

Annex D

Draft Equality Impact Assessment screening report

October 2006

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Name of strategy/project/policy/process/function:

Draft European Social Fund Operational Programme Proposal for England and Gibraltar

(2007-2013)

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Purpose and aim(s) of the policy, process or service:

Strategic Objective of the proposed programme

The overall strategic objective of the proposed ESF programme is to contribute to sustainable economic growth and social inclusion by supporting England's strategies

to increase the employment rate and to develop a skilled and adaptable workforce, within the framework of the Lisbon agenda for growth and jobs.

Underpinning the overall strategic objective are two more specific objectives (referred to as priorities 1 and 2 below):

Priority 1: Extending employment opportunities (regional competitiveness and employment objective)

Objective of Priority 1

The objective of this priority is to increase employment and to reduce unemployment and inactivity. It will help to tackle barriers to work faced by: people with disabilities and health conditions; lone parents and other disadvantaged parents; people over 50; ethnic minorities; and people with no or low qualifications. It will also aim to reduce the numbers of young people not in education, employment or training.

By tackling and preventing worklessness, this priority will help to improve social inclusion and social mobility. In particular, by helping unemployed and inactive parents to enter sustainable jobs and make progress at work, it will help to alleviate child poverty.

This priority will also contribute to the skills strategy, by helping unemployed and inactive people to gain the skills they need for employability and to make progress in the workplace.

Priority 1 addresses Article 3.1.b of the ESF Regulation¹:

“enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people, preventing unemployment, in particular long-term and youth unemployment, encouraging active ageing and prolonging working lives, and increasing participation in the labour market”

Indicative activities

Priority 1 supports activities to enhance access to employment and sustainable inclusion in the labour market of unemployed and inactive people. Unemployed and inactive people will be eligible for support within this priority. There will be a particular focus on people with disabilities and health conditions, lone parents and other disadvantaged parents, older workers, ethnic minorities, and young people not in education, employment or training. People who have made the transition to work from unemployment or inactivity will also be eligible for support, regardless of employment sector or size of establishment.

¹ ESF Regulation 1081/2006 establishes the scope of ESF support. Within this scope, it provides flexibility for Member States to concentrate on those priorities which are most appropriate to their specific challenges (Article 3 and Recital 11).

Activities should help participants to gain skills for employability and enter jobs. They may also help those entering jobs to sustain their employment and make progress in the workplace. Training and other support may continue after participants have entered jobs. Providers should engage with employers to ensure that provision both matches the skills needs of business and enables individuals to access and progress through the labour market.

Activities should take particular account of the needs of people who experience multiple disadvantages or who face discrimination in the labour market.

Activities may be delivered by any relevant public, private, voluntary or community sector provider. Voluntary and community sector organisations are particularly well placed to engage people who are excluded from or at a disadvantage in the labour market.

Activities may include:

- active and preventative measures which ensure early identification of needs, with individual action plans and personalised support;
- job-search help, advice and guidance;
- work experience placements;
- advice and support for self-employment, business creation and social enterprise;
- Skills for Life, including the basic skills of literacy and numeracy, ICT skills and English for Speakers of Other Languages;
- vocational training for employability;
- improving job brokerage to enable a better match between supply and demand;
- activities to reconcile work and private life, including access to childcare and care for dependent persons, where caring responsibilities are a barrier to labour market participation – these activities may take place within projects targeted specifically on people with caring responsibilities or as part of wider projects;
- city and other area-based strategies and initiatives to tackle worklessness in urban areas;
- activities to tackle specific barriers to work faced by unemployed and inactive people in rural areas; and
- community projects to mobilise unemployed and inactive people who are disadvantaged or excluded and to facilitate their integration into the labour market.

Activities to prepare young people for working life and to reduce the numbers of young people not in education, employment or training may include:

- initiatives to reform vocational routes for, and develop vocational skills among, 14 to 19 year olds;

- initiatives to help raise awareness of the world of work, enterprise and entrepreneurship among young people (from age 14), including work experience placements;
- activities to engage 14 to 19 year olds not in education, employment or training, tackle their barriers to learning, and help them access mainstream provision; and
- activities to reduce youth unemployment by developing the employability and skills of young people;

Activities may target specific groups of unemployed and inactive people including those experiencing multiple disadvantages, for example:

- activities to help unemployed and inactive people with disabilities and health conditions to enter and remain in work, and appropriate support to retain in employment people who become disabled or develop health conditions;
- activities to prolong working lives by re-engaging inactive older workers or retaining older workers longer in employment, including workers who become disabled or develop health conditions;
- activities to help lone parents and other disadvantaged parents enter and make progress at work, and so contribute to alleviating child poverty;
- mainstreaming and specific action to improve access to employment and increase sustainable participation and progress of women in employment, including in occupations or sectors where they are underrepresented;
- activities to increase participation by people from ethnic minorities in employment; and
- activities to develop the employability and skills of offenders and ex-offenders to facilitate labour market entry and, thus, contribute to reduced re-offending.

The phasing-in sub-regions of Merseyside and South Yorkshire will also be able to complete activities from their 2000-2006 Objective 1 programmes that are eligible for Regional Competitiveness and Employment ESF funding in 2007-13.

These activities will support Community Strategic Guidelines 1.3.1 (Attracting and retaining more people in employment and modernising social protection systems) and 1.3.2 (Improving adaptability of workers and enterprises and the flexibility of the labour force), and National Strategic Reference Framework paragraph 156 (Extending employment opportunities). They will also support National Reform Programme paragraphs 4.1 to 4.48 (Increasing employment opportunity for all).

Priority 2: Developing a skilled and adaptable workforce (regional competitiveness and employment objective)

Objective

The objective of this priority is to develop a skilled and adaptable workforce by: reducing the number of people without basic skills; increasing the number of people qualified to level 2 and where justified to level 3; reducing gender segregation in the workforce; and developing managers and workers in small businesses. There will be a particular focus on the low skilled.

By developing a skilled and adaptable workforce, this priority will help to improve productivity, innovation, enterprise and competitiveness. It will help people to develop the skills needed by business in a knowledge based economy. By focusing on those who lack basic skills and level 2 qualifications, this priority will also promote sustainable employment and social inclusion. By improving the qualifications of low skilled and part-time women workers, it will help to promote gender equality and reduce gender gaps in the workforce.

Priority 2 addresses Article 3.1.a of the ESF Regulation:

“increasing adaptability of workers, enterprises and entrepreneurs, with a view to improving the anticipation and positive management of economic change”

Indicative activities

Priority axis 2 supports activities to develop a skilled and adaptable workforce.

