

Person- or place-based policies to tackle disadvantage?

Not knowing what works

Julia Griggs, Adam Whitworth, Robert Walker, David McLennan and Michael Noble

This study reviews evidence of the effectiveness of policies introduced in Great Britain since 1997 to tackle employment, education and income disadvantage, focusing on policies that explicitly take account of people and places.

While the Government has sought to tackle disadvantage across a number of fronts since 1997, person- and place-based policies have mostly developed separately and often in isolation from each other. This separation does not reflect the relationships between places and the poverty and disadvantage of people who live in them.

This study looks at evaluations of the policies targeted at people and places to draw out key messages about what works, comparing and contrasting the effectiveness of person- and place-based interventions.



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The **Joseph Rowntree Foundation** has supported this project as part of its programme of research and innovative development projects, which it hopes will be of value to policymakers, practitioners and service users. The facts presented and views expressed in this report are, however, those of the authors and not necessarily those of the Foundation.

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First published 2008 by the Joseph Rowntree Foundation

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ISBN: 978 1 85935 630 2

A CIP catalogue record for this report is available from the British Library.

Prepared and printed by:

York Publishing Services Ltd, 64 Hallfield Road, Layerthorpe, York YO31 7ZQ

Tel: 01904 430033; Fax: 01904 430868; Website: www.yps-publishing.co.uk

Further copies of this report, or any other JRF publication, can be obtained from the JRF website (www.jrf.org.uk/bookshop/).

Contents

Glossary	vii
List of abbreviations	ix
Executive summary	xii
1 Person- and place-based policies	1
Method	4
Expectations	7
2 Employment policies	8
Policy context: employment initiatives introduced since 1997	8
Policy context: changing patterns of worklessness	13
The impact of employment policies	16
Cost and cost-effectiveness	29
Conclusions	30
3 Education policies	32
Policy context	32
National policy outcomes	37
Evaluative evidence	40
The impact of early years education	41
Impact on Level 2 attainment	43
Impact on post-compulsory education	47
Conclusions	49
4 Income and living standards	51
Tackling income poverty	51
Impact of specific policies	52
Conclusions	53
5 Insights and possibilities	54
Substantive insights	54
Methodological and policy reflections	55
Future possibilities	57
Notes	59
Bibliography	63
Appendix 1: Data sources – Chapter 2	75
Appendix 2: Data sources – Chapter 3	77

Appendix 3: Policy details	80
Appendix 4: Policy initiatives and impact estimates	90
Appendix 5: Impact estimates for policy interventions reported in figures in the text	113
Appendix 6: Details of cost-effectiveness – employment policies	121

Glossary

Additionality/programme effect: the number of additional positive outcomes that the programme creates. It equals the number of positive outcomes achieved with the programme minus the counterfactual. It is a measure of the *programme effect* or *impact*.

Counterfactual: also called the *base case*. It is defined as the number of positive outcomes that would have been observed among the eligible population if the programme was not in place. In most evaluations, the counterfactual will be measured (with varying degrees of accuracy) using a control group who are not in receipt of the programme.

Deadweight: the numbers or proportion of the eligible population who would have achieved a positive outcome in the absence of the programme. For compulsory programmes, this will be the same as the counterfactual; for voluntary programmes, deadweight is often defined for participants only (i.e. the numbers or proportion of *participants* who would have achieved a positive outcome in the absence of the programme).

Difference in difference (DiD): an econometric modelling technique that facilitates the assessment of the average impact of a policy programme on a specific outcome. This is done by comparing changes in outcomes for the 'treatment group' before and after the implementation of a programme with the changes in outcomes for the control group over the same time period.

Displacement/substitution: the change in the number of positive outcomes among other non-eligible populations as a result of the programme. The estimation of displacement is, in most instances, extremely difficult and most evaluations cannot do so with any degree of accuracy. Where an estimate is made it is usually through the analysis of administrative data.

Intervention/action and control groups: the intervention group (sometimes called the treatment group) is the group in the study who are in scope for the programme. The control group is the group in the study who are excluded from the programme. For some evaluation designs (notably the matched comparison group design), the intervention group is selected from participants and the control group from non-participants.

Person- or place-based policies to tackle disadvantage? _____

Propensity score matching (PSM): mimics random assignment through the construction of a control group *post hoc*. The method estimates a predicted probability of belonging to the programme group based on observed predictors, usually obtained from a logistic regression, and creates the control group from persons with similar scores to those in the programme group. The aim of PSM is to create a control group with similar characteristics to the treatment group and the technique is used to make causal inferences about a treatment in the absence of random assignment.

Randomised control trial/random assignment: participants are randomly assigned either to an intervention/treatment group or to a control group. Outcomes for both groups are observed over a specified period of time with the impact of the intervention taken to be the difference in outcomes between the two groups.

Sources: Purdon *et al.* (2001) and Noble *et al.* (2005).

List of abbreviations

ABI	Area Based Initiative
ADF	Adviser Discretion Fund
AIP	Advisory Interview Process
APS	Average point score
BET	Basic Employability Training
BoND	Building on New Deal
BSMT	Basic Skills Mandatory Training
CLG	Communities and Local Government
CMP	Condition Management Programme
CTC	Child Tax Credit
DCSF	Department for Children, Schools and Families
DiD	Difference in difference
DfES	Department for Education and Skills
DWP	Department for Work and Pensions
EAL	English as an Additional Language
EEC	Early Excellence Centre
EiC	Excellence in Cities
EMA	Educational Maintenance Allowance
ERA	Employment Retention and Advancement demonstration
ES	Employment Service
EYFS	Early Years Foundation Stage
EZ	Employment Zones
FE	Further education
FSM	Free school meals
FTET	Full-time education and training
GtW	Gateway to Work

Person- or place-based policies to tackle disadvantage? _____

HE	Higher education
HESA	Higher Education Statistics Agency
HMRC	HM Revenue and Customs
IAP	Intensive Activity Period
IB	Incapacity Benefit
IFP	Increased Flexibility Programme
ILR	Individual Learner Record
IS	Income Support
JSA	Jobseeker's Allowance
KS2	Key Stage 2
KS3	Key Stage 3
KS4	Key Stage 4
LEA	Local education authority
LOT	Longer Occupational Training
LPWFI	Lone Parent Work Focused Interview
LSC	Learning and Skills Council
LSP	Local Strategic Partnership
ND	New Deal
ND25+	New Deal for People aged 25 and over
ND50+	New Deal 50 Plus
NDC	New Deal for Communities
NDDP	New Deal for Disabled People
NDLP	New Deal for Lone Parents
NDP	New Deal for Partners
NDYP	New Deal for Young People
NEET	Not in education, employment or training
NMW	National Minimum Wage
NNI	Neighbourhood Nurseries Initiative

NPD	National Pupil Database
NRF	Neighbourhood Renewal Fund
NRU	Neighbourhood Renewal Unit
NVQ	National Vocational Qualification
Ofsted	Office for Standards in Education
PA	Personal Adviser
PLASC	Pupil Level Annual School Census
PSA	Public Service Agreement
PSM	Propensity score matching
RTWC	Return to Work Credit
SDA	Severe Disablement Allowance
SEN	Special educational needs
SIP	Social Inclusion Partnership
SJFT	Short Job-focused Training
SS	Sure Start
SSLP	Sure Start local programme
WBLA	Work Based Learning for Adults
WFI	Work Focused Interview
WFIP	Work Focused Interviews for Partners
WFTC	Working Families' Tax Credit
WNP	Working Neighbourhoods Pilot
WPLS	Work and Pensions Longitudinal Study
WTC	Working Tax Credit

Executive summary

Person- and place-based policies

Objective

Since 1997, the Government has implemented a raft of person- and place-based policies to tackle disadvantage. For the most part, these policies (person and place) have developed separately within their specific domains, reflecting the different responsibilities of government departments and influenced by their different approaches and traditions. However, this separation does not reflect a reality in which poverty and disadvantage are mediated by place, and places are affected by the poverty or otherwise of their inhabitants.

The objective of this review was to assess the evidence base relating to the effectiveness of these policies and draw out key messages as to what works, with particular emphasis on comparing and contrasting the efficacy of person- and place-based interventions.

The review focuses on policies implemented in Great Britain (excluding Northern Ireland) since 1997 that are aimed at tackling three key themes of disadvantage: employment; education; and income.

Methods

In order to know whether a policy works it is necessary for it to have been reliably evaluated. Resources did not permit a formal systematic review but comprehensiveness and quality considerations were prioritised.

As this review assesses the relative effectiveness of policy interventions, two key inclusion criteria were that an evaluation included a robust counterfactual (that is, an estimation of what outcomes would have been had the intervention not been implemented) and that impact was measured against at least one policy-relevant outcome measure. A protocol methodology was established to guide data extraction and inform decisions concerning the quality of the evaluative evidence. At an early stage, a group of Oxford University academics and researchers was convened to test the research design and to identify an initial set of relevant policies and potentially

useful evaluative material. The final report was informed by critique of an interim report presented at an expert seminar and shared with staff in a local partnership tasked with implementing and monitoring a range of policies at local level.

Employment policies

Policy context

It is evident that, at least in terms of number of initiatives, Government has prioritised person-based employment policies over place-based ones. Person-based policies include welfare to work programmes such as the New Deal employment training schemes; a portfolio of initiatives aimed at making work pay to ease the financial transition from benefits into work; interventions focused on enhancing education, training and skills for working-age adults; and initiatives targeted on individuals in receipt of disability benefits to bring them closer to the labour market. Area-based interventions had either a focus solely on tackling worklessness or a broader remit where worklessness was one of a number of priority themes.

A degree of similarity can be observed in the objectives of the employment-oriented initiatives, although priority varies between programmes, with the result that relatively few policies have been evaluated against the same outcome indicators. This clearly limits the ability to determine which policies work best. Two key outcome measures were identified in evaluative material: movements off social security benefits and entries into paid employment.

Person-based interventions: policy impact

A total of nine person-targeted initiatives were evaluated against their impact on employment entry rates with four of these also assessing the less challenging subsidiary objective of reducing the number of people receiving benefit. Considerable variation in reported effectiveness is apparent between the various interventions. However, these nine programmes target a range of different groups (e.g. lone parents, long-term unemployed, disabled people, etc.), are designed to work in a range of different ways (e.g. by enhancing job search or by improving key skills) and were undertaken at a range of different times in the life of the programmes and with different baselines.

Person- or place-based policies to tackle disadvantage? _____

The two policies with the strongest impact on entries into employment, the New Deal for Lone Parents (NDLP) and Pathways to Work, were both targeted on groups that were traditionally considered to be economically inactive with no obligation to work and were, indeed, often excluded from schemes designed to help people back into employment. It is possible, therefore, that both schemes tapped a pool of people eager to return to work who had previously effectively been prevented from doing so.

The rank ordering of programme effectiveness is similar when looking at employment entry rates and reductions in benefit receipt. However, there are variations in sizes of effects, with the impact on benefit exit rates for participants of the NDLP being almost twice as high as the impact on employment entry rates, while, for Pathways to Work, the impact on employment exit rates was slightly higher than on benefit exit rates.

Explanations for the variations in effectiveness are necessarily speculative since the majority of policy evaluations have not been designed to test theories of change. Few conclusions are generalisable beyond the particular circumstances in which the interventions were evaluated and the groups on whom they were targeted. The assessment of the various impact studies, informed by the related process considerations, points to the importance of client-centred packages of provision aimed at those who are work-ready or, in the case of subsidised employment programmes, those who are more distant from the labour market who are less likely, or less able, to assemble support themselves or to make progress without doing so.

Place-based interventions: policy impact

Many of the areas targeted for area-based interventions have been subject to a number of simultaneous initiatives, which have made it difficult for evaluators to isolate and attribute impacts to particular programmes. Only three evaluations were identified that matched in terms of objective and outcome measure and hence could be meaningfully compared.

Each of the three place-based programmes assessed showed evidence of a positive impact on employment entry rates. Employment Zones (EZ) and Working Neighbourhoods Pilots (WNP) both recorded substantial impacts, while StepUP recorded rather lower positive impacts. However, interesting variations were observed between different age groups of people participating in StepUP, with impact rates for the 30–49 age group being similar to those for EZ and the WNP, but impact rates for younger age groups being substantially less and indeed a negative outcome for the youngest age group (18–24 years). The differences in impact by age group for this programme may be due to the failure of subsidised employment placements

to meet the younger cohort's unrealistic work expectations and insufficient encouragement from Advisers to undertake job search.

Summary

It is very difficult to account for differences in the relative effectiveness of the policies aimed at tackling employment deprivation. To do so it is necessary to rely on interpretations derived from process evaluations and ad hoc rationalisation. These point to the desirability of careful targeting and to the improved additionality that arises from successfully reaching those more distant from the labour market, particularly those with low objective employability – for example, lack of qualifications, skills and self-confidence – who might not make the transition to work unaided but who were able to benefit from the support provided.

Education policies

Policy context

Unlike employment policies, with their greater emphasis on targeting individuals, education initiatives have been more or less evenly targeted at both people and places. Person-targeted policies – those affecting young people equally, irrespective of where they live – have included an expansion of early years provision, curriculum changes for schools, increased levels of testing of pupils and assessment of schools, and methods of 'widening participation' to higher education. Place-based education initiatives usually focus on the most deprived geographical areas, which are often where the most underperforming schools are located. As with person-based interventions, a number of place-based initiatives have been developed that span the continuum from early years to post-16 education. The analysis of educational outcomes presented in this review focuses specifically on policies aimed at under 18s, largely because adult education and training programmes have employment-focused objectives and have therefore been examined under the 'Employment policies' section of this report.

A variety of outcome measures are adopted by the various evaluations and these are understandably tied to the life stage(s) at which the programmes are aiming to achieve positive impacts. Given the nature of educational interventions, it is sensible to group and compare policies by educational stage rather than simply by person- or place-based focus.

Early years interventions: policy impact

The lack of a common output measure for initiatives targeted at early years education precludes direct comparison of impacts. Two key area-based early years interventions examined were Sure Start and the Neighbourhood Nurseries Initiative (NNI). Interim reports from the Sure Start evaluation found no evidence of positive impacts on children's health or development but that selective improvements in children's social functioning were evident by the age of 36 months. However, these benefits appeared to be limited to children in the least deprived families. The evaluators suggest that less deprived families living in Sure Start areas (i.e. those with greater human capital) were better able to benefit from the services offered and that this resulted in more restricted opportunities for the more deprived families living in these areas. The NNI evaluation found evidence of positive outcomes on employment measures for target populations but the objective of reducing children's disadvantage directly through means of high quality childcare had not, at the time of writing, been assessed against a robust counterfactual.

GCSE-level interventions: policy impact

The five policy interventions identified that aim to impact on Level 2 attainment (five GCSEs grades A*–C and equivalent) – Educational Maintenance Allowance (EMA), Increased Flexibility Programme (IFP) (person-focused), Academies, Excellence in Cities (EiC) (place-focused) and New Deal for Communities (NDC) (an integrated person-place intervention) – were evaluated over broadly similar time periods but differ in their target population group, the distinction between having single or multiple objectives, evaluation design and precision of impact estimates. Such differences again limit the comparability of these interventions and thus the ability to assess relative effectiveness. It is notable however that, of the five policies, only two exhibited any discernable impact on outcomes at Level 2, with Academies showing a small positive effect and NDC showing a somewhat larger positive effect (although some reservations are identified with regards to the counterfactual in the NDC case).

Three policies were evaluated against an outcome measure of raising pupil point score attainment in their eight best GCSEs, which may be regarded as a more sensitive measure of attainment than simply achieving a specified threshold exam grade. Two versions of the Aimhigher policy, Gifted and Talented (delivered through EiC), and Excellence Challenge produced small positive outcomes on the eight best GCSE points score outcome indicator, while the IFP, which was found to have no measurable impact on exam passes, showed evidence of an adverse impact on this

points score indicator. However, when the average points achieved from *all* GCSEs were considered, the IFP demonstrated a positive impact of 3.5 points suggesting that IFP pupils may be gaining more qualifications of a lower grade.

Post-compulsory education: policy impact

Initiatives that have been evaluated in the post-compulsory education sector have two principal objectives, namely to widen participation and to facilitate retention. Only three such interventions were evaluated with a counterfactual – Aimhigher: Excellence Challenge and EMA and Aimhigher: Opportunity Bursaries. Each project was assessed against the objective of increasing participation in further and higher education. Aimhigher: Excellence Challenge did not produce any significant impact on this outcome measure. Measurable positive impacts were observed in the evaluations of both EMA and Aimhigher: Opportunity Bursaries, with the former showing a greater impact than the latter. However, it is not possible to conclude irrefutably from this comparison that EMA was more effective than Opportunity Bursaries. Both programmes also resulted in higher retention rates. When considering these results, it is important to recognise the difficulty in isolating the effects of Aimhigher from those of EiC and, therefore, the observed outcome measures are best regarded as a combined effect of both programmes.

Summary

Given the number of educational initiatives to tackle disadvantage and the amount of evaluative material available, the conclusions to be drawn are thin. A lack of common outcome measures frustrates comparison of the relative effectiveness of measures targeted on person or on place. Impacts overall tend to be small but the effects on users may, of course, be considerable. They can also be adverse, as appears to be the case among the most disadvantaged families living in Sure Start areas or complex like the interventions to promote post-compulsory education.

Income policies

Policy context

A large number of measures have been put in place to attain the Government's targets in relation to tackling income poverty. Given this focus on financial poverty and the centrality of child poverty in policy-making since 1999, it is surprising how few policy initiatives have been evaluated directly in terms of their impact on incomes and living standards. Even those reforms, such as tax credits, that have been the subject of quite extensive *ex post facto* evaluation have rarely been assessed for their anti-poverty impact. The key evidence base for this policy area is therefore microsimulation models, which are underpinned by various assumptions that are difficult to test empirically.

Policy impact

Only two evaluations were identified that assessed the impact of policy on incomes with reference to a robust counterfactual. Work Based Learning for Adults (WBLA) and the Employment Retention and Advancement (ERA) demonstration. While one of the options of WBLA was found to increase the likelihood of being in sustained employment, no such effect was found in terms of the impact on incomes due to many of the jobs accessed being low paid. The evaluation of the ERA scheme assessed its impact in terms of earnings rather than income and found a positive and significant effect, especially for lone parents who entered the programme through NDLP.

Summary

There is little direct evidence of the impact of recent government policies on household incomes to complement estimates from microsimulation studies. However, the few studies reviewed serve as a reminder both that, in the absence of good wages, moving into work does not guarantee an escape from poverty and that higher wages do not always translate into higher household incomes.

Insights and reflections

Substantive insights

- Most of the policies to address disadvantage have been either targeted directly on individuals or focused on areas with the objective of directly benefiting residents. No more than one or two initiatives have explicitly sought to exploit the logical synergies between people and place.
- Policies not only often have multiple objectives but also the objectives tend to differ in kind and in emphasis within, but especially between, the various types of policy defined with respect to person and place.
- The different objectives and mechanisms preclude direct comparison of the relative effectiveness of place- and person-based initiatives. However, it is apparent from the review that effect sizes are generally small and that policies can have detrimental effects on participants.
- To the extent that it is possible to detect differences in the effect sizes of policies, explanations for the differences are, in the general absence of detailed theories of change, little more than speculation. Such speculation suggests that the greatest impact can be attained by focusing individually tailored packages of provision on the most disadvantaged while simultaneously ensuring that excessive, confusing complexity is avoided. There is also fair consensus that policies blessed with clear, measurable and achievable objectives and implemented by competent, appropriately trained and well-managed staff are likely to be most effective.

Methodological and policy reflections

- Comparatively few policies were assessed against a counterfactual and, even when they were, the degree of control was often quite poor. Randomised controlled trials were very rare and area-based comparisons were frequently made without attempting to control for differences in area characteristics.
- Very often a number of different initiatives were running simultaneously making it very difficult to isolate the independent impacts of each one.
- Many of the evaluations were allowed a very short time in which to assess an effect, some after less than twelve months of operation.

Person- or place-based policies to tackle disadvantage? _____

- Conclusions about what worked were almost invariably based on *ex post facto* reasoning, with very few initiatives being evaluated against a well articulated theory of change.

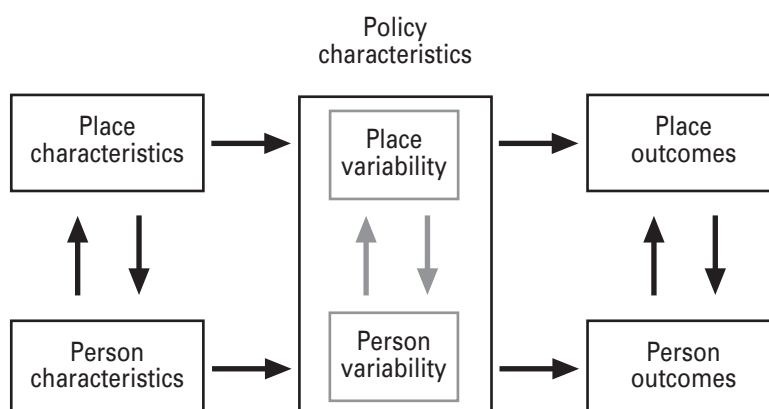
1 Person- and place-based policies

Since 1997, the UK Government has sought to tackle disadvantage across a large number of fronts, stressing the importance of employment and personal responsibility, the scarring effects of childhood poverty and the enabling effects of strong neighbourhoods and social inclusion. A growing emphasis on cost-effectiveness and accountability, as well as increasingly tight (comprehensive) spending reviews, have meant hard choices have had to be made regarding the focus of interventions and increasing importance has been placed on understanding what works (Walker and Duncan, 2007). Despite some setbacks, progress has been demonstrable over the last ten years, with increases in employment, falls in worklessness and poverty, and some contraction in spatial inequality.

However, for the most part, person- and place-based policies have been developed separately and sometimes in isolation from each other. This reflects the responsibilities of government departments influenced by their different approaches and traditions. The reality, of course, is that all people live in places, contribute to places and are affected by places. Poverty and disadvantage are mediated by place, and places are affected by the poverty or otherwise of their inhabitants. Hence, it is reasonable to suspect that policies that dissociate people from places and vice versa may perform poorly.

The same traditions that divide policy divide scholarship. The logic that hints at the potential of holistic person-place policies also suggests that there may be gains from an integrated analysis of the effectiveness of place- and person-based interventions. Figure 1 illustrates this. The effect of a policy on a person is a product of the characteristics of the person and the policy. Likewise, the effect on a place depends

Figure 1 Policy objectives relating to people and places



Person- or place-based policies to tackle disadvantage? _____

on both the place and the policy characteristics. But the individual is affected by the place and the place is a product of the people living there. It is therefore important not to omit the potentially important interactions between person and place indexed by the vertical arrows shown in Figure 1.

The objective of this review is to evaluate the effectiveness of selected policies implemented since 1997 that tackle disadvantage across Britain, but excluding Northern Ireland. The policies included are those that address material poverty indirectly via increased employment and better education, and directly through higher incomes. The policies are further distinguished according to the relative importance attached to person and place in respect of objectives, targeting and delivery in order to facilitate a comparison of the effectiveness of the two forms of targeting – person or place. Some policies may seek principally to enhance local infrastructure or improve degraded land as a precursor to redevelopment – for example, through land reclamation and environmental remediation – paying comparatively little attention to effects on resident populations who may benefit, lose or leave. Such policies are designated as Type 1 policies in Figures 2 and 3.

Figure 2 Policy objectives and targeting relating to person and place

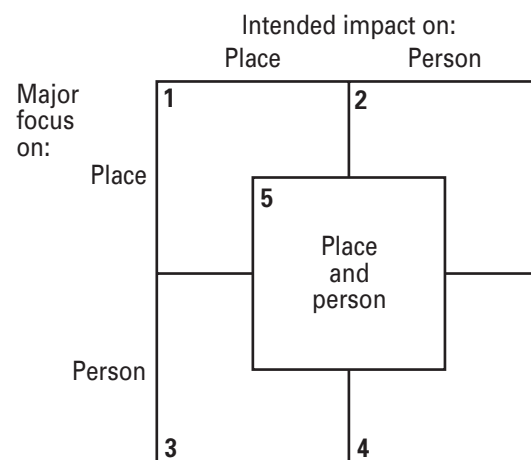
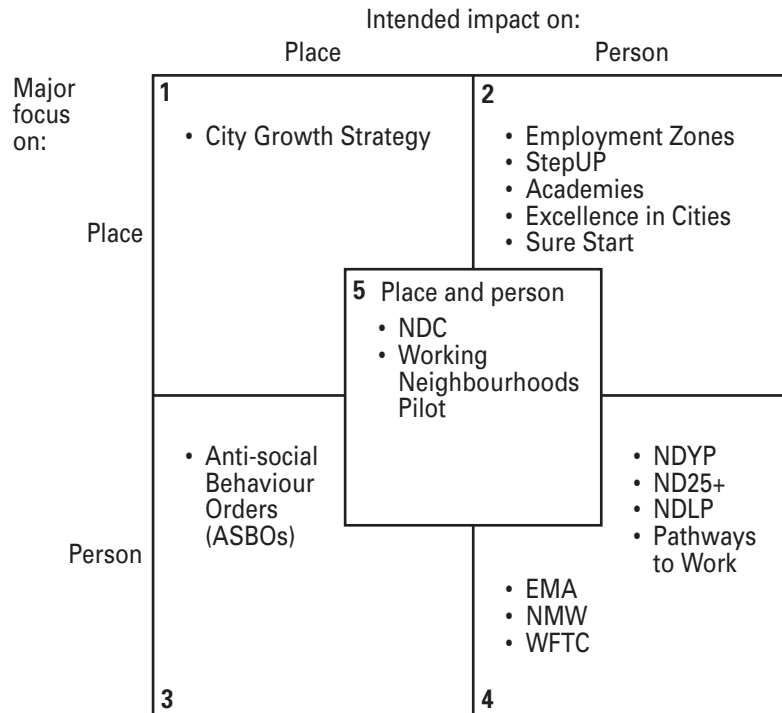


Figure 3 Policy objectives and targeting relating to person and place including intervention examples



A second type of policy (Type 2 in Figures 2 and 3) may similarly aim to improve local infrastructures, but do so explicitly to enhance the lives of both existing and future residents (i.e. Sure Start). Yet other policies, Type 3 in Figures 2 and 3, may specifically target residents in order to improve an area, and perhaps the archetypal example of such a policy would be Anti-social Behaviour Orders that seek to enforce improvements in individual behaviour for the benefit of the neighbourhood. Type 4 policies, such as the New Deal for Young People (NDYP), focus exclusively on individual welfare and address it directly without regard to local circumstances or consequences. Social security benefits in Britain typify this approach – the same benefits are payable throughout the country and have traditionally been delivered in a uniform fashion by national organisations. Of course, this does not imply that social security benefits have no impact on places; it has long been recognised that social security is a major element underpinning regional development and urban regeneration, and the provision of benefits advice is often justified in terms of the contribution of higher benefits take-up to local consumer demand. Finally, there are Type 5 policies like the New Deal for Communities (NDC) that seek simultaneously to improve place and residents, perhaps by exploiting synergies between the twin goals and cumulative implementation.

