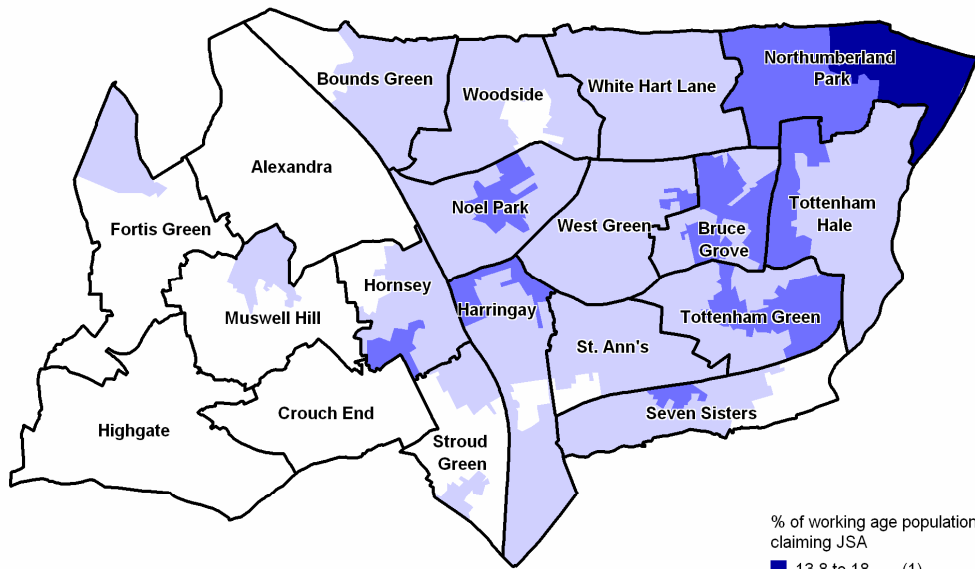


Haringey Council

# Scrutiny Review of the Haringey Guarantee

Percentage of working age population claiming Job Seekers Allowance (JSA)  
Haringey Super Output Areas  
February 2011

Proportion is calculated using working age population statistics from the 2009 Mid Year Estimates



Source: ONS  
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% of working age population claiming JSA

13.8 to 18	(1)
9.5 to 13.7	(23)
5.2 to 9.4	(73)
0.9 to 5.1	(47)

A REVIEW BY THE OVERVIEW AND SCRUTINY COMMITTEE

March 2011

## Chair's Foreword

I would like to thank all of those who took time to contribute to this extremely interesting review. On behalf of the panel I would particularly like to thank those who provide invaluable support to residents of Haringey who need support to access employment opportunities.

I hope that the recommendations made in this report are able to assist the Haringey Guarantee in continuing its work, in ever changing times and under the forthcoming Work Programme.



**Cllr Dhiren Basu**

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## Executive Summary

The Haringey Guarantee, established in 2006, is the council's strategic approach to tackling worklessness in the borough and is the main vehicle for delivering the Local Area Agreements around worklessness in Haringey.

The Haringey Guarantee has been funded through the Area Based Grant which no longer exists.

The Government is introducing a new 'Work Programme' which will replace all current pathways into work and will be contracted from the Department of Work and Pensions to Prime Contractors, who can then sub-contract some of this work locally. The Haringey Guarantee is hoping to become a sub-contractor under the Work Programme.

During the course of the review Panel Members spoke to a number of partners, providers and stakeholders for the Haringey Guarantee in order to make the recommendations as outlines below. The panel hopes that these recommendations add value to the work already being undertaken in Haringey around reducing worklessness and also that they assist in taking this work, and the work of the Haringey Guarantee forward under the Work Programme.

Key findings include:

- There is a need to focus on 18-24 year olds in any local programme around worklessness.
- Greater engagement is needed with local businesses to highlight the Haringey Guarantee and get local jobs for local people.
- There is a challenge in moving away from public sector jobs to private sector jobs.
- The holistic approach used by the Haringey Guarantee projects is beneficial to local residents.
- Commissioning for outcomes should be continued where possible, alongside the Work Programme output measures (should the Haringey Guarantee become a sub-contractor).

## **Recommendations**

### **18-24 Year olds**

1. 18-24 Year olds should be mainstreamed in all programmes aimed at tackling worklessness in the borough.

### **Work with Local Businesses**

2. Haringey Council should continue to regenerate Tottenham and lift its profile in order to facilitate a positive perception of N17.
3. The Haringey Guarantee should re-visit and build on the work undertaken during the initial commissioning of the Haringey Guarantee in order to actively engage with local businesses, small business federations and trader associations to:
  - Gain an understanding in the skill set they are looking for in potential employees.
  - Promote the Haringey Guarantee brand.
  - Work to reduce the perceived stigma of people with mental health needs and those who have been on Incapacity Benefit.
  - Work to reduce the perceived stigma of N17.
  - Get local businesses to sign up to the 'Job ready' Haringey Guarantee stamp.
  - Encourage the recruitment of local people in local jobs.
  - Identify opportunities for apprenticeships.
4. Work should be undertaken, to identify who our local big employers are outside the public sector. These employers should be actively encouraged to recruit local residents for local jobs.

### **Geographical Barriers**

5. Full Council/Cabinet to lobby the Greater London Authority through the new Local Enterprise Partnership to consider ways to overcome geographical barriers, both in terms of financial barriers and resident perceptions of travelling for work.
6. Where possible and practical the Haringey Guarantee should build travel confidence training in its support package.

### **Haringey Guarantee projects**

7. That Full Council recognises that worklessness is not an individual issue but a household issue and continues to support the holistic approach which has been introduced by Haringey Guarantee projects such as Families into Work.
8. Consideration to be given to ways in which the council can support the continuation of this holistic approach and where resources allow replicate principles of Families into Work model in other areas where this may add value.

### **Meganexus**

9. That Meganexus' capabilities are effectively and fully utilised by all providers under the Haringey Guarantee.

### **Future of the Haringey Guarantee**

10. That the qualitative outcomes of any Haringey Guarantee project are given equal weighting to quantitative outcomes.

11. Haringey Council should continue to support the Haringey Guarantee so that all of those who need support get it and not just those who fall into the Work Programme Customer Groups.

12. That the Haringey Guarantees continues with its flexible approach in order to shape itself for the new Work Programme whilst continuing to support the most vulnerable into work.

## The Haringey Guarantee

### 1. What is the Haringey Guarantee?

1.1. The Haringey Guarantee, established in 2006, is the council's strategic approach to tackling worklessness in the borough and is the main vehicle for delivering the Local Area Agreements around worklessness in Haringey. An initial aim of the Haringey Guarantee was to bring all employment and skills projects running across the borough together as a new strategic approach with 6 streamlined and focused projects, commissioned based on outcomes.

1.2. Prior to 2006 there was a number of projects running but making a negligible difference to unemployment in the borough.

1.3. Some examples of the projects included:

- Working closely with the NHS e.g. Working for Health project
- Working with Northumberland Community School to focus on those people who were at risk of NEET (Not in Employment, Education or Training). This project supported Support Workers to work with 40 children away from the every day class room environment.
  - Out of the 40 pupils – 38 went onto 6<sup>th</sup> Form or into employment,

**N.b.** “The definition of worklessness is wider than referring to unemployment. Whereas unemployment is a term that captures people who are actively seeking work or have sought work within a specified period of time, worklessness is a term that also captures people that are not actively seeking but would like to find work.<sup>1</sup>”

1.4. “The Haringey Guarantee works with employers, schools and colleges, skills training providers, employment services and local communities to deliver:

- Jobs for unemployed local people who already have skills to a level required by employers
- Jobs for local people with relevant skills following completion of training courses and/or work placements
- Routes into structured, relevant, training and education for local young people (including under 16's).
- Support for local businesses by providing a local committed and skilled workforce.

1.5. The Haringey guarantee is offered in three parts:

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<sup>1</sup> Initial Work and Skills Plan, Haringey Council, April 2010

- That our **local residents** will receive high quality information, advice and guidance, tailored education and training, and guaranteed interviews for job opportunities.
- That **delivery partners and providers** will deliver high quality, focused and professional services to jobseekers and employers.
- That we will produce committed trained workers to meet recruitment and skills needs of local businesses.<sup>2</sup>

## Introduction

2. The Panel is aware that the recommendations made in this report are done so within the context of an ever changing environment and that there is a risk of none of the Prime Contractors who have offered the Haringey Guarantee a sub-contract being successful. However, the Panel hopes that the recommendations made will assist in the provision of support for residents of the borough.

2.1. It is important to note that the Work Programme is a mandatory programme and as such providers (including the Haringey Guarantee) will have responsibility for ensuring that participants comply with the conditionality imposed on them. As with other programmes of this nature failure to comply with these conditions can lead to participants being sanctioned through loss of benefits. Recommendations of this report are made with this in mind.

## Policy Context

### 3. National Context

3.1. The Government believes that the current system is too complex and work incentives are poor<sup>3</sup>. It has therefore committed to introducing a 'Work Programme' to replace existing employment programmes (for example, Pathways to Work) and aims to deliver comprehensive support to help longer-term benefit customers into work<sup>4</sup>.

3.2. Early on the Coalition Government announced plans for radical reform of the welfare to work system and the implementation of The Work Programme. The Work Programme will be an integrated package of support providing personalised help for people who find themselves out of work based on need rather than benefit claimed.

