and who may be excluded from school or at risk of offending.	£60m over three years; 22,350 participated between February 2000 and December 2001 No cost effectiveness information
Get Ready For Work	16 – 18 year olds who would be unable to access training or learning opportunities or make a successful transition from school to work without support	Total costs £14.7m In SEN area, costs per young person engaged were £3,103
New Deal for Lone Parents	All lone parents on Income Support and who are working less than 16 hours per week	£37m in 2001–02 £4,400 per additional job

It is important to finish by noting that the other important exercise which needs to be carried out – which is beyond the scope of this evaluation – is to assess the cost-effectiveness for specialist services (e.g. dealing with substance abuse) of delivering or sourcing an employability enhancing service for some of their clients. In effect, are employability services and subsequent positive outputs in terms of employment a cost-effective form of 'treatment' for some clients as an addition to the standard treatments in their specialism.

Key Points

1. The cost of getting clients into different types of positive outputs is very variable by type of client group/project. Some of this is explained by the longer time spent on clients with more deeply embedded barriers, e.g. HIV clients.

2. There are significant variations between the most and least cost-effective projects with cost per start and closure between three and four times higher in the most expensive projects, and costs per positive output around seven times higher in the most expensive projects.

3. A number of factors are associated statistically with higher cost-effectiveness, namely:
    *   smaller scale NFF funding;
    *   lower NFF funding dependency;
    *   local authority versus voluntary sector provision;
    *   projects operating in both Phase 1 and Phase 2 as opposed to Phase 2 only;
    *   larger scale projects in terms of number of client starts.

The last of these is particularly strongly associated with cost-effectiveness.

4. Comparing NFF to other employability enhancing projects with similar client groups yielded very few reliable benchmark figures.

Annex A5.1: Cost Effectiveness Variations Across Projects Ranked by Size of NFF Funding

	Total	£250,000 plus	£150,000 - £249,999	Less than £150,000
1. Number of starts	6,910	3,076	2,284	1,550
2. Number of closures	4,787	2,169	1,604	1,014
3. Number of barriers	4.1	4.1	3.8	4.4
4. Number of days per closure	172	176	152	197
5. Number into positive outcomes – Level 3	675	312	220	143
6. Number into positive outcomes – Level 2+3	1,531	706	494	331
7. Number into positive outcomes – Level 1+2+3	2,335	1,029	792	514
8. Cost per start	£2,100	£2,300	£2,100	£1,600
9. Cost per closure	£3,000	£3,200	£2,900	£2,500
10. Cost per number into positive outcomes – Level 3	£21,100	£22,600	£21,300	£17,500
11. Cost per number into positive outcomes – Level 2+3	£9,300	£10,000	£9,500	£7,600
12. Cost per number into positive outcomes – Level 1+2+3	£6,100	£6,800	£5,900	£4,900
13. Total NFF Contract Actual Spend	£14,234,934	£7,044,148	£4,691,124	£2,499,663

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.
2. Level 3 positive outputs include those moving into employment and self-employment
3. Level 2 positive outputs include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.
4. Level 1 positive outputs include those moving into new deal option, new deal gateway, pre-vocational training, voluntary work, other employability project, community based education.
5. Cost is based on total NFF contribution to each project.
6. 21 projects have NFF funding equal to or over £250,000, 25 have funding between £150,000 and £249,999 and 24 projects have funding less than £150,000.

Annex A5.2: Cost Effectiveness Variations Across Projects by Dependency of Projects on NFF Funding

	Total	High	Medium/ Low
1. Number of starts	6,461	3,162	3,299
2. Number of closures	4,424	2,186	2,238
3. Number of barriers	4.1	4.4	3.8
4. Number of days per closure	172	186	157
5. Number into positive outcomes –Level 3	636	310	326
6. Number into positive outcomes –Level 2 and level 3	1,403	671	732
7. Number into positive outcomes –Level 1, 2 and 3	2,134	1,035	1,099
8. Cost per start	£2,100	£2,300	£2,000
9. Cost per closure	£3,100	£3,300	£2,900
10. Cost per number into positive outcomes –Level 3	£21,600	£23,300	£19,900
11. Cost per number into positive outcomes – Level 2+3	£9,800	£10,800	£8,900
12. Cost per number into positive outcomes – Level 1+2+ 3	£6,400	£7,000	£5,900
13. Total NFF Contract Actual Spend	£13,710,847	£7,231,207	£6,479,640

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.
2. Level 3 positive outputs include those moving into employment and self-employment
3. Level 2 positive outputs include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.
4. Level 1 positive outputs include those moving into New Deal options, New Deal gateway, pre-vocational training, voluntary work, other employability project, community based education.
5. Cost is based on total NFF contribution to each project.
6. For the purposes of this table the Grampian Consortium has been removed as individual projects within the Consortium have varying levels of dependency on NFF funds.
7. There are 33 projects classes as having a high dependency on NFF funding, and a further 36 with either a medium or low dependency.

