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BULLETIN

Localisation of welfare to work and the implications for evaluation of performance

Introduction

This Bulletin considers the implications of increasing localisation of service and fragmentation of provision for evaluation of performance of welfare to work programmes. Findings are presented from the study of three local case study areas undertaken for the Department of Work and Pensions by the Warwick Institute for Employment Research (IER) (Green et al., 2013).

Localisation and welfare reform

Traditionally welfare to work programmes (i.e. the support and guidance given to unemployed or economically inactive individuals to help them back into paid work) have been designed and managed at a national level and operated through a network of delivery arms adhering to these nationally determined guidelines and protocols.

Throughout the New Labour administrations (1997 to 2010) welfare reform was a key priority and much government activity was directed at this policy domain. Welfare reform is typically motivated by twin desires to reduce spending on out of work benefits and also to allow individuals to fulfil their potential and lead productive lives.

In part these reforms were about imposing a new morality in the welfare system by restating the balance between rights and responsibilities and imposing the commitment to 'work for those who can and security for those who cannot' (DSS, 1998). Other reforms extended conditionality so that groups, such as lone parents or those with certain health conditions, who traditionally had little or no obligation placed upon them to seek work or to make preparations for return to work were obliged to undertake training and/or make applications for work.

During this time, the Government launched a series of New Deal options. These New Deals suggested greater personalisation or specialisation of service; there were separate programmes for lone parents, and by age for 18-24 year olds, 25-49 year olds and those over 50.

These New Deals had some successes and managed to move some people into work (see, for example, Hasluck, 2000). Despite the gains made by the New Deals in certain locations, the picture which emerged showed that pockets of entrenched worklessness remained and were difficult to eradicate. These concentrations of high worklessness persisted, despite the general economic conditions being favourable.

It was argued (DWP, 2006) that in order to tackle these areas of entrenched worklessness a more explicitly local approach was required; worklessness was a national problem. However, the causes and nature of it varied from place to place and therefore a locally based solution was more appropriate than national programmes.

Accordingly, the government developed an area-based approach whereby the most deprived communities were targeted for additional support through a range of funding streams.

The drive towards local solutions forefronted the importance of local partnership working as a means of tackling worklessness through adopting a multi-agency approach. This partnership approach also extended tackling worklessness to other policy domains (e.g. health, housing) and/or working across local authority areas.

Some initiatives such as City Strategy (CS) were developed to consider implications of working in partnership (see Green et al., 2010; Green and Adam, 2011). This operated in 15 partnership areas and often reflected prior informal partnership arrangements. Partnership agreements and activities operated under the

CS banner and elsewhere. Local Strategic Partnerships and Multi Area Agreements (both England only) also promoted local and sub-regional partnership working.

Further initiatives such as the DWP Worklessness Co-Design pilot, Community Budgets and City Deals have continued to emphasise the devolution of powers away from central government to partnerships at different local levels. Hence, local and multi agency partnerships were important in the delivery and commissioning of welfare to work programmes and this local aspect was the subject of the IER research.

However, this picture of various worklessness interventions for different geographies (especially smaller scale local ones) carries the risk of fragmenting provision. This could have implications for learning and improvement of performance as evidence may not be collected, and even if collected, mechanisms may not be in place for other partnerships to access the material and take lessons from it.

Aims of the local policy analysis research

DWP commissioned the Warwick Institute for Employment Research (IER) to undertake research into aspects of local approaches to welfare to work initiatives.

Specifically the research addressed:

- the extent to which analysis is undertaken at the local level to assess local worklessness interventions;
- whether and how local policy analysis is used to inform current and future interventions;
- the range of 'good practice' in local worklessness analysis;
- barriers to conducting analysis;
- the nature, scope and efficacy of existing arrangements to share local analysis; and
- local partners' appetite for a 'framework' for the analysis of local worklessness interventions and for dissemination of findings.

The research was framed as a way of understanding how and where DWP could support local partnerships and organisations to help them improve their delivery of welfare to work services. This was particularly addressed through the exploration of the possibilities for adopting a framework approach to evaluation.

The research was undertaken in three areas: Greater Manchester, Lewisham and Cornwall.

As noted, welfare to work programmes had traditionally been planned centrally and accordingly responsibility for evaluation of programmes, pilots and initiatives were also the responsibility of central government. Large scale programmes had and have been subject to large scale evaluations often involving some type of econometric and or cost benefit modelling. These evaluations attract appropriate levels of resource and results are placed in the public domain – typically published on government department websites.

In the context of smaller scale local interventions such an approach is clearly not possible. Additionally, in this local framework there is a transfer of responsibility for evaluation work to the local level; local partnerships can ask the types of questions which are most relevant for their own areas.

