



The New Deal for Lone Parents: A Review of Evaluation Evidence

A summary of evidence from the monitoring and evaluation of
NDLP. Prepared for the Employment Service, June 2000

by

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The conclusions contained in this report are those of the author and not necessarily those of the Employment Service.

1. Executive Summary

The New Deal Reviews

New Deal is a labour market intervention intended to contribute to an increase in the sustainable level of employment and a reduction in social exclusion. The New Deal is delivered by means of a number of programmes aimed at different target groups. New Deal for Young People (NDYP) and the New Deal for the Long-term Unemployed (NDLTU) are aimed at unemployed jobseekers. New Deal for Lone Parents (NDLP) is targeted at lone parents on Income Support (IS) whose youngest child is over five years of age, but is available to all lone parents on IS. NDLP is concerned not only to place job ready lone parents into paid work but to prepare lone parents not currently in the market for work for entry to the labour market.

The NDLP was the first New Deal programme to be implemented. A prototype programme (Phase 1) began in July 1997 in eight areas and became a full national programme (Phase 3) in October 1998. The NDLP Prototype was subject to a thorough evaluation of its operation and impact. A similar programme of evaluation has been set out for NDLP Phase 3. A body of evidence is now available about the way in which NDLP has been delivered and its effect on lone parents. Much of this evidence is derived from the evaluation of the NDLP Prototype, but monitoring information from the New Deal Evaluation Database and early qualitative evidence relating to the national programme is available.

In view of the growing body of evidence, it is timely to review current knowledge of NDLP and to draw out early lessons. To achieve this, a Review of the NDLP evaluation evidence has been undertaken. This Review of NDLP is the third of four New Deal Reviews. Two previous Reviews examined the evaluation evidence relating to NDYP and NDLTU. A fourth Review provides an overall assessment of the common experience of the New Deal programmes and identifies issues and early lessons to be drawn from the evaluation of New Deal programmes. This Review follows the format of the previous Reviews, providing a summary and assessment of the relevant monitoring and evaluation evidence as well as a description of the timetable for future evaluation. Finally it highlights

some of the issues that have emerged from the evaluation and describes the ways in which NDLP is being developed in the light of the emerging findings from evaluation.

NDLP evaluation

NDLP has been subject to a rigorous programme of evaluation. The evaluation of the prototype programme considered a number of aspects of the programme: *participation*, *lessons*, *resources* and the *counterfactual* (what would have happened in the absence of the programme). The evaluation programme for the NDLP Prototypes incorporated a range of research components, including site visits, labour market studies, in-depth interviews, surveys of lone parents, analyses of administrative data, work and benefit histories, and an assessment of the costs and benefits of the prototype.

The research objectives of the evaluation of the national (Phase 3) NDLP programme are somewhat broader than those of the prototype programme. The research seeks answers to the following questions:

- what effect is NDLP having on individual lone parents?
- what are the training needs of lone parents?
- to what extent is there a differential impact of NDLP on the target and non-target groups?
- what is the impact of NDLP on lone parent's participation in the labour market?
- what is the effect of NDLP on the Employment Service (ES), related labour market programmes or New Deal providers?
- what is the effect of NDLP on employers?
- what is the effect of NDLP on the numbers claiming out of work benefits and in-work benefits?
- how is NDLP interacting with the wider labour market?
- how cost effective is NDLP?

The evaluation programme for the national NDLP consists of a number of elements:

- analysis of management and administrative

data from the New Deal Evaluation Database;

- qualitative research with individuals;
- quantitative research with individuals;
- qualitative research with employers;
- case studies in delivery of NDLP;
- macroeconomic assessments of impact;
- a cost-benefit analysis.

The evaluation of the NDLP Prototype is now largely complete although a qualitative study has been undertaken to gather evidence of long-term outcomes amongst lone parents and New Deal Personal Advisers (NDPAs) who participated in the prototype programme. The evaluation of NDLP Phase 3 commenced in late 1999 and early qualitative evidence relating to individuals is now available. Future NDLP Phase 3 evaluation research will consist of the following:

- qualitative case studies of delivery to be undertaken in early 2000
- a quantitative survey of individuals in two stages to begin in Summer 2000 (a postal survey) and continue in Summer 2001 (interviews). This survey will cover both participants and non-participants and will contain a longitudinal element.
- qualitative research with employers to be undertaken in the first half of 2000.
- macroeconomic analysis of impact, reporting on a six-monthly basis throughout the lifetime of the evaluation programme.

In addition to the evaluation of the main NDLP programme, evaluation will also be conducted of the various pilots associated with NDLP: Innovative pilots, In-work Training Grant pilots, the enhancements to NDLP and the Innovation Fund.

The structure of the Review

The Review examines the evaluation evidence relating to NDLP under the following headings:

- an outline of NDLP and the aims of the Review;
- a description of the main elements of NDLP evaluation programmes for the prototype and the national programme;
- an examination of the evidence relating to the population of lone parents and NDLP clients;
- a summary of the evaluation evidence up to the end of 1999 relating to take up and

participation in NDLP, activities on the programme and evidence relating to outcomes and impacts;

- the identification of a number of key issues that have emerged from the evaluation of NDLP;
- a description of the main developments on NDLP in response to monitoring and evaluation evidence.

An overview of the evaluation evidence

NDLP is different from New Deal programmes aimed at unemployed jobseekers (NDYP and NDLTU). Entry to NDLP is currently on a voluntary basis (as opposed to mandatory entry). The NDLP design consists of a single stage advisory process in which lone parents in the target group are invited to attend an initial interview with an NDPA although other non-target lone parents can, and frequently do, join the programme by self-nomination. Although NDLP largely relies on advice and guidance, such support is backed by a comprehensive package including access to ES programmes, Work Based Learning for Adults and short work experience placements. Funding for childcare and for training course fees and help with travel expenses is also available, as is 'fast-tracking' of in-work benefit claims to help ease the transition from benefits to earned income. Lone parents are free to take up voluntary work to gain work experience and develop self-confidence if they wish to do so.

The programme has attracted substantial numbers of participants and secured very positive assessments from participants. Evaluation of the NDLP Prototype showed that in the course of about fifteen months:

- almost a quarter of the target group took part in the programme;
- the majority of these chose to have further contact with their NDPA;
- almost half of those who participated were successful in finding jobs during the time-scale of the prototype, and more could be expected to do so in the period thereafter.

In addition,

- analysis of the evidence suggested that after 18 months, 3.3 per cent more lone parents had left IS in NDLP Prototype areas compared to the comparison areas;
- a cost-benefit analysis showed that NDLP produced public finance returns that covered

its operational costs and produced a significant positive gain in terms of its wider economic value.

- recent qualitative research with lone parents on NDLP Phase 3 indicated that NDLP met the needs of most lone parents, in whole or in part.
- A recent Client Satisfaction Survey concluded that NDLP is working well and satisfaction was high. Participants felt that NDPAs provided a good service and treated them well. Even non-participants appear to think NDLP a good idea in principle, even if it was not appropriate for them.

The Review highlights a number of findings that have implications for both for policy development and future evaluation of the programme. These are:

- the differing needs of the lone parent client group;
- voluntary or mandatory entry;
- jobs first or 'human capital'?
- issues relating to NDPAs
- the limits of the prototype as a guide to national implementation'
- issues of additionality;
- the limited knowledge of impact on employers;
- variations in the NDLP experience.

Policy responses to key issues

In response to the findings of monitoring and evaluation, significant additions to NDLP are being piloted. Ten innovative pilots were established across the country in late 1999. The main objective of these is to increase participation in NDLP and to improve lone parents' prospects within the labour market. In addition, In-Work Training Grants are to be piloted in selected ES districts starting in 2000. Employers who recruit eligible lone parents may be able to claim up to £750 towards the costs of accredited training.

In addition to these pilots, a number of significant changes to NDLP were announced in November 1999 for introduction in 2000/2001. These include:

- initial NDLP letters, formerly issued only to lone parents with children aged 5 or over, are to be sent to lone parents whose youngest child is aged 3 or 4.
- NDLP advisers are to be encouraged to undertake telephone 'follow-ups' to the initial

letters to further encourage participation.

- tailored invitation letters are to be issued by the Benefits Agency to lone parents whose youngest child is aged 14 or 15, pointing out that their IS entitlement is likely to end once their child is 16, and to encourage take up;
- Benefits Agency staff in two Pathfinder areas are to undertake visits to lone parents whose youngest child is aged 14 or 15 in order to encourage participation in NDLP;
- provision is to be made through ES Programme Centres which are more closely tailored to the specific needs of lone parents;
- Jobseeker's Grant is to be made available to participants on NDLP.
- the introduction of an NDLP Innovation Fund to explore new and innovative ways of helping and encouraging lone parents to take up work, to improve their work-readiness, or to participate in NDLP.

Further developments were announced in the Budget in March 2000. These will be:

- the introduction of point-of-claim and annual work-focused interviews for all lone parents claiming IS whose youngest child is aged 5 or over. The interviews will act as the Gateway for the NDLP programme, although participation in NDLP itself will remain voluntary. These will be introduced in two pathfinder areas from October 2000 and rolled out nationally for new and repeat claims from April 2001. Interviews for those currently claiming IS will be phased in gradually from April 2001 to March 2004;
- the introduction of a £15 Training Premium for lone parents on IS taking up an approved training course;
- from April 2001, NDPAs will be given access to resources to provide help with childcare for lone parents on IS who take up work of less than 16 hours a week.

The Review concludes by setting out some of the other policy developments that complement NDLP provision, such as the National Childcare Strategy and the Working Families' Tax Credit.

1. The New Deal Reviews: context and aims

1.1 The New Deal Reviews

New Deal is a major labour market intervention intended to contribute to an increase in the sustainable level of employment and a reduction in social exclusion by:

- helping young and long-term unemployed people, lone parents and disabled people who wish to work, into jobs and helping them to stay and progress in employment;
- increasing the long-term employability of young and long-term unemployed people, and lone parents and disabled people who wish to work.¹

The New Deal has been delivered by means of a number of different programmes, each aimed at a different target group. New Deal for Lone Parents (NDLP) was introduced in prototype form in July 1997 and was extended to become a national programme in two phases from April 1998 and October 1998 (see later in this Section). New Deal for Young People (NDYP) was introduced in 12 Pathfinder areas in January 1998 and implemented nationally from April 1998. The New Deal for the Long-term Unemployed (NDLTU) was introduced nationally in June 1998 with innovative pilot programmes offered in selected local areas from November 1998. New Deal for Disabled People (NDDP) was introduced on a pilot basis in October 1998. These programmes and others that fall within the New Deal are described in greater detail in Annex 1.

The New Deal has been the subject of comprehensive and rigorous evaluation research. Although the stage of evaluation reached varies across New Deal programmes there is now a substantial body of information available about the ways in which New Deal programmes have been delivered and the effects of such interventions on individual participants, employers and the agencies concerned. It is thus timely to draw together this evidence and to establish current knowledge of the programmes. To achieve this purpose, a series of New Deal Reviews have been undertaken.

Three New Deal Reviews have been carried out, one relating to each of NDYP, NDLTU and NDLP. Each review provides a summary and assessment of the relevant monitoring and evaluation evidence. A fourth report provides an overall assessment of the common experience and lessons to be drawn from the three programmes. **This report is the third of the New Deal Reviews and deals with the evidence relating to the New Deal for Lone Parents.**

¹ *New Deal: Objectives, Monitoring, Evaluation*, Employment Service, 1997

1.2 An outline of the New Deal for Lone Parents

The New Deal for Lone Parents shares the same broad aims as other New Deal programmes (these were set out in the previous section). However, unlike the New Deal programmes targeted on unemployed jobseekers (NDYP and NDLTU), the NDLP programme is aimed at a group of people many of whom are not currently participating in the labour market. Specifically, NDLP is designed to:

- help and encourage lone parents in receipt of Income Support (IS) to improve their prospects and living standards by taking up, or increasing their involvement in, paid work; and
- improve the job readiness of lone parents on IS so as to increase their employment opportunities.

Thus the NDLP programme is concerned not only to place lone parents into paid work where this is possible (where lone parents are job ready), but also to prepare lone parents who are not currently in the market for work for entry to the labour market. In order to achieve these aims the NDLP programme seeks to:

- provide support and guidance on job search to clients who are job ready,
- encourage and motivate lone parents to identify their skills and develop the confidence to seek work
- to identify and provide access to Employment Service (ES) programmes, education or training with the aim of increasing job readiness,
- improve awareness and knowledge of benefits and routes into education or training as a stepping stone to paid work,
- provide practical support to lone parents in finding childcare, organising their benefits and applying for training, education and jobs.
- help the transition from benefit to work by providing 'better-off calculations' to clients, assisting with claims for Working Families Tax Credit (formerly Family Credit) and other benefits and liaising with employers, the Benefits Agency and the Child Support Agency.
- offer in-work support once a lone parent finds work provide information on childcare and help lone parents apply for child maintenance.

The New Deal for Lone Parents was introduced in Phase 1 Prototype form in eight areas from July 1997. The Department of Social Security (DSS) had overall responsibility for the programme with ES managing delivery in four areas while the Benefits Agency managed delivery in the remainder. While all lone parents on IS were eligible to enter NDLP Prototypes, the 'target' group was those lone parents whose youngest child was over five years and

three months of age and who had been claiming IS for at least eight weeks. The target group was invited to join the prototype programme although other lone parents on IS could do so if they wished.

The programme was extended nationally as Phase 2 in April 1998, although only lone parents in the target group making a new or repeat IS claim were invited to join the programme. Phase 2 was essentially a transitional phase pending full national implementation in October 1998. After that date, all target lone parents (both existing IS claimants and new IS claims) were invited to join NDLP. At the time of national 'roll out' of NDLP in October 1998, responsibility for NDLP delivery was transferred from DSS to ES. Despite these changes, the fundamental NDLP design remains largely unchanged although the national programme (Phase 3) places a greater emphasis on training and offers greater help with course fees and other associated expenses than was the case during the prototype phase.

NDLP attempts to tackle the historical lack of support and information about work and benefits for lone parents and to counter other financial and non-financial barriers to employment. The aim of NDLP to help lone parents on IS to take up paid work, to increase the amount of paid work undertaken (for instance by switching from part-time to full-time employment) or to take steps that are in preparation for employment. The main approach for helping lone parents move towards, enter, or increase employment is, in common with all New Deal programmes, the provision of an individually tailored package of information and support by means of a New Deal Personal Adviser (NDPA)². Such advice and support covers work opportunities, training, benefits, and childcare. NDPAs are trained specifically for NDLP although they may act in a similar role on other New Deal programmes.

The current basis for entry to NDLP is by invitation, referral or self-nomination. All lone parents making a new or repeat IS claim and whose youngest child is five years and three months or above (that is, the 'target group') receive a letter inviting them to see a NDPA. This happens after the eighth week of their IS claim. After the introduction of NDLP Phase 3 existing IS claimants who already met the target criteria were invited for interview on a gradual basis in order to draw down the 'stock' of target lone parents. All of the stock had been invited to join the programme by April 1999. Other eligible lone parents outside the target group may put themselves forward for an interview with a NDPA, having heard of NDLP via the media or by other means, or they may be referred to NDLP, for instance, during a visit to the Jobcentre.

Whatever the route by which lone parents become aware of NDLP, the first step in the programme is to make contact with a NDPA

² The term New Deal Personal Adviser is used here for consistency with other New Deal programmes, although the term Lone Parent Adviser is commonly used in practice.

and attend an initial interview. The purpose of the initial interview is to explain the NDLP programme to the lone parent, to discuss the help it provides and to invite them to join the NDLP caseload³. Attendance at the initial interview is voluntary, as is any subsequent contact or activity with the NDPA. After the initial interview, lone parents who join the caseload may be invited back for further advisory appointments, and can continue to rely on the adviser for in-work support after a job has been found.

