



European Social Fund Cohort Study (2012–2014)

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Background and aims

The European Social Fund (ESF) was set up to improve employment opportunities in the European Union and thereby raise standards of living. It aims to help people fulfil their potential by giving them better skills and better job prospects. The investment is providing new opportunities to people who face the greatest barriers to work and learning. Priority groups for support include young people not in education, employment or training (NEET), families with multiple problems, offenders and people with low skill levels.

The purpose of this research was to provide evidence on the longer term outcomes of individuals who received support funded by the 2007–2013 ESF programme and to provide data to be included in the Annual Implementation Report (AIR) which documents the implementation of ESF in England and Gibraltar.

Research method

The research involved a two-stage longitudinal quantitative survey; the first wave comprised a total of 8,440 interviews between October 2012 and November 2013 with individuals who had received support or training funded through ESF. A follow-up survey was conducted with 4,276 of these individuals between February 2013 and March 2014.

Both sets of interviews were conducted over the telephone from IFF's in house computer-assisted telephone interviewing (CATI) centre in Central London.

While the survey plays an important role in enabling us to capture views and monitor participants' outcomes over time, there are certain limitations to the research that should be recognised. For example, while levels of impact are captured, it is largely a descriptive report and there is no counterfactual assessment on the impact of the ESF on participant outcomes over time.

Summary of findings

A wide variety of provision types were offered by a range of Co-financing Organisations¹ (CFOs), from courses designed to reduce the risk of redundancy to those tackling the barriers to work specifically faced by current, or ex-, offenders. With the study covering a wide coverage of this

¹ ESF funds were distributed through public bodies known as CFOs. This cohort survey includes findings from the following nationwide CFOs: the Skills Funding Agency (SFA), the DWP Delivery Directorate and the National Offender Management Service (NOMS). It also includes findings for a few regional and local authorities (known as Local Authority CFOs): Central Bedfordshire and Bedfordshire Borough Council, East Midlands Local Authority Consortium, London Councils, the Greater London Authority (GLA), and Luton Borough Council.

provision, any comparisons of outcomes across different types of provision should be made in this context.

Demographics and status upon entry to provision

Management Information indicates that approximately 2.68 million people started ESF provision in the second half of the 2007–13 programme.

The demographic profile of participants varied widely by CFO and Priority², which is important to consider when assessing the outcomes and impacts of the programme.

Skills Funding Agency (SFA) provision targeted a higher proportion of younger and unemployed individuals than any other CFO. A significantly higher proportion of SFA participants were also classified as young people classed as NEET (aged 16–19).

The vast majority of National Offender Management Service (NOMS) participants were male (89 per cent) – significantly higher than any other CFO – and were more likely to report drug dependency and alcohol abuse as barriers to employment.

DWP provision was targeted at many of the hardest to reach groups. Nearly all participants under this CFO had labour market disadvantages and were significantly more likely to have caring responsibilities (69 per cent), be lone parents (49 per cent), or have a disability or long-term health condition (36 per cent) than any other CFO.

Local authority CFOs delivered provision to significantly higher proportions of ethnic minority participants (44 per cent) and those whose first language was not English (34 per cent).

Details of ESF provision

The ways in which participants first heard about ESF provision varied widely by CFO. The flexibility of the provision was important for many, with around four-fifths indicating that flexibility in the content and in the timing were motivating factors for starting on provision.

Overall eight per cent faced barriers to attending provision (22 per cent among DWP participants) – approaching half of these participants indicated that their training provider helped them overcome these barriers (44 per cent).

Childcare support was provided for many ESF projects as a means of increasing participation. Where given, this support usually took the form of financial assistance (55 per cent) or a crèche facility (51 per cent). A quarter of participants had childcare responsibilities. Of those with childcare responsibilities, 75 per cent said they did not need support with childcare, 21 per cent said they did not receive but would have liked childcare support, and four per cent were offered and took up childcare support. Where childcare support was provided most were very satisfied (64 per cent).

² The priorities in the 2007–13 ESF programme were designed to focus ESF spending on specific activities. The cohort survey assessed provision on the following priorities:

Priority 1: aimed to support people to enter jobs and, in some instances, progress within work.

