

**Evaluation of the European Social Fund
Objective 3 Programme for London North, 2004-08**

A report to the Learning and Skills Council

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CONTENTS

Section	Page
1. Introduction	1
2. Programme Success	3
3. Programme Management	13
4. Analysis	16
5. Conclusions	29
6. Recommendations.....	31

1. Introduction

- 1.1 In June 2008, the Learning and Skills Council London North commissioned The Mackinnon Partnership (working in partnership with Hall Aitken) to evaluate the 2004, and supplementary 2006, rounds of the European Social Fund Objective 3 programme for North London.
- 1.2 The European Social Fund plays a significant role in assisting the Learning & Skills Council's policy remit:
- It helps individuals to improve their skills and employment prospects by tackling long-term unemployment, providing training and education information, advice and guidance, promoting lifelong learning and encouraging an entrepreneurial spirit in the workplace.
 - It is also designed to improve the role of women in the labour market and where they exist, to break down barriers to education training and employment for those at a disadvantage.
 - European Social Funding enables the LSC to assist its hardest-to-reach learners. This supports progress towards its Public Service Agreement (PSA) targets and aligns with both EU and LSC policy.
- 1.3 The LSC London North co-financing plan to deliver ESF Objective 3 was approved in the summer of 2004 by the Government Office for London (GOL). The aim of the Objective 3 programme is to *“support the adaptation and modernisation of policies and systems of education, training and employment of the EU Member States through activities”*, under the following five policy fields:
1. Developing an active labour market;
 2. Promoting equal opportunities in the labour market;
 3. Promoting lifelong learning;
 4. Developing a skilled, trained and adaptable workforce;
 5. Improving the position of women in the labour market.
- 1.4 The projects were funded from January 2005. Six projects received additional 'top up' funding following an underspend tendering round in January 2006 and these projects completed by 31 March 2008. In all 39 organisations delivered 52 projects, and received a total of £14m.

Methodology

- 1.5 This evaluation, and the research and analysis which underpins it, was based on the following:
- review of available data on the programme. This proved more problematic than we had hoped, partly because the final reconciled data for the programme as a whole was not available to us until very late in our work, which meant aggregating data from projects;
 - review of every available project-level evaluation. A few projects finished early so only interim evaluations were available and the quality of them varies a good deal, from very high to very low, so this was not as useful a source of information as it should have been;
 - review of the LSC's publicity material for the programme and in particular its case studies of individuals;
 - interviews with LSC staff responsible for the programme;
 - interviews with ten project managers. It would have been ideal to interview more, of course, but funding for many projects ended some time ago so access to staff was more difficult;
 - responses from LSC staff to our presentation on 30 July 2008.
- 1.6 We undertook our work during July 2008 – a very compressed period of just four weeks. Particularly given the tight timescale we are very grateful to those who have helped us with our work, especially Dorothy Wilks in the LSC.
- 1.7 In the sections which follow, we first present the evidence which we have collected, then draw conclusions and offer some recommendations.

2. Programme Success

Summary

- Beneficiary starts and completers exceeded the targets overall – 15,141 starts against a target of 10,315, with just one measure (3.2 - targeting retail sector SMEs) falling short of its target.
- For nearly all the projects there were qualification and/or employment targets set, which were facilitated by Training Needs Analysis and Individual Learner Plans (except Measure 1.1 for advice and guidance).
- Across the programme, projects exceeded targets for Training Needs Analysis and Individual Learner Plans by 8%. One project, 'Buy into Retail' performed particularly well.
- Projects across the programme achieved 89% of the qualifications output, with some difficulty in moving participants through higher level qualifications at NVQ 2 and above.
- Projects under three of the measures had targets for moving beneficiaries into employment and these projects exceeded the targets by 43%, although whether these employment outcomes are sustainable is not known.
- There were difficulties in securing work placements for beneficiaries because of the need to engage employers and change their perceptions of client groups.
- Three measures specifically targeted SMEs. All of the projects except those supported by Measure 3.1 for promoting lifelong learning, rather than being employer focused, did not meet their targets. These were the two Urban Futures projects – Building Skills (which did not achieve the five learning outcome targets) and Childcare Now (which achieved 113 of the 213 learning outcome targets).

- 2.1 There are eight ESF measures against which projects are supported. These covered a wide range of client groups from the most excluded groups in society to people currently in employment. The number of projects supported under each measure are shown in figure 2.1 below.

Fig 2.1: Numbers of projects under the 8 Measures used by the programme

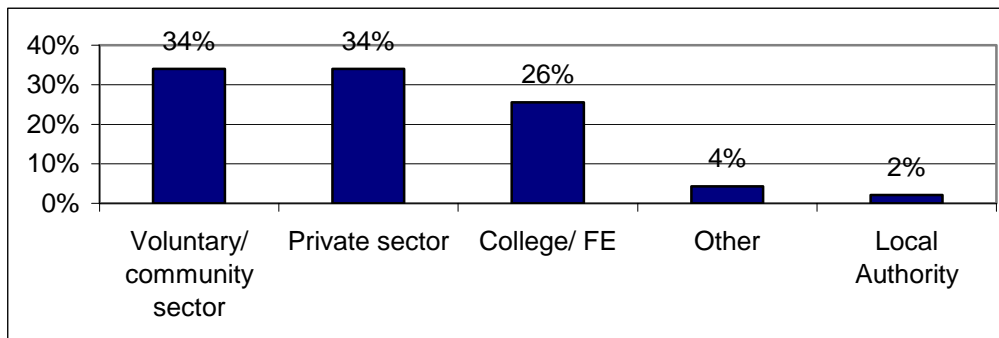
Measure		No of Projects
1.1	Advice and guidance	1
1.2	Improving prospects of unemployed	12
2.1	Widen access to basic skills	1
2.2	Help those at risk of exclusion in the labour market	11
3.1	Promoting Lifelong learning especially, basic and key skills	12
3.2	Improving skills to meet employer needs	2
4.1	Update and upgrade employees vocational skills	1
5.1	Improving women's access to learning and employment	6

2.2 Three of the measures were implemented through just one project, and a fourth through two:

- Measure 1.1 – one project – Connexions for Adults aimed at providing information, advice and guidance;
- Measure 2.1 – one project to train basic skills tutors led by Waltham Forest College;
- Measure 4.1 – one project to develop skills to meet minimum standards in the care sector;
- Measure 3.2 – two projects which aimed to improve skills within the retail sector in North London.

2.3 Most projects were delivered collaboratively with one organisation leading. The lead provider tended to be from either the voluntary, community or private sectors, as shown by figure 2.2.

Fig 2.2: Lead provider organisation type



Source: LSC co-financing returns up to end of June 2008

2.4 Targets for the programme include the number of beneficiaries engaged, qualifications achieved, and employment outcomes. Few targets applied across the whole of this diverse programme. We have therefore looked at the targets set from a bottom-up perspective – based on what each project has aimed to achieve. Some target indicators are fairly universal across the programme, for example:

- Number of beneficiaries starts and completers
- Training Needs Analysis and Individual Learner Plans
- Qualifications achieved and employment outcomes

2.5 Other targets were less widely applicable and sometimes were being delivered by only a few measures or a few projects. These included:

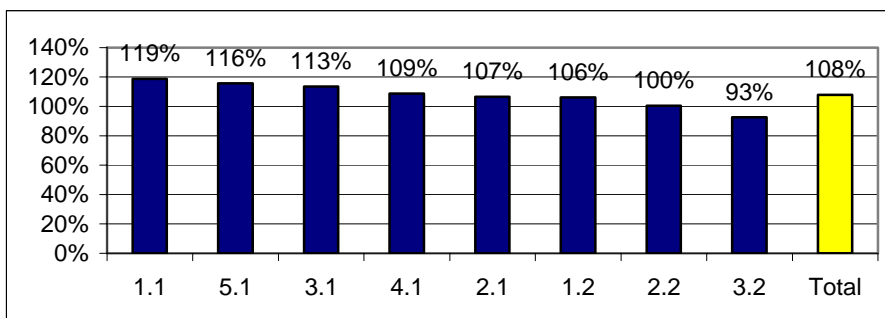
- Work placements / experience
- Recruiting mentors and trainers trained
- Engaging SMEs
- Capacity building.

2.6 This section reviews the available data from claim forms, co-financing monitoring returns and final project evaluations to assess the extent to which projects have met their targets. This is based on aggregating project level information as each project or measure had a slightly different set of targets and indicators.

Number of beneficiary starts and completers

2.7 Projects achieved 108% of the target for number of beneficiaries as shown in figure 2.3. In total 15,141 beneficiaries started on the programme against a target of 10,315. The number of beneficiary starts exceeded the target in six of the eight measures, with Measures 1.1, 3.1 and 5.1 exceeding the target by between 13% and 19%. One measure (3.2), which targeted retail sector SMEs, fell short of its target. This perhaps highlights the difficulties in engaging employers into training projects.