NDPAs can offer a wide range of support and guidance designed to identify skills, develop the confidence to seek work as well as practical help with job applications, finding childcare or obtaining training. Clients and NDPAs may jointly develop an Action Plan for returning to work although this is not a formal requirement of the programme. More specifically, NDPAs:

- help lone parents through the steps to finding a job,
- talk to lone parents about current job vacancies, and how to find them,
- help lone parents to apply for jobs, write a CV and prepare for interviews,
- give advice on the benefits lone parents can get whilst they are in work and help them apply for such benefits (previously Family Credit and now Working Families Tax Credit),
- provide a 'better-off' calculation of the income they could expect to receive in a job, from their wages and in-work benefits,
- help the lone parent to find childcare,
- help lone parents with their applications for child maintenance,
- help the lone parent decide whether he or she needs training, and then find a suitable course,
- continue to be available to lone parents once they have started work, providing support when difficulties arise.

Although NDLP largely relies on advice and guidance to help clients, such support is backed up by a comprehensive package which includes access to ES programmes, Work Based Learning for Adults and short work experience placements. Such access is often immediately available and avoids waiting for places to become available. Funding for childcare and/or training course fees⁴ and help with travel expenses is also available, as is 'fast-tracking' of in-work benefit claims to help ease the transition from

³ For monitoring purposes, lone parents who attend an initial interview are recorded as an NDLP start. However, they are not regarded as a full participant on NDLP until they opt to join the NDLP caseload. See 'Notes for Editors' appended to the DfEE *'Statistical First Release on New Deal for Lone Parents: Statistics'* for further details of this and other definitions.

⁴ Course fees may be paid if the course cannot be funded from another source, providing it meets NDLP conditions i.e. lasts no more than 12 months and leads to a qualification at NVQ Level 2 (exceptionally, at NVQ Level 3).

benefits to earned income. Lone parents are free to take up voluntary work to gain work experience and develop self-confidence if they wish to do so.

As a pilot exercise, the NDLP Prototype was designed to provide information on the likely response of lone parents to the availability of advice and help with moving into work. This information together with the testing of the delivery mechanisms would provide an indication of the likely operation and impact of the programme when delivered on a national scale. For this reason the Phase 1 Prototype programme and the Phase 3 national NDLP have identical aims and are directed at the same target group of lone parents. However, there is one important difference between the prototype and national programme and that relates to innovation. NDPAs on the prototype were encouraged to experiment with different methods of attracting clients, different organisational arrangements and different activities within the programme. This variation within the prototype generated additional information about practices that worked and those that did not. The effect of this was a range of NDLP experience amongst clients that would not be expected on the national programme with its more uniform standards of provision. For this reason, the prototype may provide only a partial guide to the future impact of NDLP Phase 3.

NDLP has now been operating on a national basis since October 1998. The form and content of the programme has evolved since the original prototype phase. In particular there is enhanced provision to support work-focused training for NDLP participants with improved guidance for the NDLP advisers and the facility, where necessary, to pay for course fees, and childcare and travel costs incurred by lone parents undertaking training.

Evaluation of NDLP has found many positive features in the programme and it is rated highly by most participants. Nonetheless, in the light of some findings from evaluation a number of more significant additions to the programme have been piloted during the second half of 1999. First, ten innovative pilots were established across the country with each pilot running for approximately 12 months. The main objective of these pilots was to increase participation in NDLP and/or to improve lone parents' prospects within the labour market. Second, In-Work Training Grant pilots will commence in selected ES districts during 2000 and run for a 12 month period. Employers who recruit eligible lone parents may be able to claim up to £750 towards the costs of accredited training and it is hoped that this will increase the number of lone parents in sustainable work and improve their long-term employment prospects.

Further changes to the NDLP design and its implementation are planned under the NDLP Next Steps initiative and measures announced in the Budget of March 2000. These and other developments are discussed in more detail in Section 6.

1.3 Aim of the Review

The aim of this Review is to collate, synthesise and assess the emerging findings of NDLP evaluation research. It also provides a broad perspective on the overall evaluation programme including research that has yet to be carried out. The Review is concerned to identify broad conclusions from the emerging evidence. As such, it provides an 'overview' of all aspects of the monitoring and evaluation of the programme and seeks to identify the early lessons relating to implementation, delivery and impact. However, the Review's broad perspective inevitably does something of a disservice to the research on which it reports and attempts to summarise. While the Review seeks to make the findings and early lessons from the evaluation of NDLP readily accessible, it is not intended to be a substitute for the original research material upon which it draws. Those who wish more detail of the evaluation findings are referred to the source reports listed in Annex 2.

Objectives of the Review

The Review has several objectives. These are:

- to make the results of the NDLP evaluation readily accessible,
- to 'map' the availability of information on key issues (such as employability, quality, etc),
- to identify key trends and issues emerging from the evaluation evidence,
- to identify aspects of the New Deal programmes that require refinement or improvement,
- to assess the extent to which evidence from the evaluation has fed into New Deal policies to date,
- to identify the emerging evidence of impacts on individuals, on employers, on ES and on New Deal partners.

The programme of monitoring and evaluation of the national NDLP programme is still at a very early stage and significant elements of the research have yet to be fully undertaken, let alone been published. However, the evaluation of the NDLP Phase 1 Prototype programme has been completed and the results were published in March 2000. This body of evaluation evidence is an essential source of information about the operation of NDLP and an indication of the likely operation and impact of the national programme. The main task of this Review is to collate and assess the results of the evaluation programme and to identify future plans for evaluation. The Review deals with the evidence available up to the end of 1999 (including that published in early 2000). The evidence is drawn from a number of sources. First, the results of the Phase 1 NDLP evaluation. Second, the Department for Education and Employment's monthly Statistical First Releases relating to NDLP. Finally the Review draws on the results of early qualitative research on the national NDLP programme.

2. The evaluation process and sources of information

2.1 Introduction

As is the case with other New Deal programmes, NDLP is the subject of a major programme of evaluation research. This evaluation has been implemented in two stages. The first stage consisted of a comprehensive assessment of the operation and impact of the Phase 1 Prototype programme. This stage has now been completed. The second stage is the monitoring and evaluation of the national NDLP programme. This stage shares much of the approach to evaluation taken in respect of other New Deal programmes and set out in '*New Deal: Objectives, Monitoring and Evaluation*' (Employment Service, 1997).

This Review draws on the output from the monitoring and evaluation of NDLP up to the end of 1999. This section briefly describes the evaluation programme and the information available to the Review.

2.2 The aims and objectives of New Deal evaluations

In broad terms, evaluations of New Deal programmes seek to address seven research questions. These questions are:

- what is the effect on the employment and unemployment of the target group?
- what is the effect on individuals?
- what is the impact on employers?
- what is the most effective way of delivering the programme?
- what is the overall impact on the labour market?
- what is the net impact on Exchequer costs?
- what are the wider consequences of NDLP on social exclusion and other social issues?

However, the extent to which these questions are addressed varies from one New Deal programme to another depending upon what is feasible and the resources available.

As already indicated, there have been two stages to the evaluation of NDLP: the evaluation of the Phase 1 Prototype programme and the evaluation of the national NDLP programme. It is useful to consider these separately as there are some differences in the purpose of the evaluations and the approaches taken. One major omission from the prototype evaluation was any substantive element of research with employers although this is present in the evaluation of the national programme.

2.3 Evaluation of the prototype programme

The objectives of the evaluation of the prototype programme were:

- *participation*: who took part in the programme and for what reasons; who did not take part and for what reasons?
- *lessons*: what did participants and advisers think was helpful in getting lone parents into work? For whom was it successful?
- *resources*: what was the take-up among those eligible to participate, what resources did they need; what additional demand was generated for other services, such as ES Jobclubs?
- *counterfactual*: how much additional movement into work of lone parents could be attributed to the programme? This question is answered by estimating what would have happened in the absence of the programme, and comparing it with what was observed to have happened.

The evaluation programme for the NDLP Prototype incorporated a range of research components, including site visits, labour market studies, in-depth interviews, surveys of lone parents, analyses of administrative data, work and benefit histories, and an assessment of the costs and benefits of the prototype. The evaluation provides a comprehensive assessment of participation in NDLP, the operation of the programme and an assessment of impacts⁵.

The evaluation made use of comparisons between prototype areas and selected control areas (random assignment methods were decided against). The comparison area approach was dictated by the policy emphasis on making NDLP available to all who wished to participate. However such an approach poses difficulties not present in methods such as random assignment to programmes. Any comparison between prototype and comparison areas must always take account of the possibility (indeed, inevitability) of some differences between local labour markets remaining no matter how close the matching of areas has been. This issue is of particular importance in regard to the estimation of the programme's impact, since this must always depend on characteristics of the lone parent population and the labour market in each area.

⁵ Finch H., O'Connor W. with Millar J., Hales J., Shaw A. and W. Roth, *New Deal for Lone Parents: learning from the prototype areas*, DSS Research Report No. 92, CDS, Leeds, 1999.

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Hales J., Lessof C., Roth W., Gloyer M., Shaw A., Millar J., Barnes M., Elias P., Hasluck C., McKnight A. and A. Green, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase One Prototype Synthesis Report*, DSS Research Report No 108, CDS, Leeds, February 2000.

Hales J. , Roth W., Barnes M., Millar J., Lessof C., Gloyer M. and A. Shaw, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase One Prototype. Findings of Surveys*, DSS Research Report No 109, CDS, Leeds, February 2000.

In addition to area based controls, the evaluation also made use of a method that approximated a random assignment experiment. The procedure used to send invitation letters to target lone parents was based on the last digit of the lone parents National Insurance number (NINO). Since each NINO is tantamount to a random number, this meant that for the first nine months of operation it was possible to compare a randomly selected group of NDLP participants with a randomly selected group of non-participating lone parents. A comparison within each prototype area has the substantial advantage that the labour market context of participants and non-participants is the same. However, the 'randomness' of the invitation procedure could have been undermined by two factors (as is the case with any random assignment experiment). First, the selection procedures for inviting lone parents may not always have been strictly adhered to and, second, lone parents may have volunteered for early entry to NDLP before being invited. There is some evidence that the desire to be innovative by NDLP teams in some areas may have produced both of these effects (through promotion and marketing of the programme). Both factors mean that any comparison based on the invitation letter process is likely to understate the real difference between early and later participants.

The main assessment of the NDLP Prototype is now complete. The main focus of NDLP evaluation has now shifted to a comprehensive programme of research covering the national (Phase 3) programme. This evaluation commenced at the end of 1999.

2.4 Evaluation of the national programme

The research objectives of the evaluation of the national (Phase 3) NDLP programme are somewhat broader than those of the prototype programme. The research seeks answers to the following questions:

- what effect is NDLP having on individual lone parents?
- what are the training needs of lone parents?
- to what extent is there a differential impact of NDLP on the target and non-target groups?
- what is the impact of NDLP on lone parents participation in the labour market?
- what is the effect of NDLP on the Employment Service, related labour market programmes or New Deal providers?
- what is the effect of NDLP on employers?
- what is the effect of NDLP on the numbers claiming out of work benefits and in-work benefits?
- how is NDLP interacting the wider labour market?
- how cost effective is NDLP?

In order to address this list of research questions, a

comprehensive programme of evaluation of NDLP Phase 3 is being undertaken. This evaluation programme consists of a number of elements. The national NDLP will be evaluated by means of evidence derived from:

- analysis of management and administrative data from the New Deal Evaluation Database;
- qualitative research with individuals;
- quantitative research with individuals;
- qualitative research with employers;
- case studies in delivery of NDLP;
- macroeconomic assessments of impact;
- a cost-benefit analysis.

The New Deal Evaluation Database

The evaluation of the NDLP Prototypes made use of a number of management and administrative data sources. The principal sources were the Income Support Computer System (ISCS) providing information on the benefits and benefit histories on lone parents, the Family Credit System (FCS) and the newly established NDLP Database which recorded information about the management and operation of the programme. However, such DSS administrative data has not yet been linked to the main source of data used to monitor national NDLP, the New Deal Evaluation Database (NDED).

Originally established to service the evaluation of New Deal for Young People, the NDED provides a key resource for all New Deal evaluations. The database contains information from a variety of sources, principally the ES Labour Market System, JUVOS (the Joint Unemployment and Vacancies Operating System) and management and operational information relating to each New Deal programme, in this case NDLP. NDED provides monitoring information about the volumes of people entering, leaving and currently participating on NDLP, the characteristics of participants, immediate outcomes and information about the New Deal process itself. This information is published on a monthly basis in the form of a DfEE Statistical First Release.

The NDED has some general limitations. First, NDED records outcomes and destinations of participants but, like many such databases, it suffers from a large proportion of unknown destinations (although considerable effort is expended to minimise this problem). A further limitation is that NDED contains no data on the jobs obtained by, or employers of, lone parents. Despite such limitations, the NDED is an essential tool for monitoring the operation of NDLP. It provides information at an early stage when other evaluation evidence is not available. NDED also provides sampling frames for surveys of NDLP participants. The NDED is described in greater detail in '*New Deal Statistics & the New Deal Evaluation Database*' (Labour Market Trends, April 1999).

Evaluation of national NDLP to date

The pattern of evaluation activity inevitably reflects the pattern of implementation of NDLP, the time scales required by different research methods and the resources available for evaluation work.

The largest body of data relating to NDLP is found in the NDED. Administrative data enters NDED almost immediately and is published with a lag of around 8 weeks. Monitoring information relating to national NDLP was first published in July 1999 as a DfEE Statistical First Release and has been published on an approximately monthly basis since then. This information provides an up-to-date picture of the people joining and leaving national NDLP and their progress through the programme.

Other types of evaluation evidence take longer to produce or have been deliberately timed for later in the life of the programme. By the end of 1999, the main evaluation evidence relating to national NDLP had been derived from secondary data analysis and qualitative research. An analysis of the characteristics of the lone parent population based on data from the 1997 Labour Force Survey (LFS) was published in August 1999⁶. A 'client satisfaction' survey was undertaken between July-August 1999⁷. Finally, two qualitative surveys of lone parents were undertaken in July-August 1999 and November-December 1999, the results of which will be published in May 2000⁸.

Future evaluation of NDLP

Clearly, a great deal of the programme to evaluate NDLP Phase 3 remains to be carried out. Only when the results of this further research is available will the complete picture of the operation of NDLP be available. Future NDLP evaluation research will consist of the following:

- qualitative case studies of delivery to be undertaken in early 2000 and reporting in Summer 2000;
- quantitative data collection from a survey of individuals to begin in Summer 2000 (a postal survey) and continue in Summer 2001 (interviews). A report on the first round of survey fieldwork is scheduled for Autumn 2000 while the final report on the second round of quantitative fieldwork is expected in Autumn 2001. This survey will cover both participants and non-participants and will contain a longitudinal element with some lone parents being contacted in both survey sweeps.
- qualitative research with employers to be undertaken in the

⁶ Holterman S, Brannen J., Moss P. and C. Owen. *Lone Parents and the Labour Market: Results from the 1997 Labour Force Survey and Review of Research*. ESR23, Employment Service, August 1999.

⁷ Martin Hamblin. *A Report on Lone Parent Client Satisfaction Survey: Part of Evaluation of NDLP Phase 3*, ESR39, Employment Service, February 2000.

⁸ Cragg, Ross and Dawson, *Evaluation of New Deal for Lone Parents. Qualitative Studies with Individuals*, Employment Service Research Series (forthcoming).

first half of 2000 and report in Autumn 2000.

- macroeconomic analysis of impact, reporting on a six-monthly basis throughout the lifetime of the evaluation programme and finally reporting at the end of 2001.

In addition to the evaluation of the main NDLP programme, evaluations will also be conducted of the various pilots associated with NDLP: Innovative pilots, In-work training Grant pilots, the Next Steps pilots and the Innovation Fund.

Qualitative research following-up lone parents who were interviewed in the prototype areas in Phase 1 of NDLP was commissioned by DSS in Summer 1999. The qualitative follow-up looks at the long-term effects of participation, both in terms of outcomes for lone parents and the role of the NDPA. Such follow-up research is intended to identify outcomes that occurred after the period observed for evaluation purposes. These include the extent to which participants who remained on NDLP, or were in training during the evaluation period, subsequently entered employment and the extent to which participants who entered employment from NDLP remained in jobs or returned to IS.

