

# The New Deal for the Long-term Unemployed: A Progress Report

A review of the emerging evidence from the monitoring and evaluation of the New Deal for the Long-term Unemployed

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## Summary

### Aim of the Review

The New Deal for the Long-term Unemployed (NDLTU) is an important element in the Government's New Deal Initiative. NDLTU is designed to provide long-term unemployed adults with practical help and opportunities intended to equip them to re-enter and retain employment.

NDLTU is being delivered in two forms. The national programme was launched in June 1998 and provides a common form of provision for long-term unemployed adults across the whole country. In addition, pilot programmes were launched in November 1998 in 28 locations in Great Britain. The purpose of the NDLTU pilots is to develop further the national programme and test the effectiveness of different approaches to achieving the aims of NDLTU.

A comprehensive programme of evaluation of NDLTU is being undertaken. Early evidence is now beginning to emerge from this research. The Review draws together this evidence and seeks to establish the current state of knowledge of NDLTU. In doing so it provides an 'overview' of all aspects of the programme and seeks to identify early lessons relating to implementation, delivery and impact.

### The NDLTU evaluation programme

The main elements of the NDLTU evaluation programme are:

- the New Deal Evaluation Database;
- qualitative research with individuals;
- quantitative research with individuals;
- quantitative research with employers;
- case studies in delivery of NDLTU;
- macroeconomic analysis.

The research programme covers both the national and pilot programmes. Additional research to evaluate pilot programmes includes:

- case studies of NDLTU pilots;
- assessment of the impact of the pilots using control areas and random assignment delivery of the programme in two areas.

The first NDLTU evaluation results to emerge are qualitative and mainly concerned with processes and immediate outcomes. Being based on small qualitative samples, these early results are indicative only. Statistically robust evidence must await the conduct of the quantitative surveys of individuals and employers. This will allow assessment of longer-term impacts, if any on long-term unemployed adults.

### The Review

Early findings from monitoring and evaluation are examined under the following headings:

- NDLTU clients
- The implementation of NDLTU
- Key stages in NDLTU
  - Entry to the programme
  - The advisory stage
  - NDLTU Opportunities
  - Follow-Through
- Early lessons from evaluation
  - Issues for the future
  - ES response to issues

Wherever possible, the review highlights differences in operation and experience of the national NDLTU and NDLTU pilot programmes.

# 1. Executive Summary

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## 1. Aim of the Review

The New Deal for the Long-term Unemployed (NDLTU) is a key element in the Government's New Deal Initiative and part of the wider Welfare to Work strategy. NDLTU is designed to provide long-term unemployed adults with practical help and opportunities intended to equip them to re-enter and retain employment. NDLTU is intended to contribute to an increase in the sustainable level of employment and a reduction in social exclusion.

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A comprehensive programme of evaluation of NDLTU is being undertaken. Early evidence is now beginning to emerge from this research. The Review draws together this evidence and seeks to establish the current state of knowledge of NDLTU. In doing so it provides an 'overview' of all aspects of the programme and seeks to identify early lessons relating to implementation, delivery and impact.

This Review is one of three such New Deal Reviews (the other two summarise progress on New Deal for Young People and New Deal for Lone Parents). A fourth Review provides an overall assessment of the common experience and early lessons to be drawn from all three New Deal programmes.

## 2. The NDLTU Evaluation programme

A comprehensive programme of research to evaluate NDLTU is being undertaken. The main elements of the evaluation programme are:

- the New Deal Evaluation Database;
- qualitative research with individuals;
- quantitative research with individuals;
- quantitative research with employers;
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- macroeconomic analysis.

This research programme covers both the national and pilot programmes. Additional research to evaluate pilot programmes includes:

- case studies of NDLTU pilots;
- assessment of the impact of the pilots using control areas and random assignment delivery of the programme in two areas.

Monitoring information relating to the national NDLTU programme is available from the New Deal Evaluation Database. In addition, the first NDLTU evaluation results are now beginning to emerge. These are based on qualitative research and are mainly concerned with processes and immediate outcomes. Being based on small qualitative samples, these early results are indicative only. Statistically robust evidence must await the conduct of the quantitative surveys of individuals and employers. This will allow assessment of longer-term impacts, if any, on long-term unemployed adults.

## 3. The Review

Early findings from monitoring and evaluation are examined under the following headings:

- NDLTU clients
- The implementation of NDLTU
- Key stages in NDLTU
  - Entry to the programme
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- Early lessons from the evaluation
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  - ES response to issues

Wherever possible, the review highlights differences in operation and experience of the national NDLTU and NDLTU pilot programmes.

## 4. Early lessons from evaluation of NDLTU

The Review considers all of the evaluation currently available relating to the operation and impact of NDLTU. Several key issues have emerged.

### ***A distinctive client group***

The NDLTU client group is a very distinctive

group. NDLTU clients have experienced a long separation from employment. They can face many barriers to employment including the length of their unemployment. Long-term unemployment often reduces the motivation to find work and undermines the capacity to do so. The distinctive nature of the NDLTU client group is reflected in their needs. These needs can be very different from other New Deal clients and a key issue is the extent to which such client needs are being met by the NDLTU programme.

Many NDLTU clients possess some skills and work experience although these are often outdated. They also have qualities of maturity and stability that can appeal to employers although employers are concerned about the risks of recruiting long-term unemployed and older people. A large proportion of the NDLTU client group has been the target for previous government programmes. This provides an important context of expectations and attitudes within which NDLTU must operate.