Figure 2.3: Number of beneficiaries as % of target by Measure

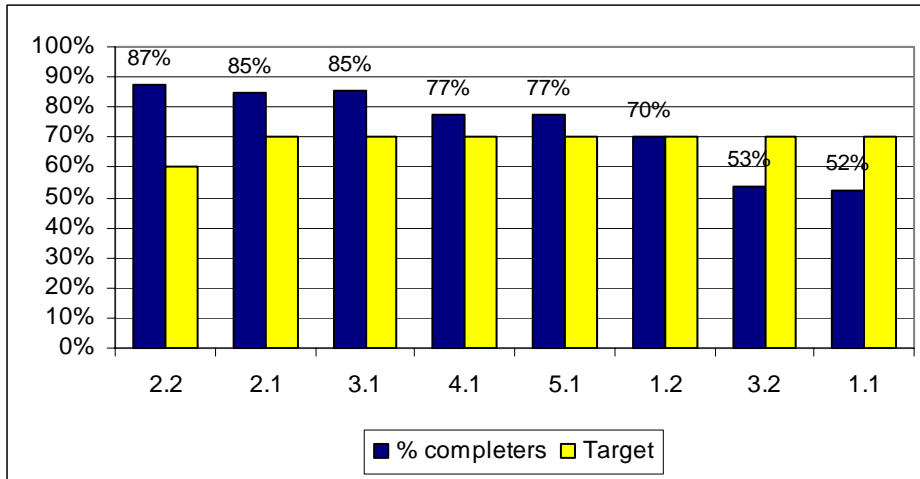


Source: LSC co-financing returns up to end of June 2008

Note: based on number of starts

2.8 For nearly all of the measures the target for completion was 70%. The exception was Measure 2.2 where a target of 60% was set because of the hard-to-reach target groups such as 13-17 year olds 'Not in Employment, Education or Training (NEET); people with disabilities, lone parents, ex-offenders and refugees. Despite the lower target, Measure 2.2 produced the highest percentage of completers (87%) as shown in figure 2.3, which is quite an achievement when considering the target group. All the other measures met or exceeded the target with the exceptions of 1.1 and 3.2.

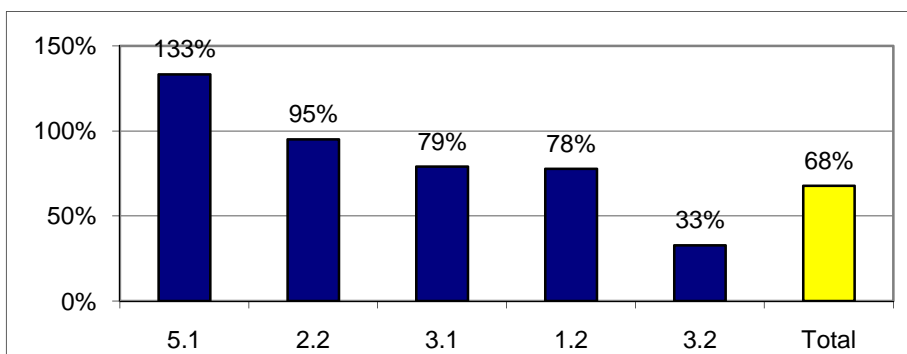
Figure 2.4: Proportion of participants completing and target by Measure



Source: LSC Claim Forms up to January 2008

2.9 Many of the projects also set targets for completing exit interviews with beneficiaries. Meeting this target is important to ensure that participants make an effective transition following completion. As figure 2.5 shows, the most successful measure was 5.1 targeting women in non-traditional sectors, where more exit interviews were carried out than had been planned. However one of the two projects under Measure 3.2 that targeted SMEs in the retail sector only achieved a small proportion of its targeted exit interviews, such that the overall figure was only 33% of target. Even though exit interviews not received do not necessarily mean problems with retention - combined with the figures for completion rates suggests there may be particular difficulty in retaining participants on this part of the programme.

Figure 2.5: Performance against targets for Exit Interviews by measure

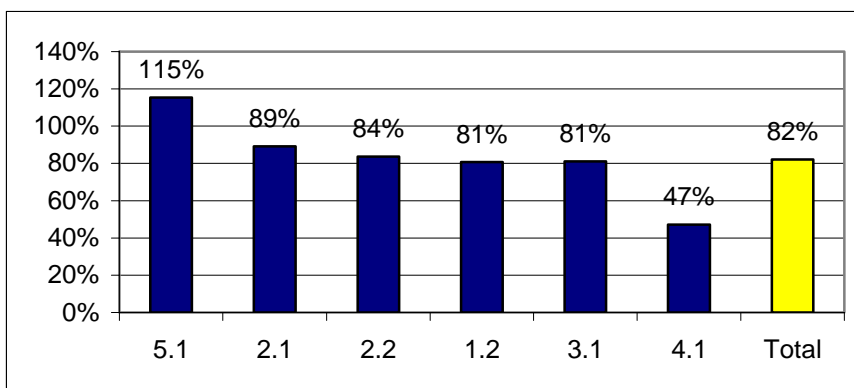


Source: LSC co-financing returns up to end of June 2008

Training Needs Analysis and Individual Learner Plans

2.10 18 projects had targets for completing learning aims agreed in learners' Individual Learning Plans. As figure 2.6 shows, across the programme as a whole 82% of the learning outcome target was met, and for only one measure (5.1), was the target met or exceeded, in this case achieving 115% more than planned. Four of the measures achieved between 80% and 90% of the target. It appears that the North London Care Consortium project under Measure 4.1 achieved less than half of its planned learning outcomes. However, half of the copies of the Individual Learner Records (ILR), with the completion of the learning aim signed off, were not received so were not reported. This was a nil payment which did not affect the contract value.

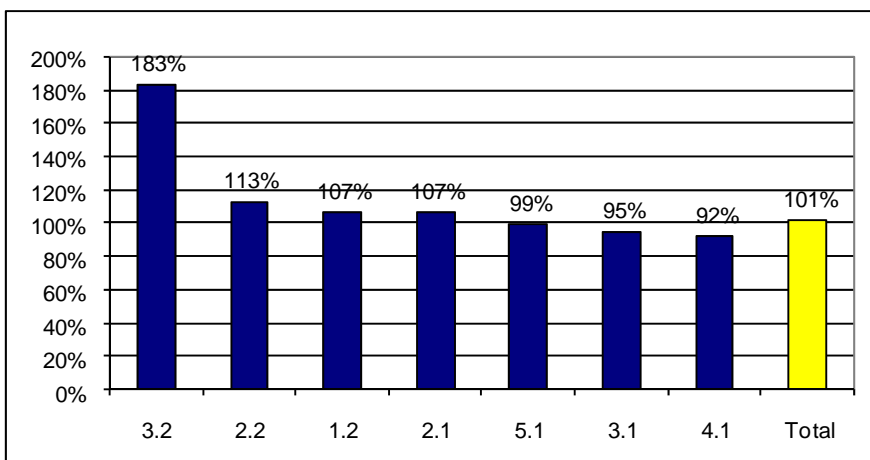
Figure 2.6: Performance against completed learning aims by measure



Source: LSC co-financing returns up to end of June 2008

2.11 Projects in all measures aside from Measure 1.1 had targets to agree a Training Needs Analysis and an Individual Training Plan (TNA and ITP) with learners. Only projects under three measures fell slightly short of meeting their targets as figure 2.7 shows. Across the programme projects exceeded the targets set by 1%. In fact, projects under Measure 3.2 exceeded their targets by 83%; mainly attributable to the 'Buy into Retail' project run by Barnet College.

Figure 2.7: Performance against targets for agreeing (TNA and ITP) by measure

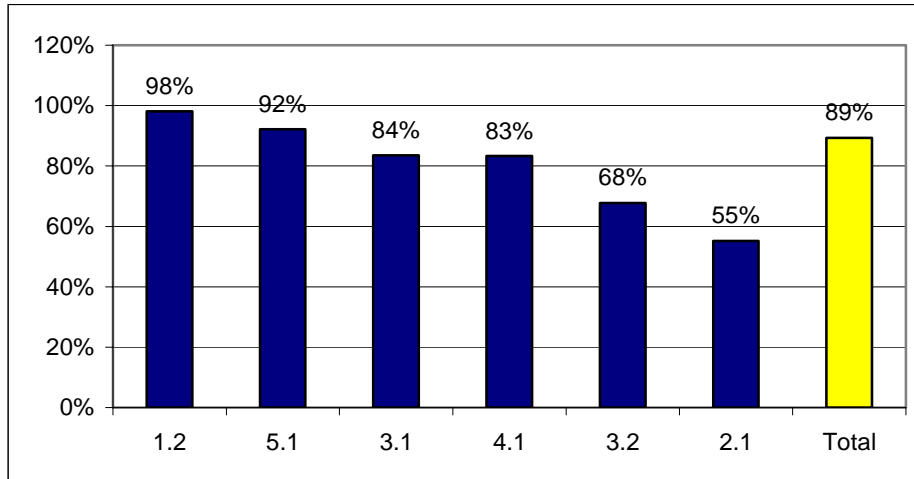


Source: LSC co-financing returns up to end of June 2008

Qualifications achieved and employment outcomes

2.12 Most projects planned to help participants gain qualifications. Figure 2.8 shows that across the programme, projects achieved 89% of the qualifications target.

Figure 2.8: Performance against Qualifications outcomes by measure



Source: LSC co-financing monitoring returns June 2008

2.13 The Waltham Forest basic skills training project (funded under Measure 2.1) achieved 72 Level 2 Adult support targets against a target of 70 and 227 certified Continued Professional Development against a target of 190. The only short-fall was in the Teacher Training qualification of which three achieved a qualification against a target of 10. However there are teachers that are still continuing with the qualification past the lifetime of the project.

