

Department for Work and Pensions

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Evaluation of multiple provider employment zones

Early implementation issues

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A report of research carried out by Cambridge Policy Consultants, TERU at Glasgow University, the Centre for Analysis of Social Policy at the University of Bath, and MORI on behalf of the Department for Work and Pensions

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Abbreviations

DNA	Did Not Attend
DWP	Department for Work and Pensions
EE	Early Entrant
EZ	Employment Zone
LP	Lone Parent
MPEZ	Multiple Provider Employment Zone
NDLP	New Deal for Lone Parents
NDYP	New Deal for Young People
PA	Personal Adviser
PJA	Personal Job Account
RAT	Random Assignment Tool
WFI	Work Focused Interview

Summary

Introduction

The introduction of Multiple Provider Employment Zones (MPEZs) represents a step change in the development of the Employment Zone (EZ) approach by installing a degree of competition into the model. Multiple Provider arrangements were implemented in the largest EZs (Glasgow, Liverpool, Birmingham and London) in April 2004. In these areas more than one provider delivers the EZ.

The funding model for MPEZs retains a heavy emphasis on outputs. Providers are paid varying sums when clients obtain and retain a job for 13 weeks or more. In addition, a performance bonus has been established for each MPEZ area. The value of the bonus to each provider is directly related to their success in placing clients into sustained employment.

April 2004 also saw EZ provision extended to include lone parents and Jobseeker's Allowance (JSA) claimants aged 18-24 who would otherwise have returned to New Deal for Young People (NDYP), in addition to the existing over 25 year old JSA claimants who had been out of work for 18 months. Claimants who are disadvantaged in the labour market were also entitled to early entry to EZs from April 2004. MPEZ assistance is mandatory for Jobseeker's Allowance (Income-Based) (JSA(IB)) claimants. Participation of lone parents in MPEZs is voluntary.

Mandatory clients are randomly assigned by Jobcentre Plus to the different providers according to agreed proportions. In London, lone parents are able to choose their MPEZ provider. Outside London, lone parents are offered the opportunity to join a designated lone parent MPEZ provider at their second Work Focused Interview (WFI) with Jobcentre Plus. Providers are free to compete by attracting as many lone parents as they consider appropriate.

Cambridge Policy Consultants Ltd was appointed by the Department for Work and Pensions (DWP) to lead a consortium of research organisations including the Training and Employment Research Unit, University of Glasgow, Centre for Social Exclusion, University of Bath and MORI in the qualitative evaluation of MPEZs.

Fieldwork in this phase of the evaluation was carried out between November 2004 and May 2005 and included discussions with Jobcentre Plus managers and Personal Advisers (PAs), EZ provider managers, EZ provider PAs and specialist staff and in-depth interviews with lone parents, young people and early entrants.

Set up and delivery issues

The adoption of random assignment for mandatory clients meant that MPEZs were going to have to engage with clients from all areas of their EZ. Most providers have settled on accessible office locations, typically in central areas. Some providers have set out to engage with lone parents by making their 'offer' distinct with specialist lone parent PAs, operating from shop-front locations styled to be similar to corporate employment agency premises.

Providers who have done less to tailor their service to lone parents suggested that if the offer is right, the wider environment is of less importance. The early perceptions of lone parents suggested that they preferred tailored support.

Providers were generally happy with the pricing structure for mandatory clients, but few providers were happy with the price set for lone parents. In addition, many provider lone parent PAs also pointed out that lone parents in MPEZ could not access longer vocational training or the fast-track process to in-work benefits that are available to those who join New Deal for Lone Parents (NDLP).

The shorter, sharper Stage One is welcomed by a majority of providers but many feel that four weeks is too short (it was previously 13 weeks). In this new timeframe, there is just sufficient time to engage clients and prepare an action plan if the client turns up to their first appointment. Most would prefer six to eight weeks.

Regular client contact was seen as the basis for effective support for the new client groups. Apart from the specialist support for lone parents, provider staff were given no training to help them prepare for working with the new client groups. Most providers considered that 30-40 clients per PA gives the best trade-off between flows of new prospects and sufficient time to work with those who need more attention. Some providers have deliberately set out to maintain lower caseloads and through this aimed to get a higher proportion of starts into work.

At management level, relations between MPEZ providers and Jobcentre Plus were generally good. However, at operational level, relations between providers and local Jobcentre Plus offices varied. Many Jobcentre Plus staff felt they have been put in an invidious position in referring clients to providers: they lacked information on the services providers were offering to clients on one hand and felt that Departmental guidance explicitly prevented them from making recommendations to clients on the other.

For their part, a number of providers were not convinced Jobcentre Plus were doing their best to sell the EZ offer to clients, especially to lone parents outside London and early entrants in all MPEZs.

Jobcentre Plus staff missed the informal contacts which existed when providers shared office space under the previous single provider arrangements. In many EZs Jobcentre Plus staff were working to build more effective communications and overcome any misunderstandings. There was some interest in having more meetings, workshops and joint training opportunities with provider PAs to increase their understanding of provider delivery and consider whether they could use similar approaches in their own work with clients.

Transition from single to multiple providers

Even at this relatively early stage, there are signs that the presence of multiple providers has added an edge to the providers' delivery. New providers have managed to demonstrate they can deliver effectively alongside the more established providers.

The providers themselves tended to downplay the direct influence of competition on performance and innovation. Most suggested that longer durations in their contracts provided the platform for innovation. The volume of client flows was also crucial to providing the conditions which could support the development of practice. For some then, the introduction of multiple providers was seen as counter-productive as client flows had to be shared.

Some Jobcentre Plus managers missed their ability, under the previous single provider contract, to cut deals with the provider on delivery, joint marketing and sharing of information on employment opportunities. A number felt that they were now obliged to be even-handed with all providers and even if they were to identify an opportunity with one provider this would have to be offered to all.

A number of Jobcentre Plus staff in London felt that a major flaw in the incentive structure for MPEZs was the lack of any requirement for 'minimum' provision to lone parents. This means it is possible for providers to work with only a small selection of lone parent clients and still achieve a high percentage performance.

Random assignment and client choice

The random assignment process is now working well after some initial teething troubles. Providers see it as a fair and open process which delivers an appropriate split of mandatory clients. The designated procedure was that mandatory clients would sit through the computerised random assignment process with their Jobcentre Plus PA. However, the programme can take some time to provide a response and some clients have objected to being assigned to a provider they do not prefer. Most local offices now undertake random assignment without the client present.

Random assignment of early entrants was not appreciated by providers. Most felt that the 'sharing out' of any benefits of marketing and outreach activity did nothing to encourage them to be innovative in engaging early entrants as they could not reap the full benefits of doing so.

Lone parents have a choice between different EZ providers (in London) or between EZ and NDLP (outside London). In London, referrals from Jobcentre Plus represent the main route for lone parents starting MPEZs. However, outside London, the vast majority of lone parents agree to join NDLP at their first WFI, before MPEZs are offered at their second WFI. As a result, lone parent flows to MPEZ have been low.

Not all lone parents were aware that they had a choice both in London and elsewhere. In many cases this involved those clients engaged directly by providers. Those who did, said provider location and transport connections were key factors. However, provider reputation and the types of support on offer were also suggested as important in their decision. A minority of lone parents said they had a preferred provider based on the recommendation from a friend or family member.

The visibility of alternative providers is very limited among young people but a number of early entrants had sought to join MPEZ following recommendations from friends or family.

Working with new client groups

MPEZs are very effective at building confidence and motivation in many clients and channelling this new-found enthusiasm into more effective job search and longer-term job goals. MPEZs have made an immediate impression on clients from all groups with this approach. Clients appreciate:

- accessible premises; all have some provision for children and access to the internet and other job search resources;
- providers' ability to listen and focus on what the client themselves would like to do backed by the flexibility to respond to most clients' circumstances;
- back to basics emphasis of support on building confidence and motivation. The most striking findings from client interviews are the simplicity of many of the elements of the support they identify as having made the difference, e.g. support in sourcing vacancies and preparing for interviews.

All providers were experimenting with different approaches to providing support. Some had developed group work delivery for their best clients to encourage them to work together, take more responsibility and place them in social networks where they knew more people in work. This approach freed PAs to devote more time to other less employable clients who tended not to work well in groups.

Providers have adopted a diverse set of approaches to working with employers – all providers aim to prepare the client so that they are in a position to challenge for

suitable work in the open labour market. Most providers then used specialist staff to build relationships with employers, to learn more about their recruitment needs and get an inside track on forthcoming vacancies which may suit their clients.

Clients' perceptions of the range and quality of vacancies on offer were mixed: most suggested that they were reasonably high quality and suited their aspirations but a minority felt that they were low-paid.

Young people are considered by providers to be a challenge but at the same time very responsive to the customer care provider's aim to deliver. Whatever their attitudinal issues, young people are generally considered to be more flexible. However, there are problems with sustaining employment for this client group.

Young people felt that there was a definite advantage to having a single PA throughout their time in the EZ. Almost all felt that their PAs had listened to their ideas, particularly in relation to the jobs or careers they were interested in. Most young people stated that they were now more confident and that this encouraged them to apply for jobs which they previously wouldn't consider.

Lone parents who are referred by Jobcentre Plus are often described by providers as having too many problems to support with the available money or not interested in work but only in education/training in preparation for work. Provider outreach activity is primarily aimed at those lone parents who can benefit from the EZ offer of work-first provision. Providers are careful not to turn away lone parents but make their emphasis on moving people into work clear to clients at the outset. Outside London providers typically have larger teams of PAs working with lone parents than with mandatory clients to operate the outreach service. Easily accessible offices are an essential part of the offer in these EZs.

Even at this stage in the process, lone parents say they favour specialist lone parent caseworkers, often away from the mandatory clients as this improves the quality and relevance of the service. Many lone parents reported more effective job search with improved skills as being the main benefit of MPEZs. A small number of lone parents reported that they still faced problems in overcoming childcare problems as a barrier to employment.

Volumes of **early entrants** were still very low but providers and Jobcentre Plus were working together to improve inflows from a very wide definition. A number of early entrants had only limited information on MPEZs, especially those who appear to have been engaged directly by providers. Nevertheless, a majority of early entrants were positive about their experience of MPEZs, citing the support in presenting themselves more professionally and giving them the confidence and skills to succeed with applications and interviews.

1 Introduction

This report presents the findings from the first phase of research into the delivery of Multiple Provider Employment Zones (MPEZs). This qualitative evaluation of MPEZs is part of a range of studies commissioned by the Department for Work and Pensions (DWP) to examine the effectiveness and impact of Employment Zones (EZs). Previous studies include two quantitative reports published in November 2003 and a 2002 qualitative study of Single Provider (SP) EZs¹. This evaluation of MPEZs runs parallel to a qualitative evaluation of those SP EZs that started operating in October 2003.

The Spending Review 2002 White Paper announced the intention to extend the provision of EZs to include lone parents and Jobseeker's Allowance (JSA) claimants who would otherwise have returned to New Deal for Young People (NDYP) in addition to the existing client group of over 25 year old JSA claimants who had been out of work for 18 months (previously in some EZs clients became eligible at 12 months but this is now standardised at 18 months).

EZ assistance is mandatory for eligible over 25s and for young people but is voluntary for lone parents. Certain clients who are disadvantaged in the labour market are entitled to early entry into an Employment Zone, provided they have an established claim to Jobseeker's Allowance (Income-Based) (JSA(IB)).

In addition, multiple provider arrangements were announced for the largest EZs (Glasgow, Liverpool, Birmingham and London). In these areas, more than one provider delivers the EZ. Mandatory clients (young people and early entrants) are randomly assigned by Jobcentre Plus to the different providers in each EZ area according to agreed proportions.

¹ J. Hales *et al.*, Evaluation of Employment Zones: Report on a Cohort Survey of Long-Term Unemployed People in the Zones and a Matched Set of Comparison Areas, Research Report 176, November 2003 and A. Hirst *et al.*, Employment Zones: A Study of Local Delivery Agents and Case Studies, WAE124, July 2002.

In London, lone parents are able to choose which provider they would like to attend and can opt to switch to another provider at any point. Outside London, there is only one EZ provider working with lone parents selected by competitive tender. The lone parents in Birmingham, Glasgow and Liverpool are offered the opportunity to join the EZ at their second and subsequent Work Focused Interview (WFI) but they may elect to join the EZ at any time. New Deal for Lone Parents (NDLP) continues to operate in these cities and lone parents are free to switch between the programmes.

Competition between providers is a central theme in the development of MPEZs. The funding model for MPEZs retains a heavy emphasis on output-related funding paid on clients obtaining and retaining a job for 13 weeks or more. In addition, a performance bonus has been established for each EZ area. All providers negotiated a performance target with the Department to which is attached a lump sum bonus payment, subject to providers meeting the target and sustaining this level of performance for an agreed period. The value of the bonus is a function of the relative performance of the providers in each EZ – those providers who secure proportionately more job outcomes sustained for 13 weeks will earn a larger bonus. An equivalent performance bonus operates across providers for lone parents in London EZs but against agreed performance targets for the EZs outside London. Across MPEZs, providers are free to compete by attracting as many lone parents as they consider appropriate.

Participation in an MPEZ can last for a maximum of 52 weeks but the funding arrangements are such that there is an incentive for providers to help clients as quickly as possible. The EZ process is divided in four stages:

- **Stage One** – (maximum four weeks) a single payment for each mandatory participant joining an EZ, to fund the initial action planning activity (i.e. this does not involve lone parents);
- **Stage Two** – (maximum 26 weeks) a further single payment for each mandatory client group, equivalent to 21 weeks of average JSA(IB). For lone parents, providers receive a sum which is not related to their benefit entitlement when the lone parent agrees to join the provider;
- **Stage Three** – a single payment once participants have been placed into work, with a further payment for all participants who sustain their employment for 13 weeks or more; or
- **Follow-on period** – (maximum 22 weeks) for mandatory clients who have not secured a job at the end of Stage Two but would like to continue the process. Providers receive no additional funding for this and remain responsible for payments to the client but can claim job outcome payments should the client enter work in this period.

Cambridge Policy Consultants (CPC) was commissioned by the DWP to carry out a qualitative study of the specific arrangements surrounding the implementation and delivery of the MPEZ model. The evaluation is to contribute to an overall assessment of the advantages and disadvantages of funding more than one provider within each MPEZ.

The specific evaluation objectives are to:

- understand the relationships and networks linking DWP national officials, local Jobcentre Plus and providers both within and across multiple provider zones;
- explore how providers respond to performance competition within the same labour market;
- explore the relationship between the performance system and casework practices for both mandatory and voluntary clients;
- understand clients' experiences of, and outcomes from, participating in multiple provider;
- examine provider strategies for dealing with client choice, how and why lone parents make choices about participation in EZs or NDLP and the outcome of these choices.

The research has focused on the new client groups involved in MPEZs, namely, young people, lone parents and early entrants. Discussions were held with the following stakeholders in each MPEZ area between November 2004 and January 2005:

- interviews with 20 EZ provider managers, 22 group discussions with four to eight EZ Personal Advisers (PAs), specialist EZ PAs (lone parents and hard-to-help) and EZ employer marketing and liaison staff;
- interviews with seven Jobcentre Plus District Managers and nine group discussions with PAs involved in the referral of clients to EZs (especially the random assignment process and lone parents).

Fieldwork with clients was undertaken during February to April 2005 and included the following groups:

- 96 interviews were undertaken with young people;
- 113 with lone parents; and
- 31 with early entrants.

As noted earlier, the flows of early entrants on to MPEZs have been varied so in some areas there were no early entrant interviews.

The remainder of this report sets out firstly how providers responded to the new design for MPEZ provision; secondly, the early perceptions of stakeholders of progress. The fourth section presents the perceptions of the new client groups and the final section our conclusions and key issues arising for policy.

2 Setting up and developing multiple providers

2.1 Introduction

The contracts to deliver Multiple Provider Employment Zones (MPEZs) have been won by a mixture of organisations who either had no previous experience of operating an Employment Zone (EZ) contract (but typically extensive experience in operating other welfare to work programmes) or who had delivered EZs in other EZ locations or in the same EZ area under the previous single provider contracts. There are a number of issues which have arisen from the transition from Single Provider (SP) EZs to MPEZs. This section sets out the operating issues identified by provider managers and Personal Advisers (PAs) and their interpretation of the staffing, management structures, incentives and networking with other providers and Jobcentre Plus.

2.2 Provider assessment of the MPEZ model

2.2.1 Pricing and contractual issues

The long contracting period (five years with a review in year three) was welcomed by all providers as it added real value to the process through:

- sufficient duration for the providers to invest, improve and reap the benefits of the investment;
- greater stability which is good for staff morale; and
- sufficient time to focus on running the service, and not (re-) bidding.

Providers were generally happy with the pricing structure for mandatory clients. In a number of cases, they pointed out that their business plans were based on assumptions of higher client flow levels and up to the end of 2004, these were well below expectations.

Few providers were happy with the price set for lone parents. Many pointed out that the maximum available for helping a lone parent into work and sustaining that for 13 weeks is £1,900 which is less than the £2,000 many of the same providers can earn from their Action Team contracts for placing a lone parent into work for more than eight hours. They also pointed to the costs involved in running their own outreach activity, particularly outside London where Jobcentre Plus referrals form a minority of clients.