### ***The limited nature of national NDLTU***

For most clients on national NDLTU, their only experience of the programme was the Advisory Interview Process. Few continue to NDLTU Opportunities or enter Follow-Through. Most leave NDLTU from the Advisory Process. The most common destination of those leaving NDLTU from the Advisory Process has been a return to normal jobseeking activity on JSA. Many NDLTU clients have experienced a period of intensive interviewing or other support before (as part of mainstream ES provision or as part of previous programmes) and do not regard national NDLTU as any different. Perhaps it is not surprising therefore that a high proportion leaves NDLTU at the earliest opportunity.

This is not the case on NDLTU pilots where referral to the Intensive Activity Period is mandatory for those not obtaining a job in the Gateway. In many respects, the pilots have addressed the problem highlighted here. However, even without compulsion, it may be possible to raise the number of clients entering employment or training opportunities and to reduce the number of exits from the Advisory Process to JSA. However, it will be a challenge to achieve this objective.

### ***Job search on NDLTU***

Jobseekers on NDLTU are obliged to maintain active job search. Required by JSA rules, job search and job placement can be seen as a form of continuous testing of 'employability' and is a commonly used performance measure. However, an emphasis on job search early in the programme (as in Gateway in pilot areas) can lead to dissatisfaction if resources are focussed on job ready clients to the detriment of hard-to-help clients. At later stages (in NDLTU Opportunities) the requirement to actively seek work can conflict with the longer-term aim of improving employability. Clients see keeping a subsidised job or obtaining a qualification as goals in their own right. Evaluation evidence reveals a low level of job search amongst NDLTU clients in subsidised employment. There is a tension between enhanced employability as an aim and more conventional measures of output such as completing a period of work experience or obtaining a qualification.

### ***The role of NDPAs***

Evaluation evidence points to the pivotal role of the New Deal Personal Advisor (NDPA). For most participants on national NDLTU this is the core of the programme since they do not take up NDLTU Opportunities. It is disappointing to note that as the numbers on national NDLTU have expanded, pressure on NDPA caseloads have increased. Moreover, where NDPAs provided support for both NDLTU and NDYP clients not only were caseloads high but NDYP clients tended to take priority to the detriment of NDLTU clients. Early qualitative evidence points to the advisory function being very patchy with some excellent provision but some being less so. Instances of the latter ranged from little or no contact with NDPAs after an initial interview, infrequent or irregular interviews and, less commonly, a lack of continuity in advisory work.

### ***Variations in the New Deal experience***

The early findings from NDLTU evaluation point to significant differences in the New Deal experience. This arises, first, from differences in individual client qualities, their aspirations and previous experience of ES programmes and, second, from the lack of uniformity in the way Units of Delivery are managed and operated. There are also differences in the availability of provision across areas.

### ***The quality of provision***

The quality of provision was undoubtedly adversely affected by the speed with which both the national and pilot programmes were implemented. Case studies of delivery have noted that NDPAs had too little training in the specific needs of the NDLTU client group and in the marketing of NDLTU provision. Concerns have also emerged about the quality of training provision although the evidence on this is so far rather limited. Finally, there is concern that levels of pay in subsidised employment placements are (or are perceived by participants to be) relatively low.

### ***Participant appraisals***

The experience of participants on NDLTU is fairly mixed. For some it has been a helpful intervention and positive outcomes have resulted. For others the experience has been less productive and even unsatisfactory. Criticism is particularly evident in respect of the national programme, although that criticism is more about an inability to deliver than about the aims of the programme.

Positive assessments of NDLTU were particularly associated with those clients who, despite low expectations on entry, had been re-motivated and supported by the programme. However, some highly motivated clients were frustrated by the limitations of NDLTU provision, while a small body of clients were deeply cynical about all government programmes and resented any compulsion to take part. NDLTU has yet to establish a widespread body of support for its aims. A major challenge for NDLTU will be to persuade long-term unemployed adults of the benefits of NDLTU and to encourage them to identify with the goals and aspirations of the programme.

### **5. The emerging issues**

It is too early to draw definitive conclusions about the operation and impact of NDLTU. Nonetheless, the early evidence indicates that there are a number of issues that need to be addressed in the future. These are:

- to provide a clearer purpose and focus for activity on the Advisory Interview Process;
- to improve the intensity and continuity of client-NDPA contact at the advisory stage;
- to improve the quality of NDLTU provision;

- to reduce the number of participants leaving national NDLTU for jobseeking activity on JSA;
- to increase the numbers taking up NDLTU Opportunities;
- to increase the flow into unsubsidised jobs
- to reduce the variation in NDLTU experience across Units of Delivery and between individuals.
- to improve the marketing of NDLTU to clients;
- to secure a greater level of identification with the goals of NDLTU amongst clients, providers and ES staff.

### **6. Response to the issues**

Many of the issues identified above are already being addressed. A number of Employment Service 'products' have been developed with the aim of improving delivery and employment outcomes.

In response to operational experience and the emerging evaluation evidence, a number of improvements to the NDLTU programme are to be introduced during 2000/2001. In broad terms these changes are:

- enhancement of the national NDLTU in combination with an increased emphasis on the responsibility of clients to seek work;
- additional, geographically targeted, provision;
- an extension to the period covered by the NDLTU pilot programmes.

The government has already announced that the national NDLTU programme will be extensively revised and re-launched in 2001. A revision at that time would allow the lessons learnt from evaluation to inform the re-design process. Enhancements to the national programme during 2000 may be seen as interim steps in the direction of re-design while the extension of the pilot programme is intended to further inform the re-engineering of the national NDLTU programme.