People who do not possess qualifications up to level 3, or who need to update their qualifications and skills, will be eligible for support within this priority, in any sector or any size of establishment. There will be a particular focus on: people without basic skills; people who do not have level 2 qualifications relevant to their current occupation; and women and men who want to enter non-traditional occupations.

Training will be supported at level 3 where there is market failure, for example where there are skills shortages, in small and medium sized enterprises (up to 250 employees) and among women and ethnic minorities where they are under-represented. Regional ESF strategies will identify the sectors in which the programme will support training at level 3.

Managers and workers in small enterprises (up to 50 employees) will be eligible for support whatever their current qualification level.

Activities will be expected to address the specific needs of participants with disabilities, older workers, ethnic minorities and women.

Activities may be delivered by any relevant public, private, voluntary or community sector provider. Providers should engage with employers to ensure that provision

addresses current and future skills gaps. Provision should both match the skills needs of business and enable individuals to access and progress through the labour market.

Activities may include:

- activities to support access to and provision of apprenticeships;
- Skills for Life for employees including basic literacy and numeracy skills, ICT skills and English for Speakers of Other Languages;
- activities to support access and progression from foundation level up to level 3;
- training leading to level 2 qualifications (especially for people without current level 2 qualifications, part-time workers, workers in sectors with weak training records). ESF funding will support activities additional to those funded domestically under the level 2 entitlement;
- training leading to level 3 qualifications in sectors where there are skills shortages at level 3, in small and medium sized enterprises (up to 250 employees), and for women and ethnic minorities in sectors and occupational areas where they are under-represented at level 3;
- lifelong learning and vocational training for low skilled and low paid women workers to improve their progression;
- training, mentoring and supporting men and women in occupations or sectors where their gender is underrepresented, in order to tackle gender segregation;
- training older workers in order to update their qualifications and skills and prolong their working lives;
- training for workers who face redundancy or have been made redundant;
- training in ICT and e-learning skills;
- training in environmental management and protection skills and in eco-friendly technologies;
- initiatives by the social partners to promote lifelong learning and skills in the workplace;
- initiatives to ensure the supply of skills is relevant to employers' needs; and
- training of childcare and other care workers

There will be limited scope to support higher level skills activity including:

- activities to prepare people from disadvantaged groups to access Higher Education (but not Higher Education provision itself);
- training trainers (at any level) to deliver activities (for example basic skills provision) which benefit ESF target groups; and

- lifelong learning and training for managers and workers (at any level) in small enterprises (up to 50 employees), including training and development in leadership, management and enterprise, and technical skills needed for business development, business growth innovation and productivity.

The phasing-in sub-regions of Merseyside and South Yorkshire will also be able to complete activities from their 2000-2006 Objective 1 programmes that are eligible for Regional Competitiveness and Employment ESF funding in 2007-13.

These activities will support Community Strategic Guidelines 1.3.2 (Improving adaptability of workers and enterprises and the flexibility of the labour force) and 1.3.3 (Increasing investment in human capital through better education and skills), and National Strategic Reference Framework paragraphs 157 and 158 (Developing a skilled and adaptable workforce). They will also support National Reform Programme paragraphs 3.63 to 3.81 (Investment in skills).

Priorities 4 and 5 for the Convergence area of Cornwall are broadly similar to Priority 1 and 2, but contain some additional activities specific to Cornwall.

Who will benefit mainly from this policy, process or service?

The programme will focus EU funds where they can most effectively add value to national and regional resources and strategies. It will focus EU funds on areas of market failure, and will not subsidise training that would otherwise be funded by business.

Under Priority 1, the programme will target people who are economically inactive OR unemployed and will focus on women and men in the following groups:

- people with disabilities and health conditions;
- lone parents and other disadvantaged parents;
- older workers
- people from ethnic minorities;
- young people not in education, employment or training; and
- people experiencing multiple disadvantage

Priority 1 will also be used to help people who have made the transition from unemployment or inactivity to enter and remain in work for a range of groups. ESF will support mainstreaming and specific action to improve access to employment and increase sustainable participation and progress of women in employment, including in occupations or sectors where they are under-represented.

Under Priority 2, the programme will target people who are employed and need to develop their skills. The programme will focus on women and men in the following groups:

- people without basic skills;
- people without NVQ level 2 qualifications relevant to their occupation;
- people who do not possess qualifications up to NVQ3, especially women and people from ethnic minorities who are underrepresented or in businesses where there are skills shortages; and
- managers and workers in small enterprises.

What information and/or data (evidence) has been obtained to impact assess this policy, process or service?

In order to assess the likely impact of the new programme, an analysis of the current 2000-2006 ESF Objective 3 programme has been undertaken. The analysis mainly draws upon data from:

- ESF programme MI data;
- ESF Evaluation Update to the Mid Term Evaluation report; and
- the Labour Force Survey (benchmark data – where appropriate).

The analysis considers a number of key themes, such as:

- the extent to which ESF is addressing the multiply disadvantaged in the labour market; and
- an analysis of the main equality strands in terms of representation and performance; and including, where possible, analysis of multiple disadvantage, for the main equality strands.

Much of the data that is currently gathered is aligned to the main equality strands – gender, ethnicity, disability, age. Limitations in the global MI data system mean that in order to consider the multiple personal characteristics of beneficiaries, sample follow up surveys of beneficiaries are undertaken every 1-2 years. These surveys produce a richer picture of the people who benefit from ESF programmes, and offer more information in the range of disadvantages faced by beneficiaries.

The approach to the analysis in this report compares the degree of representation target groups at the programme level with their representation in the wider national population / labour market. It also considers performance and any variations between groups.

The new ESF programme will:

- have similar partners and use the co-financing mechanism as in the current programme;
- target groups that are broadly comparable to the current programme (although we may expect a higher proportion of economically inactive and employed people with low skills); and
- maintain the policy of mainstreaming equality of opportunity.

It is therefore reasonable to expect that if the current programme has made a satisfactory impact in terms of achieving a level of representation which broadly reflects national baseline indicators, then the future programme should too, albeit in the context of a smaller and strategically realigned programme and with refocused national baselines to reflect this realignment. Similarly, if the current programme can be seen to have had a positive impact in terms of performance outputs for groups in the current programme then it is reasonable to expect the future programme to have positive impacts. Variations in performance between different groups are inevitable because of:

- the different number, range, and combination of disadvantages people face;
- the scale of the programme compared to the much wider context of the labour market within which the programme is operating; and
- the socio-economic factors which affect different people in different ways.