3.3. The Government plans to set up a new contracting vehicle for the delivery of the Work Programme - a 'Framework Agreement'. The Government anticipates that the Framework arrangement will enable them to call on the services of providers which they have 'pre-qualified' as being capable of delivering the services which they believe will be needed over the coming years. The framework covers eleven 'lots', one of which is London and the government envisages that there will be a number of providers on each lot.

3.4. For delivery of London employment services there will be between 3-8 contracts, however each provider must show that it has the capacity to deliver across the whole of London (even though it may only be delivering to 1/8).

<sup>2</sup> Haringey Guarantee Service Standards, Haringey Council

<sup>3</sup> <http://www.dwp.gov.uk/policy/welfare-reform/>

<sup>4</sup> <http://www.dwp.gov.uk/policy/welfare%2Dreform/pathways%2Dto%2Dwork/>

- 3.5. The intention of the new approach is to put the financial risk onto the Prime Contractor.
- 3.6. It is estimated that the annual saving to the treasury when someone is in employment/off benefits is £9,000. This saving would be used to pay the provider once a person has been in sustained employment. Out of the £9,000, under the Work Programme, it is estimated that £5,000 would be spend getting a person into employment, £2,000 would be given to the provider and the Government would save £2,000.
- 3.7. Under welfare reform changes when someone who is receiving Incapacity Benefit (IB) is reassessed by a physician they will either be migrated onto Employment Support Allowance (ESA) or moved onto Job Seekers Allowance (JSA). There is an appeals process, however it is expected that high numbers of people will be moved onto JSA. There is concern about people being put onto JSA who are not ready for it, particularly as the kind of support being provided to people on IB would stop as well as the continued support being provided to people once they do move into employment. There is concern that people will ultimately drop out of work again.

## Findings

### 4. 18-24 Year olds

- 4.1. Educational success has a dramatic impact on a person's quality of life and wellbeing. A strong positive relationship exists between education and health outcomes whether measured by death rates (mortality), illness (morbidity), health behaviours or health knowledge<sup>5</sup>. Poor educational attainment can also keep families excluded, as it has a pivotal role in the intergenerational transmission of social exclusion.
- 4.2. The panel heard from the Principal of the College of North East London who expressed concern about young people and their future prospects given the current economic situation. The panel heard that if people have not been successful in employment by the time they are 25 years of age then they are highly likely to become long term unemployed and subsequently are at increased risk of becoming the next wave of inter-generational workless.
- 4.3. This is of particular relevance to a borough such as Haringey where 18-24 year olds currently make up 9.1%<sup>6</sup> of the population, and thus has the potential to have significant financial implications for local services in later years.
- 4.4. A recent report by the Prince's Trust<sup>7</sup> drew the following conclusions:
- Annual cost of a young jobseeker on the economy is £5,400 (however, this can be up to £16,000 depending on circumstances).
  - "The cost to the Exchequer of youth unemployment and inactivity is £22 million per week in JSA.

<sup>5</sup> Institute of Public Health, Ireland

<sup>6</sup> Mid Year Estimates, Office of National Statistics, 2009

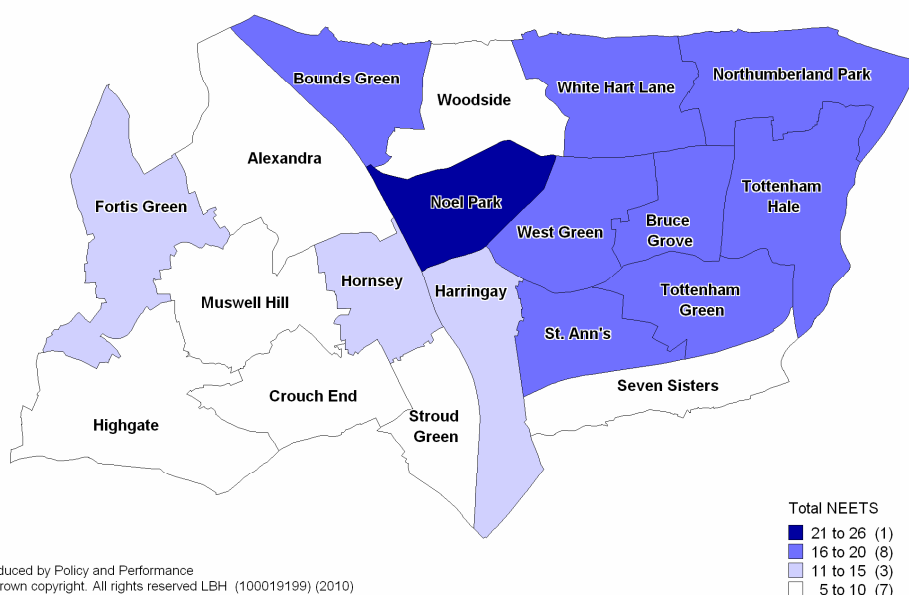
<sup>7</sup> The Cost of Exclusions: Counting the cost of youth disadvantage in the UK, Prince's Trust, 2010



- A conservative estimate of the productivity loss to the economy would be around this amount again. An upper estimate is £133 million a week<sup>8</sup>.
- “‘psychological scarring’ due to unemployment can leave young people at risk of lower happiness and poorer health”<sup>9</sup>.
- “youth unemployment imposes a wage scar on individuals in the order of 12-15 per cent at the age of 42”<sup>10</sup>

4.5. The panel noted that those Not in Education Employment or Training (NEET) has decreased in the borough in recent years but the challenge preventing this from going up is going to increase given the current economic climate and reduction of job opportunities.

16 to 18 year olds not in education, employment or training (NEET)  
Haringey wards  
January 2011



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4.6. The importance of preparation and support for young people, for example teaching them about the recruitment process and supporting them when they are in employment to ensure they keep the job was noted by the panel as well as the need to get commitment for local apprenticeships (which the panel notes is part of the forthcoming Work Programme).

**The panel recommends that:**  
18-24 Year olds should be mainstreamed in all programmes aimed at tackling worklessness in the borough.

## 5. Employment and Health

5.1. Employment is one of the most important determinants of health. Having a job or an occupation is an important determinant of self-esteem. It provides a vital link

<sup>8</sup> The Cost of Exclusions: Counting the cost of youth disadvantage in the UK, Prince's Trust, 2010, page 9

<sup>9</sup> “ “, page 24

<sup>10</sup> “ “, page 24

between the individual and society and enables people to contribute to society and achieve personal fulfilment. The World Health Organisation identifies a number of ways in which employment benefits mental health. These include the provision of structured time, social contact and satisfaction arising from involvement in a collective effort.

- 5.2. The Panel heard that approximately 60% of people supported by Reed in Partnership have mental health needs. Whilst this is not necessarily the main reason why they are not working/in receipt of health related benefits. Once someone has been out of work for an extended period they may begin to feel isolated and depressed which is an additional health need from why they are originally out of work. This is applicable to a broad spectrum of age groups.
- 5.3. The panel also heard that any discrimination around employment opportunities tends to be weighted towards people with mental health needs and employers perception of these mental health needs, as well as of those who have been on Incapacity benefit longer term. A key challenge is finding employers who are will to employee people who have been receiving benefits.
  - 5.3.1. Approximately 75% of those on Incapacity Benefit in Haringey have been on this benefit for 2 years or more. Statistically, people who have been on Incapacity Benefit for 2 years or more are more likely to die than to work.
- 5.4. The panel noted concern over the fact that prevention is the first area to suffer in times of budgetary constraint. This is not cost effective and will mean that further down the line more money is needed at the acute end.

Please see below for a recommendation relating to this area.

## **6. Work with Local Businesses**

- 6.1. The majority of job placements for Haringey Guarantee participants have been in the retail and public sector. The panel heard from a number of stakeholders about the challenge for the Haringey Guarantee of moving from a public sector focus to a private sector focus, in order to access job opportunities for residents particularly due to the contraction of the public sector. The panel noted that there is a need to link up more with the private sector and also engage with local employers who tend to view themselves as London based as opposed to Haringey based, and subsequently focus on a wider geographic area than Haringey when recruiting staff.
- 6.2. The panel also noted anecdotal evidence with regards to a business based in N17 who pay a premium to staff from outside of the area in order to encourage them to apply for the jobs rather than employ residents from N17 itself due to the negative perception sometimes associated with the area. The panel felt that should this be the case then it is an area which should directly be addressed with local companies and felt that the Haringey Guarantee would be an ideal vehicle for this due to its pool of job-ready applicants.
- 6.3. The panel heard of initial work undertaken by the Haringey Guarantee with local businesses in order to get them to sign up to the principles of the Haringey Guarantee and felt that more work could be done in this area. The panel recognises that there are resource implications due to Council restructuring, but is however hopeful that should the Haringey Guarantee be successful in securing

a sub-contract this work could be supported by a new Employer Engagement post.

6.4. Further to this the panel discussed the advantages of developing a Haringey Guarantee 'job ready' stamp which could be put on the Curriculum Vitae's of those who have participated in the programme and would show that the person has completed a training and support programme and that they come with a recommendation from the Haringey Guarantee. The panel felt that this would enable Haringey Guarantee participants to stand out from other potential employees.

6.5. As a way of ensuring that local businesses are fully engaged with the 'job ready' stamp the panel felt that it would be beneficial to talk to local businesses and find out what key skills they would look for a potential employee to have. The Haringey Guarantee could then ensure that these are covered in any support programme, giving the local business confidence that the prospective employee comes with the skill set.

6.6. The panel noted the comment by ECORYS that "there is much which can be done to improve the overall visibility of the Haringey Guarantee brand, to raise the profile of the programme amongst its target group. 77 percent of participants were not aware of the programme before they accessed support".<sup>11</sup>

**The Panel recommends:**

Haringey Council should continue to regenerate Tottenham and lift its profile in order to facilitate a positive perception of N17.