This review is organised with respect to substantive policy objectives suggested by the Joseph Rowntree Foundation, with chapters devoted to policies designed to affect employment, education and income, and each referring to the five types of policy defined above in terms of their emphasis on person or place. While the aim is to distil what is known about the effectiveness of policy, the conclusions also reflect on what remains unknown, the reasons for this and the changes required if ignorance is to be addressed and not be compounded as has happened in the past.

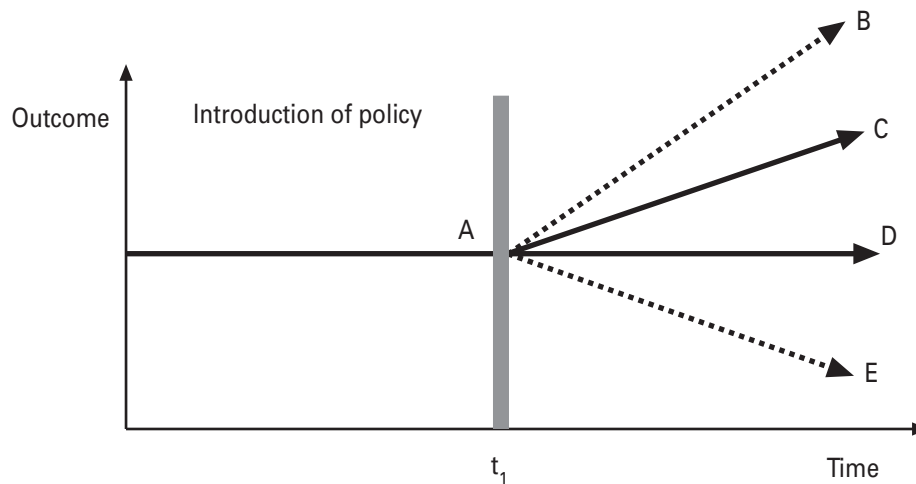
Method

In order to know whether a policy works it is necessary for it to have been reliably evaluated. Despite the Government's commitment first to evidence-based and then to evidence-informed policy, many policies are still not systematically evaluated (Walker and Duncan, 2007). Moreover, the focus on measuring outcomes makes it essential for any evaluation to include a counterfactual – that is, to incorporate an assessment of what would have occurred had the policy not been introduced. The importance of a counterfactual is illustrated by Figure 4, which purports to show the outcome associated with a policy introduced at time t_1 . The line AC suggests that the introduction of the policy is associated with improving outcomes. This would certainly be the case if, for example, in the absence of the new policy, there would have been no change in the outcome measure (AD) or even a fall (AE). However, if without a policy change the outcome variable would have followed the trajectory AB, then the new policy would need to be judged a failure. Alternatively, the conclusion that no improvement in outcome (AD) made the policy a failure would need to be revised if the counterfactual suggested that outcomes would have declined (AE) had the policy not been introduced.

While the decision to include only policies evaluated with reference to a counterfactual is unavoidable given the focus on determining the relative effectiveness of policy, it necessarily reduces the number of policies that could be considered. Indeed, a recent review of the Government's employment initiatives concluded that:

The vast majority of studies are uncontrolled. Lack of a control group means that there is a lack of firm evidence on the extent to which programme outcomes may be attributed to the involvement of individuals within a particular programme. (Hasluck and Green, 2007, p. 141)

Figure 4 Policy outcomes and counterfactuals (see Glossary for definitions)



The focus on outcomes also means that studies concerned exclusively with policy implementation and process are excluded.

Resources did not permit a formal systematic review but comprehensiveness and quality considerations were prioritised. The first step in the review was an initial scoping exercise of policies and interventions that was complemented by an invited gathering of 13 University of Oxford researchers and academics. This event was designed to interrogate the research design, to identify other experts and to compile an initial shortlist of policies within the project’s scope that were known to have been evaluated. Formal literature search techniques were supplemented by the development of an expert network comprised of academics and personnel in central and local government, and early and extended contact was made with individuals in Scotland and Wales as well as England in order to cover the breadth of relevant policies across Britain. A structured list of interventions was then circulated to 50 experts in academia and government. Some 22 replies were received and the list of interventions was modified in accordance with advice.

A protocol methodology was developed to guide data extraction and to inform decisions concerning the quality of the evaluative evidence. As already noted, to be included, evaluations needed to employ some form of counterfactual such as: comparison areas; random assignment; difference in difference techniques; or propensity score matching (see Glossary for definitions). They were also required to measure impact or effectiveness – that is, to compare performance against stated policy objectives for at least one relevant outcome variable, and to include a comprehensive and examinable methodology. Unfortunately, substantial numbers of the studies that passed the initial inclusion criteria were subsequently excluded on quality criteria since the robustness of many of the impact estimates

was compromised by poor design. Moreover, despite the inclusion in the search of interventions operating only in Scotland and Wales, the absence of robust evaluations conducted with a counterfactual has led to a predominance of UK-wide and English initiatives in the review.

Further difficulties encountered included the failure of policy designers to articulate a detailed theory of change, namely the mechanisms by which an intervention is predicted to bring about the desired outcomes. This meant that evaluation findings were often necessarily interpreted after the event, such that explanations of effectiveness are selective and arguably suspect. Moreover, a bias was identified in that detailed explanations were more likely to be offered when policies performed less well than expected.

An even more substantial difficulty was that, although place- and person-based policies often share common objectives, the partial nature of many of the evaluations means that comparatively few policies have been evaluated against the same outcome indicators. This is partly because government departments prioritise different objectives, a reflection of compartmentalised thinking. However, it is also the case that it is usually impossible to assess performance against multiple objectives with equal precision. Moreover, it was apparent that policy objectives frequently changed during the evaluation, often reducing the robustness of the impact estimates and, on occasion, making it difficult to decide to which type of policy a particular intervention belonged. Often, too, multiple programmes were operating in the same locality, making it difficult to isolate the independent effects of the different programmes.

Finally, evaluations varied markedly in their duration and in terms of the time or times at which outcomes were measured. Given that the outcomes of policies that were repeatedly evaluated varied, sometimes quite markedly, over time, the lack of consistency in the duration of evaluations serves to frustrate comparison. Nevertheless, care has been taken to standardise comparisons as much as possible and, when appropriate, to use the latest available report so as to maximise the period of evaluation.

This final report was informed by critique of an interim report presented at an expert seminar and shared with staff of a New Deal for Communities and Cities Challenge project. These events were extremely valuable in a number of respects, most importantly in shaping the focus of the final report and highlighting the value of 'joined-up' thinking for those working within a particular locality.

Expectations

The original hope was that, through reviewing the myriad of policy evaluations conducted since 1997, it might be possible to reach conclusions about the relative effectiveness of place- and person-focused policies. However, it was quickly realised that, for the reasons already explained, such a goal was beyond reach – the information available is not sufficiently comparable nor, often, of adequate quality to make the necessary distinctions. As a consequence, this review is as much a testament to what is unknown as a compilation of what policies are known to work best.

The policies evaluated are described in Appendix 3 and the evaluations in Appendix 4. The figures presented as diagrams in the text are reported in Appendix 5 while Appendix 6 contains information on programme costs.

2 Employment policies

Policy context: employment initiatives introduced since 1997

When Labour came to power in 1997, employment became a major focal point of economic and social strategy. This was fuelled by the twin belief that ‘work strengthens personal independence, fosters greater social inclusion and is the best route out of poverty’ and that ‘there were groups of people locked into long-term dependency on benefits who [had] been denied the opportunities that work can bring’ (DWP, 2006, pp. 5–6). Hence, Labour made the ‘right’ to enter the world of work the ‘guiding principle’ of its ‘drive to create a modern, active welfare state’ (DWP, 2006, p. 6), thereby seeking to capitalise on the skills and contributions of those who moved into employment.

It is apparent with hindsight that implementing this strategy perpetuated the division between person- and place-focused policies that itself reflected the major categorisation of policy issues apparent in the composition of Cabinet and hence in the structure of the main ministries of state. It is also evident that, at least in terms of number of initiatives, the Government has prioritised person-based policies over place-based ones (Appendix 3). Referring back to the typology in Figure 2, most policies are either Type 2 (focused on areas to impact on people) or Type 4 (focused and impacting on people).

Welfare to Work

Labour’s welfare-to-work policies – a product of policy learning from the US, Sweden and Australia (Cebulla *et al.*, 2005) – were introduced shortly following the 1997 election victory. The key objective of this body of person-focused policies is to encourage labour market entry and, in turn, reduce welfare dependency (Hasluck and Green, 2004).

The seven New Deal (ND) programmes constitute the core of the welfare to work strategy, targeting different groups of jobseekers. The New Deal for Young People (NDYP), the New Deal for people aged 25 and over (ND25+) and the New Deal for people aged 50 plus (ND50+) all target long-term unemployment, catering for the specific needs of differently aged jobseekers. The New Deal for Lone Parents (NDLP),¹ the New Deal for Partners (NDP) and the New Deal for Disabled People (NDDP) mark a broadening of welfare-to-work policies to reach groups not

traditionally included in active labour market policies. The New Deal for Musicians (NDfM) works as an extension of existing ND provision, offering specialised support for jobseekers who wish to pursue a career in the music industry.²

The programmes differ in conditionality. NDYP and ND25+ are both mandatory programmes for long-term jobseekers. Jobseeker's Allowance (JSA) claimants aged 18–24 are obliged to enter NDYP after six months on benefit and claimants aged 25 and above enter the ND25+ after 18 months.³ NDLP, NDP, ND50+ and NDDP are voluntary programmes open to the economically inactive, part-time employed (under 16 hours a week) and claimants of certain benefits.⁴

Alongside these changes, in 2002, Labour created Jobcentre Plus – merging the Employment Service and the working-age element of the Benefits Agency.⁵ Jobcentre Plus serves all Jobseeker's Allowance claimants not involved in New Deal programmes, offers a job-brokering service to employers, monitors the progress of those on New Deal and, for some groups and in some locations, delivers New Deal programmes (Hales *et al.*, 2003). Jobcentre Plus was based on the ONE delivery model, a pilot that introduced the Personal Adviser service and that has been extensively evaluated.

Making work pay

The 'making work pay' strategy is based on the premise that, in order to encourage individuals who are either unemployed or economically inactive to enter work, it is important to ensure that even those with only limited job opportunities would be financially 'better off' in work than on welfare benefits. This is to prevent social security policies reinforcing disadvantage within the labour market by perpetuating the unemployment trap. Two of the most significant elements of the 'making work pay' policy portfolio are the National Minimum Wage and tax credits.⁶ Both measures target the lowest-paid workers with the intention of raising household incomes.

Related policies designed to ease the transition from work to benefits include the Job Grant, the Housing Benefit Run-on, the Adviser Discretion Fund and the Return to Work Credit (for Pathways to Work participants). This latter group of policies are intended to reduce the financial concerns and insecurity that often accompany a move from benefits to work.

As its name suggests, the Employment Retention and Advancement demonstration has a more complex set of objectives than merely making work pay. Aimed at lone parents and participants in ND25+, it offers in-work support and advice for the first

two years of employment. However, it also offers financial incentives to remain in employment that serve to enhance in-work income during the two years after leaving benefits.

Learning and skills

Another set of person-focused policies introduced since 1997 seek to promote enhanced education, training and skills in order to tackle disadvantage. These policies reflect evidence that the risk of worklessness and unemployment is highest for individuals lacking skills and qualifications. A number of the new policies seek to broaden the provision of training and skills services, and have been implemented across traditional policy domains (employment and education) and also across departments (Department for Work and Pensions [DWP] and Department for Education and Skills [DfES]) as part of the Skills for Life strategy. Policies that are designed specifically for working-age adults include Work Based Learning for Adults and Basic Skills Mandatory Training Pilots.⁷

Disability

A major innovation since 1997 has been the extension of work-based programmes to recipients of disability benefits, notably Incapacity Benefit (IB). This comes in response to the increase in the number claiming sickness and disability benefits, figures which more than doubled to 2.7 million in the decade to 2003⁸ and which exceeded the rate of growth in disability judged from other sources (Walker with Howard, 2000; Hasluck and Green, 2004).

The New Deal for Disabled People was the first initiative to be introduced, followed by the Disabled Person's Tax Credit (now merged as a component of Working Tax Credit) and latterly by Access to Work and Pathways to Work (implemented as a pilot in 2003 and extended in 2006 to a total of 14 areas) (Jobcentre Plus, n.d. – c).

Pathways to Work aims to help bring those claiming IB closer to the labour market by supporting them as they overcome their specific barriers to employment. It also provides a Condition Management Programme (CMP), delivered in partnership with the NHS, which helps customers develop the best way to manage their condition in a work environment. There is also in-work support in the form of the Return to Work Credit,⁹ which provides £40 per week for those successfully finding employment (Jobcentre Plus n.d. – c).

Area/neighbourhood renewal

Area Based Initiatives (ABIs) with an employment component have largely been a response to the uneven geographical distribution of worklessness, including very high spatial concentrations of unemployment (Hasluck and Green, 2004; Tunstall and Lupton, 2003).¹⁰ The aim of these area-targeted policies is to tackle worklessness in a co-ordinated way, addressing specific local barriers¹¹ and thus closing the gap between the area and the rest of the country. In essence, therefore, policy has been driven by perception of a problem and limited analysis of causation. In addition, there has been growing faith in the potential of locally managed programmes to tackle localised disadvantage though building local networks, exploiting flexibility and tailoring services to local needs and circumstances.

The Neighbourhood Renewal Unit (NRU) was established in 2001 to co-ordinate the National Strategy for Neighbourhood Renewal, which is intended to address multiple disadvantages¹² in the most deprived areas. The first Local Strategic Partnerships (LSPs) were implemented to co-ordinate local strategies with funding from the Neighbourhood Renewal Fund (NRF) in the 88 most deprived local authority areas in England, the Neighbourhood Renewal Areas (Hasluck and Green, 2004). While LSPs have been rolled out in all local authorities, and are charged with developing local sustainable community strategies for their areas across England, neighbourhood renewal financed through the NRF was concentrated in the 88 most deprived areas until the 2004 spending review when the number of areas was reduced to 86. However, there are ABIs that fall outside the remit of the NRU including several key employment policies: Employment Zones; Action Teams for Jobs; Working Neighbourhoods Pilots and StepUP.

Some ABIs focus on specific elements of disadvantage (Employment Zones, Action Teams for Jobs and Working Neighbourhoods Pilots) or on specific subgroups (StepUP¹³ – furthest from the labour market), while others are more holistic and encompass different dimensions. The New Deal for Communities (NDC), for example, tackles five elements (or themes) of disadvantage – worklessness, high levels of crime, educational underachievement, poor health and problems with housing and the physical environment – with specific ‘targets’ being set locally according to specific needs of each community and the ultimate aim being to ‘close the gap’ between NDC and other areas (NRU, n.d.). In Wales, the Communities First (2001) and Heads of the Valleys (2005) programmes also encompass a holistic ‘priority-theme’ approach to regeneration in highly disadvantaged areas and target economic, social and physical factors. Likewise, a large number of Scotland’s Social Inclusion Partnerships (SIPs) adopt a similar ‘multi-themed’ approach. Policies such as Employment Zones and Working Neighbourhoods Pilots, as locally-targeted

Person- or place-based policies to tackle disadvantage? _____

national interventions, have been defined as 'hybrid' policies (Hasluck and Green, 2004).

NDC, first announced in 1998, is one of Labour's most significant regeneration programmes, set to run for ten years at a cost of two billion pounds. There are 39 NDC areas, each containing approximately 4,000 dwellings and selected on the basis of high levels of disadvantage (Hasluck and Green, 2004). NDC's employment theme has a very broad focus, with programmes aimed at promoting local enterprise, improving skills, moving people from welfare to work and targeting measures at the most vulnerable (Hasluck and Green, 2004).

Employment Zones, launched in 2000, are areas of long-standing high unemployment where contractors have been given flexibility to pool existing funding for benefits and training to help long-term unemployed adults return to work, a target now extended to include NDYP participants. Despite their considerable differences, Employment Zones and NDC both present similar difficulties for evaluators caused by the locally tailored nature of provision and the emphasis on flexibility and adaptation.

StepUP provided guaranteed subsidised jobs in 20 areas for people failing to find work after pursuing a New Deal 25 Plus programme, with in-work support lasting for up to 50 weeks. Jobs are 'created' by the Managing Agent with the help of a wage subsidy and fees payable to employers.

The Working Neighbourhoods Pilot (WNP) was established in 2004 in high-unemployment, high-deprivation areas in order to 'test' new localised approaches to assisting people into work. Its diverse target group consisted of all workless groups – including JSA, IB and IS claimants, the partners of claimants and economically inactive non-claimants. WNP delivery was divided between two organisations, Jobcentre Plus and private Employment Zone contractors.

ABIs are supported by central government but administered (and to varying degrees priorities developed) locally. Measures to ensure integration and joint working between central and local government include the 2003 National Employment Accord, which constituted an agreement to work in partnership to raise employment rates, with a particular focus on vulnerable groups and areas, using flexible and innovative approaches to working collaboratively (Hasluck and Green, 2004).

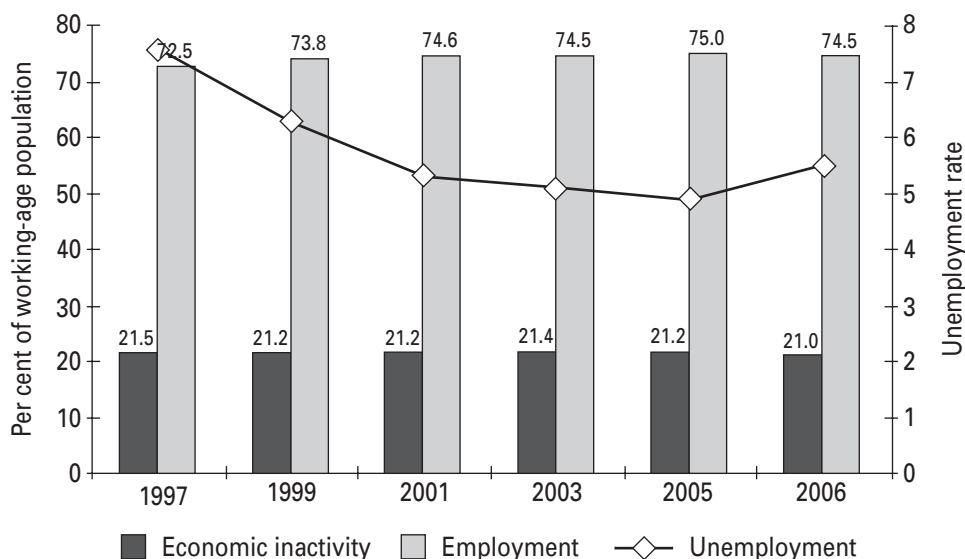
Policy context: changing patterns of worklessness

In attempting to evaluate the relative effectiveness of policies it is important to recognise changes in the external environment. Britain is currently enjoying the longest period of sustained growth since the latter half of the eighteenth century, a period of growth that began several years before the Labour Government was elected in 1997. In the period before 1997, growth was accompanied by a marked increase in income inequalities, by rising employment and falling labour market participation, particularly among men, and by a growing polarisation into work-rich households – with multiple earners – and work-poor households with no one in work.

Specific groups – notably people with disabilities, those from minority ethnic groups, lone parents, people aged over 50, and those with low skills and limited qualifications – were markedly disadvantaged in relation to employment. Employment opportunities were also geographically segregated, with high levels of unemployment in certain inner-city areas, former mining areas, coastal towns and areas where major employers had closed down due to deindustrialisation, with worklessness rising to over 50 per cent in some streets (SEU, 2004).

Since 1997, unemployment has continued to fall from 7.6 to 5.5 per cent (2006) and employment to increase from 72.5 to 75.0 per cent between 1997 and 2005, albeit falling back by half a per cent in the following year (Figure 5). The gap in employment rates between the 25 most disadvantaged areas and the national average has narrowed (Figure 6), as has that, at the individual level, for several of the most disadvantaged groups (such as disabled people and lone parents), the least qualified excepted (Figure 7). However, economic inactivity has fallen only slightly from 21.5 per cent in 1997 to 21.0 per cent in 2006 with considerable local variation (Parkinson *et al.*, 2006). Similarly, in terms of reliance on out-of-work benefits, the gap between the areas with highest and lowest numbers grew between 1998 and 2001, but may have closed slightly in the following two years (SEU, 2004).

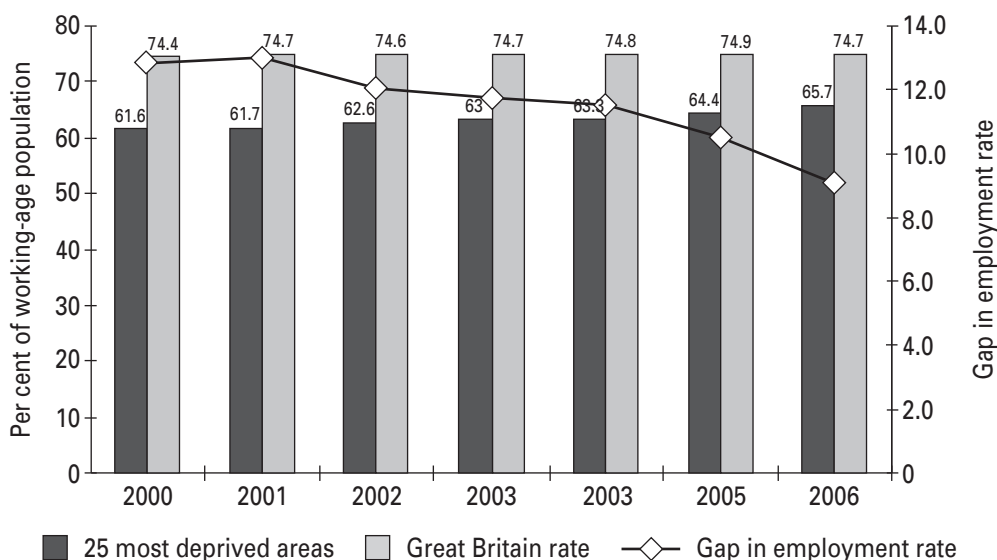
Figure 5 Employment, unemployment and economic inactivity rates in the UK (working-age population) 1997–2006



Rates for December–February for each year shown.

Source: Office for National Statistics (2008) Labour Force Survey 1971–2007, seasonally adjusted monthly data based on three-month rolling averages.

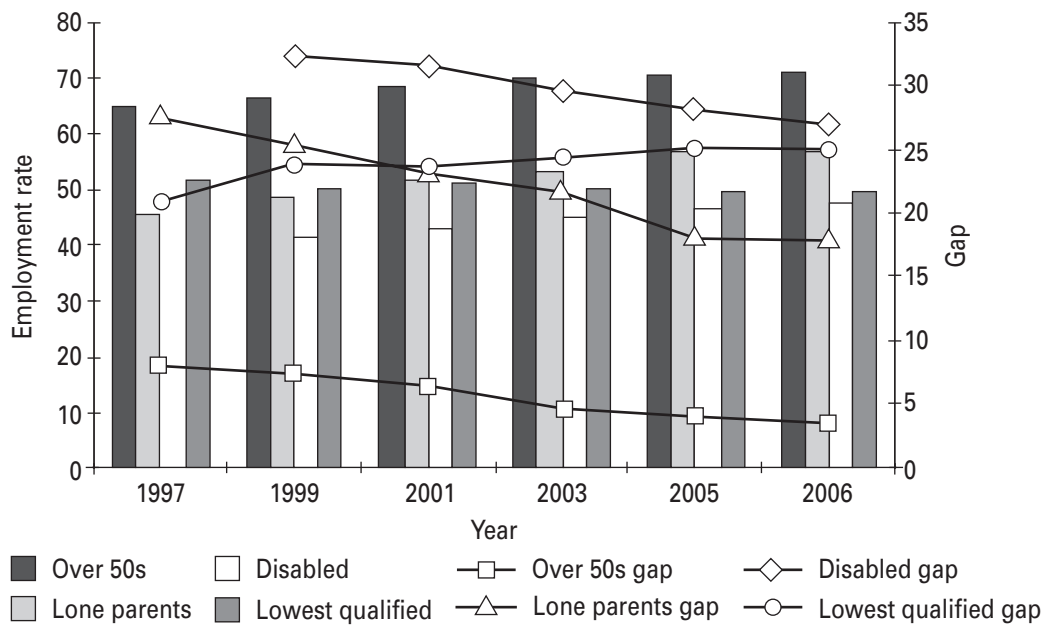
Figure 6 Employment rates for the 25 most deprived local authority districts compared with the overall employment rate (Great Britain), 2000–06



Figures based on four-quarter averages to spring. Employment rates are for working-age people, aged 16–59 for women and 16–64 for men. The 25 most deprived areas are the local authority areas with the worst initial labour market position. The employment rate for these areas is the total number of working-age people in employment in all 25 areas as a proportion of the total working-age population in all 25 areas.¹⁴

Source: DWP (2006, p. 75).

Figure 7 Employment rates for disadvantaged groups compared with the overall employment rate (Great Britain), 1997–2006¹⁵



Employment rates are for all of working age (males 16–64, females 16–59) except for rates of people over 50. People over 50 are defined as those aged 50 and over but below State Pension Age (that is, 50–59 for women and 50–65 for men). People with disabilities consist of those covered by the provisions of the Disability Discrimination Act 1995 only (their day-to-day activities are substantially limited by a long-term current disability). Data for lone parents are based on lone parents with dependent children aged 0–18 years. The lowest qualified are the 15 per cent of the working-age population with the lowest qualifications. Up to spring 2002, this covered only those without qualifications. It should be noted that the disadvantaged groups covered in this indicator are not mutually exclusive.

Source: DWP (2006, p. 45).

The government interventions that have been implemented since 1997 need to be evaluated against the backdrop of these economic trends and substantial social and spatial variability. Moreover, it is at least possible that the interventions themselves are partly responsible for both the distinct trends and the individual and area variability. For the most part, it is impossible at national level to disentangle the individual programme effect from the structural and global processes. However, the focus exclusively on interventions evaluated with a counterfactual means that, in theory at least, both action and control groups will be similarly affected by external factors so that any differences in outcomes observed between the groups should record the impact of the individual interventions.

The impact of employment policies

As explained in Chapter 1, interventions are grouped according to their substantive objectives and their focus and intended impact on person and/or place. The overwhelming number of interventions with employment-oriented outcomes focus on individuals and have the intention of benefiting the individuals concerned (Type 4 in Figure 2). This is true of the NDYP, ND25+, Pathways to Work and ERA as well as many others (see Appendix 3). Place-targeted initiatives are less common within the employment domain. Employment Zones focus attention on places and local institutions primarily to benefit those residents who are long-term unemployed (i.e. Type 2 in Figure 2), while New Deal For Communities and the Working Neighbourhoods Pilot arguably tackle spatial concentrations of disadvantage more holistically, to the intended benefit of both individuals and the places in which they live and/or work (i.e. Type 5). For simplicity, the impact of interventions focused on people are discussed first, followed by those focused on place, before attempting a comparison.

Evaluations of identified initiatives were separated according to the reported policy objectives.¹⁶ Typically, within the employment domain, there was some degree of similarity between these objectives, often a commitment to raise employment, lower benefit claimant rates and improve employability/key skills. Whilst there is a degree of similarity in the objectives of the employment-oriented initiatives (Appendix 3), priority varies across programmes and departments with the result that comparatively few policies have been evaluated against the same outcome indicators. This clearly limits the ability to determine which policies work best. Nevertheless, sufficient policies have been evaluated against the criteria of movements off social security benefits and entries into employment to begin to tell a meaningful story.