The assessment ends with an analysis of levels of satisfaction and dissatisfaction expressed by beneficiaries themselves. This analysis draws upon beneficiary responses to the ESF Objective 3 2005 Beneficiary Survey for England conducted on behalf of DWP by MORI.

A later section of this report considers if the programme is likely to have a negative impact (i.e. detrimental impact) on target groups.

ESF Support for the multiply disadvantaged

The ESF Evaluation team commissioned a study, "Research into multiply disadvantaged groups in ESF Objective 3 programme in England", which was used to inform the update to the mid term evaluation report (DWP 2005). This research cited the extensive research undertaken by Richard Berthoud "Multiple Disadvantage in Employment : A Qualitative Analysis (Joseph Rowntree Foundation, 2003).

Berthoud identified a number of groups who are likely to experience the greatest disadvantage in the labour market:

- older people;
- those without partners, particularly those with care responsibilities, predominantly lone parents;

- people in unskilled LFS socio-economic groups, including those without qualifications;
- people with disabilities;
- people from ethnic minorities – particularly Pakistani and Bangladeshi groups; and
- people who live in low employment density regions.

However, Berthoud also identified that although the nature of the disadvantages provide an indication of the depth of problem facing an individual, it is the number of disadvantages that give a more direct assessment of their distance from the labour market.

The ESF Evaluation Team's research into multiply disadvantaged groups in ESF looked at the analysis provided in the 2002 Objective 3 Leavers' Survey and compared this with the LFS. Where comparison was possible between the Leavers' Survey and the LFS, it appears that ESF projects are engaging with these groups at a rate above that of the general population of the LFS. This appears to be particularly the case for lone parents and people with low skills or no qualifications.

Table 1 Engaging with the Multiply Disadvantaged

| Multiple Disadvantaged Group | % in Labour Force Survey | % in Leavers Survey |
|-------------------------------------|---------------------------------|----------------------------|
| Single without dependent Children | 28 | 10 |
| Lone Parent | 5 | 18 |
| Impairment | 13 | 18 |
| Over 50s | Not reported (19) | 21 |
| Low skill/qualification | Not reported (12) | 21 |

The following table also indicates that Objective 3 appears to be engaging with a higher proportion of the individuals with three or more disadvantages and fewer with just one disadvantage, than is found in the general population (the Leavers' Survey canvassed for a wider range of disadvantages than were analysed by Berthoud so some care should be taken when considering these comparisons).

Table 2 Impact of the Numbers of Barriers on Employment Prospects

| Number of Disadvantages | % (of column) all individuals | Cumulative % of all Individuals | % (of row) not in employment | % in ESF Leavers Survey |
|-------------------------|-------------------------------|---------------------------------|------------------------------|-------------------------|
| None | 31 | 31 | 3 | 34 |
| One | 40 | 69.32 | 13 | 27 |
| Two | 20 | 29.32 | 28 | 21 |
| Three | 7 | 9.32 | 52 | 19* |
| Four | 2 | 2.32 | 74 | |
| Five | 0.3 | 0.32 | 87 | |
| Six | 0.02 | 0.02 | 91 | |

Source: Reproduced from Berthoud, op cit, p31 and Atkinson, op cit, Table 2.1 p22.

* Category is "Three or more disadvantages".

Data from the latest ESF Beneficiaries' Survey (2005), conducted by IPSOS/MORI, indicated that Objective 3 continues to support individuals who experience multiple disadvantages. Overall, 66 per cent experienced one or more labour market disadvantages on entry. This group can be broken down as follows:

- 29% had one disadvantage;
- 21% had two disadvantages; and
- 16% had three or more disadvantage

Table 3 Multiple Disadvantage with gender split ESF Beneficiary Survey 2005

| | Total% | Multiple Disadvantages | | | Three% |
|---|---------------|------------------------|---------------|---------------|---------------|
| | | None% | One% | Two% | |
| 1. Proportion of all beneficiaries by number of disadvantages | 100% | 34% | 29% | 21% | 16% |
| | Of which..... | Of which..... | Of which..... | Of which..... | Of which..... |
| 2. Women | 54% | 48% | 55% | 58% | 63% |
| 3. Men | 46% | 52% | 45% | 42% | 37% |
| Total men and women (row 2 + row 3) | 100% | 100% | 100% | 100% | 100% |

Source: Table extract from ESF Beneficiary Survey for England 2005 (MORI/IPSOS).

Table 3 above indicates that, of those beneficiaries who have multiple disadvantages, a high proportion are women. For example, women make up 63% of the 16% of beneficiaries who had 3 disadvantages.

Issues relating to multiple disadvantage are considered further in the next section of analysis which focuses on the main strands.

Analysis of representation by main equality strand

Table 4 below indicates the extent to which beneficiaries groups on ESF in England reflect the wider working age population, reflected in the Labour Force Survey (LFS):

Table 4 Analysis of representation by main equality strand and by gender split

| Gender | Labour Force Survey (LFS) | | ESF | |
|---------------|----------------------------------|--|------------|--|
| Male | 51% | | 50% | |
| Female | 49% | | 50% | |

| Age | LFS | | | ESF | | |
|------------|--------------|-------------|---------------|--------------|-------------|---------------|
| | Total | Male | Female | Total | Male | Female |
| 18-24 | 15% | 7.4% | 7.6% | 43% | 24% | 19% |
| 25-49 | 59% | 29% | 30% | 46% | 21% | 25% |
| 50-60/65 | 26% | 15% | 11% | 11% | 5.5% | 5.5% |

| Ethnicity | LFS | | | ESF | | |
|-----------------------|--------------|-------------|---------------|--------------|-------------|---------------|
| | Total | Male | Female | Total | Male | Female |
| White | 90% | 51% | 49% | 71% | 36% | 35% |
| Black / Black British | 1.5% | 1.1% | 1.3% | 8% | 4% | 4% |
| Asian / Asian British | 5% | 2.8% | 2.6% | 8% | 4% | 4% |
| Chinese / Other | 0.5% | 0.2% | 0.3% | 3% | 1.6% | 1.4% |
| Mixed | 1% | 0.3% | 0.4% | 2% | 1% | 1% |
| Not Known | 2% | 1% | 1% | 8% | 3.8% | 4.2% |

| Disability | LFS | | | ESF | | |
|--|--------------|-------------|---------------|--------------|-------------|---------------|
| | Total | Male | Female | Total | Male | Female |
| No disability / disability not known | 80% | 41% | 39% | 90% | 44% | 46% |
| DDA disabled / work limiting condition | 20% | 10% | 10% | 10% | 5.7% | 4.3% |

Source: LFS 2005 & ESF Programme data (DWP).