2.14 The Retail Therapy project, funded under Measure 3.2, also had difficulties meeting its qualifications target. In the project no participants achieved level 3 Qualifications (target was seven) and none achieved the A1 Assessor Unit (target was five).

2.15 In some projects lower level qualification targets were hit, but not Level 2 and above, which matters most to the LSC as they contribute to its PSA (Public Service Agreement) targets. For example the Cross-roads project (Measure 3.1) under-achieved on NVQ 2 and 3 targets and over-achieved on NVQ1.

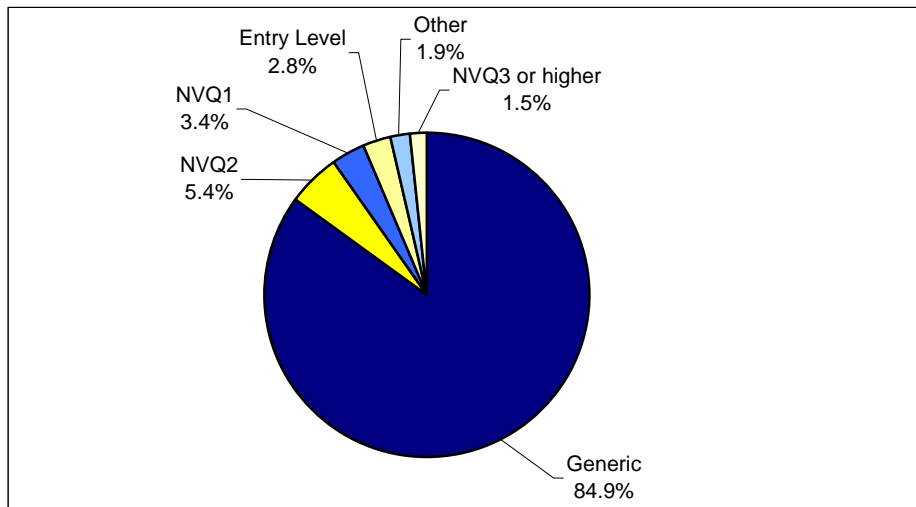
2.16 However there are notable exceptions:

- the Gingerbread project (focusing on lone parents) achieved a higher number of level 2 qualifications than planned (39 compared to a target of 19); and
- the Leyton Sixth Form project funded under Measure 2.2 achieved 74 Level 3 qualifications against a target of 30.

2.17 Figure 2.9 below shows the breakdown of qualifications achieved during the ESF programme. It highlights that most of the qualifications were classified as generic

(85%) with 3.4% at NVQ Level 1; 5.4% at Level 2 and 1.5% at Level 3 or higher.

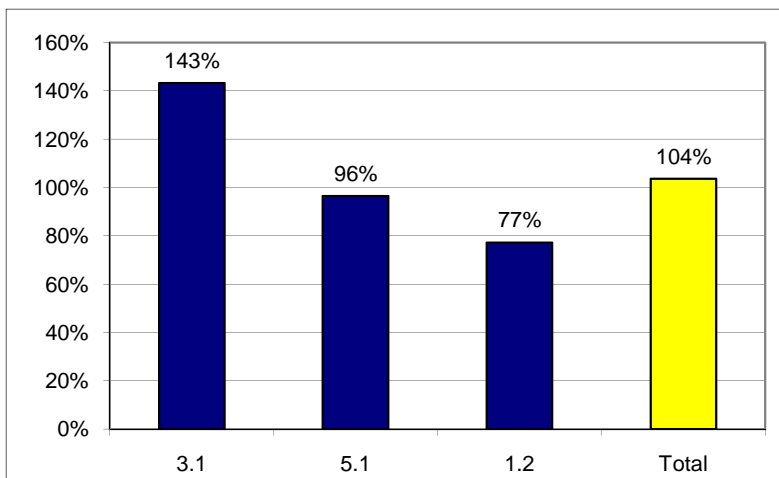
Figure 2.9: Breakdown of Qualifications achieved



Source: LSC: ESF programme statistics August 2008

- 2.18 Projects under three of the measures have targets for moving beneficiaries into employment. As figure 2.10 shows projects under Measure 3.1, which aims to improve basic and key skills, appear to have had the biggest impact on employment outcomes. These projects exceeded their targets for employment outcomes by 43%. This was largely due to the outcomes achieved by the Delta Plus project.
- 2.19 Projects under Measure 5.1 came close to achieving their targeted employment outcomes (96%). It is not surprising that projects under Measure 1.2 which aimed to improve the prospects of the long-term unemployed were less successful in moving beneficiaries into employment (77% of planned employment outcomes).

Figure 2.10: performance against employment targets by measure

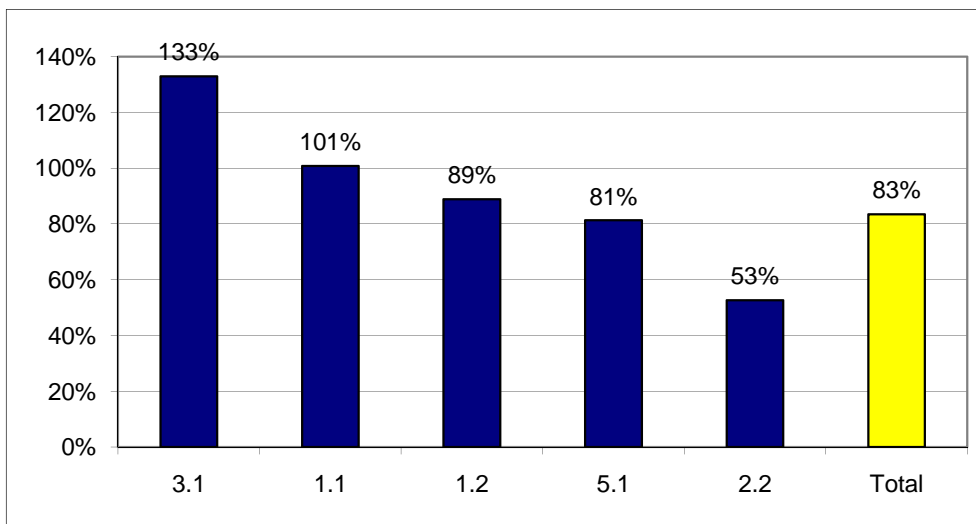


Source: LSC co-financing monitoring returns June 2008

2.20 Several projects did not set separate targets for employment, education and training but grouped them together as one. We have therefore aggregated all the targets for employment, training and education to assess achievement. As figure 2.11 shows, the programme achieved 83% of its target. However the six projects under Measure 2.2 achieved just over half of their target for employment, training or further education. Measure 1.1 was the only measure which fully met its target. In contrast, projects under Measure 3.1 over-achieved against target, achieving a third more than targeted. Much of this achievement was again due to the Delta Plus project.

2.21 There is an issue in the reporting of employment as a destination. Beneficiaries can only record one destination on the LSC Individual Learner Record (ILR). Where beneficiaries were employed throughout the programme, it appears that they did not choose employment as their destination outcome choosing instead other outcomes. Although the LSC picked this up halfway through the programme, we think it's fair to assume that people who join the ESF programme do not lose their job as a result of it.

Figure 2.11: Performance against Employment, Education or Training outcome by measure



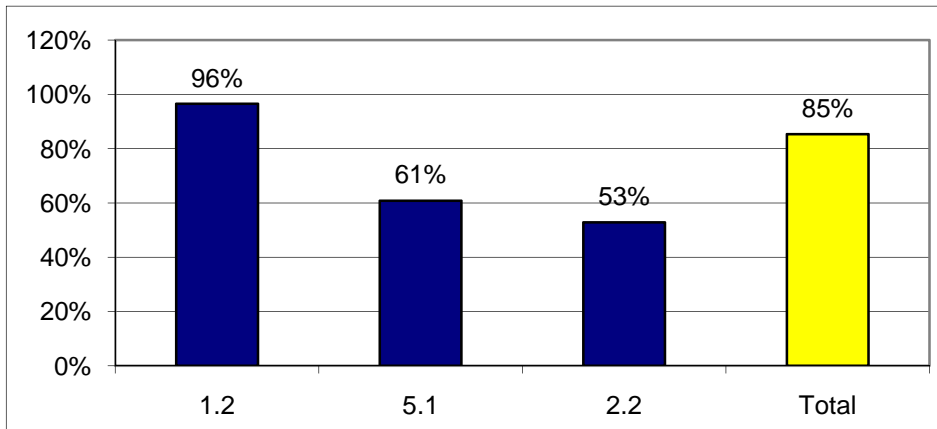
Source: LSC co-financing monitoring returns June 2008

Work placements and work experience

2.22 Several projects under three of the measures aimed to provide work placements for beneficiaries. As figure 2.12 shows, only those funded under Measure 1.2 came close to achieving the targeted number of work placements (96%). Projects under Measure 2.2 secured just over half of the work placements planned and those under measure 5.1 just under two-thirds (61%). The projects under Measure 2.2 that targeted work placements have had to deal with hard-to-reach clients including young offenders and people with autism. These client groups are likely to require a lot of support to enter or re-enter the workplace. Developing work placements also

requires resources to engage employers and improve their perception of these client groups.