Annex A5.3: Cost Effectiveness Variations Across Projects Ranked by Type of Delivery Organisation

	Total	Voluntary Sector	Other
1. Number of starts	6,910	4,335	2,575
2. Number of closures	4,787	3,026	1,761
3. Number of barriers	4.1	4.2	4.0
4. Number of days per closure	172	172	173
5. Number into positive outcomes – Level 3	675	415	260
6. Number into positive outcomes – Level 2 and level 3	1,531	938	593
7. Number into positive outcomes – Level 1, 2 and 3	2,335	1,475	860
8. Cost per start (£)	£2,100	£2,200	£1,900
9. Cost per closure (£)	£3,000	£3,100	£2,800
10. Cost per number into positive outcomes – Level 3 (£)	£21,100	£22,500	£18,900
11. Cost per number into positive outcomes –Level 2 and level 3 (£)	£9,300	£9,900	£8,300
12. Cost per number into positive outcomes –Level 1, 2 and 3 (£)	£6,100	£6,300	£5,700
13. Total NFF Contract Actual Spend	£14,234,934	£9,330,463	£4,904,471

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.
2. Level 3 positive outcomes include those moving into employment and self-employment
3. Level 2 positive outcomes include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.
4. Level 1 positive outcomes include those moving into new deal option, new deal gateway, pre-vocational training, voluntary work, other employability project, community based education.
5. Cost is based on total NFF contribution to each project.
6. There are 54 projects delivered by the voluntary sector or local development companies, other types of delivery organisation deliver the remaining 16 projects.
7. Other types of delivery organisation include: partnership (5 projects), local authority (5 projects), local authority partnership (4 projects), college (1 project) and careers Scotland (1 project).

Annex A5.4: Cost Effectiveness Variations Across Projects – Existing and New Projects

	Total	Phase 1 and 2 - Existing	Phase 2 Only - New
1. Number of starts	6,910	5,550	1,360
2. Number of closures	4,787	3,955	832
3. Number of barriers	4.1	4.1	4.1
4. Number of days per closure	172	178	143
5. Number into positive outcomes – Level 3	675	560	115
6. Number into positive outcomes –Level 2 and level 3	1,531	1,275	256
7. Number into positive outcomes – Level 1, 2 and 3	2,335	1,942	393
8. Cost per start (£)	£2,100	£2,000	£2,500
9. Cost per closure (£)	£3,000	£2,700	£4,100
10. Cost per number into positive outcomes – Level 3 (£)	£21,100	£19,400	£29,500
11. Cost per number into positive outcomes – Level 2 and level 3 (£)	£9,300	£8,500	£13,200
12. Cost per number into positive outcomes – Level 1, 2 and 3 (£)	£6,100	£5,600	£8,600
13. Total NFF Contract Actual Spend	£14,234,934	£10,846,625	£3,388,309

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.
2. Level 3 positive outcomes include those moving into employment and self-employment
3. Level 2 positive outcomes include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.
4. Level 1 positive outcomes include those moving into new deal option, new deal gateway, pre-vocational training, voluntary work, other employability project, community based education.
5. Cost is based on total NFF contribution to each project.
6. Based on 52 phase one and phase 2 projects, and 18 phase 2 only projects.
7. Outcomes are for phase two of NFF only.

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Annex A5.5: Cost Effectiveness Variations Across Projects by Size (Defined by Number of Client Starts)

	Total	100 Clients Plus	50-99 Clients	Less than 50 Clients
1. Number of starts	6,910	4,685	1,605	620
2. Number of closures	4,787	3,386	1,043	358
3. Number of barriers	4.1	4.1	4.3	3.8
4. Number of days per closure	172	178	145	197
5. Number into positive outcomes – Level 3	675	468	155	52
6. Number into positive outcomes – Level 2 and level 3	1,531	1,077	330	124
7. Number into positive outcomes – Level 1, 2 and 3	2,335	1,591	553	191
8. Cost per start (£)	£2,100	£1,500	£2,800	£4,200
9. Cost per closure (£)	£3,000	£2,100	£4,300	£7,300
10. Cost per number into positive outcomes – Level 3 (£)	£21,100	£15,300	£28,700	£50,400
11. Cost per number into positive outcomes – Level 2 and level 3 (£)	£9,300	£6,700	£13,500	£21,100
12. Cost per number into positive outcomes – Level 1, 2 and 3 (£)	£6,100	£4,500	£8,000	£13,700
13. Total NFF Contract Actual Spend	£14,234,934	£7,168,205	£4,448,001	£2,618,729

Notes: 1. Cost data excludes £374,417 for the Wise Group Project – a capacity building project focusing on the homeless client group.

2. Level 3 positive outcomes include those moving into employment and self-employment

3. Level 2 positive outcomes include those moving into supported employment, further and higher education, training for work, skillseekers, STN skillseekers / Get Ready for Work or into an ILM project.

4. Level 1 positive outcomes include those moving into new deal option, new deal gateway, pre-vocational training, voluntary work, other employability project, community based education.

5. Cost is based on total NFF contribution to each project.

6. There are 29 projects with more than 100 client starts, 23 projects with between 50 and 99 starts, and 18 projects where there have been less than 50 client starts.

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6. MAINSTREAMING NFF

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The Changing Context

NFF is a pilot, albeit a substantial one in terms of timescale and expenditure. The beauty of this is that the NFF approach has been given a fair trial and a sufficient scale to draw robust findings. Small scale pilots can always be made to work, if only by selective recruitment of clients.

The attempt to secure mainstream funding resources to take NFF forward and make it available to a larger number of clients is taking place in an environment where:

- government policy is increasingly focused on moving people from welfare to work, the development of social capital and improving mainstream services; but
- where constraints on public spending, excepting health services, are now being clearly signalled.

So there is both an opportunity to promote mainstreaming, but also a challenging environment within which to achieve this.

Since the introduction of NFF in 1998, the policy and institutional landscape has also changed, generally in such a way as to favour the mainstreaming of the type of approach embedded within NFF. Some illustrative examples of this changing environment are listed below.

