The Impact of Employment Programmes in Deprived Areas in England & Scotland: What story does Administrative data tell?

Martin Evans
Analysing Neighbourhoods and their Impact Conference CMPO Bristol 16/06/04
Overview Today’s Paper

• Background
• Approach & Methods
• Results
• Discussion & Next Steps
Part of a Bigger Study

- Very Small Part of Larger Study
  - 7 case study areas
    - All deprived or with areas of high deprivation
  - Inputs and Outputs to small areas
    - Expenditure flows into CSAs & wards
    - Mainstream and Area-based Initiatives
    - Outputs and outcomes

- Published this Summer by ODPM/Scottish Executive

- Currently changing applied to academic research outputs
Background

• Case Study Areas
  – 5 city areas – Liverpool, Bradford, Nottingham, Edinburgh & L.B. Brent
  – 2 mixed urban-rural areas – East Kent (Canterbury, Dover, Shepway & Thanet) & North Lanarkshire

• Electoral Ward level
  – Match to small area deprivation indices
  – Smallest area for admin/population data
  – Ward =/= “neighbourhood”
Approach & Methods

• Use consistent administrative data across CSAs
  – New Deal Databases – constructed for evaluation purposes

• Use English & Scottish IMDs
  – Clients’ own measures of ward-level
Outcomes from Employment Programmes

• Explanators
  – Individual Characteristics (worrying levels of unobservables)
  – Programme Interventions
  – Location
    • Region and local labour market
    • Ward-level deprivation

• Specify National Models
  – Apply model to predict CSA level outcomes
  – Apply model to deprived areas within CSA to predict outcomes
Results

• Separate Programmes
• Separate National m.v. models
• Predicted vs actual Case Study Areas
• Predicted vs actual within CSAs by Quartiles of wards by deprivation
  • (wards not population)
The New Deal for Young People

- NDYP
  - 18-24s
  - Mandatory programmes
  - Duration targeting and design
    - “unemployed” for 6 months
    - 4 months of intensive advice & job-search
    - One of four options
      - Education/training 12 months
      - Employment placements – 6 months
        » Real
        » Voluntary Sector
        » Environmental Task Force
  - Follow through if still unemployed
NDYP Area-Related Results

• National Models
  – Strong consistent –ve relationship to ward deprivation (less in Scotland)
  – Local Labour Market also matters
  – Region also matters

• CSA level predictions – no difference

• Most deprived wards in CSAs – no significant differences except
  – Most deprived wards in E Kent do better
NDLP

- Voluntary Programme
  - Lone parents on IS
  - Either via WFI (mandatory) or through self referral (change over time as WFIs roll-out)
  - Primarily PA Advice and Assistance
  - Package of help grows in quality over time but nothing like NDYP
NDYP Area Related Results

• National Models
  – Strong consistent \(-\)ve relationship to ward deprivation
  – Region also matters

• CSA level predictions – only Liverpool worse, E. Kent, Edinburgh and Nottingham better

• Most deprived wards in CSAs –
  – Most deprived wards in Liverpool do worse but also 3\(^{rd}\) quartile, most deprived wards in Edinburgh do better.
Discussion & Next Steps

• Area based results:
  – Main story:
    • Non barking dogs at CSA level
    • Counter-intuitively worst wards do best within CSAs where results are significant.
    • Exception Liverpool with NDLP – at CSA level with no clear story below
Interpretation

• Very Difficult
  – Endogeneity – what is driving area-based differences?
  – Data inadequacies –
    • sample sizes (100% data),
    • programme participants only (NDLP especially)
    • Unobservables – especially NDLP
  – Area-based data
    • Static not dynamic non-employment counts
    • Not certain we have captured small area explanators with IMD
Next Steps

• Use Survey Data
  – Concatenated LFS panels and x-sections
  – Match individuals by personal characteristics
  – Evaluation of New Deal for Communities

• Longer run of Admin data
  – May interests DWP for Action Team and other local area initiatives

• Better area data
  – Census 2001
  – New 2004 IMD