The Haringey Guarantee should re-visit and build on the work undertaken during the initial commissioning of the Haringey Guarantee in order to actively engage with local businesses, small business federations and trader associations to:

- Gain an understanding in the skill set they are looking for in potential employees.
- Promote the Haringey Guarantee brand.
- Work to reduce the perceived stigma of people with mental health needs and those who have been on Incapacity Benefit.
- Work to reduce the perceived stigma of N17.
- Get local businesses to sign up to the 'Job ready' Haringey Guarantee stamp.
- Encourage the recruitment of local people in local jobs.
- Identify opportunities for apprenticeships.

Work should be undertaken, to identify who our local big employers are outside the public sector. These employers should be actively encouraged to recruit local residents for local jobs.

## **7. Geographical Barriers**

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<sup>11</sup> ECORYS submission to the Haringey Guarantee Panel

- 7.1. The panel heard evidence from a wide range of stakeholders with regards to the geographical barriers faced when trying to support people into work. This is particularly pertinent in the East of the borough. This included evidence heard at a visit to the Families into Work project where the panel heard that there is a challenge is encouraging people to work outside of their immediate area, with the idea of travelling even across the borough alien to some families. There are also challenges such as travel costs and gang/post-code culture for younger people. The panel feels that excursions for young people, such as taking them into central London as undertaken by the Families into Work project, where they have often never been, is beneficial in beginning to break down these barriers.
- 7.2. The panel heard that the South of Haringey is the key to employment opportunities for Haringey residents for example, Camden and noted the need to not only look within Haringey boundaries for job creation and opportunities, particularly as the borough has changed in terms of no longer being an industrial borough. The panel felt that 'Local' needs to mean 'London Sub-regional'.
- 7.3. Under the Work Programme, Haringey is categorised as being in the West London area. This area incorporates boroughs such as Islington, Westminster, Kensington and Chelsea. It is hoped that this will open up job opportunities in the future for the residents of Haringey. However, to enable residents to fully take advantage of these opportunities there is work to be done in widening resident's geographic boundaries.

**The panel recommends that:**

Full Council/Cabinet should lobby the Greater London Authority through the new Local Enterprise Partnership to consider ways to overcome geographical barriers, both in terms of financial barriers and resident perceptions of travelling for work.

Where possible and practical the Haringey Guarantee should build travel confidence training in its support package.

## **8. Haringey Guarantee projects**

- 8.1. Members of the panel visited Families into Work, Northumberland Park Community School and Positive Employment during the course of the review and also heard from the North London Partnership Consortium Ltd; all of which have been commissioned by the Haringey Guarantee.

### **8.2. Families into Work**

- 8.2.1. A family dimension to the Haringey Guarantee was devised to consider the impact of a person's family as a barrier to employment e.g. cultural and generational worklessness, health, housing, alcohol, drugs etc. 'Families into Work' was set up with a team based in Northumberland Park. This project made a commitment to see everyone of working age in a family within 6 weeks. The project offers tailored support in return for agreed actions from family members.

- 8.2.2. The Panel felt that Families into Work is an impressive project which has engaged over 140 families, above their target number of 100 families.
- 8.2.3. The project works intensively with families furthest away from employment and assists them in overcoming a range of barriers back into work. The panel were impressed with the holistic approach of the project and the way in which it works around the family to consider aspirations rather than just trying to fit a person to a job role.
- 8.2.4. The panel also noted that the families being worked with have a huge range of barriers, including knowledge, experience, skills, understanding of the job market, lack of role models, child care, education etc. The panel noted the high level of dedication and enthusiasm of the staff and were impressed with the wide ranging, complicated and labour intensive support provided to each family whilst being able to build strong and trusting relationships with those being supported over a long period.
- 8.2.5. The panel felt that the model used by Families into Work could benefit a number of other areas in the borough and feels that the project is an example of good practice which should be shared widely. The panel noted that this is a unique project nationally and feels that the positive outcomes of the project should be disseminated widely nationally as best practice.
- 8.2.6. The panel noted the lack of certainty for the future of the project with concern. The panel were also greatly concerned about the gap in funding from March 2011 to September 2011 should the project secure funding under the forthcoming Work Programme.

### **8.3. The Northumberland Park Community School project**

- 8.3.1. The Northumberland Park Community School project works with 40 students per year who are at risk of becoming NEET (Not in Education, Employment or Training). The panel noted that as well as supporting this number of students annually the staff are also supporting the 40 students from the preceding year as well as having an 'open door policy' for other students who have been supported.
- 8.3.2. The panel were again impressed with the dedication and persistence of the staff who offer systematic mentoring in a very personalised way to the students on the project. The staff had gained the trust of the young people and in turn the young people had begun engaging in education and training. The panel was also interested to note that the young people each spoke of having to break away from their circle of friends in order to achieve this.
- 8.3.3. Members of the panel spoke to a number of young people who have participated in the project as part of their visit and were also impressed with the turn around of the young people's lives which they heard. The young people had gone from either not attending school or being extremely disruptive at school to getting qualifications and started college courses. It was also noted from the young people that the support they had received had a positive impact on their home lives.
- 8.3.4. The panel again noted with concern the uncertain funding, both long term and in the shorter term for the project.

## 8.4. Positive Employment

- 8.4.1. Positive Employment is a job brokerage organisation which receives referrals from the Haringey Guarantee, Job Centre Plus and word of mouth.
- 8.4.2. As well as helping people to find work Positive Employment also walks people through the process into sustained work. For example, interview techniques, what to ask, coaching, follow up phone calls, provision of references etc, they also call people when a job becomes available.
- 8.4.3. The panel was again impressed with the dedication of the staff and the high level of support provided to people who use the facilities.
- 8.4.4. The panel noted with concern the uncertain funding of the project.
- 8.5. The panel feels that the successes of current projects is that it is not solely focused on getting people into work but about supporting them into sustained work and giving them the skills. Overall the panel was extremely impressed with the staff met at projects and feel that they add a lot to the projects successes.
- 8.6. At the same time the panel noted the comment by ECORYS that “here is potentially a need to raise the profile of the Families into Work project and further establish its identity as a unique whole family approach to worklessness. Project staff and partners feel that Families into Work may not stand out sufficiently as one of several programmes that Jobcentre Plus advisers could refer beneficiaries to.<sup>12</sup>”

### **The Panel recommends that:**

That Full Council recognises that worklessness is not an individual issue but a household issue and continues to support the holistic approach which has been introduced by Haringey Guarantee projects such as Families into Work.

Consideration to be given to ways in which the council can support the continuation of this holistic approach and where resources allow replicate principles of Families into Work model in other areas where this may add value.

## 9. Meganexus

- 9.1. Meganexus is a web based software system used by the Haringey Guarantee to store information on Haringey Guarantee participants. Information provided by participants on the Haringey Guarantee is transferred to Meganexus ensuring a central record is held. The information is used for performance management of providers (providers only get paid once they have input all of the relevant data and this has then been verified by the external monitoring agency, GLE) and also for monitoring service users progress into sustained employment.
- 9.2. Referrals between projects can also be done via the software ensuring that participants do not have to give the same information over and over again to a variety of providers.

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<sup>12</sup> ECORYS submission to the Haringey Guarantee Panel

- 9.3. The direction of travel under the Work Programme is likely to be more of a move towards increased use of the system, for example allowing service users to log onto the system to view their details, store papers e.g. CVs.

**The panel recommends that:**

That Meganexus' capabilities are effectively and fully utilised by all providers under the Haringey Guarantee.

## **10. Future of the Haringey Guarantee**

- 10.1. The panel feels that one of the strongest characteristics of the Haringey Guarantee is that they focus on those who are furthest away from the job market and most in need of intensive support and provide this for them. The panel heard from Reed in Partnership who stated that it often takes 6-12 months to get someone into work whilst providing them with support and can be providing further support to people overall for anything between 5 months and two years after this time.
- 10.2. The panel has concerns that under the Work Programme this level of support for individuals furthest away from the job market will cease, with Prime Contractors focused on quantitative aspects, e.g. number in employment and sustained employment as opposed to the qualitative aspects which are also focused on by the Haringey Guarantee.
- 10.3. The panel supports the approach taken by the Haringey Guarantee around commissioning projects to deliver on pre-agreed outcomes and not on process targets.
- 10.4. Reed in Partnership, CONEL and Job Centre Plus all felt that another strength of the Haringey Guarantee is the network which it has built up across the partnership. Concern was expressed that this local infrastructure would be lost without transitional funding for the Haringey Guarantee and also that there was a possibility that any Prime Contractor could remove this infrastructure, losing a wealth of experience, knowledge and contacts. The panel therefore hopes that any Prime Contractor under the Work Programme is able to utilise and retain aspects of the Haringey Guarantee.
- 10.5. The panel agreed that there is a real need to ensure seamless pathways under the Work Programme and therefore partnership and joint working is the key. As the overall funding is less then residents are likely to suffer unless all organisations continue to work together and join up. The panel also noted the importance of the role of the voluntary and community sector in continuing work to support the most vulnerable into work.
- 10.6. The Haringey Guarantee has approached the companies bidding for the West London Prime Contract under the Work Programme to discuss becoming a sub-contractor and has received offers from four of the Prime Contractors (on the basis that they are awarded a Prime Contract).

**The panel recommends that:**

That the qualitative outcomes of any Haringey Guarantee project are given equal weighting to quantitative outcomes.