Box 1 Interventions evaluated against employment entries¹⁷

Welfare to work

- New Deal 25 Plus including New Deal 25 Plus – Gateway to Work (ND25+ GtW)
- New Deal for Young People (NDYP)
- New Deal for Lone Parents (NDLP)
- New Deal for Partners – Work Focused Interviews for Partners (NDP – WFIP)
- ONE (Jobcentre Plus precursor)

Making work pay

- Employment Retention and Advancement demonstration programme (ERA)

Learning and skills

- Basic Skills Mandatory Training (BSMT) pilot
- Work Based Learning for Adults (WBLA)

Disability

- Pathways to Work (Pathways)

Area/neighbourhood renewal (employment)

- Employment Zones
- StepUP
- Working Neighbourhoods Pilot (WNP)

Further details of policies and policy impacts can be found in Appendices 3 and 4.

Person-targeted policies

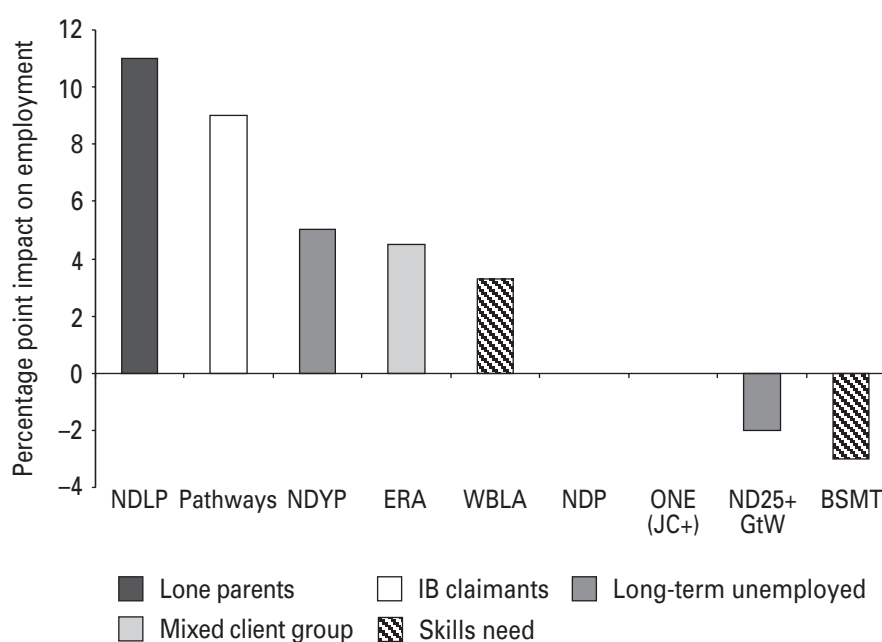
Impact on employment entries

Box 1 lists the interventions that have been evaluated in terms of the proportion of benefit recipients who move off benefit into paid employment.

Care should be taken in comparing the apparent effectiveness of the interventions reported in Box 1. Most obviously, some of the interventions vary in terms of the groups at which they are targeted and their mode of operation, with some designed to work by enhancing job search and others by improving key skills.¹⁸ Differences in effectiveness linked to the mode of operation could provide vital knowledge for policy development, but this attribution can be made only when interventions are targeted on the same client group. If not, it is possible that the observed difference in effectiveness could be due to the greater receptivity of one group relative to another. It is also important to bear in mind that the evaluations took place at different times in the life of the programmes and that they also involved different baselines and sample sizes. In short there is danger in not comparing like with like.

Figure 8 compares several different person-focused programmes in terms of their impact on encouraging target groups to move from benefit into employment. The bars record the percentage point difference in the proportion of the people in intervention and control groups who make the transition to employment. They reveal considerable variation in apparent effectiveness. Some programmes, such as NDLP, appear to

Figure 8 Impact on employment entry rates: person-targeted initiatives



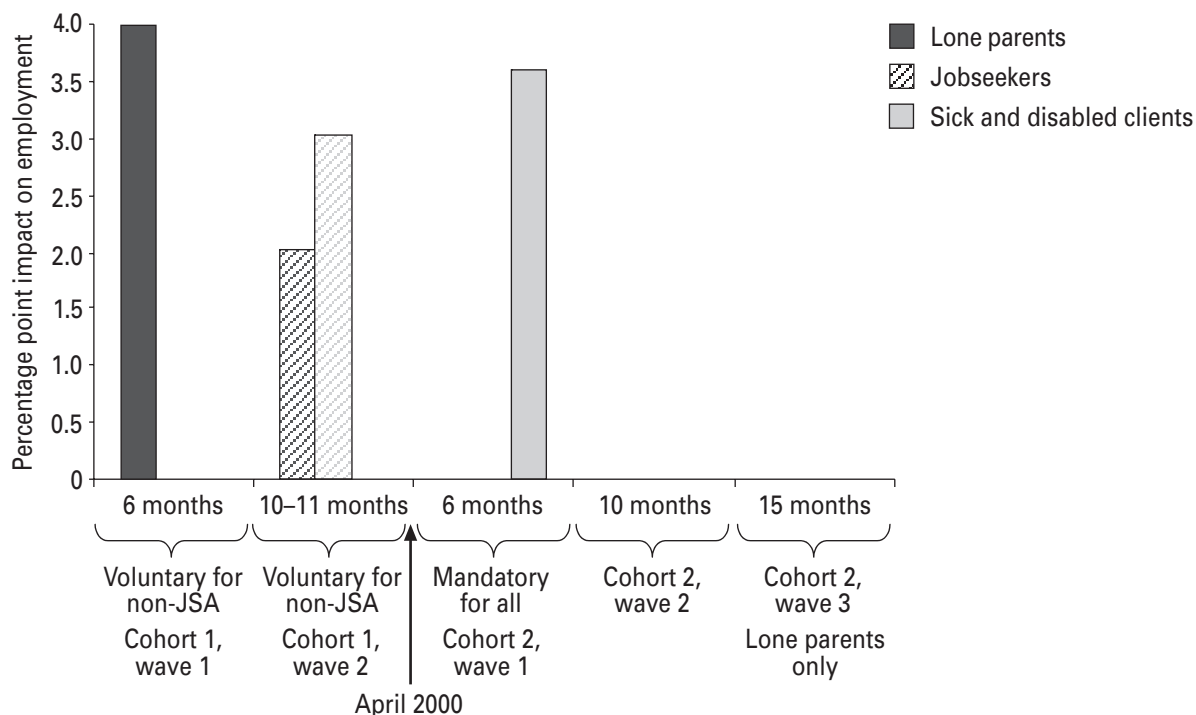
substantially increase the proportion of people moving into work, while others may actually have a negative effect, delaying or even curtailing movements into work. These are salutary findings and remind one that, however well intentioned policy initiatives are, they can on occasion make matters worse. However, these findings need to be interpreted in light of the considerations already mentioned.

There are substantial differences according to target group, with the largest positive impacts being for lone parents and disabled people, and moderate effects for schemes targeted on young people. However, there also appear to be measurable differences between policies focused on the same groups. Work Based Learning for Adults (WBLA) and the Basic Skills Mandatory Training (BSMT) pilot had similar target groups and both aimed to address basic skills needs. However, while Work Based Learning for Adults had a positive impact – raising employment among participants by three percentage points – the Basic Skills Mandatory Training pilot appears to have decreased the chances of participants entering employment by three percentage points.

There is no definitive explanation for this different effect. Voluntary programmes, such as WBLA, tend initially to be more effective, since they differentially attract the most committed and enthusiastic clients who are proactively seeking out opportunities. However, while this might help to account for the positive effect of WBLA, it cannot explain the negative impact of BSMT. In all probability, the difference is attributable, at least to some extent, to variations in the design of the evaluation. The Basic Skills Mandatory Training pilot had a very limited observation window available during which to assess the outcomes for clients – for the last entrants into the pilot programme this was just seven months – whereas outcomes for the WBLA programmes were not measured until clients had been involved in provision for at least a year.¹⁹ It is therefore possible that a greater proportion of BSMT participants were still engaged in training when the impact of the initiative was assessed than was the case in the WBLA evaluation.

The importance of both timing and policy context is evidenced by the evaluation of ONE, which was the model for Jobcentre Plus.²⁰ Figure 9 suggests that its effectiveness differed between client groups and over time. Initially ONE comprised voluntary work-focused interviews (cohort 1) but later (April 2000) these became mandatory (cohort 2). During the voluntary period, ONE seems to have brought modest gains in employment to lone parents (which then declined) and later to JSA claimants (although these were not statistically significant). However, evaluators believe that much of the apparent beneficial impact on lone parents was the result of the introduction of Working Families' Tax Credit in October 1999 (Green *et al.*, 2001a, 2001b). Although this applied in both pilot and control areas, WFTC provided Personal Advisers in the ONE pilots with something new and encouraging to offer

Figure 9 Impact of ONE on employment over time



Striped columns show statistically insignificant findings.

in terms of the increased financial incentives to work (the ‘better-off calculation’). However, within about six months, the unique stimulus provided by WFTC had declined, which, together with the slow movement into work that would have occurred anyway, reduced the apparent impact of ONE to statistical insignificance.

After ONE was made mandatory (evaluation cohort 2), it appears significantly to have benefited sick and disabled claimants, although evaluators believe that this effect is illusory and really due to differences in labour market outcomes that favoured pilot areas compared with controls (Green *et al.*, 2001b).

The two policies with the strongest impact on entries into employment, the New Deal for Lone Parents and Pathways to Work, were both targeted on groups that traditionally were considered to be economically inactive with no obligation to look for work. Indeed, they were often excluded from schemes designed to help people back into employment. It is possible, therefore, that both schemes tapped a pool of people eager to return to work who had previously effectively been prevented from doing so. Pathways to Work added the possibility of condition management to the voluntary NDDP but, in addition, by making work-focused interviews mandatory, may have reached further groups of more work-ready claimants. If so, this might help to explain the declining impact of Pathways to Work, as fewer work-ready participants are available, although part of the apparent initial success may have been due to

Jobcentre staff being aware that the new scheme was soon to be introduced and delaying involvement with New Deal clients until they could access services under Pathways (Blyth, 2006).

What works?

While the apparent evidence of success cannot be taken at face value, explanations of the variation in effectiveness are necessarily speculative since the majority of government pilots have not been designed to test theories of change. Few conclusions seem generalisable beyond the particular circumstances in which interventions were evaluated and the groups on whom they were targeted.

Evaluation of the New Deal for Lone Parents, the policy displaying the greatest impact on employment rates, highlights a number of factors that are thought to be associated with its success beyond the selection effect of reaching a new target group. Lone parents close to the labour market seem to have benefited from advisory services provided by the Personal Adviser system and work-focused interviews, whereas others needed additional provision and, in the initial absence of mandatory interviews, outreach. However, providing services to those who would prefer to manage the transition to employment on their own and were able to do so placed unnecessary demands on staff. Instead, the key to increased additionality was to find ways of engaging with lone parents more distant from the labour market and providing support attractive to them. More use needed to be made of referral to other services or agencies, while regular and prolonged contact with Personal Advisers appeared to be associated with positive work outcomes (Knight *et al.*, 2006).

Similar conclusions were reached with respect to Work Based Learning for Adults, an intervention addressing skills needs. Clients with the greatest skills need (Basic Employability Training – BET customers) required prolonged support, since lack of basic skills constitutes a significant and long-term obstacle to employment. Moreover, clients who had English as a second language or who spoke very limited English (including recent immigrants) gained little from being referred to BET but required specialised services. To be most effective and efficient, basic skills training has to be tailored to the particular requirements of the client group.

In sum, reflection on the impact studies, informed by process studies, seems to point to the importance of client-centred packages of provision with Adviser support for those who are work-ready and outreach coupled with specialised services for those who are more distant from the labour market and who are less likely, or less able, to assemble support themselves or to make progress without doing so.

The impact on benefit exit rates

The common feature of the various interventions discussed above is their focus on tackling worklessness by assisting benefit recipients to secure employment. A number of the interventions, and others besides, have a less challenging subsidiary objective, namely to reduce the numbers of people receiving benefit. Four interventions, all with a focus on people rather than place (Box 2), have been explicitly evaluated against this objective, recording the percentage point impact on people leaving or 'exiting' benefit receipt (Figure 10).²¹

Box 2 Interventions evaluated against benefit exit rates

Welfare to work

- New Deal for Lone Parents (NDLP)
- New Deal for Partners (NDP)

Making work pay

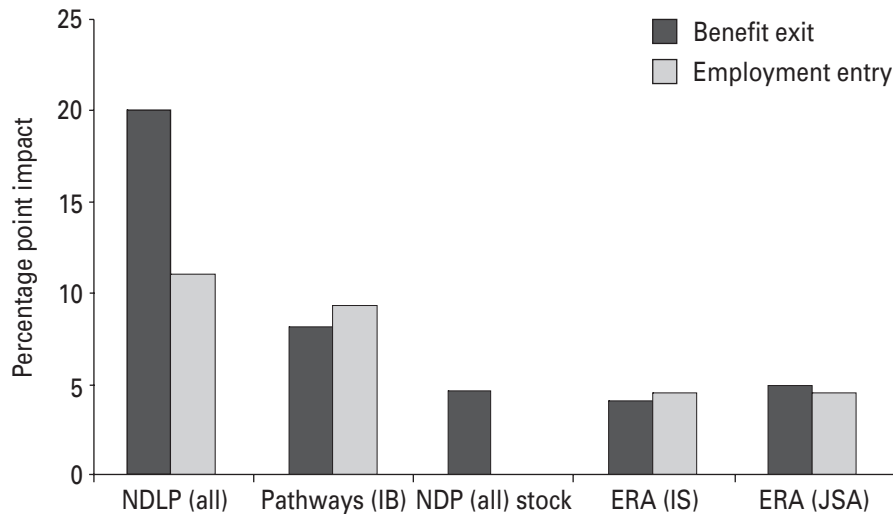
- Employment Retention and Advancement demonstration (ERA)

Disability

- Pathways to Work (Pathways)

The rank ordering of programmes in terms of their effectiveness is similar irrespective of whether impact was measured in terms of movements off benefit or transitions into work (Figure 10). However, there are some subtle and less subtle differences in the size of the effects. The largest difference appertains to NDLP when, after a period of four years, the proportion of NDLP participants who had moved off benefit was 20 percentage points higher than for the controls, while the proportion in work was only about eleven percentage points higher. The difference is partly explicable in terms of measurement error in that it proved more difficult to match individuals according to their employment history and significant numbers spent periods of time when they were neither working nor claiming benefit. What was also clear is that lone parents, particularly those in the control group, had very complex trajectories in and out of the labour market and that the impact of NDLP was most marked the first time a person entered the programme. However, the difference in impact on benefit receipt and on employment does at least raise the possibility of NDLP having a deterrent effect on claiming Income Support.

Figure 10 Impact of policies on benefit exit rates



A similar phenomenon may also apply in the case of New Deal for Partners since, while participation may have reduced benefit claims (measured 37 weeks after eligibility) by about 4.6 percentage points, the intervention had no impact on employment. Indeed, the estimate of the impact on benefit claims might be overstated if couples chose to end their benefit spell rather than participate in the programme (Dorsett *et al.*, 2006).

In contrast, both Pathways, and to a lesser extent ERA, had a slightly more marked effect on employment than on benefit receipt, probably reflecting the fact that both disabled people and lone parents are able to work for a limited number of hours each week without losing entitlement to out-of-work benefits.

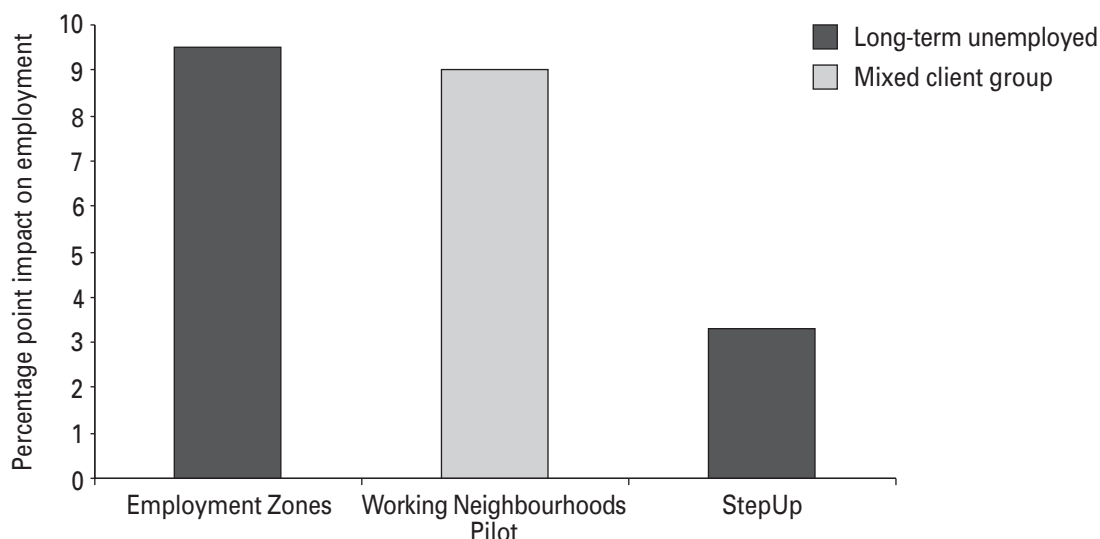
Place-targeted policies

Impact

Area-targeted policy was not new to the 1997 Labour administration but dates back to at least the Community Development Projects of the 1960s, and was preceded by a number of programmes, such as City Challenge, introduced in the early 1990s (Hales *et al.*, 2003). However, a number of new Area Based Initiatives (ABIs) have been introduced since 1997 within and across the traditional policy domains. The justification for these interventions has been concern that national programmes may lack adequate funding to impact on the areas that need them most, plus a belief that local solutions can sometimes better address local problems.

Area-targeted policies with a particular emphasis on worklessness include Employment Zones, StepUP and Working Neighbourhoods Pilots, while certain more holistic regeneration programmes such as the New Deal for Communities also embraced the problem of worklessness among their multifarious objectives. However, only three evaluations were identified that matched in terms of objective and outcome measures and that could therefore be meaningfully compared: Employment Zones; StepUP; and the Working Neighbourhoods Pilot (Figure 11). Employment Zones and StepUP have a major focus on place with intended impact on people and fit into Type 2 (Figure 2 in Chapter 1); Hasluck and Green (2004) define them as 'hybrid' policies – national initiatives with a local focus. Working Neighbourhoods is defined as a Type 5 policy, as it aims to simultaneously assist disadvantaged people and places.

Figure 11 Impact on employment entry rates – place-targeted initiatives



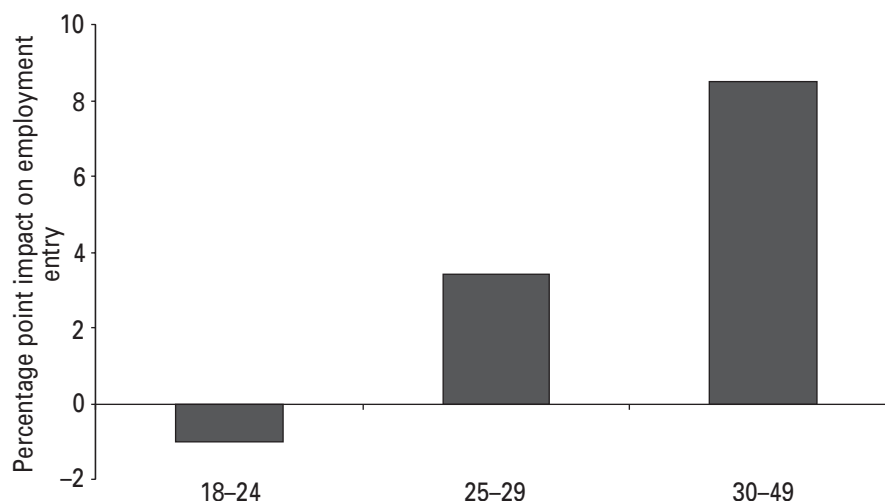
It is important to recognise that many of the areas targeted for ABI provision have been subject to a number of simultaneous initiatives that have made it difficult for evaluators to isolate and attribute impacts to particular programmes (Hales *et al.*, 2003). This also limits the number of evaluations that can be meaningfully compared.

All three evaluations are closely matched in terms of timescale, with each evaluation being conducted between 18 and 24 months after introduction, and so do not present the same difficulties of comparison as the person-targeted programmes. However, they differ in target group, with StepUP being focused on Jobcentre Plus customers who had previously completed a spell on NDYP or ND25+ and who were thus some distance from the labour market. The Working Neighbourhoods Pilots, in contrast, embraced all people without work including those claiming JSA, IS and IB, the partners of claimants and even non-claimants if they did not have a job.

At face value, Employment Zones and the Working Neighbourhoods Pilot appear to be almost equally successful: around 9 per cent more people find work in the action areas than in the controls, more than twice the impact achieved by the StepUP initiative. However, concern has been expressed that the success of Employment Zones might be overstated in such comparisons. The financial incentive structure for contractors prioritised people retaining jobs for 13 weeks and there is suspicion that comparatively few jobs lasted longer than this. Unfortunately, it is not possible to compare Employment Zones and the Working Neighbourhoods Pilots in terms of the duration of employment secured by participants.

StepUP was targeted at more vulnerable groups, those who had failed to find employment after participation in a New Deal option, but this alone does not explain the lower success rate. Figure 12 demonstrates that, among participants aged 30 to 49, StepUP achieved employment rates comparable to the Working Neighbourhoods Pilots but was far less successful among younger people.

Figure 12 Impact of StepUP by age



This issue was linked in the evaluation to differences in ‘employability’, with the least employable, often people aged 30 or over, benefiting most from the intervention:

Adults (25+) participating in StepUP had very low objective and subjective employability. *[The evidence]* showed that the combination of ‘work plus support’ benefited adults the most given that they had a significantly worse work history (objective) that had combined with a culture of worklessness (subjective). In short, adults’ poor work history in addition to their age and their attitude was a strong negative signal to employers. StepUP was able to challenge both their lack of work history and their attitude, for those that stayed the course. (Bivand *et al.*, 2006, p. 107)

Ironically, participants with higher objective and subjective employability scores gained less from the subsidised employment provided by StepUP since, according to the evaluators, they tended to be less flexible, more resistant to participating in the work schemes and to have less realistic expectations about the work available to them (Bivand *et al.*, 2006). It is also argued that StepUP may have provided insufficient encouragement to undertake job search and may have fostered unrealistic assumptions in the younger cohort about the nature of the placement, which were insufficiently challenged by Advisers (Hasluck and Green, 2007). Ultimately, the placement may have postponed or prevented younger participants from entering unsubsidised employment, as their aspirations were higher and had been unmet by the subsidised job (the repeat spell on New Deal perhaps better suiting this younger group's needs).

What works?

Despite considerable variation in detail, place-targeted initiatives tend to be characterised by flexibility, local network building and 'tailored' services such that policy content and delivery are often inextricably intertwined. Moreover, it is these features that have been linked with the success of ABIs, albeit on the basis of qualitative analysis since the mechanisms have not been subjected to rigorous experimentation. Dewson *et al.* (2007), for example, concluded that the principal features associated with the success of Working Neighbourhoods Pilots were the following.

- Flexibility: Personal Advisers were able to tailor provision in response to an individual client's needs.
- Engagement of key local players: partnership working enhanced understanding of local barriers to employment and created additional support for providers.
- Wide range of provision: community flexible discretionary fund (£1 million per year to each area) allowed Personal Advisers and Local Strategic Partners to implement new provision, particularly for those usually excluded from Jobcentre Plus provision. Examples of provision purchased included basic and vocational skills training, counselling to address mental health problems and childcare.
- The quality of staff: enthusiastic and committed Advisers and managers benefited many of the pilots.

Where the Working Neighbourhood Pilots worked less well, this was linked to inadequate staffing and, in some cases, to poor training. It was also linked to lack of innovation in provision and when seeking to engage customers, especially non-traditional ones, and a lack of attention given to demand-side measures, which led to clients pursuing non-existent jobs and to the limited duration of pilots, which meant they were curtailed before their full potential had been demonstrated.

The interrelationship between policy and delivery is evidenced by comparison of two variants of the Working Neighbourhoods Pilot evaluation, as in some localities it was combined with Employment Zones and in others with Jobcentre Plus (Dewson *et al.*, 2007).²² The added flexibility associated with Employment Zones was identified as being crucial in terms of staffing, funding (although funds were not always put to better use) and innovation in addressing worklessness (even if the potential was not always harnessed). Employment Zone areas had fewer institutional constraints and were thereby able to get started earlier, to distance themselves from mainstream services and to build networks readily without being encumbered by negative attitudes to Jobcentre Plus. While these differences in flexibility were not reflected in higher job entries or job retention (measured using DWP data), they were detected in the Eligible Residents' Survey, which suggested a higher job entry rate and gains in soft skills in Working Neighbourhoods linked to Employment Zones (Dewson *et al.*, 2007).

In the light of these comparisons and the evaluation of the Working Neighbourhoods Pilot, Dewson *et al.* (2007, p. 96) are brave enough to propose lessons for 'policy makers and practitioners in terms of developing programmes and area-based initiatives to tackle the culture of worklessness' and the DWP deprived areas strategy.

- Timescales: initiatives need to be given sufficient time to bed in.
- Staff: having motivated, well-trained staff (Personal Advisers) is key to the success of an initiative.
- Range of provision: when given a full range of (locally determined) support measures, customers are better able to address their particular barriers to work.
- Labour demand: attention needs to be paid to demand-side measures when designing area-targeted initiatives that address worklessness.
- Non-traditional groups: hard to reach clients require specialised support, including outreach. Services have more success when premises are accessible and appear 'approachable'.

Person- or place-based policies to tackle disadvantage?

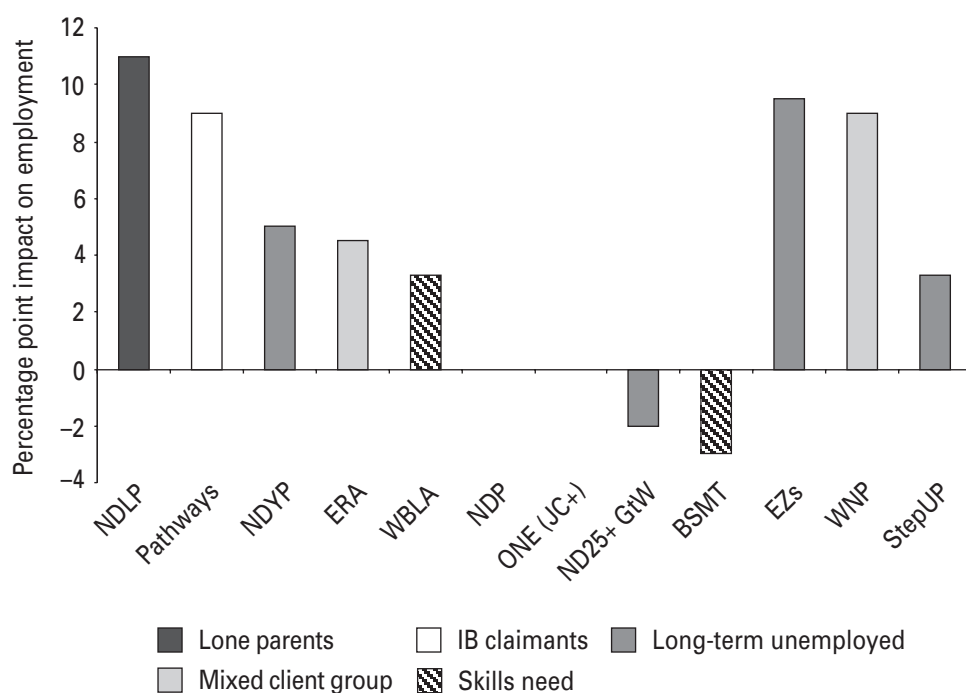
- Partnerships: play a vital role in programme strategy and delivery, but need sufficient planning and time.