In practice, providers suggested that the funding for lone parents would cover the cost of a deposit for childcare or, at most, two weeks' childcare. A number of Jobcentre Plus staff also felt that the pricing for lone parents would lead to them helping only the best candidates and not working with the more disadvantaged lone parents.

While providers are not charged with paying lone parents' benefit equivalent for the time on the EZ (as they do with mandatory clients), neither can they retain any surplus that may arise if they place the client into work relatively quickly. In addition, many provider lone parent managers also pointed out two areas where lone parents in MPEZ could not access provision which is available to those who join New Deal for Lone Parents (NDLP):

- access to further support to undertake longer vocational training funded by adult training/Training for Work; and
- NDLP clients have access to a fast track process to speed them on to in-work benefits.

In both cases, providers felt that this meant their offer could not match that of NDLP. Providers reported that a number of clients had switched back to NDLP at the point that they had received a job offer in order to access in-work benefits quickly.

A number of Jobcentre Plus staff in London felt that a major flaw in the incentive structure for MPEZs was the lack of any commitment to deliver minimum activity or 'floor' targets for provision to lone parents. This means it is possible for providers to work with a small selection of lone parent clients and achieve a high percentage performance into sustainable work, while other providers will get 'penalised' for engaging with most or all the lone parents that are referred to them. To evidence this, some Jobcentre Plus staff cited individual cases where lone parents with problems had returned to their offices reporting that some providers had told them they could not help them, others felt that the very varied targets (from 52 to 288 lone parent starts for the period May 2005 to October 2005 and expected job entry rates varying from 65 per cent to 42 per cent) for lone parents were themselves evidence that some providers expected to help only a proportion of those who might be referred to them.

2.2.2 Deployment of offices and services

The adoption of random assignment for mandatory clients meant that MPEZs were going to have to engage with clients from all areas of their EZ. Most providers have settled on accessible office locations, typically in central areas. For some EZs this is a single office, but some EZ areas (particularly Brent and Haringey and Newham and Tower Hamlets) found that the local geography required an office in more than one location. One provider has maintained a network of seven community centres which it had established under the previous EZ contracts and another had set up agreements with a number of local development organisations across the EZ to use their meeting rooms on a peripatetic basis.

Working with lone parents has added another dimension to most providers' operations. To varying degrees, providers have set out to engage with lone parents by making their 'offer' distinct. One provider has taken this to mean operations separated, as far as possible, from their mainstream delivery to mandatory groups. This involves specialist lone parent Personal Advisers (PAs) working with lone parents, operating often from shop-front locations which are styled to be similar to the corporate employment agency premises. Each office will offer some space for a children's play area and is usually in an accessible central location often near primary retail areas. These are backed by very active outreach programmes and in at least one location, the provider was considering establishing a local (out of town) office in a neighbourhood with a high concentration of lone parents.

'The play area is a great help – there's no pressure on you because the kids want to go.'

(Lone parent)

Providers who have done less to tailor their service to lone parents suggested that if the 'offer' is right, the wider environment is of less importance. There is little evidence, as yet, to test the extent to which specialist lone parent services absorb more of the costs of delivery and so leave less available to work with lone parent clients than those providers where overheads are shared with mandatory clients. However, the perceptions of lone parents suggested that they preferred tailored support and were very aware of the difference between specialist lone parent PAs and other PAs who *'did not understand our circumstances'* (Lone parent).

First impressions of the provider offices were generally very positive. Most described the staff as friendly and welcoming, and the atmosphere as informal, calm and relaxed. Several mentioned that they felt less rushed than in the jobcentre. In general, those we spoke to rated the offices highly for quality and cleanliness and in terms of the facilities they offered.

'Fantastic atmosphere: very friendly, relaxed and very informal.'

(Lone parent)

'Not as busy as Jobcentre, could look for jobs in no hurry.'

(Early entrant)

'Treated me like a person who wanted to do things, with respect.'

(Young person)

2.2.3 Inspiring lone parents

Facilities on offer typically included internet and computer access, job adverts on boards and newspapers, stationery, use of a telephone to ring employers, and refreshments. Not all clients were aware of or used all these facilities. Most of those we spoke to found the offices very easy to access.

Some clients we spoke to, while praising the office generally, felt that they lacked privacy and that others could hear their business.

'Very tense...Privacy when interviewed is only by screen.'

(Early entrant)

'The premises [were] was not private. You could hear everyone else's business.'

(Young person)

2.2.4 Recruitment and staff skills

Recruiting staff for MPEZ provision was not raised directly as an issue by any of the providers themselves. Almost all suggested that while there were local issues relating to the number of welfare to work initiatives raising the demand for skilled PAs, they aimed to recruit from a wide range of sources, including private sector employment agencies, in order to get some diversity of experience and approach. Paying salaries towards the top end of the market rate tended to attract sufficient interest that providers suggested they did not have a problem with recruitment.

The skills requirements for MPEZ PAs identified by providers were, by and large, very similar to those identified in previous studies of EZ delivery and tended to stress personal characteristics above previous experience:

- patience because clients are long-term unemployed and many face significant barriers and issues;
- understanding and empathy;

'I think it is really important to be able to get under people's skin and understand where they are coming from.'

(Provider PA)

- communication skills, particularly being able to talk about difficult issues and remain positive;
- persistence. *'Some people without a bit of a pressure there wouldn't move.'* (Provider PA)

In many cases, the providers already had other operations in the EZ area and were able to advertise new posts internally. Previous experience of working with the mandatory groups was not generally seen as essential. However, experience of lone parent delivery was more sought after. A number of staff working as **lone parent PAs** in providers were themselves lone parents, while other staff may have worked on Action Teams and other provider contracts which had involved delivery to lone parents.

2.2.5 Planned PA client caseloads

Regular client contact was seen as the basis for effective support for the new client groups. The general view of provider managers was that, on average, PA client caseloads were lower than planned because of lower than expected flows. As client starts were gradually increasing these were beginning to increase to planned levels and, for some providers, were triggering further rounds of PA recruitment. Most providers considered that 30-40 clients per PA gives the best trade-off between flows of new prospects and sufficient time to work with those who need more attention. Some providers have deliberately set out to maintain lower caseloads and through this, aimed to get a higher proportion of starts into work. One provider had set an upper limit of 30 clients per PA, others were seeking to reduce their PA caseloads to around 25.

Other providers did not think this would work (or that there are inevitable limits to this approach). One or two providers had established their initial business model with slightly higher caseloads around 50–60 clients per PA. At this stage of the programme, it is too early to say whether lower caseloads per se will deliver better outcomes. Those providers who had adopted this approach were convinced that the approach would reap dividends but comparative information is limited. For example, some providers maintained higher caseloads for mandatory referrals but had introduced specialist PAs for clients with significant barriers who had much lower caseloads (eight to 12 clients) and personal targets relating to progressing clients' action plans.

Lone parent PAs often have significantly higher caseloads (60 and above) but almost all providers reported a difference between total caseload and the number of clients who were actively working with PAs. Many of the provider lone parent PAs suggested that active client caseloads were 25 to 35. However, they also stressed that it was not normally the same 25 to 35 people as individuals dipped in and out of the support.

Provider PA numbers per client group are higher for MPEZ lone parents than for mandatory referrals, particularly so outside London. In these cities, the provider lone parent PAs are expected to spend up to half their time undertaking outreach and have targets relating to the number of new clients engaged as well as employment targets.

2.2.6 Targets, incentives and staff motivation

Providers have adopted a range of approaches to incentives for their staff to deliver outcomes. Some of the approaches were evolving as providers shifted arrangements and searched for better performance, e.g. the change from personal to team targets in some providers:

- team targets and associated bonuses are more common now across multiple providers than was the case during the previous contract round;
- other providers who had adopted individual targets have moved to team targets in some EZs at the discretion of local managers. Reasons given for this approach are that it is more suited to the new client groups through more collaborative working and prevents the perverse incentives where PAs would hoard certain job opportunities to ensure they achieved the job outcome;
- while sustained jobs still form the backbone of staff targets, some providers have introduced some 'activity' targets – such as the number of client interviews undertaken per day, the number of lone parents engaged in the EZ or, for some specialist staff, measures of client progression (achievement of action plan targets);

'I don't think it really works. In my last company we had incentives and it does kind of send the wrong message.'

(Provider PA)

- incentives are also more diverse. Some providers do not offer bonus payments at all to staff but believe they pay above market rates in their basic salary in order to attract the best staff. Another provider had adjusted the staff performance criteria to include customer service and provider reputation measures alongside the more traditional number of clients into work and then sustaining work.

'To be able to do your job well, we need to work in teams.'

(Provider PA)

Provider staff do undertake training but this tends to focus on knowledge of the system, rather than techniques or skills for working with clients, for example, in-work benefits or housing benefits. How to work with clients is much more about experience and, in some instances, case conferencing where PAs share and discuss different approaches to addressing clients.

'You just need to get in. There's only so much training you can do and actually, you can almost be over-trained because you start to treat people as some kind of academic project rather than people in their own right.'

(Provider PA)

2.3 Relations with Jobcentre Plus

2.3.1 MPEZ set up issues

A number of Jobcentre Plus managers would have preferred to have some involvement in the setting of targets for MPEZ providers – not so much to determine what they should do but to better understand and co-ordinate with their own activities and other contracts locally. A minority pointed out that some of the most deprived areas in the country were involved in the programme and they wanted to ensure that the interests of most disadvantaged were protected. Most said that there was a problem in *'being handed targets from on high'* (Jobcentre Plus manager) without being privy to prior discussion.

In London, managers also felt that they had been *'left alone'* to deal with the lack of communication and staff morale problems arising from the withdrawal of NDLP. Again the primary concern was the lack of any communication from the Department – *'not knowing what was likely to happen was worse than finding out NDLP was to be withdrawn'* (Jobcentre Plus manager).

2.3.2 Communications between Jobcentre Plus and MPEZ providers

At management level, relations between MPEZ providers and Jobcentre Plus were generally good. Jobcentre Plus managers were keen to work with providers to deliver the best for their areas. All EZs had set up monthly communication meetings between MPEZ providers and Jobcentre Plus staff. For the most part these involved managers and supervisory staff and dealt with a variety of mostly operational issues – client flows, referral issues, information procedures between Jobcentre Plus and providers and new approaches to engaging more clients (typically early entrants).

In many areas Jobcentre Plus staff have worked hard to build a wider basis for communications with provider staff. This has had a mixed response:

- in one EZ a 'getting to know you' day was set up by Jobcentre Plus involving managers, business managers and Jobcentre Plus PAs with three providers invited to attend with a range of their staff to establish contact and build relations and knowledge of what providers were expecting to offer clients. Unfortunately, only one of the three providers attended;
- in another EZ Jobcentre Plus PAs have attended tax credit training with PAs from a provider.

There were a few examples where the local Jobcentre Plus staff had been invited to 'getting to know you' events with providers (e.g. a Christmas lunch event) but the Jobcentre Plus PAs did not attend:

'Problem we have as well is time, because of the staffing pressure to get people to come off [the frontline] to do this type of thing.'

(Jobcentre Plus PA)

Despite these examples, there is a general perception particularly among frontline staff, that the shift to multiple providers has led to some distancing between Jobcentre Plus staff and providers – it is inevitable that more investment will be required to develop the same level of understanding with two or three providers as it would with just one.

'When EZs first came on board all the advisers used to meet up once a month or something. We used to exchange ideas and there was a representative from every office and we used to clear up problems.'

(Jobcentre Plus PA)

'We don't really know what they do. We still need to work more closely with them than we do at the moment.'

(Jobcentre Plus PA)

'It was our outreach work but [the MPEZ provider] took it as their own – basically they hijacked the clients.'

(NDLP PA)

Discussions with Jobcentre Plus staff raised a number of issues, some of which were mentioned in all EZs but others appeared to be specific to that location. Taken together, these issues illustrate a range of issues MPEZ providers and Jobcentre Plus needed to work through together and the complexity of the procedures surrounding MPEZ operations:

- the processing of referrals was seen as a key pinch-point as there was little time for provider PAs to work with clients in Stage One. Jobcentre Plus staff suggested that an ideal approach would be to arrange the referral day on the same day as the signing day to smooth the process;
- there was some evidence of confusion among Jobcentre Plus staff in one or two locations concerning the different contracts MPEZ providers may hold. For example, staff in one location requested greater clarity about how to refer clients with specific needs (e.g. disabled clients) onto the EZ. PAs understood that one provider held the contract for disabled people but they did not know if they need to use the Random Assignment Tool (RAT) to assign clients. The provider did indeed hold a contract for New Deal for Disabled People (NDDP) in the EZ area but this has no direct association with the delivery of MPEZs;
- mirroring some complaints from providers, Jobcentre Plus identified a few internal administrative problems where the paperwork has been misdirected to the wrong Jobcentre Plus office but these were relatively early in the process;
- on the other hand, many Jobcentre Plus staff had an on-going concern with the degree of attention some providers gave to completing monitoring forms and the speed at which providers returned these to Jobcentre Plus; and

- a concern that providers' knowledge of the benefit system and particularly in-work benefits was limited.

'Generally it's from our side that we have to be initiating all the after-care facilities and put things in place.'

(Jobcentre Plus PA)

While there was a thirst for more information on what different providers did offer clients, there was a general consensus among Jobcentre Plus staff that the MPEZs were *'not a programme that supports training opportunities'* (Jobcentre Plus lone parent PA) and that this did not fit with their perception of the needs of a section of lone parent clients who wanted to train before returning to work. It is worth mentioning here that this perception was not shared by the majority of lone parents interviewed as part of this study (see Chapter 7). As noted already, there were mixed opinions on whether providers were responsible for this approach. Some lone parent PAs saw it as a product of the (in their view) limited funding available, while others suggested it was providers' responsibility to work with all clients whatever their needs and aspirations.

'We do sell the incentive that the EZ has more to give them – but clients receive full information about NDLP. The aim is just to help clients to work their way through what is best for them.'

(Jobcentre Plus lone parent PA)

A number of Jobcentre Plus PAs were concerned by what they perceived as a lack of consistency in the service provided to customers. A number of Jobcentre Plus staff had had contact with EZ clients who were unhappy with their experience of EZs often relating to the accuracy of information given to clients on the nature of job opportunities or the choices clients have.

'The clients are telling me that they were not told...they were getting temporary jobs. They were casual jobs for up to three months.'

(Jobcentre Plus PA)

'I don't think they tell people that, as lone parents, if the job doesn't work out, then they are perfectly within their right to go back, without any sanction or without any penalty to claim benefits again.'

(Jobcentre Plus PA)

The absence of information undoubtedly meant that few Jobcentre Plus staff have a basis on which to judge whether these are isolated examples or something closer to the norm. While many remained suspicious of the quality of MPEZ providers, some Jobcentre Plus staff reported that they had received good feedback from clients:

'[I] Don't get people coming back saying I went over there and they can't do anything for me – they always say they're great.'

(Jobcentre Plus lone parent PA)

If knowledge of providers' support for different client groups was one issue, information on their performance (numbers into jobs, etc.) was another. The majority of Jobcentre Plus PAs complain that they have no idea about how well or otherwise providers are doing. They point out that whatever their circumstances (mandatory or lone parent), clients want to know how good the provider is and what their chances of finding work are. Some managers were now monitoring performance in their own area by using information the providers themselves were giving Jobcentre Plus at their regular meetings. We return to this issue in more detail in Chapter 3.

2.3.5 Learning from MPEZ practice

There was some interest for more meetings, workshops and joint training opportunities with provider PAs among Jobcentre Plus PAs. This would increase their understanding of provider delivery. A minority also suggested that they needed to work more closely with MPEZ PAs, possibly through job shadowing, to see exactly what they do and consider whether they could use similar approaches in their own work with clients.

While this is a general position, it remains the case that providers enjoy excellent relations with some offices and have very limited contact with others.

In a number of areas, Jobcentre Plus staff were fairly pessimistic about their chances of offering clients a similar level of service to that available in the EZ. Many suggested that the volume of clients they had to deal with meant they were very limited in the time available for any one:

'We no longer have any interaction with the clients any more to help them get into work. We say we are there to help them back into work but we actually have no resource to do that. We're passing them out to different organisations to do it.'

(Jobcentre Plus PA)

'There seems to be more structure in what they do, they go and see their advisers first of all, there is always one adviser there, and they are doing job search for the client all the time. I would love to help with job searches...It is back to low case loads again. Concentrate on one person, that does not happen in Jobcentres.'

(Jobcentre Plus PA)

Many Jobcentre Plus PAs feel that Government policy is funding outside organisations to deliver services that Jobcentre Plus staff could deliver better themselves:

'Why don't they give the Department the funding and set up a separate section which deals with helping people back into work, rather than just making us a centre of referrals to other organisations – because that is all that we tend to be doing now. As advisers we just sit there and say we are going to send you to such and such a place.'

(Jobcentre Plus PA)

'Very demoralising for us – our colleagues have gone there – they're doing the same job and they're being paid more money.'