Gender Representation

Table 4 above shows that, at ESF programme level:

- women are, overall, slightly over-represented compared to men (by 1%);
- all ethnic minority groups are over-represented – both women and men;
- there is an even gender split across all of the ethnic minority groups in ESF;
- women and men from the 18-25 age group are over-represented;
- women and men from the 50-60/65 age group are under-represented; and
- the proportion of women and men who have a disability appear to be under-represented, although this is probably due to low levels of disclosure and is contradicted by beneficiary survey evidence (see section on disability for further explanation).

Age Representation

The current ESF programme targets young people, amongst other groups, and there is clearly a tendency towards young people (43%). Younger people are less likely to have a disability than older people : this may account for the lower number of disabled people and this tendency will also account for the smaller number of older workers helped.

The new programme will particularly focus on targeting older women and men by promoting active ageing in the labour market and providing skills training for older workers. The targeting of people who are disabled and or who are economically inactive should also have a positive impact on the representation of older women and men in ESF since they are significantly represented in these target groups.

Representation of ethnic groups

All of the main ethnic groups are over-represented at programme level, both in total and by gender.

The new programme recognises that there are disparities between ethnic sub-groups in the labour market and that Pakistani and Bangladeshi groups (especially women) are particularly disadvantaged and should be targeted.

People from ethnic minorities are a main target group in Priorities 1 and 2 of the new programme. In Priority 2 for example, people from ethnic minorities are cited as a particular target group for upskilling to NVQ level 3 in businesses and occupations where they are underrepresented. All ESF activities will be expected to take the needs of people from ethnic minorities into account as appropriate.

Regional skills partnerships and CFO providers will be expected to consult with local ethnic community groups and consider the varied needs of people from the various ethnic minority groups / sub groups at the sub-regional level when preparing their regional skills strategies and delivery plans. Regional partners will also be expected to continue to use local, credible labour market data to target groups, sub-groups and areas where this is appropriate.

Representation of people with disabilities

Disabled people appear, superficially, to be under-represented in the ESF programme. However, there are a number of issues which need to be borne in mind:

- 1 LFS shows declared characteristics – whereas ESF figures show reported characteristics. Disability is under-reported by projects completing the claim forms, so there are likely to be disabled people in the 'unknown' category. It is interesting to note that 20% of beneficiaries in the 2005 beneficiary survey for England declared that they had a disability or health problem – figures which are closer to the representation shown in LFS (see table 6 below);
- 2 The current ESF programme targets young people, amongst other groups, and there is clearly a tendency towards young people (43%). Younger people are less likely to have a disability than older people : this may account for lower number so of disabled people and this bias will also account for the smaller number of older workers helped.

Information about the characteristics of disabled beneficiaries, provided by project closure data, is limited to information on gender which tells us that slightly more disabled men (58%) have been supported by projects compared to women (42%) – which is higher than the proportion of men supported on the Programme as a whole (50%). (The proportions provided by the Beneficiaries' Survey are very similar – 51% men and 49% women.) Further information about the personal and work related characteristics of disabled beneficiaries is presented by the Beneficiaries' Survey. This indicates that the likelihood of beneficiaries reporting that they had a disability or health problem tends to increase with age, with 60% of those who reported a disability or health problem being aged 35 and over (see table 5 below) .

Table 5 Proportion of those with a disability or health problem by age

| Age | < 18 | 18-24 | 25-34 | 35-49 | 50+ |
|-----|------|-------|-------|-------|-----|
| | 3% | 15% | 22% | 31% | 29% |

Source: Beneficiaries' Survey, wave 1 – all who gave an answer. Base: 792

Disabled people are a specific target group for the new ESF programme. The targeting of people who are economically inactive and older people should also have a positive impact on the proportion of disabled people who are helped by ESF.

More work will need to be undertaken in the new programme to help promote the disclosure of disability in beneficiaries. Firstly, and most importantly, this will help providers identify the full needs of their clients and, secondly, it should help improve disclosure rates for MI data.

Table 6 Disabled people and those with a health problem, compared with the overall sample (source - ESF Objective 3 : 2005 Beneficiary Survey for England report)

| | Total | Disability/health problem |
|------------------------------------|--------------|----------------------------------|
| <i>Base: all respondents</i> | (4,682) | (792) |
| | % | % |
| Disability/health problem | 20 | 100 |
| <i>Labour market disadvantage:</i> | | |
| Low human capital | 64 | 75 |
| Long-term unemployed/inactive | 35 | 61 |
| <i>Age:</i> | | |
| <18 | 8 | 3 |
| 18-24 | 21 | 15 |
| 25-34 | 21 | 22 |
| 35-49 | 32 | 31 |
| 50+ | 17 | 29 |
| <i>Multiple disadvantages:</i> | | |
| None | 34 | – |
| One | 29 | 31 |
| Two | 21 | 34 |
| Three or more | 16 | 35 |
| <i>Entry status:²</i> | | |
| Employed | 40 | 14 |
| Unemployed | 25 | 28 |
| Inactive | 23 | 46 |
| In education | 8 | 8 |
| <i>Funding source:</i> | | |
| LSC | 55 | 38 |
| Jobcentre Plus | 23 | 33 |
| Other CFOs | 3 | 8 |
| AB | 19 | 21 |

Source: MORI.

The data above was taken from the ESF 2005 Beneficiary Survey which presents the findings for individual beneficiaries who attended projects supported under Objective 3 in England. They were surveyed when undergoing training or upskilling in the winter of 2004/05 and again in the summer of 2005 after they had finished their courses.

² The remaining four per cent either said that they could not remember what they were doing or that they were involved in an activity which could not be easily classified as any of the four main categories.

The data presented in this report are based on a sample of beneficiaries rather than the whole population, and for a 'snapshot' period relating to recall of experiences in late 2004. Results are, therefore, subject to certain sampling tolerances and it should also be noted that the sample interviewed may not be completely representative.

One in five respondents in this survey had a disability or health problem prior to entering the course (20 per cent). Compared to the overall sample of beneficiaries, those with a disability have an older age profile (29 per cent are aged 50 or more compared with 17 per cent overall). Disabled beneficiaries are more likely than average to have multiple disadvantages (35 per cent have three or more disadvantages compared with 16 per cent overall). Specifically, a higher proportion of disabled beneficiaries experience low human capital (75 per cent versus 64 per cent overall) and long-term unemployment/inactivity (61 per cent versus 35 per cent). Correspondingly, almost half of disabled beneficiaries (46 per cent) were inactive on entry and they were much less likely than other beneficiaries to be employed (14 per cent versus 40 per cent overall).

