

The Step Up Pilot

Year 3 Extension Report

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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

Step Up was a pilot designed and commissioned by Trust for London and the Walcot Foundation in partnership with Learning and Work Institute (L&W). The pilot was designed to test new approaches to help low-paid workers progress their careers. Step Up was delivered from October 2015 until September 2018 by voluntary sector organisations which each designed a distinct support model or targeted a specific group of low-paid workers.

This report is an addendum to the year two evaluation report which provided a full formative and summative assessment of effectiveness from the first two years of delivery. This extension report provides further analysis of monitoring information, an impact assessment and cost benefit analysis, as well as longitudinal research with Step Up participants to assess the pilot's performance across its lifetime.

Over the three years of delivery, Step Up provided in-work progression support to 837 low-paid Londoners. Almost two-fifths (39%) of these participants 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 2 evaluation, which found a 33% employment related outcome rate. The majority of these outcomes (64%) were the result of accessing a new job.

There were also improvements in outcome targets for the programme since those reported in the year 2 evaluation, suggesting increased effectiveness as the pilot became more established. This evaluation found:

- 20% of participants increased their hourly rate by more than 10% (equivalent to the average annual growth rate in earnings for low-paid Londoners). In the year 2 evaluation this figure was 17% of participants.
- 19% of participants increased their hourly rate to London Living Wage or above. In the year 2 evaluation this figure was 14%.
- 20% of participants increased their weekly earnings to the equivalent of 36 hours at the London Living Wage¹. In the year 2 evaluation this was 15%.

The median pay increase for participants who achieved an employment related outcome was £1.42 per hour (or 21% hourly increase), or £82.50 per week (a 39% weekly earnings increase). The average time to achieve an employment related

¹ Or the equivalent of 16 hours at London Living Wage for lone parents.

outcome was 5.4 months, with the majority (65%) of participants achieving an employment outcome within 6 months.

Step Up participants also secured non-financial outcomes which were included as measures of attaining 'better' work. Over one fifth (21%) of Step Up participants who were on a temporary, zero hours, or part time contract moved onto a permanent contract, and 13% of participants gained a new qualification.

Longitudinal interviews were conducted with participants to explore factors which influenced their progression prospects in the longer term. Participants reported that soft outcomes gained through Step Up such as self-confidence, awareness of labour market processes, and increased skills, were continuing to impact their progression prospects. The longitudinal interviews highlighted the importance of individually tailored support and the need for a basket of measures of 'progression', as participants displayed a range of individual definitions of 'better' work. These included trade-offs between pay, hours, contract type, sector, progression prospects and the extent to which employment complemented wider circumstances.

Longitudinal interviews also highlighted the limitations of progression support which does not sufficiently address core barriers such as basic skills, job search ability and confidence. This suggests that for in-work progression support to produce sustainable results, individually relevant barriers must be addressed, with a focus on building capability and resilience. The interviews highlighted a desire for light touch support for working people across their working life. There was particular demand for improved access to accredited training, as well as high-quality careers advice about the appropriate skills needed to enhance their careers.

Step Up participants increased their earnings by a total of £1,989k or £1.78 per week more than a matched comparison group from the Labour Force Survey. Although the impact assessment could not affirm that this was a statistically significant increase, the pilot has generated considerable learning on how to design in-work progression programmes to improve efficiency and cost effectiveness from the outset.

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. The third year evaluation activities included additional research into particular areas of interest 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. The implications of learning from Step Up have been compiled into a paper aimed at commissioners of future in-work progression support programmes. Best practice will continue to be shared through the 'Better Work Network' to ensure ongoing awareness raising and promotion of 'what works'.

1. Introduction

Background to Step Up

Step Up was a pilot designed and commissioned by Trust for London and the Walcot Foundation in partnership with Learning and Work Institute (L&W). The pilot tested new approaches to supporting earnings progression among low-paid Londoners. Step Up was delivered from October 2015 until September 2018 by voluntary sector organisations, which each designed a distinct support model or targeted a specific group of low-paid workers. This work forms part of the third year evaluation of Step Up.

The full evaluation and key findings from the first two years of delivery can be found [here](#).² The year 2 evaluation report included findings from a range of qualitative and quantitative research to explore programme effectiveness and identify key lessons for future programme delivery and commissioning. This report is intended to be an addendum to the previous report, setting out the results of the impact assessment which took into account the final year of delivery. It also includes findings from additional longitudinal research with participants.

The Step Up initiative

Organisations were invited to bid for grants, worth up to £120,000 over three years, to test new approaches that help low-paid workers to increase their earnings and progress into better jobs. The target beneficiaries of the programme were individuals:

- on a low-income - defined as an average hourly wage below the London Living Wage (£9.15 per hour at the start of the programme, rising to £10.55 by programme end), and
- with a stable work history - defined as working a minimum of 14 hours a week for at least the last 12 months.

It was also intended that at least half of the overall programme beneficiaries would be Lambeth residents.³

The key outcomes that providers were expected to deliver included higher hourly wages and weekly earnings as well as improved employment conditions and job responsibilities. The programme outcomes are shown in Box 1.

² https://www.learningandwork.org.uk/resource/Step_Up

³ Step Up is part funded by the Walcot Foundation, which aims to break cycles of financial deprivation for people living in Lambeth.

Step Up partners

Step Up has been delivered by five⁴ voluntary sector organisations, each of which has designed a distinct support model and/or targeted a specific group of low-paid workers, drawing on their prior experiences of delivering support and meeting the needs of particular groups. The partners are:

- The Creative Society - *Supporting young people working in the creative and 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 the Timewise Foundation) - *Supporting parents to progress in work, by enabling access to better-paid part-time and flexible jobs*

Box 1: Step Up programme outcomes

1) Primary outcomes: higher hourly wages and weekly earnings

- Individuals increase their hourly rate by more than 10% (equivalent to the average annual growth rate in earnings for low-paid Londoners).
- Individuals increase their weekly earnings (to the equivalent of 36 hours at the London Living Wage; or the equivalent of 16 hours at the London Living Wage for lone parents).
- Individuals increase their hourly rate to the London Living Wage or above.

2) Secondary outcomes: improved conditions, responsibility and skills

- Individuals have improved contracts (e.g. moved from a zero hour contract or temporary contract to a permanent one).
- Individuals have improved responsibility or job description.

⁴ The Springboard Charity were also a Step Up partner, but they delivered only one year of Step Up support. This report does not include Springboard data as the shorter timescale for delivery makes their results non-comparable.

The evaluation

The evaluation of Step Up has had three distinct phases:

Year 1: Test and Learn

The first year of Step Up (Oct 2015 – Sep 2016) comprised a ‘test and learn’ phase, with providers trying different approaches, learning from what worked and, at the end of the first year, reviewing their delivery models and making any changes required.

Year 2: Evaluation

The second year of Step Up (Oct 2016 – Sep 2017) comprised the main evaluation period, which used both quantitative and qualitative data to understand programme effectiveness.