- The Scottish Executive has placed increased emphasis on *Closing the Opportunity Gap* and in December 2004 a number of targets were introduced – one of which involves reducing the number of working-age jobless people dependent on DWP benefits.
- In 2002, ***Communities Scotland*** emerged as an executive arm of government with a wider remit than its predecessor organisation, Scottish Homes. Communities Scotland has whole or partial responsibility for issues such as:
  - basic skills development,
  - capacity building in the social economy, and
  - area regeneration.

  More broadly, Communities Scotland has responsibility for managing the Community Planning Partnership process, which has as one of its central agendas the more effective deployment of mainstream services to meet a number of goals, including 'closing the gap'.
- ***Careers Scotland*** has emerged as a strong national agency. Within this, there is now increased emphasis on:

- - all age guidance, with the recognition that more excluded adult clients will require a more labour-intensive service delivery,
  - managing the Beattie Projects focused on the most disadvantaged young people, a very similar client group to NFF.
- Parts of the *Scottish Executive* have been leading the development of the strategic approaches to the problems confronted by key socially excluded groups of the population including the homeless and people with issues around addictions. More recently, the Scottish Executive has embarked on the business of developing an Employability Framework to embrace all jobless people, including the client groups assisted by NFF
- Attempts by government to promote more joined-up working in the Community Care sector are now bearing fruit in a number of localities. In Glasgow, for example, health, social work and economic development professionals are trying to join up more effectively to promote employability for their common client group through their *Equal Access to Employment* initiative, now being delivered through the Glasgow Equal Access Partnership.

All of these developments create a much more fertile environment within which to try and mainstream the positive developments emerging from the NFF initiative.

Definitions

Mainstreaming is a difficult word. People think they know what it means because it is a commonly used word, but on digging deeper it lacks precision. NFF has now accepted a definition along these lines:

> '*Mainstreaming within the context of New Futures occurs (a) when existing services provided by New Futures projects continue to be provided directly by mainstream, statutory agencies, either through being brought in-house or through the statutory agency contracting with voluntary sector agencies to provide services and/or (b) when mainstream statutory, voluntary or private sector agencies adapt their existing service provision to more adequately respond to and meet the identified needs of the New Futures clients.*'

The definition goes beyond – but includes - maintaining the services currently delivered by NFF projects.

In fact, there is a simpler definition of mainstreaming which would move the focus away from the projects currently involved. This definition is as follows:

> '*Mainstreaming involves making a service offered currently only to clients of specific projects or localities available to **all** clients sharing the same needs*'.

Putting to one side the definition of mainstreaming and assuming that the NFF approach is accepted as a valuable enhancement of the services available to the more disadvantaged jobless people, the next major issue would be how best to deliver this service. There are a number of options.

- The NFF-type service could be added onto existing service delivery of mainstream agencies such as Jobcentre Plus, NHS primary and secondary care, social work/social care, Scottish Prison Service, etc. In this scenario, the employability service might be delivered by the staff of these agencies, or by projects on a contract or service-level agreement basis as currently happens for a range of service delivery.
- The NFF approach develops as essentially a new service area, taking in clients from the range of agencies noted above. In principle, such a service could continue to be delivered by a series of projects, it could be located in existing agencies (e.g. local government) or a new national agency could be set up to deliver the service.

Unfortunately, the debate has yet to move forward to look at the range of delivery options in a systematic and long term way.

The Broader NFF Approach to Mainstreaming

Mainstreaming has been one of the central developmental tasks led by the NFF team in Scottish Enterprise during Phase 2. This has involved two approaches.

- Guiding and assisting projects to make the case to local and national funders to use mainstream funds to continue the project delivery or bring the project delivery in-house. For example, guidelines were prepared for projects looking to develop their NFF exit strategy, and on promoting and marketing the project.
- Influencing national and local agencies to build the NFF approach into policy and strategy documents, and to find resource to promote its adoption within their own organisations or in organisations they can influence.

The work with projects has involved workshops/conferences where mainstreaming was a central theme or at least a significant topic, as well as providing support on a one to one basis to projects as they try to secure a more sustainable future for their employability service.

Running parallel to the attempts to mainstream the work of specific projects, the NFF team and the AMG developed a more systematic approach to mainstreaming. In essence, the approach taken was to:

- recognise that the opportunities for mainstreaming tended to follow clearly specified client groups (e.g. the homeless);
- set up subgroups to develop a mainstreaming strategy for each of the main client groupings within NFF;
- engage potential funders in the subgroups as well as the various specialist interests already involved in NFF;
- try to define more precisely what it was funders were being asked to mainstream – what is the NFF service and what distinguishes it clearly from:
  - 'social' services with no employability orientation,
  - traditional employment services, including national training programmes.

This process generated a set of papers, subsequently collated into a composite mainstreaming paper. The Scottish Council for Single Homeless, Apex and the Scottish Drugs Forum developed a *Shared Employability Agenda* making the case for NFF, in part based on helping to meet Scottish Executive targets and on financial savings to the Exchequer.

A key piece of cognate documentation is the *Employability Model* which aims to distil the essential elements of the NFF approach. Additionally, case studies of clients helped to progress towards employment by NFF were prepared. Finally, the evaluation process generated further evidence with which to build a persuasive case to go to various funders that NFF is a good investment of their budgets.