(Jobcentre Plus PA)

2.4 Transition from single to multiple provision

All provider and Jobcentre Plus staff were asked to consider what differences they perceived between the MPEZ model and the previous arrangements with single providers. A significant proportion were not previously involved and so did not feel able to comment.

2.4.1 Perceptions of Jobcentre Plus staff

Jobcentre Plus staff (both managers and PAs) perceived that the introduction of multiple providers had had an impact across two areas of operation:

- a distancing of relations between Jobcentre Plus and the providers which had affected communications and the development of working relations; and
- the impact of competition on the delivery of all providers but especially of those providers who had delivered previous EZ contracts in their areas.

In the single provider contracts Jobcentre Plus staff had had some time to develop personal contacts with provider staff. In many locations this was reinforced by co-location of EZ providers in Jobcentre Plus premises which supported informal networking across provider and Jobcentre Plus PA teams.

'In terms of actual mechanics of it, it should be no different, instead of one contractor you have three...[but] there is a much greater difference in quality, in terms of ability to get paperwork back, or people doing follow-up for those that had gone off, between providers and ourselves. Previously you always had a couple of consultants who were known as not being very good at paperwork, but because you had a relationship with them you could chase these people. But now, because it has become remote, there isn't that personal contact anymore to get things done.'

(Jobcentre Plus PA)

'...at best you may be able to get a relationship going with the receptionist.'

(Jobcentre Plus PA)

A number of Jobcentre Plus staff suggested that it would be beneficial to have at least one liaison officer to improve the quality of communication and to help follow up a range of issues with the process on a more consistent basis. While they were aiming to market MPEZs to clients as a homogenous programme, they were aware of some variations in the operations of each provider that make it more difficult to present a consistent message to clients.

Some Jobcentre Plus managers did have extensive internal discussions on how best to work with multiple providers in terms of whether they should hold joint meetings or separate discussions with providers and what was confidential and what was not. *'Being seen to be open and fair'* (Jobcentre Plus manager), was an approach taken in all areas. Operational meetings in one EZ outside London were typical: all providers attend the discussions surrounding mandatory clients, two providers stay behind to discuss operational issues for Working Neighbourhood Pilots and just one remains to discuss MPEZ provision to lone parents.

More than one Jobcentre Plus manager felt that the introduction of multiple providers had restricted their ability to 'cut deals' with providers. Whereas under the single provider model, Jobcentre Plus staff had been able to negotiate with providers on a *quid pro quo* basis to offer a more coherent package of support to individuals and employers, this was now seen as too complex as any opportunity would have to be negotiated two or three ways.

At this stage in the process, most Jobcentre Plus staff felt that it was too early to say whether the presence of multiple providers would have a positive impact on the delivery of EZs. Jobcentre Plus PAs in some EZs were clear that competition had already brought some benefits in terms of shaking up the attitude and approach adopted by a number of providers who had delivered EZs under the single provider contracts:

'I feel that the multiprovider zone has brought in some healthy competition and has actually improved the way that [the incumbent provider] work. Because in the initial contract they had four years and essentially did what they wanted to. With the introduction of the RAT and the other two providers they've tightened it up a bit. Because they have healthy competition they have to perform. All three of them will have to prove their worth.'

(Jobcentre Plus PA)

A minority of Jobcentre Plus staff felt that competition would never deliver benefits to clients:

'There are now three providers fighting over the same pot, and the needs of customers are being ignored. They are only aiming to maximise their profits.'

(Jobcentre Plus PA)

2.4.2 Perceptions of MPEZ providers

Provider managers frequently downplayed the potential impact competition might have on the delivery of MPEZs. While there was a general acceptance that they would aim to do their best, few accepted that the presence of local competition made any real difference to this objective.

Most suggested that the relatively long duration of the contact had far more significance in providing the conditions for promoting innovation than competition *per se*. Client flows were seen as crucial to maintaining provision at a scale which

could support the development of practice. If flows were too low, then providers suggested that they would become more risk-averse. Many managers and provider PAs point to healthy client flows as being the engine to develop new ideas.

'Whatever the incentives, we can't compete if we don't have any clients.'

(Provider manager)

As MPEZ arrangements involved sharing the available clients across providers, this was perceived as having a more detrimental effect on innovation.

All providers reported that they had not taken into account a share in the bonus payment in their business planning assumptions at the outset of the MPEZ operations. However, some did suggest that sharing in the bonus payment had become more of a priority with fewer than expected clients starting MPEZ provision, particularly lone parents outside London. A number of providers were aiming to review the effectiveness of their operations in early 2005 with a view to making any necessary changes in the run up to the bonus period.

The perspectives of those organisations that were new to EZ delivery were somewhat different to those who had run EZ contracts in the past. These providers were confident that they could perform well and were more than keen to show that they could match and exceed the performance of providers who had been involved in the original EZ contracts.

A key motivating factor for all these new entrant organisations was to demonstrate that programmes such as EZs could be run effectively by organisations new to EZs but with a background in welfare to work delivery. Each suggested that their approach was slightly distinct (greater investment in delivery through lower caseloads, better customer service and links to skills development activity).

Provider PAs on the other hand had a much greater interest in relative performance and were keen in our discussions with them to find out as much information on their position as possible. None of the provider PAs we interviewed had any information on the performance of providers in their EZ area at that stage. Whatever the opinion of provider managers, our evidence was that the presence of local competition did heighten the provider PAs' general concern to do as well as possible. As one Provider PA put it *'...it's just different when there's someone round the corner who can do your job'*.

No provider had expected to undertake joint marketing with their competitors. Almost all provider managers saw the development of joint marketing and referral arrangements around lone parents (in London) and early entrants (across all MPEZs) as being a pragmatic response to the over-riding need to increase client flows. Some felt it was an appropriate response in the circumstances but a minority were not sure and most would prefer to market for themselves:

'I would prefer to do this ourselves but at this stage there is the need to raise the profile of the EZs more generally and we didn't want to break ranks.'

(Provider manager)

Many provider managers felt that the decision to randomly assign early entrants had removed any real incentive for providers to *'go out and use our marketing skills to make a difference between us and the rest'* (Provider manager).

2.5 Summary of key issues

The key findings of our research with regard to the set-up and development of MPEZs are:

- providers welcomed the long contracting period and pricing structure for mandatory clients, but were critical about the set-up and pricing structure for lone parents;
- most providers have settled on accessible and welcoming office locations – which are appreciated by clients – and have offered a distinct package to lone parents including specialist lone parent PAs and children's play areas;
- when hiring MPEZ PAs, providers tended to stress personal characteristics above previous experience;
- providers have focused on team rather than individual targets as incentives for their staff to deliver outcomes;
- at management level, relations between MPEZ providers and Jobcentre Plus have been generally good, but locally there is a general perception that the shift to multiple providers has led to distancing between Jobcentre Plus staff and providers;
- the majority of Jobcentre Plus PAs complain about a lack of information about the different providers and their performance;
- the shift towards multiple providers led to lower client flows. Competition has already brought some benefits in terms of the attitude and approach adopted by a number of incumbent providers.

3 Random assignment and client choice

3.1 Introduction

This section of the report explores the nature of the referral process, the role choice plays and which factors affect clients' choices. It draws on interviews with Jobcentre Plus Personal Advisers (PAs) and lone parent PAs, provider PAs and the perceptions of the clients themselves.

The use of a random assignment process to refer mandatory clients (young people, over 25s and early entrants) to different Multiple Provider Employment Zone (MPEZ) providers is the source of much interest. The primary reason for its introduction was to ensure that all providers received a 'balanced' allocation of mandatory clients so that comparisons of provider performance were a true reflection of their effectiveness in placing these clients into work.

Participation in MPEZ for lone parents is voluntary and the random assignment process does not apply to lone parents. In London Employment Zone (EZ) areas, MPEZ is the primary support available for lone parents and delivery of New Deal for Lone Parents (NDLP) has been withdrawn. Lone parents in London are offered a choice between the MPEZ providers operating in their area and are able to switch between providers or withdraw from the EZ without penalty.

In EZs outside London (Birmingham, Glasgow and Liverpool), MPEZ provision runs alongside that of NDLP. Lone parents interested in returning to work can choose to participate in NDLP or MPEZs. The process through which clients might make this choice is, however, sequential. At their first Work Focused Interview (WFI) lone parents are offered the chance to join NDLP (but may join MPEZ provision if they so request) and at the second WFI (six months later) lone parents are offered the choice of joining the MPEZ. It is possible for lone parents in these locations to transfer from MPEZ to NDLP and vice-versa, without penalty. Only one MPEZ provider selected following the competitive tendering process works with lone parents in each of these EZs.

3.2 Assigning mandatory clients to providers

3.2.1 The random assignment process

The recommended procedure for randomly assigning mandatory clients to MPEZ providers was for Jobcentre Plus staff to use a random assignment tool (RAT) with the client present. This is a computer programme which requires the clients' details to be entered into a programme which then randomly allocates the client to a provider.

However, Jobcentre Plus staff were not keen on working through the RAT with the client in attendance. Firstly, the RAT could be slow at peak times – ten to 15 minutes is a relatively long time to wait with a client. Secondly, a number of Jobcentre Plus staff also suggested that once an office had had the experience of the RAT assigning a disgruntled client back to the same provider, few were keen to repeat the exercise. The evidence suggests that these cases were small in number and appear to have occurred when over 25 clients who had attended the EZ under previous contracts and not been happy with the support they received.

'In the morning it is fine [RAT], but afternoons it is a nightmare. I can never get into it, it keeps on [crashing]... Because I keep on trying to get in and it won't recognise my password. I just try to do it now even before I see the client [in the morning]... that's what I do.'

(Jobcentre Plus PA)

Some Jobcentre Plus PAs felt it was asking for trouble to explain to clients that there was more than one provider of MPEZ services but that they had no choice in the matter. As it is, a small proportion of clients were aware of other providers, often through friends or family making recommendations or early entrants engaged by one or other provider. In all locations, Jobcentre Plus staff reported that clients who had been to the provider under the previous EZ contracts were often reluctant to return. Future stages of the evaluation will further explore the extent to which customers experience dissatisfaction when returning to the same EZ provider.

Jobcentre Plus staff were given very little training on RAT, some were given handouts and then they had to pick it up. In each office, an individual was nominated to liaise with the district office where the system was set up. As they developed more experience, this worked better but if the individual was away from the office, other staff had little to fall back on. Some offices have spread the knowledge around and it would appear that almost all now 'batch process' the clients in the morning for all the clients due to attend referral interviews that day.

Jobcentre Plus staff also initially felt very exposed by the process of selling the benefits of the MPEZ providers. They pointed to the very limited information available to them on what providers offered clients, especially at the start of operations when very few providers had any marketing information or leaflets they could provide to clients. However, by the end of 2004, providers and most Jobcentre Plus staff felt that random assignment was a non-issue.

For their part, MPEZ providers welcomed the introduction of random assignment for the referral of mandatory clients. Once initial teething troubles had been overcome, many appreciated that the process had delivered 'fair shares' across competing providers and this had meant that providers could concentrate on delivery. As one provider manager put it: *'While we may have been concerned about the overall number of clients, at least we were confident that all of the other providers were in the same boat'* (Provider manager). Having said this, providers were concerned about the application of random assignment to the early entrant clients which is discussed in more detail below.

3.2.2 Random assignment of young people

The process for referring young people to MPEZ providers was expected to involve three steps:

- 1 a 'flag' is raised on the clients' record in the Labour Market System (LMS) monitoring system to denote that they are eligible for MPEZ provision;
- 2 at their next WFI, clients are informed that they are to be referred to MPEZ. The PA should then explain the EZ to the client;
- 3 the client and their Jobcentre Plus PA use the RAT to randomly allocate the client to a particular provider in the MPEZ.

All the young people we interviewed had been referred to the EZ via Jobcentre Plus. For the most part, this process was usually accompanied by a basic leaflet or booklet about the EZ provider which Jobcentre Plus staff handed to them. Most young people appeared to have been given little additional information, apart from the basics:

'A few pieces of paper telling me what they do and how it runs, that's all.'

(Young person)

'It was not shown in a very positive light. I did not know what to expect but it was compulsory.'

(Young person)

'Go or get no dole.'

(Young person)

There were some minor exceptions to this where more information was given to young people before they attended the EZ: they were told it would help with issues such as job search, interview techniques, etc. and also that the support offered would be more intensive. However, we cannot be certain whether this view derived from their experiences since joining the MPEZ provider:

'I was told it was a bit like the New Deal but with one person.'

(Young person)

'I guessed you could find work more easily, thought it was more concentrated, had better facilities – PCs with internet access.'

(Young person)

Very few clients said that they sat in on the RAT and the vast majority of mandatory clients were unaware of the random assignment process. The minority who were either resigned to it being part of the process or were unhappy:

'Just told. [The] Computer just randomly selected it.'

(Young person)

'I thought that was absolutely stupid – it's supposed to be about getting a job, not playing the lottery.'

(Young person)

3.2.3 Random assignment of early entrants

The process for randomly assigning early entrants was slightly different and raised other issues for Jobcentre Plus (although very few clients had entered MPEZs at that stage):

- most early entrant clients were identified by provider marketing or outreach activity (providers do go into Jobcentre Plus offices and walk the floors trying to look for clients to interest in the EZ), such clients may or may not be aware of other providers but usually want to join the provider who contacted them first; or
- a smaller number of clients were identified by Jobcentre Plus staff (sometimes working with provider PAs to sell the benefits of MPEZs);
- Jobcentre Plus then make sure that clients understand the implications of joining the EZ, particularly the mandatory aspect of participation and that, if they agree, they would be randomly assigned in the same way as other mandatory clients.

No provider thought that randomly assigning early entrants made any business sense. They could not understand why random assignment was being applied to this group and felt it was taking away any incentive to innovate and market the MPEZ approach to a wider range of clients. Some collaboration in joint marketing of the EZ concept to potential early entrants was being carried out in almost all EZs to help increase the number of flows. However, most providers saw this as second best and would much prefer to sell their own services and reap the full reward if they got their message across.

At the time our interviews were carried out there were a few early entrants in some areas and almost none in others. The reasons behind this variation according to Jobcentre Plus staff varied:

- there was still some confusion over who is eligible for early entry and at what point in the process this should be offered to a client;
- there were some suggestions that the process for referring early entrants to EZs did not allow Jobcentre Plus staff to capture the clients' performance target for themselves (the value of client outcomes is measured in terms of 'points' which count towards Jobcentre Plus targets) and so if the client did find work, the credit for the referral would not go to them;
- other staff suggested that the approaches made by some providers to early entrants were '*sailing close to the wind*' (Jobcentre Plus PA) in terms of not fully explaining the implications of agreeing to join the EZ;
- most staff reported that as soon as they explained to potential early entrants that participation would be mandatory once they agreed to join, most lost interest; and
- those who did join the EZ were described as either '*not eligible to anything else*' (Jobcentre Plus PA) or more often, had been recommended to join by a friend.

The motivations for early entrants joining the EZ are particularly interesting as many were moving from a non-mandatory to a mandatory regime in order to join an EZ. Unfortunately, the flows of this group into MPEZs have been limited and so the number of interviews is smaller than originally expected.

Reflecting the comments of Jobcentre Plus staff, most of the early entrants we interviewed had been approached initially by an MPEZ provider or had had a positive recommendation from a friend or family and had then visited the jobcentre in order to go through the random assignment referral process. In some cases, clients did not appear to have been given a full explanation of the services available and the implications of joining an EZ.

'I was waiting in the Jobcentre and there were people going around asking questions and ticking off categories... they told me I'd qualified for a course.'

(Early entrant)

'I wasn't exactly sure what they did or how it was linked to the jobcentre.'

(Early entrant)

However, the number of clients who had been referred by the jobcentre directly has been increasing:

'The jobcentre just told me to go along and see what I thought of it... I thought it was going to be like lessons at school or something...'

(Early entrant)

These early entrants commented that they had been told by the jobcentre that the scheme would help them to get a job. However, they reported a variation in the level of support they were told to expect from the scheme, from simply offering an initial interview to helping the entrant find the job they actually want:

'...I was only told they will interview you, nothing more.'

(Early entrant)

'They don't rush you into any job, they get the job you want.'

(Early entrant)

Many of the early entrants felt that they should have been provided with more specific information about the scheme upfront:

'...It wasn't described to me – just go there, no option given.'

(Early entrant)

'Wanted to know whether their courses were legitimate, well recognised.'

(Early entrant)

3.3 Entry routes for lone parents

Lone parents joined MPEZs by referral from Jobcentre Plus as part of their programme of WFIs with lone parents or were engaged directly by providers' marketing and outreach activity.

Lone parent routes into the MPEZs differed according to whether they were in London or elsewhere. In London, the majority of lone parents were referred to the MPEZs by Jobcentre Plus. Providers reported that between two-thirds to three-quarters of lone parent referrals were from Jobcentre Plus. The remainder were either engaged directly by providers or the EZ provider had been recommended by friends or family.

Outside London, a minority of lone parents had been referred by the jobcentre. Most lone parents had heard of the EZ through SureStart, other lone parent organisations, contact with the provider on the street, in shopping centres or at other locations. A minority reported that the EZ provider had been recommended by friends or family.

