

Evaluation of Talent Match Programme: *Annual Report Summary*

December 2014



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Big Lottery Fund

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Summary

Introduction

This is the summary of the first Annual Report of the Talent Match evaluation. The report is intended to serve as a baseline against which the progress of the programme can be measured in future years. It provides information about Talent Match partnerships and participants from January 2014 to the end of June 2014. During this period, Talent Match projects were initially setting up their projects, and then beginning to deliver services for young people, as part of their planned timetables; and not all projects had commenced delivery by the end of June. Data from this period is therefore limited, and while this report provides some interesting findings, it also notes that further study as the programme progresses may show more developments.

The introduction to the report sets out that:

- Talent Match is a Big Lottery Fund strategic programme investing £108 million in 21 Local Enterprise Partnership (LEP) areas which have experienced particularly high levels of youth unemployment. The focus of the programme is on developing holistic approaches to combatting worklessness amongst long term NEETs (those Not in Education, Employment and Training).
- The programme includes key innovative features which set it apart from other existing approaches. Most notable amongst these is that the programme actively involves young people in the co-production of both design and delivery activities. Other features include the local term duration of the programme (five years), that the programme is delivered by voluntary and community sector (VCS) organisations working at Local Enterprise Partnership levels.
- Some caution should be shown in equating youth unemployment with those who are long term NEETs. They are related issues, but contain important differences. These manifest themselves not just in measurement issues but also in the design of interventions.
- Youth unemployment is more than a 'cyclical issue'. Changes in the labour market over the last 25 years suggest that there are increasing challenges for young people to gain a foothold in the labour market. Left unaddressed these will bring significant adverse effects to the young people concerned but also through a range of costs to society. A proactive response, such as Talent Match is therefore warranted.
- Alongside notable spatial variations in labour markets in the United Kingdom, a range of intrinsic and extrinsic factors play a part in engaging young people in the labour market. On the one hand these include the importance of factors such as confidence, self-efficacy and social networks, and on the other, factors including qualifications, experience and transport. Interventions therefore need to be designed with each in mind, and the rationale of Talent Match is that these are best undertaken through local, user-led approaches.

Talent Match is subject to a long term evaluation. Key features of the evaluation include: a strong focus on measuring the impact of the programme (not just in terms of employment outcomes but also in terms of distance travelled and wider effects on wellbeing and on society); testing of different local approaches; sharing experience to improve practice; and building a case for change for policy makers, practitioners and young people at a national and local level.

About the Partnership Plans and Projects Funded

Talent Match is being delivered by 21 cross-sector partnerships. Partnership funding awards were announced in January 2014, and partnerships spent the first part of 2014 on their planned project set-up phase. By end June 2014, 15 out of 21 partners had begun project delivery, although all were at different stages of this. Partnerships are extremely diverse in terms of their organisation, governance funding and local context. Key features of the partnerships include:

- The average Talent Match stage two grant award across the 21 partnerships is just over £5m but awards range from just less than £1m in Stoke and Staffordshire to over £10m in the Black Country.
- The average cost per beneficiary is £3,658 but ranges from just over £1,600 in the South East and Cornwall to over £7,500 in Greater Birmingham and Solihull.
- Collectively the 21 Talent Match partnerships aim to move over 29,000 young people closer to the labour market and help over 8,100 (28 per cent) into secure, sustainable employment or self-employment. This latter figure is well above the initial minimum target set by the Big Lottery Fund of 20 per cent.
- The average employment target for Talent Match overall is 28 per cent, but targets for individual partnerships range from a low of 20 per cent to a high of 40 per cent; that is all partnerships are at least seeking to deliver the Big Lottery Fund target, with some substantially more.
- Partnerships vary greatly in terms of their composition from those comprised of just seven partners to those with well over 20. The sectoral split between the private, public and the voluntary and community sectors also varies between partnerships, but is weighted heavily in favour of the public and VCS in most cases.
- The approach to spatial targeting across partnerships also varies greatly, as does the targeting of specific sub-groups of beneficiaries.
- There is a degree of commonality in the provision of pre-employment support and services but partnerships diverge much more in terms of employer engagement and job creation activities. While nearly all partnerships provide job brokerage and work placements for instance, only eight partnerships engage in significant demand-side interventions, and just seven provide a wage subsidy to employers as part of their approach.
- Though the Talent Match programme is still in its infancy in terms of the delivery phase, it is possible to begin to develop a tentative classification of partnerships based on some of the key characteristics outlined above. This classification will be refined over time, in particular as partnerships move into the delivery phase and interventions become much clearer in terms of their scale and scope.