In joint discussions between the NFF and the evaluation teams, it was agreed that the mainstreaming process needed to be re-focused and driven forward more quickly. As a result the NFF team developed a *Mainstreaming Action Plan*, going out on a more proactive basis to key funders (e.g. in different parts of the Scottish Executive) to identify opportunities to link into their strategy development and implementation processes. The aim was to establish the potential for resourcing employability enhancement along the lines of the NFF approach using central or local government funds. As part of this exercise a new Stakeholder Group, consisting of key funders, was set up. A draft action plan was discussed with the Stakeholder Group in September 2003, and subsequent to this the Group met on a number of occasions.

Part of this process involved identifying areas and organisations where the employability of specific disadvantaged client groups had high policy salience, with policy announcements and possible resourcing decisions projected to come through

relatively quickly. With limited resources at the centre to manage the NFF programme, this was an attempt to prioritise the resources and time going into the mainstreaming of NFF.

Mainstreaming is difficult to achieve, principally because it implies increasing and longer-term resource commitments from national and local agencies of government. Our assessment is that the NFF team in Scottish Enterprise worked hard and well on this mission

- They enlisted the support of the projects and all the key interests working with the target client groups. This built up the volume of resource which could be dedicated to the process.
- Sound guidance on how to promote mainstreaming was developed and disseminated to the projects.
- Every opportunity to present the benefits of NFF to audiences of policy makers and funders was taken up.
- The NFF team prepared responses to policy consultation documents, showing how NFF could play into the developing policy agendas.
- Half way through Phase 2, when only limited progress on mainstreaming was visible, the more top-down approach of engaging proactively and collectively with the key funders was developed and implemented, quickly backed up by the preparation of the *Mainstreaming Action Plan.*

The NFF teams showed considerable determination in pursuing the goal of mainstreaming.

Progress on Mainstreaming

Projects

As of December 2004, progress had been made on finding some continuing financial support a number of NFF projects, based on a range of sources, including ESF, New Opportunities Fund and other bidding funds – but also mainstream funding from local government and the health service, as well as mainstream programmes such as New Deal for Lone Parents. Additionally, there had been some specific and significant one-off mainstreaming examples, including the agreement in principle by various departments of South Lanarkshire Council to resource Youthstart

Some of the key features associated with the success in mainstreaming these projects are noted below.

- The projects have had a focus on mainstreaming since the start of Phase 2. The negotiations around mainstreaming can be lengthy, so it is important to start early.
- Youthstart appointed external consultants to drive the process and has made provision in its budget for external evaluation with the expectation that both actions should help them to make their case to mainstream funders.
- The experiences of the projects strongly support the need for planning for mainstreaming, and continued effort and application.

Projects Influencing Practice

One definition of mainstreaming envisages the employability practices developed by NFF projects finding their way into the working practices of mainstream service providers. A number of the case study projects felt that they had exerted influence on the way mainstream services are delivered. Some examples are noted below.

- *FEAT/Better Futures* have delivered mental health awareness training to a range of mainstream organisations including training providers. The economic development section of the council is now more likely to see that people with mental health problems as a legitimate group for employment-focused interventions.
- *RAMH/Springboard* has worked with some mainstream agencies to provide a more integrated service for clients. Careers Scotland (in Paisley) is more aware of mental health problems in clients and have improved their ability to assess people with these issues. As Careers Scotland know that Springboard can work with people with mental health problems to the point that they are able to access their services, they are more likely to think that people with mental health problems can progress.
- *Hope Service* have built relationships with Jobcentre Plus and schools. Jobcentre Plus now realise more fully how finding a job for a disabled person is a different process to finding one for an able-bodied person – it takes longer and the person needs more intensive support. Schools realise that going straight into work may be possible for disabled young people even if they have very limited academic skills. Not everyone needs to go to college to carry on learning and, for some, learning may be enhanced by being in the workplace.
- *Flourish House* feel that they may have influenced the commissioners of day-care services who are more likely to want to see an employability aspect in any service they commission (although the Mental Health Act also calls for local authorities to seek to do this).

- *STEP* have influenced the council's strategies on homelessness and disability, for example to include an employability focus and way of working.
- *PIE* feels there has been a change in the culture in many organisations working on employability who are now more likely to recognise the importance of achieving softer outcomes as part of the process of moving towards achieving harder outcomes. Also within the homelessness sector, they feel that their own organisation has understood that employability work should be at the forefront of any action to resettle homeless people and can have an important impact on the effectiveness of that resettlement work.

Impacts on Policy and Funders

As indicated above, the NFF team at Scottish Enterprise have worked hard to influence policies and their implementation, with a view to prioritising the mainstreaming of the NFF approach. There are many examples of this, and some of them are highlighted below.

- The NFF way of working is recommended in the Final Report - *A New Deal For All* - by the Department for Work and Pensions and the National Employment Panel on the review of New Deal 25+.
- ODPM and the Social Exclusion Unit have recommended NFF practices in relation to tackling the problems of disadvantaged areas in a report to the Treasury.
- In the field of substance abuse NFF is highlighted as good practice in the Scottish Executive's *Moving On* policy document.
- In relation to homelessness NFF has been heavily involved in injecting an employability dimension to homelessness strategies.
- In partnership with Jobcentre Plus a new Employability Protocol was developed and piloted.
- NFF contributed to the Healthy Working Lives Steering Group. In the subsequent policy document the NFF approach was highlighted and recommended.
- The NFF approach was influential in shaping aspects of the Working for Families initiative, funded through the Scottish Executive and delivered in the main by local authorities.
- The NFF team was very active in the homelessness field, contributing to the Routes out of Homelessness working group and advising local authorities on the role of employability in local homelessness strategies.
- A close working relationship has developed with the Glasgow Equal Access Partnership around sharing practice and lessons on operational issues.