Haringey Council should continue to support the Haringey Guarantee so that all of those who need support get it and not just those who fall into the Work Programme Customer Groups.

That the Haringey Guarantees continues with it's flexible approach in order to shape itself for the new Work Programme whilst continuing to support the most vulnerable into work.

## **Value for Money**

10.7. Please see Appendix F for an independent assessment by ECORYS on the effectiveness and value for money provided by the Haringey Guarantee.

10.8. Some keys areas of this report as discussed by the Panel are as follows:

- The unit cost per Haringey Guarantee participant is £800 – this includes support and training. Other comparable programmes range from approximately £250 to just over £1800. Whilst Haringey is therefore not one of the lowest costs, there is a need to bear in mind that the support offered by the Haringey Guarantee is more intensive than some other programmes and that overall the Haringey Guarantee is working with more people of lower literacy levels who are further from the employment market.
- The unit cost per person supported into employment on the Haringey Guarantee £3,200. This is at the lower end of the comparables across London.
- ECORYS found the Haringey Guarantee to be one of the more effective programmes at supporting people into employment.
- When considering data on programmes where the unit cost is lower than the Haringey Guarantee there is a need to consider other elements. For example, the Thames Gateway project is more 'light touch' than the Haringey Guarantee and there is also easier access to employment opportunities in the area than in Haringey. The Thames Gateway project was also alongside a number of other funded projects around employment – therefore these other projects may also have contributed to the outcomes. This does not appear evident in the analysis.
- The economic benefit of getting people into work is effectively twice what you put in. Projects like Families into Work not only have a high economic value



but also knock on values both economic and otherwise, for example the 'whole family' dimension.

10.9. Please see Appendix E for an Economic Impact Assessment undertaken by ECORYS on the Haringey Guarantee. This paper concludes with the following information:

“Over the first year of programme delivery, projects funded through the Haringey Guarantee spent £556,500<sup>13</sup>. This equates to a cost per net additional person into employment of £2,800 (£7,900 at the London level) and a return on investment of £6.3 in GVA per £1 of spending (£2.2 at the London level).

These value for money ratios are compared against the results of recent evaluations of other London based employability programmes in the table below, which have tended to focus on impacts at the regional rather than the local level:

- The cost per net additional person supported into employment is low in comparison to other initiatives. GVA per £1 invested is broadly comparable, and is likely due to the high proportion of participants that have obtained part-time employment.
- It should be noted that, some of the evaluation studies made more favourable assumptions than utilised here. For example, impacts were assumed to endure for 3 years (rather than the 1 year assumed here) for the Local Employment and Training Framework, which will inflate estimates of impact as compared to estimates here.
- Overall, this suggests the Haringey Guarantee has demonstrated reasonably good value for money. Additionally, the programme will generate further impacts in the future when further current and new participants enter employment, which may further improve value for money measures.

It should be noted, however, that these estimates do not reflect all costs involved in delivering the programme and associated employment outcomes. Participants may have received support from other public sector agencies that may have contributed to these outcomes either directly or indirectly, and the costs of these interventions are not reflected here. In addition, participants themselves incur costs (including additional transport costs, childcare costs, and loss of leisure time) that are not captured in this estimate of return on investment.

*Table 0.1 Value for Money Benchmarks*<sup>14</sup>

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<sup>13</sup> Note that this excludes payments made to projects in Year 1 for outputs that would be delivered in year 2.

<sup>14</sup> Economic Impact Assessment, ECORYS submission the Haringey Guarantee Panel, 2011

Programme	Local impacts		Regional impacts	
	Cost per net additional job created (£)	£ of GVA per £1 invested	Cost per net additional job created (£)	£ of GVA per £1 invested
<b>Haringey Guarantee</b>	2,800	6.3	7,900	2.2
Relay London Jobs <sup>15</sup>	-	-	13,700	1.4
Local Employment and Training Framework <sup>16</sup>	-	-	13,900	2.0
London South Central Enterprise and Employment Programme <sup>17</sup>	-	-	14,600	4.8
Thames Gateway JobNet <sup>18</sup>	-	-	10,400	2.1

<sup>15</sup> Source: Evaluation of the London Employment and Skills Taskforce, ECOTEC Research and Consulting, 2010. Results include multiplier effects but exclude monetised losses of leisure time to ensure comparability.

<sup>16</sup> Source: Evaluation of the London Employment and Training Framework, Roger Tyms and Partners, 2009. This study assumed the GVA effects of the programme would endure for 3 years, not 1 as assumed here.

<sup>17</sup> Source: Evaluation of the London South Central Employment and Enterprise Programme, ECOTEC Research and Consulting, 2009. Results include effects of a range of enterprise projects, for which impacts are assumed to endure for 3 years.

<sup>18</sup> Source: Interim Evaluation of the Thames Gateway JobNet, Adroit Economics, 2008, results are based on all sources of funding, note that £ of GVA per £1 invested rises to £4.1 where impacts are assumed to endure for 3 years.

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# Appendices

## Appendix A – Contributors to the review

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<b>Hyacinth Bonaparte</b>	Positive Employment
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## Families into Work Evaluation

### Progress Update and Emerging Findings

This note provides an update and emerging findings from Ecorys' (formally ECOTEC Research & Consulting) evaluation of the Families into Work (FiW) project.

#### 1.1 Overview

The Families into Work initiative is a special project of the Haringey Guarantee. It is a multi-agency approach based in Northumberland Park to address wider social exclusion issues by working intensively with families to improve the life chances of all family members. The initiative aims to:

- Improve the life chances of people in Northumberland Park by working with families to identify and address their barriers to employment
- Support children and young people to achieve success in education and develop knowledge and skills to gain work with career prospects
- To increase family aspirations to succeed and gain independence

The project team work with families:

- to identify barriers to work for parents and older children
- to identify barriers to educational achievement for younger children
- to identify a family action plan, including a combination of services and projects
- to contact service providers to negotiate and agree access to the appropriate projects and services and shared action plans for the family which will support them into work
- to ensure services are provided in a sensible way for the family
- to provide support to reduce drop out when things get tough and troubleshoot any problems which arise with service provision
- to monitor progress against each family action plan

Although the project focuses primarily on reducing worklessness, it aims to help families deal with other issues in their lives which although not directly related to work, create problems for family members and become barriers to work.

#### 1.2 Evaluation methodology and progress update

Ecorys are utilising a range of methods to evaluate the FiW project. The specific strands of the evaluation and details of the tasks undertaken to date are provided below:

Approach	Progress to date
Qualitative in-depth interviews/focus group with project staff	<ul style="list-style-type: none"> <li>• Focus group completed with Project Manager and 4 Family Support Officers</li> </ul>
Qualitative in-depth telephone interviews with partners	<ul style="list-style-type: none"> <li>• Interviews completed with 3 partners</li> <li>• <b>Still to be completed:</b> 3 further interviews with partners</li> </ul>

Qualitative in-depth interviews with beneficiaries	<ul style="list-style-type: none"> <li>•Interviews completed with 16 beneficiaries</li> <li>•<b>Still to be completed:</b> 2 further interviews with beneficiaries</li> </ul>
Focus group with Youth User Forum	<ul style="list-style-type: none"> <li>•<b>Still to be completed:</b> FG arranged for Tuesday 8<sup>th</sup> November</li> </ul>
Analysis of MI and Family Action Plans	<ul style="list-style-type: none"> <li>•Ongoing</li> </ul>
Literature/document review to set FiW in context	<ul style="list-style-type: none"> <li>•Ongoing</li> </ul>

### 1.3 Emerging findings

#### 1.3.1 Project concept and operation

- The evaluation evidence available to date suggests that the concept behind the FiW project (i.e. to provide intensive help to families to deal with other issues which create problems for family members and become barriers to work) responds to the needs of workless families in Northumberland Park. Evidence from partners and beneficiaries suggests that other employment providers do not provide the same intensity and tailoring of support.
- The project team have successfully utilised a range of approaches to market and raise awareness of the project. The most effective referral mechanisms appear to be word of mouth and working in partnership with other organisations based in Northumberland Park. Useful lessons have been learnt about other referral mechanisms:
  - ▶ Whilst large scale advertising has been effective in achieving a volume of potential beneficiaries, this has generated interest from outside of the defined geographical boundaries within which the project is operating, so some referrals could not be registered.
  - ▶ Fewer than expected referrals have been received from Jobcentre Plus as a result of the defined geographical focus of the project (i.e. advisers would need to carefully check postcodes to assess eligibility for referral, as a result it is perceived that they are referring to other programmes).
- There is potentially a need to raise the profile of the FiW project and further establish its identity as a unique whole family approach to worklessness. Project staff and partners feel that FiW may not stand out sufficiently as one of several programmes that Jobcentre Plus advisers could refer beneficiaries to. Project staff also reported some confusion over their job titles as 'Family Support Officers' with some partners misunderstanding the employment focus of the project.
- The voluntary aspect of the project is considered by project staff, partners and beneficiaries to be important in facilitating initial engagement. Beneficiaries, in particular, reported that they were more likely to engage and maximise the support available if they felt they weren't being forced to engage.
- The range of employment support offered includes working to identify aspirations and barriers to employment, building confidence, updating and enhancing skills and job

search assistance. In line with the aim to address wider issues that if unresolved become barriers to work, there was also examples of FiW staff providing support to deal with debts, including contacting providers on a beneficiaries behalf to agree an repayment plan, arranging alternative accommodation for a beneficiary to move away from domestic violence and facilitating relationships between parents and schools to address educational issues.