2.5 The use of evaluation evidence in the Review

Before moving on to consider the evidence from evaluation of NDLP, it is important to stress one important note of caution. As has already been noted, the current evidence relating to NDLP Phase 3 is, apart from NDED data, all derived from qualitative research. Such research has the merit of providing information quickly and revealing participants perceptions and the processes involved in NDLP participation in a way that is more difficult for quantitative surveys. However, when drawing on the findings of such research it must be borne in mind that qualitative surveys involve small samples. Moreover, such samples are not intended to provide a *representative* sample of the population of NDLP participants. Qualitative samples are purposively selected, often to ensure that key groups of participants are present in the sample.

3. Lone Parents and Clients of NDLP

3.1 Introduction

The number of lone parents in Great Britain has been increasing rapidly since the 1980s. At the same time, lone parents have become an increasing focus for social policy. This increasing attention to lone parents has been driven by concerns about their immediate economic welfare and the longer term consequences for their children in terms of disadvantage later in life, and by concern at the cost to the Exchequer of the large number of lone parents on benefits.

It has been noted that in comparison with other western countries, Great Britain has one of the highest proportions of families headed by a lone parent but one of the lowest rates of employment amongst lone mothers⁹. Policy towards lone parents has therefore increasingly focussed on moving lone parents off benefits and into work. Initially this was to be achieved by passive measures that encouraged lone parents to work by changes in the benefit system. The New Deal for Lone Parents represents a more active form of labour market intervention designed to help lone parents into employment.

NDLP is primarily targeted on a specific sub-group of lone parents - those on Income Support (IS) whose youngest child is over five years of age – but it is also available to lone parents on IS with younger children. NDLP embodies the view that the decision to work, or not, is a legitimate choice for such lone parents. Consequently, participation in NDLP is voluntary. Both factors - targeting on a sub-group of lone parents and voluntary participation – mean that the characteristics of NDLP clients will be different to a large degree from the characteristics of the lone parent population in general.

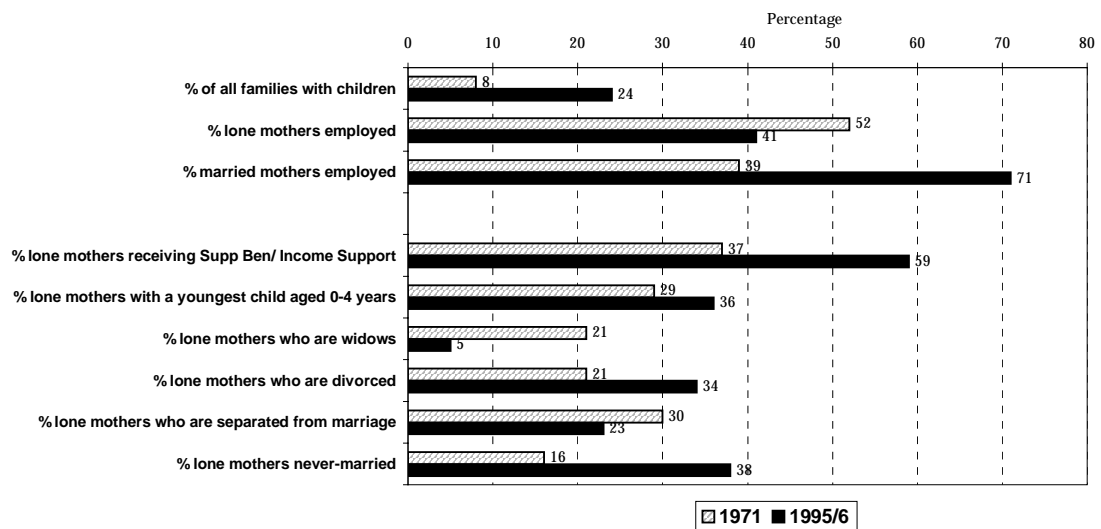
This section examines, by way of background to NDLP, the characteristics of, and recent trends in the lone parent population as a whole. This is followed by an account of the characteristics of the NDLP client group and participants. The issue of take-up – which lone parents choose to participate and which do not – is deferred until the next section. This is because the extent to which lone parents choose to enter the programme is, in part, related to operational matters such as the process of invitation. However, where relevant and the evidence exists, reference will be made to any differences in the characteristics of participants and non-participants.

⁹ Holterman S, Brannen J., Moss P. and C. Owen. *Lone Parents and the Labour Market: Results from the 1997 Labour Force Survey and Review of Research*. ESR23, Employment Service, August 1999.

3.2 The lone parent population

The number of lone parents in Great Britain has increased sharply during the past two decades. The synthesis report from the evaluation of the NDLP Prototype provides a graphic illustration of this trend over the 25 years from 1971¹⁰. This is reproduced as Figure 3.1 below. The figure shows that in 1971 just eight per cent of families were headed by a lone parent while 25 years later in 1995/96 the proportion was 24 per cent. Evidence from the Labour Force Survey (LFS) reports a comparable growth in numbers over the 1990s. The number of lone parents is estimated to have increased from 1.15 million in 1990 to 1.73 million in 1997 (an increase from 16 per cent of families to 24 per cent)¹¹.

Figure 3.1
The changing characteristics of lone parents, 1971-1995/96



Source: Hales *et al*, DSS Research Report No. 108

The fastest growing group of lone parents has been single mothers (consisting of those who have never lived with a partner and those who have cohabited with a partner and separated) and in 1997 this group constituted the largest single category of lone parents. The proportion of lone parents who were lone fathers has remained fairly constant at around 10 per cent of lone parents (although this amounts to an increase in their absolute number). The growth in the numbers of lone parents has been attributed to changes in the role of marriage in family formation and a trend towards longer durations of lone parenthood caused by a reduction in the propensity to re-partner¹².

¹⁰ Hales J., Lessof C., Roth W., Gloyer M., Shaw A., Millar J., Barnes M., Elias P., Hasluck C., McKnight A. and A. Green, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase One Prototype Synthesis Report*, DSS Research Report No 108, CDS, Leeds, February 2000.

¹¹ Holtermann *et al*, ESR23, *Op cit*.

¹² Holtermann *et al*, ESR23, *Op cit*.

Figure 3.1 also indicates how, as the numbers and proportion of families headed by lone parents has increased, their attachment to the labour market has declined. The past 25 years has been notable for the increase in the labour force participation and employment of women and this is evident in the increase in proportion of married mothers in employment which rose from 39 per cent in 1971 to 71 per cent in 1995/6. Amongst lone parents, however, the proportion in employment fell from 52 per cent to 41 per cent over the same period. The reduction in labour market participation was accompanied by an increase in the proportion of lone parents dependent on IS (or its predecessor, Supplementary Benefit). Whereas 37 per cent of lone parents were receiving benefits in 1971 the corresponding proportion in 1995/96 was 59 per cent.

Most, if not all, of the decline in labour market participation amongst lone parents appears to have taken place in the 1970 and 1980s. Evidence from the LFS suggests that employment amongst lone mothers rose slightly between 1990 and 1997. However, it remains the case that the proportions of lone mothers and lone fathers in employment were lower in 1997 than amongst corresponding parents who were cohabiting or married.

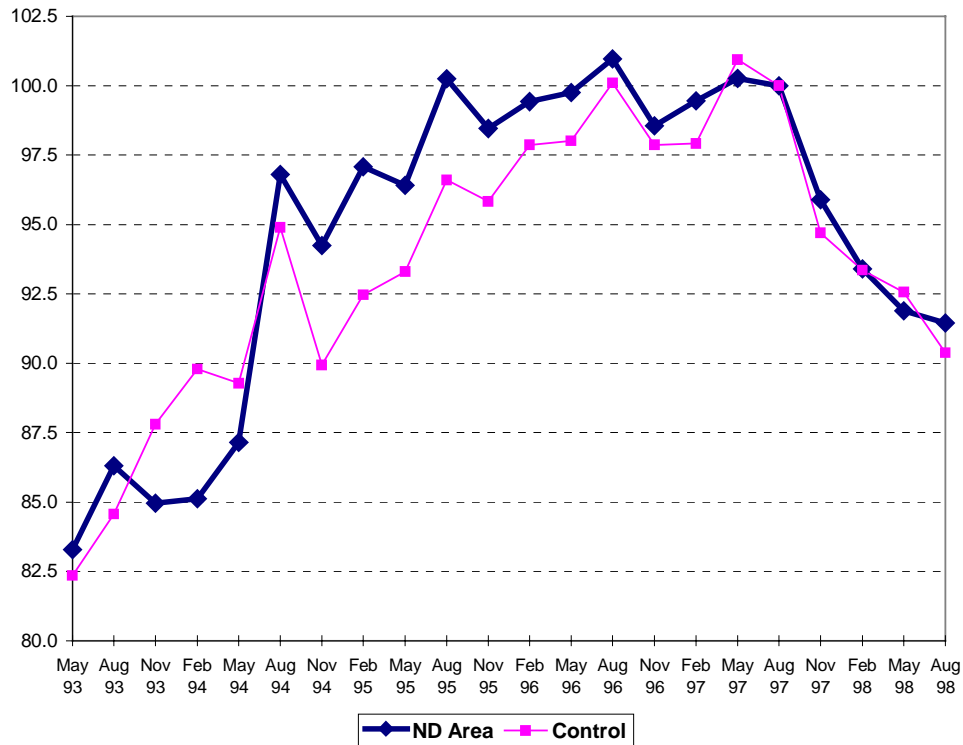
The difference in employment rate between lone mothers and couple mothers might have been a reflection of the fact that lone mothers tend to have different characteristics to 'couple' mothers. Lone mothers are more likely to be younger than other mothers, have younger children and have lower levels of educational qualifications. Lone mothers are also concentrated within rented accommodation and in metropolitan areas (especially inner London). Most of these characteristics are associated with a lower probability of seeking or entering employment. However, these factors are not sufficient on their own to explain the large difference in employment rates that exists between single and couple mothers¹³.

A further consideration is the number of lone parents claiming benefits. As already indicated, the number and the proportion of lone parents claiming IS has steadily increased over the past two or more decades. However, around 1996 this trend was sharply reversed and the number of lone parents on IS began to decline. This can be seen clearly in Figure 3.2 which describes the numbers of lone parents in receipt of IS in the NDLP Prototype and comparison areas. In these cases, the numbers in receipt of IS declined consistently over the 12 months from August 1997 to August 1998. As this reversal in trend coincided with the introduction of the NDLP Prototype programme, it posed a serious problem for the evaluation of the prototypes since the situation in all areas was changing regardless of NDLP. Clearly, whether based on a comparison within prototype areas or a comparison between areas, the changing context of IS claims would make the

¹³ Holtermann S. *et al.*, ESR23, *Op cit.*

identification of the 'counterfactual' (what would have happened in the absence of NDLP) difficult to establish.

Figure 3.2
Number of lone parents in receipt of Income Support,
NDLP Prototype and comparison areas (August 1997=100)



Source: Hales J. *et al*, DSS Research Report No. 108, *Op cit*.

3.3 The characteristics of NDLP clients

Lone parents in the target group (on IS and with a youngest child aged five years and three months or above) are invited to attend an initial interview with a NDPA. Not all of those invited will opt to attend the initial interview, while some of those attending an initial interview will opt not to join the NDLP caseload. Since there may be different responses amongst different groups of lone parents, both at the initial invitation stage and in regard to joining the caseload, the characteristics of NDLP participants may differ from those of the target lone parent population as a whole (which in turn is somewhat different from all lone parents).

Evidence from the NDLP Prototype programme suggested that over three-quarters of lone parents in the target group did not take part in NDLP¹⁴. Correspondingly, only 23 per cent of lone parents attended at least one interview but most of these (93 per cent) joined an NDPA caseload. Recent evidence relating to the

¹⁴ Hales J. *et al*, DSS Research Report No. 108, *Op cit*.

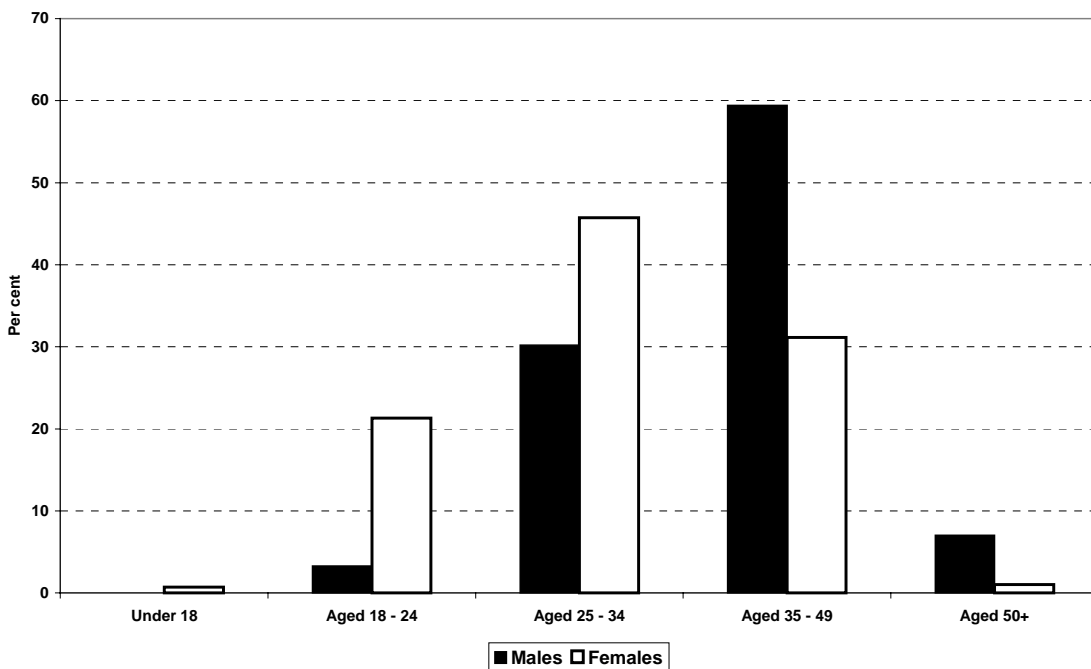
national NDLP suggests an almost identical figure for those agreeing to participate after an initial interview (89 per cent).

Personal characteristics

The New Deal Evaluation Database indicates that 95 per cent of lone parents attending an initial interview during the period from October 1998 to December 1999 were lone mothers. At least 6 per cent of initial interviews were with lone parents from an ethnic minority group¹⁵ and 4 per cent were lone parents with some form of health problem or disability. The proportion from ethnic minority groups is broadly consistent with survey findings from a random sample of lone parents in the NDLP Prototype programme areas (of which 9 per cent were members of ethnic minorities) and evidence from the LFS relating to all lone parents (7 per cent of lone mothers and 3 per cent of lone fathers).

Figure 3.3 shows the age distribution of those attending an initial national NDLP interview.

Figure 3.3
Age distribution of those attending an initial interview by gender, October 1998 to November 1999



Lone parents in the target group will, on average, be older than the lone parent population since the target group excludes those lone parents with a child aged less than five years and three months. Figure 3.3 shows that the largest group of lone mothers is the group aged 25-34 followed by those aged 35-49. Single fathers

¹⁵ The true level of ethnic minority participation is likely to be higher than 6 per cent because ethnic origin is unrecorded in about a third of all cases.

tend to be somewhat older with the largest age group being those aged 35-49. Around 99 per cent of lone parents under 25 who attend an initial interview are female but only 73 per cent of those aged 50 and above.

Agreement to join the NDLP caseload after the initial interview is considered in more detail in the next section. However, it can be noted here that lone mothers and younger lone parents were slightly more likely to participate in the national programme: 90 per cent of females and 88 per cent of males; 91 per cent of those aged 18-24 compared to 90 per cent of those aged 35-49 and 84 per cent of those aged 50 or over. However, lone parents from ethnic minorities or those with a disability were just as likely to have agreed to participate. Evidence from the prototype suggests that those lone parents with children aged 5-10 were more likely to participate in the programme than those whose children were over 10 as were those with only one child.