3.3.1 Lone parents' reasons for joining MPEZs

Wanting to find a job was the reason given by almost all lone parents for deciding to join the EZ. Almost all pointed to a step change in the age of their children, financial reasons or some form of self-fulfilment as to why finding a job was important to them:

'My daughter has just started school full-time so I didn't have a reason to stay home.'

(Lone parent)

'Shortage of money: kids get expensive as they grow older; I am fed up of struggling.'

(Lone parent)

'I want to go out and do something for me, away from the children.'

(Lone parent)

However, a minority of lone parents did highlight that the availability of financial support and in-work benefits had made work a more attractive option and encouraged them to sign-up to MPEZs:

'I could get some money from the government for an after school club. It made me want to look for work.'

(Lone parent)

In a small number of cases, lone parents with older children (14-15) were coming to the end of their entitlement and this meant that their benefits would fall.

'I was told by Jobcentre Plus that my benefits would be cut if I didn't start to look for a job.'

(Lone parent)

3.3.2 Referral of lone parents from Jobcentre Plus

Jobcentre Plus staff outside London reported that the vast majority of lone parents agreed to join NDLP at their first WFI and very few agreed to refer to NDLP (or now MPEZs) at their second WFI. As a result, referral of lone parents from Jobcentre Plus outside London to EZs has been lower than expected. Providers reported that flows from the jobcentre accounted for less than a third of their lone parent starts. Many suggested that Jobcentre Plus PAs were not keen on sending lone parents to the MPEZ and this was having a detrimental effect on lone parent starts. Moreover, those that had been referred by Jobcentre Plus are often described by providers as having too many problems to overcome with the available resources or that they have no real interest in moving into work.

'I think there is a general difference between people who just wanna do a job while they are looking for training, and those who are sick of all the courses and actually want to work now.'

(Provider lone parent PA)

Jobcentre Plus lone parent PAs felt they had been made poacher and gamekeeper in this process. In many respects they considered they are in a no-win situation whatever their opinions on the respective strengths of NDLP and MPEZ provision. At the outset, very little information was available from providers on what their services involved and Jobcentre Plus staff did not feel able to 'sell' the option. Others felt that this was just not their role:

'We are not here to sell their products.'

(Jobcentre Plus lone parent PA)

However, this situation has improved through the provision of leaflets and visits from provider lone parent staff. Outside London, the presence of provider staff in Jobcentre Plus offices has been varied, partly because of the relatively low flows but also because of the competition between NDLP and MPEZs. It would appear that personal relations make a big difference as providers might receive relatively large numbers of lone parent referrals from some offices and almost none from others.

In London, where lone parents have only MPEZ provision available should they wish to return to work, as might be expected, referrals of lone parents from Jobcentre Plus have been much higher.

These higher flows have made it possible to arrange for provider staff to be on hand to talk to lone parents following their WFI to help explain what was on offer. They then might arrange for the lone parent to visit their premises to see for themselves. Space constraints in the local Jobcentres usually mean that this is done on a rota system with each provider taking turns to be present.

3.3.3 Provider marketing and outreach activity

Providers (both in London and elsewhere) have set up outreach activity to market to those lone parents who can benefit from the EZ offer of work-first provision. Outside London, providers typically have larger teams of PAs working with lone parents than with mandatory clients to be able to operate the outreach service. Easily accessible offices are an essential part of the offer in these EZs.

Some providers operate a live and suspended caseload to manage this process. Providers are careful not to 'reject' a lone parent as this would affect their reputation with the wider lone parent client group. However, there is evidence to suggest that providers are more likely to target lone parents who are ready to work. This involves pursuing those clients who are considered good prospects to sign them up and then actively maintaining contact. A small number of lone parents we interviewed suggested that providers' interest in them waned relatively quickly.

'Nothing, no encouragement. I am with [provider] but I have not heard from them.'

(Lone parent)

'Once a week to start with but I haven't been seen for a couple of months now.'

(Lone parent)

Jobcentre Plus staff commented:

'Because [the lone parent] didn't speak much English [the provider] convinced her that she did not want to work.'

(Jobcentre Plus PA)

'These things, these incentives are what drive lone parents; it's the support that they get that keeps them involved, and once they are not getting that then they just seem to slack away.'

(Jobcentre Plus lone parent PA)

For their part, provider staff felt that their 'offer' was work-first and that there was little they could do when lone parents wanted to go into long-term training or faced substantial barriers:

'[...] our contract is about delivering people into work, and moving people along.'

(Provider lone parent manager)

'These programmes were initially conceived at a time when the cream had already been scraped off – and we are still working to the same guidelines as if we were dealing with the cream of the crop – and that is not it.'

(Provider PA)

Some providers have tried to develop links to lone parent organisations at a local level. However, local competition for clients can be fierce and, moreover, baffling to the client. *'Discovery Weeks, Action Teams and NDLP are all fishing in the same pool'* (Provider lone parent manager). Providers aim to engage clients before they are approached by any of the others. Lone parents are not typically engaged in formal networks and so MPEZs have an opportunity to get their message across if it can go out and find them.

'Just about speaking to people and telling them what is available, explaining that it's not going to affect any benefits, so they know that it is something they can listen to and take on board if they want to – even at a future time when it might be the right time to come in and pursue it further.'

(Provider lone parent PA)

'All about meeting and greeting and a friendly chat.'

(Provider lone parent PA)

Marketing was largely face-to-face by visiting a wide range of events and locations as well as just stopping people in the street who happen to be pushing a buggy. Examples of alternative networks used to engage lone parents included SureStart, Gingerbread, line dancing clubs, sewing bees, as well as a wide range of other community organisations. Lone parents are often sufficiently interested 'just to take a look'. Providers had developed a range of materials to help support their initial discussions:

- job vacancies currently on offer that would suit a lone parent;
- examples of other lone parents helped by the provider – their circumstances, what they did about childcare and how they went about finding a job;
- in some cases the lone parents' interest is stimulated more by potential career development.² This is by no means universal but does appeal to some clients who want to be able to move into a 'proper job'.

'Sometimes [we] will get people through who have heard of [the provider employment] agency so are actively wanting work who come in themselves to the drop-in.'

(Provider lone parent PA)

'...as an employment bureau [EZ Provider] have a good reputation.'

(Lone parent)

3.3.4 Factors influencing lone parents' take up of MPEZs

MPEZ provider marketing to lone parents has taken an engaging line with the emphasis on tailored provision and giving people time and support to look for the type of work they want. This message seemed to be getting across: the main reasons why lone parents chose to enter the MPEZ was that it offered a tailored service and that it gave lone parents more control over the pace of their job seeking and what types of job they could applied for:

'It's especially for lone parents and very nearby.'

(Lone parent)

'The advisers were aware of the difficulties and problems of being a lone parent.'

(Lone parent)

² This issue has also been identified in the Single Provider Evaluation, Griffiths and Jones, Evaluation of Single Provider Employment Zone Extensions to Young People, Lone Parents and Early Entrants: Interim Report, DWP Research Report No 228, 2005, p23.

Several lone parents had been offered store vouchers (£15-£50) as an incentive to join their provider. These were usually £20 vouchers for various local supermarkets. Other providers offered 'goodie' bags and activities for children as an incentive to attend their events. One respondent explained they had been offered a day out with single parents and children if they met the provider. Another lone parent joined specifically because she was told the EZ would pay her childcare costs for the first four weeks of work.

Lone parents were provided with more information upfront than other client groups: a few had even attended provider open days. The EZ was described in various ways but the focus was consistently on helping and advising, emphasizing the specialist nature of support:

'I went to the open day. I felt very comfortable with them. I don't know anything about NDLP.'

(Lone parent)

'They're there one-to-one for advice – you're not just in a crowd.'

(Lone parent)

'They'll help you – not force you.'

(Lone parent)

On the other hand, some lone parents (mainly those who had been misinformed that the EZ was an employment agency) felt they had lacked fundamental details about what help the provider could give to them, what jobs they offered, and whether they could provide childcare or training.

'They were like an agency to employ you temporarily. I found out it was different at the open day.'

(Lone parent)

'I would have liked to have known what they could and couldn't do for me.'

(Lone parent)

It is interesting to note that nearly all of the features that lone parents identify as being attractive to them have equivalents in NDLP (outside London). The issue of alternative providers and programmes is discussed in more detail in Section 3.4.

3.4 Factors influencing client choice

3.4.1 Factors influencing lone parent choice of provider in London

There is no doubt that the limited awareness of alternative provision has affected lone parents' ability to choose between providers in London. Knowing that there are alternatives is one thing but being aware of what they have to offer and how this differs from the provider you are in contact with is quite another. Most clients joined the provider they did simply because they did not have enough, or any, knowledge about the others.

'If I knew I could have a choice I would have chosen the one I wanted.'

(Lone parent)

'Had no choice. Transferred from jobcentre so had to go. Just thought I had to go.'

(Lone parent)

The majority of lone parents we interviewed were not aware that they could change providers. One lone parent interviewed at her second MPEZ provider, had moved after coming to the end of her initial nine months on the EZ. She was not particularly dissatisfied with her previous provider but felt it was time to 'try a new one'.

Reflecting the perceptions of Jobcentre Plus staff and those of provider PAs, many lone parents chose to join their current providers based on proximity/convenience (one commented that as her fares were not going to be paid, she just chose the nearest provider). Those young people who were aware that there was more than one provider most often wanted to be referred to the provider closest to home.

'When I walked past the office at Peckham there was a sign "Finding work for Lone Parents". So I went in.'

(Lone parent)

This was not overwhelming, however, and a minority of lone parents listened carefully to provider presentations on the types of support on offer and the degree to which they specialised in lone parent issues. Provider reputation (partly through family and friends but also through any information they could glean from Jobcentre Plus or other agencies) was also a choice factor. A number of lone parents had visited the providers' premises (something Jobcentre Plus staff recommend) to get a 'feel' for the provider.

'I was pleased I could join the provider I wanted. I did have expectations because my friend recommended them.'

(Lone parent)

'Friend recommended them, even though it was the farthest away [my] friend said they were very helpful so I was determined to go to them.'

(Lone parent)

Several lone parents mentioned that the EZ offered a dedicated lone parent adviser, or that the provider understood lone parent issues. A few lone parents were also attracted by the fact that the EZ could offer practical support such as help with clothes, driving licences and childcare costs during early weeks of employment.

'I read the leaflet that said they had a crèche especially for single parents and it was local.'

(Lone parent)

Some providers have been able to source administration jobs from their corporate employment agency colleagues for their more qualified lone parents. They reported that this has had a limited but wider impact on engaging lone parents in the first place as they perceived that they have better vacancies to offer. In London, there were some isolated reports that a limited number of lone parents were actively switching providers if they could not find the types of vacancy they were seeking. Although limited at this stage, this may well prove to be an important issue to further drive client choice.

Jobcentre Plus staff report that clients almost always ask their opinion on the different providers and how good each one is in finding people work. Their stock response was that clients should visit the provider and see for themselves before signing up. If pushed, one or two staff suggested that they might outline their views on the different strengths and weaknesses of the providers but they are careful to stop short of making an outright recommendation. This is clearly a very fine line.

'The jobcentre recommended them.'

(Lone parent)

A number of Jobcentre Plus staff, especially in London, felt that they were not able to offer an appropriate service to some lone parents who they felt would not benefit from MPEZ support and that this had a detrimental impact on how Jobcentre Plus services were perceived by clients.

'...sometimes when you do contact the customer they just say well it wasn't what I wanted, and sometimes they feel like you're against them because you referred them over as if you were trying to get rid of them.'

(Jobcentre Plus lone parent PA)

3.4.2 Factors influencing lone parent choice between NDLP and MPEZ outside London

Outside London, while most lone parents were aware that they had a choice between the EZ and NDLP, echoing the issue of choice between providers in London, few knew enough, if anything, about NDLP to be able to make an informed choice. This reflects findings from New Deal evaluations that suggest customers are not always aware of programme titles. Around half the lone parents we spoke to did not know any detail about NDLP or had never heard of it – generally because they were being engaged directly by the MPEZ provider, attracted by outreach and marketing activity.

'I don't know anything about New Deal for Lone Parents.'

(Lone parent)

Those lone parents who were aware of what NDLP had to offer reiterated many of the reasons given for joining MPEZ providers in the first place as reasons for not switching to NDLP – that the support on offer is better suited to them:

'You get less support from the New Deal.'

(Lone parent)

'The New Deal pushed me into jobs before I was ready – the EZ helped me decide if I was ready or not and if my benefits would be OK.'

(Lone parent)

'The New Deal was in the Jobcentre and that put me off.'

(Lone parent)

'I would never use the Jobcentre – it's full of drug addicts and alcoholics.'

(Lone parent)

There were very few examples where the client was not aware of NDLP provision until **after** joining the MPEZ provider. One lone parent was annoyed because the jobcentre office was closer to where she lived:

'I could have gone to the jobcentre and saved the bus rides to the city centre.'

(Lone parent)

3.4.3 Awareness of alternative provision among mandatory clients

Although mandatory clients do not have any choice over the provider they work with, the research asked questions about their awareness of other providers operating in the area. Very few young people had any knowledge that multiple providers operated EZs in their area and this lack of knowledge meant that there were very few who expressed any interest in being able to choose a provider.

'I didn't know anything about any others.'

(Young person)

Occasionally, the client was aware of other MPEZ provision through friends and family or had sat in on the running of the RAT. Their satisfaction with the process very much depended on whether they were assigned to the provider they preferred:

'They got my brother a job when he was looking for work.'

(Young person)

'I thought it was stupid that I couldn't go to the one two minutes away. It was a bus journey into town.'

(Young person)

The small number of young people who would have preferred a choice of provider were split evenly between those who wanted to go to a provider nearer to where they lived and those who wanted to follow a recommendation from a friend or family. A minority had met with a provider before joining the MPEZ and over half had views about which EZ that they would like to join. Only one early entrant stated that they were not bothered about which MPEZ provider they joined and the remaining early entrants stated that they did not have sufficient information to have a view.

The early entrants' reaction to having a provider chosen for them varied. A number of early entrants were disappointed that they were not offered a choice of provider and appeared to have a good level of awareness of the different MPEZ providers and how they would meet their needs:

'...I am a bit miffed. [a provider they had been in contact with] would know I'd volunteered so I might've had a better status if I'd gone there.'

(Early entrant)

'I asked to join [a provider] but I was told this is where you have to go. The machine picked out a provider at random.'

(Early entrant)

I had already been to [provider]: they knew what I wanted, how the construction industry works. I had built up relationships with people there.'

(Early entrant, assigned to another provider)

However, some of the early entrants were happy with the outcome and accepted the selection of provider:

'...I just accepted them as professional, had confidence, they had been going for a long time.'

(Early entrant)

Several early entrants commented that the initial attraction of MPEZ compared to the Jobcentre was the perception of a greater level of support for finding work. Only one of the early entrants had been offered an incentive to join an MPEZ.

Half of the early entrants stated that they were aware that they would have to participate in the MPEZ or risk losing benefits. The majority of those that were aware of this were told by Jobcentre Plus staff before they joined the MPEZ. The predominant reason given for participating was to improve prospects of getting a job:

'...I didn't have to go on it but I wanted to find a job.'

(Early entrant)

'I wasn't getting much help from the Jobcentre.'

(Early entrant)

3.5 Summary of key issues

The key findings of our research with regard to the random assignment tool and client choice are:

- providers welcomed the RAT for mandatory clients as fair, but did not see the point of random assignment for early entrants;
- only a minority of clients interviewed were aware of other providers – it is clearly not in the interest of any MPEZ provider to promote the existence of alternative delivery (either competing MPEZ providers in London, or NDLP outside London) so while lone parents' awareness of alternative provision was low on entry into MPEZ, even fewer lone parents appear to be aware that they could change provider once they had started on the EZ;
- most young people and early entrants appeared to have been given little additional information by Jobcentre Plus, but lone parents seem to have been provided with more;
- the numbers of early entrants are still low; most of those we interviewed had been approached initially by a MPEZ provider or had had a positive recommendation from a friend or family;
- in London, the majority of lone parents were referred to the MPEZs by Jobcentre Plus. Outside London, the vast majority of lone parents agreed to join NDLP at their first WFI and very few agreed to refer to NDLP (or now MPEZs) at their second WFI. Providers suspected that Jobcentre Plus PAs were not always keen to refer lone parents to MPEZs but this varied from office to office;
- outside London, most lone parents had heard of the EZ through SureStart, other lone parent organisations, contact with the provider on the street, in shopping centres or at other locations;

- wanting to find a job was the reason given by almost all lone parents for deciding to join the EZ;
- the majority of lone parents did not know they could change providers; the lone parents who made a conscious choice, often based it on proximity/convenience.

4 Multiple Provider Employment Zone practices and processes

4.1 Introduction

This section draws out the key issues arising from delivering Multiple Provider Employment Zone (MPEZ) to the new client groups: young people, lone parents and early entrants. The material is drawn from interviews with provider Personal Advisers (PAs), lone parent PAs and specialist staff (engagement consultants, employer liaison staff, etc.) on the one hand and Jobcentre Plus district and business managers and PAs (including lone parent PAs where these posts were still in place). Client perceptions of the quality of employer links and the operation of the aftercare process are also presented.