Performance by groups in the main equality strands

Gender – Employment and Activity

When looking at employment and activity outcomes for beneficiaries in terms of gender the ESF Mid Term Evaluation Update Report noted that women were more likely to obtain part-time employment compared to men – in line with women's general labour market status - see tables 7 and 8 below:

Table 7 Employment and Activity Outcomes Immediately After Leaving - *Unemployed/Inactive*

| | MTE | | | Update | | |
|----------------------------|---------|--------|----------|---------|--------|----------|
| | Total % | Male % | Female % | Total % | Male % | Female % |
| Full-time employment | 19 | 59 | 41 | 16 | 61 | 39 |
| Part-time employment | 4 | 36 | 64 | 4 | 37 | 63 |
| Self-employed | 2 | 54 | 46 | 2 | 58 | 42 |
| Voluntary work | 3 | 44 | 56 | 4 | 40 | 60 |
| Further education/training | 35 | 49 | 51 | 35 | 49 | 51 |
| Unemployed | 22 | 56 | 44 | 24 | 57 | 43 |
| Other | 15 | 43 | 57 | 16 | 51 | 49 |
| Total known outcomes | 100 | 51 | 49 | 100 | 53 | 47 |

Source: Project closure data – March 2003 and March 2005-05-24

Base: Total number of beneficiaries with known outcomes: 717,574

Table 8 Employment and Activity Outcomes Immediately After Leaving – *Employed*

| | MTE | | | Update | | |
|----------------------------|---------|--------|----------|---------|--------|----------|
| | Total % | Male % | Female % | Total % | Male % | Female % |
| Full-time employment | 73 | 56 | 44 | 67 | 51 | 49 |
| Part-time employment | 9 | 16 | 84 | 8 | 19 | 81 |
| Self-employed | 5 | 53 | 47 | 6 | 49 | 51 |
| Voluntary work | 1 | 35 | 65 | 1 | 35 | 65 |
| Further education/training | 7 | 37 | 63 | 9 | 39 | 61 |
| Unemployed | 2 | 57 | 43 | 2 | 49 | 51 |
| Other | 4 | 61 | 39 | 8 | 46 | 54 |
| Total known outcomes | 100 | 51 | 49 | 100 | 47 | 53 |

Source: Project closure data – March 2003 and March 2005.

Base: Total number of beneficiaries with known outcomes, 467,285

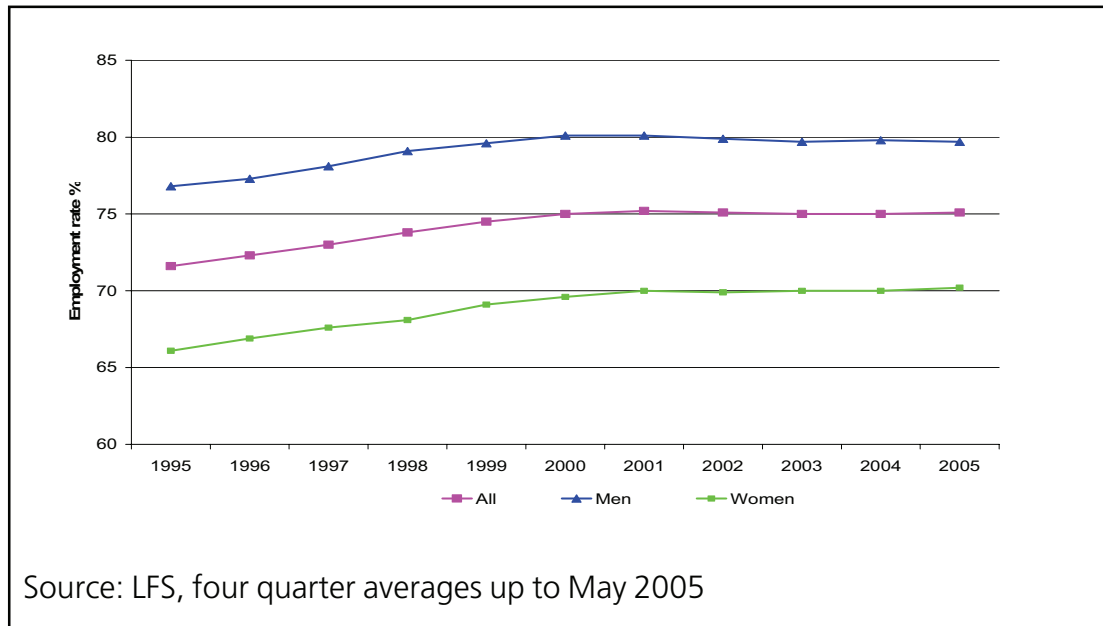
However, it can also be seen that women are more likely to go into voluntary work and, especially for those who were employed, further education/training. Voluntary work is a positive outcome since it can help people move into paid employment. Further education and training are also positive outcomes since they can also help people move into paid employment, and possibly at a higher level or in a different occupation or sector.

According to Eurostat, the UK female employment rate is [65.9%]³ exceeding the EU target of 60% and the current EU average of [56.3%]. In terms of the national definition, the employment rate for women in England is [60.8%], about 5 percentage points lower than for men. Female employment has grown by about 4 percentage points since 1995, and male employment by 3 percentage points. The unemployment rate for women is lower than that for men in all regions, except the East of England.

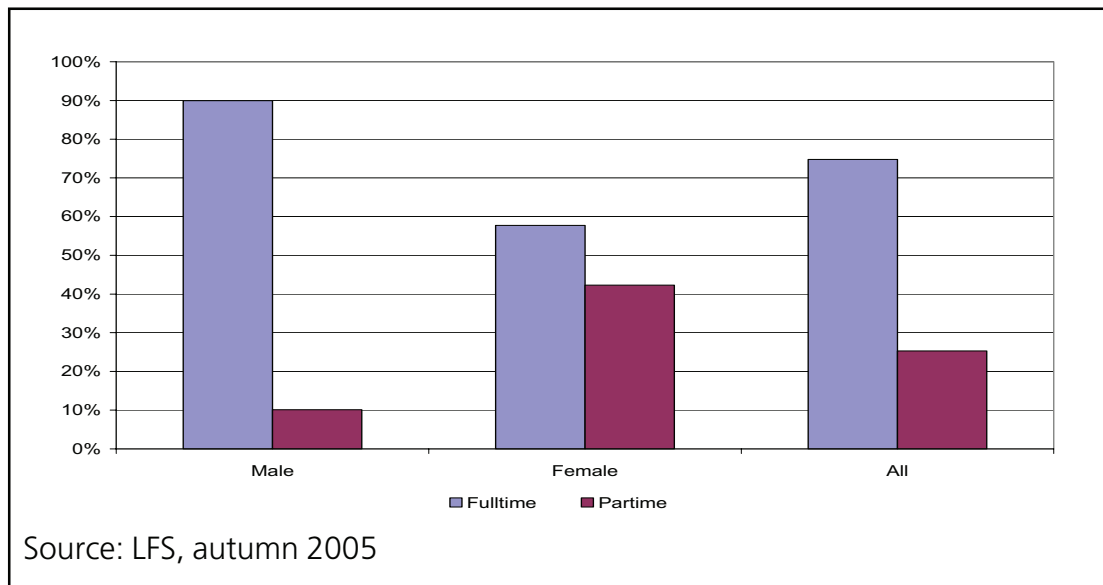
The labour market analysis for the new ESF Programme recognises that men and women's working patterns are very different. More women work part-time than men (42% versus 10%).