Year 3: Extended evaluation

The third year of Step Up (Oct 2017 – Sep 2018) comprised an extended year of programme delivery. To assess the overall programme impact across the three years of delivery, learning and evaluation activities included the development of an addendum to the main evaluation report.

Year 3: Additional research activities

In addition to the evaluation of three years of Step Up delivery, the third year evaluation activities included research into areas of interest identified through the year 2 report. These included:

- Three ‘deep dive’ projects, which were decided in collaboration with Step Up providers, Trust for London and the Walcot Foundation. These were designed to examine topics informed by previous research into lessons from delivery. The ‘deep dive’ research topics include:
 - Messaging to engage low-paid workers into support
 - The needs assessment process for in-work progression support
 - Barriers to progression for individuals with ESOL needs
- Two policy-focussed briefing papers, which were decided in collaboration with Trust for London and the Walcot Foundation. These included:
 - A paper focussed on lessons for the design and commissioning of in-work progression support.

- A paper focussed on employer engagement and job brokerage in the context of in-work progression support, informed by a roundtable of relevant stakeholders.

The third year evaluation activities, including the deep dive research and briefing papers, can be found here⁵.

Structure of the report

The remainder of the report is structured as follows:

- Chapter 2 presents an updated analysis of the data for the full three years of delivery, reporting on the demographics of Step Up participants and outcomes achieved.
- Chapter 3 presents findings from the longitudinal interviews with Step Up participants to explore factors impacting the longer term sustainability of outcomes achieved at the first interview, and wider impacts of earnings progression on participants' lives.
- Chapter 4 presents the results of our updated impact assessment, which estimates the *additional* value of the programme over and above what would have been achieved in its absence and an updated cost benefit analysis, which compares programme value to what it cost to deliver, in order to assess value for money.
- Chapter 5 presents conclusions and implications for in-work progression support.

⁵ <https://www.learningandwork.org.uk/resource/the-step-up-pilot-year-3-report/>

2. Step Up management information analysis

This chapter presents an updated full analysis of the Management Information (MI) data, to demonstrate who Step Up supported and outcomes achieved across the three years of delivery.

Recruitment and engagement of low-paid workers

Total registrations on to the Step Up programme numbered 837 by the end of September 2018, an increase of 297 participants in year 3 delivery (October 2017 to September 2018).⁶

Step Up registrations

Table 2.1 shows the registrations onto the Step Up programme by provider between October 2015 to September 2018. As can be seen, IRMO has the highest number of registrations with 249 registrations (29.7 per cent) whereas Creative Society has the lowest number with 118 (14.1 per cent).

Table 2.1: Total registrations of Step Up participants, by provider

Provider	Total number of registrations	Share (percentage)
IRMO	249	29.7%
Timewise	207	24.7%
Thames Reach	133	15.9%
High Trees	130	15.5%
Creative Society	118	14.1%
Grand Total	837	-

Recruitment channels

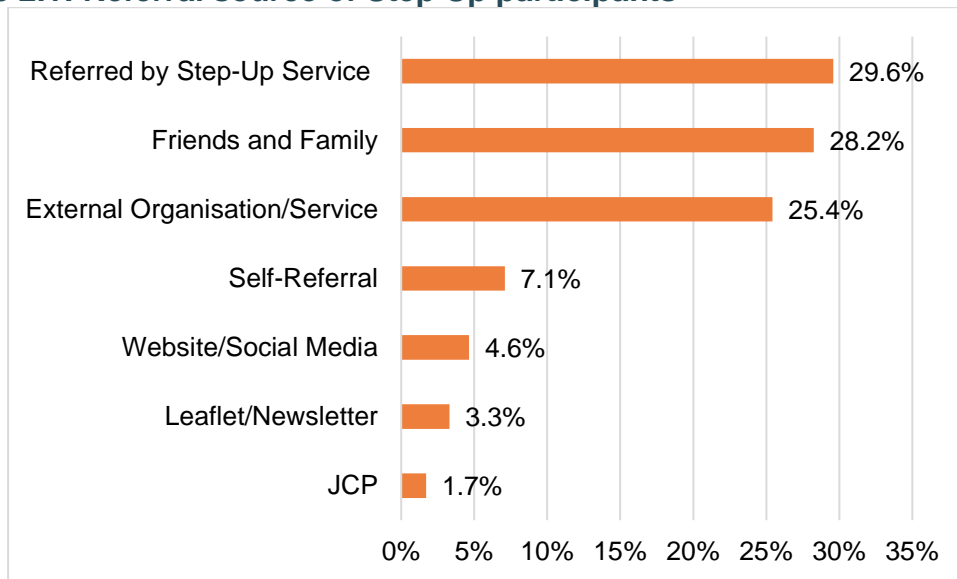
Figure 2.1 shows the referral source for those participants recruited. It shows clearly that the three most common means of recruiting Step Up participants were:

- **internal referrals from the provider** (i.e. among participants or former participants using other services offered by or interacting with the organisation) accounted for nearly one-third of total participants (30%);
- **informal signposting** through friends, family and other social networks accounted for just over one-quarter of participants recruited (28%); and

⁶ Total registrations numbered 540 by the end of September 2017.

- **referrals or signposting from external organisations or services** - accounting for one-quarter of all participants recruited (25%).

Figure 2.1: Referral source of Step Up participants



Base: all programme participants with referral source information = 818

Together, 83% of participants were recruited to Step Up in one of these three ways. Just 7% of participants were joined through self-referrals. The remainder were recruited without having an initial connection through a type of network: 5% were recruited through online media and a further 3% through seeing marketing materials (an advert, leaflet or newsletter).

This highlights the central importance of engaging potential participants via trusted intermediaries – be these external organisations, internal services or existing programme participants. These are largely similar to year 2 evaluation findings, where 85% of referrals were recruited through trusted intermediaries. There has been a small rise in self referrals (from 3% to 7% of referrals) as Step Up became an established programme.

Demographic characteristics of Step Up participants

Gender

Overall, 62% of Step Up participants were women and 38% men. Less than 1% considered themselves to be gender-neutral⁷.

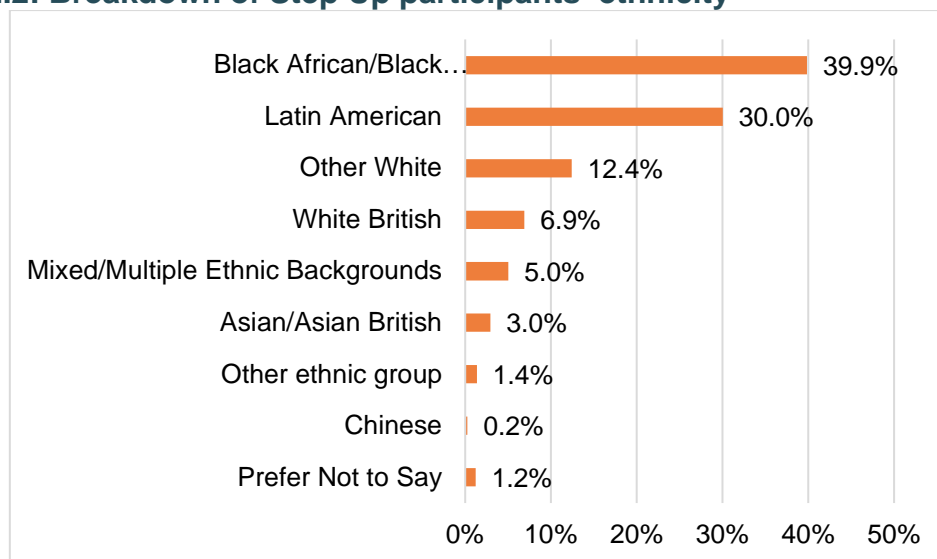
Age

The average age of Step Up participants was 39⁸. This was similar for all providers except for Creative Society participants, whose average age was 24, reflecting their target group of young people.