Understanding Change at a Local Level

This section of the report examines secondary data for the Talent Match areas. Comparisons are made against average figures for England. The section outlines a series of data and methodological issues:

- A mix of indicators are required to show labour market change at a local level. We have focused on the most relevant, and in particular employment and unemployment.
- Data availability at small geographies (ward level) is limited and most analysis is presented at the LEP level (largely a composition of Local Authorities).
- These data are important in understanding the contexts in which Talent Match partnerships operate; however we should not expect these data to change significantly solely because of Talent Match.
- It would be very helpful to have vacancy based data showing available jobs at a local level - unfortunately no reliable data have been available since late 2012.

It should be noted throughout this report that there are different measures and definitions of worklessness; these include the narrower claimant based measures and wider survey based measures which include those who are of working age but out of the labour market. It should also be noted that NEETs (Not in Employment, Education or Training) gives a further measure of a group who are not participating in the labour market. The following observations can be drawn from the data:

- We compare the *rate* of worklessness, as there are marked differences in the size of LEP areas.
- Change in youth worklessness at the LEP level varies markedly. Some partnership areas, such as Northamptonshire, Cornwall and Worcestershire, saw marked increases of four to five times their rate (from five to twenty per cent) during the recession following 2008 but then marked decreases so that today youth worklessness is at pre-recession levels of a similar level.
- Reliable data on 18-24 year old NEETs show the highest levels in the North West, West Midlands, London and Yorkshire and Humber (all over 12 per cent) but lower levels in the North East and South West (less than eight per cent).
- A key feature of Talent Match was that partnerships themselves identified key local needs: this might be in terms of socio-economic and demographic groups, the different factors seen to lead to worklessness (such as being in statutory provided care during childhood) or where there are geographic concentrations of workless. Most partnerships have used some form of geographic targeting, although this varies widely from quite small areas (including some non-standard areas) to whole districts. At small geographic levels it is worth noting that it is difficult to obtain reliable data particularly where non-standard geographies (e.g. a part of a ward) are used.

Partnership: programme design and delivery

The report explores the role partnership has played in the development and delivery of the Talent Match programme. From the design and development phase of the programme, four very different types of lead organisation have emerged:

- National VCS organisations such as the Prince's Trust
- Local 'infrastructure' organisations (e.g. Councils for Voluntary Service)

- Local specialist VCS organisations
- Consortia based organisations.

In all cases a key feature of partnerships has been the involvement of young people - and this is a key difference between this programme and other current and previous employment programmes delivered in the United Kingdom at this scale. Not only has this taken many forms (from involvement in groups, establishment of panels to wider consultation) but, in many cases, it is the move from engagement to involvement and then to genuine co-design and co-delivery which marks a unique departure point from other labour market programmes. Approaches have often broken new ground and will require further exploration over time.

The commitment of 'core' partners to the programme is noticeable in nearly all areas. Whilst partnerships vary in size, reflecting programme size, geography and existing structures, core partners typically made commitments to the programme in excess of the funding from the Big Lottery Fund.

Partnerships tend to be operating at two levels, strategically to inform the coordination of a diverse array of funding and also in delivery. However, there was quite considerable variation in the level of strategic involvement.

This is a key challenging ground for the Talent Match programme. The buy-in of organisations beyond a core group in the development and set up phase was found to vary. In particular, some partnerships had strong involvement of LEPs, whilst in others this was far weaker, or even tokenistic. Similarly, employer involvement was recognised by many as an area where further progress was needed, especially now that the programme is 'live'. The alignment, coordination, and joint working with national programmes, notably the Work Programme and the Youth Contract are areas requiring close observation; our findings suggest that this is an area for further development at a local and national level.

In most areas partnership working at a 'city region' or LEP-area level is relatively new, with strategies and relationships being formed, and new institutional capacity being established, in most areas during the Talent Match programme to date. Where these relationships existed already, often in the larger metropolitan city regions, then the alignment of programmes was possibly less problematic; indeed it was clearer for partnerships where Talent Match fitted in.

The role of the Big Lottery Fund was viewed positively by all partnerships, although many raised some particular concerns: notably around the length of the programme design and development phase; and the importance of consistency in terms of the focus of the programme. There were seen to be lessons to draw here for other strategic investment programmes.

Finally, partnerships very helpfully suggested some areas for development in the coming year. These included further support from the Big Lottery Fund, the role of the evaluation team in disseminating evidence, and the role of partnerships themselves in sharing good practice.

Individuals: baseline and progress to date

The report provides a profile of the initial entrants onto the Talent Match programme focusing on the first two quarters of 2014 (up until the end of June). At this point 664 individuals had been engaged in some way by the programme with a further 118 beneficiaries having been involved in the programme for at least three months. Collectively,

partnerships have indicated that they will support 29,000 individuals with a programme wide goal that at least 20 per cent of these enter sustainable employment.

