

Evaluation of the Brent Navigator pilot

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Summary

The employment-focused Navigator service was piloted by Brent Council's new Employment & Enterprise team during 2013. It was designed as a signposting service to support out-of-work residents facing considerable constraints to employment, with an initial focus on those due to be affected by the overall benefit cap. The pilot was initially delivered by six Navigators and a Navigator Manager.

The main aims of the pilot were to actively engage 300 households in which residents had complex constraints to employment; to support individuals in 35% of the actively engaged households to move into employment; and to support 75% of those to sustain employment for six months.

Engagement, services and outcomes

Navigators identified residents they thought would benefit most through extensive outreach work in the community and co-working with other council teams. Through this outreach work, Navigators met with and supported many more residents than became active cases, still signposting and supporting them whenever they could.

The Navigator pilot **supported 122 residents as active cases**. This was short of the original target of 300, reflecting strategic decisions that were made by the team when the service was downsized in the summer of 2013, and the intensity of support participants needed when external services weren't available.

Slightly more than half of participants were due to be affected by the overall benefit cap during 2013. The average age of participants was 39, 80% of participants were female, 60% were lone parents, and most participants had dependent children. Nearly half of participants lived in temporary accommodation and a third lived in private-rented accommodation. Over two thirds had been out of work for at least three years and one in five had never worked. These characteristics suggest that **most participants had evident, multiple constraints to employment**, which was reflected in the more subjective constraints to work observed by Navigators.

The support provided by Navigators was highly personalised around participants' needs. Navigators met participants at least weekly, but this varied a lot. Meetings ranged from a whole afternoon of intensive job searching, to accompanying a participant to another service, to dropping off leaflets at a participant's house.

As the pilot rolled out, Navigators identified more gaps in the services available to residents than they had originally expected, particularly around employment support itself. As a result of these gaps, Navigators made the decision to deliver a greater degree of employment support themselves than originally intended, or spent a lot more time advocating for better outcomes where services did exist.

Jobs were secured and started by 56 Navigator participants by the end of 2013, a job start rate of 46%. This **exceeds the pilot's target of 35%**, and likely reflects the ingrained employment focus of the service, particularly following the reallocation of some of the pilot's resources in the summer of 2013. Jobs were mainly secured in cleaning, care, and customer services, and were usually paid at or slightly above the National Minimum Wage, lasting for 16–24 hours per week.

Job starts were more likely among participants who were due to be affected by the benefit cap, which may reflect the urgency of action that the cap forced upon households: find work, move house, or see your benefits reduced substantially. Job starts did not vary measurably by age, tenancy status, ethnicity or benefit type.

Of the 13 participants who had started working over six months ago at the time of final data collection, 11 had remained in work. While these numbers are too small to explore further or draw robust conclusions from, they suggest that **the pilot is on track to achieve or exceed the target of 75% of job starts being sustained for at least six months.**

Impact and cost-effectiveness

The level of job entries and job sustainment achieved by the Navigator pilot appear to have exceeded targets, and indicate a positive impact on employment. This does not represent the true impact of the pilot, however, as gross outcome levels do not account for those employment outcomes that would have occurred anyway if the Navigator service hadn't existed. Therefore we have estimated what that level would have been, in order to quantify the net or *additional* impact of the pilot.

Using robust and comparable data on the wider Brent population due to be affected by the overall benefit cap, we estimate that **49% of the job entries achieved by Navigator participants were additional, and would not have occurred in the absence of the pilot.** Put differently, if the pilot hadn't happened, we estimate that 29 participants would have started work over the period, rather than 56. This estimate is statistically significant, meaning that we can be confident that the difference we have identified is not due to random chance. **The large, positive and significant additional impact that the Navigator pilot had is an indicator of success.**

On the basis of this impact estimate and data collected on council expenditure, we have quantified the cost-effectiveness of the pilot for national government, Brent residents, Brent Council and the Brent economy. Our main findings are as follows:

- The Navigator pilot **cost £285,000**. Unit costs (per participant, per job entry and per additional job entry) were on the expensive side of that observed in the provision of mainstream DWP employment programmes.
- The Navigator pilot **brought an additional £292,000 to Brent in national DWP / HM Revenue and Customs welfare expenditure**, just above the figure spent on it.
- The Navigator pilot **produced a total additional income to Brent residents of £391,000**, 37% higher than its costs. Much of this income is likely to be spent on local services or businesses, boosting the local economy.
- The Navigator pilot also **brought additional cashable savings to council budgets of £187,000**, two thirds of the costs of the pilot. It did this largely by preventing some of the worst outcomes of the overall benefit cap through supporting affected residents into employment.

Taking these perspectives together, we conclude that **although it was expensive, the Navigator pilot was a cost-effective initiative from the perspective of residents, Brent Council, and the local economy.**

Recommendations

The Navigator pilot had a significant, positive impact on employment among Brent residents, and has demonstrated cost-effectiveness from multiple perspectives. On this basis, **we recommend a continued role for the Navigator service within Brent**. We recommend that a future Navigator service retains the key strengths of the Navigator pilot (including its dynamism, flexibility, and the continuity of service provided in and out of work), and looks at developing or changing in other areas (including the extent to which it empowers residents rather than doing things for them, and the differentiation of roles within Navigator teams).

There are a number of opportunities for a future Navigator service to continue to have an impact on Brent residents. These include focusing on a broader set of outcomes than just employment (for example, within the West London Community Budget); continuing to focus on welfare reform cliff edges where cost-effectiveness is most evident; or focusing on the most disengaged residents that the Navigator service has proven it can support.

1 Introduction

While unemployment in Brent had stayed at or below the London average during the recession, at the end of 2012 the Brent unemployment rate stood at 12.4%, more than three percentage points above the figure for London.¹ At this time, Brent was due to see the largest number of residents affected by the overall benefit cap of any local authority in the country, meaning that up to 3,300 workless Brent households would have their Housing Benefit reduced during 2013 unless they found work or moved to cheaper accommodation.² The council was also facing new responsibilities to deliver for workless residents including the localisation of Council Tax Support and the devolution of discretionary Social Fund responsibilities, all within an increasingly fiscally constrained environment.

It was in this context that the employment-focused Navigator Service was conceived and set up by Brent Council's newly-established Employment & Enterprise team. The service was designed to support out-of-work residents facing considerable constraints to work, with an initial focus on those who were due to be affected by the overall benefit cap.

"The Navigator set out to engage the most excluded residents in Brent with complex constraints to employment, and empower them to overcome those constraints by signposting to relevant services and advocating for better outcomes."(Navigator)

A 12-month pilot of the Navigator service began in January 2013, acting primarily as a signposting service, directing residents to relevant provision and supporting them to access it. A Navigator Manager and six Navigators were hired to engage with residents and provide the service.

The Navigator service sought to approach provision from the perspective of residents, identifying gaps and working with relevant council departments and external bodies to tackle constraints to employment.

The main aims of the pilot were to:

- Identify and **engage 300 households** where residents have multiple and complex constraints to employment and are not currently engaging with or getting the best out of services that are available to them;

¹ July 2011–June 2012 average. Source: Annual Population Survey, Office for National Statistics

² Official response to Parliamentary Question 12/93739

- Support these households to understand and navigate the often complex services and provision available to them. Signpost these residents to relevant services so that their constraints can be addressed in a holistic manner, advocating for a better service where necessary; and
- Support individuals in **35% of the actively engaged households to move into employment and 75% of those to sustain employment for six months.**

As well as a central focus on employment outcomes, Navigators described their aims as engaging more widely with the community than previous council employment initiatives had; spreading the word about the benefit cap; gaining an understanding of services available in the borough; taking a critical eye on the council's provision; and developing partnerships and breaking down barriers across internal and external services.

The Navigator service was scaled back during its pilot year. In the summer of 2013, additional requirements within the Employment & Enterprise team meant that three Navigators were transferred to other roles and the Navigator Manager's duties were transferred elsewhere for half of her time. In addition, one of the remaining Navigators left her post in the autumn and it was decided not to replace her until decisions had been made about the future of the service.

This report captures the achievements of the Navigator pilot in terms of the outcomes achieved, the impact of the service, and its cost-effectiveness. In order to do this, *Inclusion* has conducted the following research activities:

- **Analysis of management information data collected during the pilot** in order to establish outcomes achieved;
- **Analysis of administrative data on Brent residents affected by the overall benefit cap** in order to establish the net impact of the pilot;
- **Five face-to-face interviews** with pilot participants;
- A **focus group** with the Navigator Manager and Navigators; and
- **Analysis of data on pilot costs, administrative data on council expenditure and relevant literature** to estimate the cost-effectiveness of the pilot.

2 Engagement, services and outcomes

This chapter details the processes by which participants became involved with the Navigator service, the ways in which Navigators worked with them, and the pilot's performance against engagement and outcome targets. It also provides five case studies of participants' experiences during pilot.

2.1 Attracting and engaging participants

Because part of the Navigator pilot was about getting out into the community and engaging with a broad range of residents on welfare and employment issues, there were no strict eligibility criteria for active participation. However, Navigators focused on engaging households that they thought would benefit most: those affected by the benefit cap or wider welfare reforms; and those with complex constraints to employment who had some interest in finding work.

Residents who would benefit were identified through outreach work and, for those affected by the overall benefit cap in particular, co-working with the council's Revenues and Benefits, and Housing teams. The Navigators and Navigator Manager spent time developing their recruitment skills, and identifying routes into parts of the community that hadn't traditionally engaged with employment services and initiatives. Particularly in the early months of the pilot, Navigators engaged extensively via door-knocking and by visiting community hubs.

"We went to various places where people congregate or where there are services people use that aren't necessarily focused on employment. It could have been anything from Children's Centres to barbershops." (Navigator)

Many residents that were approached were happy to get involved straight away, but others took more convincing.

"It had to be about something much more than just what every person had said to them already. So that idea that the Navigator service was something that worked holistically and worked across every silo in the council was the selling point." (Navigator)

Case study 1: Subira

Amy is a single mother with one son of primary school age. She had been looking for work for three years. She agreed to join the Navigator pilot following a visit from the team to her son's school. The Navigators attended a parent-teacher coffee morning and Amy was paired up with her Navigator for an initial discussion.

"When Navigators came to my son's school to introduce themselves, everyone was happy. I was happy to work with my Navigator."

Amy had been looking for jobs in cleaning, customer services and retail. A particular problem for her was that most cleaning vacancies have inappropriate hours, as they begin before she needs to drop off her son at school. For example, Amy recently went to shadow a cleaning shift which began at 8:30am, meaning that her son had to sleep at a friend's house.

"Some of the cleaning jobs start at 6am. Where will I put my boy?"

Amy has been meeting her Navigator twice a week at various locations including the library and community centre. While she acknowledges that this flexibility is helpful, she thinks it can also cause confusion and would like there to be a central office that she can go to for help when she needs it.

Amy's Navigator helps her look for vacancies and has taught her how to write a CV, apply for jobs online and use email. During regular meetings she and her Navigator go through job searches and applications together, and Amy's Navigator helps her to tailor her applications for different roles.

Amy is now confident that she will find work and has been able to apply regularly for jobs as they come up. Amy feels the service is particularly effective because of the relationship she has been able to develop with her Navigator over a number of months.

"The Navigators really have time for me!"

Navigators met and engaged with a number of residents who didn't become active participants. Sometimes this was because they were inappropriate for the service, for example, because they didn't have a right to work in the UK, or because their constraints to employment were not that complex. In other cases the resident decided that they didn't want to take part. When Navigators met residents who didn't become active cases, they still signposted them to appropriate support or provided advice and guidance where support wasn't available.

The Navigator pilot supported **122 residents** as active cases. This was short of the original target of 300, reflecting strategic decisions that were made by the team when Navigators' and the Navigator Manager's time were re-allocated to other duties, and the intensity of support participants needed when external services weren't available. In order to retain a high-quality service and manageable caseloads, the Navigators stopped recruiting new residents and focused exclusively on getting those they were working with already into employment.

Navigators felt that this reallocation of resources and reprioritisation was somewhat challenging and disruptive.

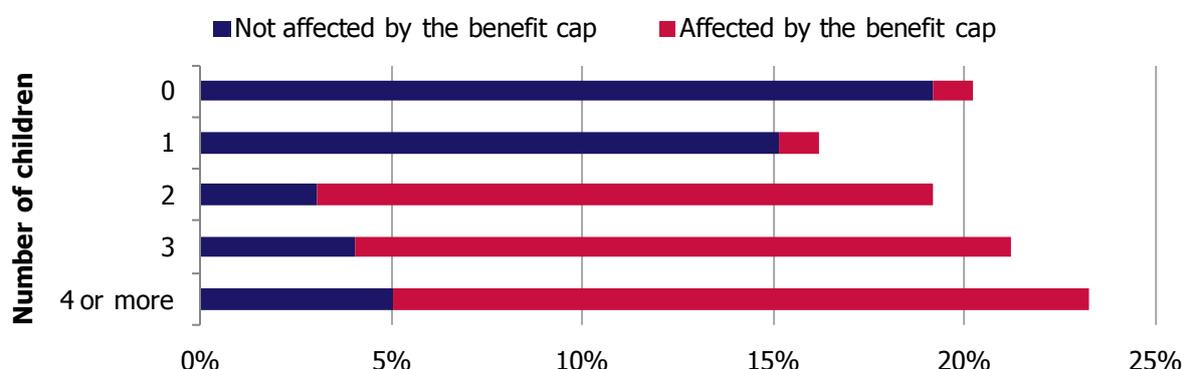
"We went through a period of flux for quite a while...we knew that certain priorities were changing, and that did have an impact on morale. It was demotivating at times. I think the pilot was undermined for a while." (Navigator)

2.2 Characteristics of Navigator participants

Approximately 70 of the 122 Navigator participants (57%) were in households that were due to be affected by the **overall benefit cap**. Participants affected by the benefit cap differed from those who weren't in certain respects (detailed below), and were broadly similar in others.

The average **age** of participants was 39, with almost everyone aged 25 and over, and most in the 25-44 age band. 80% of participants were **female**, and 60% of participants were **lone parents**. It perhaps follows that most participants had **dependent children**, as shown on figure 2.1.

Figure 2.1: Navigator participants by number of dependent children and whether affected by the benefit cap

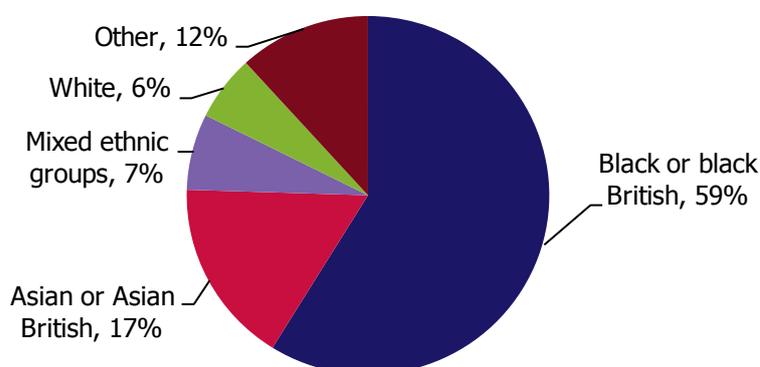


Source: Navigator pilot management information data (excluding unknowns), Brent Council

Figure 2.1 also shows that participants with lots of children were much more likely to be affected by the benefit cap, which is not surprising given that the cap is known to disproportionately affect large families.³ Those participants who are lone parents were also much more likely to be affected by the benefit cap, again reflecting the incidence of the cap nationally.

In terms of **ethnicity**, figure 2.3 shows that three in five participants were black, a further 17% were Asian, and only 6% were white. Participants affected by the benefit cap were slightly more likely to be black than those who weren't.

Figure 2.3: Navigator participants by ethnicity

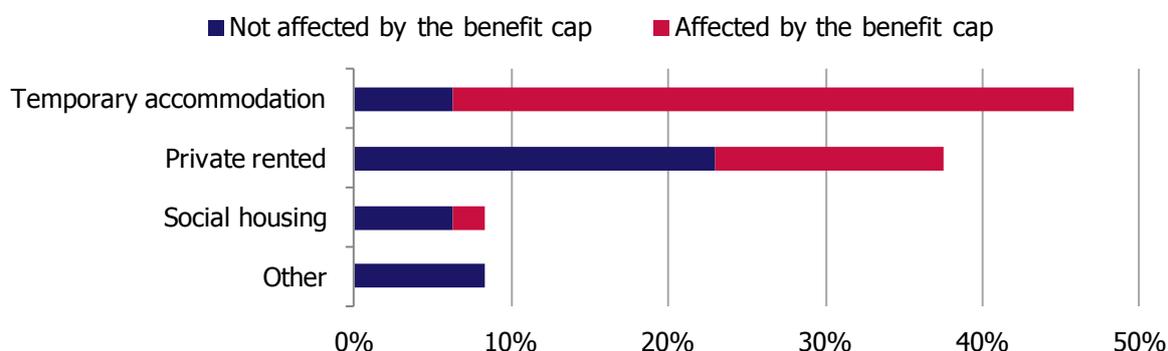


Source: Navigator pilot management information data (excluding unknowns), Brent Council

In terms of **tenancy type**, figure 2.2 shows that nearly half of Navigator participants lived in temporary accommodation, while over a third lived in private-rented accommodation. The figure for temporary accommodation in particular may seem surprising, but the associated high housing costs and more precarious tenancy status will translate into employment constraints, which is what the Navigators were targeting during the recruitment process. The concentration of participants affected by the benefit cap in temporary accommodation will similarly reflect the higher cost of this tenancy type.

³ Department for Work and Pensions (2012) *Impact assessment for the benefit cap*

Figure 2.2: Navigator participants by tenancy type and whether affected by the overall benefit cap

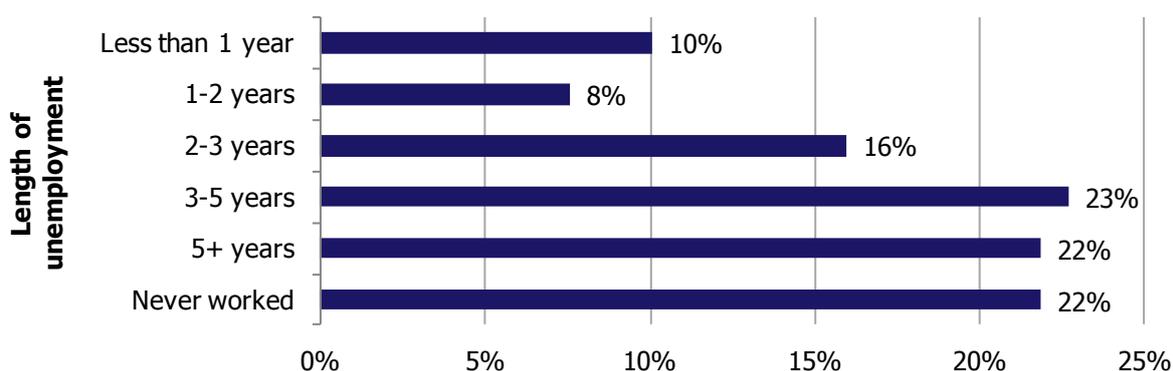


Source: Navigator pilot management information data (excluding unknowns), Brent Council

Data on the **out-of-work benefits** claimed by participants was not recorded consistently throughout the pilot. The information available suggests that Navigator participants were most likely to be claiming Income Support as a lone parent or Jobseeker’s Allowance, to roughly equal extents.

We do, however, have consistent information on the **length of time that Navigator participants had been unemployed** (figure 2.4), which shows that more than two thirds had been out of work for at least three years, and one in five had never worked (the majority of this group were participants affected by the benefit cap). This unemployment profile suggests that most participants were relatively out of touch with the world of work, again likely reflecting the Navigators’ explicit targeting of those with evident employment constraints.

Figure 2.4: Navigator participants by length of unemployment



Source: Navigator pilot management information data (excluding unknowns), Brent Council

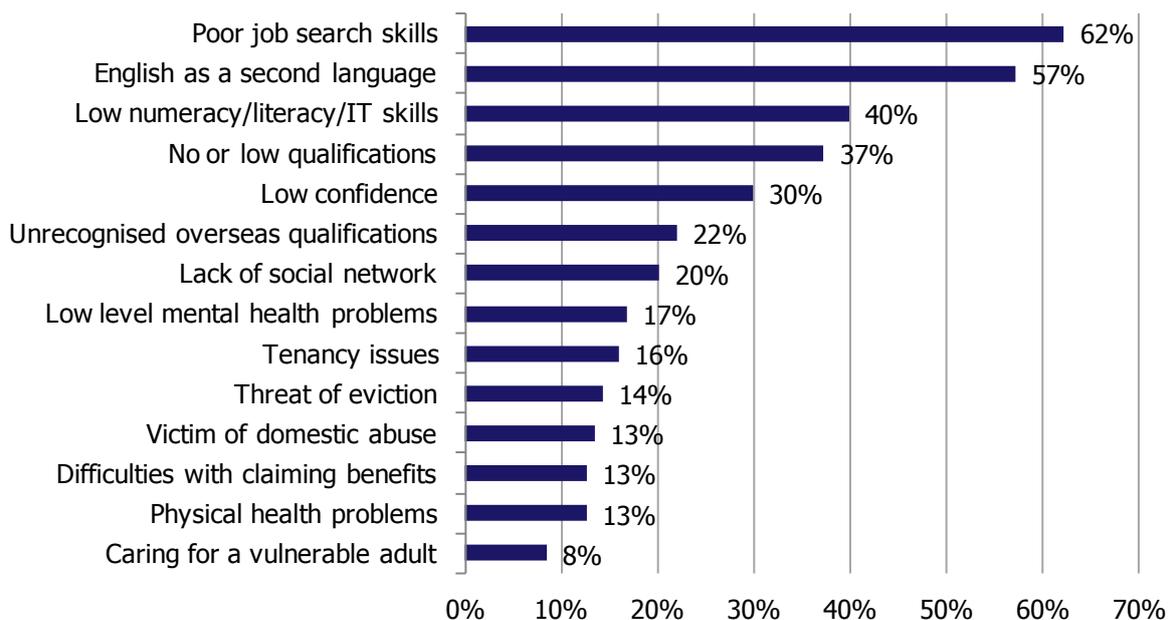
In general, Navigators felt that participants who came to them for reasons other than the benefit cap had more significant constraints to employment. These constraints are not recorded in the observed characteristics detailed in this section. Indeed, participants affected by the benefit cap could be considered to have more

significant constraints in the observed data: they were much more likely to live in temporary accommodation, have numerous children, and have never worked before. Navigators cited constraints such as learning difficulties, being affected by the bedroom tax, rent arrears, alcohol addiction, health conditions (including mental health), the involvement of children’s social care, caring responsibilities and homelessness as issues particularly for participants not affected by the benefit cap, many of which are not recorded in observed participant characteristics.

2.2.1 Constraints to employment

As discussed above, the Navigator service was designed to work intensively with Brent residents with significant constraints to entering work. Such constraints were assessed when participants started working with Navigators, and the most prevalent are summarised on figure 2.5, below.

Figure 2.5: Navigator participants’ constraints to employment (recorded by Navigators)



Source: Navigator pilot management information data (excluding unknowns), Brent Council. Only constraints affecting 10 or more participants have been included

Many of these constraints are to some extent subjective; however Navigators worked with common definitions in terms of identifying and recording them. These definitions are listed in annex three.

Figure 2.5 highlights poor job search skills and English as a second language as constraints affecting more than half of participants. It also shows that some of the more objective constraints commonly associated with poor employment outcomes – English as a second language; low numeracy, literacy and IT skills; and no or low

qualifications – each affect more than a third of participants. Finally, some severe and immediate constraints not directly related to employment prospects but likely to have a considerable impact on individual circumstances – including the threat of eviction and domestic abuse – affect a not insignificant minority.

Given the prevalence of a number of constraints, it is important to note that many participants were dealing with multiple issues listed on figure 2.5 at the same time.

At the end of the pilot, Navigators summarised the relative prevalence and challenges associated with the constraints their participants experienced as follows:

Table 2.1: Main constraints experienced by Navigator participants according to prevalence and difficulty (Navigator focus group)

Most prevalent	Most difficult to overcome or resolve
Childcare and caring responsibilities English language skills (particularly written) Ability to write job applications Housing issues (particularly for those in temporary accommodation) Access to IT and IT skills Lack of employment experience Lack of understanding of the realities of the job market / understanding of what having a job involves	Childcare and caring responsibilities Health problems and disabilities (particularly regarding the lack of Jobcentre Plus adviser support for those on health-related benefits) Access only to poor-quality vacancies and those with precarious working conditions (including zero-hours contracts)

Source: Navigators and Navigator Manager focus group

Navigators felt that some of the prevalent constraints related to employability (particularly a lack of understanding of the realities of the job market) were only easy to overcome because the Navigators ‘stepped in’ and personally provided very intense support and guidance to participants on the road to employment. They were not effectively addressed when Navigators signposted participants to other services.

In particular, Navigators raised concerns about the childcare needs of the group they had been working with. They highlighted the combination of childcare shortages, childcare costs, and the fact that available childcare doesn’t align with the timing of available jobs as making this prevalent constraint particularly difficult for their participants to overcome.

2.3 Support provided by Navigators

When residents became active participants in the Navigator pilot, they would start by completing an active case survey in order to record basic administrative information, and formulating an action plan in partnership with their Navigator. The action plan would set out a series of intermediate goals that the two would work towards in order to get work.

Navigators met participants at least weekly, but this varied a lot from participant to participant. The length of meetings also varied considerably, reflecting the variety of things Navigators did with their participants and the personalised nature of the service: from extensive job searches, to group sessions with multiple participants, to attending another service with a participant, to dropping off useful information at the participant's house.

"The contact was always so different from resident to resident. Very often you would be meeting at a service, like the Jobcentre, or where they were meeting with someone else and you were going along for support...or you would be dropping off leaflets for them...it could be ten minutes or it could be an afternoon."(Navigator)

Navigators attempted to signpost participants to a huge variety of services, or advocate for them at these services. These included Jobcentre Plus, Work Programme providers, Citizens Advice Bureau, the National Careers Service, GPs, housing associations, Children's Centres, colleges, schools, libraries, health services / charities, drug and alcohol services, and various council departments.

As the pilot rolled out, Navigators identified more gaps in the services available to residents than they had originally expected. Many services that did exist were viewed as inflexible or poor-quality, and many residents had had negative experiences in the past.

The best services to refer to, from the Navigator's perspective, were often those with which Navigators already had a warm relationship with a skilled individual, and so could hand over cases properly. In addition, Navigators reported good experiences with flexible services where participants could just 'drop in' for support without the threat of sanctions (such as English as a second language classes at the library), and the professionalism and impartiality of services like the Citizens Advice Bureau. Finally, Navigators often played a role by successfully facilitating access to specific support from the council and other statutory public services connected to health, educational, housing and benefits needs.

Case study 2: Jackie

Jackie had been out of work for nine years and had been looking for work for two years. She has two children in full-time education and one younger son who attends school on a part-time basis, due to his difficulties managing a full week.

While out of work she studied for a Level 3 qualification in beauty therapy and a Level 2 qualification in hairdressing. However, when applying for roles in this field recruiters demanded recent experience, which she lacked.

"When I started looking for a job I was looking for what I trained for but at the end I was looking into hospitality, retail and anything else."

Jackie first met a Navigator while she was at Jobcentre Plus and has been meeting her Navigator once a week since. She spends her time with her Navigator browsing for jobs online, applying for jobs, improving her CV and practicing interview skills.

The support has meant Jackie is now able to look for work online confidently, apply for jobs and attend interviews.

"It has been worth it. There are some things I wouldn't have been able to do and nobody else was helping with that. With [Navigators], they tend to tell you how to write an application, how to speak and all of those things, their support accumulates and you learn how to get better really."

Additionally, Jackie has received specific support around her youngest son's health and educational needs. Her Navigator has helped her son to secure a speech and language assessment to see if he is entitled to extra support at school. This could mean he can attend school full time, freeing up more of Jackie's time for employment.

Navigators thought that the biggest gap in local service provision was around employment support itself. The National Careers Service's face-to-face and telephone support was not able to provide the level of support that participants needed: it was targeted at those with some IT skills or those who could write CVs independently. However, the National Careers Service website was helpful and informative. Jobcentre Plus was felt to provide insufficient support for participants who weren't claiming Jobseekers Allowance, although the co-location of Advisers within the council was very helpful. Finally Work Programme providers, although engaging with some participants, generally weren't seeing them very frequently and seemed dis-incentivised to engage in any conversation around increased support.

"With [my Work Programme provider] I did nothing – I just did one CV and had to apply for jobs without help, without advice, nothing." (Participant)

As a result of these gaps, Navigators made the decision to deliver a greater degree of employment support themselves than originally intended, or spent a lot more time advocating for better outcomes where services did exist.

Thus the Navigators' job became increasingly hands-on. During meetings, participants were supported with job searching, applications and CVs. Navigators did job brokerage with local employers, and advised participants on what to wear and how to approach interviews. Participants were given advice and advocacy support on approaching other services. Participants generally responded very positively to this support.

"Every time I visit Navigators, we talk about how I'm doing. Then we're straight on the computer and looking for jobs and phoning employers. We phone some during the meetings. Some get back to you and some call you for interviews." (Participant)

Navigators also spent a lot of time writing job applications on behalf of participants. They acknowledged that this was not the ideal solution as it created a certain amount of dependency on their support. But they thought that this was unavoidable in many cases given the prevalence of low English language skills, the need to secure job outcomes, and the desire to make a positive change in participants' lives.

"One of our biggest issues was that we were torn between empowering people and creating this very dangerous state of dependency. But in order to have an impact, to get things done, to move things forward when people are under the threat of eviction, for example, there an extent to which we had to get in there and do things to move things along quickly. But in hindsight we probably shouldn't have been writing applications for people, we should have been empowering them to do it themselves." (Navigator)

When participants entered work, Navigators maintained their support. This included regular contact with both participants and employers to check that the job was progressing smoothly, and supporting participants to look for additional or better jobs.

Case study 3: Jamil

Jamil had been looking for work for two years before engaging with the Navigator Service. He lives with his partner and three children. He was born outside of the UK but has previous experience working in the country in a bakery.

Jamil first met somebody from the Navigator team at the Citizens Advice Bureau and has been meeting his Navigator at least once a week ever since, often more. His Navigator has helped him with his CV, job search and applications.

"[We discuss my] CV, about how to make an interview more professional...everything – how to speak, what to wear."

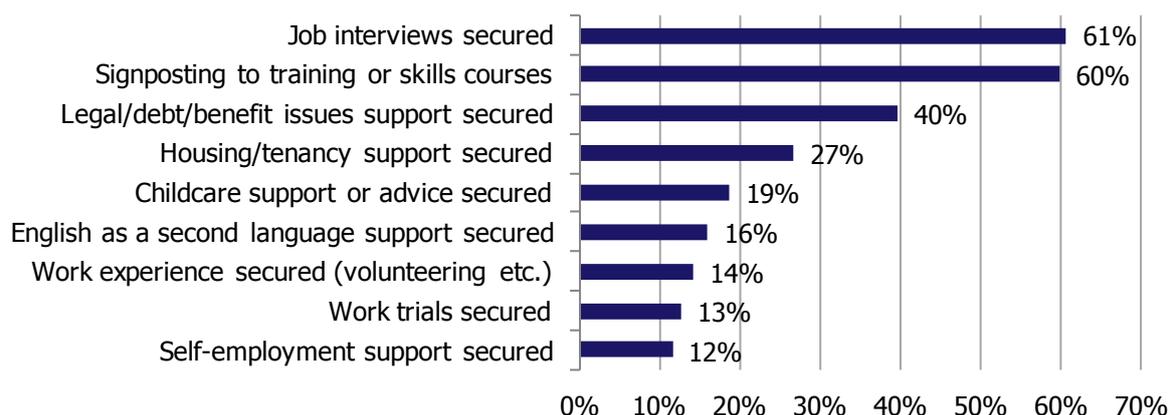
With the support of his Navigator, Jamil has secured 15 hours of employment per week as a cleaner. Jamil continues to meet with his Navigator regularly while working as he is looking to secure additional hours of work in order to become eligible for Working Tax Credits and secure his tenancy by escaping the benefit cap.

In the future Jamil would like to move out of London to a cheaper area. His Navigator has been supporting Jamil towards this end in his conversations with housing and benefits services.

2.4 Outcomes achieved

Although the service was primarily targeting employment outcomes, Navigators viewed a key part of their role as working with participants to help them achieve a range of intermediate or 'soft' outcomes on the path to employment. Figure 2.6 summarises the most common intermediate outcomes secured.

Figure 2.6: Intermediate outcomes achieved by Navigator participants (recorded by Navigators)



Source: Navigator pilot management information data (excluding unknowns), Brent Council. Only outcomes achieved by 10 or more participants have been included

A more detailed definition of what the intermediate outcomes on figure 2.6 consist of is provided in annex three.

Figure 2.6 shows the range and volume of services and opportunities that Navigator participants accessed. In particular, the fact that nearly two thirds of participants experienced at least one job interview during the pilot, whether or not they were successful, suggests that a majority moved closer to work and developed practical experience likely to enhance future employment prospects.

Case study 4: Seema

Seema had been unemployed for just over a year before coming across the Navigator service. Her employment background was in health and social care, but her most recent work experience was in a customer services role. Seema is a lone parent with two children of school age.

Her Navigator first called her after she left her contact details on a signup form. They have been meeting once a week. Seema's Navigator regularly sends her information about vacancies and recruitment agencies, and helps her fill in job applications. Seema and her Navigator have together identified her interview technique as an area in which she would like to improve and have been working together towards this goal.

"If I've got an interview I'll ask 'please, please, please, ask me interview questions!' and [my Navigator] would arrange for somebody who I don't really know from her office to call. They would call me up and they would ask me interview questions and give me feedback."

Seema enjoys working with her Navigator and thinks her Navigator understands what she is looking for.

"I like the personal touch, the one to one."

Since she started working with her Navigator, Seema has completed a customer services course and has had a number of job interviews.

The range and extent of softer outcomes achieved was emphasised by Navigators, who thought that the pilot was not just about getting people a job, but also about achieving stability for the household in the broadest sense and building employability in the long term.

"I'd like to think one of the outcomes that we've worked towards is that ingraining of work ethic and job-search ethic. People knowing what they need to do to get out of this situation in future. We've built up resilience."
(Navigator)

2.4.1 Job outcomes

Jobs were secured and started by 56 Navigator participants by the end of 2013, a job start rate of 46%. This exceeds the pilot's target of 35%, and likely reflects the ingrained employment focus of the service, particularly following the reallocation of some of the pilot's resources in the summer of 2013.

Case study 5: Rashida

Carla is a lone parent with three children. She lives in a private-rented property with which she has had numerous problems due to damp. Her poor housing condition has led to her developing a respiratory illness, which has limited her capability to work over the past year. She hasn't worked in a number of years, but has previous experience in outreach work.

Carla saw the Navigator service advertised in a leaflet at a council building. She thought that is sounded like something she would benefit from, so she contacted the service for support. She was paired with a Navigator, and they have been meeting at least weekly since. Carla's Navigator has helped build her confidence; has helped identify appropriate vacancies and prepare for job interviews; and has also attempted to help Carla negotiate with her landlord to improve her housing situation.

"[My Navigator] was very supportive. She would meet me at locations near to my home...the local Children's Centre mostly. And the main thing is that she didn't give up on me."

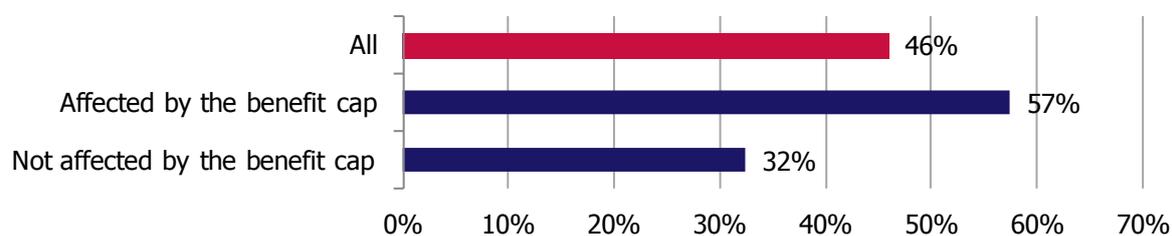
With the support of her Navigator, Carla has started working in a temporary canvassing role. Carla's Navigator saw the role advertised and thought it would suit Carla given her outreach experience and desire not to work in an office environment.

"This was a brilliant opportunity. We applied, [my Navigator] gave a reference on my behalf, and I got the job...I got my confidence together and I decided it was make or break. This was a once in a lifetime opportunity as I'd been out of work since 2006."

Carla had some issues meeting targets early on in the job. The employer has stayed in regular contact with Carla's Navigator in order to support Carla to overcome these issues and be successful in the role. Carla and her Navigator are now working together to secure further employment for when this temporary job ends, which Carla thinks will be much easier now she has recent experience and a good employer reference.

Job starts were more likely among participants who were due to be affected by the benefit cap, as shown below on figure 2.7. This may reflect the urgency of action that the cap forced upon households: find work, move house, or see your benefits reduced substantially. It may also reflect the fact that Navigators felt that participants unaffected by the benefit cap had more substantial employment constraints, many of which are not brought to the fore in the participant characteristic data recorded.

Figure 2.7: Navigator job start rate by whether participants were affected by the overall benefit cap



Source: Navigator pilot management information data (excluding unknowns), Brent Council

Job starts were also more likely among residents who were single parents, had dependent children, and, interestingly, those who had never worked before. These characteristics are all strongly associated with households due to be affected by the benefit cap, as highlighted in section 2.2. It is not possible to unpick whether it was the (threat of the) benefit cap itself, or the composition of the group due to be affected, that drove higher job starts.

Job starts did not vary measurably by participant age, tenancy status, ethnicity or benefit type.

Participants secured jobs with a range of employers, mostly in cleaning, care work and customer services. Navigators reported that most participants had moved into work paid at the National Minimum Wage, although some were paid the London Living Wage. Participants were working an average of 20 hours per week, sometimes split across two 'mini' jobs. The concentration of working hours between 16 and 24 per week correlates with Work Tax Credit eligibility and therefore the amount of work needed to avoid the benefit cap. This suggests that participants and Navigators were focused (at least in the short term) on work that allowed households to return to full Housing Benefit eligibility, and did not push beyond that level.

Although Navigators viewed participants starting work as a very positive thing, they were sometimes concerned that wider labour market conditions – such as the prevalence of low-paid, temporary, inflexible and precarious jobs on offer –

hampered the positive impacts that the transition into employment could have on households.

It is very difficult to compare outcomes from different employment programmes given the different contexts that they operate in and the different groups of participants that they serve. However, on the surface a 46% job start rate appears to represent success, given the complex employment constraints displayed by Navigator participants. As a very rough guide, the Work Programme has so far achieved a job start rate of around 40% for all participants who have been supported by providers for two years.⁴ The Work Programme provides mainstream employment support for long-term unemployed Jobseeker's Allowance claimants and some Employment and Support Allowance and Income Support claimants, many of whom will be relatively closer to the labour market than the group of participants engaged in the Navigator pilot.

The following chapter provides more robust analysis of the relative success of the Navigator pilot, by exploring job outcomes in relation to a much more appropriate comparison group.

Of the 13 participants who had started working over six months ago at the time of final data collection, 11 had remained in work (with their original employer or in a new job). While these numbers are too small to explore further or draw robust conclusions from, they suggest that **the pilot is on track to achieve or exceed the target of 75% of job starts being sustained for at least six months**. This may reflect the fact that Navigators continued to work intensively with participants, and often employers, after they started working. In addition, it is likely to reflect close working with the Department for Work and Pensions (DWP), Brent Revenues and Benefits and the Childcare Information Service to smooth the transition into work for residents.

⁴ Employment Related Services Association (2013) *Work Programme Performance Report – December 2013*

3 Impact and cost-effectiveness

This chapter discusses the impact of the Navigator pilot on employment and other outcomes, and the cost-effectiveness of the pilot in terms of savings brought to the council as well as broader implications for public expenditure.

3.1 Additional impact of the pilot

As discussed in the previous chapter, the level of job entries and job sustainment achieved by the Navigator pilot appear to have exceeded targets, and indicate a positive impact on employment outcomes. The job entry and sustainment rates do not represent the true impact of the pilot, however, as they do not account for those employment outcomes that would have occurred anyway if the Navigator service hadn't existed. In this section we provide an estimate of what that level would have been, in order to quantify the net or *additional* impact of the pilot.

Our analysis of the additional impact of the pilot is based only on job entries, as we lack sufficient data to estimate the service's additional impact on job sustainment and wider positive outcomes. Perceived impacts on a broader set of outcomes are nonetheless discussed at the end of this section.

Accurately estimating the outcomes that participants would have achieved anyway in the absence of an intervention – known as the 'counterfactual' position – is a central challenge within programme evaluation. It is a challenge that many evaluations of employment interventions fail to overcome, due to the lack of consistent outcome data on a comparable group of individuals (or areas) that the initiative can be measured against. It is, however, a very important challenge to tackle as robustly as possible, in order to draw conclusions about the real difference an intervention has made.

In the case of the Navigator pilot, we identified an opportunity to estimate the additional impact on job entries relatively robustly by comparing pilot participants who were due to be affected by the benefit cap with other Brent residents due to be affected by the benefit cap but not involved in the Navigator pilot. Such comparison is possible because the council's Housing Benefit team was, over the course of 2013, collating data on the characteristics of all residents due to be affected by the benefit cap from DWP scans. This data included information on whether residents originally expected to be capped subsequently started claiming Working Tax Credits (WTCs) and therefore avoided the benefit cap. Starting a WTC claim is a very good proxy for job entry, our key outcome of interest in terms of the impact of the Navigator pilot.

Comparing the level of WTC claims among Navigator participants due to be affected by the cap to other Brent residents due to be affected by the cap (the 'control group') might not be valid if there are systematic differences between the two groups. For example, Navigators reported that the residents affected by the benefit cap that the Housing Benefit team referred to them were often those who had failed to engage with initial council communications, or who were due to have their Housing Benefit reduced by relatively large amounts.

To correct for any such systematic differences, we used a statistical technique called propensity score matching to weight the control group so that it more closely matched the characteristics of Navigator participants. Our match was based on a number of characteristics including age, ethnicity, tenancy type, main benefit claimed, family characteristics, and the amount of Housing Benefit due to be withdrawn under the cap. This process only produced a very small adjustment in the composition of the control group, suggesting that Navigator participants affected by the cap weren't very different from the overall cap-affected population in Brent in terms of observed characteristics, on aggregate. This process was nonetheless reassuring in confirming and marginally improving the validity of the counterfactual position we were using. The caveat here is that the two groups may differ in terms of characteristics that were not identified in the data, such as *motivation* to enter work, which the match would not have been able to 'correct' for. For more details of the propensity score matching process, including further assumptions and caveats, see annex one.

Thus, although it comes with caveats, we are confident that we have produced a robust and defensible estimate of the additional impact of the Navigator pilot on job entries, as feasible with available information. We estimate that **49% of the job entries achieved by Navigator participants were additional, and would not have occurred in the absence of the pilot.** Put differently, if the pilot hadn't happened, we estimate that 24% of participants (equivalent to 29 participants) would have started work over the period, rather than 46% (equivalent to 56 participants). This estimate is statistically significant, meaning that we can be confident that the difference we have identified between participants and the control group is not due to random chance. For more details on how this estimate was produced see annex one.

The fact that the Navigator pilot had a significant, positive impact on participants' chances of entering work is in itself an indicator of success. Furthermore, the scale of the estimated impact – essentially a doubling of the number of outcomes that would have happened without the service – is higher than that observed for many

national DWP employment initiatives including the Future Jobs Fund⁵, Mandatory Work Activity⁶ and the New Deal for Young People⁷ (although the difference in methodologies is likely to significantly inhibit comparison).

The findings presented here were echoed by Navigators, who all thought that considerably fewer participants would have got jobs without their support. Navigators recognised that a portion of participants probably would have entered work over the period if the service hadn't existed, but thought that they wouldn't have done so as quickly, and that job sustainability would have been much worse without their continued in-work support. It was not possible to capture these timing and sustainability impacts in our impact estimate.

Navigators were also in agreement that the pilot was successful in having an impact in a much broader sense than producing additional employment outcomes. Navigators highlighted bringing services into more effective partnerships, showing that the council could work dynamically for the needs of residents, uncovering the scale of the challenges faced by residents and exposing to the council the nature of available provision as particularly positive outcomes from the pilot.

"Personally I think we were very successful in highlighting the nature of deprivation in Brent. Highlighting what is needed versus what is actually being done. Highlighting gaps in provision. And I think we made a difference to a few people's lives." (Navigator)

3.2 Cost-effectiveness and council savings achieved

This section discusses the costs and the Navigator pilot and the savings in public expenditure it may be responsible for, in order to comment on its cost-effectiveness.

3.2.1 Costs of the Navigator pilot

The Navigators and Navigator Manager acknowledged that the Navigator service was relatively expensive, in comparison both to previous employment initiatives run in the local area and national employment provision funded by the DWP (including those programmes mentioned above as having much lower levels of estimated impact). They thought this was unsurprising given the intensive way in which Navigators worked with participants over the course of a year.

⁵ Department for Work and Pensions (2012) *Impacts and Costs and Benefits of the Future Jobs Fund*

⁶ Department for Work and Pensions (2012) *Early impacts of Mandatory Work Activity*

⁷ Riley, R. and Young, G. (2000) *New Deal for Young People: Implications for Employment and the Public Finances*, National Institute for Economic and Social Research

The initial budget allocated to the Navigator service was £413,000, but, given the reallocation of pilot resources mid-way through, actual spend was much lower than this. Final outturn spend was £285,000,⁸ the vast majority (96%) of which comprised the direct costs of employing the Navigators and Navigator Manager.

Table 3.1, below, summarises the unit costs of the service in terms of participants, job entries and additional job entries.

Table 3.1: Navigator pilot unit costs: summary figures

	Number	Cost
Cost per participant	122	£2,300
Cost per job entry	56	£5,100
Cost per additional job entry	27	£10,400

Source: Navigator service actual spend, Brent Council; Navigator pilot management information data, Brent Council; *Inclusion* calculations

Comparative analysis of these figures against those for other initiatives is useful to put them into context. However, differences in the nature of programmes and the types of costs included in the calculation may limit direct comparability, which serves as a note of caution to the discussion below.

In terms of per-participant costs, data made available by DWP on a number of pre-2009 employment programmes (including the New Deals, Employment Zones, and Pathways to Work), shows costs per participant on these programmes ranging from £850 to £2,200.⁹ The Navigator service is firmly at the top end of this range. As a further comparator, when the Work Programme was commissioned DWP expected to pay providers roughly £1,100 per participant at illustrative performance levels.¹⁰ On this basis the Navigator service is at the expensive end of employment programme provision in terms of per-participant costs.

The DWP also made available information on costs per job entry of its pre-2009 programmes, in the course of which it supplied *Inclusion* with confidential information on the higher costs of delivering programmes in London. The inferred cost per job entry for the main DWP programmes that had served adults in London was £5,000 for New Deal 25+ and £5,100 for Employment Zones.¹¹ The Navigator service has a very similar cost per job entry to these figures; however, three points

⁸ We have excluded the costs of commissioning this evaluation from the figure, as this would not normally be included when conducting cost-benefit analysis for employment programmes

⁹ Roger Tym & Partners (2010) *London Skills and Employment Board: An Evaluation Framework*

¹⁰ London Skills & Employment Observatory (2011) *Work Programme in London: Information for stakeholders as the Work Programme starts*

¹¹ Bivand, P. and Gardiner, L. (2011) *Assessing the London Development Agency's Labour Market Programme Performance*, Centre for Economic & Social Inclusion

are worth noting here. Firstly, we are using as comparators costs per outcome for programmes that took place at different points in time and in different economic contexts, which is likely to hamper their relevance to the Navigator pilot. Secondly, this comparison does not take into account the additional impact of initiatives (robust impact estimates have not generally been produced for mainstream DWP programmes), but rather focuses on *gross* outcomes. Judging net outcomes, if it were possible, would likely vastly alter the comparators. Thirdly, in its post-2009 employment provision DWP has sought to greatly reduce the cost per outcome of its programmes (most notably the Work Programme), which may render these comparators out of date in terms of what a reasonable unit costs level may be.

In terms of costs per additional job entry, there are few appropriate comparators available. *Inclusion's* independent evaluation of the Future Jobs Fund estimated a cost per additional job of just over £9,000,¹² slightly below the figure for the Navigator pilot. However, this programme (a temporary jobs initiative mainly targeted at 18-24 year olds) was very different in terms of content and the participants served.

Overall, our limited comparison of the unit costs of the Navigator pilot suggests that it lies within the range of mainstream national employment programme provision, although at the more expensive end of this range.

3.2.2 Savings achieved by the Navigator pilot

While assessing the unit costs of the pilot in comparison to other programmes is helpful, a more nuanced view on cost-effectiveness can be gained by comparing costs to the savings to public expenditure that the pilot has brought about.

A standard approach to doing this would be to use cost-benefit analysis methods to estimate the savings to the Exchequer resulting from the outcomes that the pilot has achieved, in terms of benefit savings, increased tax revenues, and potential reductions in other public budgets such as health and justice.

While supporting unemployed benefit claimants into work generally results in savings in these budgets, the Navigator pilot is an unusual case. This is because nearly three quarters of job entries were achieved by participants affected by the overall benefit cap, and would have generally moved them out of the cap and reinstated their entitlement to their pre-cap levels of Housing Benefit. Cap-affected participants moving into work therefore increases welfare expenditure (in the short term) rather

¹² Fishwick, T., Lane, P. and Gardiner, L. (2011) *The Future Jobs Fund: An independent national evaluation*, Centre for Economic & Social Inclusion

than reducing it. In addition, evidence suggests that most Navigator participants who found work were not earning enough to pay income tax.

Our modelling (detailed in annex two) illustrates this. Using typical hours, wage levels and participant characteristics, we estimate that cap-affected Navigator participants who enter work received £304 more per week in welfare benefits that they would have done if they had stayed out of work and been capped. The minority of job entries by non-cap affected participants saved the Exchequer £72 per week in welfare expenditure. Bringing these two figures together gives an average *increase* in Exchequer welfare benefit costs of £205 per week when participants move into work. This is derived from higher Housing Benefit payments to cap-affected participants and Working Tax Credits for all participants, which more than counteract savings in out-of-work benefits and very small amounts of employee National Insurance contributions.

There are other savings to the Exchequer that result from individuals moving into work than just direct tax revenues and welfare savings. There is an established body of literature on these,¹³ which we will not replicate here in full, apart from mentioning some of the key aspects for which estimates are available. One is likely to be indirect tax revenues, for example, VAT receipts. Estimates of the size of this impact vary substantially. As an example, a benchmark figure of £900 per additional job per year was estimated for lone parents using 2006/07 data.¹⁴ Other important Exchequer savings may result from reduced healthcare expenditure (the DWP framework suggests a figure of £508 per additional job for a Jobseeker's Allowance claimant) and reduced expenditure on law enforcement (which the DWP framework provides a formula for estimating).¹⁵ It is not possible to calculate this size of these wider Exchequer benefits for the Navigator pilot in particular, however, in combination they are likely to be significant and they should be acknowledged as an important aspect of the impact of the Navigator service.

While the Navigator pilot did not create an Exchequer benefit by reducing the national welfare bill, it is worth highlighting that it did, therefore, increase the amount of national welfare expenditure being brought into the local area. **We estimate that the *net* increase in national welfare expenditure being claimed in Brent as a result of the pilot (i.e. accounting only for *additional***

¹³ For a brief summary see pp.44-46 of *Inclusion's* Future Jobs Fund evaluation: Fishwick, T., Lane, P. and Gardiner, L. (2011) *The Future Jobs Fund: An independent national evaluation*, Centre for Economic & Social Inclusion

¹⁴ Freud, D. (2007) *Reducing dependency, increasing opportunity: options for the future of welfare to work*, Department for Work and Pensions

¹⁵ Fujiwara, D. (2010) *Department for Work and Pensions Social Cost-Benefit Analysis framework*, Department for Work and Pensions

job entries produced by the pilot) was £292,000, slightly higher than the costs of the pilot itself. Details of this calculation are provided in annex two.

If the Navigator pilot increased welfare receipts when participants moved into work, it follows that it also made working participants much better off in the process (another aspect that is accounted for in standard cost-benefit analysis methodologies). We estimate that **participants were £275 per week better off as a result of entering work**. This figure accounts for wages and the increased welfare receipts described above, less estimated childcare costs. Considering the pilot as a whole, **the net impact (i.e. accounting only for *additional job entries*) was to increase Brent resident income by £391,000, a figure 37% higher than the costs of the pilot**. Much of this additional income is likely to be spent in the local area, providing a boost to local businesses and the local economy.¹⁶ Although not equivalent to fiscal savings, this individual welfare impact for participants is nonetheless an important social benefit produced by the pilot that should be considered as part of its success.

Another perspective on savings in public expenditure produced by the pilot considers the cashable savings that have accrued directly to Brent Council from Navigator participants moving into work. There is a range of evidence that quantifies the financial burdens that resident worklessness places on local authorities, particularly in the context of welfare reform.¹⁷ On this basis, we have been able to estimate the net savings produced by the Navigator pilot in terms of:

- **Reductions in spending on the rent shortfall of capped households in temporary accommodation**, which is particularly important given the number of participants who started work that were living in temporary accommodation.
- **Reductions in the cost of homeless acceptances**, due to the reduced risk of arrears, eviction and homelessness when households are working.
- **Reductions in Council Tax Support expenditure**, which is an important consideration in council finances following the localisation of Council Tax Support.

We have modelled the size of each of these savings, with the results summarised in table 3.2 and detailed more fully in annex two.

¹⁶ For information on local multipliers and leakage, see: Department for Business, Innovation and Skills (2009) *Research to improve the assessment of additionality*, BIS occasional paper no.1

¹⁷ For example, see: London Councils (2013) *Tracking welfare reform: meeting the financial challenge*

Table 3.2: Savings to Brent Council achieved by the Navigator pilot: summary

	Reductions in spending on the rent shortfall of capped households in temporary accommodation	Reductions in the cost of homeless acceptances	Reductions in Council Tax Support expenditure	Total
Gross annual savings	£339,770	£25,940	£18,660	£384,370
Gross annual savings per job entry	£6,070	£460	£330	£6,860
Gross annual savings per participant	£2,860	£220	£150	£3,220
Net annual savings (at 49% additionality)	£165,640	£12,650	£9,100	£187,390
Net annual savings per job entry	£2,960	£230	£160	£3,350
Net annual savings per participant	£1,390	£110	£70	£1,570

Source: Navigator pilot management information data, Brent Council; London Councils (2013) *Tracking welfare reform: meeting the financial challenge*; Shelter (2012) *Research briefing: immediate costs to government of loss of home*; information supplied by Brent Council on temporary accommodation costs and households affected by the benefit cap; *Inclusion* calculations using EntitledTo benefit calculation software

Table 3.2 shows that **the net impact of the Navigator pilot equates to savings of £187,000 in localised budgets within the council, equivalent to two thirds (66%) of the total cost of the pilot.** The majority of these council savings relate specifically to the partial focus of the pilot on households due to be affected by the benefit cap. This is because of very high benefit cap levels and a high incidence of temporary accommodation amongst the capped population in Brent, which drive the savings in temporary accommodation rents and homeless acceptances when this population enters work.

Again, there will be wider local or council savings that we haven't been able to capture in this assessment but that are evidenced in the literature. These include increased business rate revenue from resident spending in the local economy, and revenues from increased local travel in order for residents to get to work.¹⁸ Although it was not possible to include wider local impacts such as these in our calculation, they should be born in mind.

¹⁸ Fujiwara, D. (2010) *Department for Work and Pensions Social Cost-Benefit Analysis framework*, Department for Work and Pensions

3.2.3 Conclusions on pilot cost-effectiveness

As this section has made clear, there are a range of perspectives that can be taken on the cost-effectiveness of the Navigator pilot. The key messages are as follows:

- The Navigator pilot cost £285,000. Unit costs (per participant, per job entry and per additional job entry) were on the expensive side of that observed in the provision of mainstream DWP employment programmes.
- The Navigator pilot brought an additional £292,000 to Brent in national DWP / HM Revenue and Customs welfare expenditure, just above the figure spent on it.
- The Navigator pilot produced a total additional income to Brent residents of £391,000, 37% higher than its costs. Much of this income is likely to be spent on local services or businesses, boosting the local economy.
- The Navigator pilot also brought additional cashable savings to council budgets of £187,000, two thirds of the costs of the pilot. It did this largely by preventing some of the worst outcomes of the overall benefit cap through supporting affected residents into employment.

Taking these perspectives together, we conclude that although it was expensive, the Navigator pilot was a cost-effective initiative from the perspective of residents, Brent Council, and the local economy.

This perspective was echoed by the Navigators, who also highlighted longer-term savings (outside the scope of our estimates) that the pilot was likely to have produced, and the fact that some of the disruptions to the service during its pilot year may have impinged upon its cost-effectiveness.

"I don't think the cost of the service in this pilot reflects the real cost of the service either, because we had a period when we were trying to deliver the service in a different way and do a lot of changing and re-prioritising. In fact, there was a lot of change throughout that would have affected costs."
(Navigator Manager)

"If you take a short-term approach, it's expensive, but if you look at the savings that you're going to get over the longer term, it's going to be very cost effective. For instance...if you look at things like people moving from temporary accommodation into permanent council housing, it's much less costly for the council. And when they move into work their health outcomes are likely to be better and things like that." (Navigator)

4 Conclusions and recommendations

This research has captured the experience of the Navigator pilot over 2013, including the type of Brent residents it supported, the services it provided, the intermediate outcomes and employment outcomes it achieved, and the wider impact it had on service provision within Brent. It has also evidenced the net difference the Navigator pilot made using robust techniques, finding a large and statistically significant positive additional impact. Finally, it has described the cost-effectiveness of the pilot for Brent residents and for the council, concluding that it was an initiative that provided value for money to both.

On this basis, **we recommend a continued role for the Navigator service within Brent.** We recommend that a future Navigator service retains the key strengths of the Navigator pilot, and looks at developing or changing in other areas. **Key strengths of the service that ought to be retained in future** are:

- The small size and dynamism of the Navigator team.
- The personalised nature of the service and the flexibility for Navigators to work with different participants in different ways.
- The continuity that the service provided, working with participants intensively over long periods of time and maintaining intensive support once they had moved into work.

Areas in which the service could change or develop further are:

- In the extent to which Navigators empower residents as opposed to doing things on their behalf. For example, Navigators felt that filling in job applications for residents may not have been the best way to stimulate longer-term positive outcomes and self-reliance.
- By applying a bit more structure as the service moves forward from pilot stage, for example, around participant eligibility or Navigators' frequency of contact with participants.
- By differentiating the roles of Navigators, for example, having some Navigators who particularly focus on recruiting participants.

- By providing more support via group sessions, which pilot participants benefited from as it gave them a chance to integrate with other residents and support each other. In addition, group sessions could be a more cost-effective approach.

There are a number of opportunities for a future Navigator service to continue to have an impact on Brent residents. These include:

- **Focusing on a broader set of outcomes than just employment:** given the Navigator service's holistic nature and its success in joining up silos across the council and externally funded services, this model has the potential to be effective across more outcome streams than just employment. Indeed, Navigators thought that focusing on only employment as the outcome of interest failed to capture the range of impact that the pilot had. In this context, a broader Navigator service, still with a strong focus on employment but alongside other outcomes, may be an effective approach in Brent. One option would be to trial such an approach within the West London Community Budget, which is oriented around joining up support across different funding (and therefore outcome) streams.
- **Continuing to focus on welfare reform cliff edges:** the pilot's cost-effectiveness was most apparent around the benefit cap and the direct gains that accrue to the council and to residents when the cap is avoided. In this context, the Navigator service could continue to target residents affected by the benefit cap. Alternatively or in addition, it could focus on future welfare reform cliff edges such as the direct payment of housing support to social and council tenants under Universal Credit, or those out-of-work residents who are significantly worse off under Universal Credit.
- **Focusing on the most disengaged residents that the Navigator service has proven it can support:** while considering short-term cost-effectiveness is important, this may undervalue the importance of the service to those residents for whom 'savings' accrue mainly in the longer term. The Navigator service has proven that it can support individuals traditionally considered very far from the labour market, including the precariously housed, those for whom English is a second language, and lone parents. A future service could continue to provide this crucial help to residents least likely to be accessing similar support via other initiatives.

Annex 1: estimating the additional impact of the Navigator pilot

The impact of the Navigator pilot was estimated using data compiled by the council's Housing Benefit team over the course of 2013. The council supplied a dataset containing a large but not exhaustive sample of 3,800 residents who were at some point identified as due to be affected by the overall benefit cap in DWP scans. This dataset included information on various personal characteristics, a flag showing whether individuals had subsequently made a claim for WTC (which we use as a proxy for job entry), and the ID number of the 53 Navigator participants present in the dataset. The data was consistently recorded; however there were a large number of unknowns on a couple of the variables.

The incidence of WTC claims among the Navigator participants in the benefit cap dataset was much lower than the incidence of job entry for these participants according to pilot management information data (26% compared to 57%). This will be due to a combination of jobs recorded in the programme data that are not WTC-eligible, and differences in the processes and timeliness of recording this information in the two datasets. There was also variation in the way some participant characteristics were recorded and coded across the two different datasets. For these reasons, it was not possible or appropriate to augment the information in the benefit cap dataset with information from pilot management information, for example, by adding those participants not already present in the overall benefit cap dataset in order to conduct the impact assessment for all Navigator participants.

Thus we have extrapolated the additional impact of the Navigator service for a subset of participants to apply to the service as a whole. This is a defensible assumption as we found no evidence that the service provided to participants not affected by the cap differed in any way from the service provided to participants who were affected. In other words, although participants not affected by the cap had a lower job entry rate than those affected, we are assuming that a comparable control group of 'non-cap-affected' Brent residents would similarly have a lower job entry rate than the cap-affected control group. So the additional impact (the *difference* or *gap* in outcomes for the participant and control groups) would be similar across the Brent population not affected by the cap and the Brent population that was affected.

Propensity score matching was used to ensure that the individuals in the benefit cap dataset who were not Navigator participants (the 'control group') were comparable to the participants present in this dataset on observed characteristics. Propensity score matching is a regression technique that assigns 'weights' to the control group so that it matches the group of participants as closely as possible, on aggregate.

The use of this method assumes that the major factors other than the Navigator service itself that affect job entry are the state of the economy (covered by using comparison data that refers to the same time frame and location as the participant data) and the personal characteristics of the individual. There were some characteristics, including education levels and employment history, which are likely to affect job entry but were not present in the dataset and therefore could not be used in the match. In addition, relatively difficult-to-observe characteristics like individual motivation (which may be a factor at play given that participation in the pilot was voluntary) cannot be corrected for in the match. These caveats must be born in mind when considering the appropriateness of the control group used; however, overall we judge it to be an appropriate comparator.

The results of the propensity score match are shown in the table below.

Table A1: Propensity score matching results: Navigator participants affected by the benefit cap compared to wider benefit cap population in Brent

	Mean score - Navigator participants	Mean score - control (before matching)	Difference in means of Navigator participants and control (before matching)	Mean score - control (after matching)	Difference in means of Navigator participants and control (after matching)
Propensity score (likelihood of being a Navigator participant)	2.2%	1.4%	0.01	2.2%	0.00
Benefit claimed - Income Support	64.2%	46.6%	0.18	72.4%	-0.08
Benefit claimed - Jobseeker's Allowance	24.5%	21.4%	0.03	15.2%	0.09
Benefit claimed - Employment and Support Allowance	3.8%	16.6%	-0.13	4.8%	-0.01
Benefit claimed - Other	7.6%	15.5%	-0.08	7.6%	0.00
Housing Benefit due to be withdrawn under the cap	160	126	34.85	127	33.05
Whether subject to the Local Housing Allowance cap	66.0%	53.5%	0.13	54.4%	0.12
Property type - social rented sector	26.4%	28.4%	-0.02	42.7%	-0.16
Property type - temporary accommodation	24.5%	17.0%	0.08	21.0%	0.04

Evaluation of the Brent Navigator pilot

Property type - unknown	0.0%	0.1%	0.00	0.0%	0.00
Ethnicity - Mixed ethnic groups	1.9%	2.2%	0.00	2.8%	-0.01
Ethnicity - Asian or Asian British	13.2%	9.0%	0.04	10.8%	0.02
Ethnicity - black or black British	35.9%	24.9%	0.11	36.8%	-0.01
Ethnicity - Chinese	0.0%	0.1%	0.00	0.0%	0.00
Ethnicity - other	5.7%	3.0%	0.03	4.1%	0.02
Ethnicity - unknown	34.0%	51.5%	-0.18	35.8%	-0.02
Age	37	39	-2.46	32	5.05
Family status - single	54.7%	58.6%	-0.04	63.2%	-0.09
Family status - couple	43.4%	29.7%	0.14	33.8%	0.10

Source: Overall benefit cap scans, Brent Council; *Inclusion* calculations

The results show improvements in the difference of means of the control group after matching on 13 of the 18 characteristics. The low propensity score for Navigator participants shows that the characteristics of the cap-affected population in Brent do little to predict who participated in the Navigator pilot. Nonetheless, our match has marginally improved the quality of the control group on the basis of these characteristics, but equalising the mean propensity scores.

The proportion of Navigator participants present in the benefit cap dataset who made a WTC claim (our proxy for entering work) was 26.4%. The proportion of the matched control group that made a WTC claim was 13.5% (for the unmatched control group the figure was 15.1%). From this we derived the additionality figure of 49% $((.264 - .135) / .264 = .488)$. The significance of this impact estimate was measured using a t-test for differences in sample proportions. The results of the t-test are summarised in table A2, below.

Table A2: Significance testing results: Navigator participants affected by the benefit cap compared to matched group of wider benefit cap population in Brent

Group statistics			
	Number	Proportion making a WTC claim	Standard error
Navigator participants	53	26.4%	.061
Matched control group	3738	13.5%	.006
Test statistics (equal variances not assumed)			
Difference between sample proportions			0.129
t-statistic			2.098
Significance (2-tailed)			0.041**

Source: Overall benefit cap scans, Brent Council; *Inclusion* calculations

These results show that our impact estimate is significant at the 95% confidence level.

Annex 2: estimating the savings brought by the Navigator pilot

In estimating the savings or benefits that accrue when Navigator participants enter work, it has been necessary to estimate the length of time that participants remain in work after starting. Previous research conducted by *Inclusion* has modelled job sustainment patterns of newly-employed former benefit claimants, producing average sustainment of just over a year.¹⁹ Given that pilot data shows that 11 of 13 participants had successfully sustained work to six months at the final data collection point, we judge average job sustainment of one year to be a sensible but conservative estimate for modelling purposes. All savings estimates therefore cover a one-year time period, which seems appropriate given that the pilot costs were also accrued over a one-year period.

It has also been necessary to estimate the average working hours and wage of Navigator participants who enter work. Consistent with the data presented in chapter two, we use figures of 20 hours of work per week, at a wage of £7.50 (in between the National Minimum Wage and the London Living Wage, but closer to the former).

Benefit expenditure and changes in participant income

To estimate the change in participants' benefits and income in the in-work and out-of-work situations, we model these scenarios in 'EntitledTo' benefit calculation software. We do this separately for the typical benefit cap-affected participant who entered work, and the typical non cap-affected participant who entered work, based on the most common characteristics in each case. Tables A3 and A4 summarise the in-work and out-of-work situations for these two typical participants.

In reality, Navigator participants who entered work do not neatly converge on these two typical participant types. The variety of personal, family, housing and employment characteristics of participants who entered work may mean that actual changes in participant income and benefit expenditure as a result of the pilot are higher or lower than those estimated here, which is a caveat to these results.

¹⁹ Fishwick, T., Lane, P. and Gardiner, L. (2011) *The Future Jobs Fund: An independent national evaluation*, Centre for Economic & Social Inclusion

Table A3: In-work and out-of work budgets for typical participant affected by the overall benefit cap who enters work (lone mother with four children claiming Income Support, living in temporary accommodation, expected to be capped by £244 per week, using childcare for 20 hours per week for two youngest children when in work), annual

	Out of work (cap affected)	In work	Change
Child Benefit	£3,146	£3,146	£0
Income Support	£3,739	£0	-£3,739
Housing Benefit	£7,718	£19,784	£12,066
Child Tax Credit	£11,439	£11,439	£0
Council Tax Support	£817	£672	-£145
Working Tax Credit	£0	£7,632	£7,632
Earned income (gross)	£0	£7,821	£7,821
Employee National Insurance	£0	-£6	-£6
Childcare costs	£0	-£5,354	-£5,354
Total	£26,858	£45,135	£18,277

Source: Navigator pilot management information data, Brent Council; Family and Childcare Trust (2013) *Childcare Costs Survey 2013* (estimated childcare costs set at the London average for a childminder for children over the age of two); *Inclusion* calculations using EntitledTo benefit calculation software

Table A4: In-work and out-of work budgets for typical participant not affected by the overall benefit cap who enters work (lone mother with one child claiming Jobseeker's Allowance, living in private-rented accommodation, renting at the Local Housing Allowance cap level, not using childcare when in work), annual

	Out of work	In work	Change
Child Benefit	£1,056	£1,056	£0
Jobseeker's Allowance	£3,739	£0	-£3,739
Housing Benefit	£11,651	£8,616	-£3,035
Child Tax Credit	£3,270	£3,270	£0
Council Tax Support	£817	£0	-£817
Working Tax Credit	£0	£3,895	£3,895
Earned income (gross)	£0	£7,821	£7,821
Employee National Insurance	£0	-£6	-£6
Childcare costs	£0	£0	£0
Total	£20,532	£24,652	£4,120

Source: Navigator pilot management information data, Brent Council; *Inclusion* calculations using EntitledTo benefit calculation software

The total change in these tables represents the amount by which the participant is better off in work on an annual basis. A weighted average that accounts for whether participants who entered work were due to be affected by the cap or not produces an average figure of **£14,400 per year (£275 per week) better off in work,**

for each additional job entry. As a total programme figure this is equivalent to **£391,000 additional income for Brent residents as a result of the Navigator pilot.**

Weighted averages of the change on each of the relevant rows in tables A3 and A4 produces the gross and net savings (costs) to national welfare expenditure by DWP and HM Revenue and Customs resulting from the Navigator pilot. This is summarised in table A5.