Ethnic group

The majority of Step Up participants were from black and minority ethnic groups, with just 7% identifying as White British (see Figure 2.2). The largest ethnic group was 'Black African/Black Caribbean/Black British/Other Black', comprising two fifths of total participants, followed by Latin American (30%) (reflecting IRMO's client group), and then 'Other White' (12%).

Figure 2.2: Breakdown of Step Up participants' ethnicity



Base: all programme participants with ethnicity information available = 813

⁷ Base: all programme participants with gender information available = 836

⁸ Base: all programme participants with age information available = 807

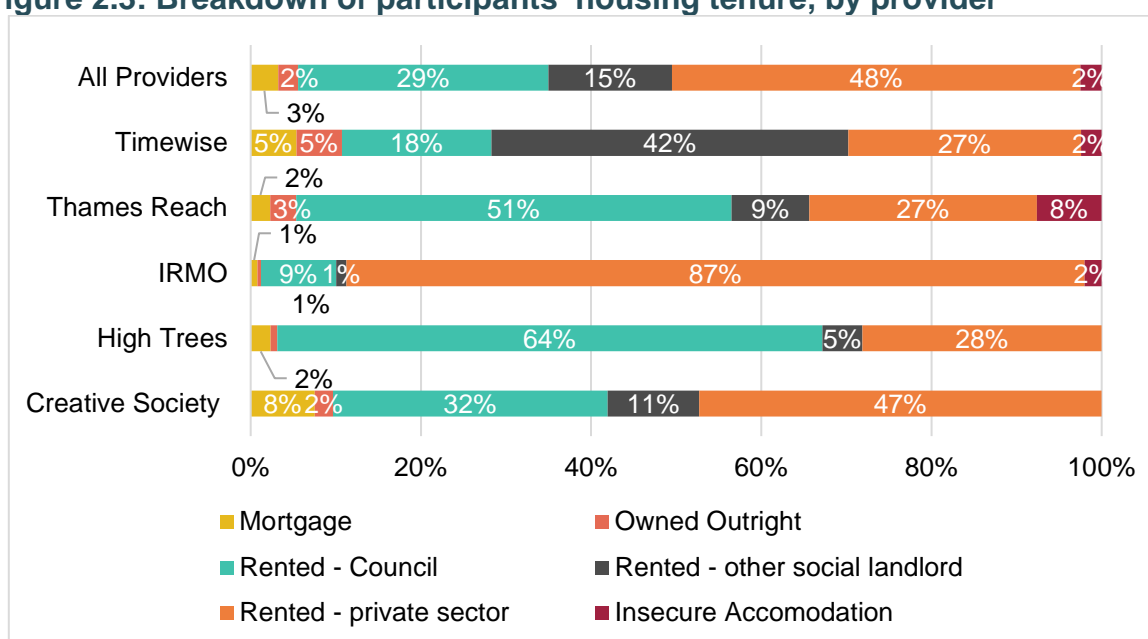
Disability or health condition

Approximately 14% of Step Up participants reported having a disability or health condition when they joined the programme⁹. Providers spoke of the difficulties of obtaining such sensitive information when participants entered the programme; hence it is possible that the actual figure of disabled participants is higher. 48% of those to report a disability or health condition identified a mental health condition¹⁰.

Housing tenure

The majority of Step Up participants were renting their home from a private landlord (48%) or from the Council (29%). This varied by provider (Figure 2.3). Most High Trees participants (64%) were renting from the Council, while a similarly high proportion of IRMO participants (87%) were renting privately. Around a half of Thames Reach participants were renting from the Council and around a third of Creative Society participants. Timewise was distinct in having a lower proportion of Council renters (18%) and a higher proportion renting from another type of social landlord (42%). Just 5% of participants were in owner occupation, while a small proportion (2%) were in insecure accommodation (temporary/ emergency, squatting or homeless). Most of the latter were from Thames Reach (8%).

Figure 2.3: Breakdown of participants' housing tenure, by provider



Base: all programme participants with housing tenure information available = 813

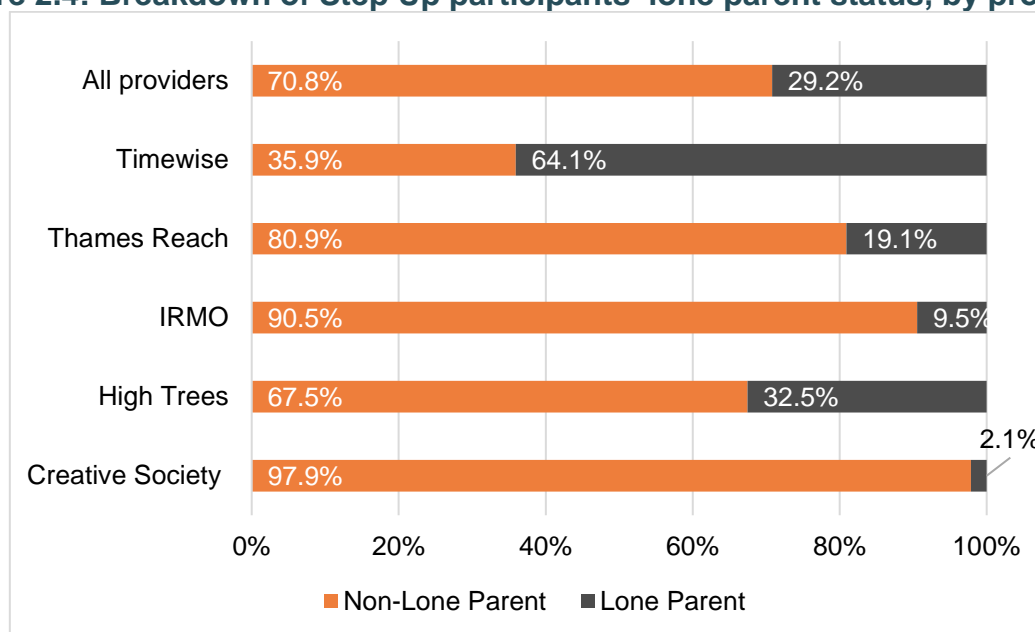
⁹ Base: all programme participants with disability information available = 762

¹⁰ Base: all programme participants to report a disability or health condition = 104

Family circumstances

Around half (53%) of Step Up participants had dependent children living with them¹¹. Timewise had the largest proportion of participants with dependent children, reflecting the nature of their provision, while Creative Society and Thames Reach had the lowest. This might be partly explained by the age distribution amongst providers – Creative Society had the youngest average age and Thames Reach had the oldest.