Previous IER work on the City Strategy initiative highlighted the tensions between centralising and localising (Green et al., 2010; Green and Adam, 2011; Adam and Green, 2012) and this has also been discussed elsewhere (Crighton et al., 2009). However the City Strategy example considered a specific context where a national evaluation of the initiative was also taking place. The case study work presented below considers the above research aims in the light of no national evaluation and no 'banner' like the one under which City Strategy activity was convened.

Methodology

A case study approach was used for this research. Areas were selected to reflect both the level and range of experience at implementing initiatives to tackle worklessness and also the geographical difference in terms of rural versus urban and north versus south. With three case studies it is impossible for this research to be representative of what is happening across all local partnerships. Findings are therefore indicative of some of the key issues which may be considered for future policy interventions in the welfare to work domain.

Data were gathered through interviews with key contacts with strategic input into policy within each of the areas. An electronic survey of individuals in operational roles yielded 44 responses across the three areas. Supplementary interviews were conducted with people in these roles. National policy experts with experience of conducting local worklessness policy analysis and evaluation were also interviewed to gain insights into possibilities and constraints from this different viewpoint.

Findings and implications

Different types of evaluation approach and different sorts of questions are relevant according to an individual's organisational role; those in delivery organisation roles are likely to find analysis of process most useful, whereas those in strategic roles are more likely to find summative evaluation (evaluation of outcomes – usually based on quantitative techniques) more appropriate to their needs.

It is perhaps appropriate at this point to note the differences between evaluation and monitoring. Evaluation, as implied, attempts analysis of why outcomes have been achieved or processes have or have not worked well. Monitoring notes outcomes, throughputs and so forth; it stops short of attempting

explanation. Interviewees sometimes conflated the two terms (i.e. to regard all measurement as 'evaluation'), but it is the more interesting questions relating to evaluation, which are of paramount interest here.

Various drivers affect whether evaluation is undertaken and these can be internal and external. The most important external driver to undertake evaluation was it being a requirement of the intervention's funding arrangement. The most important internal driver was found to be a desire to improve performance. It is clear that, for evaluations to be useful and helpful to local areas, the questions asked should be relevant to those areas, and this is most likely when questions concern how to improve performance. Evaluations imposed by funding arrangements may have the advantage of ensuring a particular methodology is followed, and this can be useful if multiple areas are in receipt of the same funding source. However, there are obvious risks that such work will suffer from lack of buy-in and also may impose high burdens on staff, especially in cases where organisations are being asked to report different requirements for different funding streams. Crucial to achieving buy-in to the process is not only the issue of relevance to the local organisation or partnership, but also the value of the work being understood at the local level. Often individuals reported having had to satisfy requests from funders without having a full understanding of the purpose or the benefits of what they were being asked to do. In such circumstances these requests had little to no utility from the local point of view; rather these requests were seen as a burden on resources.

Lack of resources to undertake evaluation was the most commonly cited barrier which individuals reported. This relates to both expertise and to financial resources.

The nature of the fragmented policy landscape is undoubtedly a factor in the concern with lack of resources. For a small scale project even a relatively small allocation of funding for evaluation can represent a sizeable proportion of the overall budget. Sometimes in such situations there is reluctance to divert resource away from what is often seen as the core business – namely the operational side – to evaluation which is seen as desirable but not always essential.

This raises implications for how evaluation is valued by local organisations and partnerships. Is evaluation required, or is intelligence an adequate substitute? If evaluation is thought to be necessary, then how can it be funded? Is a dedicated resource required so that evaluation does not get overlooked?

Motivations for sharing good practice include the desire to enhance awareness of what can be done in the context of local level evaluation, with a view to driving up performance. It was evident that there were drivers for both sharing and receiving good practice examples.

Organisations may wish to seek out examples of good practice to replicate successes from elsewhere or to avoid making the decision to instigate a project, which had been shown to be unsuccessful elsewhere. This raises questions around quality of evidence. If evaluations produce results which show that certain interventions have not been as successful as hoped, how can these be shared in a spirit of learning and improvement, rather than fearing the consequences in terms of attracting future funding? Organisations saw value in sharing results of their own evaluations as a means of promoting their own activities and making connections with other stakeholders and potential collaborators.

In general respondents indicated that they would rather receive information from other organisations and partnerships than share information on their own evaluations. In part this again relates to resource. However, it is also related to the competitive funding context. Organisations may be becoming more selective about which information they choose to place in the public domain. Evidence of initiatives not meeting targets or failing to have the desired impact may be withheld on the basis that they would be damaging for future bids for funding.