³ Eurostat, 2005

Graph A Employment rates for men and women



Graph B Part-time versus Full-time employment by gender



The Equal Opportunities Commission (EOC) have advised the ESF Division that their recent general formal investigation into part-time and flexible learning found a substantial body of evidence that the experience of women working part-time makes a major contribution to the UK's low productivity. The EOC have estimated that 80% of part-time workers, the equivalent of 5.6 million people, a fifth of the entire working age population, are working below their potential.

The new ESF programme will respond to this by promoting lifelong learning for women workers so that they can advance in their careers . ESF will support training, particularly for part-time women workers, as well as promoting training for women in businesses and occupations where they are under-represented. The programme will also support activities which promote work-life balance.

The mid term evaluation update report highlighted the distribution of activity across four time periods for those with a disability/health problem by gender

Table 9 Distribution of Activity across Four Time Periods for those with a Disability/Health Problem by Gender

| | On joining projects | | On leaving projects | | At the time of survey | |
|---------------------------|---------------------|--------|---------------------|--------|-----------------------|--------|
| | Male | Female | Male | Female | Male | Female |
| In paid work | 14% | 18% | 31% | 31% | 35% | 38% |
| Unemployed | 42% | 33% | 28% | 17% | 26% | 14% |
| Inactive: | 44% | 50% | 40% | 52% | 38% | 48% |
| Education/Training | 9% | 5% | 14% | 15% | 9% | 8% |
| Not in Education/Training | 35% | 45% | 26% | 37% | 29% | 40% |
| Base (weighted) | 210 | 175 | 217 | 180 | 216 | 181 |

Source: 2004 Beneficiaries' Survey – all those who gave an answer.

Base: All those who answered the questions from Wave 2 – hence the difference in the proportions on joining projects compared to Table 7.2.

The above analysis suggests that for women and men who are disabled, as with beneficiaries overall, there are positive ongoing effects of participating in the Programme, with more disabled women than men remaining in paid employment in the longer term. The update to the mid term evaluation report explained that that these gains tend to be made with individuals who are near to the labour market on joining projects. The vast majority of those who were already in employment on joining ESF maintained their position, over a quarter of those unemployed on entry gained a job as did getting on for a half (46%) of those in education on joining. However, those with the greatest distance to travel – the inactive, were the least successful in gaining employment on leaving (18%).

The new ESF programme, will support activities which target people with multiple disadvantages, including people who are disabled and who have health conditions and which help them remain in work once they have actually been placed in employment.

Gender - Qualifications Achieved (2005 Beneficiary Survey)

The table below is derived from the 2005 Beneficiary survey and shows the qualifications gained by NVQ level or equivalent by gender:

Table 10 Qualifications gained , NVQ level or equivalent, by gender

| Gender | Base | NVQ1 | NVQ2 | NVQ3 | NVQ4 | NVQ5 |
|--------|------|------|------|------|------|------|
| Women | 1179 | 9% | 26% | 19% | 10% | * |
| Men | 884 | 16% | 14% | 14% | 14% | 1% |

Source: Extract from table 6.7 - ESF 2005 Beneficiary Survey.

The table above indicate that a greater proportion of women have achieved NVQ2 and NVQ 3 than men. Although 7% more men achieved NVQ1 and 4% more achieved NVQ4.

Ethnic Minorities and Performance

Ethnic minorities - employment / activity outcomes

The update to the mid term evaluation report looked at the outcomes of ethnic minority beneficiaries from all projects supporting ethnic minority groups using data taken from the 2004 Beneficiaries' Survey.

The table below shows that there was a substantial increase of 12 percentage points in the employment rate of ethnic minorities, from starting to leaving projects (which is equal to the white cohort). The update to the mid-term evaluation report noted that since there was only a one percentage point reduction in unemployment between joining and completing projects, it seemed likely that some of the move into employment had come from people from ethnic minorities who had been economically inactive. However, the drop in inactivity is just over half that of the white group at 7 percentage points – although further progression into work by the time of the survey is limited regardless of ethnicity. Overall, however, by time of the survey (approximately 6 months later) the employment rate had risen by a further 7 percentage points to 50% exceeding the overall increase in the white group by 2 percentage points.

Table 11 Distribution of activity across three time periods for BME beneficiaries (White beneficiaries in brackets)

| | Base | On joining Project % | On Leaving Project % | At time of Survey % |
|--------------|-----------|-------------------------|-------------------------|------------------------|
| In Paid work | | 29 (44) | 43 (58) | 50 (63) |
| Unemployed | | 31 (32) | 30 (20) | (26) (17) |
| In education | | 11 (5) | 12 (9) | 9 (6) |
| Inactive | | 23 (18) | 15 (14) | 15 (14) |
| | 306(1728) | | | |

Source: 2005 Beneficiaries' Survey – all those who gave an answer wave 2.

Ethnic minorities qualifications

The 2005 Beneficiary Survey considered the qualifications gained by key beneficiary groups.

Table 12 Qualifications gained, by key beneficiary groups

| Labour market disadvantage | Base | % Gaining Qualification |
|----------------------------|-------|-------------------------|
| Low human capital | 1,277 | 68 |
| LTU / inactive | 607 | 63 |
| Carers | 472 | 69 |
| Disability / Health | 363 | 55 |
| Ethnic minority | 292 | 74 |
| No qualifications | 259 | 74 |
| Low Basic Skills | 249 | 66 |
| Lone parents | 214 | 68 |

Source: Extract from table 6.6 2005 ESF Beneficiary Survey.