Figure 2.4: Breakdown of Step Up participants' lone parent status, by provider



Base: all programme participants with lone parent information available = 747

29% of Step Up participants were lone parents – again with variation across providers¹². Two-thirds of Timewise (64%), one-third of High Trees and one-fifth of Thames Reach participants (19%) were lone parents, compared to 9% of IRMO and 2% Creative Society's participants.

Qualification level

Participants joining Step Up had a wide range of qualifications (see Figure 2.5), ranging from 18% who had a UK degree, to 7% who had Level 1 or entry level qualifications, and 7% with no qualifications. A large proportion - around two fifths of

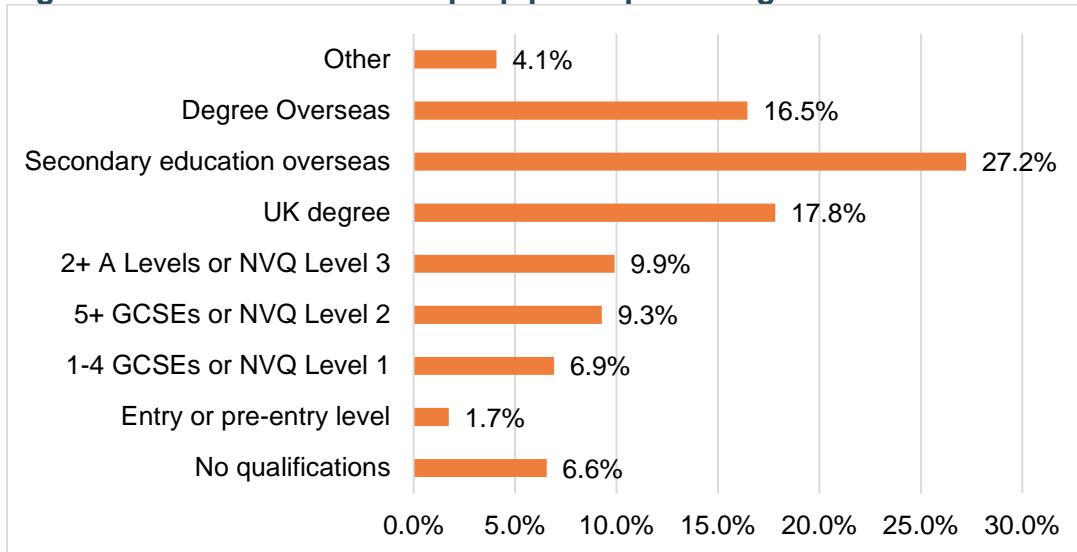
¹¹ Base: all programme participants with dependent children information available = 706

¹² Lone parent is defined as an individual not living with their partner, with at least one dependent child in the household.

total participants (43%) - had an overseas qualification, either at degree level (16%) or at secondary education level (27%).

By provider, there were also noticeable differences. For example, more than half (63%) of Creative Society participants held a UK degree, compared to just 2% of IRMO participants, while two thirds (66%) of IRMO participants' highest education level was 'secondary education overseas', compared to just 3% of Timewise participants. Again, this reflects the target groups of each of the providers.

Figure 2.5: Breakdown of Step Up participants' highest educational attainment



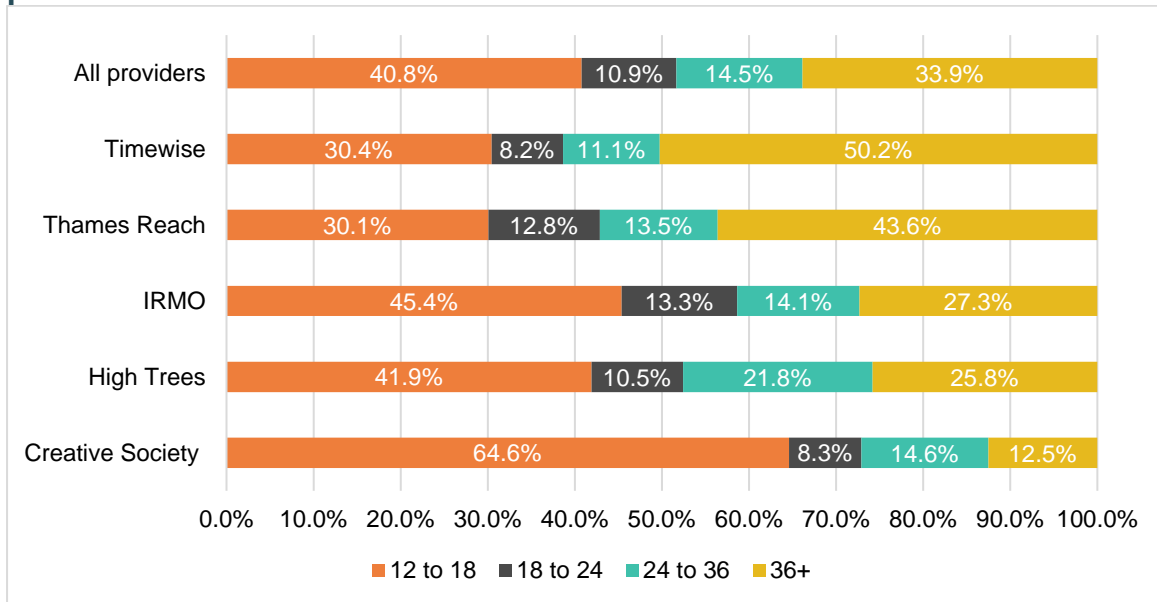
Base: all programme participants with referral source information available = 808

Step Up participants' employment situation at the point of engagement

Participants needed to have been in work for 12 months to be eligible for Step Up. However, there was a lot of variation across providers in the length of time participants had been continuously employed (see Figure 2.6). Overall, two-fifths (41%) had been employed for between 12 and 18 months, while a further one-third (34%) had been employed for three years or more. 15% had been in continuous employment for 24 to 35 months and just 11% had been so for 18 to 24 months.

Timewise and Thames Reach participants had more commonly spent longer in continuous employment prior to joining the programme (50% and 44% respectively had been in employment for 3 years +), whilst Creative Society and IRMO participants had been in continuous employment for less time (65% and 45% of participants had been in employment for 12 to 18 months respectively). This is likely due to the young age group of Creative Society participants and because IRMO participants had often held jobs outside of the UK previously.