4.2 Securing attendance of clients

The referral process starts the same way for all clients with a telephone call to the provider from Jobcentre Plus at the end of their initial interview. Despite being a mandatory programme there are quite a few problems with clients not attending following referral. A number of providers had introduced induction or engagement PAs and one provider reported that their 'did not attend' (DNA) rate had fallen as a result.

There are similar issues with lone parent clients. Jobcentre Plus lone parent PAs reported that lone parents often say they are interested in MPEZs but then never turn up to their appointments: *'they often say what they think we want them to say'* (Jobcentre Plus lone parent PA).

Some providers speak to the client when their initial appointment is booked and this helps to build a rapport with them, making it more likely that they will attend their

initial meeting with the provider which is important, especially with the shortened Stage One (from 13 to four weeks). This was appreciated by Jobcentre Plus staff as making a difference – compared to providers who did not do this, DNAs were reportedly lower. When clients do not attend, this creates a whole cycle of additional paperwork for the provider and Jobcentre Plus.

Some Jobcentre Plus staff thought that DNAs were related to client group characteristics and not a reflection of the process while others felt that to improve the situation would require more stringent sanctions being applied. However, those who had experience of the single provider contracts felt that the absence of providers from Jobcentre Plus offices was a fundamental cause:

'When we had providers in the office we had regular contacts, knew exactly what client was at. There was a huge difference as well, because you didn't get nearly as many failed attempts because you could refer customer there and then in the office. So it was a lot more flexible, because you got good relationships with the providers.'

(Jobcentre Plus PA)

A number of provider PAs raised the issue of a presence in Jobcentre Plus offices themselves and some reported a degree of frustration in trying to contact Jobcentre Plus staff who were busy with other jobs to help smooth clients' introduction into the Employment Zone (EZ):

'Sometimes you've got the client in front of you and [the EZ client liaison officer at the jobcentre] says "I can't speak to you now. I'll call you back." You just think wow... You just wish that if they are liaison officers, they are just liaison officers.'

(Provider PA)

4.3 Initial assessment and action planning

Stage One (duration four weeks) was generally regarded to be too short. Those who had experience of the previous Step One (duration thirteen weeks) felt that it was correct to cut some of the time involved in developing an action plan and new providers just saw the duration as *'a given' for operations. If you wanted to bid, you needed to make it work'* (Provider Manager). Nevertheless, most managers and many PAs suggested that there was only sufficient time to engage clients and prepare an action plan so long as everything ran smoothly. Many pointed out that with fortnightly signing, there were only two chances to engage with the client. If the client did not attend the first meeting, then there was relatively little time to recover.

'[...It's] hard to get track of them and if they don't attend then you're in trouble.'

(Provider PA)

The main effect of a short Stage One is a *de facto* overrun (some Stage One clients being down in Stage Two) into the time available for activity during Stage Two, particularly for those clients who might be expected to take longer to achieve their goals. Almost all providers felt that a longer Stage One would provide them with more space to manoeuvre, especially with more difficult clients. Suggested durations for Stage One were not much longer, typically six to eight weeks.

'Didn't get round to doing [my CV]. It was [done in] the next stage.'

(Young person)

Clients' aspirations remain the key motivating factor and it is essential to make sure that these are taken into account in developing a viable action plan. PAs use a variety of methods to get through to clients and establish that as providers, they are different and will start from scratch.

'If someone said they want to be an astronaut, we would never...say "no"... We turn around and say "OK you take the appropriate steps to apply to be an astronaut or...plan your career to get there. But in one month's time...if you haven't had no feed-back from that, you then need to give me another job goal which you can go for that's more realistic".'

(Provider PA)

'I think it is initially really trying to recognise the fact that you are there to their benefit, and we are very much not just providing a job but a support package for that job. I certainly use the past work, because I can highlight previous cases that have secured employment.'

(Provider PA)

All clients have an early in-work benefit check. Provider PAs report that, for some, a simple better-off calculation can make all the difference. However, a small number of clients still find this disheartening.

'I have found in the initial stages of almost everyone joining has this mental block for not working less than £5 an hour. What we can identify with the benefits package they can get blown out totally..., if you are lucky tax credits are making you way better off, it can be hundreds of pounds. That gives a big boost...that certainly makes them want to work.'

(Provider PA)

'Put me off – they worked out how much I would earn but what would be taken off me for childcare.'

(Lone parent)

While this is often an initial motivating factor, PAs are keen to engage clients' commitment to putting in the necessary level of effort.

'One of the first questions I ask them is "how often would you imagine that you would want to come in to see me" and work from that and then try and increase it from where they are at, until they say "never". If they say once a week, we will start once a week and then build up to twice a week and see what happens.'

(Provider PA)

PAs report that many clients initially struggle to come in more often as they have been conditioned by a fortnightly pattern of activity, often for many years. Sometimes this can itself take time to overcome.

'I think they are used to it from the jobcentre some of them because it's a fortnightly thing it's kind of hard work to come in so often.'

(Provider PA)

'At the start they are a bit wary, but then once they kind of get used to the way we work and the facilities here some of them actually turn round and they are coming round more regularly. A few of them have surprised me.'

(Provider PA)

PAs aimed to get the action plan started in the first meeting – but the length of time that it takes is entirely dependent upon the individual client. For some clients they were relatively short 'getting to know you' sessions before they come back for more in-depth discussions, for others they involved a fuller needs analysis.

'I try to spend about an hour with them if I can and try to work with the skills that they need in order to find work. I try to identify whatever it is that they need and I make sure that I spend good quality time with them.'

(Provider PA)

For lone parents, providers reported that initial meetings are more straightforward because they have already made the decision to participate. Provider lone parent PAs were nevertheless keen to establish lone parents' commitment to returning to work and then understanding their barriers.

'[We] explain to clients that this programme is specifically about work so ask them if it is work specifically that they are looking for.'

(Provider lone parent PA)

'We obviously have lone parents whose children are reaching the age of leaving school, so it is almost like a forced reason, they are aware that they are going to lose benefits. So a lot of the time is not anything to do with their personal issues, they are panicking.'

(Provider lone parent PA)

4.4 Client needs assessment and action planning

4.4.1 Use of client management techniques

Around half the providers have developed diagnostic techniques to assess the extent of individual clients' problems. These are most often used during the first two to three weeks of Stage One to help identify clients' barriers, determine whether these were real or perceived and then help structure an action plan. The details of each system vary but they are based on placing all clients into three to five categories to segment the client group according to the barriers each client faced.

The purpose of these systems is to segment the client group and give providers a benchmark on which to assess their performance across clients with similar levels of need. Understanding what type of clients succeed in finding work and the speed at which they do so, help providers to judge the added value of their interventions and for some providers, gives them a basis for forecasting expected revenue³.

There was some evidence that providers were streaming clients to certain forms of support. Four providers identify the top ten per cent most employable clients who then work together as a group with some 'fastrack' support. Providers who operate this model identified a number of benefits:

- the more employable clients benefit from the group dynamic and the additional responsibility of working with less supervision;
- the group work frees PAs to devote more time to other, less employable, clients who do not tend to work as well in groups; and
- in some cases, group work also helps break clients' social networks and builds them into a more employed circle of friends.

Elsewhere there was no direct evidence that providers were systematically limiting their investment in clients who are assessed as having poor employability prospects. A number of clients did report, however, that providers' interest had waned the longer they stayed in the EZ.

'It started as once a fortnight but then tailed off.'

(Young person)

'They tend to lose interest in you after four months.'

(Early entrant)

³ An equivalent process has been identified among Single Provider (SP) EZs, Griffiths and Jones, op cit p22.

'They saw me twice and forgot about me – they never called again.'

(Lone parent)

Other providers did not use a formal diagnostic. One left the decision to the individual PA if they felt it helped their work with clients, another suggested that assessing clients' needs was counterproductive as the key to placing them back to work was to build on their strengths and not highlight their weaknesses.

'It's very easy to see them the way you would normally see them if you met them in the street, but actually to understand the way they see themselves.'

(Provider PA)

4.5 Delivery of the action plan

4.5.1 Stage Two: working with clients

Stage Two was generally seen as working well and provided sufficient time to deliver an action plan for most clients. The relationship between the PA and the individual client was seen as the key to success in the time available. Many provider managers stressed the importance of putting people back to work as a key part of helping them – not just an end in itself. Much of the support available in Stage Two was therefore designed to help clients take a different view of their circumstances and give them the confidence to (re-)enter work.

'In the time available we cannot remove all their barriers, we need to alleviate what we can, but most of all build on their potential.'

(Provider manager)

Provider PAs consistently reported that what works all depends on the individual client. The key to unpicking what this might be was the client-PA relationship:

'You can feel there is something just under the surface that you haven't quite tackled yet and as soon as you uncover what it is, that obviously changes. You just get better at sensing that.'

(Provider PA)

Regular contact, as far as possible, with the same person to build up trust and rapport remains the heart of the EZ process. PAs used their discretion to determine what system of contact time was most appropriate to the individual client – the more 'employable' clients were often seen for relatively short meetings or were contacted over the telephone but this was typically more frequent, up to three times a week. Those with more substantial barriers were seen on a weekly or fortnightly basis but for more extended meetings.

The process for lone parents is slightly different as they join MPEZs directly into Stage Two. Their action plans are set up as quickly as possible but the participation of lone parents was widely reported as being more varied. Apart from their caring

responsibilities, client needs can be very varied. Most suffered from a lack of confidence but other issues could arise once PAs got to know them better. The speed at which this happens very much depends on the lone parent.

'Important to make them feel welcome and that you've got time for them – it's about giving one-to-one attention.'

(Provider lone parent PA)

Many PAs pointed out that children come first in lone parents' decisions and that meant working with this client group required a degree of patience and understanding. Some have chaotic personal lives but more found it difficult to maintain participation on a regular basis because of the health of their children and the lone parents themselves. Delivery of support has to work with the ebb and flow of attendance.

A number of provider managers stressed the importance of the need to build confidence but move at the pace of the client. If this happens to be slow, PAs have to respect this otherwise there is the potential for a detrimental impact not only on the individual case but also on the provider's wider reputation with the client group. Most providers were very wary of getting a bad reputation with lone parents. There was widespread recognition among lone parent providers that this group have very effective networking and that positive referrals could play a significant part in engaging with lone parents. The most effective interventions are those that build up clients' confidence and this can arise in many different ways:

'It could be showing how the Internet works or how Microsoft Word works.'

(Provider PA)

'Being there as a support and looking at all the other issues apart from just work.'

(Provider lone parent PA)

Providers have developed support tools and services which help PAs to do their job with clients. Motivational training, career assessment and development, client-led researching of job opportunities and job search techniques were all 'products' which PAs could draw down. A number of these had been developed under previous EZ contract operations with over 25s or for other programmes.

Provider PAs suggested that their early experience of using these tools suggested that they needed to be far more careful in the selection of the support for the new client groups. Whatever support they found had worked with one client did not necessarily mean it would be equally successful with another client, even when they appeared to be in very similar circumstances. As a result, a number of the 'packages' of support were being unpicked and key elements of the support were being used in a more modular fashion. Where support tools were not up to scratch, PAs simply stopped using them. Elements of the support were often delivered to mixed client groups but even here, provider PAs were careful to assess the situation of each client:

'I do prefer the one-on-ones you're a bit daunted in a group that can be uncomfortable.'

(Young person)

Short course training is on offer to clients especially where there were proven job vacancies. A number of providers suggested that they were exploring training and work placements for young people as a specific response to their limited work experience. In these cases, it was clear that providers had accepted a bigger risk on funding training in sectors and with providers where job outcomes were good (60-75 per cent) but not guaranteed. Sectors such as call centre training, food and hygiene training and the personal care sector were mentioned by a number of providers.

More standard support was most often provided in-house, e.g. IT training, CV support, application forms, mock interviews, etc. A minority of providers had extended this approach to include psychological-based workshops in-house which helped clients with the lifestyle changes that employment may bring. *'We do a lot of our stuff in-house really and we haven't been working a lot with other providers'* (Provider PA). This is preferred as the provider then controls the quality and duration of assistance and it has other benefits of working consistently with the client.

'Consistency is very important. If they are referred to somewhere else they're not going to go there because they may just feel uncomfortable with that person or the environment that they are in.'

(Provider PA)

'When we refer people, we don't get rid of them as such. We don't say "there you go and off you go and do that". They are still coming to see us. You are still keeping in touch.'

(Provider PA)

For lone parents who want to access learning, some providers are trying to source provision outside the MPEZ:

- local college and evening courses where appropriate;
- some providers were trying to access open learning support (open learning and LearnDirect centres) to encourage some lone parents who wanted to train into some form of provision where they could continue to see them;
- some providers have also started to run some group sessions for lone parents as much for social reasons as employment support. *'They can interact with other lone parents, make friends and get support'* (Provider lone parent PA);
- establishing links to other forms of support such as Credit Unions, and other activities such as a new gym to help directly with some issues but generally to increase socialisation and build confidence.

4.5.2 Use of the Personal Job Account

Provider PAs reported that the most effective use of the Personal Job Account (PJA) in moving clients into work was to remove perceived barriers and address some of the 'little' issues that clients raised. PJAs were commonly used to fund travel costs, clothing and tools for work, mobiles phones and a wide range of other assistance depending on client circumstances.

'It makes a dramatic difference when someone says "I can't get on with it because he doesn't have a phone". "OK, there's a phone". Now that's fine, now where do we go? Immediately it's a plus in terms of breaking down barriers and in terms of getting a good relationship up and running.'

(Provider PA)

'Obviously a lot of them worry about starting work and losing their benefits straight away. I think if you are offering to pay their travel for the first month and making sure that they can get by for the first month until they get paid, I think a lot of them are a little bit reassured.'

(Provider PA)

It can also be used to find out what motivates the client to work:

'We might ask them what they would like to do with their first pay and it might be a day out – we can step in and say that we can help you pay towards the cost of the trip if you would like that.'

(Provider PA)

4.5.3 Gaps in the process

A number of providers had set up client case reviews at key points in Stage Two. When provider PAs felt they were not getting anywhere with a client they could discuss the client and their approach with their colleagues and look for any alternative suggestions and advice.

'If we have got a particular tricky situation, we usually start off within work groups, and ask if anyone has any ideas on how to deal with this and then if you still don't get anywhere, you can go to your manager. It's kind of like peer support.'

(Provider PA)

Nevertheless, there were some limits to this approach and both mandatory and lone parent PAs suggested that there were some client needs for which they had no ready solution. These were alcohol and drug misuse, mental health issues and for some lone parents, domestic violence, housing benefit and homelessness and other issues often relating to debt and non-payment of Child Support Agency (CSA) support. In London in particular, a number of clients were found not to speak any (or very little) English and this also presented a problem.

'The ones that speak no English at all...I just can't understand that there is not some kind of either special benefit for them or somewhere they have to go to learn English as part of their Jobseeker's Allowance...They want to work, but if they can't speak English it's no hope.'

(Provider PA)

'We have been referred asylum seekers who are on national assisted housing...whose housing benefit was £90 a week and his benefits are £190 because of the size of his family. Now this person was actually very keen to find a job but due to the benefits trap...it would be very unlikely to find him a job paying £500 a week.'

(Provider PA)

Some providers have internal support from psychologists but there were very clear limits to working with clients who continue to misuse alcohol and drugs and those who had mental health conditions. An issue with some alcoholic lone parents was the threat that their children would be taken into care making it very difficult to get them to accept they needed to register their problem.

'We were given the impression that we wouldn't have heavy drug users, we'd have people who are maybe on methadone, coming off a drug programme. We now get heavy users and a likelihood of getting them a job is very low.'

(Provider PA)

Another issue mentioned by PAs was the time taken for criminal record checks for clients who are wanting to go into care positions. *'One lady had to completely forget a job because they were taking so long. Took 11 weeks so she had to start another job in the end'* (Provider PA).

At another level a number of providers pointed out their frustration at not being able to use the Post Office bank accounts that had been set up for clients by Jobcentre Plus. Many had to work with clients to get identity documents before they were able to open accounts with commercial banks in addition to dealing with clients' frustration.

'If there is any difficulty, its probably getting people to open bank accounts who recently opened a post office account...and that can give grievance to the clients – but I just opened a bank account six weeks ago because the Jobcentre told me to.'

(Provider PA)

Providers had had little experience of clients reaching the follow-on period at the time the interviews were undertaken. Many were doubtful that they would find any clients interested in continuing into their follow-on period unless they were *'very nearly but not quites'* (Provider PA) in terms of securing employment.

'For somebody who has worked really, really hard and they have really got close to getting a job – highly recommended.'