This approach may raise questions about the propensity for organisations to take risks in terms of commissioning more innovative or novel approaches. It also has implications for the quality of evidence which may be presented in these reports if they are being seen as a means of demonstrating success for future funding bids. This is especially the case when the evaluations are carried out 'in-house'; an approach which is made more likely by funding constraints. If individuals within organisations have the requisite expertise, costs can be kept down by assimilating this work into existing work schedules at little extra cost, though this approach necessarily compromises the work's independence.

Resource implications shape the nature and scope of the type of evaluations that are possible. Partnerships have to cut their cloth accordingly. While there was recognition that tracking individual clients would provide the richest and most useful source of data, especially for impact analysis, there was acknowledgement that this was beyond the means of most local partnerships.

Respondents expressed preference for face to face sharing of information and for exchange to take place through informal and formal approaches.

The issue of quality of evaluation work was picked up by respondents when discussing barriers to sharing and learning from examples of good practice. Lack of transferability between areas was also noted as a barrier to learning from other areas. This should not be a surprise. The idea of transferability does itself reveal tensions and contradictions in the localisation agenda; a point which was recognised implicitly by respondents.

There is no guarantee that because something has proved to be successful in one context, that it will be successful in another. This reveals that there may be considerations of what type of information can be transferred and with what expectation. So information about approaches and practice might give pointers on how something could be approached, but levels of performance as a result of adopting the approach could not be predicted.

Guidance on local policy analysis

The research also investigated local appetite for an evaluation framework to provide guidance on how to undertake evaluation for local organisations. Two options were considered:

1) A tool to bring together evidence of what is already known in terms of 'what works' (from sub-national, national and international evidence).
2) A tool that helps those undertaking local worklessness policy analyses move up the scale in terms of standards of evidence.

Greater support for the first option was found than for the second option. Various questions and issues would need to be addressed before such a framework could proceed. It would be necessary to keep the tool updated regularly for it to have maximum utility and questions immediately arise about how such a system would be hosted and who would have ultimate responsibility for updating the information. The questions about quality, independence and transferability of the work remain even if a store of evidence can be assembled.

Some interviewees engaged in more strategic matters and hence were interested in questions of impact and would welcome technical support from government analysts / statisticians. This is something which DWP, for example, could potentially resource, but there would have to be careful consideration of how this could operate in practice. Local actors could potentially see this as a free resource and demands could quickly outstrip capacity.

The research found that there was support for an advisory rather than a mandatory framework. A mandatory framework gets people to do something, but the danger is that it is inappropriate to their needs. A voluntary framework can be ignored by those who have no interest and can wither because it is not used.

There is a difficulty in trying to provide a framework which is neither too generic to be of limited value, nor too specific so it would have limited relevance. It was felt that it would be a mistake to set up a framework which advocated one particular method or analytical technique above all others. This would risk placing unrealistic demands on some organisations and partnerships. Certain techniques would be more or less appropriate according to the questions which were being addressed. The practice of giving prominence to one method of evaluation could discourage partnerships from

undertaking evaluation if they were not able to achieve the level set out through the framework. Therefore, respondents felt a framework would be most useful if it could be organised by the two principles of appropriateness and adaptability. The research recommended that designing a framework would only be part of the story. For it to be successful it would need to be accessible and its use consistently and widely promoted. What this (and other work) does suggest is that DWP does need to think more carefully about how to assist local partners in how to carry out evaluations in this new context

Reports

Copies of the worklessness case study report and the CS evaluation reports undertaken by IER:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207539/rrep844.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214569/rrep783.pdf

http://webarchive.nationalarchives.gov.uk/20100407205403/http://research.dwp.gov.uk/asd/asd5/rports2009-2010/rrep639.pdf

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Crighton, M., Turok, I. and Leleux, C. (2009) Tensions in Localising Welfare to Work to Britain's Cities, *Local Economy* **24**(1), 46-67.

DSS (1998) *New ambitions for our country: A new contract for Welfare*, Cm 3805. London: TSO.

Department for Work and Pensions (2006), *A New Deal For Welfare: Empowering People to Work*, Cm 6730. London: TSO.

Green, A.E. and Adam, D. (2011) *City Strategy: Final Evaluation*, DWP Research Report 783. Leeds: CDS.

Green, A.E., Adam, D. and Hasluck C. (2010) *Evaluation of Phase 1 City Strategy*, DWP Research Report 639. Leeds: CDS.

Green, A., Atfield, G. and Adam, D. (2013) *Local worklessness policy analysis case studies*, DWP Research Report No. 844. Leeds: CDS.

Hasluck, C. (2000) *The New Deal for Young People, Two Years On. A review of the emerging evidence from the monitoring and evaluation of the New Deal for Young People*. Prepared for the Employment Service.

Further Information

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