Figure 2.12: Performance against Work Placement outcomes by measure

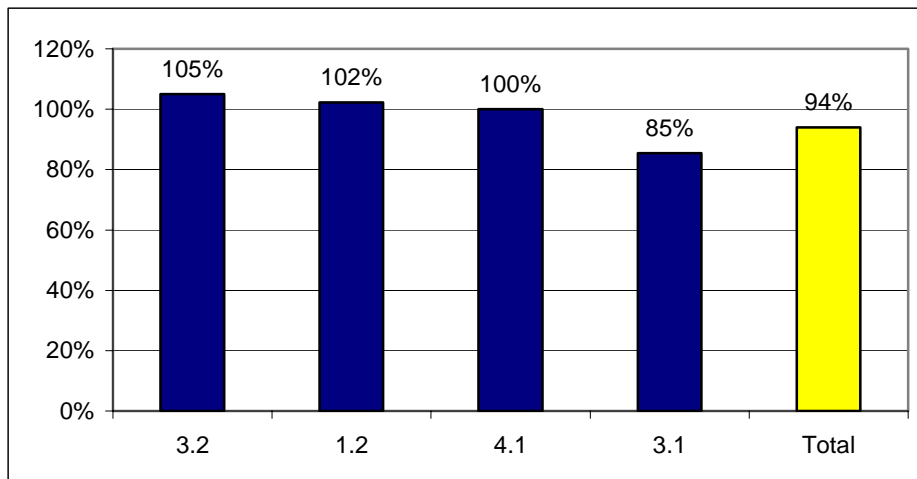


Source: LSC co-financing monitoring returns June 2008

Engaging SMEs

2.23 Three of the measures (3.1, 3.2 and 4.1) specifically targeted Small and Medium Sized Enterprises (SMEs) and set targets for how many SMEs were engaged. Some projects under Measure 1.2 which targeted unemployed people also set targets for engaging businesses. As figure 2.13 shows projects in three of the four measures achieved or exceeded their targets. Buy into Retail project achieved only 83 out of 100 SME training development plans.

Figure 2.13: Performance against SME engagement targets by measure



Source: LSC co-financing monitoring returns June 2008

2.24 It is clear that in addition to the usual reluctance to train shown by many small employers who fear that newly-trained staff will leave, retail employers did not welcome what the projects initially offered, preferring generic qualifications such as ICT to either sector specific or assessor qualifications.

- 2.25 Only projects under Measure 3.1 failed to meet their target for engaging SMEs. This was due to two of the four projects under this measure that were targeting SMEs (Waltham Forest Capacity Building and Urban Futures Building Businesses).
- 2.26 The North London Care Consortium was the only project supported under Measure 4.1 of the programme. The purpose of the project was to address the skills gaps within the care sector (and in particular to help meet the new national minimum standard), by working with 150 care sector SMEs and securing involvement in the consortium by 120 of them. It was able to exceed this target and engage 204 SMEs in the sector as members of the consortium.

Recruiting mentors and trainers trained

- 2.27 Three projects under Measure 1.2 aimed to recruit mentors as part of their ESF funded activity. Across these projects the target for recruiting mentors was almost reached, at 95%.
- 2.28 Under Measure 2.1 there was a target to train 320 basic skills tutors in order to promote wider access to basic skills provision. This was part of a wider London initiative. A single project was funded under this measure: the Waltham Forest College Teacher Training for Basic Skills project. 580 participants started training, with 492 successfully completing and 475 achieving qualifications – comfortably exceeding project targets.

Capacity building

- 2.29 There were two capacity building projects: one each under measures 2.2 and 3.1. The first of these was a capacity-building project led by Barnet College which trained a capacity building co-ordinator in each of the four boroughs. It also established community learning forums in each of the boroughs. The project exceeded its target of providing capacity building for 200 community and voluntary sector organisations across North London.
- 2.30 We understand that some projects were using qualifications which do not appear on the Learning Aim Database, which means that learners' success in such qualifications is counted as a 'positive outcome' rather than a 'qualification'. A number of questions may arise from that, particularly whether projects should have so much flexibility to choose qualifications if they are not on the Database, and whether projects are right to prioritise qualifications which have limited currency in the labour market. Such qualifications may well be very motivating to individuals, of course, and may be very valuable in providing them with a stepping-stone towards employment, but it may be more useful to some programme participants for them to go more quickly to a vocational qualification which employers will value.

3. Programme Management

Summary

- LSC contract managers had a very good working relationship with ESF project providers, expressed through some extremely positive feedback.
- This occurred due to the close involvement contract managers had with their projects, being quick to answer queries and being involved in project meetings.
- LSC London North consistently had the lowest proportion of 'not known' destination outcomes of the five London LSC areas, a record which GOL attributed to good work on data collection at an early stage in the programme.
- There were some issues over providing consistent information regarding eligibility and contract managers did their best to remedy these.
- One particular highlight was the end of programme awards event which gave a lasting and positive conclusion to the programme as a whole.

Project providers and contract managers

- 3.1 Project providers were positive in describing their relationship with LSC London North contacts. LSC contract managers were described as being both supportive and approachable. One project provider praised the way their LSC contract manager dealt with problems by not immediately withholding funding, but rather by focusing on working out any issues or complications. Any questions or queries were answered promptly and informatively by LSC contract managers.
- 3.2 Contract managers were able to provide particular attention to projects that needed it. They identified these projects via the internal auditors at the LSC, who checked accounts and financial history to give each project a risk rating.
- 3.3 From project provider interviews, relationships with LSC London North contract managers appeared to be generally good. Project providers cited regular meetings as one reason for this, making their contract managers feel like "part of their project team". Project providers felt that they could contact their contract manager at any time. One provider described the support received from their LSC London North contract manager as being "exceptionally good".
- 3.4 Several providers mentioned that their contract manager at the LSC had changed over the period of the programme. The majority felt that this was understandable particularly with long-term projects. Generally it was felt that handovers between contract managers were carried out smoothly.

- 3.5 LSC London North organised meetings for project providers to attend. These allowed project leaders to see how other projects were doing, meet other providers and to refer clients to one another. Overall feedback on these meetings were good, one interviewee found the meeting they attended to be particularly informative. Another provider stressed the importance of building sound relationships at events such as this.
- 3.6 A positive aspect of the programme as a whole was the relationships between LSC contract managers, training providers and learners. To mark the end of the ESF programme an awards ceremony was held at the Science Museum. Awards were presented in ten categories to recognise the hard work of training providers. Learners were also in attendance so that all aspects of the programme were represented. Feedback from attendees and award winners was extremely positive towards the event, who felt that it provided a memorable, “feel-good”, end to the programme.

Eligibility

- 3.7 Generally LSC contract managers were helpful when answering queries from project providers on questions of eligibility. They were open in explaining the principles behind ESF funding and its target audience. Correspondence from project files showed several instances of LSC contract managers clarifying with providers over questions of eligibility for ESF funding. This was helped by contract managers being speedy in their responses and showing a willingness to help clarify issues.
- 3.8 One LSC contract manager raised concerns that the information given to project providers could sometimes be inconsistent. There were practical issues in proving eligibility, due to audit requirements (eg not being able to photocopy passports according data protection guidelines). Collection of information by providers to prove eligibility tended to be insufficient. Furthermore providers found that the reporting systems were not particularly user-friendly, meaning that it could be sometimes difficult to make any amendments to eligibility data.
- 3.9 The Green Heart for Women project at Capel Manor received interest from learners who were above retirement age. As this project was initiated before legislation against age discrimination was passed in October 2006, there were a number of interested learners who were not able to participate. Capel Manor understood this and accepted the reasons behind it, but suggested that for future ESF rounds eligibility should be widened to match new legislation.

Government Office for London

- 3.10 The Government Office for London has commended LSC London North for having consistently the lowest proportion of ‘not known’ destination outcomes of the five London LSC areas, a record which it attributed to good work on data collection at an early stage in the programme.

- 3.11 When the programme was designed, LSC chose not to set targets for equal opportunities outputs for individual providers, preferring to monitor achievement at programme level. Prompted by the Government Office, LSC adapted its procedures in 2007 to monitor activity at provider level, to give it earlier, and more precise, information about emerging difficulties in hitting the targets. We would recommend LSC to look again at its approach for future programmes: a programme-wide target is more likely to be hit if the LSC has calculated, project-by-project, how it might be hit, and then monitors progress against those calculations.
- 3.12 It is very clear from our review of programme and project management documents that the LSC has managed the programme with great attention to detail and to Government Office and EU requirements for careful handling of ESF money. There is always the risk of over-emphasis on this administrative responsibility to the detriment of ensuring that the programme delivers what it was intended to deliver, but the LSC London North team appears to us to have avoided that risk.

4. Analysis

Summary

- Over the programme period, all four boroughs have seen economic activity rates decline since 2005. Enfield and Barnet have dropped below the London economic activity rate in 2007, having had higher economic rates than London in 2005. Despite a reduction in unemployment since 2005 in all boroughs, the unemployment rate is still about the London average in three of the four boroughs.
- The programme set targets for hard-to-reach groups across all projects. The main problems projects found in reaching the hard-to-reach were issues regarding childcare provision.
- Soft outcomes of increased confidence and self-esteem were especially reported for women and young people.
- Nearly half (46%) of all projects were able to establish links with employers as part of their activities.
- Best practice can be seen in the contract management of projects by the LSC, which meant working closely with projects that needed the most help.
- The key lessons learnt have been the importance of project planning and evaluation so that beneficiaries are properly assessed.
- Projects have been able to continue through mainstream funding or the next ESF Programme. Although some projects found that they were no longer able to continue.