Although this is only a selection of the areas where the NFF team has promoted the NFF approach to employability, it is clear that this constitutes a substantial effort. On the basis of consultations with a number of key national and local players as part of the evaluation process, there was confirmation of the high and positive profile NFF enjoys as a result of active and effective contributions by the NFF team in the arenas of policy and practice.

Overview

The Scottish Enterprise NFF team has worked assiduously and effectively to promote mainstreaming by:

- supporting the efforts of the individual projects to improve their sustainability, with three significant successes in terms of mainstreaming the services provided by these projects;
- working with key policy makers and decision makers to try and promote the mainstream delivery of NFF.

One of the difficulties for the team has been that there is no clear good practice to draw upon in taking forward the complex process of mainstreaming. This also has to be seen in a context where there are significant barriers to the mainstreaming process, which are discussed below.

Barriers to Mainstreaming

As we have noted above, the NFF approach is well regarded in a wide range of policy circles. This raises the question – why is there not more evidence of the mainstreaming of the NFF approach? Below we summarise some of the key problems that need to be tackled based on consultations with a spread of policy staff in national and Scottish agencies, as well as some key local players.

Lack of Understanding of the NFF Approach

It is clear that although many policy and decision makers at the national and local level understand the NFF ethos and some of its broad operating principles, they are unable to articulate much beyond that. In particular they are not very clear about how the practice of NFF differs from what is generally available through more mainstream employment services. Without having a clear view of what is involved in delivering NFF it is difficult for them to make judgments about the value of the service.

Concerns Over Value for Money

Partly associated with the above there is no strong sense of what they would get for their money if they invested in the NFF approach. This is exacerbated by the perception that the NFF approach is high quality – but also high cost. In this context people making decisions over resources tend to view NFF as a niche service rather than something which can be made available to a wide range of more disadvantaged clients. Given the latter perception, it is not viewed as the basis for a *comprehensive* service.

Differences of View on Responsibility for Delivery

Ironically, to the extent that employability now features in the remit of a wider range of organisations there is a tendency to look at others around the table when it comes to finding the resources to deliver an NFF approach on a sustained basis. In particular, there is an assumption in some quarters that other organisations should be able to deliver the NFF approach by redesigning their existing service delivery – but at no additional cost to the organisation, or to existing clients in terms of the volume or quality of services currently available.

Changing Priorities and Personalities

Although the policy environment has ostensibly become more favourable to an approach such as NFF other features of that environment can make it difficult to progress the mainstreaming of NFF. The changing political priorities and departmental leadership at politician and officer level can make it hard to generate a consistent drive towards mainstreaming.

Lack of a Consistent Message from Government

Partly due to the turbulent nature of the policy environment key players, particularly at the local level in local authorities and other local delivery bodies, are concerned about the lack of a consistent message around employability services for the most disadvantaged. They hear about the importance of employability for jobless people from the Scottish Executive, but they do not see the money or other resource flowing through to help implement this strategic priority, except in relation to specific initiatives such as Working for Families for example. On the other hand, because they anticipate resource will flow through at some stage in the future there is a tendency not to devote the local resources they control to delivering an NFF-type service. This kind of behaviour is reinforced by the decisions to extend support to existing NFF projects on an *ad hoc* basis beyond the life of the existing programme.

Assessment

With the benefit of hindsight more could probably have been done in relation to providing:

- a more practical description of what the NFF service involves;
- more information on the cost of delivering the service.

However, most of the other barriers which have emerged during consultations are difficult for the NFF team in Scottish Enterprise to address. In a sense, the solution depends on the development of more effective partnerships and a shared strategic and operational perspective on employability services for more disadvantaged jobless people on the part of:

- the different departments and sections of the Scottish Executive;
- the Scottish Executive and the other major national agencies;
- the national agencies and the key local players, principally local authorities.

Key Points

1. In broad terms, the policy environment has become more supportive of the type of approach developed and delivered by NFF.

2. The Scottish Enterprise NFF team has worked hard and effectively to promote mainstreaming by:

- supporting the efforts of the individual projects to improve their sustainability;
- working with key policy makers and decision makers to promote the mainstream delivery of NFF.

In particular, the NFF team has made a significant impact on policy makers and strategy documentation to give NFF a high profile in a range of important circles.

3. A number of projects have made progress towards sustainable delivery of their service, with three significant successes.

4. There remain a number of fundamental barriers to mainstreaming, not least the lack of conviction among a range of budget holders that sufficient resource can be found to deliver NFF on a more comprehensive basis.

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7. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The NFF initiative is targeted on a number of key groups in the working-age population. The policy emphasis on these groups has, if anything, grown in significance since NFF was introduced in 1998. As well as focusing on a set of priority groups, the NFF approach now sits more firmly within an overarching welfare to work agenda, which has again firmed up since the introduction of NFF in 1998. The NFF approach has a clear role within a labour supply chain that seeks to move more working-age jobless people towards the labour market.

2. The feedback of NFF clients and the range of stakeholders is uniformly positive in relation to the value of the NFF approach. Very few people are critical except in terms of detail.

3. The case study evidence sets out clearly the mechanics of the NFF approach, and to some extent demystifies it. This may help to raise awareness of what is involved in delivering NFF at the practical level.