Employment history

A large survey of lone parents in the NDLP target population in the Phase 1 Prototype areas found that most had some previous experience of employment. However, around seven per cent of respondents had never had a paid job, and these were usually young single mothers. However, while most lone parents in the target group had experience of work, only a quarter said that they had '*spent the majority of their working lives in steady jobs*'. Others had mainly combined family care with spending time in and out of work, and more than 20 per cent said that they had '*spent more time out of work than in work*'¹⁶. When employed, lone parents typically had been working in jobs with intermediate or low skill levels, although some had experience of managerial jobs.

More recent qualitative evidence relating to the national NDLP programme found that a majority of NDLP participants interviewed were not working at the time of becoming a lone parent or, if they were working, they had given up work at that time¹⁷. Previous work experience was strongly associated with attitudes towards employment and job readiness. This was especially so in the case of lone fathers who tended to have greater and more consistent prior work experience than lone mothers. Lone fathers who were interviewed appeared to have a stronger desire to find paid work because they were more aware than some lone mothers of the financial benefits of work. A greater level of previous work experience might also be expected to make lone fathers more job ready.

¹⁶ Hales J. , Roth W., Barnes M., Millar J., Lessof C., Gloyer M. and A. Shaw, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase One Prototype. Findings of Surveys*, DSS Research Report No 109, CDS, Leeds, February 2000.

¹⁷ Cragg, Ross and Dawson, *Evaluation of New Deal for Lone Parents. Qualitative Studies with Individuals*, Employment Service Research Series (forthcoming).

Attitudes and motivation

Lone parents can legitimately choose to defer labour market participation in order to devote themselves to full-time childcare (in some cases, for instance when there are several children, this is less a matter of choice than necessity). If they choose to work, their childcare responsibilities may restrict the types of job that they would consider. Survey evidence from the NDLP Prototype evaluation relating to lone parents in the target group, found that 37 per cent of lone parents in the sample wished to postpone employment and only 8 per cent had no wish ever to work. Thus, more than half wanted employment (41 per cent were 'job ready' while 11 per cent were already in some form of work)¹⁸. Looking at those lone parents who actually participated in the NDLP Prototype, the proportion who were work ready was substantially greater than amongst non-participants in the prototype areas (65 per cent and 46 per cent respectively).

Amongst NDLP participants in prototype areas who wished to postpone work, the main reason for not wanting a regular paid job was the care for children (52 per cent), although some lone parents were in education (8 per cent) while others were temporary or long-term sick (8 per cent)¹⁹. Lone parents who were already seeking work were motivated by a desire to increase household income, to get out of the house, to support the family and to improve their quality of life. Most lone parents interviewed strongly supported the view that each individual should be able to choose whether or not to work. However, if a lone parent's children were of school age, slightly more support was given to the view that a parent has a duty to work.

Qualitative research with participants on the national programme tends to provide a similar picture to that of the prototype areas²⁰. Many of those interviewed were already actively seeking work at the time they entered NDLP although such job search was sometimes relatively limited in scope. The motivation to find work was largely financial but the desire for self-fulfilment and increased social contact was also a strong motivation. Many were aware of the negative stereotype of lone parents and wished to demonstrate that such a stereotype did not apply to them. Some were prepared to invest in training and other activities in order to help increase their employability in the future.

Qualitative research with participants in NDLP Phase 3 distinguished four groups of lone parents in terms of attitudes towards employment²¹. These groups were:

¹⁸ Hales J. *et al*, DSS Research Report No. 109, *Op cit*.

¹⁹ Hales J. *et al*, DSS Research Report No. 109, *Op cit*.

²⁰ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit*.

²¹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit*.

- *the confident work ready* – who thought employment was financially beneficial and did not see any significant barriers to obtaining a job. This group tended to be better educated than the average and to have previous work experience;
- *the less confident work ready* – who were highly motivated but faced barriers to obtaining work. This group tended to be less confident of finding a job that would improve their financial position and often lacked self-esteem and self-confidence;
- *the work hesitant* - who wanted to work eventually but felt that the barriers faced were currently too great;
- *the 'work resistant'* - for whom both work and training were not considered feasible or desirable.

Thus, the evidence from both the prototype and the national programmes suggests that the desire to obtain paid work is greatest where the lone parents have high motivation, feel they face low barriers and good opportunities. Lone parents with previous experience of relatively high earnings or a dislike of life on benefits were more likely to be actively seeking work. Where children were older, or childcare was readily available or not needed, the desire for work was similarly high. Finally, where lone parents had skills that were relevant and in demand in the local labour market and recent work experience, this was also associated with a greater orientation towards obtaining work.

Barriers to paid work

While some lone parents are job ready, others face major disadvantages in the labour market and significant barriers to obtaining work. These barriers to work not only affect the chances of obtaining work (or work at a wage that is financially beneficial) but, as discussed above, also impact on the desire to seek work.

According to the LFS, lone mothers are much less likely to hold any educational qualifications than couple mothers and fathers. In 1997, around 17 per cent of couple mothers held no qualifications whereas the comparable figure for lone mothers was 28 per cent. Where lone mothers held qualifications, such qualifications tended to be at a lower level. In the case of lone mothers under 25 (and especially teenagers), parenthood was often associated with some form of disruption of education resulting in a premature exit from education and a failure to obtain any qualification²².

The general pattern of low educational achievement in the lone parent population is reflected amongst those who participate in NDLP. Around a third of participants on the NDLP Prototype held no qualifications²³. It is important to note that lone parents with no qualifications were more likely to 'opt out' of the programme and be non-participants, thus increasing the proportion of participants

²² Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

²³ Hales J. *et al*, DSS Research Report No 109, *Op cit.*

with qualification. Despite this, NDLP clients often see their lack of qualifications as a barrier to their employment and regard the obtaining of qualifications as a necessary route back to a job. Over 40 per cent of lone parents surveyed in the NDLP Prototype evaluation felt that their lack of work experience was a barrier to employment²⁴. Only a minority of participants see themselves as having relevant and up-to-date skills and qualifications²⁵.

Apart from a lack of qualifications and skills, lone parents have identified other barriers to obtaining work. The most commonly cited barrier tends to problems with finding/arranging childcare. Evidence from the NDLP Prototype found that around 60 per cent of lone parents not currently working felt that problems with finding or arranging childcare was a barrier to employment. Lone parents who might be classed as job ready tended to place less emphasis on childcare related barriers than those who did not wish to work at present but would do so in a year or two, but the difference was small²⁶. When childcare was seen as a problem, the reasons varied. For some lone parents it is the cost of professional childcare or lack of nursery/childcare places that is the main difficulty. For others, the difficulties revolve around a reluctance to let others look after their children. Where lone parenthood had arisen as the result of breakdown of established relationships, the resulting distress often conditioned their subsequent attitude to paid work and childcare²⁷.

Many lone parents, especially lone fathers, see the attitudes of employers as a barrier to obtaining work²⁸. Around a quarter of 'work ready' lone parents surveyed in the NDLP Prototype cited employers' attitudes as a barrier to obtaining a job²⁹. Employer attitudes are often perceived to be generally negative towards lone parents, or inflexible over specific issues such as flexible working hours, time off for care of sick children and so on. Many lone parents are also aware that a lack of recent work experience may make employers reluctant to hire them. Lone parents over 40 years of age often felt that employers were reluctant to hire older people and compounded their disadvantage. Perceptions of the difficulties of obtaining work often led to anxiety about job applications and job interviews and a lack of confidence which could in itself be a further barrier to obtaining paid work.

Some barriers to employment are financial. Although most lone parents believe they are financially worse off as the result of becoming a lone parent in receipt of IS, it does not follow from this that they see employment as providing a financial gain. This is

²⁴ Hales J. *et al*, DSS Research Report No 109, *Op cit*.

²⁵ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit*.

²⁶ Hales J. *et al*, DSS Research Report No 109, *Op cit*.

²⁷ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit*.

²⁸ Hales J. *et al*, DSS Research Report No 109, *Op cit*.

²⁹ Hales J. *et al*, DSS Research Report No 109, *Op cit*.

because the feasible employment options, as opposed to the opportunities that would have been available had they not had children, are often felt to offer low pay and insufficient income to replace benefits and compensate for the costs and inconvenience of employment. Loss of Housing Benefits was a particular concern to many respondents interviewed in recent qualitative research³⁰. Poor job prospects were often seen as arising from a lack of qualifications and recent work experience. Older lone parents often felt their qualifications and experience had become out of date so that they could not compete with younger people. In sharp contrast, there is a small minority of teenage lone parents who have little or no experience of work or of any other options. Such teenage lone parents may be ill equipped to make informed judgements about the advantages of paid work³¹.

Other barriers to employment relate to the lack of local job opportunities and difficulties in accessing jobs. Around 30 per cent of job ready lone parents surveyed in NDLP Prototype areas believed there were no local job opportunities suitable for them³². Lone parents in rural areas felt that there were few opportunities available within travelling distance while the great majority of lone parents had limited mobility wherever they lived. Few had access to private cars and most regarded public transport as unreliable or costly. Few lone parents would contemplate moving to a different area in order to obtain work. One reason for this was a reluctance to disrupt existing arrangements for help with childcare provided by relatives and friends in the local area.

It is not surprising to find that many lone parents face some form of barrier to employment, particularly when that barrier relates to matters such as childcare or difficulties in accessing jobs with hours that suit childcare responsibilities. However, it is of particular concern to note that many lone parents face multiple and inter-related barriers. Quantitative evidence from the NDLP Prototype found that over 60 per cent of 'work ready' lone parents faced three or more specific barriers to employment and 16 per cent (around one in twelve) faced six or more barriers. Clearly, if NDLP is to help lone parents overcome barriers to work and enter employment, it will be necessary to address such barriers in a 'holistic' manner since it is unlikely that each barrier faced by a lone parent can be treated in isolation from others.

³⁰ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

³¹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

³² Hales J. *et al*, DSS Research Report No 109, *Op cit.*

4. NDLP: participation, activities and destinations

4.1 Introduction

This section examines participation in NDLP and the activities while on the programme. Unlike the New Deal programmes aimed at the unemployed (New Deal for Young People and New Deal for the Long-term Unemployed) participation in the programme is on a voluntary basis and this gives rise to the important issue of programme take up. This section, therefore, also considers some of the factors associated with participation and non-participation. After examining the type of activities undertaken by lone parents who participate in NDLP, the section examines the evidence relating to the destinations of participants and outcomes from the programme.

4.2 Participation in NDLP

The implementation of the programme

The NDLP programme is primarily targeted at lone parents on Income Support (IS) with children over the age of five years and three months (the target group) although lone parents on IS with younger children can participate on NDLP if they wish. Leaving aside the issue of non-target lone parents who seek to enter the programme, there are two sources of participants to the programme: the stock and the flow. The stock consists of all lone parents already in the target group when NDLP was introduced. The flow' consists of the monthly flow into the target group and comprises lone parents on IS whose youngest child has crossed the five year and three month age threshold, or lone parents making a new or repeat IS claim whose youngest child is already over the age of five years and three months.

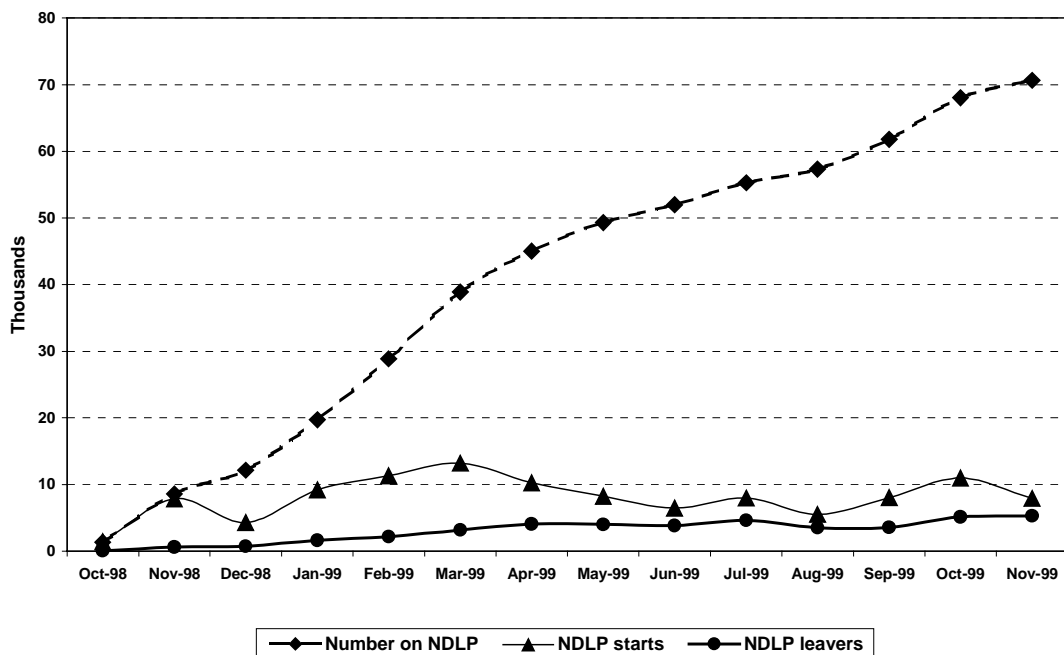
The 'stock' of target lone parents posed a practical problem for programme operations since it outnumbered the flow to a considerable degree. In the case of the NDLP Prototype, there were 33,000 members in the stock target group at the start of the programme compared to a flow into the target group over the entire period of the prototype of just 5,700. To deal with the stock at the outset requires a volume of resources many times greater than is required to deal with the monthly flow.

The question of how to deal with the stock (for instance, the stock could be excluded) is an issue facing all new programmes at their start. In the case of the NDLP Phase 1 Prototype, the issue was dealt with by inviting 10 per cent of the stock per month to join the programme based on the last digit of the lone parent's National Insurance Number. This spread the intake of the stock over a period of ten months. In Phase 2 of NDLP, invitations to

participate were only sent to lone parents making a new and repeat claim for IS and the national stock of eligible lone parents was not invited (although they could enter the programme by self-nomination). However, when NDLP Phase 3 was introduced in October 1998, both the stock and flow were invited to join. Stock cases were invited to join the programme over the first six months of the national programme and letters of invitation had been sent to all by April 1999.

The treatment of the stock of eligible lone parents on NDLP Phase 3 is evident in the above average number of lone parents attending an initial interview during the first six months of 1999 seen in Figure 4.1. Between October 1998 and November 1999 around 112,600 lone parents had attended an initial interview with a NDPA and 71,000 lone parents were on NDLP at the end of that period.

Figure 4.1
Total numbers entering, participating and leaving national NDLP



The number leaving national NDLP each month has gradually increased but, so far, has remained below the number joining the programme in each month, with the result that the total number of lone parents participating on the programme has continued to increase. This is a fairly typical pattern found on other labour market programmes and reflects a maturation process as, first, the stock is dealt with and, second, sufficient time has passed for entrants at the start of the programme to start 'graduating'. The gradual narrowing of the gap between monthly flows of starts and leavers suggests that the total number on the national NDLP programme will probably stabilise sometime in late 2000.

Initial contact with potential clients

It is NDLP operational practice to send a letter of invitation to lone parents in the target group inviting them to attend an initial interview with a NDPA. During the prototype programme there was some experimentation with different forms of invitation, ranging from a simple invitation to make contact with the New Deal office to a suggestion to make an appointment with a NDPA or to attend a pre-arranged appointment at a given date and time. The prearranged appointment proved most successful at achieving an attendance but created time-tabling problems for NDPAs, especially if clients did not keep appointments. The pre-arranged appointment letter also drew into initial interviews more lone parents who were not interesting in seeking work at that time. Arrangements on the national NDLP programme are typically to invite lone parents to contact ES in order to arrange an appointment. Where no response is received from a lone parent, a clerical follow-up by telephone is sometimes carried out as a check on whether the letter was received.