The *post hoc* nature of these conclusions must be recognised since, while they are based on careful sifting of the evidence, they are interpretive and not demonstrative in the sense of being based directly on experimentation.

People- and place-targeted programmes

For completeness, Figure 13 brings together comparison of all the person- and place-targeted policies for which there is adequate evidence about impacts on employment. No firm conclusions can be drawn about the relative efficacy of person- and place-based initiatives other than that one is not clearly superior to the other and both have a part to play in getting people into work. However, comparisons of Employment Zones with compulsory New Deals – and perhaps, though less straightforwardly, of the Working Neighbourhoods Pilot with the Employment Retention and Advancement intervention – show the outcomes of these particular place-based policies to be noticeably better than person-based ones targeted at similar groups.

Figure 13 Impact on employment entry rates: person- and place-targeted initiatives



Cost and cost-effectiveness

If it is difficult to establish the relative effectiveness of interventions designed to assist people to move from benefits to employment, it is even more difficult to compare their cost-effectiveness. This is largely because few evaluations sought to collect information on costs, let alone to apportion them between elements of the intervention or to set achievements against costs to establish cost-effectiveness. However, even where information on costs has been assembled, the metrics used often vary, making comparison difficult. Some estimate total programme costs, others the unit cost of delivering the intervention and only a few provide a measure of the cost per successful outcome.

However, some cost information is available for a small number of interventions discussed above, including one place-based programme, StepUP (Appendix 6).²³ The unit programme cost of StepUP – £9,300 to £9,500 for each 250 days in a subsidised job – is the highest among those for which there is comparable evidence. It includes the subsidy for the wage, the employer's national insurance contribution, the employer fee and subsidy for support workers. Though high, this cost is reported to be in line with other intermediate labour market programmes (Bivand *et al.*, 2006), although there is no evidence on the longer-term benefits for the Exchequer of participants in subsidised work.

Unit costs for the mandatory New Deals were somewhat lower. The annual cost of returning a young person to work on NDYP was estimated at around £7,000 in 2002, excluding those involved in the environmental task force and voluntary sector options, but White and Riley (2002, pp. 3–4) assert that 'much of the cost of NDYP to the Exchequer has been recovered through reductions in unemployment benefits and increased tax revenues, while by raising national income, NDYP provides a benefit rather than a cost to the economy as a whole'.

The voluntary NDLP proved much less expensive, with the average unit cost ranging from £140 per lone parent invited to interview, to £1,493 for each lone parent gaining employment and leaving Income Support,²⁴ with marginal costs being 30 per cent lower. Different assumptions about the total additionality of NDLP, assuming that 23 per cent rather than 20 per cent of all lone parents entering work would not have done so without attending NDLP, shifted the programme to a break-even point.

It is generally presumed that area-based initiatives are more expensive than person-focused ones because they do not enjoy similar economies of scale, being locality based, reliant on developing local partnerships and prioritising flexible individualised responses. If so, the conclusion of approximate equivalence between place- and

person-based initiatives might require reinterpretation. However, there is insufficient evaluative evidence within the public domain to adjudicate on the relative cost-effectiveness of place- and person-based initiatives to tackle worklessness.

Conclusions

Despite the many evaluations of labour market policies that have been conducted since 1997, relatively few lend themselves to comparative evaluation. Even those conducted with robust counterfactuals are prone to measure different outcomes and to do so over different timescales. Nevertheless, it is apparent that most of the interventions assessed have had a measurable positive effect in assisting people to move off benefit and, in a proportion of cases, to find employment. Such evidence as there is also suggests that the interventions cost the Exchequer comparatively little once account is taken of savings in benefit expenditure and income from tax and national insurance contributions derived from extra earnings. While these results are robust, it should be remembered that they were achieved against a backdrop of general economic and labour market strength.

It is very difficult to account for differences in the relative effectiveness of interventions. To do so, it is necessary to rely on interpretations derived from process evaluations and ad hoc rationalisation. These point to the desirability of careful targeting and to the improved additionality that arises from successfully reaching those more distant from the labour market, particularly those with low objective employability – due to, for example, a lack of qualifications, skills and self-confidence – who might not make the transition to work unaided but who were able to benefit from the support provided.²⁵

People who confront severe or multiple barriers to employment require additional and sustained support, and a number of the initiatives evaluated struggled to help those furthest from the labour market (Saunders, n.d.; Hales *et al.*, 2003; SEU, 2004; Knight *et al.*, 2006; Dewson *et al.*, 2007). However, even within mainstream provision, outreach services and attention to basics such as accessible premises can help to support vulnerable clients, as can avoidance of incentive schemes that encourage providers to target individuals who are most able to move quickly into jobs and remain employed (Saunders, n.d.). Such targeting, it seems, is best accompanied by flexibility and services that can be tailored to specific needs, which in turn require authority for decisions about provision to be transferred from the centre to those working directly with clients who are best equipped to individualise provision (SEU, 2004; Beale, 2005a, 2005b; Dewson *et al.*, 2007).

Nevertheless, there needs to be a balance between different programmes that facilitate effective targeting and excessive complexity, which leaves clients confused about available provision. Likewise, there is a danger in overlapping provision, most likely to occur in disadvantaged areas, which affects not only co-ordination and efficiency but also the ability to evaluate the impact of individual initiatives (Hasluck and Green, 2004).

There is broad consensus that effective delivery is conditional on the availability of dedicated, well-trained staff – a consideration perhaps most often referred to in evaluations of area-targeted initiatives (Dewson *et al.*, 2007). Personal Advisers play a vital role when able to offer consistent support informed by familiarity with clients' circumstances and needs, with evidence from the NDLP indicating that better employment outcomes are associated with prolonged contact with Advisers spanning across the transition from benefit to employment. Such support can be weakened by rapid staff turnover or frequent policy changes that conspire to make staff less informed and to reduce the benefits of training (Knight *et al.*, 2006).

Finally, it is self-evident that policies need to be in place long enough to yield the outcomes required. The team evaluating the Working Neighbourhoods Pilots that were intended to tackle an assumed 'culture of worklessness' argued that the initiative would take twice as long to have an impact as the two-year pilot period allowed (Dewson *et al.*, 2007). Certainly, it is evident from the few evaluations conducted at different times – for example, ONE – that the impact of a policy can vary over time. This, in turn, severely constrains what can be learned about the relative effectiveness of interventions evaluated at different times. While employment entry rates have been examined here as a basis for comparison, the sustainability of jobs gained is not always clear across schemes and some participants may fall back into unemployment. Change over time can also mean outcomes are dynamic and may not always be durable.

3 Education policies

The mantra of ‘education, education, education’ has remained central to the New Labour vision and has translated into annual real increases in expenditure on education, with spending on education rising as a percentage of gross domestic product from a 20-year low of 4.4 per cent in 1999/2000 to 5.5 per cent in 2005/06 (Goodman and Sibieta, 2006). This increase in spending, often explicitly targeted towards tackling disadvantage, has translated into a plethora of new education policies (Ball, 1999; Tomlinson, 2003; Parkinson *et al.*, 2006). The complex web of different interventions adds to the challenge of effective evaluation.

This chapter, like the review of employment policies above, focuses on interventions implemented in Great Britain since 1997 that have been evaluated against a counterfactual. Although initiatives operating in England, Scotland and Wales were considered at the search stage, Scottish and Welsh policies tended not to meet the methodological inclusion criteria, and thus English policies dominate within this part of the review. Additionally, the following findings focus specifically on education policies targeted at those under 18, largely because adult education and training programmes have employment-focused objectives and, as such, have been included in the previous chapter.

Despite recognising the limitations of measuring educational ‘success’ purely in terms of academic qualifications (number and grades of GCSEs achieved), the impacts of secondary school initiatives presented in this chapter rely heavily on this measure – the reliance being made necessary by the consistent use of academic attainment as an objective for these interventions.

Policy context

The 1980s saw the introduction of a quasi-market in primary and secondary education – funding was linked to pupil numbers and league tables of school performance were compiled and published. This resulted in schools competing for pupils on the basis of examination results and this caused some to focus resources on the most able students (who were most likely to perform well in examinations) and/or to engage in more careful selection of new pupils, thus creating segregation within the secondary school system in particular (Darton and Strelitz, 2003).

This segregation has arguably been reinforced by a more general spatial polarisation along boundaries of worklessness and housing tenure creating, in some cases, 'pools' of disadvantage that constitute the catchment areas of certain schools, a problem that is particularly acute in inner-city areas. The problem is arguably exacerbated by the housing market, which maps perceptions of school quality onto house prices (Darton and Strelitz, 2003; Cheshire, 2007).

While the Labour Government has, if anything, strengthened the role of quasi-market forces in education, it has also sought to address disadvantage within education on a number of fronts. As well as setting the goal to improve academic performance, the 1997 White Paper *Excellence in Schools* (DfEE, 1997) proposed reforms to widen opportunities, promote inclusive schooling and deliver 'excellence to all'. Likewise, on a broader front, the *Every Child Matters* Green Paper (HM Treasury, 2003) documented a strategy to improve the life chances of every British child, particularly broadening opportunities for those at greatest risk (National Literacy Trust, 2007). There has also been a growing emphasis on the involvement of parents in their children's education and attempts to promote family and lifelong learning, encouraging parents to learn as their children do (Darton *et al.*, 2003).

Like employment policies, education initiatives have been targeted at both people and places. Person-targeted policies – those affecting young people equally irrespective of where they live – have included an expansion of early years provision, curriculum changes for schools, including the extension of numeracy and literacy instruction, increased levels of testing of pupils and inspection of schools, and methods of 'widening participation' to higher education.

Place-based policies tackle educational disadvantage through interventions targeted on the most deprived areas, where the majority of underperforming schools are located. Initiatives have been introduced across the age ranges, early years (Sure Start) to post-16 (Aimhigher: Excellence Challenge), with a strong emphasis given to network building between schools – typically sharing (non-financial) resources and expertise – and also on fostering links with the local community (EiC and Academies). Place-based education interventions are more numerous than employment ones, although the large majority focus resources on areas with the aim of enhancing individual well-being (Type 2). This may reflect the key role of local government in delivering education, the propensity to view educational disadvantage in more structural, less individualistic, terms than unemployment, and schools' more institutional base, which provides clear local focus points for the intervention around groups of individuals.

Education and skills initiatives have been implemented to cover all stages of a person's educational development and these are briefly discussed below, arranged according to their focus on different age groups.

Early years

New Labour's commitment to early years education represents a step change in both rhetoric and policy delivery, and is driven by the twin desires to inoculate children against the scarring effects of poverty and to reduce worklessness and the associated poverty by encouraging mothers, notably lone mothers, to become economically active:

There are important links between poverty in childhood and lifelong disadvantage. Experience in early years – through the quality of education and the link to aspiration – is a crucial factor in breaking the cycle of deprivation that leads to unemployment and inactivity. (DWP, 2006, p. 5)

September 2008 will see the introduction of the Early Years Foundation Stage (EYFS), when all early years childcare providers will be required to meet child welfare and learning and development standards – including early learning goals (DfES n.d. – b). The Government is also committed to providing free childcare places for 3 and 4 year olds.¹

Many of the early years policies, in common with other education interventions introduced since 1997, have been place-based. They include Early Excellence Centres (EECs), introduced as a pilot in 1997 and designed to provide high-quality early years services (education, health and social services) for very young children and their parents (Sims and Stoney, 2002); Sure Start (SS),² implemented in 1998 to tackle the antecedents of low attainment and improve children's physical, intellectual and social development by supporting children and their parents (DfES, 2005); and the Neighbourhood Nurseries Initiative (NNI), launched in 2000 to ensure parents in England's most disadvantaged areas had access to good-quality, subsidised childcare. Unfortunately only Sure Start and NNI have been evaluated against a counterfactual.

Primary schools

Policy development at the primary school level, which has not been on the same scale as for other age groups, has focused on improving basic literacy and numeracy skills and reducing class sizes. The strategy was consolidated in the May 2003 White Paper, *Excellence and Enjoyment – A Strategy for Primary Schools* (DfES, 2003), which sought to encourage schools to become more innovative and individual, controlling their own curriculum and setting their own targets while developing and utilising networks with other schools, parents and the community.

Literacy and numeracy hours designed to improve young children's basic skills were introduced in 1998 and 1999 respectively in response to evidence that a substantial minority of children entered secondary school without fundamental maths and English skills (HM Treasury, 2007). Class sizes were capped at a maximum of 30 for 5–7 year olds from 2001, and the Excellence in Cities programme of extra resources targeted on schools in urban areas was extended as a pilot to 1,000 primary schools in 2000 and four years later expanded to all primary schools facing severe disadvantage.

Secondary schools

Secondary schools have attracted more policy interest than primary schools since Labour came to power in 1997. Excellence in Cities (EiC) is a large multi-strand³ initiative designed to raise standards in urban schools and has cost over £1 billion since its introduction in 1999 (National Literacy Trust, n.d.). It is intended to provide a 'diversity of provision within a coherent framework', to promote educational partnerships and to disseminate good practice (National Foundation for Educational Research, n.d.). Targeted originally on schools in urban areas facing the highest levels of disadvantage, EiC was subsequently extended to rural, seaside and former mining areas under the name Excellence Clusters (DfES, 2001).

Excellence in Cities has over time subsumed a number of earlier initiatives such as Education Action Zones – replacing them with smaller EiC Action Zones containing one or two comprehensive schools and their associated primary schools in severely disadvantaged areas – Beacon Schools,⁴ identified as successful 'model' schools (Sims and Stoney, 2002), and Specialist Schools, introduced in 1994, but supported and expanded post-1997. Other major initiatives such as Academies – all-ability schools built and run as partnerships comprising sponsors from business, faith or voluntary groups, central and local government – remain separate.

Post-compulsory education

Post-16 education has also drawn considerable attention from policy-makers with a growing emphasis on remaining in education beyond the compulsory stage, particularly for those traditionally excluded from further and higher education (widening participation). Interventions have included the Educational Maintenance Allowance (EMA)⁵ and Aimhigher: Excellence Challenge.⁶ Multi-strand initiatives such as EiC include programmes designed specifically to ensure that more able pupils aspire to, and enter, higher education (Gifted and Talented strand). Despite some progress as a result of these initiatives, the proportion of 16–18 year olds not participating has remained stubbornly high, with only 56 per cent in full-time education and 23 per cent not in any education or training in 2005 (DCSF, 2007). Partly in response, confirmation came in 2007 that the compulsory school-leaving age will be raised to 18 by 2013 (BBC News, 2007).

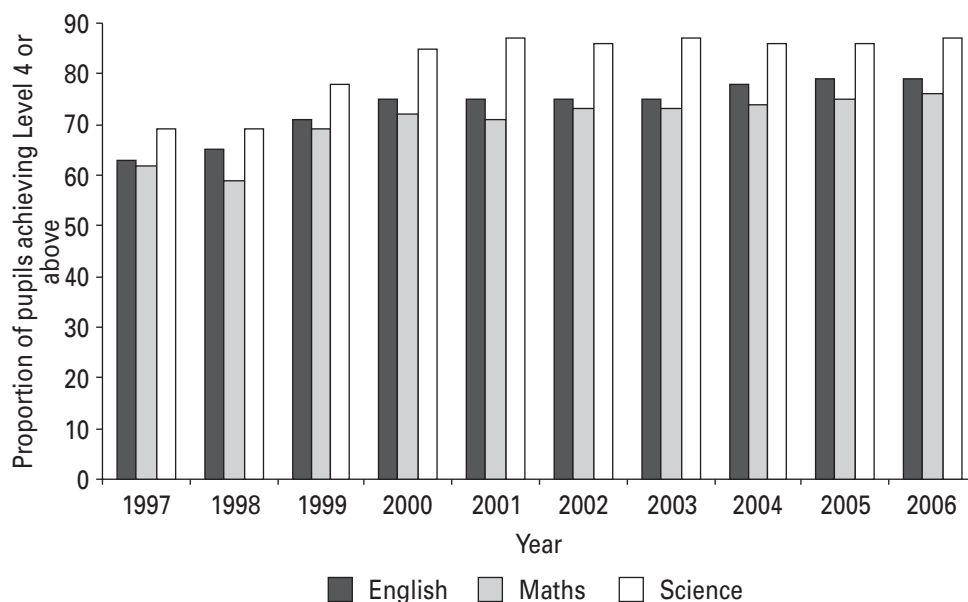
Scotland and Wales

Responsibility for education is devolved to Scotland and Wales and, although they share some policies with England, there are differences and unique interventions. Wales, for example, operates Cymorth – the Children and Youth Fund. This initiative integrates Sure Start⁷ services with a wider network of targeted support for children and young people from disadvantaged families (Sure Start, n.d.). Other initiatives include the Flying Start and Foundation Phase initiatives, which offer targeted services for children aged 0–7 in the most disadvantaged communities in Wales (Welsh Assembly, 2006). Scotland operates Sure Start, and provides free educational childcare for 3 and 4 year olds. However, the Scottish school system and educational programmes differ significantly, key elements being the flexible curriculum and the use of the Standard Grade (assessment at age 16). School-age initiatives running in Scotland include The New Community Schools initiative, which seeks to offer a range of school-based services for children, young people, their families and communities that can extend beyond the school day, and Schools of Ambition, which aims to impact on pupils' aspirations and increase participation in education, employment or training (Scottish Executive, 2007).

National policy outcomes

The increased spending on schools, targeted differentially on the most deprived areas and rising overall in real terms by 47 per cent between 2000/01 and 2005/06 (Parkinson *et al.*, 2006), has translated into improved educational attainment (Figure 14). The proportion of primary school pupils achieving the Key Stage 2 (KS2) target of a Level 4 in English rose by 16 percentage points between 1997 and 2006, and that in maths by 14 percentage points. Science results improved even more during this period (by 18 percentage points), although most of this occurred between 1998 and 2000 with little subsequent improvement.

Figure 14 Proportion of Key Stage 2 pupils achieving Level 4 or above

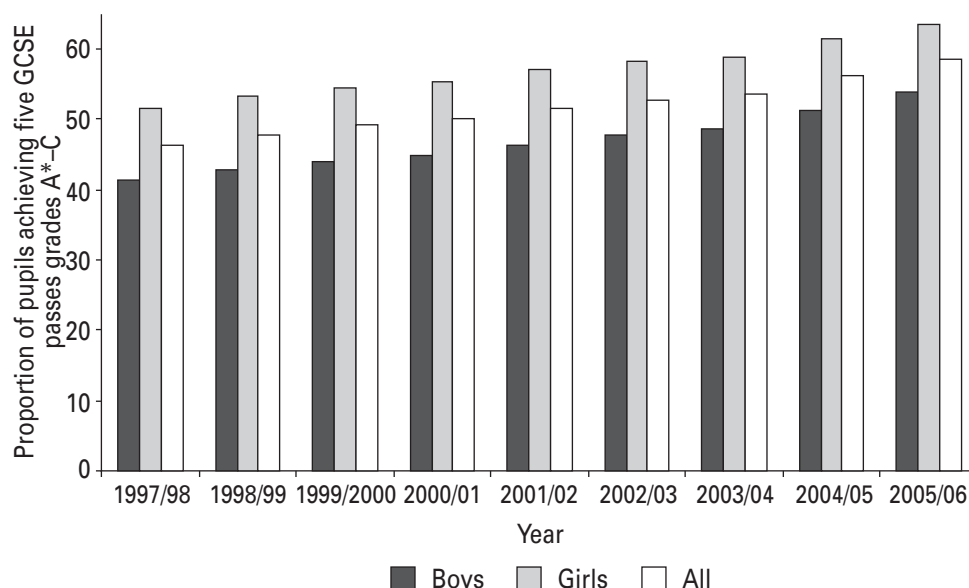


Source: Office for National Statistics, 2006a.

While standards have increased, they have not risen in line with expectations set by the relevant Public Sector Agreement (PSA) targets. These set a goal of 85 per cent of 11 year olds reaching Level 4 in English and maths by 2006, while only 79 per cent of pupils attained the target for English and 76 per cent for maths (DWP, 2006). Likewise, the key PSA target intended to reduce the gap in performance between schools appears to be beyond reach. The aim had been to reduce, by 2008, 'the proportion of schools in which fewer than 65 per cent of pupils achieve Level 4 or above in KS2 English and maths by 40 per cent' (DWP, 2006, p. 81). However, the most recently available figures for 2005 show a reduction of 33 per cent for English and 29 per cent for maths (DWP, 2006).

There have also been noticeable improvements in the educational attainment of secondary school pupils since 1997 (Figure 15). The proportion of pupils achieving five GCSEs graded A*–C (or their equivalent) rose by 12.2 percentage points to 58.5 per cent between 1997/78 and 2005/06, while the differential between the outcomes of boys and girls, very pronounced in 1997/98, declined slightly from 10.2 to 9.6 percentage points. Correspondingly, there was a modest decline over the same period in the proportion of 16 year olds achieving low grades at GCSE (or Scottish equivalent), although one in five pupils still only achieved passes at below grade C and one in 20 did not obtain any passes at all (JRF, 2003a).

Figure 15 Proportion of pupils achieving five GCSE passes grade A*–C or equivalent, England



Source: DfES, 2006.

The gap in performance between secondary schools appears to have closed slightly against a backdrop of rising standards overall (Table 1). Whereas, in English local education authorities (LEAs) as a whole, the proportion of pupils attaining five or more GCSEs at A*–C grade rose from 47 per cent in 1997/98 to 52 per cent in 2002/03, in Neighbourhood Renewal Fund LEAs the figures increased from 36 per cent to 43 per cent, reducing the gap from 11 to 9 per cent. Even so, the gap remains large and analysis by different indicators of deprivation such as parental social class, ethnic background and receipt of free school meals suggests a complex pattern of factors influencing educational outcomes (Parkinson *et al.*, 2006). Moreover, other outcome criteria suggest that many inner-city schools still face considerable difficulties.

Table 1 Pupils achieving five or more GCSEs A*–C, 1997/98–2002/03 (per cent)

	NRF 88 LEAs	England	Gap
1997/98	36	47	11
1998/99	38	48	10
1999/00	40	50	10
2000/01	40	50	10
2001/02	42	51	9
2002/03	43	52	9

Source: Parkinson *et al.*, 2006.

All schools are now subject to inspection by the Office for Standards in Education (Ofsted).⁸ These inspections reveal that nearly one in seven inner-city secondary schools ‘required special measures’ or had a ‘serious weakness’ compared with only one in 19 nationally (Darton *et al.*, 2003). Schools with high levels of pupil disadvantage (where 35 per cent or more are eligible for school meals) fare particularly badly in Ofsted inspections.

Secondary schools, although showing steady progress in terms of GCSE results and closing the gap between schools, have not met PSA targets relating to the lowest performing schools. Forty-two schools failed to achieve the DfES target of 20 per cent of pupils attaining five A*–C GCSEs by 2004. Also it appears that the enhanced 2006 target (25 per cent of pupils achieving the GCSE standard) may not have been met since 112 schools fell short of it in 2005 (DWP, 2006). Although these targets have not been met, gains have been made in a large majority of schools such that the number of schools not attaining the 20 per cent floor target fell from 361 in 1997 to 42 in 2005 (DWP, 2006).

Improvements in qualifications among older young people engaged in post-compulsory schooling have been less marked than those in secondary schools. The proportion of 19 year olds with at least a Level 2 qualification (five GCSE’s A*–C, an intermediate GNVQ, two or three AS levels, or an NVQ Level 2 or equivalent vocational qualification) rose from 72.5 per cent in 1997 to 76.6 per cent in 2003 (DWP, 2006). Similarly, progress in raising participation rates in higher education⁹ has been slow, with an increase from 41 per cent in 1999/2000 to 43 per cent in 2003/04 and with the increase attributable almost exclusively to a rise in the enrolment of women.

In summary, there have been noticeable improvements in educational attainment across all age groups and some limited improvement in the relative position of schools in the most deprived areas. Despite this, achievements have not often matched the performance goals set by Government.

Evaluative evidence

Of the 15 evaluative studies of education policies and interventions reviewed, seven were omitted because of concerns over methodology. Where there was a counterfactual, it was typically based on matched areas or matched schools design. Some of the best quality evaluations, including that of Sure Start, have not yet concluded and use has had to be made of interim findings where available. Others had to be omitted because outcome measures were not comparable.

Very often process evaluations or those components of larger evaluations that were concerned with implementation issues are more persuasive and appear more robust than estimates of impact. This may possibly reflect the difficulty of measuring softer outcomes, such as attitude and self-esteem change, or may be a product of the evaluative culture that applies to educational interventions. One particular strength of these studies was their pluralistic nature with the views of a number of stakeholders, including participants and parents, being evident. There was, though, an often strong reliance on self-reports of outcomes and outcome variables, sometimes measured before and after commencement of the intervention but sometimes sought retrospectively. Very few evaluations consider the cost-effectiveness of policies – or indeed the cost.

Many of the evaluations in the public domain were conducted at the programme level comprising aggregates of local data. While local evaluations were undoubtedly sometimes undertaken, the results are rarely publicly available, which means that local variations in context and outcome are obscured. Local-level, smaller-scale evaluations were, however, less likely to have been conducted using a counterfactual.

As with evaluations of employment initiatives, it was frequently the case that multiple interventions were undertaken in the same locality, making it exceedingly difficult to isolate the impact of the individual policies. A further problem occurred when programmes were expanded and control areas were absorbed into the programme, thereby losing their value as controls.

These considerations, combined with the diversity of objectives and target groups, severely limit the extent to which interventions can meaningfully be compared in terms of their effectiveness. For the most part, interventions that have been evaluated are area based rather than being directly person focused. They are discussed below grouped by educational stage and beginning with early years interventions.

The impact of early years education

The lack of a common output measure for initiatives targeted on early years education precludes direct comparison of impacts. Suffice, therefore, to report on the results of two evaluations with particularly strong methodologies, those appertaining to the Sure Start local programmes and the Neighbourhood Nurseries Initiative.

Sure Start has been evaluated against a plethora of outcome measures including: physical health; cognitive functioning and social and emotional development of the child; maternal well-being; parenting and family functioning; and the degree to which the parent was satisfied with the area in which they live and use of services. All effects identified, both positive and negative, were small.