4. It takes time to develop effective ways of working, particularly in relation to networking with other projects and services. Funders need to appreciate that an investment in capacity building is required and that it takes times to realise the returns on this investment.

5. The project-based evidence shows clearly that NFF generated additionality in terms of extra employability services delivered, new ways of working with clients and wider access to employability services. Additionally, clients perceived that the services offered by NFF projects are very different to those delivered by the conventional providers.

6. The evidence from the process of consultation and review suggests that the small NFF management team in Scottish Enterprise added significant value to the delivery of NFF, particularly in the embedding of the employability framework and the promotion of networking.

7. Turning to the harder, quantitative information on NFF, there are a number of positive findings in relation to:
   - the proportions moving into jobs and job-related destinations;

- the progress within projects towards tackling key barriers;
- the linkage between progress within projects and subsequent success in relation to employment-related destinations.

However, some of the findings raise questions about the appropriateness of NFF for some client groups.

8. The above average NFF projects are able to achieve extremely good results with a very difficult client group, not only in terms of moving people onto the stepping stones towards the labour market, but also into work. This shows what the NFF approach is capable of achieving, and we feel that there is no reason why these success rates could not become the norm rather than the exception.

9. Post-NFF outcomes appear to be on a par with other similar types of interventions working with the more disadvantaged groups. However, given the high number of barriers confronted by the typical NFF client this is clearly a good result for the approach. There is no doubt in our minds that, well delivered, the NFF approach is an effective intervention for clients with multiple and/or deeply embedded barriers to employment.

10. Although the various cost estimates are high on the average, once the projects are differentiated in terms of cost-effectiveness it becomes clear that the costs of delivering in the most effective projects are well below the average figure. In looking at the case for taking the NFF approach forward, it is not necessary to focus on the average performance. It makes more sense to consider the better practice on the grounds that there is no good reason why this cannot be replicated as the approach is scaled up.

11. The major challenge at this juncture is to preserve and pass on the learning from the NFF process into a range of mainstream delivery situations. Progress has been made in relation to a number of specific projects and the influence of NFF can be seen in a range of key strategy documents – but the service is still not expanding out to touch significant numbers of jobless people.

Recommendations
1. The evaluation has shown that the NFF-type service can be delivered cost effectively to a number of disadvantaged groups – based on the evidence from the best performing projects. However, a number of key people in charge of resources which might go to mainstream NFF are not persuaded about the value for money

which would be associated with this. We believe there is sufficiently convincing evidence to warrant a more comprehensive roll-out of the NFF approach in a small number of localities where the service should be made available to a much larger percentage of the client group. Apart from allowing delivery to be scaled up to a mainstream service, it would help develop the infrastructure of support services needed. It would make a great deal of sense to locate the roll-out in the areas which are the focus for the *Closing the Opportunity Gap* target around reducing the number of jobless people dependent on DWP benefits. This would permit NFF to be evaluated as a mainstream service as opposed to a pilot approach, and help convince the doubters.

2.   There is still an open issue as to which organisations are best placed to deliver the NFF-type service. There is also the issue of whether it should be a bespoke service delivered by, for example, the voluntary sector, or a development of the work of, say, social work, health or employability service personnel. We propose a different host for the service is chosen in each of a number of localities, and delivery effectiveness is then tested out in practice.

3.   Significantly, there remain issues about whether it is best to build the services around specialist needs (e.g addictions) or whether a generic cross-barrier service would be more appropriate. A more in-depth extension of the approach would allow this to be tested as well.

4.   It is possible that the Scottish Executive's *Employability Framework,* scheduled for publication in the summer of 2005, will endorse the need for a commitment to the NFF service more extensive than the recommendations made above. However, if the Scottish Executive goes down that road, we believe that endorsement and encouragement to organisations to mainstream the NFF approach is not enough. The Scottish Executive will need to mobilise resource, possibly by top-slicing the budgets of a number of departments, if it wants to ensure that the NFF service is made available to a significantly larger number of jobless people than is currently the case.

5.   However, resources are not enough either. The effective deployment of additional resource at the local level requires the various organisations working with the most disadvantaged groups of jobless people to align and integrate their services more effectively. If resource is to be released into localities to provide for the more comprehensive delivery of the NFF approach it needs to go to areas which have developed robust local action plans to create this integration, and which then proceed

to deliver effectively against these plans. It is only when there is a universal transparency around the costs and benefits of the NFF approach that it will enter into the mainstream in a sustainable way.

APPENDIX: RESEARCH METHODS

Interim Evaluation

Project Visits

For the Interim Report, 40 projects were visited, representing around half of the projects funded by NFF in Phase 2. Detailed discussions were held with project managers and staff around issues such as the employability enhancement process and networking behaviour.

Current Client Discussion Groups

Group discussions were carried out with current clients of the 40 case study projects, although in some instances, where clients preferred, one to one interviews were held. Client views were collected on the experience of NFF and the ways that they had been assisted. A total of 168 clients took part in these discussions. The feedback from this process is qualitative rather than quantitative.

Statistical Analysis of NFF Monitoring Data

The NFF monitoring database was interrogated to generate information on client characteristics, progression and destinations on leaving NFF for the Interim Report. This was also carried out for the Final Report.

Assessing the Mainstreaming Process

The process of mainstreaming the NFF approach has also been assessed for both the Interim and Final Reports using a number of different mechanisms.