Despite the apparent importance of the invitation letter, it is a common finding from evaluation that a large proportion of participants have no recollection of receiving the ES invitation letter. The proportion recalling the letter appears lower on the national programme³³ than on the prototype³⁴. Many participants become aware of NDLP from sources other than the ES invitation letter, such as the television or national newspapers, although for some lone parents the receipt of the letter was an important reinforcement of the NDLP message and a spur to action. The prevalence of initial contact with NDLP via other sources than the invitation letter indicates the importance of marketing NDLP via Jobcentre communications, news media and other methods in order to maximise awareness of the programme. In some instances, lone parents visiting Jobcentres for other reasons may have been referred to NDLP teams by other ES staff where this is felt to be appropriate. Such a reference is mandatory in areas where the ONE pilot is in operation.

Take up of the programme

Lone parents receiving an invitation to attend an initial interview are at liberty to decline the invitation³⁵. Evidence from the NDLP Prototype programme suggested that over three-quarters of lone parents did not take part in NDLP. However, 23 per cent of lone parents did attend at least one interview and most of these (93 per cent) joined a NDPA caseload.

³³ Martin Hamblin, *A Report on Lone Parent Client Satisfaction Survey: Part of Evaluation of NDLP Phase 3*, ESR39, Employment Service, February 2000.

³⁴ Hales *et al*, DSS Research Report No 109, *Op cit*.

³⁵ From April 2001 lone parents in the target group will be required to attend an initial interview with an NDPA. This change, announced in the Budget 2000 is discussed further in Section 6.

The factors associated with taking up an invitation to join NDLP are likely to be a mix of operational factors (how the invitations were made, amount of follow-up and so forth) and factors relating to the potential client (attitudes to work and benefits, household and personal circumstances, preconceptions about NDLP). A substantial proportion (at least half) of lone parents were already seeking work before hearing of NDLP and many attended an initial interview with the intention of securing specific help with a particular job or work related training course³⁶. Other hoped for gains from attending an interview were help in obtaining childcare, financial advice or just someone to talk to³⁷.

Comparisons of participants and non-participants in NDLP during the prototype phase found little difference between the two groups in terms of their age, sex or ethnic origin. Non-participants were slightly more likely to have larger numbers of children or to contain a household member with a health problem. This suggests that such non-participants were more constrained by their household responsibilities than other lone parents.

The most significant factors associated with take up of NDLP are associated with employability. Participants in the NDLP Prototype tended to be better qualified, to possess basic skills, to have some work experience and to have engaged in recent job search on their own initiative. Participants appear to be those with the greatest motivation to find work or those who feel that, with help, employment is feasible. Operational factors also contributed to take up. The extent to which lone parents felt that attendance at an initial interview was compulsory or not, and the tone and content of the invitation letter both played a role in determining take up. Access to NDPAs was also important, with long or difficult journeys to NDLP offices apparently discouraging participation³⁸.

Qualitative research with lone parents in the national target group suggest a similar division of reasons for non-participation. Some lone parents interviewed chose not to respond to the invitation letter because they were doing something else at the time (in training, had already found work or were waiting to start a job) or did not want to look for work. Others did not respond because they felt they were not in a position to participate in NDLP. Usually this was in order to look after children or care for relatives with health problems or disability. However, many non-participants interviewed appeared to have only a sketchy idea of what might be

³⁶ Martin Hamblin, ESR39, *Op cit.*

³⁷ Cragg, Ross and Dawson, *Evaluation of New Deal for Lone Parents. Qualitative Studies with Individuals*, Employment Service Research Series, (forthcoming), 2000.

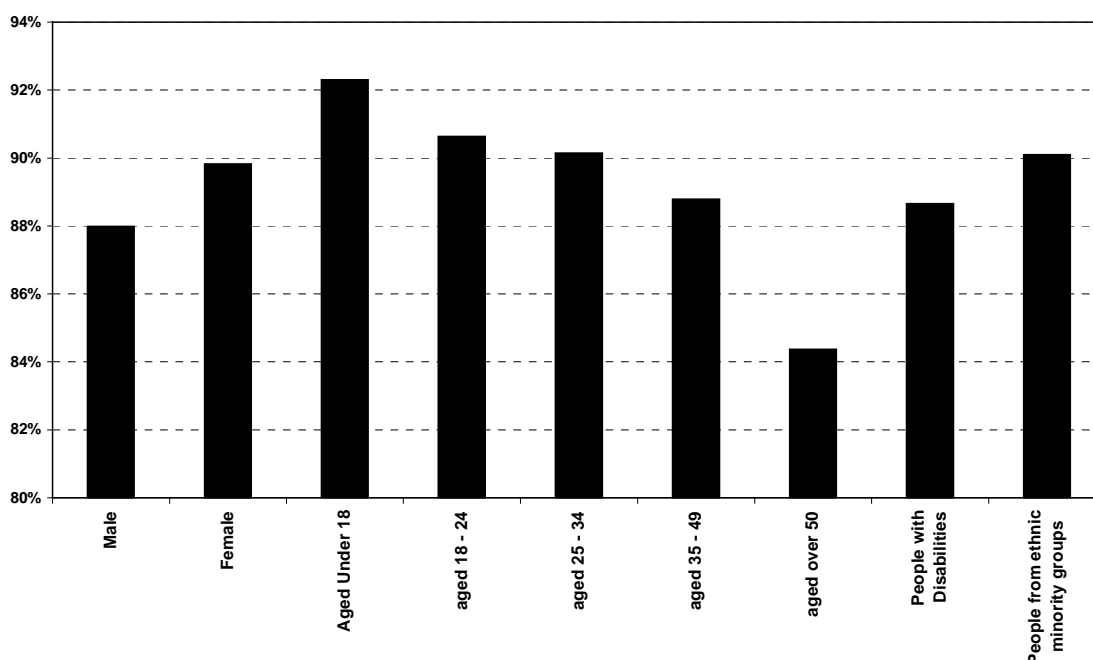
³⁸ Hales J., Lessof C., Roth W., Gloyer M., Shaw A., Millar J., Barnes M., Elias P., Hasluck C., McKnight A. and A. Green, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase One Prototype Synthesis Report*, DSS Research Report No 108, CDS, Leeds, February 2000.

involved in NDLP³⁹. In some instances, non-participants had experience of seeking work in Jobcentres or had participated in other government programmes. In these cases, often NDLP appeared to suffered by (negative) association⁴⁰.

The qualitative interviews on national NDLP included lone parents from a range of ethnic minority groups and looked, in part, at attendance at initial interview⁴¹. Pakistani and Bangladeshi lone parents generally said they were not looking for work, or had little or no work experience. Most of those who were contemplating employment saw the possibilities as being very limited. Respondents in these ethnic groups tended to report health problems and a lack of qualifications (or recognised qualifications) and had problems with the English language. Lone parents of African and Caribbean ethnic origin tended not to see ethnicity *per se* as a barrier to employment. Instead, this group of non-participants was discouraged from seeking work by a need to look after a larger number of children (in some instances five or more) and work limiting health problems.

Figure 4.2 describes the proportions of those attending for an initial interview and who agreed to participate in NDLP (join the caseload).

Figure 4.2
Lone parents agreeing to join NDLP case load as percentage of those attending an initial interview



³⁹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

⁴⁰ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

⁴¹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

Of the 112,600 lone parents who attended for initial interview over the period from October 1998 to November 1999, a total of 100,500 (or 89 per cent) agreed to join the NDLP caseload. This is broadly in line with the experience of the NDLP Prototype programme (which was that around 93 per cent agreed to join the caseload). There are small but significant differences in the proportions of different sub-groups of lone parents in the extent to which they agree to join the NDLP caseload. Females are more likely than males to join the caseload while the probability of joining NDLP decreases with the age of the lone parent. Members of ethnic minorities are somewhat more likely to participate than the average lone parent.

The reasons for withdrawal after an initial interview are likely to be varied. In some instances, clients may have attended the initial interview in the mistaken belief that it was compulsory (half of those on the prototype programme) or did so out of curiosity. After the interview they may decide that NDLP is not for them. Recent qualitative research provided examples of reasons for not proceeding⁴². These included an assessment by the NDPA that the client had little chance of obtaining work (or obtaining work that represented a financial gain over benefits). Others felt that too much pressure was placed on them to seek work, while others found the whole process overwhelming. A perception that the help on offer was rather general (advice and guidance) rather than specific help with obtaining child care or applying for vacancies also appears to have deterred some potential participants at this early stage.

The evidence from both the NDLP Prototype and Phase 3 NDLP points to a fairly obvious conclusion. Where participation in a programme is voluntary, take up is strongly influenced by the perceived relevance of the programme to the individual. Where potential participants want work, are able to work and feel that with the assistance of New Deal it is feasible for them to obtain work, they will participate. Where this is not the case, they will not participate.

Finally, it is important to note that a large proportion of participants on NDLP is not drawn from the target group of lone parents. All lone parents are eligible and may participate in NDLP. The target group is invited to participate, although some target lone parents put themselves forward for an interview before receiving a formal invitation (referred to as 'early target' entrants). Non-target lone parents are eligible for NDLP but are not positively invited to do so by letter. They may nominate themselves for participation having heard of NDLP by some means or are referred to NDLP, for instance when visiting a Jobcentre.

Figure 4.3 describes the split between target and non-target lone parents attending an initial interview. The target group is further

⁴²

Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

divided between those who attended after a letter of invitation and those who put themselves forward for interview before being formally invited to do so (referred to in Figure 4.3 as 'early entrants'). Just over half (54 per cent) of those attending an initial interview have been from the target group with 46 per cent from the non-target group. This may be unsurprising in view of the high proportion of the target group who have no recollection of receiving an invitation letter and found out about NDLP by other means. Similarly, almost 40 per cent of participants from the target group attended an initial interview before being formally invited by letter, underlining the proactive nature of many NDLP starts.

Figure 4.3
Initial NDLP interviews by eligibility, October 1998-November 1999

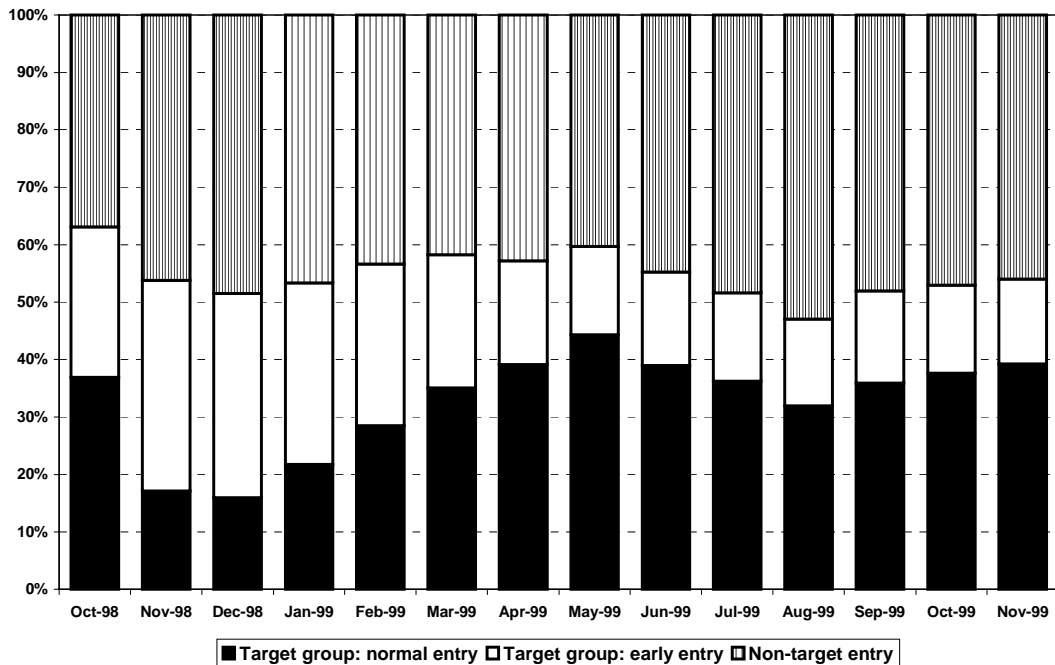


Figure 4.3 also shows that early entrants from the target group constituted a large proportion of lone parents attending an initial interview in the early period of implementation of the programme. This may reflect the high public profile of the programme at the time of its national launch and the impact of lone parents who join the programme from the stock before being invited. As time has passed and the stock has been cleared, the proportion of early entrants has decreased markedly while normal entry (in response to an invitation letter) has increased and non-target entry has remained roughly constant (ignoring small monthly fluctuations).

4.3 Activities on NDLP

It is central to the design of all New Deal programmes that clients receive support and advice from NDPAs that is tailored to their individual needs and circumstances. NDPAs provide structured support, advice and access to training with regard to job search, basic skills (literacy and numeracy) and personal problems that relate to employability. The relationship between NDPA and client is intended to be a continuing one, both in terms of seeing the same NDPA during the advisory phase and in terms of continuity of support during post NDLP activities and when in employment.

Initial interviews with NDPAs are used for a variety of purposes. They are partly 'ice-breaking', partly concerned with conveying information about NDLP, partly diagnostic and partly concerned to plan future activities on the programme. The precise mix of content will depend on the characteristics of the client, their job-readiness and their needs. One important function of the initial interview is discussion of in-work benefits and a comparison of the clients financial position in and out of work (often referred to as the 'better off' calculation). Favourable 'better off' calculations appear to have a significant role in encouraging participation in the programme. Concerns have been raised by participants regarding the adequacy of NDPA knowledge of in-work benefits⁴³.

The evaluation of the NDLP Prototype noted considerable differences in the length of the initial interview⁴⁴. Clients who went on to become full participants in NDLP reported long interviews. Three quarters reported an initial interview of about half an hour and around 15 per cent reported an initial interview lasting more than an hour. However, amongst those who subsequently opted not to continue with the programme, around 20 per cent reported an initial interview of five to ten minutes and a similar proportion reported an initial interview of about 15-20 minutes. Whether this reflects a rapid mutual recognition by NDPA and client that full participation is unlikely or whether those who (for whatever reason received only a short interview) were put off by this, is not clear. More recent evidence⁴⁵ is broadly consistent with the findings from the prototype areas, but suggests that the difference in interview length between initial and full participants has narrowed but not disappeared. It was common for national NDLP clients to report an initial interview of less than 30 minutes. The average interview length for full participants was longer than for initial participants by just over 5 minutes, although the differences are most marked in the longer interview duration categories.

After the initial interview, further meetings may be arranged between NDPAs and clients who choose to become full participants by joining the NDLP caseload. Second and

⁴³ Martin Hamblin, ESR39, *Op cit.*

⁴⁴ Hales J. *et al*, DSS Research Report No 108, *Op cit.*

⁴⁵ Martin Hamblin, ESR39, *Op cit.*

subsequent meetings focus on support and encouragement, discussion of career history and aspirations, careers advice and guidance, help with job search skills, advice and guidance about realistic expectations, referral to training, advice on arranging childcare, financial advice and advice on benefits. A survey of clients on national NDLP showed that the content of interviews with NDPAs increasingly shifts from general support in early interviews towards discussion of job search and specific job vacancies and training opportunities in later interviews⁴⁶. Correspondingly, discussion of benefits tended to decline in importance in later interviews (presumably being dealt with at the initial or second interview).

The evidence relating to both the prototype and national NDLP programmes indicates that few clients appear to have been referred by NDPAs to other agencies (such as the Careers Service, local further education colleges, Benefits Agency and the like) for advice or information or (in the prototype) to other ES provision. This raises the issue of whether NDPAs have the knowledge and skills to provide a comprehensive or holistic service to lone parents without drawing on expertise from elsewhere. Although a majority of people attending interviews rate them as helpful or very helpful, it is a frequently mentioned criticism of the programme that NDPAs were poorly informed or failed to provide enough information⁴⁷.