- Beneficiaries were generally very positive about the support and advice they had received from the FiW project. Beneficiaries particularly appreciated seeing the same adviser, who built up knowledge about their circumstances and who contacted them regularly to check on their progress.

### 1.3.2 Outputs and outcomes

- The FiW project has exceeded its targets in terms of beneficiary engagement. The target was to register 50 families in year one and a further 50 in year two, by the end of the first year, the project had registered approximately 70 families.
- To date there have been 33 positive outcomes for FiW beneficiaries. This includes 11 employment outputs. (*Figures as at September 2010*).
- Regardless of whether or not individuals have so far found work, the evidence suggests that FiW has impacted on soft outcomes and job readiness. Beneficiaries suggest that the support from FiW made for more effective job search, boosted their confidence and broadened their horizons.
  - ▶ In many instances the beneficiaries was suffering from severe loss of **confidence** after lengthy disengagement from the labour market or from never having engaged with the labour market; in these cases FiW staff were supportive, providing reassurance and boosting confidence regarding skills and abilities as suggested by this beneficiary:

*"It [engaging with FiW] gave me a bit more confidence as I didn't really have confidence before I went there. It brought me out of myself. I now deal with 100s of students everyday, but before my confidence wasn't very high and I wouldn't have been able to deal with that." (Beneficiary 11)*
  - ▶ The intensity and personalised support offered by FiW staff was felt by beneficiaries to have a **motivational** impact:

*"She [FiW FSO] showed a lot of interest right through the whole programme. She'd ring me up to find out how I was getting on and if everything was okay. The fact that my adviser rings me up to check on progress spurs me on to keep looking for work." (Beneficiary 5)*

*"I feel more focused and ambitious than before I went to them. Before I went to them I was feeling low that I couldn't do many things but they made me aware that this is not the end that I can build myself up." (Beneficiary 12)*

### 1.3.3 Case study

The following example is illustrative of the support and impact of FiW:

Beneficiary A was finding it difficult to find or focus on looking for employment as she had 3 teenage sons who were at risk of offending. After a period of building trust with the family, FiW engaged all members of the family through individual sessions; providing support and advice to the sons about college courses and job search and

coaching support for the mother. The family is now thriving, with all three sons in college and Beneficiary A undertaking an apprenticeship working towards an NVQ in Business Administration.

#### 1.4 Next steps

The next steps for the evaluation are to complete the programme of beneficiary and partner interviews and focus groups. The evaluation will continue to gather and analyse the MI data and evidence contained within family action plans. All strands of the evaluation will be brought together to produce a final report and findings will be disseminated at the celebration event planned for early December.



***Women Like Us – an Introduction***  
**December 2010**

***Brief history***

*Women Like Us (WLU)* is a multi award winning social enterprise that reaches lone parents, carers, and other workless mothers and helps them prepare for and find flexible, part time work they can fit around their families.

Our approach has been developed out of parent-focused grassroots experience. Our uniqueness is our focus on the needs of women with children and we have developed a model focused on successfully engaging and supporting this client group. WLU have been delivering publicly funded parent-focused employment support contracts for six years. We deliver our service in 17 London boroughs, with a focus on areas with high levels of deprivation.

We have won numerous awards including Best New Social Enterprise, sponsored by Office of the Third Sector. In 2009 we were awarded the Queen's Award for Enterprise in the innovation category in recognition of our work.

***Delivery experience***

We have a strong track record delivering for a range of agencies including DWP, LDA, Skills Funding Agency and have held contracts with 12 local authorities. We have supported more than 4,000 parents on funded programmes and over 1,300 into employment through funded programmes and our recruitment service.

We have an established school gates outreach network engaging with parents at the gates of their children's primary schools, employing local parents to promote our service through 240 partner schools and children's centres. We have over 20,800 mothers registered, of whom 25% are lone parents, 59% are BAME, and 80% in the top 40% most deprived local super output areas.

We support mothers (both coupled and lone parents) to build their skills and confidence through employability support and career coaching programmes. WLU have a database detailing over 600 organisations through which we refer clients for additional support. In addition we undertake research to identify organisations to meet individual client needs.

When clients are ready to work, we help them find employment through both our job brokerage team and our recruitment service specialising in quality part time and flexible work. Our recruitment service also provides practical support and training to employers to help them design and successfully implement part time working within their businesses.

We also work to influence opinion amongst policy makers and through the media to make the case for part time working, and the direct impact this has on worklessness and child poverty.

**Snapshot Overview Report to the Scrutiny Board (Dec 2010) by NLPC Ltd**

**Government Proposed Work Programme: Current Issues and Future Considerations**

As a Voluntary and Community sector organisation, NLPC have been committed to getting the most vulnerable and marginalised local residents into sustained employment in order to fulfil our charitable objectives.

In Haringey over the last 4 years we have been able to successfully sustain this commitment through the Haringey Guarantee Partnership model for tackling worklessness. The emphasis has been on meeting clearly agreed job related outcomes and outputs, within an integrated multi-agency, cross-sector, service provision that builds on the expertise of partners. At the core of this is getting local people into Jobs, through clear pathways that include clients, delivery agencies and employers.

The work programme is a huge ambitious undertaking and Prime contractors will need to get some of the most marginalised and disadvantaged back into sustained work, across enormous contract packages, to make their contracts profitable.

Here, volume is the key and the task is on how we can build on our successful model to ensure that local residents are able to access the service and receive to one to one intervention necessary for their entry into the labour market.

- Haringey Guarantee has been excellent at engaging with and supporting people who mainstream services have failed to reach, in particular the most marginalised and vulnerable; partly because it's a voluntary intervention.
- The innovative nature of the programme with the pathways to work model taking on board a range partners has been a key success. Losing this infrastructure could be detrimental to the organisations, many of whom are small voluntary sector organisations, delivering services, therefore impacting on service users.
- Expected rising unemployment/worklessness actually makes it more important for a programme such as this to exist. We've tested the model and it's proven to work so it would appear counter intuitive to withdraw it at a time when it's most needed. There is no guarantee that the Work Programme will offer any improvement on this.
- Serious consideration should be given to "transitional" support package that ensures that there is continuity and allow the Haringey Guarantee partners to properly assess the work programme and its delivery impact in Haringey
- The need for strategic co-ordination from the Economic Development Dept that would enable Haringey Guarantee Partnership to seek sub-contracting arrangements with Prime Contractors as well as seek other alternative sources of grant/revenue for targeted worklessness assistance
- Changes to the Welfare Benefit are likely to have a huge impact on this group and their ability to access and sustain programmes designed to enable into the labour market. In the main these group are going to grow in Haringey – **and the key question is whether we are prepared to invest now or face greater social and economic cost later.**
- The need for Prime Contractors to make contracts "profitable" - could result in the most difficult groups not receiving the "targeted and sustained2 intervention designed to improve their pathway progression into the labour market.

- The Work Programme will not cover all client groups that the Haringey Guarantee has historically supported such as Incapacity Benefit claimants awaiting a Work Capability Assessment, lone parents on Income Support and non-benefit claimants.

### **Who we are**

NLPC (North London Partnership Consortium Ltd) is a Matrix and NOCN accredited voluntary and community sector organisation based in Northumberland Park, Tottenham. The organisation works to enable marginalized communities to actively participate and contribute to community economic development and urban renewal, through cross sector partnerships and community economic initiatives.

### **The organisations works in FOUR primary areas:**

- Employment, Enterprise, Educational and Training initiatives aimed at helping local residents to enter and sustain jobs within the labour market
- Employment, Enterprise and Training initiatives designed to improve the social and economic welfare of disadvantaged communities and enable the competitiveness, sustainability and performance of local businesses.
- Organisational development and capacity building support aimed at local residents and third sector organisations, including governance and management, work force development and procurement support.
- Voluntary and community sector representation within cross-sector strategic forums. The organisations director's have over the past 10 years played a pivotal part in cross-sector partnerships, including current sector representation on the Enterprise Partnership Board, and played an integral role in the Boards commissioning process in 2009. Our Director is currently the Chair of the Haringey Community Link Forum – the sectors formal representative forum for the HSP (Standing Leadership Conference), structure.

As a local Employer, we have remained committed to the ethos of local jobs for local people, with a history of successful integration of volunteers/local residents into paid positions within the organisation.

**We are current partners in successful Future Jobs Fund bids by Haringey Council and Urban Futures and have given 25 people jobs with a minimum of 6 months contracts as a result of these two projects.**

### **Our track Record**

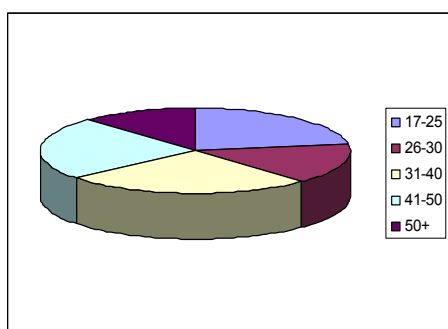
NLPC have over the past 9 years developed a successful track record for the delivery education, employment and enterprise related interventions, in partnership with mainstream and third sector organisations. This has included SRB 3/4/5/6, ESF, and ERDF, Equal 1 and 2 and European Refugee Fund. Examples of programmes include Health and Social Care, Community Economic Development and Leadership, Accredited Employability Skills Training, Social Enterprises, ESOL and Work Placements. Our wealth of experience in developing and delivering similar interventions has enabled us to develop robust quality assured systems and processes for such interventions, and strong understanding and appreciation of integrated partnership working.

