

## Poverty

# Evaluation of the Working for Families Fund (2004 – 2008)

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This report summarises the findings of the Final Evaluation of the Working for Families Fund (WFF). WFF, which operated from 2004-08, invested in initiatives to remove childcare barriers and improve the employability of disadvantaged parents who have barriers to participating in the labour market, specifically to help them move towards, into, or continue in employment, education or training. The programme was administered by 20 local authorities (which covered 79% of Scotland's population), operating through around 226 locally based public, private and third-sector projects.

## Main Findings

- WFF supported disadvantaged parents through helping them find sustainable childcare solutions and providing or facilitating access to other relevant employability-related support and services. In rural areas, support also combated barriers created by poor transport, limited services and the lack of a critical mass of clients.
- Over the four years the budget for WFF was £50 million (actual spend was £46 million).
- A total of 25,508 clients (with 42,214 children aged below 18) received support from WFF.
- 13,594 clients (53%) achieved 'hard' outcomes, such as employment, and a further 3,283 (13%) achieved other significant outcomes. So two-thirds of all clients achieved measured progress.
- Allowing for what would have happened without the programme, the analysis concludes that the WFF policy was effective in moving substantial numbers of disadvantaged parents into or towards work, education or training.
- The combination of tackling both childcare and employability is an essential feature contributing to the success of the WFF programme. Consideration should be given to extending this basic model into other initiatives that focus solely upon employability or childcare issues.

## Introduction

WFF was established to invest in new initiatives to improve the employability of parents who have barriers to participating in the labour market, specifically to help them move towards, into, or continue in employment, education or training. It was a voluntary scheme on the part of clients. Support focused on helping the parents find sustainable childcare solutions and providing or accessing other relevant employability-related support and services. In rural areas, support also combated barriers created by poor transport, limited services and the lack of a critical mass of clients.

By improving rates of employment and economic activity WFF contributed to the Scottish Government's commitment: to tackle poverty and disadvantage, and to eradicate child poverty within a generation. From April 2008 WFF funding was streamlined into the Fairer Scotland Fund, which replaced seven previous funding streams, including WFF, as part of the Government's budget concordat with local government.

In Phase 1 (2004-06) of the WFF programme, ten local authorities (LAs) were awarded funding for two years. They covered 37% of the total Scottish population. The budget was £10 million p.a. although actual expenditure was only £13 million over the two years due to the considerable start up time. Phase 1 LAs were Dumfries & Galloway, Dundee City, East Ayrshire, Glasgow City, Highland, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire and West Dunbartonshire.

Phase 2 (2006-08), announced in 2005, provided a further £15 million pa. This was allocated to 20 local authorities (including the ten Phase 1 LAs) from April 2006 covering 79% of Scotland's population. So the overall WFF budget was £50m and actual spend was £46 million. Phase 2 LAs were: Aberdeen City, Aberdeenshire, Angus, Clackmannanshire, Edinburgh City, Falkirk, Fife, Midlothian, South Lanarkshire and West Lothian.

## Support given by WFF

The WFF programme focused on disadvantaged parents, specifically lone parents (who were pre-New Deal), parents on low incomes, disadvantaged parents with other stresses in the household (including disability, mental health and substance abuse problems) that made it difficult to access and sustain employment, education or training.

The WFF programme provided client-focused support tailored to each individual's needs. The main support was provided by 'Key Workers' who helped clients to improve their employability, and address childcare and other barriers standing in their way.

Clients were helped to improve their employability by establishing goals and producing a personal action plan that linked them to the various types of employability support available locally. Support included personal development courses to boost confidence and self-esteem, education and training to improve skills and qualifications (including help in obtaining driving licences in rural areas), careers advice, money advice, and work experience – all helping the client to progress towards or into work. A second key element of WFF support was helping clients to identify and access the childcare they needed at each stage. Often this comprised information and advice, linking them to an existing childcare place, but it might also involve setting up additional, more flexible childcare, or providing financial assistance (e.g. paying one-off, 'upfront' nursery registration fees, paying for childcare while a parent attended education or training, or for a short time until tax credits came through).