4.1 The following section introduces more qualitative analysis informed by interviews with LSC contract managers, LSC ESF managers and providers.

4.2 We focus on the success of the programme in:

- Reducing worklessness in the North London area: *to provide context in economic activity and unemployment in the North London Area;*
- Targeting the hard-to-reach, problems: *looking at the various target groups;*
- What the programme did for the learners: *employability and attitude to life-long learning;*
- Soft Outcomes;
- Employer engagement: *including targeting of SMEs and employee upskilling;*

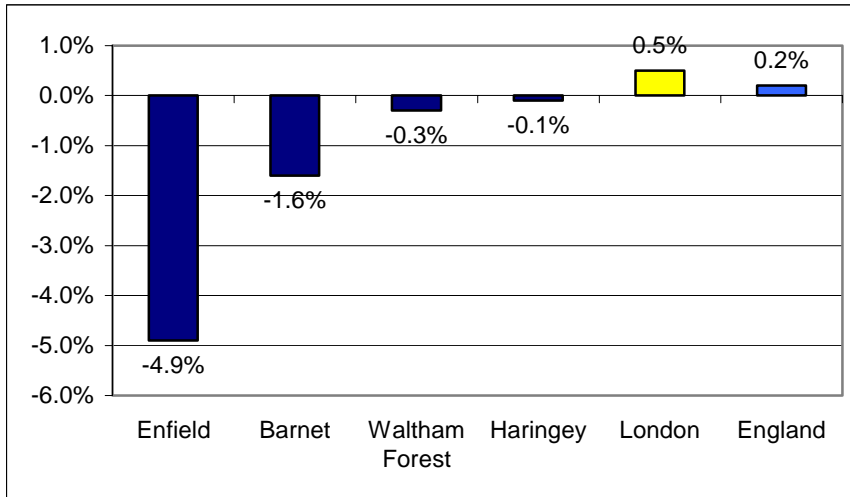
- Cross cutting themes: *including sustainable employment;*
- Good practice;
- Mainstreaming and sustainability.

Reducing worklessness in North London area

4.3 While it is difficult to attribute any wider changes in economic activity to the North London ESF programme it is useful to look at how the wider context has changed since the programme began. The most recent data on economic activity from the NOMIS Annual Population Survey (December 2007) shows that all four boroughs have economic activity rates below the London level of 75%. Barnet has a rate that is closest to the London average while both Enfield and Haringey have particularly low rates.

4.4 Figure 4.1 shows that all four boroughs have seen economic activity rates declining since 2005. Enfield has seen the biggest change decreasing from 75% in 2005 to 71% in 2007. For London itself the economic activity rate increased marginally to 75% from 74.5% in 2005. This means that both Enfield and Barnet have dropped below the London economic activity rate in 2007 having had higher economic activity rates than London in 2005.

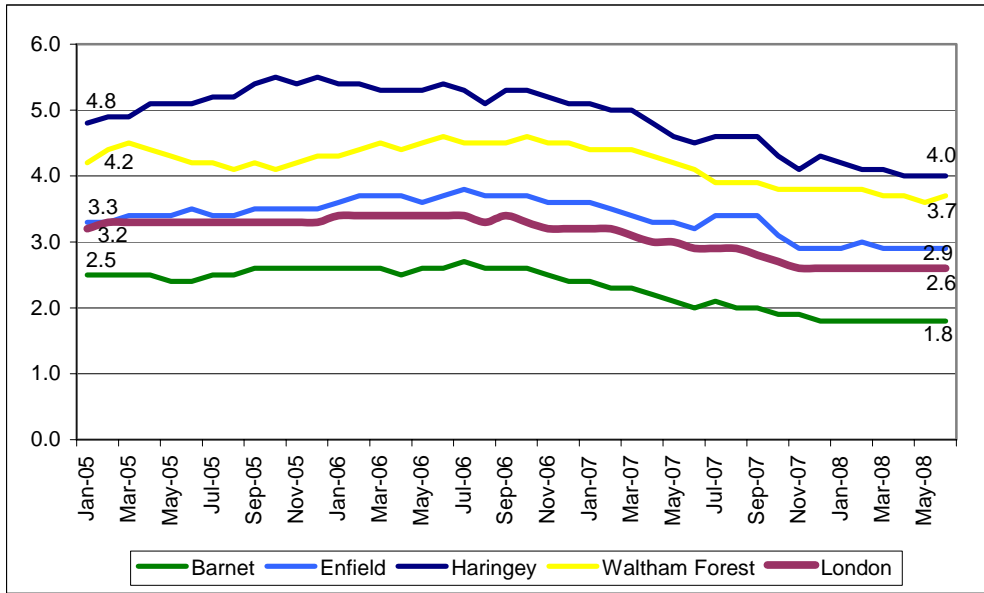
Figure 4.1: Changes in working age economic activity rate Jan 2005 to Dec 2007



Source: NOMIS, Annual Population Survey

4.5 Figure 4.2 clearly shows that Haringey and Waltham Forest have the highest levels of claimant count unemployment at 4% and 3.7% respectively, much higher than the London rate of 2.6%. Out of the four areas only Barnet has a lower unemployment rate compared to London at 1.8%. Haringey and Barnet saw the largest decreases in unemployment since January 2005 with the rate dropping by 0.8% and 0.7% respectively.

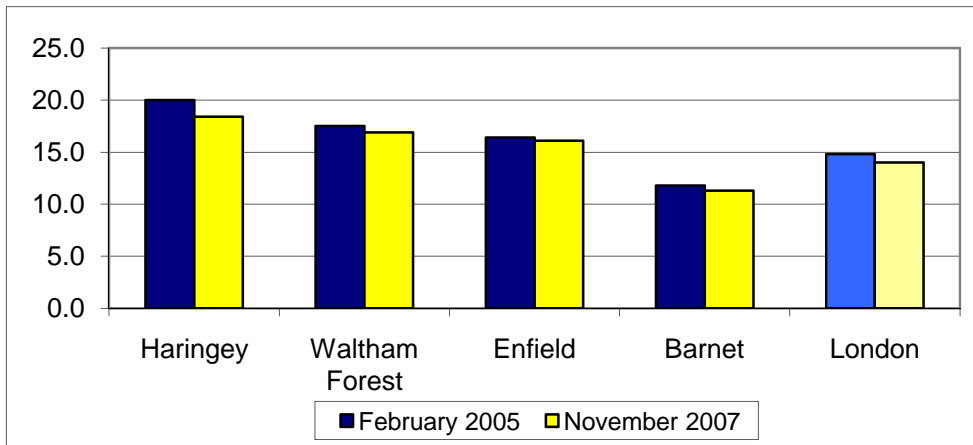
Figure 4.2 Claimant count Unemployment rate Jan 2005 to Jun 2008



Source: NOMIS, resident based claimant count unemployment rate

- 4.6 All of the areas saw reductions in the unemployment claimant count rate from 2005. This reflects the overall decrease in London unemployment from 3.2% in January 2005 to 2.6% in June 2008. However the unemployment rate is still above the London rate in three of the four Boroughs.
- 4.7 In terms of other forms of working age benefit, there have been reductions in the rate of claimants in all four of the North London boroughs. However only Barnet has a lower rate of claimants than the overall London rate as figure 4.3 shows. However the sharpest drop in claimant rates has been in Haringey where 20% of the working age population had been claiming benefits in early 2005. This rate has dropped to just over 18% in 2005. However there have only been very small percentage drops in the rate of benefit claimants in the other three North London boroughs.

Figure 4.3: Working age benefit claimants as % of working age population



Source: NOMIS DWP working age claimants

Targeting the hard-to-reach

4.8 The programme aimed to target people belonging to ethnic minorities (BME) and disabled people in all projects. Specific targets for women and young people also featured in many of the project targets. The LSC set project targets for each measure and these are outlined in figure 4.4.