While there is no evidence that Sure Start improved children's health or development, selective improvements in children's social functioning and behaviour were evident by the age of 36 months, seemingly associated with improved parenting and family functioning. However, these benefits were limited to children in the least disadvantaged homes (assessed in terms of employment and post-teen births). Indeed, there is consistent evidence of adverse outcomes for 3 year olds born to teenage mothers or living in workless households: verbal ability was lower and children of teenage mothers exhibited more behavioural problems and lower social functioning than similar mothers not living in Sure Start areas. The suggestion is that less disadvantaged families living in Sure Start local programme (SSLP) areas (thus enjoying greater human capital) 'were better able to take advantage of services and resources' (National Evaluation of Sure Start Team, 2005, p. 9) than more disadvantaged families, and that the utilisation of services by the moderately disadvantaged left others with more restricted access than would have occurred had they not lived in an SSLP area (National Evaluation of Sure Start Team, 2005).

Given that less disadvantaged families outnumber more disadvantaged ones, the net benefits of Sure Start, though small, are probably positive, although the social costs attributed to failures in early child development are associated disproportionately with the most disadvantaged. The evaluation therefore emphasises the need to ensure that the most disadvantaged are assisted through special training and outreach and that, given the apparent success of health-led programmes (albeit not evaluated against a formal counterfactual), health services should be fully integrated in future early years' provision.

Although early outcomes are important for our understanding of the development of the Sure Start programme, it should be remembered that this interim impact study forms part of a large, long-term evaluation and, as the authors remind us:

Stronger grounds for drawing definitive conclusions about SSLP effectiveness will exist once longitudinal data on the 9-month olds and their families in SSLP areas who are included in this report are followed up at 36 months of age and thus have been exposed to SSLPs for a much longer period of time. (National Evaluation of Sure Start Team, 2005, p. 7)

The Neighbourhood Nurseries Initiative (NNI), launched in 2002, is a large-scale programme directed at families to improve the situation of children at greatest disadvantage. The initial objective was to create nursery provision in disadvantaged areas in order to facilitate parental employment and hence to improve children's life chances. A second objective, to reduce children's disadvantage directly by means of high quality childcare, was added later but was not evaluated against a counterfactual.

The programme was intended to benefit individual users of the nurseries and the wider community through increases in local employment. The evaluation indicated sizeable positive effects for users, with even greater benefits for lone parents and parents with limited qualifications. Overall, 20 per cent of all programme users, including 30 per cent of lone parents, would not have been working in the absence of the programme. The programme also increased the take-up among users of the childcare element of Working Tax Credit and the use of formal childcare, while the number of families with under 5s who were reliant on out-of-work benefits fell steadily, particularly in more deprived areas. However, because the uptake of nursery provision was relatively low, benefits to the wider community were comparatively small. Total employment among families with under 5 year olds rose by 0.8 of a percentage point.

While NNI was shown to have substantial employment benefits for users, the effects on children and communities remain uncertain. From the evidence of Sure Start, one might surmise that they could be small but potentially significant and not necessarily positive, especially for children from more disadvantaged families. Unfortunately, the evaluative evidence does not yet take one beyond such supposition.

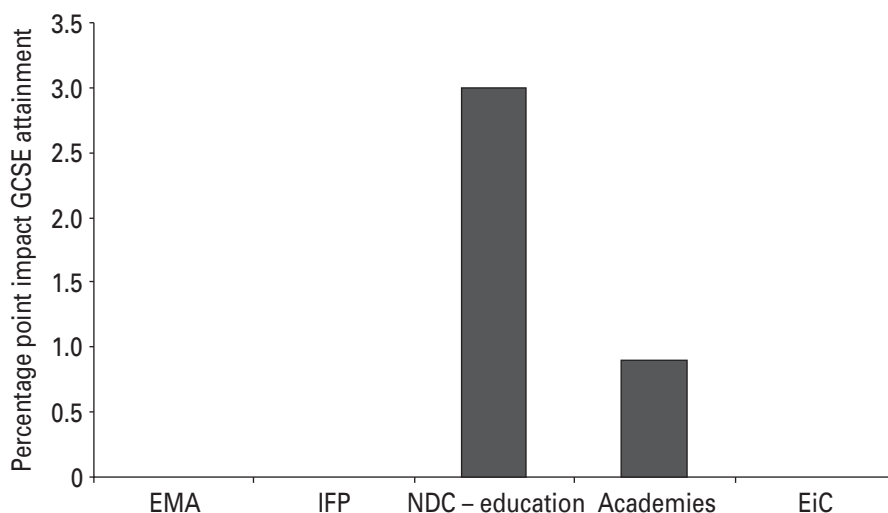
Impact on Level 2 attainment

Measuring examination passes

While no suitable evaluations are available to facilitate comparison of interventions targeted on improving performance at Key Stage 2, five interventions designed to enhance Level 2 educational attainment have been evaluated against a counterfactual. Two policies – EMA (bonus payments for young people from low-income families who stay in education) and IFP (vocational learning opportunities for 14 to 16 year olds) – are person focused (Figure 2, Type 4). Two are place focused (Figure 2, Type 2): Academies (co-funded schools typically located in a deprived neighbourhood) and EiC (a multi-strand programme targeted on schools in derived areas). The final intervention considered here, NDC, is a rare example of integrated person-place programme. NDC is a ten-year, multi-faceted programme that includes an element targeted on educational provision within the 39 NDC areas, varying according to local priorities. All five evaluations included a measure of impact on educational attainment defined in terms of five GCSEs grades A*–C or the equivalent.

It is important to recall the limitations on comparing programmes as different as those under consideration, given that they target somewhat different groups and have multiple objectives. EMA, for example, while including improvement in Level 2 attainment as a policy goal to be evaluated, targets post-compulsory students, whereas the other four policies focus on school children aged 16 and under. This is liable to have implications on impacts. Additionally, the evaluations vary in their designs and the precision of their estimates, although the time period over which the outcomes were assessed was largely comparable. However, the evidence presented in Figure 16 indicates that only two of the five interventions evaluated – NDC and Academies – had a discernable impact on educational attainment measured in terms of attainment at or above the Level 2 threshold. Moreover, some care needs to be taken over placing too much weight on the NDC result since it represents a simple difference in the mean score of schools in NDC areas and that in the comparison areas, and no attempt is made to control for known and potentially important variations in the characteristics of the areas and the constituent schools.

Figure 16 Improvements in Level 2 attainment¹⁰ (five GCSEs grades A*–C or equivalent)



Some reflection on these disappointing conclusions is warranted. The prime objectives of EMA were to encourage young people from low-income homes to stay longer in school and most attention was paid to effecting a change in educational attainment at Level 3. In addition, the programme evaluators speculated that the poor result might be a product of measurement error due to a high level of attrition among participants in the study and to problems with data matching, both of which might have undermined the representativeness of the sample and reduced the robustness of estimates of attainment.

In the case of IFP it might be argued, in similar vein, that the young people targeted might have been diverted away from taking Level 2 qualifications, instead taking Level 1 associated with their newly acquired vocational experience. Moreover, young people in the control group would not generally have had the opportunity to take Level 1 qualifications and so would have continued with studies leading to the possibility of a Level 2 qualification. Both processes would have served to reduce the recorded impact of IFP, essentially because an inappropriate measure of effectiveness was being used.

The lack of impact of EiC has been challenged by both Ofsted and the Department for Education and Skills (DfES). Ofsted's (2005) own analysis suggests that the EiC generated a 2.6 percentage point increase in the proportion of pupils attaining five GCSEs grades A*–C but the method of calculation is unclear, as is the robustness of the counterfactual. DfES' Standards Site similarly reports a substantial narrowing of the achievement gap between EiC and non-EiC areas from 12.4 per cent in 2001 to 6.9 per cent in 2005 due to the rate of increase in GCSE performance being 'around

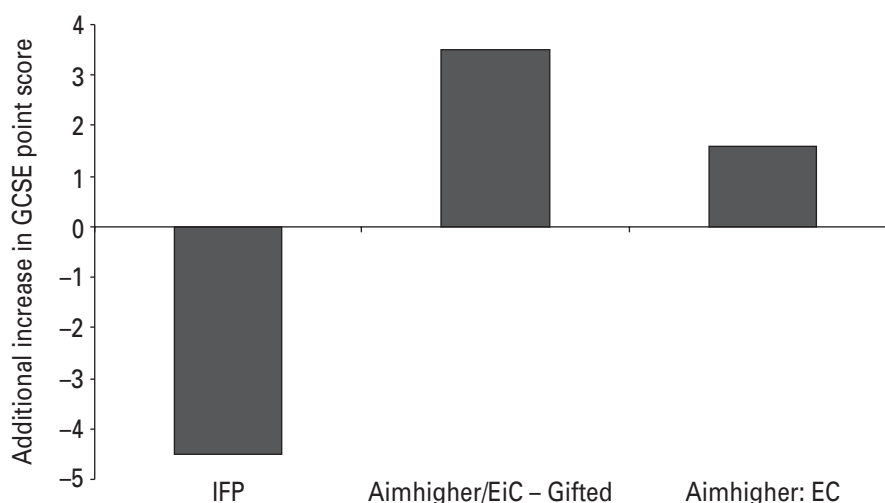
twice that of non EiC schools' for four consecutive years (DCSF, n.d.). Given that the figures cited in Figure 16 are the only ones based on rigorous and transparent research, one is tempted to conclude that the greater success reported in other studies is a product of weak evaluative design with poorly matched programme areas and controls. Possibly, policies targeted on deprived neighbourhoods to increase employment or enhance incomes have added to the natural dynamic for the worst areas to recover, which in turn improved educational performance. It should also be noted that the effects of EiC appeared to vary markedly between different schools, with any positive effects becoming more noticeable over time.

Measuring examination points

Three interventions that sought to improve educational attainment at Key Stage 4 were evaluated in terms of the number of examination points that pupils accrued in their GCSE examinations for their best eight subjects. Therefore, instead of measuring the numbers of pupils reaching a basic threshold, this measure attempts to assess the extent to which students performed above (and indeed below) the baseline. The effectiveness of the IFP was assessed in this way, as were two place-focused initiatives. The area-based policies include Aimhigher: Excellence Challenge and a specific person-focused strand of this same policy (administered to younger pupils through the Excellence in Cities programme). This strand targets the gifted and talented by offering them additional provision such as school enrichment lectures, lunchtime reading clubs and summer schools.

These programmes exhibit contrasting results. At face value the Aimhigher interventions produced positive effects while IFP had a detrimental impact. The possible explanation for the apparent failure of IFP has already been discussed – in essence GCSE results are an inappropriate basis for measuring the effectiveness of this kind of intervention. This counsels against the use of universal outcome measures and draws attention to the diverse and sometimes, as in this case, necessarily contradictory goals of different policies. Nevertheless, it appears that pupils participating in IFP increased their average total GCSE score by 3.5 points (all GCSEs rather than their eight best results – not shown on Figure 17), suggesting that they may be gaining more qualifications of a lower grade.

Figure 17 Additional increase in points scored on eight best GCSEs (including equivalent)



Aimhigher was aimed at pupils for whom GCSE qualifications were an important waypoint on the road to academic and other forms of success, and both the full programme and Gifted and Talented strand had a positive impact. In the case of the Gifted and Talented strand,¹¹ the positive effect was more than twice that of the full Aimhigher programme, an increase of 3.5 percentage points compared to 1.6 percentage points. This difference is perhaps to be expected given that the Gifted and Talented programme targeted those who had shown particular aptitudes in which they could excel, while Aimhigher: Excellence Challenge aimed to raise achievements across a broader range of disadvantaged pupils.

What works: school-age policies

In order to determine why some of the educational initiatives proved more successful than others, it is necessary to rely on the *post hoc* judgements of the evaluators. Not unnaturally, these tend to focus on the philosophy underpinning the initiative and its component elements and, perhaps too, the disciplinary background of the evaluators. Much reasoning for success and failure, therefore, is discussed in relation to school leadership and management, and to networking issues.

In the case of Academies, success was seen to be associated with strong, consistent leadership within schools and the availability of additional resources for buildings, ICT and equipment necessary to create more positive learning environments. In the case of Excellence in Cities, partnerships and co-operation between – ideally – small groups of schools were identified as key to achieving positive results, although it

was also acknowledged that the impacts of initiatives were often greatest in schools facing the most challenging circumstances. Factors that were considered to inhibit the success of Academies included delays accessing resources – for example, moving to a new building and changes in leadership shortly after implementation. With Excellence in Cities, some problems appeared to be inherent in the structure and broad goals of the programme. The requirement or tendency to attempt simultaneously to meet short-term targets and address long-term problems often proved counterproductive, while tying funding to particular streams of activity meant that programme delivery could lack focus and coherence.

Turning to person-focused interventions, numerous factors were identified as contributing to effective programmes. Some echo the evaluations of employment programmes, including the need for flexibility and ‘bespoke’ programmes that target specific needs and open creative strategies to include the most disadvantaged. Networking and the sharing of good practice were also emphasised as a success factor, while other contributors to success reflected educational priorities: parental support in their child’s education and effective parent–school dialogue; high staff/teacher–student ratios; effective leadership and accountability; the promotion of independent learning by encouraging pupils to identify their own areas of difficulty; providing appropriate tasks and offering regular feedback; and also, on occasion, the involvement of consultants to offer schools support.

Impact on post-compulsory education

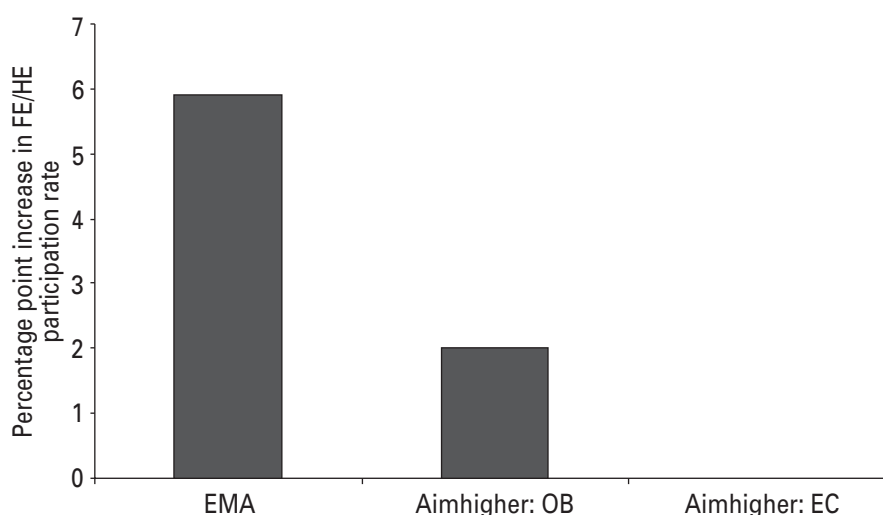
Policy impacts

Initiatives that have been evaluated in the post-compulsory education sector have two principal objectives, namely to widen participation and facilitate retention (in terms of both entering post-compulsory education and completing post-16 courses). Two, Aimhigher and the Educational Maintenance Allowance, have already been discussed in terms of the impact on increasing the proportion of pupils who are successful at Level 2. The third intervention, Opportunity Bursaries, is a specific person-focused component within the Aimhigher programme that offers bursaries to promote participation in higher education among disadvantaged young people from families without a history of tertiary education.

Each project was assessed against the objective of increasing participation in further and higher education. Whereas EMA did not have a positive impact on Level 2 attainment, it did succeed in increasing the proportion of young people staying on

to year 12 by 5.9 percentage points. Likewise, the Aimhigher: Opportunity Bursaries resulted in a two percentage point increase in pupils going on to higher education. It is not possible to conclude irrefutably from this comparison that EMA was more effective than Opportunity Bursaries. Indeed, given that a smaller number of young people enter tertiary education than stay on to year 12, Opportunity Bursaries were proportionately more effective than EMA. Both programmes also resulted in higher retention rates (not shown in Figure 18): 2.6 per cent more students in receipt of an Opportunity Bursary completed the first year of tertiary education than did their eligible peers without an award, while EMA increased the proportion of young men still in education at the age of 17 by 5.6 percentage points. Moreover, the beneficial effect of EMA increased with time to 8.3 percentage points by age 18.

Figure 18 Impacts on participation in post-compulsory education



A priori, it would seem reasonable to conclude from a comparison of Figures 17 and 18 that, while Aimhigher: Excellence Challenge was associated with better examination results, it did not result in higher numbers of pupils staying on beyond school-leaving age. It seems plausible, therefore, that the financial incentives provided by both EMA and Opportunity Bursaries are key to improving participation rates in post-compulsory education. However, concerns have been expressed about the evaluation of Aimhigher: Excellence Challenge in terms of the difficulties that evaluators encountered in involving LEAs and the interaction with EiC, which operated in the same localities. Although, overall, Aimhigher had no statistically significant impact on participation in post-compulsory education, a large positive impact of 15–16 percentage points was recorded in the proportion of pupils aged between 16 and 20 from a disadvantaged background staying on in full-time education. Likewise, the proportion of year 11 pupils stating that they intended to participate in tertiary education was 3.9 percentage points higher among the

Aimhigher group than among controls. However, the difficulty of isolating the effects of Aimhigher from those of EiC mean that these results are possibly best interpreted as a combined effect of both programmes.

What works: post-compulsory education

It will be apparent from the above discussion that few firm conclusions about what works can be drawn from the evaluations of post-compulsory education initiatives, even about the additive effect of financial incentives. Suggestions, though, included: identifying pupils with the aspirations and abilities to enter higher education and offering them additional support; engagement with, and of, their family and friends; and the provision of taster experiences through visits and discussion with students already engaged in higher levels of education.

Conclusions

Given the number of educational initiatives to counter disadvantage and the volume of evaluative activity, the conclusions to be drawn are thin. The lack of common outcome measures frustrates comparison of the relative effectiveness of measures targeted on person or on place. Impacts overall tend to be small but the effects on users may, of course, be considerable. They can also be adverse, as appears to be the case among the most disadvantaged families living in Sure Start areas, or complex, like the interventions to promote post-compulsory education.

As in the case of employment interventions, it is necessary to rely on *post hoc* rationalisation to isolate what works best. Possible, but not validated, candidates include:

- programmes with clear objectives – achievable, unambiguous aims and targets that reflect local needs and are agreed between all stakeholders;
- programmes that are subject to ongoing evaluation and related refinement;
- flexible provision that meets the disparate and changing needs of learners;
- programmes that build learners' self-esteem, reach out to those distanced from learning and provide suitable levels of practical and personal support;

Person- or place-based policies to tackle disadvantage? _____

- programmes that reflect local needs and priorities identified through discussion with stakeholders, practitioners, young people and parents, and that are supported by engagement with local organisations and stakeholders;
- programmes staffed by well trained and supported personnel throughout the provider network (Sims and Stoney, 2002).

4 Income and living standards

Tackling income poverty

For many years, poverty was a taboo subject within government circles and social exclusion was used as a euphemism in European discourse. However, since 1997, the term has been rehabilitated with, since 1999, a government commitment to halve child poverty from 4.1 million by 2010 and to eradicate it within a further decade (JRF, 2005). Moreover, for the first time ever, Britain has an official poverty line, albeit one based on a composite measure that allows room for interpretation of trends (DWP, 2003).

A large number of measures have been put in place to attain these targets. The main ones include the introduction of tax credits (Working Families Tax Credit, which became Child Tax Credit and Working Tax Credit in 2003) and increases to Child Benefit. There has been an increase in overall spending, including other benefits, of more than £10 billion since 1997 (HM Treasury, 2004); the imposition of a National Minimum Wage; the launch of many of the employment and education initiatives evaluated in Chapters 2 and 3; and new policies to reduce pensioner poverty. Income poverty has fallen substantially. Among adults, poverty – measured against the threshold of 60 per cent of equivalised median household income after housing costs – fell from 25 per cent in 1996/97 to 22 per cent in 2005/06 (DWP, 2007). Child poverty also fell from 34 per cent of children to 30 per cent during the same period. However, 2005/06 witnessed a slight rise in adult and child poverty, the latter from a 15-year low of 28 per cent, and current projections suggest that the 2010 child poverty target will be missed by over 400,000 children (Sutherland, 2005; Shaw, 2007).

Given the Government's focus on financial poverty, and the centrality of the child poverty target in policy-making since 1999, it is surprising how few policy initiatives have been evaluated directly in terms of their impact on incomes and living standards. In part, this reflects the fact that many of the key anti-poverty policies have not been evaluated prior to implementation or, indeed, at all. This applies to virtually all increases in social security benefit, presumably on the logic that a cash transfer must impact directly on poverty, although, in reality, its effect will be mediated by household circumstances and benefit take-up. However, even those reforms such as tax credits that have been subject to quite extensive *ex post facto* evaluation have rarely been assessed for their anti-poverty, rather than their pro-employment, impact. The policy community is therefore almost entirely dependent on

microsimulation studies to assess the impact of policy on household poverty, which are all necessarily underpinned by behavioural assumptions that are rarely subject to empirical validation (e.g. Sutherland, 2001; Brewer *et al.*, 2005). As a consequence this chapter is very short.

Impacts of specific policies

Only two evaluations that assessed the impact of a policy intervention on incomes with reference to a counterfactual were identified: Work Based Learning for Adults and the Employment Retention and Advancement demonstration. The former makes only brief mention of the impact on incomes, noting that, while one of the options evaluated – Longer Occupational Training (LOT) – increased the likelihood of being in sustained employment by seven percentage points, it had no corresponding effect on income. The report contains a technical discussion about the possibility that this lack of observed impact could have been associated with the way in which the hourly value of Jobseeker's Allowance had been assessed, but the authors conclude that the reason is:

The fact that LOT jobs were generally low-paid. In fact, more than a third of LOT participants who found work earned less than £4.50 per hour. (Anderson *et al.*, 2004, p. 88)

The evaluation of ERA assessed the impact of the programme on earnings rather than income and determined that it was positive and statistically significant, especially for lone parents who entered the programme through NDLP. On average, these lone parents earned £811 more than the £2,783 earned by the corresponding control group, or 29 per cent more during the twelve-month period than they would have in the absence of the programme (Dorsett *et al.*, 2007). Much of the increase in earnings was attributable to the rise in full-time employment – seven percentage points higher for the ERA lone parents than for the control group – which the evaluators suggested was a product of the financial incentive provided by the ERA retention bonus and reinforced by staff encouragement.

The introduction and uprating of the National Minimum Wage should have had a direct effect on wages and an indirect one on household incomes. Unfortunately no direct estimate of actual increases in incomes attributable to the minimum wage is available but the Low Pay Commission estimates that the proportion of workers benefiting from each uprating is between 3.5 and 5 per cent (Low Pay Commission, 2006). The Commission also reports that the minimum wage has had only a

negligible impact on employment,¹ competitiveness and productivity and that there is no evidence of substitution of ineligible young workers, which might create social costs for those not benefiting directly from the minimum wage (Low Pay Commission, 2000, 2004).

Women, younger and part-time workers – often partners in a dual-earner household located towards the bottom end of the working household income scale – are all likely to benefit disproportionately from the introduction of the minimum wage (Low Pay Commission, 2006). However, while it contributes to the Government's aspiration to make work pay, households in the lowest income decile have gained more from changes within the tax benefit system than from the minimum wage, largely because benefits are better targeted with respect to household income (PSI, 2002).

Conclusions

There is little direct evidence of the impact of recent government policies on household incomes to complement estimates from microsimulation studies. However, the few studies reviewed above serve as a reminder both that, in the absence of good wages, moving into work does not guarantee an escape from poverty and that higher wages do not always translate into higher household incomes.

5 Insights and possibilities

While it is frustrating that so little can be learned from so much evaluation, the process of trying has generated important insights that may, if acted upon, result in improved policy-making and evaluation.

Substantive insights

Let it also be remembered that there are substantive findings. First, the place, person policy matrix (Figures 1 and 3) is very unevenly populated. Most of the policies to address disadvantage have been either targeted directly on individuals (Type 4) or focused on areas with the objective of directly benefiting residents (Type 2). No more than one or two initiatives have explicitly sought to exploit the logical synergies between people and place alluded to in Chapter 1. Even Type 2 policies have often concentrated on improving a single aspect of local provision, while the distinction between Type 2 and Type 4 is sometimes blurred, as when areas serve primarily to target individuals as a form of spatial means testing or resource allocation based on spatial rather than demographic characteristics.

Second, policies not only often have multiple objectives, but also the objectives tend to differ in kind and in emphasis within, but especially between, the various types of policy defined with respect to person and place. This is inevitable given that the concept of disadvantage is so nebulous and multi-faceted. Education programmes focus on enhancing educational outcomes and labour market policies address employment issues both as ends in themselves and as means of reducing poverty and disadvantage. Policy mechanisms differ, and improving them may even constitute an intermediate outcome of a policy initiative, improving networking and partnership working, for example, especially in Type 2 policies.

Third, the different objectives and mechanisms preclude direct comparison of the relative effectiveness of place- and person-based initiatives. However, it is apparent from the review that effect sizes are generally small and that policies can have detrimental effects, certainly for some subgroups. This last consideration, of itself, justifies continued policy evaluation, though it also underlines the importance of ensuring high ethical standards and informed consent, since individuals may suffer negative consequences as a result of participating in a policy experiment or pilot (Walker *et al.*, 2006).

Fourth, to the extent that it is possible to detect differences in the effect sizes of policies, explanations for the differences are, in the general absence of detailed theories of change, little more than speculation. Such speculation suggests that the greatest impact can be attained by focusing carefully and individually tailored packages of provision on the most disadvantaged while simultaneously ensuring that excessive confusing complexity is avoided. Evaluators of Type 2 policies, especially, are also likely enthusiastically to support programmes that reflect local needs and priorities, and are shaped by active engagement with stakeholders including end users. Finally, though it smacks of a truism, there is fair consensus that policies blessed with clear, measurable and achievable objectives, and implemented by competent, appropriately trained and well managed staff, are likely, more often than not, to be most effective.

Methodological and policy reflections

Meta-analysis of the kind attempted in this review is notorious for demanding a degree of standardisation that cannot readily be accommodated across disparate studies commissioned at different times and for varied reasons. Moreover, the fact that comparison has been frustrated by the lack of correspondence in policy objectives, outcome measures and differences in the mode and timing of evaluation is partly a consequence of posing a question – ‘do place-based and person-based policies differ in their effectiveness?’ – that the initial evaluations were not designed to address. Nevertheless, it remains true that comparatively few policies were assessed against a counterfactual and that, even when they were, the design of this counterfactual control group was often quite poor. Random controlled trials were very rare and area-based comparisons were frequently made without attempting to control for differences in area characteristics. In such cases, the nature and degree of bias is unknown but, given the small effect size associated with most interventions, it could outweigh any true programme effect. Very often, too, a number of different initiatives were running simultaneously, making it very difficult to isolate the independent impacts of each one.