Following an initial successful pilot programme in 2004/2005, since 2006, (following successive tendering process), NLPC has delivered the Work Placement element of the Haringey Guarantee Programme aimed at tackling worklessness within the borough. Over the past 3.5 years the organisation has developed a successful track record

underpinned by quality assurance and value for money in this particular area. During this time NLPC has also successfully piloted and delivered an innovative NOCN accredited Level 2 Work Placement Employability Skills Training programme.

### Community Engagement and Access

17-25	26-30	31-40	41-50	50+	Total
259	171	295	271	137	1133
23%	15%	26%	24%	12%	100%



NLPC have established a strong track record of effective promotion and marketing of its programmes to the target group. From August 2006 to December 2010, the organisation accessed over 1133 local residents from 13 priority wards, including strong penetration on the top 5 most deprived wards (Bruce Grove, Noel Park, Northumberland Park, Tottenham Green, and White Hart Lane). We have accessed over 80 disabled beneficiaries through the implementation of effective engagement with the priority Equality Groups and

NLPC strategic linkages with key partners, such as BUBIC, the Haringey Disability Consortium, and HG delivery partners,

### Client destinations – out puts and outcomes

IAG and Action Plan	Volunteer	Work Placement	Employed	Training	F/T Education	BOC	CRB	Total
1133	140	350	200	145	392	150	250	1133

#### Quality Employment and Advice and Career Action Plans

- NLPC has provided 1133 beneficiaries with IAG, Action Planning; provided HG partners with over 500 referrals for/to other identified employment/education/training and enterprise interventions.

#### Accredited Vocational Training and Support

145 beneficiaries have received level 2 accredited training, including Employability Skills Training. The range of training is designed to complement/enhance trainees existing skills, equip with new knowledge and skills and enable trainee job sustainability

#### Volunteering

- Over 140 clients were accessed into volunteering positions across sectors.

#### Better of Calculation (BOC)

- NLPC has undertaken 150 BOC's. This was introduced in 2009 and it is a mechanism to show clients how they would be better of in-job as opposed to claiming benefits. Clients are provided with calculations that shows if they would be "better – off".

#### Criminal Record Bureau (CRB)

- NLPC have facilitated over 265 CRB checks for clients, our partnership with external organisations has resulted in free service or discounted cost

### **Work Placements**

- **NLPC have placed over 350 trainees into sustained work placements, i.e., until the completion of the designated placement period.**

“Work placement is distinct from volunteering – it is a period of planned work based learning/experience. It offers trainees an opportunity for vocational learning and personal development without which they are likely to remain detached from the labour market. It acts as a stepping stone from unemployment and paid employment”. Clients could undertake full-time placement for 6 weeks or part-time placement 2.5 days over 3 months. During placement they are treated like other employees and the employer must have a properly defined job with agreed knowledge/skills/experience that the clients from prior to placement”.

### **Employer/Business Engagement (Host Organisations)**

- NLPC has been able to ensure awareness, uptake and participation by Employers for work placement support and pathway progression into paid work. We have established strong partnership working with employers across many sectors and developed a database of over 350 Employers (Host organisations), who have taken part in our HG work placement programme and have actively worked with over 160 diverse employers, big and small who have undertaken trainees on work placement. Examples include, Peacocks, Bonmarche, Superdrug, AWWG, BLFW, Haringey Council, Gladesmore School, North London Business, I-BMEDIA, BUBIC and HAVCO.
- We have successfully placed beneficiaries across diverse job sectors, examples include, Administration, Accounts, Housing, Security, IT, Recycling, Teaching Assistance, Youth Service, Health and Social Care, and Construction
- We have developed a quality assured customer service framework for engaging with and getting employers consensus through effective customer service based on the employers needs.
- We have developed innovative Beneficiary / Employer support systems such as a Compact Agreement of Understanding, and Work Programme forms designed to document and underpin practical experience gained.

### **Jobs**

- **In the past 3.5 years NLPC delivery of the HG work placement programme has successfully enabled over 200 beneficiaries to gain employment. Our overall rate of job outcome per placement is 57%.**

## Client Ethnicity

Ethnicity	Quantity	%
White British	123	11
White Irish	19	2
Other white	131	12
Black African	369	32
Black British	100	9
Black Caribbean	192	17
Pakistani	11	1
Bangladeshi	15	1
Indian	21	2
Mauritian	2	
Bulgarian	1	
Italian	2	
Polish	6	1
Chinese	8	1
South American	5	
Turkish	22	2
Mixed race	49	4
Other	57	5
	<b>1133</b>	<b>100%</b>

The organisation has attracted over 18 different ethnic categories, including a strong recruitment within the White British (11%) and White Other (12%) base (3<sup>rd</sup> and 4<sup>th</sup> highest group). The organisation has also established a strong recruitment base across different age groups, including the 31 – 50 years age group (50% of all recruitment) and 17-25 age groups (23% of all recruitment).

## Our programme focus –

The programme is intended to address needs faced by:

1. Workless residents of the 12 most deprived wards in Haringey, including those from BAME and recently arrived communities, who face high levels of labour market detachment and multiple barriers to initially accessing employment including low skills, language needs, educational underachievement, labour market discrimination linked to ethnicity, gender or disability, welfare benefit dependence and a lack of relevant work experience
2. Recently unemployed residents of the same wards who have lost their employment due to the economic downturn and may require re-skilling and appropriate work experience in order to re-enter sustainable employment
3. Local employers, predominantly SMEs, who require a high quality, job-ready workforce in order to be competitive, raise productivity and innovation;
4. Regional and Sub-regional employers, including large organisations who require high quality skilled workforce to enable them maintain competitive advantage
5. Social Housing residents who have high incidence of unemployment
6. Third sector employers who require support in responding to the economic downturn
7. HG programme partners who require supported exit pathway for their clients into the labour market with a mix of SME, third sector and large employers across sectors.
8. HG programme partners who need an integrated partnership approach to Worklessness intervention without issues associated with “chasing outputs” and/or project “duplication”

## **Examples of Programme Approach, Innovation and Uniqueness**

1. Joined up approach to addressing the needs of Employers and tackling worklessness in the borough through the provision of an integrated pathway progression from Outreach –Assessment- Career Development Action Plan – Referrals/Work placements –Interview Guarantee – Employment
2. A “matching” process that meets the needs of Employers with the needs of Unemployed residents
3. Referrals to and from HG partner organisations and other training providers within the borough
4. At the heart of our programme is Personalisation – ensuring that Unemployed clients receive a service in line with their specific needs and have available options for related interventions that could address their needs.
5. Proactive approach to Local residents and Employer Engagement including dedicated officers, community outreach workers, and volunteers.
6. Extensive community outreach and promotion within key neighbourhoods, promotion and marketing including Open Days, local media, roadshows, and leaflet drops.
7. Dedicated communication info-mail aimed at Employers and Unemployed residents highlighting opportunities ( clients looking for placements and Employers wanting to take up trainees for placements)

### **The longer term achievements include:**

- Effective contribution in helping reduce / eradicate the issue of worklessness within the most deprived neighbourhoods in Haringey
- Helping to ensure that the borough is able to meet and surpass its LAA stretch targets
- Creating an effective, integrated pathway progression into employment
- Creation of a model of good practice in partnership working for tackling employment issues
- Meeting the employers needs for a knowledgeable, skilled and trained workforce able to meet its challenges
- Helping to increase the skills / qualification base for the borough workforce
- Creating a Job Ready workforce “databank” that employers can use for future job opportunities
- Establishing work placement as an effective tool for pathway progression into work and increasing the level of employers offering work placement opportunities
- Increased motivation, self-belief and self-esteem among participants;
- Greater economic independence for members of target groups who have been marginalised from the labour market;
- Reduced reliance on state benefits for participants who have been unemployed;
- Increased economic activity rates for participants who have been economically inactive;
- Greater purchasing power within low income communities as a result of increased employment of members of target groups;
- Greater health, well being and quality of life of participants, as a wealth of evidence indicates that being in work is associated with better physical health.

This paper provides an assessment of the economic impacts associated with the support provided through the Haringey Guarantee to those individuals participating in the initiative between April 2009 and July 2010. The assessment covers the impacts of the two Haringey Guarantee Extension projects (Women Like Us and 5E).

The results are based on a survey of 114 Haringey Guarantee participants undertaken in July 2010. The methodology employed has been designed to comply with the Government's guidance on establishing the economic impacts of employability initiatives, including the HM Treasury's Green Book, and the Impact Evaluation Framework (and supplementary guidance, such as the IEF plus<sup>19</sup>) developed by the Department for Business, Innovation and Skills.