(Provider PA)

4.6 Working with employers

Providers have adopted a diverse set of approaches to working with employers – all providers aim to prepare the client so that they are in a position to challenge for suitable work in the open labour market. Most providers then used specialist staff to build relationships with employers, to learn more about their recruitment needs and get an inside track on forthcoming vacancies which may suit their clients. Typically this involved:

- specialist employer-facing staff, charged with developing contacts with employers, understanding their staff requirements, internal recruitment and training approaches and conveying these to the EZ clients so they are better prepared. The level of detailed knowledge does vary with (understandably) more effort been put into knowing the needs of larger recruiting employers;
- an aftercare and follow-up process to ensure that the employer was happy with the recruitment process, to identify any areas which could be improved and to seek repeat business;
- establishing relations with other local providers where these organisations had developed a strong reputation in a specific sector/industry, for example, call centre training and, in some areas, care sector training;
- building relations with employers top-down. One provider had developed a regional employer liaison team. This team worked with local PAs and employer liaison staff to look for employers who might offer a larger scale impact – either within the EZ area, across the region or nationally. This extended to the work of local employer-facing staff going beyond the immediate boundaries of the EZs to gain access to vacancies by working top-down with employers;
- another provider beginning to deliver care sector training by undertaking the initial module during Stage Two and then, as the client started work in the care sector, piloting the delivery of the remaining modules with support from Employer Training Pilots;
- working with lone parents has meant that employer-facing staff are seeking different terms and conditions for employment. In many cases the main issue is finding work where the hours can be flexible or (more often) where the hours are between 10am to 2pm to fit in with the school day.

At the start of Stage Two, clients, their PA and the employer liaison staff meet together to discuss the clients' job goals and the potential sources of vacancies. As noted above, clients are supported in this process with CV writing, job search advice (particularly researching vacancies on the internet) and help in filling in application

forms. When they get an interview they can also meet with employer-facing staff to discuss the kinds of questions they may have to answer and go through a mock interview with their PA. This attention to detail helps boost their confidence – something which is evident in the clients' own perceptions reported in the next section.

'Generally, we've got a pretty good sense of what jobs are in the Borough because you are always looking at the newspapers and at websites, so you have got an idea of what is out there generally. And then when specific things come up, that's when you stick your head around and say "what's going on this week?"'

(Provider PA)

Providers do work with employers to source vacancies, but they are careful not to do all the work for the client. An important part of the process is getting the client to demonstrate their commitment and put in the required effort to search and apply for jobs and also ensuring that they are fully prepared for interviews.

Providers all suggested that sourcing vacancies was not a problem in any EZ. More difficult was sourcing jobs with appropriate hours for lone parents and many providers reported that getting work 10am-2pm is a major problem.

'Although a lot of employers now understand the work-life balance there is still along way to go.'

(Provider lone parent PA)

'It's the same everywhere: either full-time or jobs for males. Companies don't cater for parents.'

(Lone parent)

A number of providers were also linking with larger employers either at a local level or through national initiatives. Marks and Spencer are currently operating a scheme providing opportunities for lone parents and homeless people which had been used by a number of providers.

4.7 Perceptions of the quality and availability of vacancies

The perceptions of the MPEZ clients of the quality and relevance of job vacancies available through providers were very diverse. Most suggested that they were reasonably high quality and suited their aspirations:

'...that was all there, you had to look closely...at least six or seven jobs I can look at.'

(Early entrant)

'Good range – different areas/types of companies: pay mostly reasonable – all above minimum wage.'

(Lone parent)

'They are good jobs for good pay and near to where I live.'

(Early entrant)

'They seem higher paid than the jobcentre's and are drawn from a wider range of websites.'

(Lone parent)

However, a minority felt that the jobs were poorly paid and of low quality or were not the type of jobs they wanted:

'...not good, poor pay and bad hours.'

(Early entrant)

'Not very good. Mostly shop or bar work, or needed experience for the clerical/receptionist jobs. Tended to be minimum wage.'

(Lone parent)

Key to this is clients' own expectations and what they are prepared to accept as a starting point in returning to work:

'They are brilliant if you are into those fields. [But] you have to be prepared to start from the bottom.'

(Lone parent)

For some, providers' contacts with employers did make a difference and were reported as a key benefit from EZ participation.

'[The provider] had good contacts with my employer. The interview was easy and not pressurised.'

(Lone parent)

'If [my PA] hadn't sent my CV I wouldn't have the job as it wasn't advertised.'

(Lone parent)

'They actually found the job on the internet. Rang up there and then and put me right on the phone for an informal chat.'

(Lone parent)

However, this was not universal and a small number of clients suggested that advisers should be more specialised in particular industries or fields to enable them to offer a better service.

4.8 Aftercare support

The aftercare process starts when the client enters work and runs formally until the client has been employed for 13 weeks. All providers suggested that making a good match and getting the client into a job they wanted was more than half the battle. Provider PAs reported that young people and lone parents often found the transition to work more difficult than early entrants. In all cases, the general principle of support was for PAs to target those clients they had some concerns about and spend relatively little time with the remainder (*'the odd phone call just to say hello'* (Provider PA)).

'I still pop in there. She even set up my first bank account as I was stressed about it.'

(Lone parent)

'...I didn't receive a single phone call from him.'

(Early entrant)

The first four weeks of employment (*'up to the first pay cheque'* (Provider PA)) was seen as the critical time to contact clients and reassure them.

'She just told me if I need her I can contact her at any time. For two weeks I talked to her a lot, after that she just said I could contact her.'

(Lone parent)

'He phoned me, made sure I am OK, check that I am still happy with my job.'

(Early entrant)

Lone parents get the same level of aftercare support as mandatory clients – but experience different problems – usually related to childcare or problems with the tax credits. Typical problems were often not directly associated with work – one lone parent lost her job with a retail establishment because her partner had given her a black eye. Other family crises were also mentioned as a problem:

'I had one lady who had started work, but then was made homeless. I did all the phone calls for her as she had no access to a phone. We spent about two hours and supported her and giving her transport costs to get about.'

(Provider lone parent PA)

It was reported that some young people could get distracted from a work focus, especially if many of their friends or family were out of work so PAs concentrated on

their motivation and the benefits of employment. Some PAs put great store on developing young peoples' circle of contacts while they were in the EZ so that they knew at least someone else who was in work.

Providers also said that clients were welcome to come back in at any point. This included after 13 weeks where the PA had time to see them. No PA suggested that they could fund clients at this stage but many were willing to offer advice and guidance, particularly about moving on to another job, as they felt this helped get them a good reputation with the client groups in general.

'I'm still working with them to try to find another job that I would prefer to do.'

(Lone parent)

'...allowance carried on over 13 weeks. They told me I could still have support after the 13 weeks if needed.'

(Early entrant)

4.9 Summary of key issues

The key findings of our research with regard to the MPEZs practices and processes⁴ are:

- despite being a mandatory programme there are quite a few problems with clients not attending following referral;
- providers felt it had been correct to cut the time on Stage One, but four weeks was generally regarded as being too short; six to eight weeks was preferred;
- the focus is strongly on an individually tailored approach. Providers focus on regular contacts, as far as possible each time with the same PA to build trust, and move at the pace of the client;
- PAs suggested that there were some client needs for which they had no ready solution: alcohol and drug abuse, mental health issues and for some lone parents, domestic violence, housing benefit and homelessness;
- there was some evidence that providers were streaming clients to certain forms of support. Providers who operate this model identified two benefits:
 - the more employable clients selected for this activity tend to benefit from the group dynamic and the additional responsibility of working with less support;
 - the group work frees PAs to devote more time to other less employable clients who do not tend to work as well in groups;

⁴ There are a number of parallel findings from the Single Provider Evaluation reported in Griffiths and Jones, op cit, Section 3.

- a key part of the process for all clients, but particularly lone parents, is sorting out their in-work benefits;
- most providers use specialist staff to build relationships with employers. Finding the right vacancy may well prove to be an important issue to further drive client choice;
- all providers suggested that making a good match and getting the client into a job they wanted was more than half the battle. After care was also seen as crucial, especially within the first four weeks of employment.

5 Working with young people

5.1 Introduction

In total, 96 interviews were undertaken with young people.

Young people are those aged 18-24 and are referred to Employment Zones (EZs) by Jobcentre Plus if they have:

- previously finished a period of New Deal for Young People (NDYP) provision; and
- been getting Jobseeker's Allowance (JSA) continuously for at least six months without breaks totalling more than 28 days.

Participation in Multiple Provider Employment Zones (MPEZs) is mandatory for this group.

5.2 Characteristics of the young people

Most young people had worked within the last three years but, as might be expected, around a quarter had never worked. The majority had either left their job voluntarily or had left for a non-disclosed reason.

Lack of skills and work experience was seen as the most significant barrier to entering work by the young people, with lack of confidence, limited number of accessible jobs and lack of transport all presenting problems for a minority of young people. This reinforces Griffiths *et al.*'s comment on the key employment barriers for this group in the Single Provider EZs; '*lack of direction, low motivation and loss of self confidence*' (2005, para. 4.2).

'A lot of jobs want two years' experience.'

(Young person)

The vast majority of young people stated that they had previously been on the NDYP. The young people reported that the time since they left NDYP varied widely from under one month to over two years. Most had been registered unemployed in the intervening period between the NDYP and the EZ referral.

Job aspirations varied widely from skilled tradesperson, working in either an office or a retail environment to, lorry or fork lift truck driver and a minority wanted to work with computers.

Provider Personal Advisers (PAs') impressions of working with young people were that they were typically more flexible compared to the over 25s. The challenge for MPEZs and PAs was to 'get through to them'. The early perception was that young people have no middle ground – either they respond very positively or they can be very difficult to handle. Some had a number of criminal convictions, were angry and could be aggressive. Providers' customer care had to be very good to overcome this and had to focus on building trust. Some providers actively sought to place young people with PAs who were younger and were in a better position to engage and speak to clients 'as an equal'.

Provider PAs were not surprised by young peoples' limited knowledge of the labour market but pointed out that this could be used to get clients to do their own research into what they want to do. This was considered far more engaging than just telling them. PA support for young people was often less about placing clients into work and more about resolving issues with the client. In many EZ locations, young people could find work relatively easily but sustaining employment was more of a challenge.

5.3 Young peoples' perception of MPEZ delivery

5.3.1 Welcome procedure

A majority of the young people who had entered the EZs in the early stages had very positive first impressions of the MPEZ and commented upon the friendly and welcoming atmosphere:

'...helpful, friendly; they had some good ideas. It was better than I thought it was going to be.'

(Young person)

'Good they weren't stuck up, they were like mates, treated you on the same level. Very friendly.'

(Young person)

Griffiths *et al.* (2005, para. 4.6) have highlighted the problems that a number of young people have experienced at the Jobcentre. These included feelings of being depersonalised, 'like a number or statistic' and not having their own opinions and

job preferences sufficiently taken into account. Our findings reinforce these issues and several of the young people commented on the positive contrast of the EZ with the jobcentre:

'...definitely better than the jobcentre, better atmosphere. No-one seemed to be stressed. They made me feel good, they don't talk like you are stupid, but as equal to you.'

(Young person)

'More helpful and involved in plans than the jobcentre. Jobcentre just get you to sign. They keep a record of what you're doing and how it's going.'

(Young person)

5.3.2 Relationship with their Personal Advisers

The vast majority of young people saw their PA for a one-to-one meeting once a week. The duration of their meetings was for between 15 minutes and an hour.

'They make you go there once a week and do your job search, the jobcentre just leave you alone.'

(Young person)

Almost all the young people reported that their PA was good at listening to their wishes. A similar number felt that their PA was happy to consider different options for them and had a good knowledge of the particular issues facing them in the labour market.

'At first, I thought they were a bit too pushy but now I think they're fabulous.'

(Young person)

Almost all young people felt that their PAs had listened to their input in drafting their action plan. This was particularly the case in terms of including the types of occupations or career they were interested in. Around half said that their action plans included elements that the clients considered were new to them.

A large number of young people felt that there was a definite advantage to having a single PA throughout their time in the EZ:

'...easier with one – knows your background, what you've done. No need to re-explain. Helps it to run smoothly.'

(Young person)

Several of the young people stated that changing their PA had a detrimental effect:

'...I was changed three times. It was like starting again each time, had to repeat everything again.'

(Young person)

However, a number of the young people were pleased to have more than one PA and felt that having access to more than one person would increase their access to employment opportunities and specialist skills and knowledge which a particular PA may lack.

5.3.3 Comparison with previous employment support

Inevitably, more young people compared their experience on MPEZs to their time on NDYP and Jobcentre Plus. The majority of the young people felt that the EZ was better than the Jobcentre and highlighted the former's friendlier, helpful atmosphere and more personable approach. The young people appreciated the greater amount of time they had to spend with their adviser and the greater level of support and attention that they received:

'...I am given lots of help – my English isn't good and it's better that they fill in forms, contact employers; tell me what I should and shouldn't include in forms.'

(Young person)

'It's more personal – they seem interested in your wellbeing. They are more consistent in following you up on trying to get a job.'

(Young person)

Only a small minority of respondents were able to highlight any issues which they felt were worse than the jobcentre. These were mainly in relation to job availability and search procedures and several respondents felt that the range of jobs was quite limited and, as a consequence, were pushed into applying for jobs that they were not interested in.

5.3.4 Access to training

A minority of young people benefited from training; the majority of this was undertaken 'on the job'. A small number of young people indirectly highlighted the lack of training as an issue which they had not yet worked out with the EZ:

'...I need a licence for building trade, when I ask my PA he says to go to the Jobcentre and ask them they just send me back to my PA, so I just live with it.'

(Young person)

'I need more help with talking to people on the phone, I'd like to try a voice coach as I think my local accent is too strong.'

(Young person)

Others spoke of their disappointment at not being offered any training opportunities:

'...I felt disillusioned. I thought would be training course rather than job searches.'

(Young person)

5.3.5 Confidence and motivation

It was highly evident that a key benefit of the EZ was the increased confidence of the young people. When asked how they felt about work and the types of jobs they looked for, the majority of respondents stated that they were more confident and that this had broadened the range of jobs by giving them the confidence to apply for jobs which they previously wouldn't consider:

'...it's widened up the number of jobs I thought I could do with no experience.'

(Young person)

'Yes. There are so many options – so many jobs you can do. Not to sit around and wait for benefits. You can do another job while you wait for what you want.'

(Young person)

The source of this improved confidence was a better appreciation of how to look for work. The majority of young people felt that the EZ was beneficial in improving their job search techniques. The impact of the EZ varied. Some were helped to broaden the sources they used to search for jobs:

'...I never used to use the internet. It's an easy way to apply as well through email.'

(Young person)

Some attempted to improve young people's written and verbal presentational skills:

'...They taught me how to talk on the phone, taught me how to analyse questions and how to make yourself look confident even if you are not, at interviews.'

(Young person)

Others tried to generally improve young people's confidence and motivation about the job search process:

'...It gave me confidence to go for lot more jobs, not just one or two.'

(Young person)

5.4 Young peoples' perceptions of MPEZ impact on finding work

At the time of interview, a small number of the participants were doing the job that they really wanted to do. However, a large proportion of participants were positive about the assistance given by the EZ in finding them a job. This assistance was seen in relation to improving confidence and motivation and in providing the participant with the necessary skills.

'I am more thorough and put myself out much more than I did before I went to the zone.'

(Young person)

There was strong variation in the role of the EZ. Some took an active role whereby the EZ set up the interview, helped the participant fill in the application forms and prepared them for the interview:

'...PA spoke to employer and set up. Didn't need to interview. Also psychological help – built up for it.'

(Young person)

Others took a more 'backseat' role which equipped the participant with the skills to find their own job:

'...they didn't get me the exact job that I wanted, but they did enable me to get out there and find myself a job.'

(Young person)

Most young people reported that their time on MPEZ was better than they had expected. The main reasons for this largely positive impression were the personalised approach which offered an appropriate level of support and encouragement and the personal and job search skills which the participants gained:

'...I didn't know what to expect but they were very good – cared about me much more than I thought they would: nobody has bothered about me finding a job until I went to the zone.'

(Young person)

'It helped build self-confidence, working on weaknesses. Plenty of advice, help with application forms.'

(Young person)

This largely positive impression of the EZ was re-emphasised in the participants' impressions of possible improvements. A large proportion of participants felt that the scheme was already very good:

'...honestly, I can't think of anything. I really like them.'

(Young person)

Where improvements were suggested, they were mainly in relation to a lack of facilities and the limited range of jobs on offer:

'...more facilities, access to more computers and internet. More people are using them so not enough. That will cut the waiting time to use them – three to four hours.'

(Young person)

'Nothing about the provider, but a greater selection of jobs for people who do not fit into the mainstream.'

(Young person)

5.5 Summary of key issues

The key findings of our research with regard to the young people client group are:

- lack of skills and work experience were seen as the most significant barriers to entering work by young people;
- this client group was seen as more flexible than the over 25s by provider PAs, however their responses to the MPEZ varied widely and some young people with criminal backgrounds were perceived as angry and aggressive by the PAs;
- the two central benefits of the MPEZ for the young people were: increased confidence and improved job search skills;
- the majority of the young people felt that the MPEZ had assisted positively in helping them find a job.

6 Working with early entrants

6.1 Introduction

The flows of early entrants on to Multiple Provider Employment Zones (MPEZs) have been varied so in some areas there were no early entrant interviews. In total, 31 interviews were completed with early entrants. This chapter presents early entrants' perceptions of their experiences in MPEZs.