A further problem with many of the evaluations was the short time allowed in which to assess an effect. Quite often, interim assessments were made after six months and few of the evaluations ran for longer than two years, a much shorter period than corresponding evaluations conducted in the United States, where it is quite common for early results to be discarded or systems left to stabilise before formal evaluation commences. It has been suggested that the lifespan of some evaluations is too short for effects to become apparent:

Given the stark long-term consequences of multiple disadvantage, so clearly evident in the physical pilot areas themselves, and particularly the everyday experiences and circumstances of many (potential) customers, many key informants to this research believed that a period of three or even four years would be needed for the pilot to effect an observable and measurable improvement in the levels of worklessness in the area. (Dewson *et al.*, 2007, p. 88)

Irrespective of evaluation design, conclusions about what worked were almost invariably based on *ex post facto* reasoning. While such arguments can be very persuasive, especially if supported by evidence from process evaluation, the same facts can be made to support a large number of hypotheses. Moreover, as noted earlier, *ex post facto* reasoning was very noticeable when results were disappointing. The following serves as an example:

In the pilot areas respondents in the sick or disabled group who had not participated in ONE were more likely to be in work than were participants. This finding is not easy to explain. Some sick or disabled clients seem to have experienced an improvement in their capability to work since they first claimed a disability benefit. It may also be that those who expected to return to work quickly were less likely to volunteer for ONE. (Green *et al.*, 2000, p. 14)

Clearly, it is important to seek to understand both expected and unanticipated results, but such analysis is much more convincing if based on a well articulated theory of change promulgated ahead of the evaluation. The Working Neighbourhood Pilot was a rare example of where this occurred:

The 'theory of change' behind the WNP posited that a 'culture of worklessness' had developed in certain areas and that this could be addressed through intensive, focused intervention to help people move into and retain jobs that were available in or near the locality. (Dewson *et al.*, 2007, p. 16)

It sometimes proved possible to identify theories of change sketched out in broad terms in strategic policy documents, such as the following, appertaining to New Deal for Young People:

NDYP was shaped by understanding the barriers which could face young people in seeking entry to the labour market and recognising how crucial it was that they should become accustomed early to the world of work and not fall into an acceptance of unemployment. (DWP, 2004)

Designing policy involves implicitly, or preferably explicitly, mapping such a theory into a causal chain or web that connects the policy objectives to the programme outcomes via a delivery process including a clear set of administrative actions and their presumed consequences. However, it seemed very rare for any of this thinking to permeate the design of the evaluation or any interpretation of the results. Thus the opportunity was often missed to evaluate links in the policy chain while the impact evaluation was separated from accompanying formative evaluation by not articulating the connecting logic. It is not necessary to accept all the tenets of formal theory of change evaluation (Anderson, 2005) to recognise how much more powerful the evaluations reviewed could have been.

Just describing what seems to be wrong and making an attempt to measure it is not enough. Good strategy and project development means developing a 'theory of change'. This means being clear why you think things have happened in the way they have and developing a 'theory' of why your planned intervention might change things. There needs to be a logic to the change which joins up your definition of the problem with a logical reason why a particular course of action might help solve the problem. This 'theory of change' should inform your development of the project and allow you – in evaluation – to test whether your theory was right. This is not just an academic game. We need to know not just what works, but why it works, if we are to learn anything about how to transfer good practice from one area to another. Increasingly, government evaluations – including the New Deal for Communities national evaluation – call for a theory of change as a background to establishing the basis on which interventions to improve neighbourhoods are developed. (Renewal Trust, n.d.)

Future possibilities

While the question initially posed concerning the relative effectiveness of person- and place-based initiatives cannot be adequately addressed by reference to existing evaluations, it remains important. Moreover, the questions are amenable to investigation through a different route (McLennan *et al.*, 2007). Over the last few years, a number of individual-level, longitudinally linked administrative datasets have been developed and have become available to researchers. These administrative datasets are often national in coverage, follow a consistent recording practice over time and have a geographical identifier attached, thus making them appropriate for evaluative purposes.

Person- or place-based policies to tackle disadvantage? _____

The Work and Pensions Longitudinal Study (WPLS) contains details of every spell of employment and benefit receipt recorded by the HM Revenue and Customs (HMRC) and Department for Work and Pensions (DWP), every year since mid-1999. The National Pupil Database (NPD), managed by the Department for Education and Skills (DfES), can be used for monitoring educational attainment up to age 16 and is currently being linked to Individual Learner Records (ILRs), managed by the Learning and Skills Council (LSC), which relate to attainment in non-compulsory education post age 16. This, in turn, is to be linked to higher education data on students in higher education held by the Higher Education Statistics Agency (HESA).

These combined datasets provide a foundation for comparing the effectiveness of, for example, Neighbourhood Renewal Fund (NRF) areas, Employment Zones and NDC on employment outcomes; establishing the cumulative impact of a person-based policy such as New Deal 25+ and an area one such as NDC; and assessing the impact of New Deal 25+ on, perhaps, the educational outcomes of the participants' children and, even, whether this is affected by living in a NDC area.

Administrative data is never perfect but the combination of standardised individual-level data appertaining to policy interventions and outcomes that cross policy domains offers a realistic chance of exploring the relative and aggregate impact of place- and person-based policies to tackle disadvantage.

While the creative use of administrative data seems likely to prove to be the most fruitful means of disentangling the relative effectiveness of person- and place-based initiatives, it will in the short term necessarily be retrospective, dependent on data not collected primarily for the purpose of assessing policy impact. In future, however, recognising the importance of knowing what works and being sensitised to the value of administrative data in facilitating evaluation, it should be possible to build evaluation into the design of administrative databases. Even more important, however, is the clear articulation of how policy is expected to work, a theory of change. If this is not made explicit and referred to in the design of both impact and process evaluations, the mistakes of the last decade will be repeated and little of general relevance will be learned from policy pilots.

Notes

Chapter 2

1. The New Deal Plus for Lone Parents was introduced alongside a range of measures collectively known as the Lone Parent Pilots.
2. Support is provided as part of the 'options' element of the ND25+ and NDYP.
3. Also applies to jobseekers who have been claiming JSA for 18 out of 21 months.
4. Although the programmes themselves are voluntary, most now have some compulsion to attend one or more Work Focused Interviews (WFIs).
5. Jobcentre Plus was preceded by ONE – introduced between June and November 1999 as a pilot programme.
6. Working Families' Tax Credit and Disabled Person's Tax Credit were replaced by Working Tax Credit in 2003.
7. NDYP and ND25+ include education and skills elements.
8. Figures relate to IB claims.
9. Payable to clients working 16 hours a week or more and earning less than £15,000 per annum. It is payable for up to 52 weeks (Jobcentre Plus, n.d. – c).
10. There is evidence of unemployment 'hot spots', only a short distance from areas with ample employment opportunities, but residents have a number of barriers to taking up opportunities. These include a mismatch of skills and aptitude, lack of transport and information, and benefit traps. However, there may also be demand-side explanations, including a lack of opportunities (particularly for those with lower skills) and employer discrimination (Hasluck and Green, 2004).
11. Both demand and supply side.
12. Key strategy objectives include: raising employment levels; addressing economic disadvantage; lowering crime and fear of crime; improving educational standards; housing and the physical environment; and health.

Person- or place-based policies to tackle disadvantage? _____

13. StepUP was included as a place-based policy following the ODPM review of area-based initiatives (Regional Co-ordination Unit, 2002). The rationale is that it identifies living in an area of high unemployment as a factor associated with long-term unemployment and targets such areas.
14. Further details about the area and measurement can be found within the source document *Opportunity for All* (DWP, 2006).
15. 2006 *Opportunity for All* indicators do not contain minority ethnic data.
16. Policy and strategy documents were not included in this analysis. It is possible that policy objectives reported in evaluation reports were somewhat different from the 'original' policy objectives.
17. Jobcentre Plus and New Deal for Disabled People were both evaluated against a counterfactual but at the time of writing robust results were not available.
18. The counterfactual should ensure that contextual issues will not influence the final assessed impact of the policy.
19. This highlights both of the limitations of evaluating policies – having to undertake studies in less than preferable circumstances and using quantitative evaluations to compare the relative success of different initiatives.
20. The synthesis of findings includes the results of the econometric study conducted at cohort 2, wave 2. This was chosen as the most recent and robust impact measure.
21. It was necessary to omit evaluations where it was impossible to convert the impact estimate to a percentage point change.
22. The case study element of the evaluation was used for this comparison.
23. Other initiatives discussed in this report may have been subject to separate (or complementary) cost-benefit analyses – these have not been included here.
24. Unit costs were calculated by combining programme costs and information derived from administrative data. The average unit cost is estimated by dividing the number of lone parents into the total adjusted cost of the programme. Here costs do not encompass 'set-up costs', innovations and experiments not related to the Personal Adviser (PA) element of the programme as well as other exclusions (see Hasluck *et al.*, 2000).

25. This is highlighted by the lower impact of policies with a mixed client group.

Chapter 3

1. From April 2006, 12.5 hours per week, gradually rising to 15 hours from April 2007 (Women and Equality Unit, 2006).
2. Later renamed Sure Start local programmes (Smith, 2007).
3. EiC currently comprises seven complementary 'strands': City Learning Centres, Specialist Schools, Gifted and Talented, Beacon Schools, Learning Mentors, Learning Support Units and EiC Action Zones (National Foundation for Educational Research, n.d.).
4. Announced in 1998, the aim was to promote good practice in education by identifying successful schools and disseminating messages about how to replicate this success. Like a number of other education initiatives implemented since 1997, the Beacon Schools programme has been absorbed into EiC (Sims and Stoney, 2002). It had been phased out as a central government funded programme by August 2005 (DfES, n.d. – a; Rudd *et al.*, 2004).
5. Young people from low-income families receive a weekly payment (of up to £30) if they participate in post-compulsory education. Payments are dependent on regular attendance and vary according to household income. Additional 'bonus' payments are made for students through the academic year. Government spending on the scheme was estimated to total approximately £28 million in 2004–05.
6. Originally established in 2001 (as Excellence Challenge – EC) 'to increase the number of pupils from disadvantaged backgrounds with the aspirations and qualifications necessary to enter HE. EC partnerships of schools, colleges and HE institutions were established across England' (Morris and Golden, 2005, p. 1). In 2004, it was integrated with Aimhigher: Partnership for Progression (P4P) and became known simply as Aimhigher.
7. Cymorth also includes Integrated Childcare Centres.
8. Ofsted was established before the Blair Government came to power in 1997. However it has been expanded under this administration, most recently in April 2007, when it became an amalgamation of the old Ofsted, the children's social

Person- or place-based policies to tackle disadvantage? _____

care remit of the Commission for Social Care Inspection (CSCI), the inspection work of the Adult Learning Inspectorate (ALI) and the Children and Family Court Advisory and Support Services (CAFCASS) inspection remit from Her Majesty's Inspectorate of Court Administration (HMICA) (DfES, 2007).

9. As measured using the Higher Education Initial Participation Index (HEIPR).
10. Level 2 attainment refers to five GCSEs grades A*–C or their equivalent. Alternative qualifications are summed according to the relative value of the qualification – for example, Part One GNVQ passes are equivalent to two GCSEs, whereas Full GNVQ passes are equivalent to four GCSEs. For more information see DfES (2005).
11. The Gifted and Talented strand of Aimhigher identifies young people who have the potential to succeed in HE, but may not have the self-esteem, motivation or aspiration to meet this potential, and targets them for specialised support.

Chapter 4

1. NMW critics believed implementation would lower employment rates – a response from small employers to the additional cost that the initiative would bring.

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Person- or place-based policies to tackle disadvantage? _____

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Women and Equality Unit (2006) *What Has the Government Achieved for Women?* www.womenandequalityunit.gov.uk/about/government_women.htm (accessed 8 April 2007)

Appendix 1: Data sources – Chapter 2

Person-targeted employment initiatives (Figures 7 and 12)

Basic Skills Mandatory Training Pilot

Joyce *et al.* (2006).

Employment Retention and Advancement demonstration

Dorsett *et al.* (2007).

New Deal 25 Plus – Gateway to Work

Page *et al.* (2006).

New Deal for Young People

White and Riley (2002).

New Deal for Lone Parents

Knight *et al.* (2006).

New Deal for Partners/Work Focused Interview for Partners

Dorsett *et al.* (2006).

Person- or place-based policies to tackle disadvantage? _____

ONE

Kirby and Riley (2003).

Pathways to Work

Adam *et al.* (2006).

Work Based Learning for Adults

Anderson *et al.* (2004).

ONE – impact on employment entry over time (Figure 9)

Green *et al.* (2000, 2001a, 2001b, 2003); Kasparova and Marsh (2003); Kirby and Riley (2003).

Place-targeted employment initiatives (Figures 10, 11 and 12)

Employment Zones

Hales *et al.* (2003).

StepUP

Bivand *et al.* (2006).

Working Neighbourhoods Pilot

Dewson *et al.* (2007).

Appendix 2: Data sources – Chapter 3

Early years education

Neighbourhood Nurseries Initiative

La Valle *et al.* (2007); Smith (2007).

Sure Start

National Evaluation of Sure Start Team (2005).

Improvements in Level 2 attainment (Figure 16)

Academies

PriceWaterhouseCoopers (2005).

Education Maintenance Allowance

Middleton *et al.* (2005).

Excellence in Cities

Kendall *et al.* (2005).

Increased Flexibility Programme

Golden *et al.* (n.d.).

Person- or place-based policies to tackle disadvantage? _____

New Deal for Communities

Smith *et al.* (2005).

Additional increase in points scored on eight best GCSEs (Figure 17)

Aimhigher: Excellence Challenge

Emmerson *et al.* (2006b).

Aimhigher/EiC – Gifted and Talented strand

Morris and Rutt (2006).

Increased Flexibility Programme

Golden *et al.* (n.d.).

Impacts on participation in post-compulsory education (Figure 18)

Aimhigher: Excellence Challenge

Emmerson *et al.* (2006a).

Aimhigher: Excellence Challenge, Opportunity Bursaries

Emmerson *et al.* (2006c).

Education Maintenance Allowance

Middleton *et al.* (2005).

Appendix 3: Policy details

Table A3.1 Person-targeted employment policies

Policy/initiative name	Background	Target group	Service
Basic Skills Mandatory Training pilot (Type 4)	Extended Mandatory Training Pilot scheme introduced in April 2004.	Jobseekers unemployed for at least six months or entering New Deal (usually after 18 months).	<p>Clients identified as having a basic skills need referred to one of the following.</p> <ul style="list-style-type: none"> • <i>Basic Employability Training (BET)</i> – lowest skill level. Full-time and lasted up to 26 weeks. • <i>Short Intensive Training (SIT)</i> – skills below Level 1. Full-time, lasted up to eight weeks and focused on basic skills in a work context. • <i>Full-Time Education and Training (FTE)</i> – New Deal for Young People and English for Speakers of Other Languages customers. One year, full-time.
Employment Retention and Advancement demonstration (Type 4)	ERA launched in 2003.	<p>Aimed at three groups that have difficulty getting and keeping full-time work or advancing to more secure and better-paid positions:</p> <ol style="list-style-type: none"> 1. lone parents who receive IS and volunteer for the NDLP programme; 2. longer-term unemployed aged 25 plus who receive JSA and are mandated into the ND25+ programme; 3. lone parents who are already working part-time and receiving WTC. 	<p>To the existing pre-employment New Deal services, ERA adds a new set of financial incentives and job coaching following customers' entry into work. In-work support spans two years, involves contact with Advancement Support Advisers (ASAs) and offers cash incentives for work retention.</p>
New Deal 25 Plus (Type 4)	<p>The national ND25+ programme has gone through three distinct phases of operation:</p> <ol style="list-style-type: none"> 1. original programme (June 1998–April 2000); 2. the enhanced programme (April 2000–April 2001); 	Long-term unemployed aged 25 and above.	<p>Includes the <i>New Deal Gateway</i> – a two-week, full-time course designed to help individuals aged 18–24 back to work and the <i>Intensive Activity Period</i> – a 13-week full-time course structured around individually tailored packages of support, guidance and training.</p>

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Table A3.1 Person-targeted employment policies (Continued)

Policy/initiative name	Background	Target group	Service
	<p>3. the re-engineered programme (April 2001–present day). In addition, a number of pilots operated in 28 areas between November 1998 and March 2001.</p>		
New Deal 25 Plus – Gateway to Work (Type 4)	The GtW pilots were introduced into the Gateway period of ND25+ in 2003, following the national roll-out of a similar course on NDYP in July 2000. Pilots formally ended in March 2006.	Clients on ND25+ after claiming JSA for 18 months.	A 13-week period on New Deal, which precedes the Intensive Activity Period. During Gateway, clients have weekly interviews with their Personal Adviser and additional support to intensify job search. It is a two-week, full-time mandatory training programme for jobseekers who have been claiming JSA four weeks after joining Gateway. The course provides soft skills training and support with applying for jobs.
New Deal for Lone Parents (Type 4)	NDLP was launched in eight areas as a prototype in July and August 1997, introduced nationally for new and repeat claimants in April 1998, and extended to all existing lone parents on IS in October 1998.	All lone parents on IS whose youngest child is under 16 are eligible to join.	An interview with a Personal Adviser is a key delivery mechanism for NDLP. The Personal Adviser develops an individually tailored package of advice and support designed to facilitate a move into employment.
New Deal for Young People (Type 4)	NDYP was implemented in 1998.	All people aged 18–24 who reach six months of claimant unemployment (JSA).	Through NDYP, young jobseekers are provided with intensive support through the ‘Gateway’ – intended to continue for up to four months. If they remain in the programme beyond this period they are required to enter one of four options: <ol style="list-style-type: none"> 1. Employment Option, offering subsidised employment; 2. Full-time Education and Training; 3. Voluntary Sector Option;

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Table A3.1 Person-targeted employment policies (Continued)

Policy/initiative name	Background	Target group	Service
New Deal for Partners – Work Focused Interviews for Partners (Type 4)	Work Focused Interviews for Partners (WFIPs) were introduced in April 2004 in all Jobcentre Plus offices.	Partners of those claiming JSA, IS, IB or SDA.	4. Environment Task Force Option. Participation is mandatory for those in the target group. An important role of a WFIP is to promote the New Deal for Partners (NDP). This is a voluntary programme offering a range of support to help partners consider taking up employment.
ONE (Type 4)	ONE was implemented between June and September 1999.	Jobseekers claiming JSA, lone parents claiming IS, and sick and disabled clients claiming IB.	ONE brought together the Employment Service, LAs and the Benefits Agency to offer advice on benefits and work in one place. People of working age had to participate in a work-focused interview to qualify for benefit payments (mandatory for lone parents and sick and disabled claimants after April 2000).
Pathways to Work (Type 4)	Pathways to Work pilots were implemented by DWP in 2003. Pilots provide greater support (financial and non-financial) to, and impose greater obligations on, new claimants of incapacity benefits.	IB claimants.	Reforms include three broad strands of additional help for new claimants of incapacity benefits: 1. Work Focused Interviews (WFIs), mandatory for most, with the threat of financial penalties for those who do not comply; 2. ‘the choices package’, a number of programmes designed to boost claimants’ prospects of being able to work – including health management; 3. increased financial incentives for individuals to enter paid employment – including a £40 per week Return to Work credit for those with gross annual earnings of under £15,000.

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Table A3.1 Person-targeted employment policies (Continued)

Policy/initiative name	Background	Target group	Service
Work Based Learning for Adults (Type 4)	DWP became responsible for WBLA in April 2001, following the abolition of the Training and Enterprise Councils (TECs) in England.	Aimed principally at those aged 25 years and over who have been claiming JSA for at least six months.	<p>Offers four areas of provision or 'Opportunities':</p> <ol style="list-style-type: none"> 1. <i>Short Job-focused Training (SuJT)</i> courses of up to six weeks duration for the most job-ready. 2. <i>Longer Occupational Training (LOT)</i> for those with benefit claims of a year or more. Provides longer-term training to address more fundamental needs. 3. <i>Basic Employability Training (BET)</i> targets those with basic skills needs and is expected to last for 26 weeks. 4. <i>Self-employment Provision (SEP)</i> offers help and support for those wishing to move into unsupported self-employment.

Table A3.2 Place-targeted employment policies

Policy/initiative name	Background	Target group	Service
Employment Zones (Type 2)	Introduced in April 2000 as a new approach to problems of long-term unemployment in 15 areas of Britain in which relatively high rates of unemployment persisted in spite of generally falling rates. Initially set to run to March 2002; contracts were extended to March 2004.	The long-term unemployed.	Employment Zones emphasise job search and early entry to mainstream employment or self-employment, an example of the 'Work First' approach. A key factor has been a lack of constraint on how the funding was to be used. It was also intended that participants should have a say in the use of funds. Job retention was emphasised and a 13-week retention bonus paid, with the greatest proportion going to the Zone provider.
New Deal for Communities – worklessness (Type 5)	The New Deal for Communities (NDC) programme is part of the National Strategy for Neighbourhood Renewal with the aim of tackling multiple deprivation in the poorest neighbourhoods in England. NDC was initially announced by the Neighbourhood Renewal Unit in 1998.	The target group consists of workless individuals in the 39 NDC areas. This group includes those who are incapable of work due to disability or long-term sickness, and those who are available for work and have been actively seeking it.	Part of larger, multi-stranded renewal programme. Services delivered by local partnerships, therefore vary by partnership. Partnerships have responsibility for identifying local priorities, setting appropriate targets and implementing suitable initiatives.
StepUP (Type 2)	Introduced in 20 pilot areas between April and December 2002 – the pilots were set to last two years.	Jobseekers who remained unemployed six months after completing their New Deal Option or Intensive Activity Period.	The scheme provided guaranteed, subsidised jobs and support for up to 50 weeks to those within pilot areas. An independent Managing Agent sourced jobs from employers and Jobcentre Plus placed participants into the jobs. Employers were paid a wage subsidy of at least the minimum wage and a fee to reflect their additional costs. The subsidised job was for 33 hours a week, less than normal full-time work, to enable

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Table A3.2 Place-targeted employment policies (Continued)

Policy/initiative name	Background	Target group	Service
Working Neighbourhoods Pilot (Type 5)	Established in April 2004 in 12 high worklessness areas in England, Scotland and Wales to test new approaches to offering intensive support to help people find and remain in work. The pilot was set to run for two years.	The pilot was targeted towards people without work, including JSA, IS and IB claimants as well as the partners of claimants and workless non-claimants.	job search within a normal working week. Support to participants was provided through a Jobcentre Plus Personal Adviser, a Support Worker from the Managing Agent and a workplace buddy. The programme was delivered by both Jobcentre Plus and private contractors. It aimed to test innovative local approaches to tackling unemployment, including combating a perceived 'culture of worklessness'. Delivery organisations had to work within the Local Strategic Partnership framework to establish 'what works' best.

Table A3.3 Person-targeted education policies

Policy/initiative name	Background	Target group	Service
Education Maintenance Allowance (Type 4)	Pilot provision began in September 1999. The decision to roll out was made in 2004.	16–18 year olds from lower-income families. Available to those participating in post-compulsory education.	EMA comprises a combination of weekly and individual bonus payments for young people from low-income families who stay on for two years of academic or vocational schooling (of at least twelve hours per week) beyond the school-leaving age of 16. Weekly payments are made on the basis of attendance and vary according to the level of family income. Bonus payments of £100 are made in January and July of each year of attendance, and October in the second year (assuming that the student has returned to the programme).
Increased Flexibility Programme (for 14 to 16 year olds) (Type 4)	The programme was introduced by DfES in 2002 to provide additional vocational learning opportunities at Key Stage 4.	Secondary school pupils aged 14–16 (years 10 and 11) would benefit from IFP (high degree of student choice).	FE colleges and training providers work with schools to offer GCSEs in vocational subjects, NVQs, other vocational qualifications and GNVQs to students. Partnerships typically comprise a Lead Partner (usually an FE college), partner schools and other providers (training providers and employers).

Table A3.4 Place-targeted education policies

Policy/initiative name	Background	Target group	Service
Academies (Type 2)	Academies were introduced by DfES in 2000 as a key element of the Government's school improvement strategy.	Schools facing multiple challenges and achieving persistently poor academic results (lack of success of previous initiatives).	The initiative is aimed at turning round failing schools where previous interventions had not led to improvements. Sponsors contribute up to £2 million to the capital costs of building a new school, or remodelling an old one. The DfES provides all other capital costs and also provides the ongoing recurrent funding. Academies have independent status, and this is intended to facilitate flexibility and creativity in management arrangements, teaching appointments and curriculum delivery.
Aimhigher: Excellence Challenge (Type 2)	Initially established by DfES in 2001, with the aim of increasing the number of young people from disadvantaged backgrounds who enter higher education.	Implemented in EIC areas. Pupils aged between 14 and 19 – with a particular focus on young people with a disadvantaged background.	Initiative includes: <ul style="list-style-type: none"> • activities to widen participation in FE and HE – including raising awareness; • special support for more able pupils (Gifted and Talented); • funding to HE providers to help institutions with the extra costs involved with supporting disadvantaged students; • Opportunity Bursaries to individual students to help cover university expenses; • improving links between FE and HE providers and schools, including visits/outreach.

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Table A3.4 Place-targeted education policies (Continued)

Policy/initiative name	Background	Target group	Service
Aimhigher: – Opportunity Bursaries (Type 2)	Opportunity Bursaries are a strand of Aimhigher: Excellence Challenge.	HE entrants aged under 21 and from a lower-income family (below £21,000 a year before tax or in receipt of certain means-tested benefits). Opportunity Benefits granted first to young adults who had studied in EiC schools, Education Action Zones (EAZs) or Excellence Challenge schools.	Opportunity Bursaries are grants worth a total of £2,000 over a three-year course, with £1,000 being paid in the first year and a further £500 in each of the following two years. A total of 26,000 Opportunity Bursaries were made available over the three years from September 2001 at a total cost of £37 million.
Excellence in Cities (Type 2)	Introduced in 1999, EiC is a major government policy designed to raise standards in urban secondary schools. Later extended to primary schools.	Schools in urban areas that face the challenges of social deprivation, a mobile pupil population, pupils from varied ethnic backgrounds.	EiC is divided into seven strands, which offer: <ul style="list-style-type: none"> • support for Gifted and Talented pupils; • Learning Mentors to support young people facing barriers to learning; • Learning Support Units for pupils who would benefit from time away from the normal classroom; • City Learning Centres providing state-of-the-art ICT resources; • EiC Action Zones enabling small groups of primary and secondary schools to work together to tackle local problems; • extension of the Specialist Schools programme; • extension of the existing Beacon Schools programme. EiC is intended to provide diversity of provision to meet the needs of pupils. Organised through partnerships – funding is allocated to each partnership, which is responsible for deciding how the resources are used.

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Table A3.4 Place-targeted education policies (Continued)

Policy/initiative name	Background	Target group	Service
Neighbourhood Nurseries Initiative (Type 5)	Launched in 2000 to expand childcare provision in England's most disadvantaged areas.	20 per cent most disadvantaged areas in England.	NNI provides subsidised childcare for families living in disadvantaged areas to enable parents to enter the labour market or training. NNI is delivered through local and national providers in maintained, private and/or voluntary sectors.
New Deal for Communities – education (Type 5)	NDC is part of the National Strategy for Neighbourhood Renewal – initially announced by the Neighbourhood Renewal Unit in 1998.	The target group consists of schools within the 39 NDC areas (located in areas of high disadvantage).	Services are delivered by local partnerships, therefore vary by partnership. Partnerships have responsibility for identifying local priorities, setting appropriate targets and implementing suitable initiatives. Many include initiatives that cover all educational age groups.
Sure Start (Type 2)	Launched in 1998, Sure Start is a key New Labour policy – aimed at addressing disadvantage at the earliest stage of a child's life.	Children aged under 4 and their families living in a Sure Start area. Areas targeted are those suffering from high levels of deprivation.	Aims to tackle the antecedents of low attainment and improve child development. The initiative works with parents (including those still expecting their child) as well as children to promote the physical, intellectual and social development of very young children, to give them a head start when they get to school.