Priority 2: supported projects to train people who do not have basic skills and qualifications needed in the workplace, and also sought to develop managers and workers in small enterprises.

Priority 4: had similar goals to Priority 1, but covered Cornwall and the Isles of Scilly.

Priority 5: had similar goals to Priority 2, but covered Cornwall and the Isles of Scilly.

Satisfaction with the ESF provision was high, with 82 per cent satisfied (49 per cent very satisfied). This was higher than that reported for the first half of the programme (when 73 per cent were satisfied). Local CFO participants (i.e. those on provision not delivered by SFA, NOMS or DWP) as well as those aged under 20 were more satisfied than average, but some of the programme's key groups were less satisfied – namely those with a disability and black and minority ethnic (BME) participants.

Many early leavers reported positive experiences: most felt the provision had helped them improve work-related skills (71 per cent), given them practical help in finding a job (61 per cent) or had motivated them to undertake more training (66 per cent).

Skills and qualifications gained from provision

Findings suggest very positive impacts of ESF provision in terms of skills and qualifications achieved or gained.

The vast majority of Priority 1 and 4 participants (92 per cent) received support that was designed to give them practical help finding a job: three-quarters (75 per cent) felt the ESF provision had actually helped them gain job seeking skills.

Approaching nine in ten (86 per cent) of all participants felt they had received support that had helped them develop skills that are required in work. Three-fifths (61 per cent) of participants felt their basic skills, such as IT/basic computing, reading and writing, English speaking skills or maths and numerical skills had improved.

Just over nine in ten (91 per cent) participants felt that ESF provision had improved their soft skills, most commonly improving their motivation to do more training (75 per cent).

Female participants and those aged under 20 were more likely to report an improvement in all of these areas.

More than two-fifths (44 per cent) of participants who faced barriers to employment felt that ESF provision had helped them overcome these, and this was particularly the case among female participants and lone parents.

Seven in ten participants had gained either a full qualification (66 per cent) or units or modules of a qualification (three per cent) as part of their ESF provision and this was more likely to be the case among participants in Priorities 2 and 5, SFA participants and those aged under 20.

Overall, 23 per cent of all participants gained a full Level 2 qualification and 24 per cent of those without any prior qualifications achieved their first qualification at Level 2 or higher, and 16 per cent of all participants gained a higher qualification than they previously had.

Status at the second reference point

By the second reference point³ just over two-fifths (42 per cent) of participants were in employment, a very marked increase from the 18 per cent employed when starting their ESF provision⁴. The proportion unemployed and looking for work had fallen significantly (from 62 per cent to 39 per cent), while the proportion economically inactive had dropped slightly (19 per cent compared with 21 per cent at the start of provision, although a relatively small change, the difference is still statistically significant).

³ For SFA, NOMS and most local CFO participants the second reference point was six months after leaving their provision. However, for recipients of DWP or GLA provision the second reference point was around 12 months after **starting** on ESF provision, owing to their provision starting much later.

⁴ Those counted as in employment include those working as self-employed, full- or part-time for an employer and those working in a family business.

Overall, just under two-fifths (38 per cent) of those who had been unemployed and looking for work upon starting provision were in employment six months after completing ESF provision.

The proportion in employment by the second reference point increased across all CFOs and Priorities. The proportion of participants aged 20–24 in employment rose by 33 percentage points (higher than the 23 percentage points across all participants), and more generally there was an increase in the proportion of participants in employment by the second reference point across all of the programme's target groups.

Among participants who remained in employment before and after ESF provision, positive developments to note include:

- there was an increase in participants aged under 20 in full-time work for an employer (71 per cent up from 61 per cent);
- there was a small increase in the proportion working 30 or more hours per week (from 69 per cent to 73 per cent);
- there was little change in terms of pay overall, but the gender gap decreased, and pay increased for those under 20.

Those moving into work from inactivity and unemployment are likely to be harder to help, and more disadvantaged, than those already in work. Therefore, it is perhaps unsurprising that those who moved into employment since their ESF provision generally had lower skilled jobs, lower pay and were more likely to be on temporary or short fixed-term contracts than those who remained in employment, although a majority (65 per cent) worked more than 30 hours per week.