Figure 4.4: Beneficiary target groups by measure

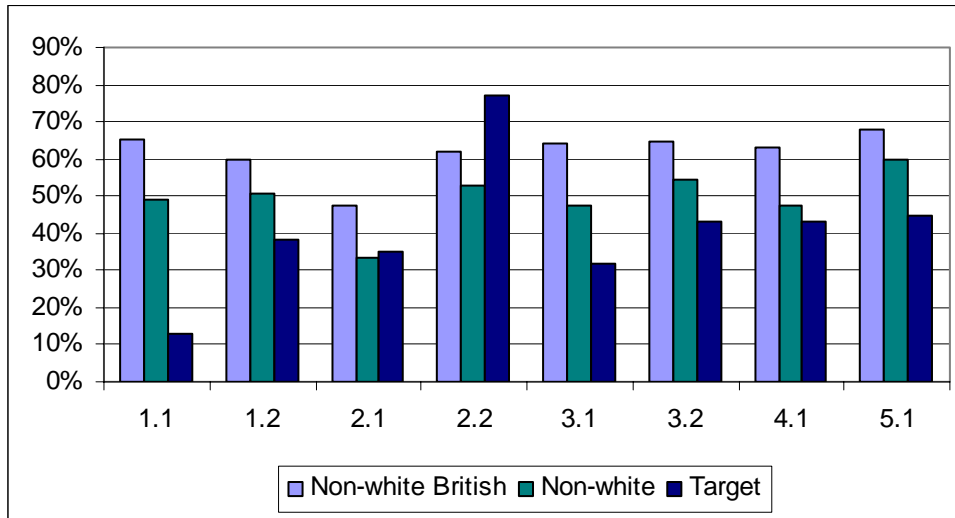
Measure Priority Groups	1.1	1.2	2.1	2.2	3.1	3.2	4.1	5.1
Young people (16-19)	-	47%	-	-	-	-	-	39%
Young people (13-17)	-	-	-	87%	-	-	-	-
Unemployed people - upskilling	-	82%	-	-	-	-	-	-
Economically Inactive	-	53%	-	-	-	-	-	-
People with care responsibilities	-	20%	-	-	-	-	-	20%
People belonging to ethnic minorities	13%	38%	35%	77%	32%	43%	43%	45%
Disabled people	10%	40%	10%	11%	10%	10%	10%	10%
Older Workers	-	-	-	-	10%	10%	10%	-
Ex-offenders	-	-	-	2%	-	-	-	-
Employees in sectors least likely to participate in workforce development	-	-	-	-	-	100%	100%	-
Employees belonging to groups least likely to participate in lifelong learning	-	-	-	-	-	100%	100%	-
Employees at risk of unemployment due to restructuring/technological change	-	-	-	-	10%	-	-	-
Employees with low levels of basic skills	-	-	-	-	5%	-	-	-
Organisations needing capacity building	-	-	-	200	100	-	-	-

Source: London North LSC

4.9 There were targets set for ethnic minority participants for all of the ESF measures ranging from 13% in measure 1.1 to 77% in Measure 2.2. As shown in figure 4.5, projects have surpassed all of these targets aside from that set for Measure 2.2. This had the highest target for BME participants at 77%, although the data available

shows that only 62% of participants were not classed as White British. A further 14% however were identified as 'any other' or 'not known'.

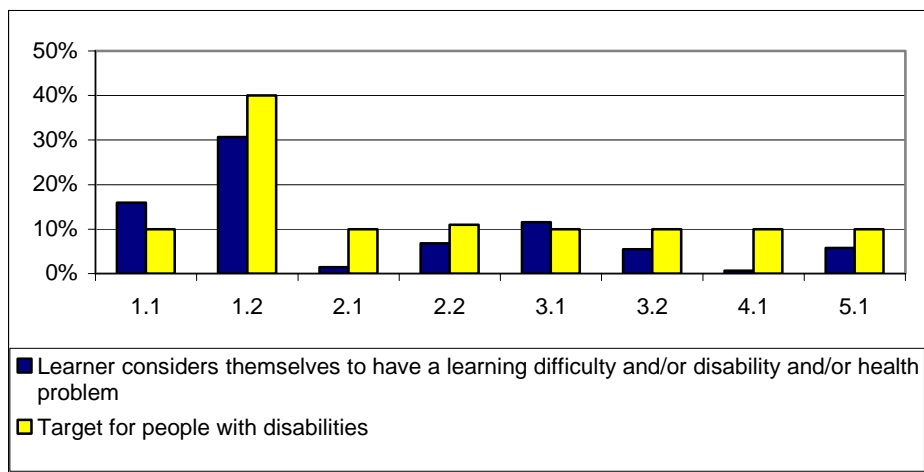
Figure 4.5: Ethnic minority participants and targets by measure



Source: LSC: ESF programme statistics August 2008

4.10 Most of the measures set targets of 10% for beneficiaries with disabilities. The exception was projects under Measure 1.2, which set a higher target of 40%. This higher target proved to be a challenge as figure 4.6 shows.

Figure 4.6: Percentage of learners with disabilities and target by measure



Source: LSC: ESF programme statistics August 2008

4.11 Two of the measures were able to achieve their target: the Information, Advice and Guidance project under Measure 1.1 and the projects under Measure 3.1 which promoted basic skills. The two measures with the lowest proportions of disabled participants were the vocationally-focused projects under Measures 2.1 and 4.1. In both cases just 1% of their learners were recorded as having a disability.

4.12 The approaches used to engage clients were:

- recruiting participants who are patients within secure units in hospitals in North London (through multi-disciplinary teams and occupational therapists);
- publicity through local newspapers and organisational newsletters – which is what Waltham Forest MENCAP did;
- using specialist mental health employment support providers, which targeted economically inactive people recovering from mental health problems, tailoring support and training to the needs of the individual.

4.13 Projects working with disabled people noted that those receiving mental health treatment commonly find it difficult to access the internet.

4.14 Projects under Measure 5.1 were solely targeting women detached from the labour market. Despite this the target for people with caring commitments under this measure was 20% given that this is often seen as a key barrier facing women trying to engage with training or work (figure 4.4).

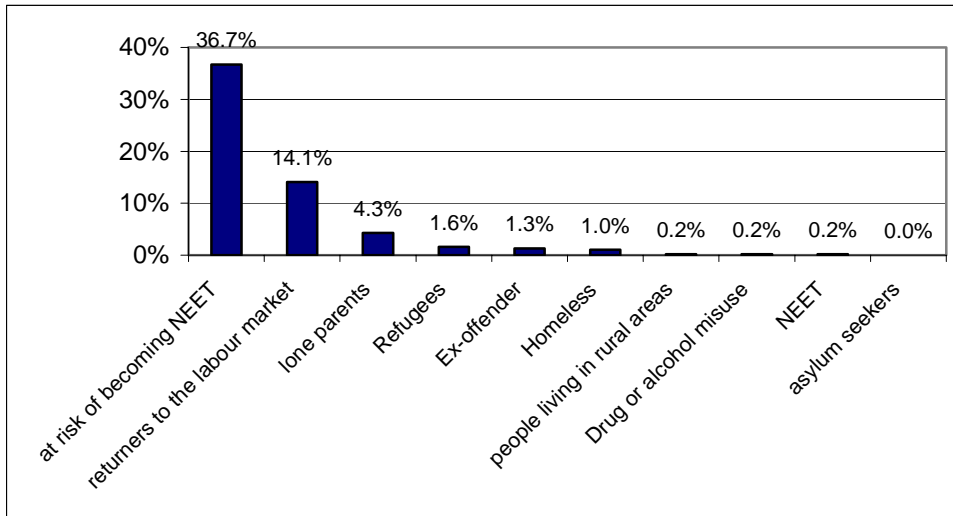
4.15 Among the approaches taken to recruiting participants under measure 5.1 were:

- leaflets in libraries, community centres, colleges, training centres and distributed door to door. Weekly adverts in local papers.
- publicised project via community newsletters in ethnic languages, partner agencies, JobcentrePlus, mail shots, leaflets, posters, in local press eg Local Guardian. Referrals are sought from Women's Trade Associations, Bangladeshi Women's Association, Somali Association, Leyton Orient Community Support Programme and local Sure Start centres.
- advertising "below the line" within community groups and via partners at community activity and information days/fairs. Encouraging participation in recruitment drives by Green Hands for Women beneficiaries at community events and venues. Providing free transport collecting beneficiaries.

Problems reaching hard-to-reach

4.16 A small number of projects, mostly under Measure 1.2, targeted people facing multiple disadvantages. The Life Enrichment and Employment Project for example targeted people in mental health supported accommodation. All had mental health problems, an offending history and a background of homelessness. Figure 4.7 shows that the biggest proportion of programme beneficiaries were young people who were at risk of becoming NEET (37%) and returnees to the labour market (14%).

Figure 4.7: Learner backgrounds as percentage of all beneficiaries



Source: LSC: ESF programme statistics August 2008

- 4.17 Data from the LSC claims would suggest that only a very small proportion of beneficiaries are from the hardest-to-reach groups. Only 0.2% were identified as actually within the NEET group, with a similar proportion having drug or alcohol misuse problems. A further 1% were identified as homeless, 1.3% as ex-offenders and 1.6% were refugees.
- 4.18 Problems in reaching the hardest-to-reach groups are not unexpected, but the projects should be designed to prevent any issues becoming a barrier to such groups. Two projects highlighted issues with the provision of childcare for women. The 'Technical Makeover' by North London ITeC (under Measure 5.1) found that there was not an adequate budget available for childcare. The project manager thought that this hindered recruitment to the project. This was a problem especially for women who wanted to carry on training for a longer period of time: many were unable to progress to the CCNA programme (a higher level IT qualification) as a result.
- 4.19 Another project, Women into Construction, run by O-Regen noted that they found it difficult to recruit Asian, and especially Bangladeshi, women. The project team had trouble in attracting them to the programme, in getting the women's partners to agree to them signing up for training, and in arranging suitable childcare: the women preferred to leave their children with family or friends, but ESF funding was available only for registered childminders. The project team addressed this last problem by providing the women with a list of registered childminders where they could also choose group classes or after-school clubs.
- 4.20 Small project sizes worked well to support the disadvantaged target groups. They enabled learners to get more time and attention, with an emphasis on pastoral care. This meant that success was seen in individual results rather than volumes.