Early entrants are people with particular circumstances that make it harder for them to get work. The Department for Work and Pensions (DWP) lists the people who may be eligible to join support earlier than otherwise as those:

- with a physical or mental disability;
- that need help with reading, writing or numbers;
- whose first language is not English, Welsh or Gaelic;
- lone parents that do not live with a partner and are responsible for at least one child living in their household;
- who have served in the regular armed forces;
- who were looked after as a child by a local authority;
- with a criminal record;
- with a drug problem;
- who have participated in Progress2Work;
- who have been told by the Home Office that they are officially a refugee;
- that have been given exceptional leave to enter the United Kingdom by an immigration officer.

6.2 Characteristics of the early entrants

Early entrants came from a broad range of backgrounds: most reported that they had worked within the last three years but a minority said they had never worked. The majority of early entrants claimed that their two main barriers into work were a lack of skills and work experience and a lack of suitable jobs on offer.

All early entrants had been looking for work before starting the MPEZ and most were hoping to work full-time. Job aspirations varied widely: administration, marketing and sales, skilled manual occupations and teaching or care jobs.

6.3 Early entrants' perceptions of MPEZ delivery

6.3.1 Welcome procedure

The majority of the early entrants had fairly positive first impressions of the MPEZ's welcome process and procedures and commented upon the friendly and relaxed atmosphere, although several entrants stated that it was slightly stricter than the jobcentre, albeit more professional.

'...I felt relaxed, nice atmosphere, very friendly.'

(Early entrant)

'They are fair-minded if you go on time, if you go late they're a bit strict.'

(Early entrant)

However several of the early entrants had negative first impressions:

'...it's too busy, too much money on 'flash' and not enough on important things to help people find work.'

(Early entrant)

6.3.2 Relationship with the Personal Adviser

The majority of early entrants saw their Personal Adviser (PA) for a one-to-one meeting once a week for 30 to 45 minutes although a significant proportion saw their PA once a fortnight. As all of the clients had been assigned a PA for the duration of their period on the Employment Zone (EZ), when asked for their views on the quality of support provided, clients highlighted the quality of their relationship with their PA as being very important in shaping their overall perceptions of the scheme. Early entrants highlighted the importance of the PA in the process:

'Down to adviser – pot luck.'

(Early entrant)

'The PAs need to be better trained and get their information right.'

(Early entrant)

The majority of early entrants stated that their PA was good at listening to their wishes and considering different options for them. However, some early entrants felt that their PA had only limited awareness of the particular issues facing them in the job market.

6.3.3 Comparison with past support

There was very strong support for the benefits of the MPEZ compared to early entrants' previous experience of employment support. The majority of early entrants felt that the MPEZ was more professional, with well trained staff better equipped to help the entrants market themselves.

'Feel better – jobcentre hides things from you – [the provider] tell you straight off.'

(Early entrant)

'Jobcentre is totally useless, offering you any old job. Not prepared to help you market yourself.'

(Early entrant)

The early entrants also valued what they perceived to be the more personal contact at the MPEZ compared to the jobcentre where *'you are just a number'* (Early entrant) and commented upon the greater amount time given by the staff *'to listen, help and advise'* (Early entrant).

'...the staff are more helpful than the jobcentre who are all in a hurry. They give you more of their time and personal attention.'

(Early entrant)

'...they listen to you and find you the job you want not the job they want you to have.'

(Early entrant)

A small number of early entrants did not feel there were any additional benefits from the MPEZ compared to the jobcentre. Problems experienced included a lack of support:

'The jobcentre was more helpful. The EZ just tell you to go on the computer and do it yourself.'

(Early entrant)

6.3.4 Access to training

Most early entrants did not receive any training. Those who did mention training were most often referring to job search training rather than any vocational or other courses.

'No funding for construction licences...which was needed.'

(Early entrant)

'Should be scope for directing people into training. At the moment, it's not in their interests to get people into training.'

(Early entrant)

As a result, the key influence of the MPEZ was in helping them to present themselves more professionally and in giving them the confidence and skills to succeed with interviews and applications:

'...I fill in forms better and have training in interview techniques.'

(Early entrant)

'I follow up enquiries more and my approach now is more professional, I also use computers now.'

(Early entrant)

'I'm more open-minded about job search procedures.'

(Early entrant)

'...it makes you aware about what qualities employers are looking for.'

(Early entrant)

Some early entrants identified elements of support were ruled out because of a lack of resources, although the following example shows how expectations can be high:

'...needed £2,000 of tools but got £800 assistance.'

(Early entrant)

6.3.5 Impact of MPEZ on confidence and finding work

Several of the early entrants stated that the scheme had helped their confidence and motivation. However, one of the early entrants stated that the scheme had actually reduced their confidence levels:

'In a way I have to have more information before I go for interview, more confidence and awareness.'

(Early entrant)

'I go out there and do things that I probably wouldn't do before – more than I'd usually do. More ego.'

(Early entrant)

'S'pose it's given back more confidence than before. Gave more motivation to get the job I've got now.'

(Early entrant)

There were wide variations in the perceptions the impact of the MPEZ had on early entrants finding work. Some early entrants valued the marketing and general help and encouragement that the MPEZs provided.

'...I needed the extra marketing help [the provider] provided for me.'

(Early entrant)

'Because it was up to him to push me into a right job, he done everything in his power.'

(Early entrant)

However, some early entrants were negative about the benefits of the scheme in helping them to find work:

'...everything is basically the same as the jobcentre.'

(Early entrant)

'They didn't know anything about it – a friend gave me the number.'

(Early entrant)

Several of the early entrants commented on the financial incentives that they were offered if they found a job which included help with rent, travel expenses, a cash lump sum and money for work-related equipment:

'...£200, one month travel, one month rent paid.'

(Early entrant)

'I was paid £250 for finding a job.'

(Early entrant)

6.3.6 Overall impressions of MPEZs

The majority of early entrants were positive about their experience of MPEZs. Several clients commented that they were impressed with the way in which the EZ did not simply make them take the first job that was available and concentrated on finding them a job that they would be happy with in the long-term.

A lack of training was raised as an issue by a number of early entrants, many of whom felt that they had been denied access to training facilities. In general, the main skills which the scheme was seen as providing were in relation to job hunting rather than training specifically related to the client's chosen job.

'...there should be scope for directing people into training. At the moment, it's not in their interests to get people into training.'

(Early entrant)

Other early entrants felt that although the scheme was largely successful in finding them work in the short-term, a combination of the lack of training and job opportunities meant that they were not able to find the job that they aspired to in the long term.

'...someone with more skills could use them better than me.'

(Early entrant)

The availability of more vocational training was highlighted as one area of possible improvement for MPEZs, although a majority of early entrants said they would recommend an MPEZ after their experiences:

'They found me a job, they marketed me professionally – they were very helpful.'

(Early entrant)

6.4 Summary of key issues

The key findings with regard to early entrants are:

- early entrants came from a broad range of backgrounds and job aspirations varied widely;
- this wide variation in aspirations and backgrounds meant that there were wide variations in expectations. Some early entrants who were looking for fairly specific work felt that MPEZs were not a significant improvement on the Jobcentre in helping them to meet their aspirations;
- the majority of early entrants felt that they had a good relationship with their PA and responded positively to the more personal approach;
- the key influence of the MPEZ was in helping the group to present themselves more professionally and in giving them the confidence and skills to succeed with interviews and applications;
- a lack of training was raised as an issue by a number of early entrants and several felt that this constrained their possible job opportunities.

7 Working with lone parents

7.1 Introduction

Lone parents' participation is voluntary. In London, lone parents are able to choose which provider they would like to attend and can opt to switch to another provider at any point. Outside London, there is only one Employment Zone (EZ) provider working with lone parents. New Deal for Lone Parents (NDLP) continues to operate in Multiple Provider Employment Zones (MPEZs) outside London and lone parents are free to switch between the programmes.

In total, 113 interviews were completed with lone parents. This section presents the perceptions of lone parents of their experiences in MPEZs.

7.2 Characteristics of lone parents

Around half the lone parents had no recent experience of employment – either they had not worked in the last five years or they had never been in work. For those who had been in work in the past, childcare problems were most often cited as the reasons why they had left their previous job.

Not surprisingly, childcare issues were the primary barrier to entering work, with a lack of experience and skills, transport problems, limited number of accessible jobs which paid enough to afford childcare and confidence, all presenting problems for a minority of lone parents.

'Finding suitable childcare is a problem. The expense of childcare put me off.'

(Lone parent)

Job aspirations centred on occupations which might offer a degree of flexibility and the kinds of hours that would fit around childcare responsibilities: administration, retail, caring and so on.

7.3 Lone parents' perceptions of MPEZ delivery

7.3.1 Welcome procedure

First impressions of the MPEZs were generally very positive. As noted in Chapter 3, a minority of clients suggested that they were happy to participate because the service was especially for lone parents. This parallels Griffiths *et al.*'s (2005) finding that child-friendly delivery was an important attraction among self-referring lone parents in Single Provider (SP) EZs.

'Friendly and very good children's facilities. Made you feel relaxed and important. Individual attention.'

(Lone parent)

'I thought they were very professional, efficient, made me feel at ease and so helpful. First time I actually thought I could get another job.'

(Lone parent)

However, not all lone parents felt that the service had made a good initial impact:

'What welcome procedure? Waited for half an hour and rushed through.'

(Lone parent)

7.3.2 Relationship with their Personal Adviser

There is a high level of client satisfaction with Personal Advisers (PAs). Lone parents who had maintained the same PA felt that they had built up a personal relationship with their adviser who understood their interests and could help better.

'Although you stay with her initially, she puts you with others to help with things like confidence or interviews. It helps that she knows my circumstance and is able to explain this to possible employers.'

(Lone parent)

'I felt like she was my friend.'

(Lone parent)

A small number of lone parents reported that they had had two advisers but pointed out that they knew all the staff anyway, and that the second adviser had been as helpful as the first. Another pointed out that the different advisers had different expertise to offer.

'It's better seeing more than one – [they're] all trained in different areas, get a range of experience.'

(Lone parent)

One criticism of MPEZ support relates to it being 'over-sold' in order to persuade lone parents to join. This reflects Griffiths *et al.*'s (2005) finding that the EZ was perceived negatively because it failed to live up to lone parents' expectations. One client joined specifically because she was told that the provider would cover the first month's cost of childcare. She subsequently found out that this was not the case and, although she appreciated the support received while in the EZ, she still felt cheated.

'They shouldn't hype you up then let you down.'

(Lone parent)

'They'll say anything to get your foot in the door.'

(Lone parent)

Another criticism was the lack of specialised sector knowledge. In general, lone parents were happy with the specialist support, they were less convinced by the support available from their generalist colleagues.

'I've been mucked about with the wrong adviser who did not know about lone parents.'

(Lone parent)

'Second was not a specialist lone parent adviser – did not know what the original one knew. Limited help.'

(Lone parent)

7.3.3 Action plan process

Lone parents reported that they had had a significant input into their action plan and that their adviser listened to their suggestions. The plans tended to include job search (sometimes setting targets of numbers of jobs to apply for per week, and keeping a log of those applied for), and help with putting together a CV.

When asked what new elements the MPEZ had introduced into their action plan, lone parents most often highlighted issues surrounding the types of occupations they were considering. Typically, this involved a mix of identifying a range of different occupations with similar characteristics to the sort of work they had been seeking.

'I was focusing on telesales but shops would take you on for eight hours a week which I did not know.'

(Lone parent)

'She made me see that I could do work teaching and with people. She gave me confidence.'

(Lone parent)

Many mentioned internet searches (new to many of the lone parents interviewed), help with interview skills and techniques, with a few mentioning training courses. A minority of lone parents did identify vocational training courses with a small number of clients reporting that they had been convinced of the advantages of combining training with work but, in general, any training (as with the other new client groups) was much more focused on job search and what the client is aiming to achieve.

'Advised on training courses which resulted in my present course.'

(Lone parent)

'Training course while working in job; hope to be doing an NVQ in Personal and Social Care.'

(Lone parent)

A minority of lone parents identified elements of their action plan which had been ruled out largely on cost grounds.

'Could not provide tools if I got a job (because they had paid for driving lessons).'

(Lone parent)

7.3.4 Comparisons with previous experience

Not all lone parents had any prior experience of looking for work. When asked to compare MPEZ support to that they may have received in the past, the majority of lone parents highlighted very similar issues to those identified by the other new client groups – better customer service and individual support.

'A lot, before I was basically on my own. Only help was people in the jobcentre who do single parent advice – all they would tell me was once I'd got a job I needed to go back to them to help sort out my money.'

(Lone parent)

'[The] Jobcentre did not do an action plan – never put things down on paper to follow anything through.'

(Lone parent)

'Coach you along better. Kept phoning me to see if I was OK.'

(Lone parent)

However, this appreciation was not universal and clients highlighted two areas which a number considered to be weakspots in the EZ approach – the limited amount of training available (EZs are explicitly 'work first') and in a small number of cases, a lack of interconnection with other agencies supporting lone parents (e.g. community support organisations and housing, Child Support Agency, etc.).

'Got more support and information from New Deal. [The provider] were not as supportive and didn't give me as much information.'

(Lone parent)

'[The provider] less helpful than the jobcentre. It was going back to the jobcentre that got the ball rolling for me to do a course.'

(Lone parent)

'[The provider] were not able to connect with other agencies. They did not seem to have all the necessary information.'

(Lone parent)

7.4 Lone parents' perceptions of the impact of EZ support

For most lone parents, the main impact of the EZ was increasing their motivation and confidence about finding work. Specifically, many were more confident about successfully finding the type of work they wanted. Several mentioned that they were more confident about interviews – in many cases, interview clothing that the EZ had provided helped add confidence.

'Builds your confidence tremendously. If you're a shy person you'd be able to overcome it. They don't judge you, just help you.'

(Lone parent)

'[My] PA has been helping with mock interviews which have really improved my confidence.'

(Lone parent)

The source of this increased confidence appears to be relatively straightforward – attention to detail in CVs and application writing, interview preparation, interview techniques, chasing employers to find out if an application had been successful, etc. When asked what impact the EZ had had on their skills, a few clients mentioned the completion of short courses but the majority highlighted issues specifically around job search skills.

'Filling out application forms and interviews much easier.'

(Lone parent)

'I was encouraged to apply for jobs that I felt I was under-qualified for. I got my job within a couple of weeks.'

(Lone parent)

Some lone parents point to a sharper ability to present themselves to employers while they do not necessarily see these as 'skills' as such:

'Not really except for job application skills.'

(Lone parent)

'They made me realise that life skills were as important as formal qualifications.'

(Lone parent)

'Made me aware of things like my body posture at interviews.'

(Lone parent)

As might be expected, lone parents received more limited support in terms of vocational skills training. Much of what was offered would appear to be relatively short duration and closely associated with employment.

'I had done a computer course and [the provider] paid for the exams, so I felt confident have the necessary computer skills before applying for jobs.'

(Lone parent)

'I did a food hygiene certificate.'

(Lone parent)

'Helped me with my dyslexia. Have completed a mentoring course.'

(Lone parent)

7.4.1 In-work benefit calculation

A key part of the process for all clients but particularly lone parents is sorting out their in-work benefits. Outside London, some providers were using Jobcentre Plus to see if they could fast-track their lone parents on to Working Families' Tax Credit and ensure that all housing benefits issues were addressed. Elsewhere, some clients reported that they had been advised as to which benefits could be claimed by their PAs and many told us their advisers had taken care of the forms on their behalf.

'It makes it so much easier to get back into work with that support.'

(Lone parent)

The speed and ease of this process appears to vary considerably:

'Easy, took a week and it was all sorted.'

(Lone parent)

'A nightmare.'

(Lone parent)

A few lone parents complained that their adviser's knowledge of tax credits was 'sketchy' and that they had been misinformed. In one case, the client had been expecting significantly more benefit than she had received and the experience had soured her opinion of the EZ. It is worth noting that none of the lone parents mentioned any issues with the time taken to access in-work benefits as part of the MPEZ process. While some provider PAs saw the lack of a fast track process as a problem in their 'offer', this issue was not raised by any of the lone parents who had entered work (however, it could be argued, as indeed a number of provider PAs did, that those lone parents for whom it was an issue had already switched to NDLP provision).

7.4.2 Impact of MPEZ on job search

Lone parents point to wider and more intensive job search activity:

'Made me more positive, gave me that "get up and go" feeling that I didn't have before.'

(Lone parent)

'Looking for different avenues, more organised, doing more research.'

(Lone parent)

'I would usually use a newspaper, now I trawl the internet.'

(Lone parent)

A minority also highlighted a shift in their attitudes to work:

'It has changed my attitude, I want to go out and work now.'

(Lone parent)

'Improved my outlook and interest.'

(Lone parent)

A number of clients felt their experience on the EZ had made them more realistic about the types of job they could aim for, or what they need to do to get the job of their choice. This did not necessarily involve a downgrading of the quality of jobs they were seeking. Some stressed that the EZ had helped them to realise they could achieve higher-level work and had made them more ambitious:

'I can aim higher, get better jobs.'