Figure 2.6: Length of time in continuous employment upon joining Step Up, by provider

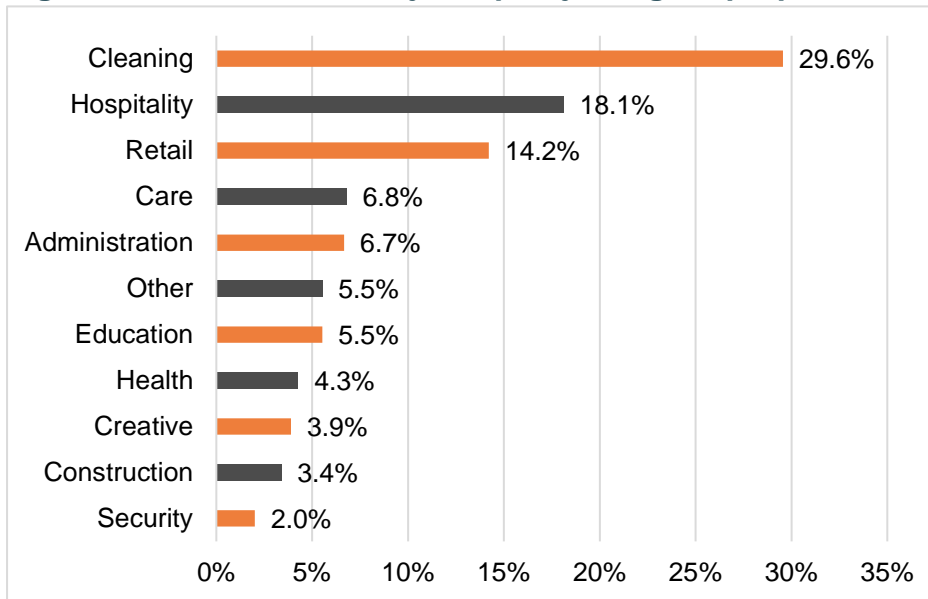


Base: all programme participants with employment length information available = 809

The vast majority of Step Up participants (87%) had just one job on joining the programme¹³. Holding multiple jobs was most common among IRMO and Creative Society participants as 21% and 19% respectively had more than one job.

¹³ Base: all programme participants with number of jobs information available = 803

Figure 2.7: Sector of main job, upon joining Step Up

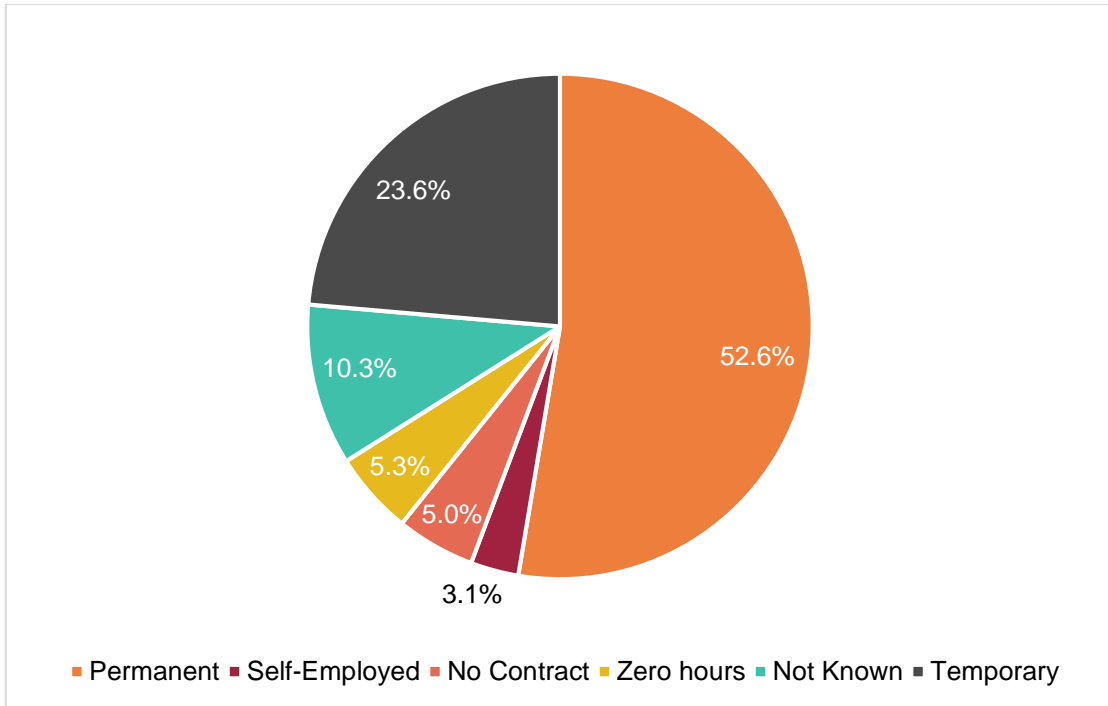


Base: all programme participants with sector of main job information available = 795

As Figure 2.7 shows, participants worked in a range of sectors. The three largest were cleaning (30%), hospitality (18%) and retail (14%). The large proportion of cleaners partly reflects IRMO’s delivery model, which targeted Latin Americans ‘stuck’ in cleaning who wanted to move into a different sector.

Most participants (53%) had a permanent contract whilst just under a quarter (24%) were on a temporary contract (see Figure 2.8). Permanent contracts were most common amongst Thames Reach and Timewise participants (76% and 82% respectively), whilst 38% of Creative Society and 38% of High Trees participants were on temporary contracts. One third of IRMO participants were unaware of their contract status, showing more limited awareness of labour rights among this group.

Figure 2.8: Employment contract of main job, upon joining Step Up



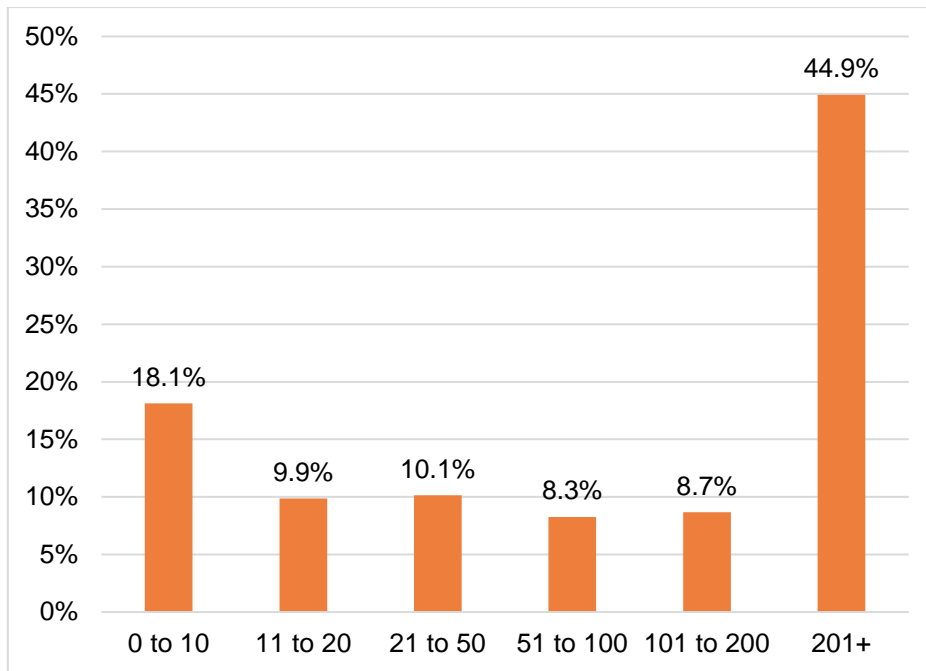
Base: all programme participants with main job contract information available = 813

A small number (6%) of participants reported being in informal employment¹⁴ at the time of registration¹⁵. This was higher among Creative Society participants, 16% of whom were in informal employment, reflecting the nature of the creative sector.

