

In-work progression: Guidance for Commissioners

Learning from the Step Up pilot

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Learning and Work Institute

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We research what works, develop new ways of thinking and implement new approaches. Working with partners, we transform people's experiences of learning and employment. What we do benefits individuals, families, communities and the wider economy.

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Walcot Foundation is Lambeth's principal independent grant-maker that aims to tackle poverty by creating opportunity. We make grants totalling £2 million a year to individuals, schools and community organisations.

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Executive summary

This document is part of a series of papers on key aspects of low pay and progression. It sets out key considerations for commissioners when designing in-work progression support, drawing on lessons from the delivery and evaluation of Step Up over the three years of the initiative. It is intended to be advisory, rather than prescriptive, as the various goals driving commissioning decisions will strongly influence all aspects of programme design.

Key considerations for recruiting low paid workers:

- There is no single definition of low pay and commissioners should consider local priority groups and the labour market context when deciding on eligibility criteria.
- Engaging low paid workers is best supported by working in partnership with organisations that are well-embedded in local communities, with links to the target group (e.g. Job Centre Plus, housing associations, local authority departments, skills providers) which can refer participants into support.
- Messaging should be appropriate and clear, avoiding jargon and promoting the relevance of support for the target group.

Key considerations of programme design components:

- Mapping potential referral partnerships and support services which 'plug gaps' prior to delivery could increase programme effectiveness from the outset.
- An in-depth needs assessment and well-sequenced action plan enables support to be effectively tailored and flexible to individual needs. Triaging into pre-support could enable a focus on those most likely to achieve a progression outcome.
- The role of an in-work progression adviser requires a wide-ranging skillset to support a variety of needs and aspirations.
- Aligning individual-facing support with employer-facing approaches could provide additional referral routes, widen access to vacancies for participants, and fill support gaps such as work experience.
- Achieving positive progression outcomes may take longer than traditional employability support given that low paid workers can face significant time constraints, alongside (sometimes multiple and complex) barriers to progression.

Key considerations for evaluation of in-work progression initiatives:

- Outcome frameworks could demonstrate a range of measures of 'better' work. Longer-term monitoring of outcomes enables measurement of progression sustainability and longer-term progression gains.

- Outcome measures, indicators and data collection tools need to be agreed before the project commences to ensure reliability and integrity across of data during the life of the project.
- An impact assessment requires robust participant financial data collected from the outset and at consistent intervals for accurate measurement; there may also be challenges linked to disclosure of accurate financial information by participants. Self-declaration may be the only option in some cases. Particular consideration must be given to resourcing the collection of participant financial data.

Introduction

This document sets out key considerations for commissioners when designing in-work progression support, drawing on lessons from Step Up. This has been informed by Step Up delivery partners, commissioners and stakeholders from the Better Work Network.

Step Up was designed and commissioned by Trust for London and the Walcot Foundation, in partnership with Learning and Work Institute. The pilot tested new approaches to supporting earnings progression among low paid Londoners. It was delivered from October 2015 until September 2018 by six voluntary sector organisations, each of which designed a distinct support model or targeted a specific group of low paid workers. The evaluation and key findings from the first two years of delivery can be found [here](#). This document forms part of the [year 3 evaluation](#).

Trust for London and Learning and Work Institute have launched the Better Work Network, a policy and practice-based initiative dedicated to tackling the issues of low pay and poor quality of work. The Better Work Network will build on findings from Step Up, and other in-work progression support interventions to raise awareness, identify good practice, generate ideas, materials, case studies and evidence; and invest in understanding and sharing 'what works'. Find out more and join the Better Work Network [here](#).

Recruiting low paid workers

Specifying the target group

Learning from Step Up

- To be eligible for Step Up, individuals had to be in stable work (defined as at least 14 hours a week for at least the last 12 months), with an average hourly income below the London Living Wage. This was chosen to target support to those who had been in sustained low pay but was made flexible for some freelance workers.

Considerations for future commissioning

- There is no singular definition of low pay and it is important to consider locally relevant factors and labour market context to determine eligibility for in-work progression support.
- Low paid workers are far from homogenous and in-work progression initiatives could consider targeting support to specific groups of low paid workers who face particular challenges or have multiple needs which constrain their rate of progression.
- Considerations may include:
 - Measurement of low pay by hourly pay to prevent the exclusion of people working longer hours, and by a measure of weekly earnings rates;

- Accounting for zero hours contracts, or short term earnings fluctuations experienced by participants through a long term assessment
 - Stipulating a length of time in low pay to target those ‘stuck’ in low pay;
 - Determining or widening eligibility to include measures such as receipt of certain benefits;
 - Targeting support to particular groups likely to be stuck in low pay locally or nationally, such as lone parents, or people in low paid sectors.
- Commissioners should consider additional factors such as ensuring eligibility is: not unnecessarily exclusionary; not onerous to evidence (for example, requiring several wage slips); easily communicable by those promoting the service; aligned with the criteria of potential referral partners e.g. the Universal Credit earnings conditionality threshold.

Referral routes

Learning from Step Up

- Most participants were recruited through the providers’ other services, partners or word of mouth, demonstrating the importance of trusted networks.
- Recruiting participants and building partnerships was resource-intensive for Step Up advisers: they had to increase awareness of and engagement with the programme, whilst also delivering support to current participants. This became more effective as delivery progressed and referral routes became well-established.

Considerations for future commissioning

- Support organisations which are well-networked locally and embedded in their local community through wider offers may be best placed to attract participants.
- Delivery of in-work progression support needs to be facilitated by coordinating efforts on a local level to increase awareness, as well as identify and engage participants.
- Prior engagement with potential referral partners and partners with shared objectives, such as Jobcentre Plus, housing associations, local authority departments and skills providers can help to build proactive referral points and ‘warm handovers’ into support.

Messaging

Learning from Step Up

- Messages shown to be effective in Step Up avoided jargon; focused on participants’ desire for change (such as a “better job”, “more money”, a “better work life balance”); presented these as tangible outcomes with a clear pathway and timescale for achievement; and highlighted the personalised, specialised support available. It was

also important to emphasise that support was free and to clearly articulate the eligibility criteria.

- Direct marketing had limited success in Step Up compared with other IWP initiatives, but written messaging was best received when worded literally, using clear and concise language and utilising case studies, statistics or real-life examples.

Considerations for future commissioning

- Employment support has traditionally been targeted at unemployed participants. The messaging of in-work progression support is critically important to effectively describe an unfamiliar type of support and provide assurance of both eligibility and the relevance of the support to potential participants.
- Low paid workers are an extremely diverse group, and it is crucial to understand their experiences and aspirations to tailor messaging accordingly.¹

Support delivery

Needs assessments and action plans

Learning from Step Up

- Low paid workers have diverse and wide-ranging support needs, as well as a variety of progression goals. Common barriers to earnings progression include:
 - Lack of time, motivation and energy due to working and other personal commitments.
 - Individual behavioural/emotional barriers such as low confidence, which can be exacerbated by poor mental health.
 - Not possessing relevant skills or qualifications, including basic skills.
 - Additional barriers to accessing skills provision such as a lack of funds and working hours.
 - Limited labour market and employability knowledge.
- As with unemployed participants, individuals in low pay can face multiple and complex needs such as a lack of basic skills, substantial ESOL needs and crisis situations. These impact on the length and intensity of support needed and participants' ability to sustain engagement with progression support.

¹ Further research through the Better Work Network will conduct message testing across a range of low paid workers.

Considerations for future commissioning

- Needs assessments and action planning play a crucial role in identifying barriers and structuring support for individuals to meet their progression goals. This requires skilled advisers and ongoing assessment as needs may change over time.
- Commissioners should consider how additional support, potentially delivered by other partners, can be factored into the participant journey to address more complex needs. It is also important to develop a flexible service where participants can engage at different points in time as circumstances change.

Tailored and flexible provision

Learning from Step Up

- Tailored and flexible provision is particularly important in in-work support because participants have more limited availability and specific goals and requirements. They also face a riskier transition than unemployed participants as a poor progression could result in a *loss* of earnings and falling out of the labour market.
- Effective support involved one-to-one meetings at flexible times to suit participants' availability. This included out-of-hours support via a range of delivery channels, such as phone, email and face-to-face delivery. Step Up participants received an average of one hour a month of one-to-one support.

Consideration for future commissioning

- Support needs to be flexible and tailored to the aspirations, capabilities and needs of individual participants. To achieve this, in-work support should include an in-depth assessment of individual needs and wider context and focus on priority needs with transitional steps towards longer term progression goals.

One-to-one support

Learning from Step Up

- It may be necessary to focus on improving participants' employability skills and supporting participants to address wider barriers and challenges.
- Coaching, support and encouragement from advisers is important to develop participants' motivation and confidence to take steps towards progression and sustain engagement with support.
- Sustaining engagement is a particular challenge for in-work progression support due to work demands (often alongside competing priorities).

Considerations for future commissioning

- The adviser role in an in-work progression programme requires frontline staff to have a wide-ranging skillset to support a range of individual needs and aspirations. Good quality advisers should be able to identify participant needs; build rapport and

trust; deliver careers guidance to aid recognition of transferable skills and identify suitable progression routes; and deliver a range of employability support.

- There is a clear need for a dedicated worker or support that has a good understanding of the local business sector and networks. Commissioners may decide to 'split' an adviser role into an additional post which focusses on employer engagement and relationship management.
- Clear proactive offers of ongoing support are critical to sustain engagement amongst in-work participants. Light touch or ad-hoc aftercare may be required to sustain outcomes after the main components of the programme have been delivered.

Partnership working

Learning from Step Up

- Partnerships are vital to the successful implementation of in-work progression support for generating referrals, addressing participant barriers and accessing good quality jobs.
- Partner organisations included learning providers, housing services, specialist provision and intermediaries with links to employers and Jobcentre Plus.
- Factors limiting effective partnership working include limited adviser time to develop partnerships; accessibility of wider provision for working people; eligibility rules; cost; and the suitability of existing provision.
- Research identified gaps in provision for work experience, job brokerage and high-quality benefits advice for workers.

Considerations for future commissioning

- To increase effectiveness of in-work progression support, programme commissioners, stakeholders and delivery partners should work together to map and engage support services, and where possible, plug potential gaps in delivery. Provision mapping and stakeholder engagement prior to commissioning would help identify and address barriers to access and secure local level buy in.
- Approaches such as a small personal budget may remove barriers for working people to access provision such as the cost of training provision, childcare or travel.

Engaging employers

Learning from Step Up

- Step Up focused on support to improve individual's progression prospects, rather than attempting to alter progression practices within businesses or sectors.

- Employer contacts were used by Step Up partners to enhance the support offer and improve participants' access to external progression opportunities. Step Up participants valued employer involvement such as employer-delivered employability workshops, networking events and mentoring with industry specialists.
- The majority of Step Up employment outcomes were achieved through changing jobs. Step Up partners and intermediaries offered employers a high quality and free recruitment service with working candidates who had recent workplace experience. These were the key selling points of the programme for employers.

Considerations for future commissioning

- Future initiatives could explore aligning individual-level approaches tested by Step Up with wider employer-level approaches. Linking individual facing support with employer level approaches would increase the scale of progression pilots by providing additional referral routes into the support and readily available vacancies for participants. Enhanced employer engagement could additionally fill identified support gaps, such as work experience opportunities.
- Step Up findings suggest pre-existing relationships with employers, combined with a tailored offer aligned to the specific needs of individual employers, is likely to be the most effective strategy for engagement. This suggests that public and voluntary sectors could work together to share practice and better align individual and employer-facing approaches. This could be done by harnessing the expertise of those best placed to deliver each type of approach.
- Increased employer focused support could be delivered by linking employer-facing support with other business support services. A wider offer for employers can provide support to fill vacancies as well as progression-focused support.

Pilot performance

Outcomes achieved

Learning from Step Up

- Almost two-fifths (39%) of Step Up participants achieved an employment outcome by taking on a new or additional job, getting promotion in their current job, improving their contract or terms and conditions or improving their working hours.
- The average time it took to achieve the first employment related outcome was 5.4 months. On average, it took 5.9 months to access a new job, whereas securing improved working hours, or an improved contract took less time (3.3 months and 4.1 months respectively).
- The overall cost of three years of Step Up delivery amounted to £602,000. The cost per progression outcome for the programme was £1,424. There was variation across providers from £1,964 to £791, reflecting different outcome rates.

- Step Up participants increased their earnings by a total of £1,989 or £1.78 per week more than a matched comparison group from the Labour Force Survey. Although the impact assessment suggests this was not a statistically significant increase; the pilot has generated extensive learning about designing in-work progression support to improve efficiency and cost effectiveness from the outset.

Considerations for future commissioning

- It can take a lengthy period to achieve outcomes because people in work have less time to engage with support and may be more selective, so it takes time to find the right next step for them. Commissioners could consider this when deciding overall programme length. Triaging participants with higher needs into pre-support and involving employers could further reduce time to outcome.
- Cost effectiveness could be achieved by IWP support reaching a larger number of people and/or increasing the earnings of those engaged by a greater extent. In future initiatives, this might be achieved through:
 - Ensuring that referral and wider support partnerships are in place from the outset, so that advisers can focus their time on the delivery of support.
 - Screening or multiple support offers for different levels of need.
 - Economies of scale, with smaller provider numbers and larger caseloads. There are likely trade-offs between achieving economies of scale and the provision of tailored support required for some target groups or barriers.

Evaluation

Outcomes measurement

Learning from Step Up

- Step Up employment outcomes included: a new job, promotion and contract change. Step Up also tested the use of earnings-related outcome measures for in-work progression programmes. The pilot used three different measures around hourly earnings, weekly earnings and the Living Wage, based on the achievement of:
 - an increase in their hourly wage of 10% or more;
 - an hourly wage of at least the level of the London Living Wage (LLW);
 - the weekly earnings target (36 hours x LLW – or 16 hours if a lone parent).
- The ‘basket’ of outcome measures contributed positively to the development of projects focusing on quality outcomes, rather than simply hitting a specific earning, or hours-related, target.
- Low paid workers have a range of progression goals outside of earnings increases. A decline in earnings could be viewed as a ‘progression’ if it satisfied other criteria

such as distance, flexible hours, longer term opportunities for development and job security.

Considerations for future commissioning

- There is a need to develop outcome frameworks which are measurable and reliable and also recognise wider elements of progression including self-reported 'better jobs' and soft outcomes. Soft outcomes could include confidence, motivation, personal development, employability skills, technical skills, qualifications, experience, labour market knowledge.
- Longer term monitoring of outcomes is essential to measure the extent to which soft outcomes result in future progression gains in the long term.

Impact assessment

Learning from Step Up

- To effectively measure additional impact (on participant earnings over what would have been experienced without the programme), the Step Up evaluation compared a matched comparison group from the Labour Force Survey and explored what happened to their earnings over a 12 month period.

Considerations for future commissioning

- Robust collection of earnings data is important in increasing the likelihood of achieving results of statistical significance. To provide a good quality match to comparison groups it is necessary to collect weekly earnings data for all participants at the point of engagement and again at consistent intervals such as 12 months from the first measure of earnings.