### ***Analytical Framework***

This section sets out our approach for estimating the net economic impacts of the Haringey Guarantee, and is based on the general framework set out in the Homes and Communities Agency's Additionality Guide for assessing the economic impact of area based initiatives. This states that the economic impact should be estimated using the following:

$$\text{Net impact} = \text{Gross Impact} - \text{Deadweight} - \text{Crowding Out} - \text{Substitution Effects} - \text{Leakage} - \text{Displacement} + \text{Multiplier Effects}$$

Where:

- **Gross impact** is the positive economic impacts achieved by programmes among participants. In the case of the Haringey Guarantee, these will be achieved where programme participants enter employment, and generate GVA impacts.
- **Deadweight** is the extent to which those gross impacts would have occurred in the absence of the intervention (i.e. the number of participants that would have entered employment in the absence of the programme).
- **Crowding Out** is the extent to which programme investment has crowded out private sector investment in similar initiatives. Crowding out is assumed not to apply in the case of the Haringey Guarantee; it is unlikely

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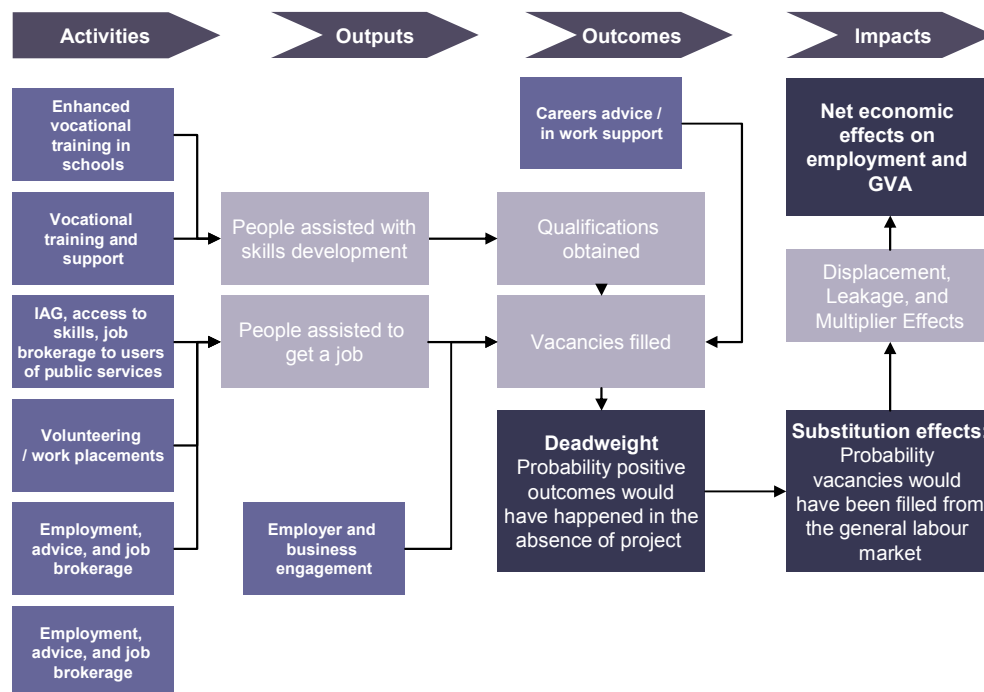
<sup>19</sup> Practical Guidance on Implementing the Impact Evaluation Framework, BIS, December 2009



that Haringey's investment in the initiative has prevented the private sector developing pre-employment support schemes.

- **Substitution Effects** occur where employers filling vacancies with participants of the Haringey Guarantee would have filled vacancies with other residents of the borough in the absence of the scheme. Related to this, it is also important to consider whether firms have been able to recruit workers that were more suitably trained or at an earlier date than in the absence of the programme.
- **Leakage** occurs where the benefits of the programme go to other areas outside Haringey. For example, if a resident that is supported into employment leaves the borough, then this impact benefits another area. Where residents of the borough have been supported into jobs outside the borough, then the GVA impacts are lost to Haringey (although Haringey retains the employment impact).
- **Displacement** may occur where firms filling vacancies with Haringey Guarantee participants are able to produce more and generate more sales. If these sales are taken away from other firms in Haringey then there are potentially negative effects on employment
- **Multiplier Effects** occur through two main mechanisms: firms filling vacancies with Haringey Guarantee participants may increase procurement spend among local firms, generating positive local impacts (supply chain multiplier effects). Further benefits will be gained by local firms where the additional income (i.e. the increase above any benefits participants may be claiming) are spent by programme participants in the local economy (induced multiplier effects).

Our overall analytical framework is set out in the diagram below.



## Gross Employment and GVA Outcomes

### Gross employment outcomes

At the beginning of July 2010, there were 1,751 participants of the Haringey Guarantee registered on MegaNexus, of which 259 were recorded as entering employment<sup>20</sup>. All respondents to the survey were asked to report whether they had entered employment since receiving support as a means of verifying the monitoring data.

The survey evidence suggests that 26 percent of participants with no employment outcome recorded in MegaNexus had in reality entered employment at the time of the survey, while 22 percent of participants that had been recorded as achieving an employment outcome reported that they had not entered any employment since receiving support.

Overall, this suggests that the 259 employment outputs recorded by MegaNexus are an underestimate of the total gross employment outcomes of the Haringey Guarantee by July 2010. Applying the results above to the numbers of participants in the programme (by employment outcome), it is estimated that around 600 Haringey Guarantee participants have obtained employment since receiving support (closer to 35 percent).

Table 0.1 Gross employment outcomes

Employment outcome recorded on MegaNexus	Number of participants	Percentage of survey respondents reporting they had obtained employment	Estimated number of participants obtaining employment
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<sup>20</sup> Either recorded and verified as a job entry, job sustained for 13 weeks, or job sustained for 26 weeks.

Employment outcome recorded on MegaNexus	Number of participants	Percentage of survey respondents reporting they had obtained employment	Estimated number of participants obtaining employment
Employment outcome	259	78	201
No employment outcome	1,492	27	403
<b>Total</b>	<b>1,751</b>	<b>-</b>	<b>604</b>

Source: MegaNexus and Participant Survey

### Gross GVA outcomes

The Haringey Guarantee will also generate economic effects in terms of GVA as a result of the output created by those individuals supported into work. The income based measure of GVA is defined as the sum of wages received by employees and profits accruing to owners of firms. More productive workers (i.e. those able to generate more GVA per hour worked) tend to obtain higher wages.

In order to assess the economic contribution of the Haringey Guarantee in terms of GVA, respondents were asked to report their average hourly earnings, and whether they worked full-time (30 or more hours per week) or part time (less than 30 hours per week).

On average, respondents reported they earned an hourly wage of £7.76. This is low in comparison to borough averages, with residents of Haringey earning £14.65 per hour in full-time work, and £9.19 in part-time work<sup>21</sup>, suggesting that participants have mainly found employment in lower skilled occupations. 34 percent of those finding work reported they had entered full-time time employment, and 66 percent entered part-time employment. Applying these results to the average weekly hours worked by residents of Haringey (37.5 hours for full-time workers, and 16.7 hours for part-time workers<sup>22</sup>) it is estimated that participants entering employment work on average 23.8 hours per week, earn a weekly wage of £184, and an annual wage of £9,600.

Table 0.2 Average Weekly Hours and Earnings, Participants Entering Employment

Response to: Do/did you work full time or part time?	Total	Percentage	Average Weekly Hours / Earnings
Full time (more than 30 hours per week)	18	34	37.5
Part time (less than 30 hours per week)	35	66	16.7
<b>Total</b>	<b>53</b>	<b>100</b>	<b>23.8</b>
Average hourly earnings			£7.76
Average weekly earnings			£184.48
<b>Estimated average annual earnings</b>			<b>£9,593.21</b>

<sup>21</sup> Annual Survey of Hours and Earnings, Office for National Statistics, 2009

<sup>22</sup> Annual Survey of Hours and Earnings, Office for National Statistics, 2009

*Source: Participant Survey (ECOTEC), Annual Survey of Hours and Earnings (ONS)*

On the basis of average annual earnings of £9,600, the 600 individuals entering employment since participating in the Haringey Guarantee are estimated to earn a total of £5.8m per annum. In London, wage expenditure represents 54 percent of total GVA<sup>23</sup> (i.e. every £0.54 spent on wages generates £1 of GVA), implying the Haringey Guarantee has had a total gross impact on GVA of £10.7m per annum to date.

*Table 0.3 Gross GVA Created*

<b>GVA Estimates</b>	
People supported into employment	604
Estimated average annual income (£)	9593
Estimated total annual income (£m)	5.8
Ratio of Wage Expenditure to GVA	0.54
Estimated total gross GVA impact (£m per annum)	10.7

*Source: Participant Survey*

### ***Additionality***

A crucial consideration in establishing the net economic impacts of the Haringey Guarantee is how far participants would have found employment without the support they received. This comprises two elements: how far the participants entered employment as a direct result of the support provided, and how far participants would have obtained an alternative source of similar support that would led to the same outcomes.

#### **Additionality of employment outcomes**

Respondents that had entered employment were asked to report how likely they would have been to find a job if they had not received the support from the Haringey Guarantee. More than a quarter of respondents reported that they definitely would not have found a job without the support they received, and a further 10 percent reported that that they would only possibly have found a job, suggesting that in many cases, the programme is making a direct contribution to the employment prospects of participants. However, a substantial proportion (57 percent) reported that they would have definitely or probably found their job without the support they received. No respondents reported that they were able to obtain a job with greater earnings as a result of support, perhaps reflecting the low earnings received by participants. Using the additionality assumptions

<sup>23</sup> Annual Business Inquiry, Office for National Statistics, 2008

Response to 'Do you think you could have found a similar level of support elsewhere?'	Number of respondents	Percentage of respondents	Assumed additionality
No	99	87	1.00
Yes	15	13	-
<i>If yes, how likely is that you would take up this alternative support?</i>			
Definitely	7	6	0.00
Likely	8	7	0.25
Neither likely nor unlikely	0	0	0.50
Unlikely	0	0	0.75
Definitely not	0	0	1.00
<b>Total</b>	<b>114</b>	<b>100</b>	<b>0.89</b>

outlined in the table below, it is estimated that, on average, 45 percent of participants obtaining employment would not have done so without the support.