Figure 2.9: Size of employer of main job, upon joining Step Up

¹⁴ Participants were identified as being in informal employment if they did not have an employment contract or statutory entitlements such as paid leave and sick pay with their employer.

¹⁵ Base: all programme participants with formal status of main job information available = 805



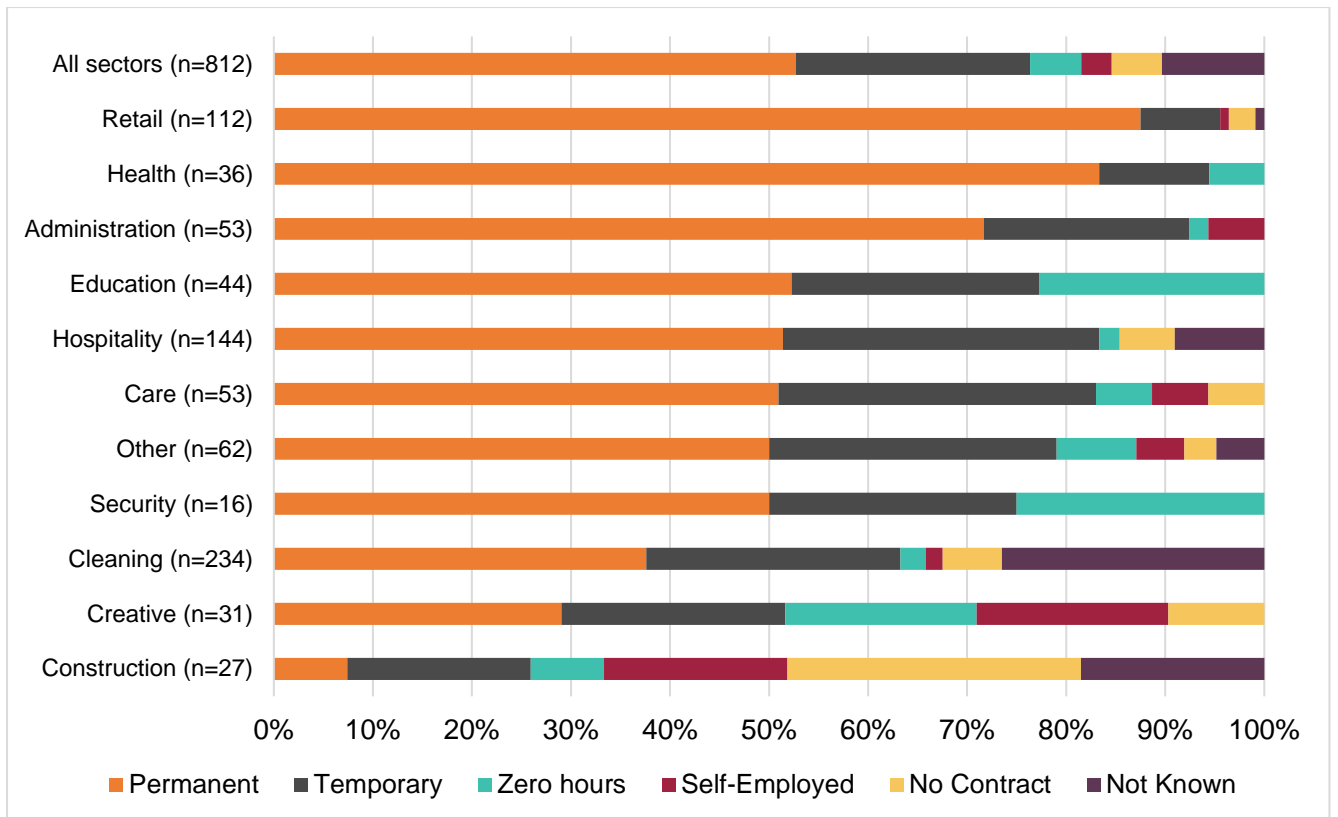
Base: all programme participants with size of employer information available = 750

As Figure 2.9 shows, the majority of participants (45%) were employed in a large business (200+ employees), while 18% were employed in micro businesses (up to 10 employees), 20% were employed in small businesses (11-50 employees) and 17% were employed in medium enterprises (51-200 employees).

Figure 2.10 shows the variation in employment contract across different sectors.¹⁶ As noted in Figure 2.8, the vast majority of participants had a permanent contract. Participants whose main jobs were in retail, health and administration were most likely to have a permanent contract (88%, 83% and 72% respectively). **Participants whose main jobs were in hospitality and care were most likely to have temporary contract (32%, 32% and 39% respectively), whilst those working in security, education and creative sectors had the highest proportion of zero hours contracts (25%, 23% and 19% respectively). Those working in construction and the creative sectors were most likely to be self-employed (19% and 19% respectively). Further, those working in construction were also most likely to have no contract (30%).** Participants working in cleaning were the least likely to know their contract status (26%).

Figure 2.10: Employment contract by sector, upon joining Step Up

¹⁶ Beauty, local government, logistics and transport have been added to 'other' as each sector had employment contract information available for less than 15 participants.