Table 12 above shows that people from ethnic minorities, along with those who did not have qualification before joining ESF were more likely to achieve a qualification than other disadvantaged groups. 74% of people from ethnic minorities achieved a qualification as a result of attending ESF.

Table 13 below shows the proportion of people achieving an NVQ or equivalent:

Table 13 Qualifications gained, NVQ or equivalent, where known, by key beneficiary groups

| Labour market disadvantage | Base | NVQ1 | NVQ2 | NVQ3 | NVQ4 | NVQ5 |
|----------------------------|------|------|------|------|------|------|
| Low human capital | 1277 | 14 | 19 | 15 | 9 | * |
| LTU / inactive | 607 | 15 | 14 | 8 | 6 | 2 |
| Carers | 472 | 10 | 26 | 21 | 8 | - |
| Disability / Health | 363 | 13 | 11 | 10 | 4 | - |
| Ethnic minority | 292 | 14 | 19 | 13 | 10 | 1 |
| No qualifications | 259 | 15 | 25 | 8 | 4 | - |
| Low Basic Skills | 249 | 26 | 18 | 12 | 1 | - |
| Lone parents | 214 | 11 | 23 | 17 | 4 | - |

Source: 2005 ESF Beneficiary Survey (extract from table 6.7).

A greater proportion of people achieved NVQ level 4 in the ethnic minority group than in any other group (10% of people from ethnic minorities). The results for the other NVQ levels is more mixed, with nearly 1 in 5 achieving NVQ2 (generally comparable to other groups) and 1 in 8 achieving NVQ3.

Disabled people – employment and activity outcomes

The mid term evaluation update report for the current ESF programme explained that, in terms of disabled people's employment status prior to receiving ESF support, of those who were inactive on joining the programme just under a half (47%) had a disability/health problem (this is a substantial increase on the position at the mid-term where 36% had a disability/health problem). This may be compared to those who were in work on joining the programme at the update (49%) where only 8% had a disability/ health problem.

The association between disability and unemployment/inactivity in the labour market is further highlighted when looking specifically at the labour market status of beneficiaries who had a disability/ health problem on entry to the programme. As the table below indicates of those who were had a disability/health problem, almost three quarters (77%) were unemployed/economically inactive prior to joining the programme with almost a half being inactive.

Table 14 Disabled Beneficiaries within Employment Categories (MTE in brackets)

| | Disabled/health problem on Entry to Project % | |
|--------------------|---|------|
| Employed | 15 | (15) |
| Unemployed | 28 | (20) |
| Inactive | 46 | (57) |
| Education/Training | 8 | (7) |

Base: 780

Source: 2005 Beneficiaries survey

In relation to beneficiaries who already experienced the “disadvantage” of having a disability/health problem, 42% experienced two further disadvantages compared to the total sample where 16% have three or more disadvantages. The most commonly mentioned of these “further” disadvantages was being long-term unemployed on entry (62% of all those who had a disability/health problem on entry). Clearly, disabled beneficiaries are more likely to experience a range of barriers which limit their employment in comparison to those who do not experience a disability/health problem. It can also be seen that the Programme appears to be effective in reaching those disabled beneficiaries who are among the most disadvantaged.

Table 15 below from the ESF mid term evaluation update report, demonstrates that the programme appears to be successful at encouraging beneficiaries with a disability/health problem to enter education and training. This is a particularly positive outcome because, as mentioned previously and as indicated later in this chapter, the Programme may act as a stepping stone for inactive beneficiaries by helping them to enter education and training which may then lead to employment.

The level of inactivity for those with a disability/health problem (not including those in education and training) fell by 11 percentage points from joining to immediately on leaving which is slightly more than for the sample as a whole (8 percentage points). It then increased slightly over the next six months – in common with the overall sample.

Table 15 Distribution of Activity Across Four Time Periods for those with a Disability/Health Condition (update total sample in brackets)

| | On joining Project % | On leaving project % | At time of survey % |
|---------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| In paid work | 15 (43%) | 31 (57%) | 36 (62%) |
| Unemployed | 37 (31%) | 23 (21%) | 21 (18%) |
| Inactive: | 46 (25%) | 46 (20%) | 43 (18%) |
| In education or training | 7 (6%) | 15 (9%) | 9 (6%) |
| Not in education or training | 39 (19%) | 31 (11%) | 34 (12%) |
| <i>Base</i> | 363 | 363 | 363 |

Source: 2005 Beneficiaries’ Survey – all those who gave an answer.

Base: All those who answered the questions from Wave 2.

The mid term evaluation update report concluded that:

- for disabled beneficiaries, as with beneficiaries overall, there are positive ongoing effects of participating in the programme. The level of employment increased sharply from on joining to immediately on leaving (by 16 percentage points - a larger increase than for the sample as whole – 14 percentage points). The unemployment rate decreased and again this is by a larger proportion than for the sample as whole – 14 percentage points compared to 10 percentage points.
- the level of inactivity for those with a disability/health problem (not including those in education and training) fell by 9 percentage points from joining to immediately on leaving which is slightly more than for the sample as a whole (8 percentage points). It then increased slightly over the next six months – in common with the overall sample.

Disabled people are a specific target group for the new programme. The new programme will fund activities to help unemployed and inactive people with disabilities and health conditions to enter and remain in work, and provide appropriate support to retain in employment people who become disabled or who develop health problems.

Disabled people and qualifications

Table 12 above from the 2005 Beneficiary Survey shows that, at the time of the survey, disabled people were least likely to have gained a qualification than any of the other groups listed (55%).

This may be due to the large proportion of disabled people who have multiple disadvantages when joining ESF projects.

The programme will target people with no or low level qualifications including those with basic skills – which is likely to include a large proportion of people who are economically inactive and disabled.

Age and qualifications

Table 16 Qualifications gained by age range

| Age | Base | Qualifications Gained |
|-------|------|-----------------------|
| <18 | 86 | 81% |
| 18-24 | 331 | 71% |
| 25-34 | 451 | 70% |
| 35-49 | 796 | 69% |
| 50+ | 399 | 60% |

Source: 2005 Beneficiary survey table 6.6 (extract).

Table 16 from the 2005 Beneficiary Survey shows that beneficiaries over the age of 50 are least likely to gain a qualification (60%) while under 18s are most likely (81%).