What the programme did for learners

- 4.21 All of the measures aimed to improve employability to a greater or lesser extent either through providing basic skills, overcoming wider barriers to work or improving vocational skills and qualifications.
- 4.22 Most projects contributed to improving the attitude to learning of those participating. This was particularly the case among groups or sectors where engagement with mainstream learning is limited. However where projects have a high rate of participants leaving or not completing this can have a detrimental impact on their confidence and motivation to learn in the future.
- 4.23 Projects targeting young people frequently focused on improving their attitude to learning and most achieved positive results for those who completed courses. For example, two learners said:

"I will achieve better grades than I initially expected and I will try my hardest to attain them"

"I developed different ways to improve my writing skills and enhance my knowledge in English"

Soft outcomes

- 4.24 'Soft outcomes' are recognised in the Co-financing Plan as a specific goal of the programme. The soft outcome effect can be most clearly demonstrated through the individual learners and how their attitudes have changed as a result of the projects.
- 4.25 In interviews with project training providers, soft impacts were often highlighted as the major success stories of the programme as a whole. The projects frequently reported impacts on soft outcomes – particularly confidence and self-esteem, although these impacts were not set as targets or measured through the formal monitoring of impacts. Soft outcomes were reported with women, young people and disabled people in particular, as shown in table 4.8.
- 4.26 Other projects reported a range of soft outcomes including:
- improved communication and negotiation skills;
 - a clear sense of identity and direction;
 - improved enthusiasm for learning, self-esteem and motivation.
- 4.27 There was often confusion in project self-evaluations as to what is meant by a soft outcome, for example several projects identified things such as a reduction in offending behaviour or increased attendance at school as soft outcomes.

Figure 4.8: Projects with soft skill outcomes

Project Description	
Women	Green HEART for women project at Capel Manor College has had a positive impact in terms of increased confidence for individuals who have undertaken the course and an increase in community cohesion in the local area. The trainers still receive regular positive feedback from learners.
	Young Mums to Be project, which unlike many other projects, explicitly targeted soft skills, as a core element of the personal and social development programme. This included confidence and self-esteem-building.
Young people	Leyton Orient Community Sports Programme has been successful in engaging young people. The sports-based programme has been able to improve confidence and leadership skills, as one learner recognised: <i>"...leadership skills are very valuable in sports. When you take sports psychology and learn about sports, you need these leadership qualities, so it's all helping towards the future".</i>
Disable people	Chicken Shed Theatre Company which focuses on encouraging young people to work well with others and in a team. This inclusive approach is unusual within the performing arts world. As one learner said: <i>"It's teaching us how to get along with each other, how to encourage many people to join in as well".</i>

Source: ESF/LSC Improving Lives CD-ROM

Employer engagement

- 4.28 Nearly half the projects were able to establish links with employers as part of their activities (46%). This includes projects which specifically targeted SMEs (32%) but also those which had established links with employers through work placements or in providing training opportunities and jobsearch skills.
- 4.29 Projects engaging SMEs aimed to improve the skills and qualifications of employees and proprietors in sectors such as retail and care where there is traditionally much less training. Other projects aimed to provide those working in traditional sectors such as manufacturing with up-to-date skills that match the current needs of the labour market.
- 4.30 The programme has seen particular success in improving basic skills, as shown by the New Access for Creative SMEs project.
- 4.31 The New Access for Creative SMEs project (under measure 3.2 for improving skills to meet employer needs) targeted low-skilled people in SMEs, to provide level 1 and 2 ICT and customer service training. It recruited at businesses premises within disadvantaged communities and developed support mechanisms to help beneficiaries to achieve, in many cases, their first qualifications. The project enabled 30 employees to gain accredited ICT skills at levels 2 and 3.

- 4.32 Another project aimed to provide basic skills including ESOL, initial and diagnostic assessment and training for employees of SMEs in the manufacturing, care, retail and hospitality sectors. It engaged 102 learners of whom 84 completed the course and 55 gained qualifications – all above target levels.
- 4.33 The projects mainly worked with those who were already in work, although some projects also aimed to move disadvantaged people into higher skilled employment – which should be more sustainable. For example, Measure 3.2 focused on improving skills in the retail sector and was most successful in giving employees skills and qualifications. Two thirds of the starters on these two projects gained a vocational qualification.

Cross Cutting Themes

- 4.34 Sustainable employment is a wider ESF programme objective. First, not all measures targeted unemployed people as three of the measures were targeted at existing employees rather than inactive groups. Around 37% of participants were unemployed. Second, sustainable employment is difficult to assess as it is not a target requirement and entails tracking beneficiaries to determine whether they have stayed in employment for longer than six months.
- 4.35 One project - ELAN - set a target for retention on apprenticeships. The evidence received is of 31 apprentices being retained for six months (although it is very difficult to get information from employer regarding jobs).
- 4.36 The ICT systems used for the programme were:
- Contract Managing Returns (CMR) – the providers filled this in
 - Online Data Collection System (SR) – the contract managers to collate data together
 - Contract Managers System (CMS) – the contract managers collected individual beneficiary data
- 4.37 The contract managers collected information on a monthly basis for quarterly returns. This allowed contract managers to clearly see if a project was underperforming. Providers generally found that the systems were straightforward to use, except when it came to changing contract details.

Good Practice

- 4.38 Effective targeting of disadvantaged groups has been central to the programme objectives and this clear focus on specific groups is where the programme really succeeds. Due to the nature of the target groups, flexibility was crucial. Providers were given the freedom to use funding to best suit their learners, often offering a range of activities. Small group sizes worked well to engage beneficiaries, foster a team spirit, as well as one-to-one attention and “pastoral care”.

- 4.39 Through the course of the programme the establishment of good networks and support of networks were seen. Project providers found the ESF Network meetings “very informative”, allowing them to know what other projects were doing, talk about any issues, share best practice and even refer clients to more suitable projects.
- 4.40 There was strong support provided by LSC – they clearly wanted projects to succeed through a joint problem-solving approach, with the emphasis on working with providers.
- 4.41 Good practice can also be seen in the contract management of the individual projects by the LSC. Any questions or queries would be answered promptly and when the projects encountered issues the contract managers were able to help. The contact managers kept a close on whether the project was achieving.
- 4.42 Projects need to spend time on assessing learners before setting up training to make sure that they are eligible to take part and to design the project to suit the needs of learners and, where appropriate, employers. Also data collection that goes beyond just meeting targets, is needed to evaluate project success. The evaluations that individual projects provided were often not thorough enough.
- 4.43 One of the projects targeting people with mental health issues found the processes of preparing for inspection by OFSTED, writing self assessment reports and going through the inspection itself were extremely valuable, though challenging. The project became much better at monitoring and tracking progress, especially soft outcomes not previously documented. It also got better at drawing out the views of beneficiaries and being responsive to these views, becoming more learner-focused in its approach as a result. This project subsequently received a Grade 1 (excellent) OFSTED inspection result.

Mainstreaming and Sustainability

- 4.44 The new ESF funding round has substantially reduced the amount of funding available to London North and the London region. The LSC’s Regional Commissioning Plan clearly articulates the funding available for mainstream provision and key targets. Historically ESF monies have enabled the LSC to address any areas where there are specific gaps. In addition, Train to Gain flexibilities enable more people to access this mainstream funding. This section outlines how funded projects are planning to continue either through mainstreaming their activities or through further funding.
- 4.45 The concern is that the projects will be unable to continue through mainstream funding, due to the very nature of the programme which targets unemployed people from the most disadvantaged backgrounds. Mainstream funding is becoming more employer-responsive (eg Train to Gain) meaning that the most disadvantaged groups could be left out, as ESF funding is reduced in London.
- 4.46 For example Keep it Simple Training Limited who ran the Mind the Gap project

considered applying for alternative funding through Entry 2 Employment. However, it was decided that the nature of the project would have to change too significantly for this to be a viable option.

- 4.47 Despite these concerns, one LSC manager pointed out that these projects may have a long term impact even without continued ESF funding. The positive outcomes that have been achieved as a result of ESF funding can demonstrate to mainstream funders that these projects can be successful.
- 4.48 A positive story is the Leyton Orient sports coaching project which has been mainstreamed through the appointment of a full-time 14-19 coordinator through the Local Education Authority (Waltham Forest). The model is being replicated in other London boroughs including Hackney, Tower Hamlets, and Newham. Further funding options through Positive Futures (a Home Office initiative) and Kickz (Metropolitan Police) are being investigated. Strong partnerships have also been established with community organisations.
- 4.49 The projects which have been most successful in getting mainstream funding have been those with an employer focus. Most of the projects working with employers have identified plans for taking forward ongoing learning within the sectors they are engaging with. For several projects further funding is being secured through local authorities or the LSC (Train to Gain and Entry to Employment). One project outlined its future plans as follows:

'The delivery of Skills of Life in Literacy and Numeracy, and ECDL are part of Deltaclub Group's core training programmes. Funding has been secured through Learndirect and Train to Gain provision to continue this. Through ESF projects we have developed strong partnerships with other organisations that are being sustained through joint working beyond the project. We are currently in process of applying for further funding and this will include LSC co-finance funding when available.'