At this early stage of the programme it is worth highlighting the following:

- As would be expected at this very early stage progress by the partnerships varies considerably and largely reflects plans for the speed of roll out in different areas.
- 66 percent of beneficiaries of the programme to date are male. It is notable that partnerships did not highlight that they would have a specific focus on male NEETs and this is worthy of further consideration as to whether local targeting is working as effectively as it should.
- Half of those supported live with their parents (by far the largest single group), although at this early stage it is not clear as to whether this is in line with local partnership plans - notably few raised housing issues per se as an issue they would focus on, although given further proposed changes to housing benefit this issue should be tracked further.
- 49 per cent of those supported to date have qualifications of Level 2 or above. This might be higher than expected for a cohort of individuals deemed "hardest to reach"; indeed we would have expected a far greater focus on groups with 'no qualifications'.
- Access to and/or the cost of transport is the most significant barrier to employment, in 34 per cent of cases. The nature of work available (low pay, temporary nature of work) is also seen as a barrier (in each category around a sixth reported this). This corresponds with known barriers for accessing employment.
- Additional barriers to employment were seen to be the lack of prior work experience, lack of job opportunities locally, lack of qualifications and lack of job specific skills (each category is a barrier in 50-60 per cent of cases). These findings correspond with reported barriers in wider surveys of both youth unemployed and employers.
- For those surveyed at the three month follow-up stage, three quarters had applied for jobs and more than half had attended at least one interview. This is a positive finding and may indicate that partnerships in an early stage have tended to work with groups who are easier to engage.
- 90 per cent of those engaged in the programme had received one-to-one support, with 80 per cent receiving information, advice and guidance about careers from Talent Match.

In terms of the initial outcomes of the programme, the data show:

- Positive change for at least 40 per cent of individuals supported in terms of their: communication, work with others, setting and achieving goals, managing feelings, confidence, and reliability. A broadly similar proportion report no change with less than 20 per cent reporting a negative change.
- In terms of well-being 73 per cent report improvement in their life satisfaction. However, the figure for positive change in terms of 'experiencing anxiety' drops to 43 per cent, with 30 per cent reporting a worsening score.
- In terms of employment outcomes, the data collected for the Big Lottery Fund indicator scorecard show that 28 people have secured employment since the start of the programme.

Conclusion

This is the first annual report from the Talent Match evaluation. The following 10 issues stand out, either in terms of programme learning or areas in which the Big Lottery Fund and partnerships may wish to reflect on and change approach.

- 1. Programme Design:** Two issues are worthy of further reflection. Firstly, the approach to programme design and roll-out could have been clearer. Secondly, some reflection should be given to the timescale from programme inception to programme delivery. Both sets of issues are a real testing ground for programmes intended to bring a strategic focus to particular issues, but which seek to break new ground in terms of co-design and co-delivery.
- 2. Involvement of Young People:** partnerships actively embraced this aspect of the programme, and in many cases, genuinely sought new and innovative approaches. What is perhaps difficult to capture at this stage is the creativity and genuine excitement this has generated in some areas. This is the main aspect of Talent Match which distinguishes it from current or previous programmes. Other features, such as engaging hidden NEETs would be expected to come to the fore as the programme moves into its deliver phase.
- 3. Partnership Lead organisations** are a diverse group in scale, scope, experience of labour market programmes and geographic coverage. What will be interesting to observe is what effect these different types of lead partner have on delivery and impact.
- 4. Make up and Role of Local Partnerships:** most partnerships are wide ranging and genuinely cross-sectoral. Some Partnerships struggled to engage particular groups: in some cases this included LEPs, in others employers. This was not the case everywhere but appears something some areas may need further support with to ensure that Talent Match has a form of legacy.
- 5. Range of Interventions:** the involvement of young people, the importance given to prior evidence of 'what works' (for instance need for high quality and sustained IAG and outreach provision), and the experience of partners has helped to shape projects. Notably, the partnerships with larger budgets typically intend to fund a wider range of interventions, including some demand-side activities such as wage-subsidies to employers. Prior evidence suggests that employment programmes such as Talent Match need to combine supply side and demand side aspects to be most effective.
- 6. Distinction to other Programmes:** an observation from many partnerships was that Talent Match feels different to current and previous government programmes. This is particularly in regard to young people's involvement and the fact it is non-mandatory. Other features of distinction, such as targeting those furthest from the labour market, will become more and more apparent as the programme moves into its delivery phase.
- 7. Hot spotting and targeting:** one aspect of the Talent Match programme has been its focus on geographic hotspots of youth unemployment. It is clear that different approaches to geographic targeting are being taken as well as the targeting of groups rather than areas. This variation seems to provide something of both a testing ground and challenge to the programme. On the one hand, it provides the opportunity to test and learn from different approaches and how they work in particular contexts; but on the other hand, it is important that the Big Lottery Fund ensure that targeting hidden NEETs and those furthest from the labour market remains a central aspect of the programme.
- 8. Changes in Youth Unemployment:** claimant counts for 18-24 year olds have fallen, as has the ILO rate, with long-term unemployment lagging (but also falling). We reflect in the report on the effects of changes in the labour market which suggest that youth unemployment is both a cyclical, but also a structural or longer-term problem.