- Projects were asked about how they viewed the mainstreaming process.
- Documentation on mainstreaming generated by the AMG subgroups was analysed.
- Interviews were held with NFF staff at Scottish Enterprise to discuss mainstreaming, as well as other issues.
- One to one interviews were conducted with key policy staff in the Scottish Executive and other government departments, as well as with some local players.

Final Evaluation

In-Depth Case Studies

For the Final Evaluation of Phase 2, 10 in-depth case studies were conducted on projects which appeared to be performing more effectively than the average. The case study visits involved interviews with project management staff, as well as one to one

interviews with project staff. Selection of 10 case studies from the 71 NFF projects operating in phase 2 was based on a number of different considerations. One source of information was the NFF monitoring data including:

- measures highlighting *throughput*, for example the number of starts and number of closures per project, the number of closures expressed as a percentage of starts and the average duration spent on the project by clients;
- the *average number of barriers* faced by clients within each project;
- measures of **outcomes** including the percentages of clients leaving projects as a result of achieving desired progress, the percentage moving into employment/self-employment and the percentage moving into positive outcomes on leaving the NFF projects;

Average performance across all of the NFF projects was used as a benchmark.

While the monitoring data served as a guide, it was also important to incorporate projects in different geographical locations (including urban and rural projects) and those working with different client groups. This meant that some projects whose monitoring indicators were not above the benchmark on all measures were included.

Interviews With Project Managers

Interviews with project managers in each of the case study organisations were carried out. Although the interviews asked many open ended questions an interview checklist was produced to ensure that the information was collated in a uniform way and could be compared across projects. The interviews were designed to elicit information on the processes associated with the delivery of the NFF projects, but with a focus on the work directly with clients. The interviews aimed to assess the mechanics involved at each of these stages. Major question areas included how the projects recruited and engaged clients, assessment, how they progress clients, activities delivered and moving on including aftercare.

Interviews With Project Staff

One to one interviews with project staff were also carried out by the evaluation team to identify and describe in detail what the NFF *job* involves. A semi structured interview checklist was designed to collect information to assess the typical *tasks* carried out by the staff and the skills, knowledge, attitudes and behaviours required to accomplish these tasks effectively.

Follow Up Survey Sample and Fieldwork Method

In addition to analysing the NFF monitoring data a survey of former clients was conducted to assess the impacts of NFF. 211 clients were interviewed, both face to face and by telephone, from 40 projects. A consortia of 7 projects was counted as one case-study. The fieldwork took place between June 2003 and September 2004. In the first stage of the survey the following method was used.

Projects with sufficient numbers of clients were contacted. Project co-ordinators were provided with the codes of clients who had participated in their project and had left at least three months prior to contact. They were then asked to send an opt-out letter explaining why the research was taking place and saying that (unless the client objected) researchers would contact them. Recruited clients were given an incentive to participate in the survey. Clients were then typically recruited by phone by the evaluation team, although in some cases by the project. Not all the projects agreed to send letters in the form of an opt-out. Some wanted to recruit clients themselves rather than pass on contact details for researchers. In addition, not all projects provided contact details of all the clients and some contact details were not known or incorrect. In some cases, it was not clear whether clients had actually participated in Phase 2 of NFF as client codes were not provided by the project.

From March 2004, the great majority of interviews were set up in opt-in approach, where the project sent out a letter with a tear-off slip (and a mobile number for texting) and asked clients to send it to us in a reply-paid envelope if s/he wished to participate in the survey. The method of contacting clients was changed from on opt-out to opt-in approach due to concerns within projects on how to deal with data protection issues. The opt-out approach did not breach the data protection, as clients were given a change to opt-out, but most projects did not feel comfortable with providing client contact details to researchers. The opt-in approach worked reasonably well with a success rate of around 5-10%. However, it needs to be borne in mind that with the opt-in approach we had much less control over the selection of candidates and cannot ensure that all clients have been given an opportunity to participate in the evaluation. Once interviews with clients had been conducted, evaluators converted client name into NFF client code which were received from the project. This allowed survey findings to be matched with the monitoring data.

The majority of the NFF clients were interviewed over the telephone and around one third face-to-face (Table A1). Face to face interviews, on occasion with a project worker or carer present, were the only option within certain client groups and enabled more in-depth discussion on their time in and post-project. For example, when people had learning difficulties it was sometimes necessary to meet them in the presence of their carer or project worker. On average 5 clients were interviewed within each project. However, the number of clients interviewed by project varied from one to 12. Unfortunately we were unable to match 7 clients surveyed with the NFF monitoring data. This was because the client had participated in the Phase 1 rather than Phase 2.

Table A1: Interview Method

	Frequency	**Percent**
Individual telephone	134	64
Individual face to face	71	34
Face to face with someone to help	3	1
Telephone with someone to help	3	1
Sample Size	211	100

Clients who participated in the follow-up survey were slightly older than NFF clients overall with fewer clients being under 20 and slightly more over 35 (Table A2).

Table A2: Age Of Clients (%)

	All Clients	**Sample Survey**
15 years of age	1	
16 to 19	28	21
20 to 24	23	27
25 to 34	33	30
35 to 50	13	15
50 +	2	2
Not given	<1	5
Sample Size	6,231	211

The survey sample had a slightly higher proportion of females than the number of females within NFF projects overall (Table A3).

Table A3: Gender of Clients (%)

	All Clients	**Sample Survey**
Male	58	55
Female	41	45
Not given	1	0
Sample Size	6,231	211

A slightly higher proportion of clients participating in the follow-up survey were non-white, although the difference is not significant (Table A4). This is due to the fact that one of the case study projects was specifically targeted on refugees, many of whom can be of other than Caucasian origin.