*Table 0.4 Additionality of employment outcomes*

Response 'How likely is it that you would have found this job without the support you received?'	Number of respondents	Percentage of respondents	Assumed additionality
Would definitely have found this job anyway	22	42	0.00
Would probably have found this job anyway	8	15	0.25
Would have found a job, but at a later date	4	8	1.00 <sup>24</sup>
Would have found a job, but with lower wages	0	0	1.00
Would possibly have found this job anyway	5	9	0.75
Would definitely not have found this job anyway	14	26	1.00
<b>Total</b>	<b>53</b>	<b>100</b>	<b>0.45</b>

*Source: Participant Survey*

### **Additionality of support**

Respondents were also asked to report if they would have been able to find a similar level of support from an alternative source, and if so, how likely they would have been to use it. The survey results suggested that only a minority (13 percent) would have been able to find similar support elsewhere, indicating the support provided by the programme has added substantial value to support provided locally.

Using the additionality assumptions outlined in the table below, it is estimated that 89 percent of participants would not have obtained similar alternative support in the absence of the Haringey Guarantee.

*Table 0.5 Additionality of support*

<sup>24</sup> While the outcomes associated with those that have would have found a job at a later date are assumed to be 100 percent additional, the impacts are assumed to endure only on a temporary basis (see section 1.7 below).

## **Gross Additional Employment Outcomes**

Estimates of the gross additional impacts of the Haringey Guarantee in terms of people supported into employment, and associated GVA, are set out in the table below.

*Table 0.6 Additionality of employment outcomes*

<b>Impact</b>	<b>Gross outcome</b>	<b>Additionalit y of outcomes</b>	<b>Additionalit y of support</b>	<b>Gross additional outcomes</b>
Gross additional people supported into employment	604	0.45	0.89	240
Gross additional GVA created (£m per annum)	10.7	0.45	0.89	4.2

$$\text{Gross additional impact} = \text{Gross impact} \times \text{Additionality of outcomes} \times \text{Additionality of support}$$

## **Substitution Effects, Leakage, Displacement, and Multiplier Effects**

### **Substitution effects**

Substitution effects depend on how far employers would have recruited other labour market participants (either from Haringey or elsewhere in London) in the absence of the support provided by the initiative. Employer research has not yet been completed as part of the evaluation, so a value for substitution effects has been assumed on the basis of meta-research undertaken by BIS in 2009 that suggested that prior evaluation studies found a value for substitution effects of 7.6 percent (at the regional level) for employability programmes.

Applying this assumption implies that 7.6 percent of the vacancies filled by Haringey Guarantee participants would have been filled by other residents of London in the short term. It is assumed of these, 50 percent would have been Haringey residents (on the basis that many jobs will have been sourced locally), suggesting a value for local substitution effects of 3.8 percent<sup>25</sup>.

### **Leakage**

The economic impacts of the Haringey Guarantee will leak outside of the borough (or London) to the extent that non-residents have benefited from support provided by the programme. Analysis of the postcodes of participants (as recorded in MegaNexus) suggested at a small share (2 percent) of participants lived outside the borough of Haringey, and none lived outside London. Leakage is therefore assumed to be 2 percent at the local level, and zero at the regional level.

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<sup>25</sup> These assumptions will be updated on completion of the employer survey.

Spatial Level	Substitution Effects	Leakage	Displacement	Multiplier Effects
Haringey	0.02	0.04	0.31	1.29
London	0.00	0.08	0.78	1.44

### Displacement and Multiplier Effects

Displacement and multiplier effects depend primarily on the extent to which employers recruiting Haringey Guarantee participants compete and procure from with other firms in the borough (or London at the regional level). Assumptions for displacement are taken from a review of City Challenge programmes that suggested training programmes led to displacement of 31 percent at the local level, and 78 percent at the regional level<sup>26</sup>. Most programme participants obtained employment in service industries, and assumptions for composite multiplier effects (for B1 office land use classes) of 1.29 at the local level and 1.44 at the regional level have been taken from the Homes and Communities Agency Additionality Guide<sup>27</sup>.

### Gross to net additionality assumptions

Gross to net additionality assumptions are set out in the table below.

*Table 0.7 Summary of gross to net additionality assumptions*

### Net Additional Employment Impacts

Estimates of the net additional impact of Haringey Guarantee by July 2010 are set out in the table below. Overall, it is estimated that the programme has supported 201 net additional residents of Haringey into employment, with an associated GVA impact of £3.6m per annum. Owing to primarily high rates of assumed displacement at the London level, this impact falls to 70 net additional people into employment, and £1.2m per annum in GVA, at the level of the region.

*Table 0.8 Net additional employment and GVA impacts*

Net additional impacts	Haringey	London
Net additional people supported into employment	201	70
Net additional GVA created (£m per annum, residence based)	3.6	1.2

$$\text{Net additional impact} = \text{Gross additional impact} \times (1 - \text{Substitution}) \times (1 - \text{Leakage}) \times (1 - \text{Displacement}) \times \text{Multiplier effects}$$

<sup>26</sup> Additionality Guide, Homes and Communities Agency, 2008

<sup>27</sup> Again, these assumptions will be updated on completion of employer research

## ***Present value of GVA impacts***

In order to estimate the total GVA impact of the Haringey Guarantee, it is necessary to take to further elements into account:

- **Persistence:** The impacts outlined above measure the annual GVA impact associated with individuals supported into employment, whereas the total impact will depend on how long individuals are able sustain employment. Tracking of participants (to be undertaken over the remainder of the study) will be used to develop an understanding of the sustainability of employment outcomes. In the interim, and in line with IEF plus guidance (for the intervention type 'Matching People to Jobs'), it is assumed that impacts endure for a period of one year.
- **Accelerated effects:** Eight percent of participants reported that they would have obtained employment, but at a later date. On average, these respondents reported that they would have found a job 9 months later than they did, so in eight percent of cases, impacts are assumed to endure for 0.75 years only.
- **Discount rate:** In line with the principles of the HM Treasury Green Book, a discount rate of 3.5 percent per annum should be applied to monetary values. As the impacts of the programme have only accumulated over a single year since the programme started, an adjustment of 3.5 has been made.

Estimates of the total present value of the GVA impacts of the Haringey Guarantee by July 2010 are set out in the table below.

*Table 0.9 Present value of net additional GVA impacts*

<b>Net additional impacts</b>	<b>Haringey</b>	<b>London</b>
Present value of GVA created (£m, residence based)	3.5	1.2

### ***Value for money***

Over the first year of programme delivery, projects funded through the Haringey Guarantee spent £556,500<sup>28</sup>. This equates to a cost per net additional person into employment of £2,800 (£7,900 at the London level) and a return on investment of £6.3 in GVA per £1 of spending (£2.2 at the London level).

<sup>28</sup> Note that this excludes payments made to projects in Year 1 for outputs that would be delivered in year 2.



These value for money ratios are compared against the results of recent evaluations of other London based employability programmes in the table below, which have tended to focus on impacts at the regional rather than the local level:

- The cost per net additional person supported into employment is low in comparison to other initiatives. GVA per £1 invested is broadly comparable, and is likely due to the high proportion of participants that have obtained part-time employment.
- It should be noted that, some of the evaluation studies made more favourable assumptions than utilised here. For example, impacts were assumed to endure for 3 years (rather than the 1 year assumed here) for the Local Employment and Training Framework, which will inflate estimates of impact as compared to estimates here.
- Overall, this suggests the Haringey Guarantee has demonstrated reasonably good value for money. Additionally, the programme will generate further impacts in the future when further current and new participants enter employment, which may further improve value for money measures.

It should be noted, however, that these estimates do not reflect all costs involved in delivering the programme and associated employment outcomes. Participants may have received support from other public sector agencies that may have contributed to these outcomes either directly or indirectly, and the costs of these interventions are not reflected here. In addition, participants themselves incur costs (including additional transport costs, childcare costs, and loss of leisure time) that are not captured in this estimate of return on investment.

*Table 0.10 Value for Money Benchmarks*

Programme	Local impacts		Regional impacts	
	Cost per net additional job created (£)	£ of GVA per £1 invested	Cost per net additional job created (£)	£ of GVA per £1 invested
<b>Haringey Guarantee</b>	2,800	6.3	7,900	2.2
Relay London Jobs <sup>29</sup>	-	-	13,700	1.4
Local Employment and Training Framework <sup>30</sup>	-	-	13,900	2.0

<sup>29</sup> Source: Evaluation of the London Employment and Skills Taskforce, ECOTEC Research and Consulting, 2010. Results include multiplier effects but exclude monetised losses of leisure time to ensure comparability.

<sup>30</sup> Source: Evaluation of the London Employment and Training Framework, Roger Tyms and Partners, 2009. This study assumed the GVA effects of the programme would endure for 3 years, not 1 as assumed here.

Programme	Local impacts		Regional impacts	
	Cost per net additional job created (£)	£ of GVA per £1 invested	Cost per net additional job created (£)	£ of GVA per £1 invested
London South Central Enterprise and Employment Programme <sup>31</sup>	-	-	14,600	4.8
Thames Gateway JobNet <sup>32</sup>	-	-	10,400	2.1

<sup>31</sup> Source: Evaluation of the London South Central Employment and Enterprise Programme, ECOTEC Research and Consulting , 2009. Results include effects of a range of enterprise projects, for which impacts are assumed to endure for 3 years.

<sup>32</sup> Source: Interim Evaluation of the Thames Gateway JobNet, Adroit Economics, 2008, results are based on all sources of funding, note that £ of GVA per £1 invested rises to £4.1 where impacts are assumed to endure for 3 years.