(Lone parent)

'Made me realise the area of work I want is difficult to get into.'

(Lone parent)

'They've changed my direction on what I want to do.'

(Lone parent)

Others said they were better informed about what skills employers were seeking and which industries could offer the part-time work many lone parents wanted. One client had decided to change tack and look for work using his previous skills as a joiner, rather than the IT skills he had picked up since. Another who wanted to work with young offenders said:

'It didn't really help except make me realise that I personally need to make more effort to get the job I want.'

Lone parent, now doing voluntary work in the youth justice sector.

7.4.3 Impact of MPEZ on finding work

Most lone parents felt that MPEZs had helped a great deal in finding work, both directly and indirectly. In one case, the adviser had set up the job and the client simply had to turn up to start work. In other cases, advisers had arranged interviews or introductions, or had used their contacts to help find the vacancies.

'They pushed it and really sold me to the company.'

(Lone parent)

'I know I will always get work.'

(Lone parent)

A minority were taking steps towards their job goals:

'I have signed up for voluntary work to get some relevant experience.'

(Lone parent)

'I stay where I am I can become Head Chef and they will put me on the courses I need for that.'

(Lone parent)

While others had entered work to gain experience or qualifications towards their ideal job:

'In future I will change after my course on computers to a job that involves computer work.'

(Lone parent)

'It is not my ideal job, but half way to what I want to get in a job.'

(Lone parent)

A number of lone parents reported that they had found their jobs through using their own networks – friends, family and previous employers:

'I went in and asked about this job myself after a friend told me about it.'

(Lone parent)

A key issue here is the extent to which MPEZ providers have made a crucial difference to the individuals' understanding of what jobs are on offer and how to go about securing them and especially the confidence to put these skills into practice.

'Gave me the confidence to phone my old employer.'

(Lone parent)

'A friend told me of the vacancy but the zone helped me complete the application form.'

(Lone parent)

A small number of lone parents reported benefits from their EZ experience even though they did not ultimately enter employment.

'I'm at college and I'm well ahead of everyone. I didn't think I was capable before.'

(Lone parent)

The level of customer service is much appreciated by the majority of lone parents there is a minority who appear to have had a poor experience:

'They didn't give me any help. No training offered. They kept me hanging on for three months without a job. At the end I went and found my own job. They sent me an apology letter for not helping me enough.'

(Lone parent)

A small number of lone parents reported that while the MPEZ support had been helpful, they still faced problems in overcoming their primary barrier to employment:

'Childcare providers didn't have places for when I needed them, therefore some job offered had to be refused.'

(Lone parent)

'I don't have the skills to go on and get a job that paid enough to afford childcare.'

(Lone parent)

MPEZ PAs and managers suggested that there was little they could do to support lone parents with the costs of childcare. Most of their effort in this direction was in guiding and supporting the clients' search for suitable childcare arrangements. In

most cases, temporary financial support was not seen as a solution in any case – there was too little available to make a significant difference and providing temporary support was not seen as delivering a sustainable outcomes. Lack of available childcare was reported as preventing some lone parents from taking up offers of employment.

7.5 Summary of key issues

The key findings of our research with regard to the lone parents client group are:

- around half the lone parents had no recent experience of employment – either they had not worked in the last five years or they had never been in work;
- childcare issues were the main barrier to work although other barriers cited were a lack of experience and skills, transport problems and confidence issues;
- lone parents' participation is voluntary and the majority welcome the specially tailored approach with the provision of childcare facilities;
- several lone parents, however criticised the scheme as being 'over-sold' in order to persuade them to join;
- the majority of lone parents had a good relationship with their PA and were very positive about the EZ service, however, a small number criticised the limited availability of PAs with specific knowledge of lone parents' circumstances;
- the main areas of weakness highlighted by lone parents were the limited amount of training available and in a small number of cases, a lack of interconnection with other agencies supporting lone parents;
- for the majority of lone parents, the main impact of the MPEZ was an increase in their motivation and confidence about finding work. This increased confidence was primarily in relation to boosting their job search skills;
- a small number of lone parents reported that while the MPEZ support had been helpful, they still faced problems in overcoming childcare problems as a barrier to employment.

8 Conclusions

8.1 MPEZ fit with new client groups

8.1.1 MPEZ process

Multiple Provider Employment Zones (MPEZs) have the same added value as the previous single provider Employment Zone (EZ) model – the offer is *'start from scratch'* intensive client orientated approach, *'ignore what Jobcentre Plus has done to date – we're different'* (Provider Personal Advisers (PA)):

- discretionary funds to empower PAs and customise delivery to the individual client;
- the value of one-to-one support in building trust; and
- changing client attitudes and behaviour through focusing on their aspirations, an intensity of contact, and challenging their perceptions.

'What works all depends on the client' (Provider PA). This remains a central tenet of MPEZ operations. If anything, this has become even more the case than previously. Providers report that their approaches to the new client groups have had to become more refined and modular to cope with specific client needs. Where many providers were previously able to refer clients to motivation and confidence building training as a matter of course, they are now carefully selecting which elements of this support best suit individual clients.

It is too early to say whether the specific arrangements in MPEZs are driving innovation but we will return to this issue in later reports.

8.1.2 Working with young people

Young people are considered to be a challenge but very responsive to the customer care providers aim to deliver. Criminal records and general attitudinal problems are considered to be widespread in some EZs but many clients respond to being treated like adults.

Providers were experimenting with different approaches to *'get through to young people and show them we are different'* (Provider PA). For example, it was common to assign clients to the caseload of younger PAs and match them with PAs from a similar ethnic background. Some providers were offering training for young people to address their lack of experience without the usual guarantee of employment.

Otherwise, providers' offer to young people was similar to that of other mandatory clients – confidence building and motivational support. Whatever their attitudinal issues, young people are generally considered to be more flexible by EZ PAs. However, some providers have pointed out that they are having to work hard to maintain their sustainability – entry into work is not a problem but sustaining employment can be. PAs point to short attention spans and clients getting bored or failing to sustain jobs when the first problem arises or their friends call around.

8.1.3 Working with early entrants

Volumes of early entrants were still very low but providers and Jobcentre Plus were working together to improve inflows. A number of early entrants had not been provided with much information on what they were getting involved in, especially those who appear to have been engaged directly by providers.

The process for engaging early entrants was seen by providers as being cumbersome and inappropriate. They would much prefer to be able to market for themselves rather than collaborate in generic marketing for EZ provision. There was some support for this from the early entrants themselves, many of whom had come to the EZ on the recommendation of friends or family.

8.1.4 Working with lone parents

The challenge for MPEZ providers is to engage and maintain lone parents' participation. Providers have learnt to be more flexible and accept that lone parents dip in and out of support. Motivated lone parents are generally considered the most employable of the new client groups.

Outside London, flows from Jobcentre Plus have been low, while in London these are the main source for lone parent starts in MPEZs. Providers were initially suspicious of Jobcentre Plus' willingness to present the MPEZ offer to lone parents. To increase flows, providers (both in and out of London) have set up outreach activity to directly market to lone parents on the streets, through a wide range of community organisations. Outside London, providers typically have larger teams of PAs working with lone parents than with mandatory clients to be able to operate the outreach service. Easily accessible offices are an essential part of the offer in these EZs.

Providers make it clear to lone parents that they are there to find a job. They aimed to challenge some lone parents' perception that the best route back to work is through longer-term training by suggesting combining work and training. PAs are very wary of 'serial trainers' who have not put their training into practice in the labour market and will not fund training unless there is a direct job outcome.

The funding available to providers for lone parents under the MPEZ is considered to be limiting by all providers and by some Jobcentre Plus staff. This is particularly the case because MPEZs are not able to access adult training/training for work funding to support lone parents who are interested in gaining a qualification before they return to work which is available to lone parents on New Deal for Lone Parents (NDLP).

Even at this stage in the process there is evidence to suggest that specialist lone parent caseworkers, often away from the mandatory clients, do make a difference to lone parents' perceptions of the quality and relevance of the service and their willingness to engage.

8.2 Clients' perceptions of MPEZ delivery

MPEZs have made an immediate impression on clients from all groups with their approach to customer service:

- accessible premises (for most) with separate provision for lone parents in many cases, all of which have some provision for children, all have access to the internet and other resources to support job search;
- recognition of providers' customer service – an ability to listen and focus on what clients themselves would like to do backed by resources and the flexibility to respond to most clients' circumstances;
- there is a 'back to basics' emphasis of support which helps build confidence and motivation. The most striking findings from client interviews are the simplicity of many of the elements of the support they identify as having made the difference – sourcing vacancies (particularly by using the internet), advice on filling in application forms, practising interview techniques, etc.;
- implicit in this is the close working relationship with (most often) a specific PA to support a client's progress, work with them on these issues (rather than send them somewhere else for specialist input) and, crucially, closely monitor and follow-up on progress.

'It is one-on-one. Jobcentre lets you get on with it yourself, the Employment Zone follows everything through with you.'

(Lone parent)

Responses at this early stage are predominantly very positive across the new client groups interviewed. MPEZs, like their predecessors, do not typically provide clients with new vocational skills nor can they fully address the more substantive barriers to employment a proportion of these client groups face. They are, however, very effective at building confidence and motivation in many clients and channelling this (new found) enthusiasm into more effective job search and longer-term job goals. Some clients who had found work said that MPEZ support got them their job directly, but most felt that their improved confidence, effort and focus on what they want to do for themselves made a difference.

This appreciation was not universal but there is no evidence to suggest that providers are not aiming to work with all client groups. Across the piece, providers and many Jobcentre Plus staff acknowledged that the problems faced by the mandatory client groups, at least the New Deal for Young People (NDYP) returners and over 25s, had increased over time. The challenge for many providers was to maintain performance in the face of a more difficult client group.

8.3 Random assignment and client choice

8.3.1 Random assignment process

The random assignment process is now working well after some initial teething troubles which did cause genuine problems in some Jobcentre Plus locations. Providers see it as a fair and open process which delivers an appropriate split of mandatory clients.

The Random Assignment Tool (RAT) was introduced without any formal training programme for local Jobcentre Plus staff. The designated procedure was that mandatory clients would sit through the random assignment process with their Jobcentre Plus PA. However, because of the speed of the RAT and a number of problems with clients being assigned to a provider they would prefer not to attend, this has been changed.

Most local offices now have an individual whose job it is to 'batch process' the MPEZ referrals for that day – usually first thing when the system is quiet and without the client being present. This approach appears to be a reasonable and pragmatic response to a difficult process.

Random assignment of early entrants was not appreciated by providers. Most felt that the 'sharing out' of any benefits of marketing and outreach activity did nothing to encourage them to be innovative in engaging early entrants as they could not reap the full benefits of doing so. Shared marketing exercises between providers were often characterised as '*a third of something is better than nothing*' (Provider manager). Most would prefer to run their own marketing to early entrants in order to establish a market advantage over their competitors.

Over time the situation had improved in many areas as providers were able to organise to be present in Jobcentre Plus offices when lone parent interviews with Jobcentre Plus PAs were being carried out (in London at least). But even here other factors, such as the limited space available to accommodate the PAs from multiple providers, meant that a work-around had to be organised so that providers were able to present their case to clients equally.

There has been no such investment in mandatory clients – the MPEZ process starts when they visit the provider offices – apart from one provider who has introduced referral PAs to work with new clients. This is reported to have significantly reduced the number of 'did not attends' (DNAs).

An added bonus is that the RAT system is helping Department for Work and Pensions (DWP) contract managers police the process and providers are becoming aware that they cannot cut corners without the IT system throwing up the anomalies very shortly afterwards.

Outside London, Jobcentre Plus managers consider the introduction of lone parents into the EZ approach as another string to their bow and something that would help them achieve their targets. Many managers (in all areas) would have liked to have had a closer involvement in the original target setting and general post-tender negotiations in order to consider the introduction of MPEZ more strategically.

8.3.2 Client choice

Jobcentre Plus staff feel they have been put in an invidious position in referring clients to providers. Limited information is available to staff to give to clients and they were unclear about how EZ provision differed to New Deal. Few felt they could answer any questions clients may have and even where they did have a (personal) opinion on the differences between providers, they felt that departmental guidance explicitly prevented them from making recommendations.

A number of Jobcentre Plus managers felt it would be important to provide feedback on performance to local Jobcentre Plus offices in future to help them respond to client's questions (mainly lone parents) on which was the best provider.

Not all lone parents (in London and elsewhere) were aware that they had a choice. Most lone parents who did exercise their choice did so based on provider location and transport connections. However, provider reputation and the types of support on offer were also suggested as factors in their decision to join a particular provider. A minority of lone parents said they had a preferred provider based on a recommendation from a friend or family member.

Very few lone parents interviewed were aware that it was possible to change provider, either between providers in London or between NDLP and MPEZs outside London. More needs to be done to support switching so that clients are empowered to move to where they can get the best deal. A couple of providers reported isolated cases where clients had switched to another provider in order to find the job they wanted or were unhappy with the level of support being offered.

The early signs are that a minority of lone parents have exercised an informed choice with their MPEZ provider and that this might develop in future as more information becomes available to clients and their knowledge of the choices open to them improves.

It is too early to determine whether the MPEZ model has had an impact on the decisions of lone parents to participate in the labour market, i.e. drawn more lone parents into considering a return to work than would have been the case. Quantitative analysis of the eligible lone parent population will tell us more about this and will form a later part of the evaluation of MPEZs.

The visibility of alternative providers is very limited among mandatory clients. Almost all the young people we interviewed, who were aware that alternative providers were operating, would have preferred to choose their provider on the basis of convenience. Just two young people mentioned that certain providers had helped friends or family and they based their preferences on these recommendations.

8.4 Transition from single to multiple providers

There are signs, even at this relatively early stage, that competition between providers appears to have added an edge to providers' delivery and more than one respondent felt that competition had removed the comfort zone for some.

The providers themselves tended to downplay the direct influence of competition on performance and innovation. Most suggested that the greater stability arising from longer contracts would provide more scope to innovate. The volume of client flows was also crucial to providing the conditions which could support the development of practice. For some then, the introduction of multiple providers was seen as counter-productive as client flows had to be shared.

All the fieldwork undertaken for this report was carried out before the start of the bonus period during which provider performance would count towards their share of the bonus payment. All providers suggested that they had not taken into account a share in the bonus payment in their business planning assumptions at the outset of the MPEZ operations. However, some suggested that sharing in the bonus payment had become more of a priority with lower than expected client flow.

There was strong interest in the relative performance of providers in their area from PAs in all organisations. In most providers the available information was not (yet) being shared with all staff, although provider PAs were all too aware of the presence of alternative providers in their area and were keen that they do as well as possible.

More than one Jobcentre Plus staff member and a few provider managers felt that, in comparison, provision during the latter stages of single provider EZs had 'gone stale'. The re-contracting process reinvigorated the delivery of MPEZs and the introduction of local competition has provided something of a wake-up call to all providers.

The introduction of new entrants into the provision of EZ services has worked well. The new providers have brought a range of slightly different approaches which, even at this early stage, have demonstrated they can deliver effectively alongside the more established providers.

One of the downsides to the MPEZ delivery model for some Jobcentre Plus managers was that they missed their ability under the previous single provider contract to cut deals with the provider on delivery, joint marketing and sharing of information on employment opportunities. A number felt that they were obliged to be even-handed with all providers and even if they were to identify an opportunity with one provider this would have to be offered to all.

A number of Jobcentre Plus staff in London felt that a major flaw in the incentive structure for MPEZs was the lack of any requirement for 'minimum' provision to lone parents. This means it is possible for providers to work with a small selection of lone parent clients (only those who are nearest the market) and achieve a high percentage performance into sustainable work, while other providers will get 'penalised' for engaging with most or all the lone parents that are referred to them.

8.4.1 Provider views on the MPEZ design structure

Providers were generally happy with the pricing structure for mandatory clients. Few providers were happy with the price set for lone parents. Many pointed out that the maximum available for helping a lone parent into work and sustaining that for 13 weeks is £1,900 which is less than the £2,000 many providers can earn for placing a lone parent into work for more than eight hours in the Action Team contracts many of them operate.

In addition, provider lone parent managers also pointed out that lone parents in MPEZs could not access adult training/Training for Work provision nor the fast track process to speed them on to in-work benefits which are available to those who join NDLP. In both cases, providers felt that this meant their offer could not match that of NDLP.

The shorter, sharper Stage One is welcomed by a majority of providers but many feel that four weeks is too short. There is sufficient time to engage clients and prepare an action plan so long as the client turns up on their first fortnightly appointment. If they do not attend the first meeting, there is only one further chance to meet the client within the four-week period and very little time to prepare them for Stage Two.

8.4.2 Future research issues

The next stage of the research programme with MPEZs will investigate the perceptions of employers involved with MPEZs and how they have worked with providers. Employers are a central part of the way EZs do business and their views on the ability of providers to offer an effective service, those elements of this process which are central to keeping them engaged, and their views on the strengths and weaknesses of MPEZs' services.

Research is planned with clients to establish the sustainability of outcomes, check on clients' progress in the labour market and determine the extent to which the benefits of EZ support persist in the future.