Table A4: Ethnicity of Clients (%)

	All Clients	**Sample Survey**
Caucasian	94	89
Asian	3	4
African	1	
Afro-Caribbean	<1	<1
Chinese	<1	<1
Gypsies/Travellers	<1	
Mixed Race	<1	<1
Not given	1	3
Other	1	2
Sample Size	6,231	211

A higher level of follow-up survey sample clients had qualifications: just 30% of those interviewed had no qualifications in comparison to 39% of NFF clients overall (Table A5). For the majority of those who had qualifications, Standard Grade was their highest qualification.

Table A5: Highest Qualifications of Clients (%)

	All Clients	Sample Survey
None	39	30
Standard Grades SVQ 1 or 2	38	42
Highers/SVQ 3	6	6
Advanced Highers/HNC	2	3
HND/SVQ 4	2	2
Postgraduate Degree	<1	<1
Undergraduate Degree	1	2
Not given	4	8
Other	7	6
No response		3
Sample Size	6,231	211

A higher proportion of clients who participated in the follow-up survey had barriers related to mental health or physical disability in comparison to NFF clients overall (Table A6). On the other hand a slightly lower proportion had issues with homelessness, literacy, lack of experience or skills, education or training, or had a criminal record. Together with the fact that lower proportion of clients had no qualifications, this indicates that survey sample is slightly skewed towards clients with fewer barriers to employment or training.

Table A6: Identified Barrier (%)

	All Clients	Sample Survey
Lack of confidence	45	45
Lack of education / training	43	40
Lack of experience / skills	43	36
Substance abuse	35	36
Criminal record	30	23
Homelessness issues	29	20
Mental health	25	34
Benefit issues	25	25
Emotional / behavioural barriers	24	26
Lack of transport	17	18
Attitudinal barriers	14	19
Learning difficulties	13	10
Literacy	13	9
Long-term ill	12	12
Childcare / dependant care issues	11	11
Issues linked to residential care	7	8
Physically disabled	5	8
Other discrimination	4	5
Language	3	3
Racial discrimination	1	1
HIV / AIDS	1	1
Prostitution	1	1
Other	6	7
Not answered	<1	2

Note: 'Other' included: other health issues (hepatitis C, Aspergers' syndrome, acquired brain injury), age, anger management, asylum seeker and` domestic violence.

Just 5% of clients interviewed for the follow-up survey had participated in the programme for less than one month in comparison to 10% within overall NFF clients. Overall, clients within the follow-up sample had participated in the scheme for a slightly longer period of time than did clients in NFF in general (Table A7).

Table A7: Duration in NFF (%)

Duration in the programme	All Clients	Sample Survey
under 1 month	10	5
1 to 3 months	28	29
3 to 6 months	29	32
6 to 12 months	22	26
12 to 18 months	7	5
18 months +	3	3
Total number	4,026	196

A Snapshot of the Clients and Projects Included in the Evaluation

Before launching into the various sections of the report dealing with the different elements of the evaluation, there is a value in describing briefly some of the key characteristics of NFF clients, and the 40 case study projects which deliver employability services to them.

The Projects

- The case study projects work with a range of client groups. 28% work with people with alcohol and drug problems, a quarter with homeless people, 13% with people with mental health problems, 8% with offenders, 8% with lone parents and the rest with people with disabilities, young people or people with multiple problems.

- 58% of projects are voluntary sector organisations, a further 26% are local authorities or local authority partnerships, with the balance made up of local economic development companies, wider partnerships, a college and Careers Scotland.

- 67% of the projects have operated in Phase 1 and 2 of NFF, with the remainder set up for Phase 2.

- 40% have added NFF services to their existing delivery, with 60% established specifically to deliver the NFF service.

- Almost all of the projects (95%) have at least one full time member of staff and some part time staff. Of these, 56% have between 1 to 3 full time staff, and only 22% more than 5.

- Generally the projects are heavily dependent on the NFF funding. For the majority of projects (53%) NFF funding covers between 50-75% of their total project costs and for a further 39% it covers 75-100% of the costs.

- Total project costs range from £91,000 to just under £1m, with an average cost of £427,000. The NFF contribution to these costs ranges from £85,000 to £600,000, with an average contribution of £300,000. More details of the project costs are provided in Appendix 2.

Client Characteristics and Barriers

Based on the more than 3,600 clients joining NFF during Phase 2 in the period up to the end of June 2003, the characteristics of the clients are sketched out below.

- The great majority of clients are white (94%), mainly male (60%) and relatively young, with nearly one third falling into the 16 to 19 age group and another quarter into the 20 to 24 age group.

- Nearly half of the clients live in rented accommodation, and around 30% live either in a hostel or a supported care setting.
    - Over a third have no qualifications, and for 38% their highest qualification is Standard Grade.
- 26% of the clients have never worked.
- In terms of their main source of income, nearly a third are on Income Support, 23% on JSA and 22% on Incapacity or Sickness Benefit.
- One in five clients has been referred into NFF by Social Work, 18% are self referrals and 16% have been referred to NFF by accommodation or hostel providers.
- The barriers in relation to training and employment most often cited by clients are lack of education or training (58%), lack of confidence (43%), and lack of experience or skills (40%). Other often mentioned barriers include substance abuse (34%) and homelessness issues (32%).
- More than half of clients have four or more barriers to overcome.

These statistics underline the very disadvantaged nature of the NFF client group.