Addressing some of these issues clearly lie beyond the scope of the Talent Match programme.

9. **Employment Outcomes:** Talent Match aims to support 25,000 young people over the next five years with at least 20 per cent (5,400) entering sustainable employment. By the end of June the partnerships had supported 664 young people and 28 had secured employment. It is notable that the cost per beneficiary of delivering the programme ranges from £1,603 to £7,550 with a much wider variation for the anticipated costs for each job outcome.
10. **Employment Barriers:** data collected through the Common Data Framework reveals some interesting initial characteristics of the programme (for instance, two thirds of those engaged are male, nearly a half live with their parents, and only eight per cent have no qualifications). What is also revealing is the range of barriers which young people identify. They include practical barriers (notably transport), issues of local job availability and quality, but also intrinsic factors (such as very low levels of self-confidence and self-esteem).

Five Programme Challenges

Talent Match is a complex programme which is still very much in its early stages. However, the first six months or so of delivery reveals a series of issues which we anticipate will present the real testing ground of the programme. Moreover, they are areas the Big Lottery Fund and Partnerships may wish to consider taking further action over:

1. **Targeting** in its many guises (by area, group or theme) should be informed by a much clearer rationale in many cases. Some of the programme-wide data reveals relatively high numbers of individuals with Level 2 and above qualifications. This might suggest that some individuals possessing formal qualifications lack some of the softer skills that are important for employment and/or there is a lack of employment opportunities locally for such young people. There is also a more fundamental issue, which for a programme seeking to support innovation and based on a 'test and learn' approach, there needs to be a much clearer case made for why particular groups are being supported.
2. **Value for money** considerations have not been at the forefront of discussions around the development of the programme. Indeed, traditional 'cost per-job' requirements and unit cost specification can stifle innovative approaches. Nonetheless, simply based on the agreed project plans there is considerable variation in the sought job out-turns across the different partnerships. Different approaches to targeting may explain some of this variation, but we could not determine this at this stage. To give an example, the 'cost per sustainable job outcome' ranges from just over £4,000 in one partnership to £37,750 in another - more than a nine-fold difference. We recommend undertaking some further work to understand the composition of these costs, and that targets are revised.
3. **Sustaining the involvement of young people** is likely to be a key challenge faced by many partnerships. Where involvement is a core part of the normal work of lead partners and delivery organisations we would anticipate few problems. However, where organisations are perhaps not specialist youth involvement organisations then there may be greater challenges. Conversely, a rationale of the programme was to develop new approaches to involving a group (18-24 year olds) who traditionally have not been involved in programme design or delivery. It is probably here that there is some scope to develop and spread lessons from new approaches.
4. **Local coordination, capacity and capability** we find are likely to shape the performance of Talent Match. In particular, partnerships have formed at the same time as quite considerable change in institutional structures relating to local economic

development and growth policy and in particular with the establishment of LEPs. Moreover, funding programmes including the Regional Growth Fund, City Deals and latest round of EU Structural Funds programmes all largely work through LEPs. It is arguable that the success of Talent Match will be the extent to which partnerships can work alongside and with these other programmes. Conversely, with further public expenditure cuts it can be anticipated that some partnership organisations (in particular delivery partners) will be at risk, and this in turn may bring risks to the programme. We would advise Partnerships to actively explore and secure a clear relationship with the LEP and associated key partners, including local authorities, which enables the youth employment agenda to be championed locally.

- 5. Innovation** is intended to be at the heart of the Talent Match programme. The initial phase of the evaluation found that most innovation was in the involvement of 18-24 year olds in the development and delivery of local partnership plans. Indeed, this element of the programme appears to have worked very well. However, with a few exceptions, most of the interventions being proposed were largely similar to ones which had been used before, and indeed many with some considerable evidence of relative success. The recommendation here though is not to call for all activities to be innovative, but rather that there are considerable efforts made to share good/effective practice and to learn from mistakes.

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