## WFF clients

Over the four years WFF recruited 25,508 clients. A total of 42,214 children (up to 18 years) had parents/guardians taking part in WFF and two thirds of these children (27,669) had parents/guardians that achieved a measurable Outcome. Clients receiving WFF support represent around 20% of all people with children on Income Support or Job Seekers Allowance (JSA) in Scotland.

WFF successfully reached a wide variety of clients, in different circumstances and with different individual aims and resources. Some key characteristics of WFF clients were:

- Most were female (89%) or lone parents (71%).
- 65% lived in households where nobody was in paid employment, i.e. workless households.
- Most lived on a very low household income with 66% either claiming Income Support or having a partner/spouse claiming Income Support.
- The income of those in employment, at the time of first registering with WFF, was low with 83% earning £200 or less take-home pay per week and 37% earning £100 or less per week.
- Clients' economic activity, when they first registered, varied with 36% of clients 'at home, caring for children', 24% in employment (either full-time or part-time), 28% registered unemployed, and 6% in training or education.
- Their children were relatively young with 63% having one or more children aged under 5 years living in the household, compared to just 26% of households with children in Scotland. 93% had a child under 12 years.
- They had low levels of qualifications compared to the Scottish average. 69% of clients had qualifications equivalent to SVQ Level 2 or lower and 34% had either no qualifications or qualifications below SVQ Level 1

(compared to around 15-16% with no or below SVQ Level 1 qualifications in Scotland during the WFF period).

- Of the 76% who were not in paid employment at the time of their registration, most had been unemployed for a considerable time, with 54% not having worked for over two years compared to the Scottish average of 34%.
- A significant proportion (43% of those who received sustained support from WFF) indicated at least one additional stress, e.g. mental or physical health problems, debt or money issues, housing problems, criminal record, etc.
- 46% of WFF clients (53% in Phase 1 and 29% in Phase 2) lived in the most deprived data zones compared to 15% for Scotland as a whole. WFF successfully targeted pockets of deprivation, however the projects were client group-led, not postcode-led, and this has allowed disadvantaged parents in most local authorities to be supported regardless of where they live.

## Client outcomes

In total, 66% (16,877) of all clients had achieved an identified outcome by 31 March 2008, improving their employability and making progress towards sustained employment, training or education. This exceeded the target of 15,000. This progress was tracked using the following indicators:

*'Hard' Outcomes, i.e. Transitions* – achieved by 53% of all clients (13,594). These were when a client made a transition into work, education or significant (6+ months) training etc. Clients could have more than one such Transition (e.g. moving into part-time and then full-time work). The main report analyses the highest Transition that a client achieved.

*'Soft' Outcomes, i.e. Intermediate Activities Outcomes* – achieved by a further 10% (2,466). These were important activities that contributed to progress towards employment etc., but which were not significant enough to be counted as a Transition (e.g. at least 20 hours or more of personal development). An Intermediate Activity Outcome was counted only if the client had not achieved a Transition.

*Other 'Soft' Outcomes, i.e. Distance Travelled/Improved Employability* – achieved by 3% (817). These included the distance travelled towards entering employment, education or training, through improving a client's employability. This was measured through changes in a set of qualitative Likert scales (i.e. a 1 to 10 scale where 10 is the highest level), which reflected, for example, a client's view of their own confidence (a major problem for disadvantaged parents in returning to work).

10% (2631) of clients were still active with WFF, but had *not yet achieved an outcome*. 63% (1662) of these had

registered with WFF during the previous six months and in many cases little or no progress would be expected within this timescale.

24% (6000) of clients had *exited or become inactive* (i.e. were no longer receiving support) without achieving any of the above outcomes.

## Characteristics of clients achieving different outcomes

In-depth analysis was carried out (through logistic regression etc.) to identify the characteristics of clients who were more likely to make different types of transition. Characteristics showing a strong, statistically significant link and affecting a substantial number of clients are marked by an asterisk \*.

The main characteristics *positively* linked to making a Transition of any sort were: having a qualification of any sort (especially at least SVQ Level 2\*); being a lone parent\*; having English as the mother tongue\*; being in any education at the point of registration (this is linked to having a Transition of completing education/training)\*; having a nationality other than that of a UK or EU citizen (such as asylum seekers or refugees); living in Glasgow or North Ayrshire.