Longer-term impact of provision

Over the longer term, the vast majority of ESF participants felt that the support they had received through the programme was relevant to their needs (85 per cent). This was especially the case among SFA and Local Authority participants, and those aged under 20.

A majority felt their ESF had given them a better chance of finding work (76 per cent).

Nearly all participants felt they had developed at least one work-related skill over the longer term – 93 per cent, up from 86 per cent at the first reference point, demonstrating the ongoing impact of ESF provision. Young participants, female participants and those on SFA provision were all more likely than average to report gaining skills in all the work-related skills areas covered in the survey.

Four-fifths of participants were satisfied with what they had achieved by the second reference point – again women and those aged under 20 were more satisfied than average.

Conclusions

Satisfaction with provision delivered in the second half of the programme was higher than that recorded during the first half of the programme (82 per cent and 73 per cent respectively) and this is reflected in a number of positive outcomes as reported by participants:

Impact of ESF on employability and skills of participants: The ESF programme successfully gave Priority 1 and 4 participants (i.e. those receiving support specifically designed to help them move into employment) practical help with finding a job:

- More than nine in ten (92 per cent) Priority 1 and 4 participants received support aimed at improving job-seeking skills, and three-quarters (75 per cent) believed the support had given them practical help with finding a job.

- Three-fifths (61 per cent) of all participants had gained or improved their basic skills such as reading and writing or maths and numeracy.

The ESF programme allowed the majority of participants to become more highly qualified or to update and broaden existing qualification levels:

- 69 per cent of all participants gained either a full or part qualification through ESF provision.

‘Soft outcomes’ gained by participants, in addition to jobs and qualifications: The ESF programme developed the soft skills, such as self-confidence and motivation to work, of the vast majority of participants (91 per cent of participants believed they developed at least one soft skill as a result of ESF provision) and is perceived by nearly all participants to develop or improve soft skills over the longer-term:

- 93 per cent of all participants had developed or improved soft skills six months after completing/12 months after starting provision.

Participant outcomes six months after participants leave ESF/at the second reference point and sustainability of employment outcomes: Results indicate that ESF provision has helped many participants to find work (although this needs to be considered in the context of a recovery in the jobs market more generally):

- The proportion of ESF participants in work by the second reference point had doubled (to 42 per cent) compared to the point of entry into ESF provision (18 per cent).

There is evidence that for the vast majority of those participants who were in employment at the point of entering provision, ESF support had helped them sustain this employment outcome.

- 81 per cent of those who were employed when starting provision were also employed at the second reference point.

Effectiveness of ESF for particular disadvantaged groups: There was evidence of tailoring support according to the needs of the programme’s specific target groups:

- Young participants (aged under 25) and women were more likely than average to have received any practical job-seeking help and to have developed any soft skills, and the over 50s and BME participants to have received work-related skills training and support.
- Across all the programme’s target groups, employment rates had increased by the second reference point and this was most marked among those classed as NEET.

There were also a number of positive findings relating to the impact of ESF provision on women who were more likely than men to report that they:

- had received practical help to find a job;
- had improved in all (bar one) of the soft skill areas;
- had overcome barriers to work;
- were employed in permanent contracts at the second reference point
- had progressed in the workplace.

Notably the gender pay gap among participants had also decreased by the second reference point: the difference in mean annual salaries between men and women dropped from £6,500 at the start of provision to £2,500 by the second reference point.

However, more could be done to support certain target groups during provision:

- A quarter of participants had childcare responsibilities: whilst 75 per cent felt they did not need childcare support, one-fifth with childcare responsibilities did not receive childcare support but would have wanted it. This makes up five per cent of all ESF participants.

- Some groups (those with a disability and BME participants) that ESF provision is particularly catered for, were less satisfied than average with their provision.

ESF supporting progression at the

workplace: The research suggests that ESF support has helped many participants progress at their workplace: there was an increase in the proportion of participants aged under 20 for example who were in full-time work by the second reference point (61 to 71 per cent).

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