It might be supposed that having attended an initial interview, full participants would undergo a period of intensive support and advice. This does not seem to be the case. During the prototype phase of NDLP over 60 per cent of participants had only a single interview (after the initial interview) followed by telephone calls, something posted to them or, occasionally, a visit from the NDPA. On the national programme, many participants reported no further meetings with their NDPA after the initial interview although some had telephone or postal contact with NDPAs. Half of all participants interviewed in the Client Satisfaction Survey attended one further interview after their initial interview. Around five per cent of participants in the prototype programme attended five or more interviews but the proportion was more than double this figure (12 per cent) on the national programme. The majority of interviews took place within three weeks of the initial interview.

The relatively low intensity of NDLP interviews is not necessarily a problem. It has already been noted that around a half of lone parents attending an initial interview were already seeking work. It may be that many of these (and even some that were not seeking work) are job ready and require little further in the way of further advice. For these lone parents, an initial and a second interview may be sufficient to confirm the benefits of working, check that they are doing the right things to obtain work and to provide

⁴⁶ Martin Hamblin, ESR39, *Op cit.*

⁴⁷ Martin Hamblin, ESR39, *Op cit.*

assistance with in-work benefits. Three quarters of NDLP Prototype participants who attended just one further interview reported that they had received about the right amount of NDPA contact. Directly comparable information is not available for the national NDLP programme. However, high levels of client satisfaction have been reported with regard to the length of interviews and content which suggests that the number of interviews is probably appropriate for most clients⁴⁸.

Unlike New Deal programmes aimed at unemployed people, the NDLP design consists of a single advisory stage and there are no further stages to which a participant can progress. However, NDPAs can arrange for lone parents to take places on other ES programmes and Work Based Learning for Adults. They can also facilitate entry to training courses and some financial support is available to cover course fees, travel expenses and child care costs during training. NDPAs also provide in-work support to clients who have been successful in obtaining employment. This support is intended to help clients cope with any difficulties encountered in making the transition from IS to employment.

Figure 4.4 describes the situation of national NDLP participants in terms of their activity by broad age groups.

Figure 4.4
Activity on NDLP by age group

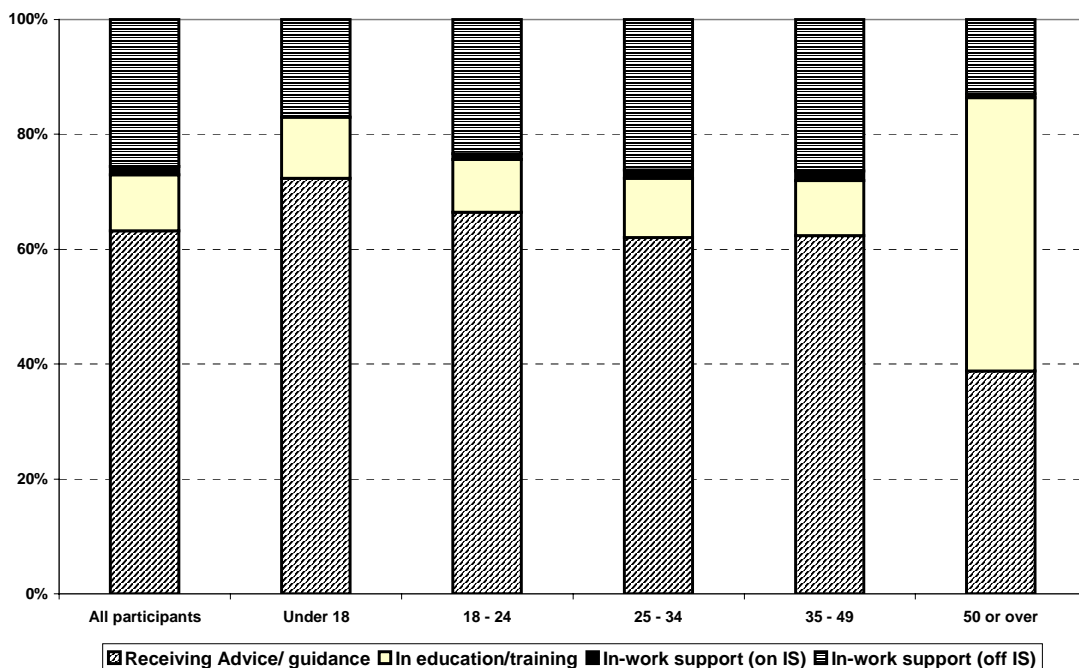


Figure 4.4 shows that, of the 71,000 lone parents participating in NDLP in November 1999, almost two thirds (63 per cent) were

⁴⁸ Martin Hamblin, ESR39, *Op cit.*

receiving advice and guidance from NDPAs. A further 10 per cent were in education or training while the remaining 27 per cent were receiving in-work support while in employment (95 per cent of whom had left IS). Figure 4.4 also indicates that the distribution of activities is different across age groups. In general the proportion of participants receiving advice declines with age and drops sharply amongst clients who are 50 or over. Amongst lone parents below 50 years of age, the fall in the proportion receiving advice as age increases is associated with an increase in the proportion in employment receiving in-work support. This probably reflects the greater feasibility of working, as age, experience and the age of children increase.

Amongst lone parents aged 50 plus, the largest activity category is education and training (it needs to be noted that this is a very small group of NDLP participants, barely 1,500 in number). As already noted, many lone parents believe their skills and qualifications are out-dated and the large proportion in education and training may reflect a response to this assessment. However, many lone parents also believe that employers discriminate against people over 50 years of age and, if they are correct, the low proportion in employment may reflect such employer discrimination while the high proportion in education and training could indicate that such activity is a last resort for older lone parents who cannot obtain work. There is little robust evidence one way or another on this issue at present, this may emerge as the evaluation programme progresses.

4.4 Immediate destinations after NDLP

Since the launch of NDLP Phase 3 in October 1998 and the end of 1999, a total of 48,000 lone parents have participated and left the programme. Lone parents who leave NDLP are recorded on the New Deal Evaluation Database as leaving to one of the following destinations:

- employment (on or off IS);
- transferred to other benefits (e.g. began a claim for Jobseekers Allowance);
- no longer eligible for IS (and thus NDLP) because of a change in circumstances;
- declined to join caseload (this is lone parents who attend only the initial interview and do not agree to participate further);
- withdrawn for other reasons;
- unknown destinations.

There is, in fact, an element of ambiguity about the point at which a participant leaves NDLP. As noted in the previous Section, participants can continue to receive in-work support via NDLP even when they have left IS for a job. In this case, the point at which clients formally leave the programme appears to be

something to be mutually determined by the client and their NDPA. Recorded exits to employment from the NDLP may therefore understate the true extent to which participants have entered jobs.

Figure 4.5 describes the destinations of participants leaving NDLP during each quarter from the launch of the programme to the end of 1999. The figure shows the relative importance of two destinations. These are exits to employment (off IS) and withdrawal from NDLP for other reasons while remaining on IS. Around 15,000 lone parents (or 35 per cent of those leaving NDLP) have left IS for employment (with a further 300 entering employment but remaining on IS, usually because the hours worked per week are small). Over 18,000 (or 43 per cent) withdrew from the programme but remained on IS. Recent qualitative research has found no single over-arching reason for such withdrawals⁴⁹. Dissatisfaction with NDLP does not appear to be a factor in such exits from the programme. These two categories account for almost four out of every five exits from the programme.

Figure 4.5
Destinations of leavers from NDLP, Quarter 4 1998 to Quarter 4 1999

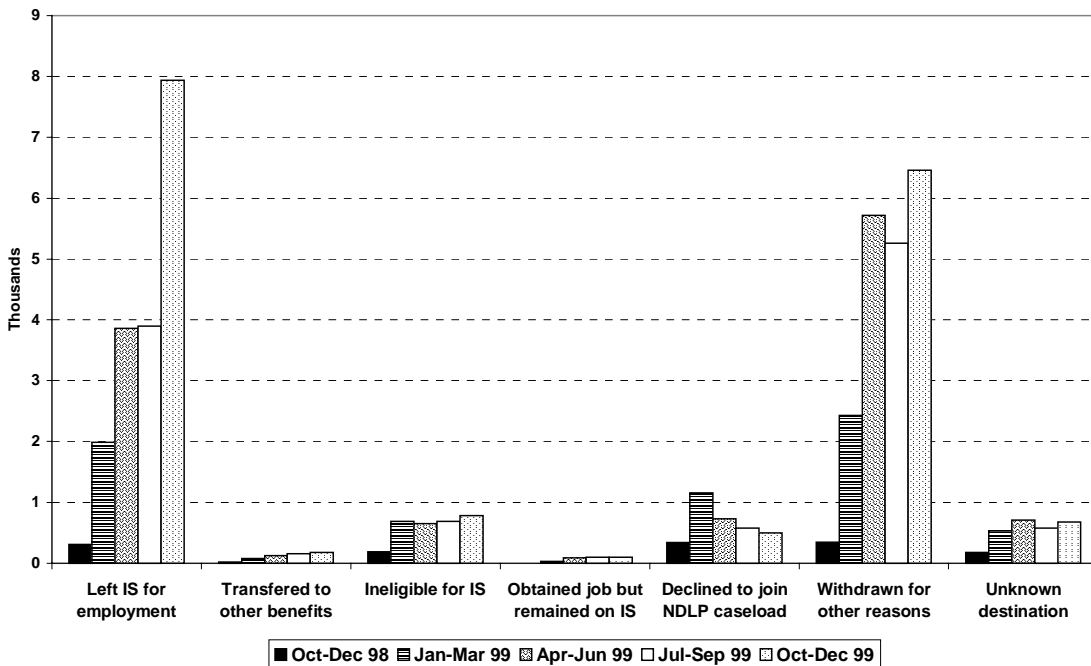


Figure 4.5 also highlights the changing relative importance of destinations. During the first three months of NDLP operation, the most numerous exits from NDLP were refusals to join the caseload after an initial interview and withdrawal from the programme at a later date while remaining on IS. As time has passed, the relative importance of exits to employment has increased. So too has

⁴⁹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

exits from NDLP for other reasons while remaining on IS. The numbers entering some other destinations have changed very little over the life of the programme (for instance relatively few lone parents transfer to other benefits and few enter employment while remaining on IS) while the small number who refuse to join the NDLP caseload after the initial interview has actually declined.

NDED monitoring data does not publish information about the jobs taken by lone parents. However there is robust evidence from surveys of lone parents during the Phase 1 Prototype⁵⁰ and more indicative evidence from qualitative research⁵¹ of the nature of the jobs taken by NDLP participants. The evidence suggests that most participants took jobs of between 16 and 30 hours per week (55 per cent). Almost a quarter (24 per cent) entered personal and protective service occupations with other concentrations of jobs being in clerical and secretarial (18 per cent), sales (19 per cent) and routine unskilled jobs (18 per cent). Less than 10 per cent of participants entered a managerial or professional job. A similar pattern has been observed on the national NDLP programme, albeit based on a much smaller sample. Where jobs were full-time and permanent, they tend to be in clerical and secretarial occupations and when part-time (less than 30 hours), to be in personal and protective services or in sales occupations⁵².

The pattern of employment amongst those leaving NDLP could have been anticipated on the basis that the jobs taken are those which have been traditional sources of employment for women. This is borne out by the finding from the Phase 1 Prototype that there were very similar patterns of jobs entered amongst participants and non-participants (both in comparison areas and within the prototype areas). Nonetheless, there are some grounds for concluding that participants on the NDLP Prototype were more likely to have entered jobs over 30 hours than other working lone parents and more likely to have obtained better quality jobs (fewer entering routine unskilled, more entering management and professional jobs and an apparently higher average hourly rate of earnings) than non-participants⁵³. Whether such positive outcomes exist amongst participants leaving the national NDLP programme for employment has yet to be established and must await the results of Phase 3 quantitative survey evidence.

The pattern of exits from NDLP is different across groups within the lone parent client group. Monitoring information from NDED indicates that lone fathers are slightly less likely than lone mothers to have left NDLP for employment (32 per cent and 35 per cent, respectively). This is surprising in view of the evidence of greater skills and work experience amongst male lone parents and the

⁵⁰ Hales *et al*, DSS Research Report No. 109, *Op cit*.

⁵¹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit*.

⁵² Martin Hamblin, ESR39, *Op cit*

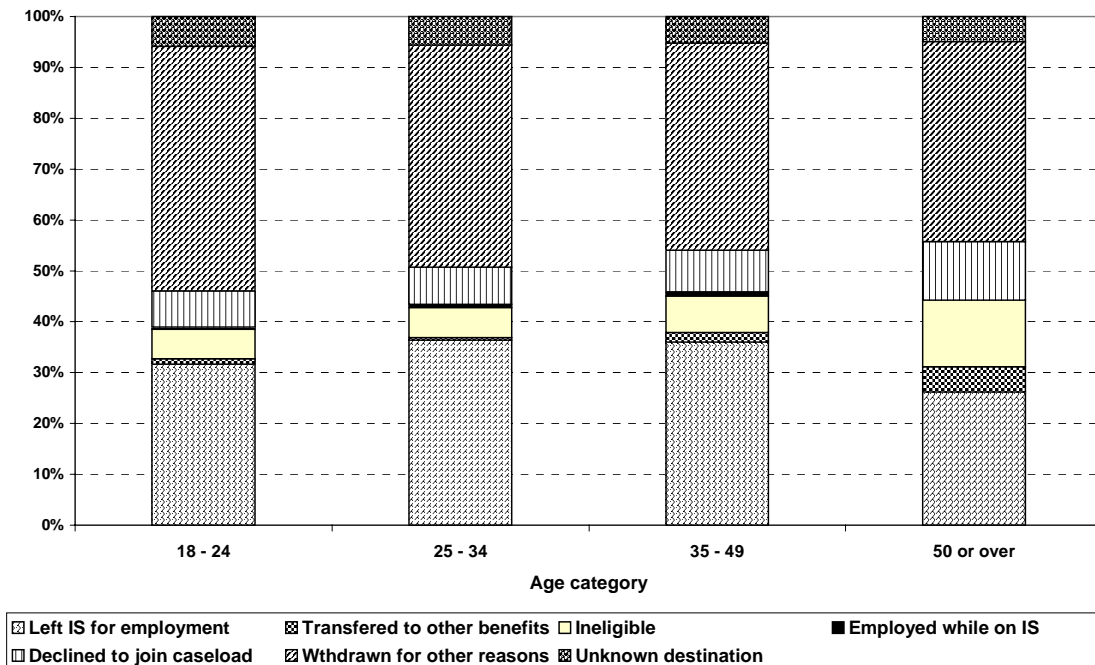
⁵³ Hales *et al*, DSS Research Report No. 109, *Op cit*.

findings of qualitative research with participants that suggests that lone fathers are more highly motivated and job ready than lone mothers⁵⁴.

The number of clients leaving NDLP who are from ethnic minorities or have a disability has been relatively small but may change as numbers passing through the programme builds up. Early indications are that members of ethnic minority groups are much less likely to leave NDLP for employment (23 per cent). This finding is borne out by the findings of recent qualitative research with individual participants⁵⁵.

Figure 4.6 describes the pattern of exits from NDLP by the age of the lone parent. NDLP participants under the age of 18 have been excluded from the chart (they are very small number in number - less than 500 – and almost all who leave NDLP remain on IS). Amongst NDLP clients above 18, there is little apparent difference across the age groups in the proportions who left IS and entered employment, although a slightly larger proportion of lone parents aged 35-49 left IS to a job. Clients age 50 or above appear somewhat more likely to decline to join the caseload but less likely to withdraw from the programme thereafter while the reverse is true of clients age 18-49.

Figure 4.6
Immediate destinations of NDLP participants by age group



⁵⁴ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

⁵⁵ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

4.5 Assessment of impact

The aim of the NDLP programme is to assist lone parents on IS to leave benefits and enter paid work. The programme also aims to enhance the long-term employability of lone parents. The immediate destinations of NDLP participants – especially exits to employment - provide one measure of the extent to which these aims are being achieved. Such a measure is, however, likely to understate the longer-term effects of the programme. Such long-term effects might arise from a return to work in the future at an earlier time than would have been the case without the support and encouragement of NDLP. Other long-term effects include greater entry to good quality jobs and improvements in 'employability'. Such long-term effects will be evident in the degree to which the future employment of participants is sustained. It is still too early to make definitive pronouncements on most of these issues. However, NDLP is unique amongst New Deal programmes in that a research programme to assess impact and the costs and benefits has been completed. This is because of the early start of the programme in 1997 and the length of time that the prototype programme operated.