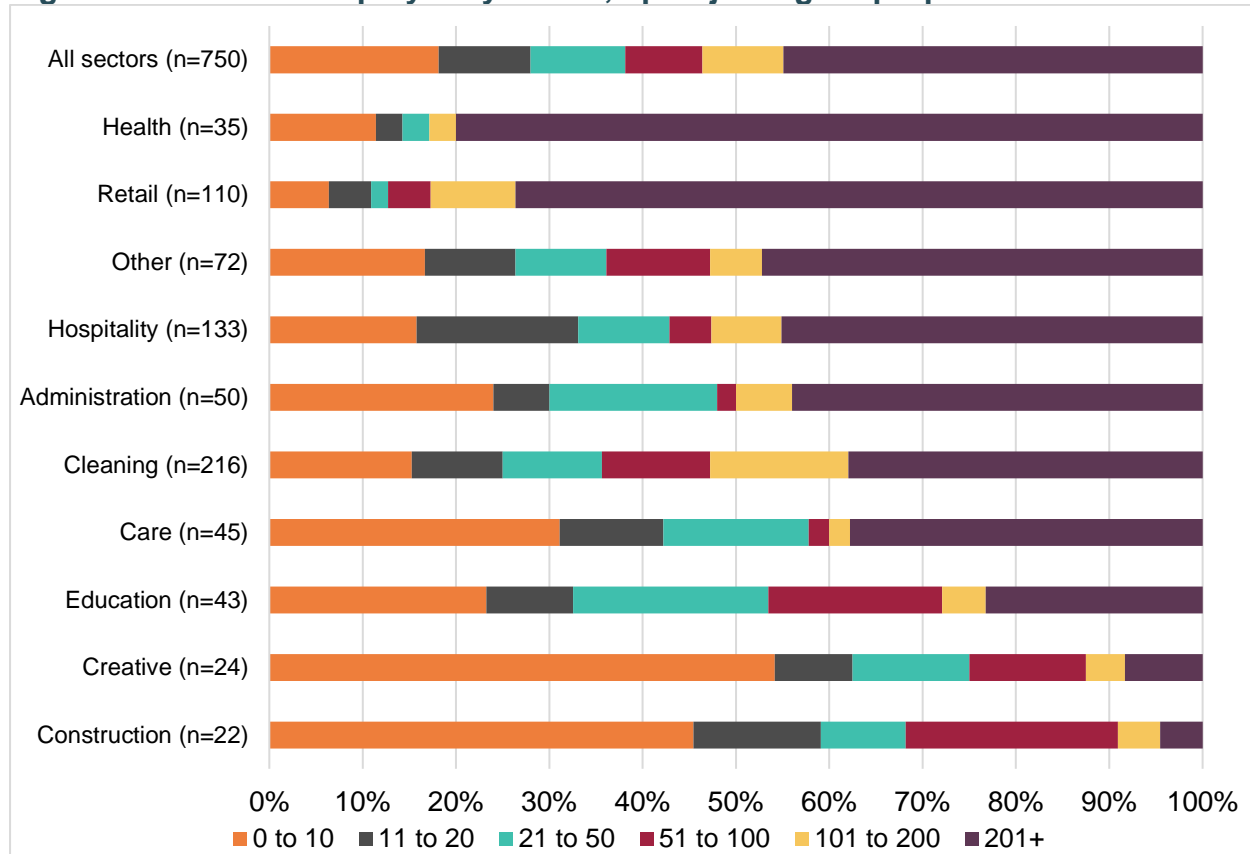


Base: all programme participants with employment contract and sector of main job information available = 812

Figure 2.11 shows the variation in employer size across different sectors.¹⁷ As noted in Figure 2.9, the vast majority of participants were employed by businesses with 201+ employees, followed by those with 1 – 10 employees.

¹⁷ Beauty, local government, logistics, security and transport have been added to 'other' as each sector had employment contract information available for less than 15 participants.

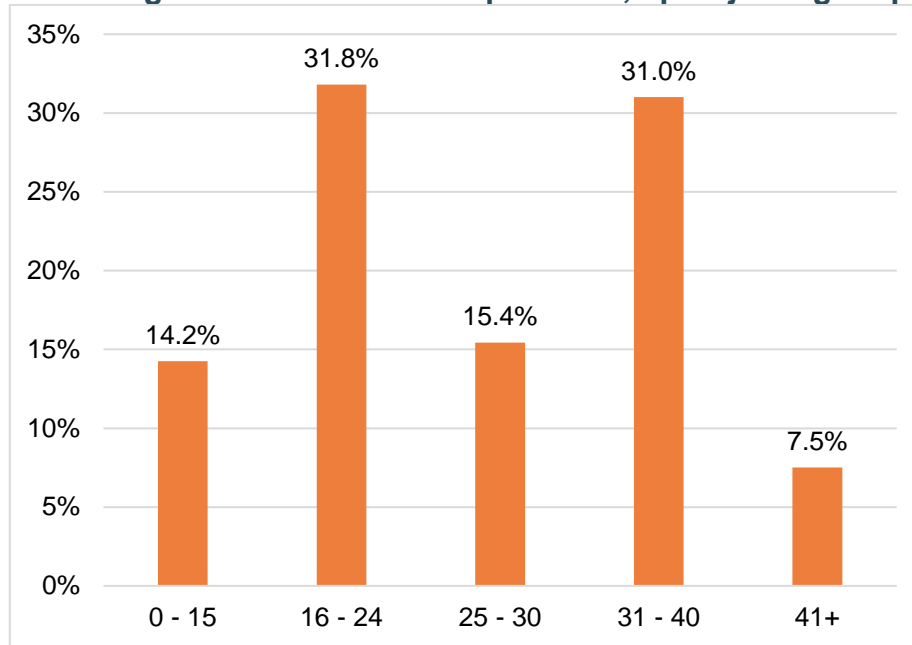
Figure 2.11: Size of employer by sector, upon joining Step Up



Base: all programme participants with employment contract and sector of main job information available = 750

Participants whose main jobs were in health and retail were most likely to work in employer with 201+ employees (80% and 74% respectively). Those working in creative sectors, construction and care were the most likely to be employed by a micro business (0 to 10 employees), with 54%, 45% and 31% respectively. There was relatively less variation in employer size across other sectors. [Across sectors,](#) those in hospitality were most likely to be employed by an employer with 11 to 20 employees (17%). Those working in education were most likely to be employed by an employer with 21 to 50 employees (21%). Participants working in construction were most likely to be employed by an employer with 51 to 100 employees (23%), whilst those working in cleaning were most likely to be employed by an employer with 101 to 200 (15%).

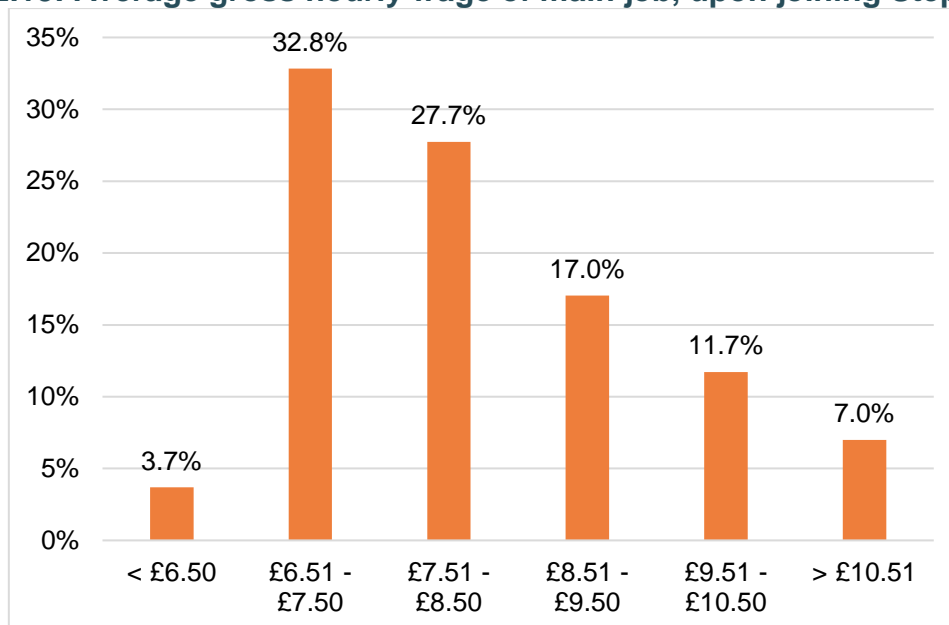
Figure 2.12: Average total hours worked per week, upon joining Step Up



Base: all programme participants with average total hours worked information available = 758

There was variation in hours worked (Figure 2.12). 86% worked at least 16 hours, but only 39% worked more than 30 hours. 8% worked very long (41+) hours every week. On average participants worked 28 hours per week.

