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## Activity Agreement Pilots – Follow-Up Survey of 2007-2008 Participants

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### Background

The Activity Agreement Pilots (AA) is an initiative aimed at testing the effectiveness of conditional financial incentives along with intensive support and brokerage of tailored activities in re-engaging young people aged 16-17 who are not in education, employment or training (NEET). The pilot was launched in April 2006 with the aim of encouraging disengaged young people back into education, employment (preferably with learning) or training. The pilot was overseen by the Department for Children, Schools and Families (DCSF) and delivered by the Connexions service in eight pilot areas across England.

The follow-up survey re-interviewed a group of AA participants and compared them to a similar group of young people living in areas not running the AA pilots.

### Key Findings

#### *Impact on employment, education and training activities*

- Two years after the first interview, AA had a sustained impact on participation in work-based training or studying towards a qualification. 48% of AA participants reported doing some studying or work-based training between the time of the first and follow-up interview, which is about 8% higher than would have happened without AA.
- AA had an impact (of about 9%) of moving young people who would have been in work with no training into education, work-based training or a job involving training.
- AA had no discernible effect on the proportion of NEETs at follow-up, but there is some evidence that of those who were NEET at follow-up, participants were slightly more likely than the comparison group to have done some kind of activity in the AA period.

#### *The quality of employment, training and education experiences since the first interview*

- Among those who had been employed since the first interview, participants appeared to have fewer jobs and jobs of a shorter duration compared to the comparison sample. This may be as a result of starting jobs later following education or training. It may also reflect the higher average rate of unemployment across AA areas compared to comparison areas, suggesting that jobs were more scarce.

- Employed participants appeared to be working at a higher occupational level than the employed young people in the comparison sample. Participants were more likely to have intermediate occupations and less likely to have been in semi-routine jobs.
- 79% of participants in employment had some in-work training compared to 74% of comparison group members. The difference was most pronounced for training that took place away from the workplace – 26% of participants in employment reported off-site training compared to 17% of employed young people in the comparison group.
- Participants were more likely to have completed a qualification since the first interview than those in the comparison group (73% compared with 63%). During this period the proportion of participants with no achieved qualifications dropped from 18% to 12%.
- No differences were found between participants and the comparison group in the sources of advice that were most important in their decision making. However, among those who had had contact with Connexions during the last year, participants appeared to have had more frequent contact than the comparison sample.

#### *Impact on attitudes to learning and work*

- The impact of AA on attitudes to learning (identified in the first interview) was still evident at the follow-up interview. At the time of the follow-up interview only 12% of participants agreed with the statement “I am not interested in doing any learning”. This would have been about 7% higher without AA.
- Across a range of measures there is some evidence that AA had a small impact on young people’s aspirations. Participants were more likely to expect that they would be in studying or work-based training a year from now compared to the comparison sample.

#### *Perceived impact of AA*

- Thirty-six per cent of participants who had studied said that AA had helped them get on the course. Similarly 34% of participants who had been in work or training said that AA had helped them get their job or training place.
- Participants identified a number of benefits from taking part in AA. Almost three-quarters (74%) of participants said they were more aware of opportunities for training after taking part in AA, and two-thirds (67%) said they were more confident as a result of AA.

#### *Barriers to engaging in positive activities*

- Among participants, being consistently NEET since the first interview was associated with less work experience and lower qualification levels at the time of the first interview, and being female. The gender difference can be explained with reference to parenting responsibilities.
- Among participants who were currently NEET, a little under half (44%) were looking for a job, education or training place. Other non-EET activities mentioned included looking after children, home or family members, being inactive due to illness or disability and waiting for a job or course to start. Only 32% of those currently NEET reported doing none of these activities.
- More than half (54%) of participants who had *not* been in paid work since the first interview had applied for jobs (and been unsuccessful), with 36% applying for 11 or more jobs.

- The barriers perceived to be most important by participants were lack of opportunities in the local area, and not having the right skills or qualifications.

## **The Activity Agreement Pilot Models**

Under the first AA pilot model, which ran for two years, the eligibility requirements were that young people needed to be aged 16 or 17 and not to have been in any form of employment, education or training for a continuous period of at least 20 weeks. AA was therefore aimed at 'long-term NEET' young people. From April 2008, the programme was extended to trial some alternative approaches to raising post-16 participation in employment and learning. The new models tested earlier intervention (targeting young people who had been NEET for 13 rather than 20 weeks); targeting recipients of EMA; and vulnerable groups of young people such as carers and the homeless.

In testing different approaches to engaging young people, the AA pilots play a key role in addressing Government targets to reduce the proportion of young people who are NEET and to prepare the way for raising the age of participation (RPA) in learning to 17 by 2013 and 18 by 2015. In the current economic downturn, the need to identify effective strategies for engaging young people and to understand the outcomes of interventions such as AA has become even more critical. The policy focus around AA has evolved from testing the effectiveness of financial incentives, to encouraging engagement within the context of RPA, and now to identifying ways to engage young people during the recession.

## **The evaluation**

The follow-up survey discussed in this report is part of a large-scale evaluation of AA commissioned by DCSF which has three strands:

- a **quantitative evaluation**, using surveys of young people to measure the impact of the pilots by comparing participants to similar young people in comparison areas;
- a **programme theory** element, focusing on testing some key aspects of the policy to identify what works, what does not and the reasons for this;
- a **process evaluation**, examining the ways in which the pilots have been set up and delivered and the main issues associated with their implementation.

The overall objective of the quantitative evaluation was to measure the effectiveness of AA in increasing young peoples' participation in education and training. The evaluation also included softer measures of impact including 'distance travelled' towards this outcome. The approach was to collect survey data from long-term NEET young people in AA pilot areas as well as in comparison areas where the pilots were not being implemented, in order to produce a robust estimate of their impact. By matching AA participants with a comparison sample, it was possible to estimate what their behaviours would have been if AA had not been available, so that the 'added value' of AA could be assessed.

## **The sample**

The first survey involved interviews with 1,013 AA participants and 2,291 respondents in comparison areas who were used for the matched comparison analysis. The interviews for the first survey took place between January 2007 and March 2008. The follow-up sample was selected from respondents to the first survey.

505 interviews were achieved for the follow-up survey in September and October 2009 which was a response rate of 40% based on the issued sample. This was in line with expectations based on the time lag since the last interview and the transient nature of the population.

## **Conclusions**

The report highlights some ways in which AA has been shown to have a positive sustained impact in the longer-term. With an impact on involvement in studying and work-based training and interest in learning, AA is likely to lead to higher quality jobs in the future. However, participants were less likely to be employed and were no less likely to be NEET than the comparison sample. The lower rate of involvement in employment may partly be explained by local labour market factors since AA areas appeared to have higher rates of unemployment and proportion of young people who were NEET than non-AA areas (and young people themselves identified lack of jobs as a key barrier to being employed).

An explanation for the mixed findings is likely to lie in the diversity of the NEET young people who took part in AA. While AA helped some young people to move from being NEET into education and study and gave others aspirations for the future, there was another group of young people who were unable to overcome the personal and contextual barriers they faced despite the experience of AA.

## **Additional Information**

This research report was written before the new UK Government took office on 11 May 2010. As a result the content may not reflect current Government policy and may make reference to the Department for Children, Schools and Families (DCSF) which has now been replaced by the Department for Education (DFE).

The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Education.