Participant's assessment of NDLP

One obvious indicator of the impact of NDLP is the views of participants themselves. The great majority of participants in the NDLP Prototype were positively impressed by the efforts made by NDPAs to help them, although around 10 per cent described the advice provided as ineffective. Clients were generally appreciative of the information provided (especially in relation to benefit entitlements) and many felt that contact with the programme had boosted their self-confidence and given them encouragement.

As in the case of the NDLP Prototype, approximately 80 per cent of participants on the national NDLP programme rated NDLP as very good or fairly good⁵⁶. Attitudes towards NDPAs were generally extremely positive⁵⁷. Criticisms related mainly to a perceived failure by NDPAs to provide all of the information required by clients, especially in regard to benefit entitlements and the in-work 'better off' calculation, and to provide specific help especially with regard to childcare. Participants had rather mixed views about how NDLP had helped them with building confidence and increasing the effectiveness of their job search. Sometimes a negative work-benefit calculation could actually have an adverse effect on motivation and confidence⁵⁸.

The amount of time spent with NDPAs, the materials used in interviews and the subject of the advice given all appeared to play a part in shaping positive or negative assessments of the programme. Not surprisingly, positive assessments of NDLP tend

⁵⁶ Martin Hamblin, ESR39, *Op cit.*

⁵⁷ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

⁵⁸ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

to have been associated with positive outcomes from the programme (obtained employment or a place on a training course, received concrete help and positive advice). Negative responses tend to be associated with situations where participants failed to secure a job or secure a suitable job and where there had been an inability to satisfactorily arrange for childcare or secure funding for training⁵⁹.

Slightly over half (53 per cent) of participants in prototype areas had left IS for employment by the end of the prototype period. Of these, around half said that NDLP had helped them find and start their jobs, mainly by encouraging a more positive attitude, rather than by extending the range of types of jobs or methods of looking in use by lone parents. When lone parents who had left IS for employment were asked directly “...*did finding and starting this job have anything to do with the New Deal for Lone Parents or would it have happened anyway?*” 28 per cent of participant felt that finding and starting their job was related to participation in NDLP while the majority felt that it would have happened anyway (68 per cent) or it was impossible to tell (3 per cent)⁶⁰.

Participants in the national programme have also been asked to assess whether they felt that their chances of obtaining work had improved as the result of the programme⁶¹. The result is based on small samples and should be regarded as indicative only. Nonetheless, a substantial number of those interviewed thought that their chance of obtaining a job had been improved a lot. If those who felt a little more likely to obtain work as the result of NDLP are included, a majority of those interviewed believed that the programme had positively affected their chances of obtaining employment. Participants with older children and early entrants from the target group appeared to be more positive than the average about a positive New Deal effect on employment prospects. However, a significant minority of those interviewed felt that NDLP had made no difference to their job prospects (this was especially true of clients with no qualifications).

In terms of actual outcomes, around 30 per cent of participants covered by the Client Satisfaction Survey had left NDLP for a job but only 12 per cent had found their job through an NDLP interview and 17 per cent claimed to have found a job by their own independent efforts. However, jobs found through NDLP appear more likely to have been full-time and permanent (45 per cent) than when found independently by the NDLP client (19 per cent)⁶² and this may be the most important aspect of the help provided to clients.

⁵⁹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

⁶⁰ Hales *et al*, DSS Research Report No. 109, *Op cit.*

⁶¹ Cragg, Ross and Dawson, ESR (forthcoming), *Op cit.*

⁶² Martin Hamblin, ESR39, *Op cit.*

The labour market impact of NDLP

While the subjective views of NDLP participants have validity and may provide lessons for the operation of the programme, they are a poor basis for any assessment of the impact of the programme on the employment of the target group of lone parents. This is because participants are not well placed to know what their situation would have been in the absence of NDLP. Establishing the 'counterfactual' is a difficult technical evaluation issue and is discussed in detail in the reports on the evaluation of the NDLP Phase 1 Prototype⁶³. As discussed in Section 2.3 above, the net impact of NDLP in the prototype areas can be assessed in different ways. First, outcomes in the prototype and comparison areas can be compared with differences attributed to the presence of NDLP in the prototype areas. The major problem faced by this approach is to ensure that lone parents face the same labour market conditions and opportunities in comparison and prototype areas. As it is impossible to ensure a perfect match, multivariate techniques must be used to take account of differences other than the presence of NDLP between the geographical areas. An alternative approach was to make comparisons between lone parents within the prototype areas based on the initial period in which some of the target group were invited to an initial interview and some were not.

The conclusion of the evaluation of the NDLP Prototype programme was that it had a small but positive effect on the rate of movement off IS and into work among lone parents in the eight Benefits Agency districts where it was implemented. The number of lone parents claiming IS, as recorded by the DSS, fell more rapidly in the eight prototype areas than in six comparison areas during the period of the prototype. The difference was particularly marked in the case of the target group. Multivariate analysis of IS administrative records showed that the lone parents in the target stock group who were invited to participate early in the scheme had a significantly higher probability of leaving IS than those who were invited later. Estimates of the scale of this effect suggest that the programme led to a reduction in the number of existing IS claims by 3.3 percentage points after eighteen months⁶⁴. A further analysis based on benefit histories provided by survey respondents concluded that, after controlling for differences between areas in the composition of lone parents (ages of lone parents, ages of their children, prior experience of work and IS) and taking account of variations in job opportunities (for which female unemployment rates were used as an indicator), the rate at

⁶³ Hales, J, A. Shaw and W. Roth (1998) *Evaluation of the New Deal for Lone Parents: A Preliminary Estimate of the Counterfactual*, DSS Social Research Branch, In-house Report No 42.

Hales J. *et al*, DSS Research Report No. 108, *Op cit*.

⁶⁴ McKnight A., 'Transitions off Income Support: estimating the impact of the New Deal for Lone Parents using administrative data', in Hasluck *et al*, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase 1 Prototype – Cost Benefit and Econometric Analyses*, DSS Research Report No 110, CDS, Leeds, February 2000.

which lone parents left IS remained higher in the prototype areas than in the comparison areas.

It is difficult to translate the additional probabilities of moving off IS into an estimate of how many additional jobs were obtained by lone parents who participated in the programme. The evidence of the multivariate analysis appears to point towards a figure of around 20 per cent of jobs entered by participants. This figure is of key importance for the cost-benefit analysis of NDLP. On the basis of 20 per cent of employment being additional, it was estimated that the prototype had a very small net cost to the Exchequer of about £650,000 (from a gross cost of £7.9 million)⁶⁵. The net Exchequer benefit/cost is derived by calculating the costs associated with running the prototype (including the payment of in-work benefits) and the savings in terms of additional tax revenue, National Insurance contributions and reduced payment of benefits. This represented a very small marginal cost (about £1,000) per additional job. A slightly different assumption about additionality, that it is 23 per cent, would have produced a break-even result.

It needs to be noted that these calculations depend on critical assumptions. One factor not taken into account is the issue of how many participants would have started work after the end of the prototype, while another is the percentage of lone parents who would have moved from work back to claiming IS over a longer period of time. Taking a broader view of the benefits to the economy, an additionality rate of 20 per cent results in a substantial positive social benefit. The same is true, on the whole, for the lone parents concerned. Of those NDLP participants in the prototype areas who left IS for work, around two thirds (67 per cent) said they were financially better off compared with their previous position on IS. A further 18 per cent said they were neither better nor worse off and only 14 per cent assessed their financial position in work as worse than when they were on IS⁶⁶.

⁶⁵ Hasluck C., 'The Net Economic and Exchequer Benefits of the New Deal for Lone Parents' in Hasluck *et al*, *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase 1 Prototype – Cost Benefit and Econometric Analyses*, DSS Research Report No 110, CDS, Leeds, February 2000.

⁶⁶ Hales *et al*, DSS Research Report No. 109, *Op cit*.

5. NDLP: some early lessons from evaluation

5.1 Introduction

Much is now known about the operation and impact of the Phase 1 Prototype programme but there is less firm evidence about NDLP Phase 3, the national programme. However, early evidence relating to the national programme is now beginning to emerge. This section briefly considers the main lessons to be drawn from this Review of NDLP monitoring and evaluation evidence up to the end of 1999.

5.2 Positive aspects of NDLP

Before examining some of the policy and research issues that have arisen from the evaluation of NDLP, it is important to emphasise the many positive findings that have emerged. NDLP is significantly different from the New Deal programmes aimed at unemployed jobseekers (NDYP and NDLTU). Entry to NDLP is on a voluntary (as opposed to mandatory) basis. The NDLP design offers a single stage advisory and guidance process with provision for accessing training courses and ES provision and financial support for training, travel costs and childcare. Nevertheless, the programme has attracted substantial numbers of participants and secured very positive assessments from those who entered the programme.

Evaluation of the NDLP Prototype showed that in the course of about fifteen months, almost a quarter (23 per cent) of the target group of lone parents took part in the programme. Of those who attended an initial interview, 93 per cent joined the NDLP caseload and chose to have further contact with a New Deal Personal Adviser (NDPA). Almost half of participants were successful in finding jobs during the period in which the prototype was in operation, and more could be expected to find jobs thereafter. Despite some initial suspicion, the great majority of participants were impressed by the efforts made by NDPAs to be helpful. Most found the format of individual interviews to have been fairly effective at allowing the lone parent to explain his or her circumstances, and for the NDPA to help develop an Action Plan and gain a commitment to seek work.

More recent qualitative research with individuals on the national NDLP programme suggested that the NDLP programme met the needs of many lone parents in the target group in whole or in part. A recent Client Satisfaction Survey was able to conclude that NDLP is working well and satisfaction is high. Participants felt that NDPAs provided a good service and treated them well. Even non-participants appear to think NDLP a good idea in principle, even if it was not appropriate to them.

5.3 Emerging policy and evaluation issues

This Review of NDLP evaluation evidence has highlighted a number of research findings that have implications both for policy development and for future evaluation of the programme. These implications are discussed below.

The differing needs of the lone parent client group

While lone parents have many similarities in terms of characteristics and common barriers to employment, they are not a completely homogeneous group. Evaluation research has identified a number of differences within the lone parent client population, notably in the situation of lone fathers and between different age groups with those over 50 being particularly distinctive in terms of their situation and need. Ethnicity is also an issue for some groups of lone parents, in the sense that their culture and community is not supportive of lone parents or of the employment of mothers.

Lone parents who participated in NDLP vary considerably in their job readiness. It is an important and consistent finding of research that as many as half of NDLP participants have been active in their job search and many were job ready or very close to it. For this group NDLP offers an opportunity to assist their efforts to obtain work. In these cases, the contribution of NDLP is likely to be a form of 'fine tuning' of client's job search together with support and encouragement. However, other participants are much more distant from job readiness, perhaps having given little thought to seeking work, often believing that work will not pay and having little idea what they can offer to the labour market or how to go about it. This group presents NDLP with its greatest challenge but also offers opportunities to make a significant and additional contribution to helping lone parents into work. While NDLP provides access to training and can pay for training fees and travel and childcare costs in addition to advice and guidance, the issue remains as to whether current NDLP provision can adequately meet the needs of such lone parents.

Voluntary or mandatory entry

A crucial feature of NDLP to date is the voluntary nature of participation. The reason for this is the recognition by government of the legitimacy of parental decisions to delay entry to work for a period in order to care for children. This principal is strongly supported by lone parents amongst whom there is a consensus that voluntary entry is better than mandatory participation.

Voluntary participation means that NDLP will be undertaken by those lone parents most willing to benefit from the help it offers. Clients tend to be the most willing and enthusiastic. Compelling all lone parents in the target group to participate would waste resources on individuals who were reluctant to participate and resistant to help. The presence of unwilling participants would also mean that the capacity of the programme to achieve positive

results would be understated. However, where participation is voluntary, the issue of take up needs to be considered.

The evidence relating to NDLP suggests that a large proportion of lone parents entering the programme were already seeking work and job ready. Those who face the greatest barriers to employment – those with no qualifications, outdated skills, the demotivated and those with limited knowledge of opportunities for work – are the least likely to enter the programme. Compulsion would ensure that the most disadvantaged lone parents entered the programme. This would provide an opportunity to persuade them of the benefits of employment and help them to begin to address some of the barriers they face.

Jobs first or 'human capital'?

In the past, labour market programmes have placed considerable emphasis on improving the skills of clients through training and other investment in human capital in the hope of enhancing client's job prospects. Current New Deal programmes place greater emphasis on job search and the securing of employment as the means of enhancing employability. NDLP, in common with other New Deal programmes, embodies this 'jobs first' approach rather than the 'human capital' approach of more conventional programmes.

The emphasis in the NDLP Phase 1 Prototype was very much on 'jobs first' with provision being predominantly advice and guidance aimed at supporting job search. Phase 3 of NDLP has increased the emphasis on training as a means of facilitating entry to jobs. While this training provision is nowhere near that of NDYP and NDLTU, similar issues about the relative role of job search and human capital investment can be expected to arise on national NDLP if, in the future, further training opportunities are introduced. Although an emphasis on job search activity can be a deterrent to participating in NDLP, training and related activities can become goals in themselves and delay entry into employment. Given the high level of job readiness of many clients entering NDLP, a concentration on job search may be the most appropriate approach. Where lone parents are a significant distance from job readiness, access to, and financial support for, training courses may be a way of preparing such lone parents for the jobs market. However, it should be recognised that greater provision for training brings with it a risk that some job ready lone parents will be deflected from job search by the prospect of training under the auspices of the NDLP programme.

Issues relating to NDPAs

The core of the NDLP initiative is the advisory service provided by NDPAs. Evaluation evidence from both the prototype and national programmes indicates the centrality of the NDPA to the success of the process. Clients have been impressed by the helpfulness of NDPAs and found the continuity and content of NDPA support

very helpful. This might be expected in the case of the NDLP Prototype where ES staff may have a level of commitment to the initiative that a national programme would find difficult to match. It is therefore encouraging to find that NDPAs are equally highly rated on the national NDLP programme.

Having acknowledged the enthusiasm and commitment of most NDPAs, it is a recurring theme of research with participants that the information and guidance provided by NDPAs has sometimes been insufficient and, on occasions, NDPAs have appeared to lack the knowledge necessary to be able to adequately advise clients. This criticism was often made in respect of eligibility for benefits. It is surprising that the evidence from both the prototype and national programmes indicates that NDPAs rarely make referrals to other agencies with specialist knowledge of the issues raised by clients.

A different criticism levelled at NDPAs by some participants was that the advice and guidance was too general and not sufficiently specific. This may be unfounded in many cases, as recent qualitative research found that some participants had quite unrealistic expectations of what an NDA could provide. Nonetheless, evidence from the prototype and national programmes indicate that helping lone parents apply for specific job vacancies has been the exception. NDPAs appear to place greater weight on general preparation for job search than on attempting to achieve a placement into a specific job vacancy. Similar issues arise in connection with childcare. Many participants clearly believed on entry to NDLP that specific help would be provided to arrange childcare and were disappointed when such assistance was not forthcoming. Some NDPAs issued a list of nurseries and professional childminders to clients, but this often fell short of participants' expectations.

To some extent, better management of client expectations might deal with issues relating to NDPAs. Nonetheless there are also staff development and training issues for NDPAs and ES to address.

The limits of the prototype as a guide to national implementation

Pilot programmes are an invaluable aid to programme designers and managers. They also provide insights into the likely effects of programmes when implemented on a national scale. However, pilot programmes, in this case the NDLP Phase 1 Prototype, have limitations which need to be taken into account.

First, the level of resources per lone parent devoted to the prototype may have exceeded that available at national roll out. There may also be a greater level of commitment and a 'pioneering spirit' amongst staff involved in delivery. Both factors would tend to flatter the prototype programme. On the other hand, the prototype may have operated in circumstances that limited its operation when such constraints do not apply to a national

programme. Some forms of provision may not be available to the prototype while levels of awareness amongst potential clients or employers may take time to build up and only be really effective as a national marketing campaign. Much of the evidence relating to NDLP comes from the evaluation of the prototype programme. For this reason some caution should be exercised when generalising these findings to the situation where a programme is delivered nationally.

Issues of additionality

One critical purpose of evaluation is to identify the impact of programmes. This task always involves an assessment of the extent to which outcomes differed as the result of the programme compared to what would have happened in the absence of the programme (the counterfactual). The NDLP Prototype provided opportunities to rigorously test programme performance in pilots against situations in comparison areas or against control groups of individuals. This is less feasible when programmes are offered to all eligible clients across the nation.

A related problem facing any comparison of participants with other lone parents is that participants in NDLP are not typical of all lone parents. The voluntary nature of participation in NDLP means that there is selective participation with an above average proportion of job ready and actively work seeking lone parents entering NDLP. The sample of participant is thus biased towards those who are likely to have least difficulty in obtaining employment. This is likely to increase the apparent success of the programme in achieving employment outcomes. However, since many clients are job ready, they could have been expected to obtain employment in any event thus reducing the net impact, or additionality, of the programme.

The issue of additionality poses a dilemma for the designers of policy. If job ready lone parents are encouraged, or volunteer, to enter NDLP, a larger proportion of participants can be expected to enter employment from the programme. However, the additional effect of the programme in these circumstances will be low, as such participants were likely to find work even without NDLP. On the other hand, if clients who lack the quality of employability and are far from job ready are encouraged to enter the programme, the effort and resources needed to move such clients into paid work may be very considerable and inevitably a smaller proportion will be helped into paid work. Nonetheless, since such clients would probably not enter work without an intervention, those who do obtain a job represent a net gain to the economy. Any concern that the level of additional employment resulting from the NDLP Prototype (estimated at 20 per cent) should be tempered by the fact that participants on the prototype programme were clearly a self-selected group of above average job ready lone parents.

The issue of additionality highlighted here is clearly related to the issue of voluntary entry and programme take-up. If some lone

parents who are currently non-participants could be persuaded to enter the programme, the task of helping them would be more difficult but the net gain to the economy might, in the long-term be greater. Perhaps with this in mind, all lone parents in the target group will be required to attend an initial interview with an NDPA from April 2001 (see Section 6).

The limited knowledge of impact on employers

Many NDLP participants are of the view that employers' attitudes towards lone parents act as a significant barrier to employment. It is unfortunate, therefore, that relatively little research into the employment of lone parents from the employers' perspective has been undertaken as part of the evaluation of NDLP. The evaluation of the NDLP Prototype contained no research into employers' attitudes and practices. To some extent these issues will be addressed by a literature review and qualitative research with employers commissioned as part of the evaluation of NDLP Phase 3. However, no large-scale survey of employers will be undertaken and, consequently, the considerable gaps in current knowledge of employers and lone parents are likely to remain.

Variations in the NDLP experience

The ways in which the NDLP Prototype operated across the eight areas covered varied. Some practices worked and others were less successful. Such variation was a positive part of the prototype experiment from which lessons could be drawn for the national implementation of NDLP. Such a degree of variation is less likely on the national programme because of national standards of delivery, although some differences would remain because provision is tailoring to client needs which are likely to differ from place to place. Attention in the early evaluation of NDLP Phase 3 has tended to focus on the aggregate national picture of NDLP implementation. Perhaps for this reason it is only now that some concerns about regional and local variations in the experience of NDLP have begun to surface.

Limited information on regional participation and outcomes is now available from NDED. This information highlights the fact that the largest proportion of participants is located in London and the South East Region (almost 30 per cent of NDLP participants). In view of this numerical importance, it is of concern to note that London and the South East Region had the lowest proportion of participants leaving NDLP to employment (28 per cent). For comparison, the highest regional rate of exits to employment is 48 per cent in Wales. It is also notable that NDLP participants in London and the South East Region consistently gave lower client satisfaction ratings than other regions. While there may be good reasons for such regional differences, this is an issue that requires further investigation.

6. Policy responses to key issues

6.1 The evolving form of NDLP

New Deal programmes do not stand still but are actively managed and developed in the light of operational experience and evaluation evidence. This section considers the responses to issues raised by monitoring and evaluation.

6.2 Quality assurance and programme management

In order to address issues of quality of provision, the Employment Service (ES) has developed a *Continuous Improvement Strategy* for New Deal. This strategy has a number of components. One crucial element of this strategy for management and improvement of New Deal programmes has been the development of Core Performance Measures (CPM). CPM is intended to inform about performance so that local delivery can be monitored and managed. ES is currently working on the development of CPM for NDLP.

In addition to the development of CPM, a number of ES 'products' have been developed intended to assist the marketing improve the outcomes of NDLP. An example of the former is the 'Solo' magazine which was designed specifically for lone parents on Income Support (IS) with its main focus being NDLP.

6.3 Programme developments on NDLP

Since its introduction on a national basis in October 1998, the form and content of NDLP has evolved with, in particular, enhanced provision to support work-focused training with improved guidance from NDPAs and the facility, where necessary, to pay for course fees and childcare and travel costs incurred by lone parents undertaking training.

In response to the monitoring and evaluation of NDLP, a number of more significant additions to the programme are being piloted. During the second half of 1999 ten innovative pilots were established across the country, with each pilot running for approximately 12 months. The main objective of these pilots is to increase participation in NDLP and/or to improve lone parents' prospects within the labour market. In addition, In-Work Training Grants are to be piloted in selected ES districts for a 12 month period starting during 2000. Employers who recruit eligible lone parents may be able to claim up to £750 towards the costs of accredited training.

In addition to these pilots, a number of significant changes were

announced in November 1999 under the title of the 'Next Steps' initiative and are being introduced during the course of 2000/01. These policy responses to evaluation are designed to:

- increase the proportion of lone parents from the target population who take up the programme;
- improve the range of provision available;
- extend the target group of lone parents who are sent initial NDLP invitation letters.

Revisions to existing NDLP delivery include:

- initial NDLP letters, formerly issued only to lone parents with children aged 5 or over, are to be sent to lone parents whose youngest child is aged 3 or 4. This extra provision has been prompted by the significant level of NDLP participation amongst lone parents with children aged under 5;
- NDLP advisers are to be encouraged to undertake telephone 'follow-ups' to the initial letters to further encourage participation. This, and some of the other developments, takes account of the finding from the evaluation of the prototype phase that about one in three of those who were sent an initial letter failed to respond but might have participated if the adviser made a follow-up approach;
- tailored invitation letters are to be issued by the Benefits Agency to lone parents whose youngest child is aged 14 or 15, pointing out that their IS entitlement is likely to end once their child is 16, and to encourage take up;
- Benefits Agency staff in two Pathfinder areas are to undertake visits to lone parents whose youngest child is aged 14 or 15 in order to encourage participation in NDLP;
- provision is to be made through ES Programme Centres which are more closely tailored to the specific needs of lone parents;
- Jobseeker's Grant is to be made available to participants on NDLP. This discretionary grant is designed to help jobseekers meet some of the costs of, and remove obstacles to, job search;
- the introduction of an NDLP Innovation Fund to explore new and innovative ways of helping and encouraging lone parents to take up work, to improve their work-readiness, or to participate in NDLP.

In addition to these changes, further developments were announced in the Budget in March 2000. These developments are to be as follows:

- the introduction of point-of-claim and annual work-focused interviews for all lone parents claiming IS whose youngest child is aged 5 or over. The interviews will act as the Gateway for the NDLP programme, although participation in

NDLP itself will remain voluntary. These will be introduced in two pathfinder areas from October 2000 and rolled out nationally for new and repeat claims from April 2001. Interviews for those currently claiming IS will be phased in gradually from April 2001 to March 2004;

- the introduction of a £15 Training Premium for lone parents on IS taking up an approved training course;
- from April 2001, NDPAs will be given access to resources to provide help with childcare for lone parents on IS who take up work of less than 16 hours a week.

6.4 Wider developments which complement NDLP provision

With any review of the NDLP programme it is important to refer to the other strands of Government policy which are designed to encourage and support the transition of the unemployed and economically inactive into work and to help ensure that work pays. These include:

- the National Childcare Strategy which was launched in 1998 to increase and improve childcare provision;
- the introduction in April 1999 of the National Minimum Wage;
- the introduction, in October 1999, of the Working Families' Tax Credit (WFTC) which improves on the levels of support previously available through Family Credit. It also includes a 100 per cent maintenance disregard and a childcare tax credit for those who use officially-registered services;
- and, specifically directed at lone parents to ease the transition from benefits to work, the introduction in October 1999 of the Lone Parent's Benefit Run-On which means that lone parents who have been getting IS, or income-based JSA, for at least six months, who move into work of at least 16 hours a week which is expected to last for at least five weeks, may be able to carry on receiving benefit for two weeks after they start work.

Clearly these developments are likely, over time, to have a significant impact on the take up and effectiveness of the national NDLP programme.

The ONE service, which operates in 12 pilot areas, is a single point of entry into the benefits system for those of working age, including lone parents, requiring them to attend a work-focused interview. ONE brings together the Employment Service, Benefits Agency, local authorities and the private sector to provide every client with individual personalised support and advice through their own personal adviser to find the best way into work where that is possible.

ANNEX 1: Welfare to Work and The New Deal

A.1 The New Deal Programmes

Immediately after the UK General Election in 1997, the new Labour government began to implement its 'Welfare to Work' strategy. The aim of the Welfare to Work strategy is to encourage and facilitate entry into work and, in the longer-term, to reduce dependency on welfare benefits. The strategy involves, first, a fundamental review of the tax and benefit system and, second, a series of labour market interventions under the 'New Deal' banner. The former is intended to increase the incentives to working while the latter, which covers a range of programmes targeted on young unemployed people, long-term unemployed people, lone parents and disabled people, is intended non-working people into jobs and to increase their long-term employability.

New Deal is intended to contribute to an increase in the sustainable level of employment and a reduction in social exclusion by:

- helping young and long-term unemployed people, lone parents and disabled people who wish to work, into jobs and helping them to stay and progress in employment;
- Increasing the long-term employability of young and long-term unemployed people, and lone parents and disabled people who wish to work.⁶⁷

The New Deal has been delivered by means of a number of different programmes, each aimed at a different target group. Despite sharing the common goals of New Deal, these programmes are quite distinct in terms of their objectives, the basis on which participation takes place and the range and type of provision available. Some programmes are aimed at key groups of unemployed people – the young long-term unemployed and the adult long-term unemployed – with the intervention clearly intended to address barriers to employment and to help such disadvantaged unemployed people into jobs. For other New Deal programmes, the purpose is more about breaking down barriers to participation in the labour market and beginning the process of transition from dependence on benefits to labour market activity.

Table A.1 lists the core New Deal programmes in order of their introduction. New Deal for Lone Parents (NDLP) was the first programme to be introduced and is intended to help lone parents on Income Support (IS) to leave benefit and obtain employment. The programme was introduced in prototype form in July 1997 and rolled out as a national programme in October 1998. New Deal for

⁶⁷ *New Deal: Objectives, Monitoring, Evaluation*, Employment Service, 1997

Young People (NDYP) was introduced in Pathfinder form in 12 local areas from January 1998 and became a national programme three months later in April 1998. The programme is aimed at young people aged 18-24 who have been claiming JSA for at least six months. New Deal for the Long-term Unemployed (NDLTU) was offered nationally in June 1998 without a preceding prototype phase. The programme is targeted at unemployed adults (aged 25 plus) who have been claiming JSA for at least two years. However, in November 1998 a number NDLTU innovative schemes were introduced as pilots in selected local areas. These are intended as tests of effectiveness prior to national implementation. Both NDYP and NDLTU are programmes aiming to break down barriers to immediate employment and to enhance long-term 'employability'.

Table A.1: The main elements of the New Deal

New Deal for	Entry	Stage and Period	
Lone parents (NDLP)	Voluntary Voluntary Voluntary	Phase 1 Phase 2 Phase 3	July 97-Sep 98 Apr 98–Sept 98 October 98
Young people (NDYP) (18-24 years of age)	Mandatory Mandatory	Pathfinders National	Jan 98-Mar 98 April 98
Long-term unemployed (NDLTU) (25 years or above)	Mandatory Mandatory	National Pilots	June 98 November 98
Disabled people (NDDP)	Voluntary	Pilots	Oct 98 – Apr 00
Partners of Unemployed (NDPU)	Voluntary	National	April 99
People aged 50 plus (ND50plus)	Voluntary	Pathfinders National	Oct 99 April 00
New Deal for Musicians	Voluntary	National	October 99

Although targeted at a completely different group, the New Deal for Disabled People (NDDP) - introduced on a pilot basis in late 1998 – shares with NDLP the aim of increasing labour market participation amongst a client group of excluded and often non-participating individuals. More recent additions to New Deal are New Deal for People age 50 plus (ND50plus), New Deal for Partners and New Deal for Musicians. The latter is a development of NDYP as it targets young people aged 18-24 who wish to work in the music industry. ND50plus is intended to maintain labour market participation amongst a group of people who might otherwise become inactive if faced with a protracted spell of

unemployment. NDPU seeks to tackle the inter-relationship between the unemployment of one partner and the unemployment or economic inactivity of the other (the so-called workless household).

A2 The New Deal Design

A central and common element of all New Deal programmes is the provision of advice, guidance and preparation for work by means of a New Deal Personal Adviser (NDPA). Such NDPAs are critical to the operation and, ultimately, the success of New Deal programmes. However, NDLP and NDDP offer little beyond the provision of an NDPA whereas NDYP and NDLTU offer much more elaborate programme designs. Both NDYP and NDLTU offer a period of intensive interviews with NDPA (called the Gateway on NDYP and Advisory Interviews on NDLTU) followed by Options or Opportunities in the form of subsidised employment, full-time education or training and, in the case of NDYP a work experience placement in the Voluntary Sector or the Environment Task Force. Both offer a Follow-Through stage for those who have not obtained employment at the end of an Option/Opportunity.

Reflecting the target groups at which they are aimed and the underlying purpose of the programmes, entry requirements to New Deal programmes differ. Entry to NDYP and NDLTU is mandatory in both cases. In the case of NDYP, young people are required to participate in all stages of the programme unless they leave JSA for a job, transfer to another benefit or for some other reason. Although the spirit of NDYP is to seek agreement on an Action plan for returning to work, New Deal Personal Advisors can compulsorily refer clients to Option or other provision if necessary. In the case of the national NDLTU programme, only the initial Advisory Interview Process is compulsory and participants may return to normal jobseeking activities on JSA if they do not wish to take up employment or education and training opportunities or progress to Follow-Through. Other New Deal programmes are offered for voluntary participation. In the case of NDLP, all lone parents on IS are eligible for the programme but the programme specifically targets those whose youngest child is over five years of age.

The New Deal differs from previous labour market initiatives in that it seeks to offer help that is tailored to the needs of individual jobseekers and to provide such assistance in an integrated manner. This is facilitated both by having different programmes for different target groups and by mechanisms within each programme for a range of provision. For their part, unemployed benefit claimants in the groups covered by New Deal must be aware of, and carry out their responsibilities in terms of seeking and entering work. However, it is acknowledged that other clients, such as lone parents, have the right not to work if their circumstances do not readily permit this or they choose not to do so.

ANNEX 2: Sources referred to in the Review

This Review has referred to, and used material from, the following sources:

New Deal Documents

New Deal: Objectives, Monitoring, Evaluation, Employment Service, 1997

Department of Social Security Research Reports

In-house Reports

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109 *Evaluation of the New Deal for Lone Parents: Early Lessons from the Phase One Prototype. Findings of Surveys*, Hales J., Roth W., Barnes M., Millar J., Lessof C., Gloyer M. and A. Shaw, CDS, Leeds, February 2000.

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