All policy details have been extracted from evaluations employed within the review. Details from other sources may differ slightly.

Appendix 4: Policy initiatives and impact estimates

Table A4.1 Employment

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
<i>Person-targeted</i> Basic Skills Mandatory Training pilots (introduction of sanctions for non-participation)	JSA claimants referred to basic skills provision.	April 2004 – ran for 12 months, data collected until end October 2005 (baseline data from 2002).	Matched control areas	<p>Overall: negative impact on employment entry (three percentage points lower than control). <i>Other impacts:</i></p> <ul style="list-style-type: none"> • 5 per cent more claimants referred to provision started it in pilot areas than control. Therefore the mandatory nature of pilot/threat of sanctions can be considered directly responsible for the increase in the number of JSA claimants who started basic skills services. • Mandatory nature/threat of sanctions responsible for an increase in proportion of claimants completing provision of approximately three percentage points. • Claimants referred to provision showed a three percentage point lower likelihood of entering work following referral. However, it is possible that substantial number of claimants were still participating in training at the end of the observation window and thus unable to start work.
New Deal 25 Plus (synthesis report)	Long-term unemployed aged 25 or more.	First four years included in synthesis – various timescales included – see impacts.	Synthesis report. Methods include: matched comparator groups and random assignment	<p>Overall: four percentage point increase on exits from unemployment among men, no effect on female exit rates. <i>Other impacts:</i></p> <ul style="list-style-type: none"> • Nearly half a million ND25+ entrants between June 1998 and June 2002. • Around half ND25+ leavers returned to claim JSA, while roughly a sixth went into unsubsidised employment. • In the pilots, roughly 8 per cent more participants left JSA 18 months after entering ND25+ than matched comparator. • For the national pilot areas the increase in work entries was around 4 per cent, while in the other random assignment area it was 5 per cent (randomised control trial element).

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Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal 25 Plus – Gateway to Work	Clients on ND25+ who have claimed JSA for 18 months.	Analysis concentrates on the period when the pilot was operating fully (July 2003 to June 2005).	Matched comparator 'offices'/areas	<ul style="list-style-type: none"> No evidence of any increase in employability and mixed evidence on the quality of jobs achieved by pilot participants. Early entry was associated with better outcomes. However, differences might have been due to early entrants having greater motivation to participate in ND25+ and to get work. Participants with longer unemployment duration were less likely to stay on the programme beyond Gateway and less likely to go into employment. Percentage of ND25+ leavers going into unsubsidised employment declined with age and older participants were more likely to transfer to other benefits. Except under the re-engineered programme the largest group of ND25+ leavers return to claim JSA. Under the re-engineered programme 28 per cent of leavers went into unsubsidised employment, compared with 14 per cent from the original programme and 16 per cent from the enhanced programme.
				<p><i>Overall:</i> Gateway to Work reduced the proportion leaving to employment by two percentage points.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> No increase in the proportion of clients moving into employment. GtW clients found to leave New Deal slightly earlier. Participants moving to IPA reduced by five percentage points as result of GtW. 28 per cent of participants in pilot offices left New Deal to employment. However, proportion moving to employment increased by two percentage points in comparison – suggests GtW reduced the proportion leaving to employment by two percentage points (95 per cent confidence interval 1.6 per cent to 3.0 per cent).

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Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal for Young People (synthesis report)	18–24 year olds who have been claiming unemployment benefits for six months or more.	June 1998–June 2002	Macroeconomic modelling and 'before-and-after group comparisons' using older age group as comparator	<ul style="list-style-type: none"> If rolled out nationally, the estimated net cost of Gateway to Work would be £190 per person entering New Deal, with no labour market benefits. <p><i>Overall:</i> PSI evaluation found a positive five percentage point impact on youth employment during the first year of the policy.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> NIESR evaluation pointed to a decrease in youth unemployment of about 35,000–40,000 in the first two years of the programme. Also estimated a reduction in long-term (six months+) youth unemployment of 45,000. Indicates that long-term unemployment would have been almost twice as high in March 2000 without intervention. PSI evaluation (covering the first year of NDYP) indicates that there were 39,000 additional exits six months from the NDYP entry point and 14,000 18 months from the NDYP entry point. Also estimated that up to 17,000 additional young people had exited from unemployment before entry point to NDYP and that there had been reduction of 37,000–39,000 in level of youth unemployment for the first year's intake. NIESR estimated that NDYP had raised total youth employment by approximately 15,000 (excludes Environment Task Force and Voluntary Sector Options). PSI estimated 11,000 additional job entries for young unemployed people as a result of NDYP, within six months of entry, with some continuing gain for young women. Estimate suggestive of a gain of about 15,000 jobs for the participants in the first year of NDYP. This does not include additional Options jobs. NDYP appeared to produce positive impacts in terms of reduced unemployment and increased levels of employment for participants. The evidence about wider labour market and economic impacts was also generally positive.

(Continued)

Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal for Young People (early impacts – review)	18–24 year olds who have been claiming unemployment benefits for six months or more.	1998–99	Macroeconomic modelling and comparator areas	<p><i>Overall:</i> benefit outflows from the target group in the Pathfinder areas increased by between 7,000 and 18,000 (or between 7 and 19 per cent) as a consequence of NDYP (first year of the programme).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Implies there was a reduction in youth claimant unemployment of 15,000 to 55,000. • Stock claimants estimated to have fallen by around an additional 30,000. • Represents fall of around 40 per cent in long-term unemployment among young people. • Pathfinder evidence that around half of all exits from NDYP to jobs would not have occurred without the intervention – suggests that around 10,000 individuals per month left unemployment as the result of NDYP. • Little in the way of adverse effects of NDYP. • Over the life of the programme around half of participants (or 250,000) enter jobs as the result of programme.
New Deal for Lone Parents (research reports 108, 109 and 110 – prototype)	Lone parents claiming IS – youngest child aged at least 5 years and 3 months, existing IS claim of at least eight weeks.	1997–98 (18-month evaluation period)	Matched comparator, econometric modelling and statistical modelling based on staggering invitations to join programme (within-area comparisons)	<p><i>Overall:</i> additionality over prototype period amounted to around 20 per cent of observed employment among NDLP participants.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • 645 additional lone parents assisted into work. • By December 1998 additional movement off Income Support = 3.3 percentage points. • Comparisons between lone parents whose claim for IS started in the year before the programme began revealed that lone parents in the prototype had 9 per cent higher odds of leaving IS. • NDLP had a positive effect on IS exits for the flow sample in high unemployment areas (increasing the odds by 12 per cent).

(Continued)

Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal for Lone Parents (research report 237 – extension Work Focused Interview)	Lone parents claiming IS.	2002–03 (12 months)	Difference in difference	<ul style="list-style-type: none"> Stock claimants had a significantly higher probability of leaving IS than flow claimants. Stock of lone parents on IS declined by three percentage points more in the prototype areas over a 15-month period. Programme led to a reduction in the number of existing IS claims by 1.5 percentage points after six months, 2.6 percentage points after one year and 3.3 percentage points after 18 months. <p><i>Overall:</i> six months after the LPWFI extension there was a one percentage point average impact on IS exits for stock claimants, and at 12 months this was higher at two percentage points (only stock claimants).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> Negligible impact on IS terminations for new/repeat claimants. The differences in LPWFI impacts on exits from IS by age of youngest child were all positive, varying between one and two-and-a-half percentage points. Little evidence of the application of the sanctioning process – sanctions not enforced.
New Deal for Lone Parents (research report 368 – following roll-out)	Lone parents claiming IS.	2000–04	Propensity score matching	<p><i>Overall:</i> 48 months after NDLP participation employment 11 percentage points higher than comparison and benefit exits approximately 20 percentage points higher.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> NDLP participants much more likely to enter employment as their next state. NDLP participants were more likely to remain in employment (higher retention). Main employment effect occurred after one spell on NDLP. NDLP participants: had more spells in employment; had longer spells in employment; made less frequent changes

(Continued)

Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal for Partners – Work Focused Interviews for Partners	Partners of those claiming JSA, IS, IB or SDA in Jobcentre Plus areas.	2003–04 (outcomes after 12 months)	Difference in difference	<p>in labour market state; cycled between benefit and employment states less frequently.</p> <ul style="list-style-type: none"> • NDLP participants who did not lose contact with their Personal Adviser had a much more straightforward labour market history than those who lost contact. • For new/repeat claimants the combined effect of LPWFI and NDLP on benefit exit was insignificant in size for the first year, but then positive, starting at two and rising to four percentage points at 18 months. • Impacts on benefit exit ranged from an increase of 22 percentage points for those with youngest child aged 11 to 16 years to 18 percentage points for those with youngest child aged 0 to 3 years. • After 48 months, for those on IS for more than 36 months, NDLP raised benefit exit by 26 percentage points while, for those on IS for less than three months, this was lower at 16 percentage points. <p><i>Overall:</i> no detectable increase in employment. WFIP reduced benefit claims (37 weeks after eligibility) among stock claimants by 4.6 percentage points. No corresponding impact for flow couples.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Observed effects for the stock (leaving benefit) appear to be driven by a deterrent effect and WFIP participation did little to encourage benefit exit. • WFIP increases NDP participation by about 3.5 percentage points. • Indication that WFIP participation has no effect on moving into employment • Some groups more likely to respond to WFIP than others – stock JSA claimants more likely to exit benefit than those on other benefits; those with less than two years' benefit duration are more likely to exit than those who have been

(Continued)

Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
ONE (research report 126)	<p>Three client groups:</p> <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. <p>Clients making a new claim September/October 1999.</p>	Impact measured approximately six months after implementation in Autumn 1999.	Matched comparator areas	<p>on benefit for longer; and those who are aged 25–45 are more likely to exit than those who are older or younger than this.</p> <ul style="list-style-type: none"> • No significant effects of WFIP eligibility or participation evident for flow couples. • Results for the effect of NDP and NDP/WFI combined more tentative. Marginal evidence that NDP eligibility reduces benefit claims among stock couples, more substantial effects for flow couples. <p><i>Overall:</i> lone parents in pilot areas were 1.4 times as likely to be in paid work, no effect for JSA clients and a small negative impact on sick and disabled clients.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Lone parents in the pilot areas were more likely to be working at first interview than comparison. • Non-working lone parents were more likely to be looking for a job. • Lone parents in pilot areas who were looking for work spent longer periods of time engaged in job-search behaviour than those in the control areas. • Same was not true for jobseekers and sick or disabled respondents. • Respondents in the sick or disabled comparison group were more likely to be in work than were participants. <p><i>Overall:</i> no impact on labour market outcomes for lone parents, sick or disabled clients, or jobseekers.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • No evidence that ONE led to greater movements into full-time or part-time work, greater levels of job search, or increased labour market attachment among any of the three client groups.
ONE (research report 149)	<p>Three client groups:</p> <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; 	Impact measured approximately ten months after implementation in Autumn 1999.	Matched comparator areas	<p>on benefit for longer; and those who are aged 25–45 are more likely to exit than those who are older or younger than this.</p> <ul style="list-style-type: none"> • No significant effects of WFIP eligibility or participation evident for flow couples. • Results for the effect of NDP and NDP/WFI combined more tentative. Marginal evidence that NDP eligibility reduces benefit claims among stock couples, more substantial effects for flow couples. <p><i>Overall:</i> lone parents in pilot areas were 1.4 times as likely to be in paid work, no effect for JSA clients and a small negative impact on sick and disabled clients.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Lone parents in the pilot areas were more likely to be working at first interview than comparison. • Non-working lone parents were more likely to be looking for a job. • Lone parents in pilot areas who were looking for work spent longer periods of time engaged in job-search behaviour than those in the control areas. • Same was not true for jobseekers and sick or disabled respondents. • Respondents in the sick or disabled comparison group were more likely to be in work than were participants. <p><i>Overall:</i> no impact on labour market outcomes for lone parents, sick or disabled clients, or jobseekers.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • No evidence that ONE led to greater movements into full-time or part-time work, greater levels of job search, or increased labour market attachment among any of the three client groups.

(Continued)

Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
	<ul style="list-style-type: none"> unemployed clients claiming JSA. Clients making a new claim in September/October 1999.			<ul style="list-style-type: none"> Positive impacts on lone parent group not sustained at ten months. Differences no longer statistically significant, with 23 per cent compared to 21 per cent in work of 16 or more hours a week. For sick or disabled and JSA clients, there were no differences in labour market activity. Among lone parent clients in the pilot areas: those who had a better-off calculation were more than three times as likely to be in work than other clients (odds ratio of 3.4 to 1); those who had advice about in-work benefits were more than three times as likely to be in work than other clients (odds ratio of 3.6 to 1); those who had dependent children and who discussed childcare arrangements were nearly twice as likely to be in work than other clients with children (odds ratio of 1.8 to 1). Among JSA clients in the pilot areas: those who had advice about in-work benefits were actually less than half as likely to be in work than other clients (odds ratio of 0.4 to 1); those who had advice about jobs were only half as likely to be in work than other clients (odds ratio of 0.5 to 1).
ONE (research report 156)	Three client groups: <ul style="list-style-type: none"> lone parents claiming IS; sick or disabled clients claiming IB, IS or SDA; unemployed clients claiming JSA. Clients making a	Impact measured approximately 18 months after implementation in Autumn 1999 (six months since WFI mandatory). Cohort 2 clients involved in ONE for six months.	Matched comparator areas	<p><i>Overall:</i> employment entry rates 3.6 percentage points higher in pilot areas for sick or disabled clients. No other effects of ONE on movements into work were observed for any client group.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> ONE had an impact on movements into work for sick or disabled clients after four to five months. Appeared to divert potential JSA claimants away from the system and into work. Significantly less jobseekers in ONE areas went on to make a claim than was the case in control areas.

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Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
ONE (research report 183 – parts 1 and 2)	<p>new claim in June/July 2000 (aged 18–59).</p> <p>Three client groups:</p> <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. <p>Clients making a new claim in June/July 2000 (aged 18–59).</p>	<p>Approximately 22 months after implementation, ten months after WFI mandatory. Second-wave interviews carried out between April and June 2001. Third-wave interviews conducted with just lone parent clients.</p>	<p>Matched comparator areas</p>	<ul style="list-style-type: none"> • ONE clients in all benefit groups received significantly more advice about work, benefits, childcare and health than did their counterparts in control areas. • No evidence that the switch from voluntary to compulsory meetings with Personal Advisers in the second phase of ONE had resulted in changes in labour market participation. <p>Overall: no suggestion that ONE had an impact on employment among the three main client groups of benefit recipients: jobseekers, sick or disabled clients, and lone parents.</p> <p>Other impacts:</p> <ul style="list-style-type: none"> • No consistent evidence that participation in the ONE service had increased the work readiness of clients or had made their job search more effective. Nor had it caused them to adjust their expectations about work, or the conditions of its acceptability, in ways that might lead them to enter work more readily or faster. • Lone parents remaining out of work in pilot areas showed significantly higher rates of activity in looking for work. No impact on job-search behaviour in the longer term. • ONE had no real impact on lone parents' employment in the longer term.
ONE (research report 183 – part 3)	<p>Three client groups:</p> <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. 	<p>Analysis based on data derived from administrative benefit records to August 2001. Includes evidence on labour market outcomes for ONE participants up to 15 months after</p>	<p>Econometric analysis</p>	<p>Overall: no suggestion that ONE had an impact on employment among the three main client groups of benefit recipients: jobseekers, sick or disabled clients, and lone parents.</p> <p>Other impacts:</p> <ul style="list-style-type: none"> • Reduction in the probability of moving from welfare to work for jobseekers. This was concentrated among jobseekers aged 25–49 years. However, the reduction was temporary. • Extension of mandatory work-focused interviews to other benefit clients coincided with the reduction in the probability of moving from welfare to work for jobseekers.

(Continued)

Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
	Clients making a new claim in June/July 2000 (aged 18–59).	claim starts.		<ul style="list-style-type: none"> Male jobseekers participating in ONE during full participation phase 3 per cent less likely to move from benefit to work than male jobseekers who participated during voluntary phase. Male jobseekers (JSA claimants) participating in ONE during full participation phase 12 per cent less likely to leave benefit than other male jobseekers.
Pathways to Work	Individuals making enquiry at Jobcentre Plus about claiming IB.	Evidence collected at several points between September 2003 and March 2005. Impacts after ten-and-a-half months reported.	Difference in difference and propensity score matching	<p><i>Overall:</i> policy increased the percentage working by an estimated 9.3 percentage points (nine percentage points for those proceeding with IB claim) and movements off benefit by 8.2 pp (DiD).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> In the absence of the pilots the employment rate in same week would have been 22.5 per cent. The percentage working at any point over the period since enquiring about IB increased by an estimated 9.3 percentage points from a base of 32.9 per cent (DiD). Across all areas, 31.9 per cent of respondents had participated in paid work in the last week in the pilot areas, compared to 26.3 per cent among their matched controls at the same time (positive 5.6 percentage point increase) (PSM). Percentage reporting still being in receipt of IB around ten-and-a-half months after making the initial enquiry found to be reduced by 8.2 percentage points from a base of 57.6 per cent (DiD). Impact of a very similar magnitude to the eight percentage point increase in the six-month off-flow rate from IB observed in the administrative data from the pilot areas.

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Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Work Based Learning for Adults	JSA clients who entered WBLA between January and April 2002.	Interviews conducted between April and mid-June 2003 – at least a year after clients entered WBLA.	Propensity score matching	<p><i>Overall:</i> positive three percentage point impact on employment entries. Positive effects on employability were found for all three Opportunities. No corresponding impact on income.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> Longer Occupational Training (LOT) increased likelihood of being in full-time work by a sustained seven percentage points. Short Job-focused Training (SJFT) had impact of five to seven percentage points at five months, but this had disappeared at ten months (at twelve months, 42 per cent in employment in both action and control). Participation appeared to accelerate entry for those who would have entered work anyway. Basic Employability Training (BET) had no impact on employment.
Place-targeted Employment Zones	Sample based on the cohort of long-term unemployed who were eligible to join the programme (resident in EZ areas) over a three-month period from November 2000 to January 2001.	2000–02. EZ had been operating for just over two years.	Matched comparator areas	<p><i>Overall:</i> eleven percentage point impact on employment of 16+ hours per week at wave 1 and eight percentage points at wave 2.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> Significantly more participants in the EZ had a spell of paid work than would have been the case if the programme operating had been ND25+: 34 per cent of EZ participants and 24 per cent of the New Deal participants – difference of ten percentage points. At second-stage survey, 55 per cent of EZ participants had experienced paid work compared to 51 per cent of New Deal participants (four percentage point impact). However, 'harder-to-help' clients less likely to benefit from EZ. Many jobs satisfied the 13-week retention criterion, but sustainability declined after this cut-off point.

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Table A4.1 Employment (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal for Communities – worklessness element	Workless individuals in the 39 NDC areas. Group includes those who are incapable of work due to disability or long-term sickness and those actively seeking work.	2000–04	Matched comparator areas	<p><i>Overall:</i> JSA recipients in NDC areas were 13 per cent more likely to exit worklessness than comparison group.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Evidence that more NDC areas are beginning to improve relative to comparator in terms of reducing worklessness. • JSA recipients in NDC areas were 1.1 times more likely to make the transition out of worklessness than JSA recipients in the rest of England. • IB/SDA recipients in NDC areas were 1.6 times more likely to make the transition out of worklessness than IB/SDA recipients in the rest of England.
StepUP	Long-term unemployed – New Deal ‘returners’ who had completed at least one spell on ND without finding employment.	2002–04 (evaluation covered whole two-year period)	Propensity score matching and matched control	<p><i>Overall:</i> entries to employment 3.3 percentage points higher among participants than control.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Impact on job outcomes for 30–49 year olds (32 per cent of those eligible) showed 8.5 percentage point improvement in comparison to controls. • Impact for 25–29 year olds (18 per cent of the group) showed a 3.4 percentage point improvement. • Impact was marginally negative for 18–24 year olds (44 per cent of the group). <p><i>Area impact:</i> overall, including those who did not participate in StepUP, job outcomes were 3.1 percentage points higher in StepUP areas.</p>
Working Neighbourhoods Pilot	Targeted at all workless groups: JSA claimants and economically inactive (claimants and non-claimants).	2004–06 (evaluation covered whole two-year period)	Comparison ‘sites’/ areas	<p><i>Overall:</i> total job entry rates nine percentage points higher in WNP areas (43–34 per cent in comparison).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • 35 per cent WNP participants moved into employment – 55 per cent of these had been employed for at least 13 weeks, 37 per cent had been employed for 26 weeks. • IS and IB claimants were less likely to have found work than JSA, but those that did were more likely to retain it. • Impacts did not appear to differ significantly by delivery organisation.

Table A4.2 Education

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
<i>Person-targeted</i> Education Maintenance Allowance (final report)	16–18 year olds from lower-income families	Evaluation conducted between 1999 and 2003 – two cohorts, four waves each (39 months after entering programme)	Matched comparator LEAs/areas and propensity score matching	<p>Overall: EMA increased participation in full-time education among eligible 16 year olds by 5.9 percentage points, however there was no statistically significant impact on post-16 attainment.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Impact on participation particularly strong among young men (6.9 percentage points in urban areas). • Young people entering education who would otherwise have entered work or training (–3.4 percentage points) or the not in education, employment or training (NEET) group (–2.4 percentage points) • EMA increased the proportion who were in full-time education at age 16 and 17 by 6.1 percentage points; effect was particularly strong for young men (8.6 percentage points). • Largest effect on young people from Socio-economic Groups 4 and 5 (semi-skilled and unskilled workers and those not in work) with 9.1 percentage points more young people in the pilot areas from these groups in full-time education at 16 and 17 than in control. • Substantial impact on young people who had been ‘low’ or ‘moderate’ achievers at the end of year 11; 10.9 percentage points more moderate achievers, and 8.8 percentage points more low achievers were in education at 16 and 17 in pilot areas than controls. • Increased retention in full-time education among young men by 5.5 percentage points, that is the proportion in education at age 16 who were still in education at age 17. • At age 18, participation in education was 7.7 percentage points higher for eligible young men living in urban pilot areas than among their matched controls. • Proportion of urban young men in the pilot areas who had been in education at all three waves (i.e. at age 16, 17 and

(Continued)

Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Education Maintenance Allowance (third-year evaluation)	16–18 year olds from lower-income families	1999–2001 – two cohorts Cohort 1 – 27 months since completing compulsory education Cohort 2 – 15 months since completing compulsory education	Matched comparator LEAs/areas and propensity score matching	<p>18) was 8.3 percentage points higher than among their matched controls.</p> <ul style="list-style-type: none"> No statistically significant impact on attainment; however, descriptive analysis suggests that, by age 19, year 11 low achievers in the pilot areas may have had a higher rate of attainment of the Level 2 threshold (five GCSEs at grades A*–C or equivalent) than counterparts in control areas. EMA appears to have met policy objectives of increasing participation and retention in full-time post-16 education (particularly among under-represented) and reducing the number of young people who became NEET. <p><i>Overall:</i> for cohorts 1 and 2 combined, the overall impact was to increase full-time participation by 4.3 percentage points (year 12) and 6.2 percentage points (year 13).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> EMA had a positive effect on retention in full-time education for young men – 4.6 percentage points in year 12 and 8.2 percentage points in year 13, but not for young women. Increases in participation differed according to socio-economic group – with a negligible impact within group 1 (professional and managerial), an increase of 6.4 percentage points for groups 2 and 3, and a rise of 9.1 percentage points for groups 4 and 5. For these final two groups EMA has also had a positive impact on retention. EMA appears to have had the largest positive impact on post-16 participation for those with lower achievement levels at year 11 (low and middle achievers). For the lowest achievement group, the proportion staying in full-time education increased from 26.9–35.7 per cent (8.8 percentage points) as a result of EMA. Retention also increased by 7.6 percentage points (years 12–13).

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Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Increased Flexibility Programme (for 14 to 16 year olds) (cohort 2)	Secondary school pupils aged 14–16 (years 10 and 11) who would benefit from IFP (high degree of student choice)	2003–05	Matched comparator – sample of pupils	<ul style="list-style-type: none"> For middle achievers, participation in years 12 and 13 increased by 10.9 percentage points. Also a corresponding increase in retention of ten percentage points. <p><i>Overall:</i> IFP associated positively with attainment, but this was not consistent across all qualification types.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> IFP participants achieved three more GCSE (or equivalent) points than comparator (when considering all qualifications). IFP participants achieved four fewer points in their eight highest GCSEs (or equivalent). Impact on point scores imply that IFP impacts positively on number of qualifications, but negatively on grades. Probability of students who attended a <i>school</i>/participating in IFP achieving Level 2 did not differ significantly from that of similar students in non-IFP schools. However, students who undertook GNVQs and GCSEs in vocational subjects through IFP had lower probability of achieving Level 2.
Increased Flexibility Programme (for 14 to 16 year olds) (cohort 1)	Secondary school pupils aged 14–16 (years 10 and 11) who thought would benefit (student choice)	2002–04	Matched comparator – sample of pupils	<p><i>Overall:</i> mixed results on educational attainment as a result of IFP.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> IFP students achieved four more GCSE (or equivalent) points than comparator (when considering all qualifications). Non-participant = 334 points, participant = 338 points. IFP students achieved five fewer points in eight highest GCSE/equivalent grades than comparison. Non-participant = 286 points, participant = 281 points. IFP students achieved a greater number of qualifications, but grades were lower than those of the comparator group. Vocational GCSE and GNVQ students not participating in IFP outperformed IFP pupils taking the same qualifications.

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Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Place-targeted Academies (third annual report)	Schools facing multiple challenges, achieving persistently poor academic results (lack of success of previous initiatives). Located in disadvantaged areas.	September 2002–September 2005	Three comparison groups: 1. lowest 10 per cent of national performance distribution at KS2; 2. lowest 15 per cent of national performance distribution at KS2; 3. overlapping Intake Schools – secondary schools whose feeder primary schools overlap significantly.	<ul style="list-style-type: none"> Level 2 attainment lower for students participating in IFP than matched students. However, 32 per cent of young people were undertaking qualifications through IFP at Level 1 and 6 per cent were taking entry-level qualifications, which would not contribute to Level 2 threshold. Students in <i>schools</i> participating in IFP had similar probability of achieving Level 2 at KS4 to similar students in schools not participating in IFP. Some evidence that IFP had increased participation in post-16 education. <p><i>Overall:</i> evidence suggested improvements in pupil performance in Academies (KS3 and KS4) better than comparison schools, although absolute differences were small.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> Level 2 attainment (five GCSEs A*–C or equivalent) increased more in Academies than in two of the three comparison groups (6.6 compared to 4.9, 5.5 and 6.8 percentage points, making an average percentage points difference of +0.87). Considerable diversity of impacts on performance both between and within Academies – in some, performance is deteriorating. KS4 improvement across Academies marginally better than in comparators. Average 2002–04 increase in terms of proportion of pupils with five or more GCSEs at A*–C and A*–G, 6.6 and 1.5 percentage points respectively – compares to the national average of 2.1 and –0.1 percentage points. Average academy improvements for A*–G greater than all three comparison groups (1.5 compared to 0.4, 0.3 and –0.5 percentage points).