Table 17 Satisfaction, dissatisfaction and net satisfaction with quality of the course, by key beneficiary groups (2005 ESF Beneficiaries Survey / MORI)

| | | Satisfaction % | Dissatisfaction % | Net satisfaction % |
|-----------------------------------|-------|-------------------|----------------------|-----------------------|
| Total (sample) | 2,063 | 91 | 5 | +86 |
| Gender: | | | | |
| Women | 1,179 | 93 | 5 | +88 |
| Men | 884 | 90 | 6 | +84 |
| Labour Market Disadvantage | | | | |
| Disabled | 363 | 90 | 7 | +83 |
| BME | 292 | 88 | 6 | +82 |
| Age 50+ | 399 | 93 | 4 | +89 |

The 2005 beneficiary survey asked beneficiaries about their level of satisfaction with the ESF course / measure that they attended.

The results indicate that the overall net level of satisfaction across all of the groups listed in the table was very high – in excess of 80% in all cases. Levels of dissatisfaction were low and were within a narrow range of 7% for disabled people to 4% for people aged 50+.

Has a negative impact been identified on any group?

No.

In the context of this impact analysis, a negative impact is a detrimental impact and should not be confused with a differential impact.

The absence of a negative impact does not, in itself, mean that further development work is not necessary since differential impacts may, in themselves, be undesirable. The mainstreaming approach, which will be adopted during the next programme period will be one which encourages continuous improvement and sharing good practice. It will also be integrated with programme monitoring and evaluation so that representation and performance can be monitored during the life of the programme.

A differential impact in terms of representation, rather than a negative impact, has been identified for disabled people on 'reported' data derived from ESF project claims. However, this apparent under-representation on reported data, derived from ESF claims completed by the projects, has not been identified on self-declared data derived from the leavers surveys (see table 2 above). Disclosure of disability has been a long-standing problem when gathering programme data and this conflicting picture probably indicates that disability is being under-reported by projects through lack of disclosure.

The new programme will have a new management information system which derives its information from trainee records. These will be completed by trainees themselves and disclosure rates for disability are likely to be higher on these self-disclosed forms.

In addition, ESFD will consider commissioning work to look at ways in which disclosure of disability can be encouraged in order to better tailor training to meet the needs of disabled people as well as encourage disclosure for programme MI purposes.

The programme priorities and the indicative activities set out at the beginning clearly explain that disabled people are a target group for the programme.

Although the current programme has had a positive impact by helping more women move into full time employment, the overall pattern of movement into work broadly reflects the current status quo in the labour market with a large number of women engaged in part-time employment. The new programme will need to encourage and help more women to move into better-paid full time employment as well as encourage more women to upskill and progress within their careers as well as move into non-traditional occupations. Regional Skills Strategies, and plans and tender prospectuses prepared by Co-Financing Organisations, will need to set out how they will ensure this provision is available and how they will deliver this in their regions.

Although the current programme is having a positive impact in helping older workers and people who are disabled back into work these groups perform less well than others in terms of gaining employment or qualifications. Again, mainstreaming arrangements and effective regional plans will need to consider how best to improve performance in these areas.

The programme has had a positive effect in helping people from ethnic minorities move into employment. There is labour market evidence that people from Pakistani and Bangladeshi groups, particularly women, face particular difficulties in finding work. CFOs and their providers will be expected to consult with local ethnic community groups and consider the varied needs of people from the various ethnic minority groups / sub groups at the sub-regional level when preparing their delivery plans. Regional partners will also be expected to continue to use local, credible labour market data to target groups, sub-groups and areas where this is appropriate.

The groups that are being targeted by the programme are those identified by Berthoud as the most likely to suffer multiple disadvantage in the labour market. The programme is unlikely to have detrimental effect on these groups since they are actually being targeted for help by the programme.

However, the programme will need to ensure that appropriate mainstreaming arrangements are in place to encourage regional partners to view their strategies and delivery plans through an 'equality lense' which identifies the varied needs of people who are multiply disadvantaged and offers an appropriate and varied range of support.

The process of mainstreaming equal opportunities will continue in the new programme and this will include promoting equal opportunities and access for disabled people.

Could the impact be minimised or removed?

N/A

Does the policy, process or service have a positive impact on any group?

The policy clearly has a positive impact on women, disabled and BME groups and this is due to the commitment towards mainstreaming equal opportunities throughout the programme at all levels.

The new 2007-2013 programme will build upon the practices, principles and lessons learned in mainstreaming equal opportunities in the 2000-2006 programme. It will maintain the 'dual approach' to promoting gender equality and equal opportunities by funding specific projects which target women and disadvantaged groups as well as integrating equal opportunities into the planning, implementation, monitoring and evaluation of the programme as a whole. The Programme Monitoring Committee (PMC) and regional partnerships will continue to review equal opportunities on a regular basis.

A new equal opportunities working group of the PMC will be established for the 2007-2013 programme. The working group will be chaired by the Managing Authority and will report on progress to the PMC on a regular basis. The working group will be responsible for preparing and overseeing the delivery of a national mainstreaming plan. This plan will aim to ensure that equal opportunities are fully integrated into the programme. Reporting arrangements will be established between the regions and the national committee.

The equal opportunities working group will be outward-looking and will share good practice and ideas with other Structural Fund programmes within the UK.

The equal opportunities working group will review existing arrangements and lessons learned during 2000-2006 and revise guidance to providers and regional partners accordingly. A key aspect of this review will be to look at the key lessons learned during the Equal programme and ensure that good or innovative practice is readily available and shared with partners.

The Equal-WORKS digital repository (database) will be promoted and maintained at least during the first half of the new programming period. This repository will contain many of the Equal training materials developed during 2000-2006 and will be easily navigable from the internet. The repository may also be extended to include materials and successful innovations developed under the new ESF programme for England.

The programme will aim to promote, as far as possible, a balanced participation of women and men in the management and delivery of the programme. The equal opportunities sub group will review the gender balance of the PMC and regional partnerships, and will assess the extent to which the different committees are gaining access to appropriate equal opportunities expertise.

All partners associated with the programme will be expected to maintain their public duty to promote equal opportunities according to the latest equal opportunities legislation.

The programme evaluation strategy will continue to gather equality data which can be used for on-going monitoring towards equality targets as well as informing the evaluation of equal opportunities. Beneficiary surveys will also continue to gather more information about the personal characteristics of beneficiaries, what happens to them before, during and after training and also to assess their levels of satisfaction with the course or measure they are attending.

Conclusion

The results from this initial impact assessment indicate that the programme is likely to continue having a positive impact on the equality groups and that a full impact assessment is not necessary.

The DWP's ESF Division is committed to the principle of continuous improvement in the delivery of the ESF programme and will consult appropriate equality groups on the content of this initial impact assessment.

Any further changes to the proposed programme which arise from reviews of this impact assessment screening report will be recorded and details will be made available on the Department's website.

Review:

Signed:

Date: