

Step Up

Trialling new approaches to support low-paid workers to progress their careers - Summary Findings from the Final Evaluation

Step Up was a pilot initiative designed and jointly funded between Trust for London and the Walcot Foundation in partnership with Learning and Work Institute (L&W) as the independent learning partner. At the time of inception, there was little concrete evidence or learning about how best to support low paid workers into better paid jobs; the initiative was designed to address this gap in learning/ evidence and pilot new approaches to help low-paid workers progress their careers.

Key findings

Over the full three years of delivery, Step Up providers achieved higher outcome rates than those reported in the year two evaluation. These include:

- Over the course of the pilot, almost two fifths (39%) of participants (327 individuals) secured an improvement in their employment situation, by taking on more or better work, increasing their earnings or improving their hours. This represents an improvement from the year two evaluation, which found a 33% outcome rate.
- Progression was most commonly achieved by securing a new job (64% of outcomes). On average, it took 5.4 months for participants to achieve their first employment outcome.
- The majority (65%) of participants achieved an employment outcome within 6 months. An employment outcome included a new or additional job, a promotion, improved terms and conditions, and improved working hours.
- 20% of participants increased their hourly rate by more than 10%; in the year 2 evaluation this figure was 17% of participants.
- 19% of participants increased their hourly rate to the London Living Wage or above; in the year 2 evaluation this figure was 14%.
- 20% of participants increased their weekly earnings above the London Living Wage for 36 hours per week (or 16 hours per week if a lone parent); in the year 2 evaluation this was 15%.
- The median increase in hourly wage, among those achieving an outcome, was 21% or £1.42 per hour. Hourly wage gains were highest for those who improved their contract.
- The median increase in weekly earnings was 39%, or an average of £82.50 per week. Those who took an additional job saw the highest weekly gains.
- Over one fifth (21%) of Step Up participants who were on a temporary, zero hours, or part time contract moved onto a permanent contract. This was a similar outcome rate from year two.

Longer term impacts and constraints for Step Up participants

Longitudinal interviews conducted with Step Up participants highlighted a range of positive achievements as well as some of the constraints they experienced on their path to better work. These include:

- The importance of individually tailored support and the need for a basket of measures of 'progression', as participants held broad definitions of 'better' work.
- Factors influencing the level of satisfaction with a 'progression' included trade-offs between pay, hours, contract type, sector, progression prospects and the extent to which employment complemented wider circumstances.
- Support from Step Up was shown to be impactful beyond the period of engagement. This was because soft outcomes gained such as self-confidence, awareness of labour market processes and increased skills, continued to enhance progression prospects. This was particularly evident where participants had continued to access ad-hoc support from their Step Up provider.
- Identified constraining factors included a lack of suitable roles, lack of support, and a lack of awareness of labour market processes such as effective job-search, applications and interview techniques.
- For in-work progression support to produce sustainable results, individually relevant barriers must be addressed, with a focus on building capability and resilience.
- Interviews highlighted a desire for light touch support for people across their working life, with particular demand for access to accredited training and high-quality careers advice among those in work.

The Step Up initiative

Step Up was delivered from October 2015 until September 2018 by six voluntary sector organisations, with each designing a distinct support model or targeted a specific group of low-paid workers.

Step Up Providers:

- The Creative Society - *Supporting young people working in the creative & cultural sectors.*
- High Trees Community Development Trust - *Supporting the local community, in particular lone parents and people aged over 50.*
- Indoamerican Refugee and Migrant Organisation (IRMO) - *Supporting Latin American workers, focusing on those working in cleaning.*
- Thames Reach - *Working in partnership with Clean Slate to pilot digital engagement with low-paid workers.*
- Women Like Us (part of Timewise Foundation) - *Supporting parents, through enabling access to better paid part-time and flexible jobs.*
- Springboard (until June 2017) – *workers and employers in the hospitality sector.*

To be eligible for Step Up, individuals had to be in stable work (working at least 14 hours per week for the past 12 months) and earning below the London Living Wage. To fulfil the criteria set by Walcott Foundation, at least 50% had to be residents of Lambeth.

Step Up support was tailored to particular groups: flexible job brokerage for working parents (Timewise); a construction course delivered in Spanish for low-paid Latin American workers (IRMO), and; networking events with industry specialists for young people in the creative sector (Creative Society). All Step Up projects provided tailored, one-to-one adviser support to help participants improve their earnings. The adviser role was wide-ranging but integral to delivering positive outcomes for clients. It involved identifying support needs, setting goals, support with seeking additional or better work, practical support and referrals to a range of support services to address wider barriers.

Step Up evaluation

There were three distinct evaluation phases:

- **Year One test and learn:** providers tested and reviewed their delivery models. The evaluation adopted an 'action research' approach.
- **Year Two main evaluation:** a full evaluation of qualitative and quantitative data to understand programme effectiveness and impact.
- **Year Three extended evaluation:** an addendum to the main evaluation report to assess the overall programme impact. The addendum featured performance data, an impact assessment and longitudinal research.

The findings below are from the year three extended evaluation which assessed overall pilot performance and impact. The year three extended evaluation also included further research ('deeper dives') into key areas of in-work progression support including: *the role of job brokerage; messaging to engage low-paid workers into support; the needs assessment process; and barriers to progression for individuals with ESOL needs.*

Impact and return on investment

To assess the impact of Step Up against 'business as usual', change in participants' weekly earnings was compared with a matched comparison group from the Labour Force Survey over a 12-month period. The analysis showed that Step Up participants increased their earnings by £1.78 per week more on average than the comparison group. However, this was not statistically significant.

Cost benefit analysis was conducted to show the level of additional impact needed for Step Up to achieve a financial return on investment. This showed that each participant would need to increase their weekly earnings by £3.81 more than a comparison group, on average, in order to achieve a positive return. This could be achieved by in-work progression support reaching a larger number of people and/or increasing the earnings of those engaged by a greater extent.

It may be possible to reduce costs in future initiatives by giving a smaller number of providers larger caseloads. However, this approach could reduce the ability of providers to offer the specialist and tailored support widely recognised as central to engagement and outcomes (including longer term impacts explored in participant research) recognised in Step Up.

Guidance for the commissioning of future support

Step Up has generated important lessons about ways to design in-work progression support to improve efficiency and cost effectiveness from the outset. Several key considerations for commissioners are outlined below:

Lessons for design and delivery:

- Engaging low-paid workers is best supported by partnerships with organisations well embedded in local communities, with links to the target group (e.g. JCP, housing associations, local authority departments, skills providers) which can refer participants into support.
- Mapping potential referral partnerships and support services which 'plug gaps' prior to delivery could increase programme effectiveness from the outset.
- Aligning individual facing support with employer facing approaches could provide additional referral routes and available vacancies for participants, and fill support gaps such as work experience.

Lessons for evaluating IWP:

- 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.
- Impact assessment requires robust participant financial data collected from the outset and at consistent intervals for accurate matching.

In-work progression deep dives

Qualitative deep dives were conducted that collated research in areas that are considered key issues within in-work progression programmes, but which have a relatively small existing evidence base.

These were:

- Barriers to progression for individuals with ESOL needs.
- Messaging to engage low-paid workers in support.
- The needs assessment process for in-work progression support.

Barriers to progression for individuals with ESOL needs:

Barriers to progression

- Individuals with an ESOL need face a range of barriers, including systemic, cultural and personal obstacles, to accessing suitable support to help them achieve career progression.

Good practice includes:

- Workplace-based ESOL provision
- Employer engagement
- Sector specific or employment focused ESOL
- Step-by-step, shorter, modular course structures
- Informal provision
- Tailored in-work progression support from a consistent single point of contact
- Support available outside of work hours
- Partnership working

Needs assessments for in-work progression programmes

Needs assessments can be used to determine how programme resources are allocated to participants and structure support journeys to achieve programme outcomes.

An in-depth needs assessment and action plan enables support to be effectively tailored and flexible to individual need.

The deep dive also outlined two alternative approaches to assessment in IWP programmes:

- Screening - this was critical to the success of the U.S. programme, WorkAdvance. Screening participants involves restricting who can access the support offer using criteria such as motivation or prior qualifications. This may be effective for sector specific IWP programmes based on employer needs.
- Multiple Offer – future programmes could provide support offers with different eligibility criteria. For example: a universal offer with tools for self-assessment and the identification of progression opportunities; a light touch offer providing skills assessment, job match and brokerage services; and an intensive offer open to those at greatest risk of being stuck in low pay with personalised, one-to-one support. Triaging higher need participants who are further from attaining a progression outcome into a form of pre-support to address wider barriers could enable a focus on those most likely to achieve a progression outcome.

Effective messaging for in-work support programmes

Further research found that it was important that messages to engage potential participants should:

- Use direct, jargon free and personalised language.
- Reassure participants that provision is free.
- Articulate the eligibility criteria to provide assurance provision is for 'people like them'.
- Highlight both outcomes and a clear pathway/support offer.
- Include messaging focusing on increased earnings rather than 'progression'.
- Focus on tangible and realistic outcomes or support offers.
- Speak generically about sectors, unless the programme is sector specific.
- Avoid false promises and language which could be viewed as patronising to participants.

Employer engagement and job brokerage

Step Up highlighted the importance of employer engagement and job brokerage in in-work progression programmes. However, developing effective employer engagement and job brokerage approaches has been a consistent challenge for in-work progression initiatives.

The main challenges identified included the relatively small scale of in-work progression pilot initiatives, which reduced the resource available for employer engagement; the wide breadth of participant employment aspirations which required engagement with a wide range of employers; and tensions between maintaining employer relationships and brokering vacancies for participants in work.

Local authority teams and Jobcentre Plus were considered as organisations which could be utilised as a hub for employer engagement and job brokerage activity, alongside existing networks such as the Chambers of Commerce.

Three main approaches to managing employer relationships and increasing employer engagement in in-work progression initiatives were identified:

- 'Workforce development' approaches that focus on earnings progression within the same employer. This enables the maintenance of employer relationships but constrains providers from delivering individual focussed support.
- 'Pipeline' approaches which involve engaging employers and offering to (re)fill vacancies when participants accessed a progression. There are relatively few tested UK based examples, but this approach could support both employer and individual participant priorities.
- Separating adviser support from job brokerage activities, utilising wider employer engagement teams, recruitment agencies or job brokers. This would give in-work progression advisers more time to support participants. However, employer engagement activities are currently fragmented and there are no existing frameworks for this type of provision.

Better Work Network

The delivery and evaluation of Step Up has provided a wealth of key learning to contribute to a developing evidence base of in-work progression support.

Best practice will continue to be shared through the Better Work Network to ensure ongoing awareness raising of the issue and promotion of 'what works' to support progression. More detailed information and resources on the Network can be accessed from

<https://www.learningandwork.org.uk/our-work/work-and-careers/better-work-network/>

Trust for London: www.trustforlondon.org.uk

Walcot Foundation: www.walcotfoundation.org.uk

Learning and Work Institute: www.learningandwork.org.uk

The full evaluation report is available at: www.trustforlondon.org.uk/issues/work/step/