Characteristics associated with a *reduction* in a client's likelihood of having a Transition were being in rented, council, hostel or supported accommodation (i.e. non-owner occupier); having been out of employment for 2 months or more (especially over 6 months\*); being aged under 20 years old; being over 45 years old\*; being self identified as disabled; having other household stresses (such as drug misuse)\*; being pregnant\*; having more than 2 children; and/or having a disabled child.

A follow-up of a sample of 1476 clients moving into employment showed that three months after this Transition was achieved the vast majority (92%) were still in work. Six and twelve months after the Transition into employment 90% (from 346 responses) and 89% (263 responses) of clients were still in employment.

## Cost benefit analysis

In order to estimate what might have happened if there had been no WFF programme, other comparisons were made. First, 219 randomly chosen parents across the 20 WFF LA areas were interviewed. Second, propensity score matching was used to compare the outcomes of WFF results for similar people in the national British Household Panel Survey database (up to April 2006 as later data were not available at the time of writing). Third, results were compared to other

studies of similar clients, and national statistics. This resulted in an estimate of additionality of 50%, i.e. 50% of outcomes would not have happened without WFF.

If we consider just those clients who achieved a Transition (rather than the number of Transitions themselves) then the *costs per client who had a Transition* was £3,382 over the four years (falling to only £2,587 by the last year). Assuming only 50% additionality, in other words including just the estimated *additional* clients achieving a Transition, the average cost rises to £6,764 per client over 2004-08, falling to £5,174 by the final year. However, this may be an overestimate as the additionality was calculated for those going from unemployment into work, and it might be higher for moving into education or training.

The overall cost to the Exchequer was considered to be fairly neutral in the short run and positive in the longer run.

After 'deadweight,' displacement and substitution effects, the conclusion is that the WFF policy was effective in moving substantial number of disadvantaged parents into or towards work, education or training.

## Implementation

Success factors in the implementation of WFF include the Key Worker approach, which was perceived as a good model for clients to make real progress through an individualised, holistic approach; and the importance of effective partnership working.

In terms of childcare the lack of capacity and gaps in provision (evenings, weekends, for children with additional needs, geographical) were common problems for accessing childcare, creating a barrier to jobs and other opportunities. The price of childcare was also stated as a major barrier for parents (e.g. deposits/registration fees, etc.) and the mismatch between clients starting work, being paid and having to pay for childcare upfront.

## Recommendations

The Working for Families programme has been effective in tackling both childcare and employability issues in an integrated and effective way.

Careful consideration should be given to providing stable, longer term funding for such programmes as the evidence suggests that this is much more efficient and cost effective. Initial set-up costs, together with more limited learning and experience and relatively low numbers of clients in the early years, greatly reduces efficiency and raises costs per client and per outcome. This will have implications for support for policies in general and when interpreting the results of pilot schemes.

Targeting this client group seems appropriate and should be continued. However, particular support is needed for those with major barriers including a lack of employability skills, as well as childcare provision.

A prime focus of WFF type policies should be on 'hard' outcomes leading to major improvements in the position of clients (such as moves into or maintaining sustainable work, substantial training and education). This provides a clear focus for staff working in the projects, other agencies and the clients themselves. However, 'soft' outcomes are also very important and should be recognised and encouraged for all participants, but especially where they are part of a clear support package for those requiring long-term support in moving towards substantial outcomes.

WFF flexibility in terms of funding and implementation (at Scottish Government, local authority and project levels) is important and contributed to the provision of effective client-focused support, tailored to each individual's needs.

Community Planning Partnerships should be strongly encouraged to continue to collect a minimal level of common information on the successors of WFF in each area so as to allow continued comparisons and learning about what policies are effective.

This document, "Evaluation of the Working for Families Fund (2004 – 2008)", along with the full research report of the project, and further information about social and policy research commissioned and published on behalf of the Scottish Government, can be viewed on the Internet at: <http://www.scotland.gov.uk/socialresearch>. If you have any further queries about social research, please contact us at [socialresearch@scotland.gsi.gov.uk](mailto:socialresearch@scotland.gsi.gov.uk) or on 0131-244 7560.



Social Science in Government

ISBN 978-0-7559-7309-5