- 4.50 A number of projects have been short-listed for the next ESF programme and the LSC is now at contract negotiation stage with providers including The Richmond Fellowship, U CAN DO IT, Urban Futures and Waltham Forest MENCAP.
- 4.51 The LSC arranged handover evaluation meetings with project managers, when the projects ended. These meetings were an opportunity to give advice on continuing projects successfully and has included workshops to promote the sustainability of projects. This included a workshop on equal opportunities, which has received some very positive feedback from the providers we spoke to. Such practical training for project teams will come in useful if the next programme will present a "more rigid way of working" as contract managers have commented. The LSC was able to be more flexible during programme three because it was not fully integrated into LSC work.
- 4.52 Many LSC staff and providers thought that the flexibility was beneficial because providers were able to determine how they used the funding to support learners. In

turn this was possible before the restructuring of the LSC because of the amount of contract manager assistance that was offered through regular contact and a close working relationship. According to one contract manager, because the ESF programmes are unique, this “requires a different approach” meaning that the stand-alone ESF team needs to be reflected in the new LSC structure.

5. Conclusions

- 5.1 In this section we draw out a number of overall conclusions.
- 5.2 The programme was a success, achieving most output targets, and its spend target. Most importantly it provided thousands of people across North London in need of particular help which would not be available through mainstream programmes with that additional help, boosting their confidence and in many cases providing also more tangible outputs, such as qualifications and jobs. It is no criticism to acknowledge that this success does not show in economic statistics for North London: even at this scale the programme is not big enough to show through the many other factors which influence the statistics, not least the state of the national economy.
- 5.3 It is important to remember that majority success means that the programme has not worked for some people – and that as these are people at considerable disadvantage in the labour market, and usually quite dispirited, not getting a positive outcome from a programme which appears to promise so much, could be quite a setback. There can be no absolutes, of course, but satisfaction with overall success should not preclude whatever follow-up might be possible for those for whom an immediate success was not forthcoming.
- 5.4 The programme has been managed well: in hitting spend and output targets, in developing and maintaining productive relationships with providers, and in the efficiency and effectiveness of handling the administrative side of the programme. It is particularly striking that the LSC has worked actively with providers to help them to manage their projects successfully – to help them to make the programme a success – and has also struck a good balance between tight administration and programme effectiveness.
- 5.5 The programme was a success because of its core design feature: focusing individual projects on the LSC's chosen target groups. That clarity of focus (discussed in some detail above) meant that most individual projects worked solely with one group, and typically with people who commonly struggle to find a place on mainstream programmes. 'Success' for each project could therefore only be achieved with their target group: no other – easier – options were available. There is an important lesson here which we think the LSC may well be able to carry forward into the design – or at any rate the management – of programmes with particular target groups.
- 5.6 It would, however, not be fair to conclude that the programme has worked with the hardest-to-reach, much less successfully done so. Even a programme like this one works within constraints which encourage projects to get a good number of successes to a relatively tight timescale, with little scope for long lead times (for example, to build relationships, without having to get too businesslike too soon), or for the more radical options which might be needed to reach those who truly are furthest from the labour market (the childcare discussion is one example: a more radical approach would be to allow individuals to make their own arrangements with family

and friends if that is what they prefer – but it would clearly conflict with other Government priorities, so is not a feasible path for the ESF programme to take). This ESF programme is certainly more innovative than a mainstream programme has the chance to be, but the innovation is all within certain bounds: the programme is not radical. That's not a criticism in any way: simply a caution about using the term "hard-to-reach" too liberally.

- 5.7 The programme is perhaps best seen therefore as being on the edge of the mainstream: working with individuals for whom the mainstream does not quite work, and working in ways which the mainstream just might be able to adopt.
- 5.8 With that perspective, we see more scope for the LSC and its project partners to influence the mainstream that they have taken through this programme, at least so far. We recommend below that the LSC should identify lessons from the programme which might be applied by mainstream providers, then take the lead in advocating those changes to mainstream colleagues.
- 5.9 Participation in the programme is certain to have helped providers who are not used to working with the LSC and with Government-funded 'bureaucracy' to understand what is required of a well-run programme (the LSC has certainly worked hard to ensure that project leaders understand the administrative and related requirements). The programme has therefore served a capacity-building purpose for the LSC in enlarging the pool of providers available to it, and in broadening it to include a wider range, with a wider reach.
- 5.10 Some projects have used participation in the ESF programme as a springboard to win a place in mainstream programmes. At least one has explored that possibility in detail and decided against it. Different outcomes are possible, and probably right: if the only outcome from a programme like this was that every provider and every innovation found a place in the mainstream, the programme would be settling for too low a level of experimentation. The progress made so far by this programme looks promising, however: no doubt more will be evident in time.

6. Recommendations

We offer the following recommendations, all addressed to the LSC.

Recommendation 1: We recommend the LSC to ensure that projects' own evaluations reach a minimum standard of quality so that they are more useful to the LSC, and to others, in reviewing the success of each programme. We understand that the LSC already provides a template for projects to use (which we would otherwise have recommended, as a way of streamlining the process for busy people and focusing effort on the right questions). As a subsidiary recommendation, LSC ought therefore to review why use of its template proved rather ineffective with this programme.

Recommendation 2: We recommend the LSC to make its own assessment of each project's success at the end of a programme. We see this as part of the self-assessment process which LSC promotes. It need not be a time-consuming exercise and could also be speeded and focused through use of a simple template through which contract managers within the LSC would record their summary view of how each provider had managed its contract. That would include performance against contract targets (with a note of any mitigating factors which the LSC accepts: something easily lost if not formally recorded), the quality of the partnership, examples of innovation and good practice, success in mainstreaming and potential for delivery of other LSC programmes. A summary record like this, prepared fairly, would be a valuable tool for the LSC in assessing the quality and potential of its local provider base.

Recommendation 3: We recommend the LSC to create an Action Plan towards the end of a programme, drawing-out lessons from it which it, and its project partners, want to see taken up by mainstream providers and funders. With this recommendation we recognise that innovation is intended to be an important strand in the design and delivery of ESF programmes. They are meant to test out new ways of working, especially with an eye to getting mainstream providers to adopt new practices. That communication needs to be facilitated: it won't just happen, and LSC ought not to leave it to providers. We therefore recommend a process whereby LSC identifies from each programme a list of key messages for mainstream providers, and facilitates communication of them to those providers - with an eye to new practices being adopted (ie this requires advocacy, not just communication). LSC is much better placed to shape and communicate most of these messages than many providers, especially if they are small and unused to such influence. LSC is also better placed than many to acknowledge that mainstream provision often does not meet the needs of many learners, and to work through the consequences of that recognition.

Recommendation 4: We recommend the LSC to see how far it might be possible to transfer the central design feature of many of these projects – dedicated focus on hard-to-reach groups - into other programmes. As we discussed above in the Analysis section, the dedicated focus on particular groups plays very well to the reality of how projects work (and have to work) in the current target-driven culture: they do not focus their efforts on the very hardest-to-serve, but on those who are not quite so hard, with whom progress might

reasonably be made within the lifetime of the project. We think it might well be possible to adapt that same approach for LSC mainstream programmes, in order to ensure that the most vulnerable people whom LSC wants to support do not miss out (as many fear they will) and urge the LSC to explore the possibility.

Recommendation 5: We recommend the LSC to look for a more flexible way of managing payments for childcare, because the current arrangements conflict with the LSC's ambition to draw some groups of hard-to-reach learners back into learning. The problem arises because current rules require that payment of LSC funds for childcare support should only go to registered childminders, though experience on this programme shows that some potential learners would much prefer to leave their children with family or friends rather than a registered childminder. The policy was no doubt designed to protect the best interests of the child, but in this case is in conflict with another laudable policy objective, that of drawing back into learning people who are reluctant, for various reasons, to make such a commitment. Requiring them to use childminders simply becomes another reason for them not to make that commitment.

Creative solutions are called-for here. With a high public profile for child protection issues, the scope for the LSC to vary this policy is limited, but it may be that it could work with others, including community groups, to establish a social enterprise perhaps, helping family and friends of targeted potential learners to apply for childminder registration.

Recommendation 6: We recommend the LSC to look again at how it provides guidance on eligibility. Some of the rules are undoubtedly complex - especially those surrounding the position of people whose right to be in the UK, and on what terms, is far from clear – and the LSC therefore takes some trouble to provide guidance, both to its own staff and to providers. It is clear from our interviews with both, however, that problems remain, with substantial risk of unfortunate consequences: individuals are asked to leave projects, providers lose the money they have invested in them to that point, and everyone (including LSC) spends some time sorting it all out. Our observation therefore is not that existing guidance and existing processes are not doing the job they are required to do, so should be reviewed.

Recommendation 7: We recommend the LSC to provide further advice to projects on “soft outcomes”. Getting this area right is important to the success of a programme like this one, and others like it which LSC runs in future. On the one hand, ‘soft outcomes’ recognise that much of the value of a programme like this lies in boosting someone’s confidence (which might involve something tangible like a qualification, regardless of whether or not that qualification has any currency in the eyes of employers). On the other, the Government is clear that the best long-term solution for most people in difficulty is to get a decent job, so the focus must be clear-sighted, and assistance must be paced in such a way that a job is within reach within a manageable period. That means that programme participants should be encouraged (in every sense) to go for ‘hard outcomes’ where they are within reach. It is clear from our research that a number of projects are unclear exactly how ‘soft outcomes’ fit into the programme (and, indeed, in some cases, how to differentiate ‘soft’ from ‘hard’).