Table A5: Savings in welfare expenditure by national government departments as a result of the Navigator pilot

	Gross savings	Net savings (at 49% additionality)
Income Support / Jobseeker's Allowance	£3,741	£102,140
Housing Benefit	-£7,859	-£214,549
Child and Working Tax Credits	-£6,590	-£179,909
Employee National Insurance	£6	£157
Total	-£10,701	-£292,161

Source: Navigator pilot management information data, Brent Council; *Inclusion* calculations using EntitledTo benefit calculation software

Table A5 shows that the **estimated additional national welfare expenditure received by Brent residents as a result of the Navigator pilot is £292,000.**

Savings accruing to Brent Council

Recent research by London Councils²⁰ and the National Housing Federation²¹ has highlighted the direct implications of welfare reforms on the finances of councils and social landlords. This section uses this research to formulate estimates of the financial burden that has been avoided by Brent Council as a result of the Navigator pilot. It focuses on three areas where there is sufficient evidence to calculate direct savings: temporary accommodation rents, homeless acceptances, and Council Tax Support expenditure.

Temporary accommodation rents

The London Councils research highlights the implications for councils when households in temporary accommodation are affected by the benefit cap: “where the cap applies in temporary accommodation, the rental shortfall falls to the

²⁰ London Councils (2013) *Tracking welfare reform: meeting the financial challenge*

²¹ Ipsos MORI (2013) *Impact of welfare reform on housing associations – 2012 Baseline report*, National Housing Federation

accommodating council and is irretrievable from central government through temporary accommodation subsidy – the additional cost must be met from council expenditure on other services.” On this basis, London Councils calculates the costs to local authorities of subsidising the rent of capped households in temporary accommodation. We have replicated the calculation here for Brent Navigator participants in particular. The results are presented in table A6, in which we estimate that the council achieved a net saving of £166,000 in temporary accommodation rents as a result of the Navigator pilot. This large figure is driven by the high number of participants entering work who were both living in temporary accommodation and due to be affected by the cap, and the very high cap amounts for these households.

Table A6: Savings to Brent Council achieved by the Navigator pilot: temporary accommodation rents

Navigator participants who entered work, and were living in temporary accommodation and affected by the cap	29
Average weekly benefit cap for these participants	£230
Annual rents assumed to be subsidised by the council for each household in temporary accommodation (annualised cap amount)	£11,850
Annual savings in council rent subsidy when capped Navigator participants in temporary accommodation enter work (gross)	£339,770
Net annual savings (at 49% additionality)	£165,640

Source: Navigator pilot management information data, Brent Council; *Inclusion* calculations

New homeless acceptances

The London Councils research also estimates the increased risk of homelessness that the benefit cap creates, and the implications for councils of these new homeless presentations. We have replicated the London Councils calculation for Brent on the basis of data supplied by the council on local temporary accommodation costs, previous research by Shelter on the costs of homeless presentations, and the temporary accommodation subsidy calculated above. Our calculation assumes that entering work effectively removes the risk of becoming homeless for households. The results are presented in table A7, below, which shows that the council achieved a net saving of £13,000 in the cost of dealing with new homeless acceptances as a result of the Navigator pilot. This figure is relatively modest, mainly because the majority of Navigator participants who enter work and were subject to the benefit cap were *already* temporarily housed.

Table A7: Savings to Brent Council achieved by the Navigator pilot: new homeless acceptances

Estimated annual increase in homeless acceptances due to the benefit cap (derived from London Councils research and Brent data on households affected by the benefit cap)	16%
Number of Navigator participants who entered work and were affected by the benefit cap, but not already temporarily housed	12

Estimated number of Navigator participants entering work who would have been made homeless had they not (16% * 12)	1.9
Annual Brent costs per homeless acceptance (following London Councils methods, includes rent subsidy for capped households in temporary accommodation, annual Brent temporary accommodation costs, and the costs of a homeless decision and of concluding the homeless duty estimated by Shelter)	£13,620
Annual savings in council homeless acceptance costs when capped Navigator participants entered work (gross, £13,620 * 1.9)	£ 25,940
Net annual savings (at 49% additionality)	£12,650

Source: Navigator pilot management information data, Brent Council; London Councils (2013) *Tracking welfare reform: meeting the financial challenge*; Shelter (2012) *Research briefing: immediate costs to government of loss of home*; information supplied by Brent Council on temporary accommodation costs and households affected by the benefit cap; *Inclusion* calculations

Council Tax Support expenditure

Since April 2013, Council Tax Support has been the responsibility of local councils, meaning that increases or decreases in the amount of support awarded to households now have direct implications for council budgets. Therefore, it is possible to calculate the reduction in Council Tax Support expenditure for Brent Council when Navigator participants enter work, using the average change in award derived from the modelling presented in tables A3 and A4. As shown in table A8, we estimate a net saving of £9,000 in the Council Tax Support budget as a result of the Navigator pilot. This figure is relatively low because when an adult with lots of dependent children enters work at low hours and wages, he or she sees only a marginal reduction in Council Tax Support entitlement.

Table A8: Savings to Brent Council achieved by the Navigator pilot: Council Tax Support expenditure

Average annual savings in Council Tax Support expenditure when a Navigator participant enters work	£330
Total savings for all Navigator participants entering work (gross)	£18,660
Net annual savings (at 49% additionality)	£9,100

Source: Navigator pilot management information data, Brent Council; *Inclusion* calculations using EntitledTo benefit calculation software

It would also be possible to calculate the **reduced risk of rent arrears** when residents living in council and social properties enter work. Indeed, rent arrears among Housing Benefit recipients in social housing is a growing concern given the direct payment of rent support planned under Universal Credit. However, because hardly any Navigator participants were living in social housing, this was not a relevant calculation in the case of the Navigator pilot.

Annex 3: Definitions of constraints to employment and intermediate outcomes agreed by Navigators

This annex describes the standard definitions of employment constraints and intermediate outcomes that were used to record participant characteristics and results on the Navigator pilot.

Constraints to employment

- **Poor job search skills:** no knowledge about the methods to look for employment opportunities / vacancies; no ability / knowledge to use job search engines such as Universal Jobmatch or Indeed; no understanding of how to fill in an application form, or how to respond to the job description.
- **Low numeracy / literacy:** no knowledge / ability to write cover letters / applications / emails to employers on their own, for example, because of grammar and spelling mistakes; no ability to write full sentences in English (apart from name, address and basic information about themselves).
- **Low IT skills:** no ability to use a computer to apply for jobs online, and in certain cases no knowledge of how to use a computer at all.
- **Low confidence:** reluctance to think of life and previous experience as giving them skills that can be used in a work context; fear of failure / rejection when making an application or attending an employer interview or recruitment event; low self-esteem; disappointment with current personal circumstances and expressed concern that these cannot be solved.
- **Unrecognised overseas qualifications:** qualifications not gained in the UK, or not transferred / formally recognised here; resident's perception that their qualifications are not 'recognised' by UK based employers.
- **Lack of social network:** no friends or immediate family; no people that can give a 'character' reference; no people to socialise with; no interaction with neighbours or other people in public places.

- **Low level mental health problems:** depression that impacts daily life but not severely (does not require hospital admission); anxiety after being victim of domestic violence.
- **Tenancy issues:** rent arrears; eviction or risk of eviction; disputes with landlords; sub-standard accommodation and poor housing (for example, landlord's / housing association's failure to complete repairs or address issues such as damp in the accommodation); disputes with neighbours.
- **Victim of domestic abuse:** this can be physical or psychological, and includes residents that have received the support of an organisation that deals with domestic violence cases, such as Advance or the Asian Women's Resource Centre.
- **Difficulties with claiming benefits:** no understanding of entitlements, especially in cases in which the resident decides to look for work; no understanding / knowledge of how to fill in forms from various council departments or state departments in relation to benefits; no understanding of how to follow basic benefit procedures and rules (such as informing about a change in circumstances).

Intermediate outcomes achieved

- **Residents whose housing issues have been resolved / support secured:** giving active support to prevent homelessness (for example, in the case of evictions, suspended benefits, etc.); arranging housing for a homeless person; looking for a new property with a resident or helping the resident relocate; giving information and contact information for appeals; liaising with a Housing Association; liaising with a resident's housing officer for those affected by the benefit cap; liaising with estate agents; referring residents to another agency that can more effectively deal with their issue.
- **Legal, debt or benefit issues resolved / support secured:** filling in application forms; helping with appeals; immigration legislation checks; requesting a review of a childcare grant; opening a bank account when in debt; negotiating with HM Revenue and Customs credit office on overpayments; telephoning benefits / welfare-related agencies on behalf of residents. In certain instances, the issues were urgent and could not wait until a Citizens Advice Bureau / Brent Law Advice Centre meeting could be booked, so Navigators delivered the support themselves. In other cases, they accompanied residents to other services.

- **Signposting to training or skills courses:** residents were told about available courses even when the information was not available online. Then, the eligible and willing residents were referred to these courses, and given support to attend them. Common courses include English as a Second Language, hospitality, childcare, IT and employability.
- **Childcare support secured:** disseminating information about available childcare and matching households with the most appropriate childcare for them; supporting residents to access childcare grants and explaining eligibility and procedures; liaising directly with childcare providers on behalf of parents; in certain cases, identifying childcare solutions such as family members who can take care of the children while parents have interviews / attend courses / start work.
- **Self-employment support secured:** informing residents about the business, legal, tax and jobcentre support aspects of self-employment, verbally or through factsheets and contact numbers; supporting residents to access self-employment related benefits.