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Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Academies (second annual report)	Schools facing multiple challenges, achieving persistently poor academic results (lack of success of previous initiatives). Located in disadvantaged areas.	September 2002–September 2005	Three comparison groups: 1. lowest 10 per cent of national performance distribution at KS2; 2. lowest 15 per cent of national performance distribution at KS2; 3. overlapping Intake Schools – secondary schools whose feeder primary schools overlap significantly.	<ul style="list-style-type: none"> • KS3 average point score (APS) showed improvements generally above those of comparison and England as a whole. Average improvement in APS 1.13 points for Academies, compared to national improvement of 0.4 points, and 1, 1.05 and 0.61 points for comparators. • KS3 attainment (Level 5 or above in maths) improved across Academies by 8.1 percentage points, better than national improvement of six percentage points and comparison group 3 improvement of 7.7 percentage points. However, improvement was lower than in comparison groups 1 and 2 (ten and 10.5 percentage points.) <p><i>Overall:</i> mixed impacts – with two of the three Academies under evaluation showing improvements. <i>Other impacts:</i></p> <ul style="list-style-type: none"> • Two of the three Academies showed increase in proportion of pupils achieving five or more GCSEs grades A*–C (four and five percentage points respectively) compared to national average of three percentage points. • Same two showed increase in proportion achieving five A*–G grades (eight and 14 percentage points) compared to national average of zero percentage points and comparison group increase of one percentage point. • Same two schools showed decrease in number of pupils leaving with no GCSEs – reductions of six and twelve percentage points respectively – higher than the national average of one percentage point. Both Academies had 5 per cent of pupils achieving no passes at GCSE/GNVQ – equivalent to the national average. • However one of the three Academies showed little improvement at GCSE – one percentage point increase for five A*–Cs, 6.6 percentage point drop A*–G. • Academies showed mixed results in terms of number of permanent exclusions.

(Continued)

Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Aimhigher: Excellence Challenge (economic evaluation)	Pupils aged between 14 and 19 – with a particular focus on disadvantaged pupils. Implemented in EiC areas.	Autumn 2001 to spring 2003 (18 months' exposure, but just one complete school year)	Comparison group and difference in difference	<p><i>Overall:</i> some positive impacts on year 9 and 11 attainment and intention to participate in post-compulsory education.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> For year 9 pupils there was a significant increase in proportion attaining KS3 maths at Levels 4–6 as result of the policy (4.6 percentage points). Positive impact more in evidence for the year 11 pupils (KS4): <ul style="list-style-type: none"> policy estimated to have increased proportion stating they intend to participate in tertiary education by 3.9 percentage points; significant improvements in GCSE results of pupils exposed to the initiative according to all but one measure – GCSE maths; average GCSE English mark 0.2 grades higher; total GCSE score 2.5 points higher (corresponding, on average, to an increase of between two and three grades in one GCSE) and score for eight best GCSEs (or equivalent) 1.6 points higher.
Aimhigher: Excellence Challenge (update to economic evaluation)	Pupils aged between 14 and 19 – with a particular focus on disadvantaged pupils. Implemented in EiC areas.	2002–04	Comparison group and difference in difference	<p><i>Overall:</i> policy found to increase percentage of year 11 pupils reporting that they will leave education at age 20+ by an estimated 4.6 percentage points.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> Fewer pupils reported they intended to leave education at younger ages and fewer pupils responded they did not know when they would leave education. Evidence that GCSE results were positively influenced by policy among year 11 pupils, although the impact was small. Evidence of positive impacts found for GCSE English results, the best eight GCSEs, the average mark and the number of A*–C grades attained.

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Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Aimhigher: Excellence Challenge (Labour Force Survey evaluation)	Pupils aged between 14 and 19 – with a particular focus on disadvantaged pupils. Implemented in EIC areas.	2001–04	Comparison group and difference in difference	<p><i>Overall:</i> no significant effect on FE/HE participation rates (and educational attainment) for pupils. Although initiative showed positive effect immediately after its introduction, impact reduced in subsequent period (2003–04).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Participation in FE/HE at age 16–20 higher for disadvantaged participants, but not for less disadvantaged groups. • Individuals from more disadvantaged backgrounds appeared to benefit more. • Results indicate that participation in FE/HE is 15–16 percentage points higher as a result of the policy (although crossover with EIC means that impacts cannot be directly attributed to the policy).
Aimhigher: Excellence Challenge – Opportunity Bursaries	HE entrants aged under 21 from low income families, with little family history of HE. In 2001–02 and 2002–03 OBs granted first to those who had studied in EIC, EAZ or EC schools.	Academic years 2001–02 to 2002–03	Comparison group and propensity score matching	<p><i>Overall:</i> evidence that the policy led to increased retention in the first year of university. Participation in HE two percentage points higher among those in receipt of an Opportunity Bursary (98 per cent) than comparison (96 per cent).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Evidence that bursaries have led to increased retention in HE – an increase of 2.6 percentage points (compared to those who were eligible but not in receipt). • Evidence that receipt of an Opportunity Bursary led to lower levels of debt – in particular ‘liquid debt’ defined as bank overdrafts or credit card debt. • No evidence that Opportunity Bursaries have an impact on part-time work decisions. • Results suggest that receipt of an Opportunity Bursary may aid the completion of an HE course.

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Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Aimhigher: Excellence Challenge/EiC (longitudinal evaluation)	Pupils aged between 13 and 19 – with a particular focus on disadvantaged pupils. Implemented in EiC and EC areas.	2001/02 year 9 cohort who were in year 11 in 2003/04 (three academic years)	Comparison schools	<p><i>Overall:</i> designation as a member of EiC Gifted and Talented group was associated with higher levels of GCSE attainment.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Point scores for eight highest GCSE scores higher for Gifted and Talented cohort by an additional 3.52 points. • Gifted and Talented group showed an increased likelihood of achieving five or more A*–Cs at GCSE – more than twice as likely to achieve Level 2 as comparator. • Designation as member of the widening participation cohort associated with higher capped eight GCSE score (an additional 0.72 GCSE points). • Association between widening participation membership and higher KS4 and Level 2 attainment specifically associated with visits to HE institutions and discussions with staff and undergraduates.
Excellence in Cities (final report)	Schools in inner city/urban areas facing high levels of disadvantage.	1999–2003 (1999 pre-policy)	Comparator schools, difference in difference and propensity score matching	<p><i>Overall:</i> EiC schools demonstrated greater improvements at KS3 than comparator.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Proportion of KS3 pupils attaining Level 3 and above in maths and English increased by 11.35 and 6.38 percentage points respectively compared to 7.86 and 5.19 percentage points in non-EiC schools. • When controls added, EiC increased the probability of attaining Level 5 or more in KS3 maths by 1.9 percentage points. Effect appears to increase with length of time in EiC – i.e. phase 1 schools = 2.6 percentage points, phase 2 = 1.6 percentage points, phase 3 = 1.1 percentage points. • EiC schools showed a faster decline in number of half days missed than comparator (improvement one percentage point higher than the counterfactual).

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Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Excellence in Cities (national evaluation)	Schools in inner city/urban areas facing high levels of disadvantage.	2000–03	Comparator schools, difference in difference and propensity score matching	<p><i>Overall:</i> impact on KS3 maths result equivalent to increasing the percentage of pupils achieving Level 5 or above by between 1.1 and 1.9 percentage points. Very little evidence of an impact on KS4 attainment (including Level 2 attainment).</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Little evidence that gaps between EIC and non-EIC areas were narrowing over time in terms of KS4 attainment. • In 2002 and 2003, pupils in EIC Phase 1 and 2 schools had the same probability of achieving five good GCSEs as did similar pupils in similar schools in non-EIC areas. • Pupils identified as gifted and talented generally had higher levels of attainment than otherwise similar pupils – although effect not uniform. • Positive associations between mentoring and achievement for some groups of pupils and some outcome measures. • Evidence did not suggest that EIC added value to existing Specialist and Beacon School programmes, or that EIC Action Zones had an impact on attainment. • Attainment in mathematics at the end of KS3 increased as a result of EIC. However there was no evidence of an impact on English or science results.
Excellence in Cities (Ofsted evaluation)	Schools in inner city/urban areas facing high levels of disadvantage.	2002–05	Comparison group – non-EIC partnership maintained secondary schools	<p><i>Overall:</i> improvement at Level 2 (five or more A*–C grades at GCSE or equivalent) was 2.6 percentage points higher in EIC schools than comparator.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Between 2002/03 and 2005, Level 2 attainment (proportion of pupils gaining five GCSEs or equivalent) in EIC partnership schools increased by 5.2 percentage points. • The gap between EIC schools and comparator schools decreased from 10.4 to 7.8 percentage points.

(Continued)

Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
New Deal for Communities (education element)	Schools within the 39 NDC areas (located in areas of high disadvantage).	2002–04	Comparator areas	<p><i>Overall:</i> trend data (2002–04) suggests that NDC has had a small (three percentage point) positive impact on Level 2 attainment. No positive impact on KS2 results.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • NDC appeared to have little impact on KS2 English results (proportion of pupils achieving Level 4 or higher). • NDC appeared to have little impact on KS2 maths results (proportion of pupils achieving Level 4 or higher). • Proportion of pupils achieving KS2 Level 4 in science showed a decline in NDC areas, while comparator areas improved (implies a negative impact).
Neighbourhood Nurseries Initiative	Disadvantaged families within disadvantaged areas. Pre-school children and their parents.	September 2004–October 2005 (NNI launched 2001)	Matched comparison groups	<p><i>Overall:</i> NNI appeared to have a positive impact on parental employment, with an additional 20 per cent of users in work.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Impacts largest on full-time and 'high' part-time work (16–29 hours a week). Additional 9 per cent of users in full-time work as a result of NNI and 14 per cent in 'high' part-time work. • Impact greatest for some key target groups, including lone parents and users with low/no qualifications. Thirty per cent of lone parent users would not have been employed in the absence of NNI; impact for partnered parents approximately half the size at 16 per cent. Impact estimated to be 22 per cent for parents with an NVQ Level 2 qualification or lower. • NNI had a positive impact on the take-up of the WTC, especially the childcare element (additional 28 per cent) and on the take-up of formal childcare (additional 28 per cent). • When measured across the broader population (not just NNI users), impacts were considerably smaller, although still positive. NNI estimated to have increased employment by 0.8 per cent among all parents with pre-school children in NNI-rich areas.

(Continued)

Table A4.2 Education (Continued)

Policy name	Target group	Time period	Method/nature of counterfactual	Impact
Sure Start local programmes	Situated in areas identified as having high levels of deprivation. All children under four and their families living in a prescribed area targets of intervention.	Each SSLP running for three years	Comparison communities (areas designated to become SSLPs at a later date)	<p><i>Overall:</i> showed only very limited effects on parenting and child health/development outcomes – impacts, both positive and negative, were small.</p> <p><i>Other impacts:</i></p> <ul style="list-style-type: none"> • Some evidence of positive effects on household functioning (i.e. lower household chaos at 9 months) and parenting (i.e. more acceptance at 36 months), but also some evidence of adverse effects, most notably, more negative impressions of communities by mothers. • In SSLP areas, mothers were observed to be more ‘accepting’ of their children (i.e. avoidance of slapping, scolding, physical restraint). • Sub-population analyses showed that non-teen mothers reported less negative parenting in SSLP areas and that children of non-teen mothers exhibited fewer behaviour problems and more social competence when living in SSLP communities. • However SSLP appeared to have adverse effects on more disadvantaged households. <ul style="list-style-type: none"> – Three-year-old children of teen mothers showed less verbal ability, less social competence and more behaviour problems than non-SSLP comparator. – Children living in workless and lone-parent households had less verbal ability than non-SSLP comparator.

Appendix 5: Impact estimates for policy interventions reported in figures in the text

Table A5.1 Figure 7 – impact on employment entry rates: person-targeted initiatives¹

Policy name	Target group	Time period	Impact
Basic Skills Mandatory Training pilots	JSA claimants referred to basic skills provision	April 2004 – ran for 12 months, data collected until end October 2005 (baseline data from 2002)	Negative impact on employment entry – three percentage points lower than control
Employment Retention and Advancement demonstration	Three client groups: <ul style="list-style-type: none"> • lone parents in receipt of IS on NDLP; • long-term unemployed aged 25+ in receipt of JSA; • lone parents working part-time and receiving WTC. 	2004–05	ERA participation increased chances of working by 4.5 percentage points
ND25+ Gateway to Work	Clients on ND25+ who have claimed JSA for 18 months	Concerned with period when the pilot was operating fully (July 2003–June 2005)	GtW reduced the proportion leaving to employment by two percentage points
NDYP	18–24 year olds who have been claiming unemployment benefits for six months or more	June 1998–June 2002	PSI study found a five percentage point increase in employment in the first year of NDYP
NDLP (368 – following roll-out)	Lone parents claiming Income Support	August 2000–August 2004	48 months after participation, NDLP raised employment for participants by eleven percentage points
NDP – WFIP	Partners of those claiming JSA, IS, IB or SDA in Jobcentre Plus areas	2003–04 (outcomes after 12 months)	No detectable increase in employment
ONE (183 part 3)	Three client groups: <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. 	Analysis-based administrative data records to August 2001. Evidence on labour market outcomes for ONE participants up to 15 months after their claim began	No suggestion that ONE had an impact on employment among the three client groups: jobseekers, sick or disabled clients, and lone parents

(Continued)

Table A5.1 Figure 7 – impact on employment entry rates: person-targeted initiatives¹ (Continued)

Policy name	Target group	Time period	Impact
Pathways to Work	Individuals enquiring about claiming IB at Jobcentre Plus office	Evaluated between 2003 and 2005. Impacts measures ten-and-a-half months after benefit enquiry made	Additional increase of employment among sample of 9.3 percentage points
Work Based Learning for Adults	JSA clients who entered WBLA in the period January to April 2002	2002–03 – impacts measured following 12 months of participation	Positive three percentage point impact on employment entries

¹ See also Figure 12.

Table A5.2 Figure 8 – impact of ONE on employment over time (Continued)

Policy name	Target group	Time period	Impact
ONE pilot (126)	Three client groups: <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. Clients making a new claim in September/October 1999.	Impact measured approximately six months after implementation in Autumn 1999.	Employment of 16 hours per week or more four percentage points higher for lone parents in pilot areas. No effect on JSA clients and a small negative impact on sick and disabled clients.
ONE pilot (149)	Three client groups: <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. Clients making a new claim in September/October 1999.	Impact measured approximately ten months after implementation in Autumn 1999.	Employment three percentage points higher for lone parents and two percentage points higher for jobseekers in pilot areas, however neither of these impacts was statistically significant. No effect on sick and disabled clients.
ONE pilot (156)	Three client groups: <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. Clients making a new claim in June/July 2000.	Impact measured approximately 18 months after implementation in Autumn 1999 (six months after WFI became mandatory). Cohort 2 clients involved in ONE for six months.	Employment entry rates 3.6 percentage points higher in pilot areas for sick or disabled clients. No other effects of ONE on movements into work were observed for any client group. No evidence that the change to mandatory WFIs had an impact.
ONE (183 parts 1 and 2)	Three client groups: <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. Clients making a new claim in June/July 2000.	Approximately 22 months after implementation and ten months after WFI became mandatory. Second-wave interviews conducted April–June 2001. Third-wave interviews – conducted with just lone parent clients, October–December 2001.	No suggestion that ONE changed employment among the three main client groups: jobseekers, sick or disabled clients and lone parents.

(Continued)

Table A5.2 Figure 8 – impact of ONE on employment over time (Continued)

Policy name	Target group	Time period	Impact
ONE (183 part 3)	Three client groups: <ul style="list-style-type: none"> • lone parents claiming IS; • sick or disabled clients claiming IB, IS or SDA; • unemployed clients claiming JSA. Clients making a new claim in June/July 2000.	Analysis based on data derived from administrative benefit records to August 2001.	No suggestion that ONE changed employment among the three main client groups: jobseekers, sick or disabled clients, and lone parents.

Table A5.3 Figure 9 – impact of policies on benefit exit rates

Policy name	Target group	Time period	Impact
Employment Retention and Advancement demonstration	Three groups: <ul style="list-style-type: none"> • lone parents in receipt of IS on NDLP; • long-term unemployed aged 25+ in receipt of JSA; • lone parents working part-time and receiving WTC. 	2004–05	Proportion of NDLP clients receiving IS four percentage points lower than comparator. Proportion of ND25+ clients receiving JSA five percentage points lower than comparator.
NDLP (368 – following roll-out)	Lone parents claiming Income Support	August 2000–August 2004	48 months after participation NDLP raised benefit exits by 20 percentage points.
NDP – WFIP	Partners of those claiming JSA, IS, IB or SDA in Jobcentre Plus areas	2003–04 (outcomes after 12 months)	WFIP reduced benefit claims (37 weeks after eligibility) among stock claimants by 4.6 percentage points.
Pathways to Work	Individuals enquiring about claiming IB at Jobcentre Plus office	2003–05. Impacts measures ten-and-a-half months after benefit enquiry made	Proportion of sample still in receipt of IB 8.2 percentage points lower in pilot than comparator.

Table A5.4 Figure 10 – impact on employment entry rates: place-targeted initiatives¹

Policy name	Target group	Time period	Impact
Employment Zones	Long-term unemployed who were resident in EZ areas	2000–02 EZ had been operating for just over two years	Employment of 16 hours a week or more was 11 percentage points higher in EZ at wave 1 and eight percentage points higher than comparator at wave 2.
StepUP	Long-term unemployed – New Deal ‘returners’ who had completed at least one spell on New Deal without finding employment	2000–02 Two-year evaluation period	Employment 3.3 percentage points higher for participants than matched controls.
Working Neighbourhoods Pilot	Targeted at all workless groups: JSA claimants and economically inactive (claimants and non-claimants)	2004–06 Two-year evaluation period	Employment nine percentage points higher in pilot areas than comparator.

¹ See also Figure 12.

Table A5.5 Figure 11 – impact of StepUP by age

Policy name	Target group	Time period	Impact
StepUP	Long-term unemployed – New Deal ‘returners’ who had completed at least one spell on New Deal without finding employment	2000–02 Two-year evaluation period	<ul style="list-style-type: none"> • Impact on job outcomes for 30–49 year olds (32 per cent of those eligible), an 8.5 percentage point improvement in comparison to controls. • 3.4 percentage point improvement for 25–29 year olds (18 per cent of the group). • Impact was marginally negative for 18–24 year olds (44 per cent of the group) –0.2 percentage points.

Table A5.6 Figure 16 – improvements in Level 2 attainment (five GCSEs Grades A*–C or equivalent)

Policy name	Target group	Time period	Impact
<i>Person</i>			
Education Maintenance Allowance (final report)	16–18 year olds from lower-income families	1999–2003	No statistically significant impact on Level 2 attainment.
Increased Flexibility Programme (for 14 to 16 year olds) (cohort 2)	Secondary school pupils aged 14–16 (years 10 and 11) who would benefit from IFP (high degree of student choice)	2003–05	Probability of students who attended a school participating in IFP achieving Level 2 did not differ significantly from that of similar students in non-IFP schools.
<i>Place</i>			
Academies (third annual report)	Schools facing greater challenges and performing consistently badly for educational achievement and have not responded to other interventions	September 2002–September 2005	On average, Level 2 attainment 0.87 percentage points higher in academies than comparator.
Excellence in Cities (national evaluation)	Schools in inner-city/urban areas facing high levels of disadvantage	2000–03	Pupils in EiC Phase 1 and 2 schools had the same probability of achieving five good GCSEs as did similar pupils in similar schools in non-EiC areas.
New Deal for Communities (education element)	Schools within the 39 NDC areas (located in areas of high disadvantage)	2002–04	Increase in attainment three percentage points higher for NDC than comparator.

Table A5.7 Figure 17 – additional increase in points scored in eight best GCSEs (including equivalent)

Policy name	Target group	Time period	Impact
<i>Person</i>			
Increased Flexibility Programme (for 14 to 16 year olds) (cohorts 1 and 2)	Secondary school pupils aged 14–16 (years 10 and 11) who would benefit from IFP (high degree of student choice)	Cohort 1: 2002–04 Cohort 2: 2003–05	Cohort 1: IFP students achieved five fewer points in eight highest GCSE/ equivalent grades than comparison. Cohort 2: IFP participants achieved four points less in their eight highest GCSEs than comparison. Average impact across cohorts: 4.5 percentage points.
<i>Place</i>			
Aimhigher: Excellence Challenge/EiC – Gifted and Talented (longitudinal evaluation)	Pupils aged between 13 and 19 – with a particular focus on disadvantaged pupils. Implemented in EiC and EC areas	2001/02 year 9 cohort who were in year 11 in 2003/04 (three academic years)	Point scores for eight highest GCSEs 3.52 points higher for Gifted and Talented strand.
Aimhigher: Excellence Challenge (economic evaluation)	Pupils aged between 14 and 19 – with a particular focus on young people with a disadvantaged background. Implemented in EiC areas	Autumn 2001 to spring 2003 (18 months' exposure, but just one complete school year)	Total in eight best GCSEs 1.6 points higher than comparator.

Table A5.8 Figure 18 – impacts on participation in post-compulsory education

Policy name	Target group	Time period	Impact
<i>Person</i>			
Education Maintenance Allowance (final report)	16–18 year olds from lower-income families.	Evaluation conducted between 1999 and 2003 – two cohorts, four waves each (39 months after entering programme)	EMA increased participation in full-time education among eligible 16 year olds by 5.9 percentage points.
<i>Place</i>			
Aimhigher: Opportunity Bursaries	HE entrants aged under 21 from low-income families with little family history of HE. In 2001–02 and 2002–03 Opportunity Bursaries granted first to those who had studied in EiC, EAZ or Excellence Challenge schools.	Academic years 2001–02 to 2002–03	Participation in HE slightly higher among those in receipt of an Opportunity Bursary (98 per cent) than comparison (96 per cent) – two percentage points.
Aimhigher: Excellence Challenge (Labour Force Survey evaluation)	Pupils aged between 14 and 19 – with a particular focus on disadvantaged pupils. Implemented in EiC areas.	2001–04	No significant effect on FE/HE participation rates.

Appendix 6: Details of cost-effectiveness – employment policies

Table A6.1 Cost-effectiveness of employment policies

Policy name	Cost-benefit
StepUP (cost only)	<p>'The average StepUP participant spent 250 days in a subsidised job at a cost of £9,300 – including the wage subsidy, employer's National Insurance Contribution (NIC) subsidy, the employer fee, and an allowance for Support Workers. This figure does not cover Jobcentre Plus costs of administering the programme. When these are included, the average cost of participation increases to over £9,500. This is approximately in-line with the average costs of Intermediate Labour Markets' (Bivand <i>et al.</i>, 2006).</p>
NDYP	<p>'NDYP evaluation results that show with reasonable certainty that it achieved positive changes and has been judged to have generated significant additional economic activity at least equal to the costs of running the programme' (Hales <i>et al.</i>, 2003).</p> <p>'NIESR's research suggests that in its first four years, the net cost of NDYP to the public purse is around 40 per cent of total spending on the programme' (White and Riley, 2002).</p> <p>'National income was around £500 million higher, indicating a welfare gain to the economy as a whole. After taking account of lower benefit payments and higher tax revenues, NDYP was likely to cost the Exchequer less than £150 million per annum until March 2002 ... The annual Exchequer cost per extra person in employment, excluding those in Environment Task Force and voluntary sector Options, was about £7,000 per annum' (White and Riley, 2002).</p> <p>'NDYP increased youth employment ... without any detectable disadvantage to other age groups. By reducing wage pressure, NDYP led to an increase in total employment. Much of the cost of NDYP to the Exchequer has been recovered through reductions in unemployment benefits and increased tax revenues, while by raising national income, NDYP provides a benefit rather than a cost to the economy as a whole' (White and Riley, 2002).</p>
ND25+ GtW	<p>'Cost-benefit analysis using the DSP Cost Benefit Framework shows that, if rolled out nationally, the estimated net cost of GtW would be £190 per person entering New Deal, with no labour market benefits' (Page <i>et al.</i>, 2006).</p> <p>'The course fails to satisfy the criteria for fiscal effectiveness by a wide margin. The course is relatively expensive at an average price of approximately £750 for the full two weeks and the quantitative analysis shows the impact has been limited' (Page <i>et al.</i>, 2006).</p>
NDLP (prototype)	<p>'The average unit cost of NDLP ranges from around £140 per lone parent invited to attend an interview to £1,493 per lone parent gaining employment and leaving IS. The marginal unit cost is lower and ranges from £92 per lone parent invited for interview to just less than £1,034 per lone parent leaving IS' (Hales <i>et al.</i>, 2000).</p> <p>'We estimate that there are significant social benefits consistent with the policy that were achieved at a relatively small Exchequer cost (just 12 per cent of the direct expenditure on the programme). Only a small change in one of the key parameters that determine costs and benefits would bring the net Exchequer cost closer to or beyond the break-even point' (Hales <i>et al.</i>, 2000).</p>

(Continued)

Table A6.1 Cost-effectiveness of employment policies (Continued)

Policy name	Cost-benefit
NDLP (cost-benefit analysis)	<p data-bbox="512 344 1402 757">'In estimating how many additional transitions from IS and into work were attributable to the programme, a figure which has a key importance for the cost-benefit analysis, we have used a figure of 20 per cent ... In other words, we are assuming that four out of five of the lone parents who participated in the programme and found work would have done so in the absence of the programme. On this basis, it is estimated that the prototype had a net cost to the Exchequer of about £650,000. This is the result of calculating the costs associated with running the prototype and the benefits, in terms of tax revenue, National Insurance contributions and benefit savings, when one in five of the jobs was additional. This is a very small marginal cost (about £1,000) per additional job. A slightly different assumption about additionality, at 23 per cent, would have produced a break-even result' (Hales <i>et al.</i>, 2000).</p> <p data-bbox="512 775 1402 898">'The net economic benefit of NDLP is estimated to have been in the region of £3.6 million (over £5 million if set-up and fixed costs are ignored). This represents a substantial gain for both individual lone parents and for the economy as a whole' (Hasluck <i>et al.</i>, 2000).</p> <p data-bbox="512 902 1402 1025">'It is concluded that the Phase One prototype programme clawed back the great majority of its costs. A small net Exchequer cost of just under £0.5 million over full costs after accounting for the net public expenditure impacts of the programme' (Hasluck <i>et al.</i>, 2000).</p> <p data-bbox="512 1030 1402 1608">'The net Exchequer cost of the NDLP prototype would have been eliminated if there were just small differences from the base case. The Exchequer gains from a rate of additionality of 23% (rather than 20%), no substitution effects or a small wage premium for NDLP participants would have each been sufficient to eliminate the net Exchequer cost associated with the prototype programme. If the NDLP prototype were required only to cover its operational costs, the public finance balance sheet is quite favourable. At 20% additionality, the net Exchequer gains from additional employment are estimated to have been in the region of £1.8 million over total operational costs. This Exchequer gain is even greater if additionality were to have exceeded 20%, if substitution effects were negligible or if NDLP participants gained a wage premium on entering work. The net benefit calculations are short term in focus and examine immediate outcomes (1–2 years). Any NDLP effect on the employability and lifetime earnings of lone parents has not been taken into account. Such effects, should they exist, would significantly raise the net benefits of the programme. However, these effects cannot be assessed on the basis of the evidence presently available from the evaluation' (Hasluck <i>et al.</i>, 2000).</p>