Figure 2.13: Average gross hourly wage of main job, upon joining Step Up

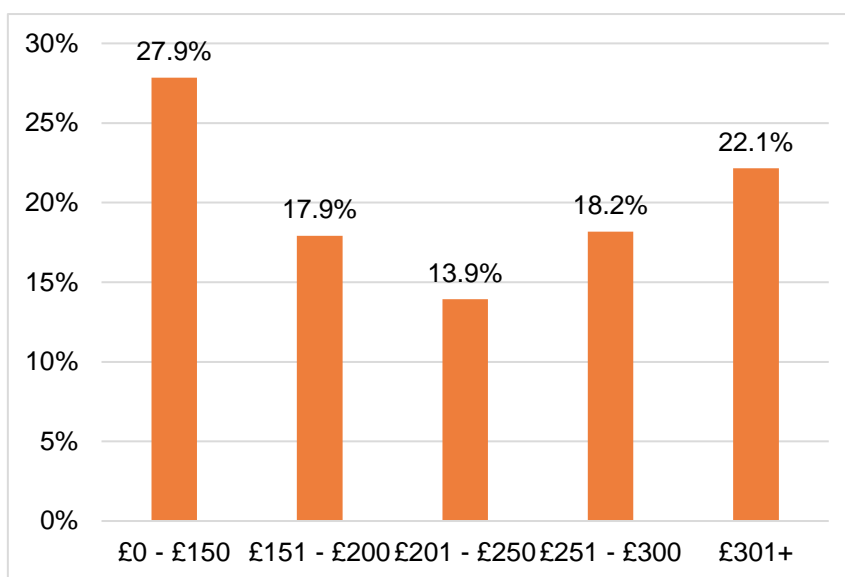


Base: all programme participants with main job hourly wage information available = 786

One-third (33%) of Step Up participants earned between £6.50 and £7.50 an hour, while more than a quarter of participants (28%) earned between £7.50 and £8.50 an hour, 17% earned between £8.50 and £9.50 an hour, and 19% earned more than £9.50 an hour – above the level of the London Living Wage for the vast majority of the programme¹⁸. While a small proportion, just under 4%, reported earnings below £6.50 (i.e. below the level of the NMW). The median gross hourly wage among all participants (for whom hourly wage data is available) was £8.00¹⁹.

Average gross weekly earnings were low for Step Up participants reflecting the predominance of part-time work (see Figure 2.14). **Just under a half (46%) earned less than £200 per week and only 22% earned more than £300 per week.** By way of illustration, the weekly earnings target for the programme of 36 hours x the LLW at the end of the programme equated to earnings of £367.20 per week. The target for lone parents, who made up just under one-third of participants, was 16 hours x LLW, which was £163.30 at the end of the pilot. **The median gross weekly earnings across all participants (for whom earnings data is available) was £216.00.**

Figure 2.14: Average total gross weekly earnings of main job, upon joining Step Up



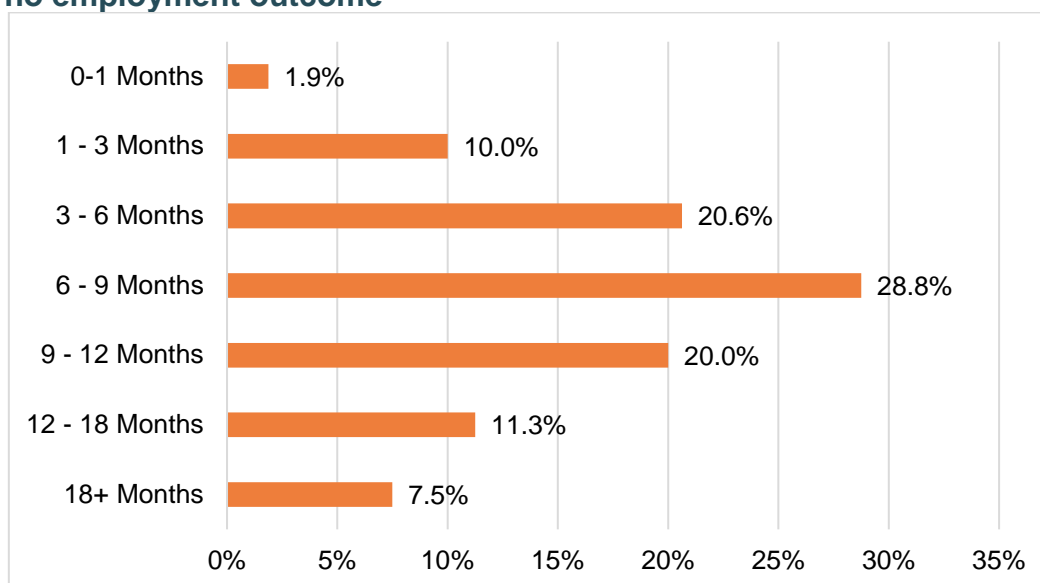
Base: all programme participants with average total weekly earnings information available = 754

¹⁸ This is above the London Living Wage level for the majority of programme delivery. (The LLW was £9.15 when Step Up started, rising to £9.40 in Nov 2015, £9.75 in Nov 2016 and £10.20 in Nov 2017). This may have meant participants were technically ineligible for Step Up according to this criterion.

¹⁹ The median - the data value at which 50% of the data values are above it, and 50% of the data values are below it - has been used because the distribution of hourly wage and earnings is typically skewed by higher earners which can influence the mean value. By taking the middle value, the median is not influenced by outlying values at the upper end of the scale, making it more representative of typical earnings.

Management information shows that **192 participants (almost a quarter of the total registered) were reported as having disengaged from the programme prior to achieving an outcome.** Of the 192, data was available for 160 participants. Figure 3.15 shows that the largest share of these people (29%) disengaged after 6-9 months. 12% disengaged before 3 months, while 19% disengaged after a year or more of support.

Figure 2.15: Length of time until disengagement for participants disengaging with no employment outcome



Base: all programme participants to disengage with no outcome with length on programme information available = 160

One-to-one adviser support was a core offer across all Step Up providers. Providers adopted a flexible approach which was designed to accommodate participants' working patterns and other responsibilities. They also used a variety of methods to communicate with participants, alongside face-to-face appointments. This included Facebook, email, text or phone e.g. for job alerts, employability events or booking one session appointments. Across all providers, 98% of participants attended one-to-one support sessions at least once. Table 2.2 provides some indication of the intensity of the support delivered. Of those who attended at least once, the average number of one-to-one sessions attended was 4.4, while the average length of appointments ranged from 0.9 to 1.3 hours.

Table 2.2: Intensity of one-to-one support on Step Up

Provider	Total number of participants participating in one-to-one appointments	Average number of one-to-one appointments	Average length of one-to-one appointments (hours)
Timewise	209	6.5	1.1
Thames Reach	129	3.7	1.3
IRMO	249	3.6	1.3
High Trees	130	4.7	1.2
Creative Society	103	4.6	0.9
Grand Total	820	4.4	1.1

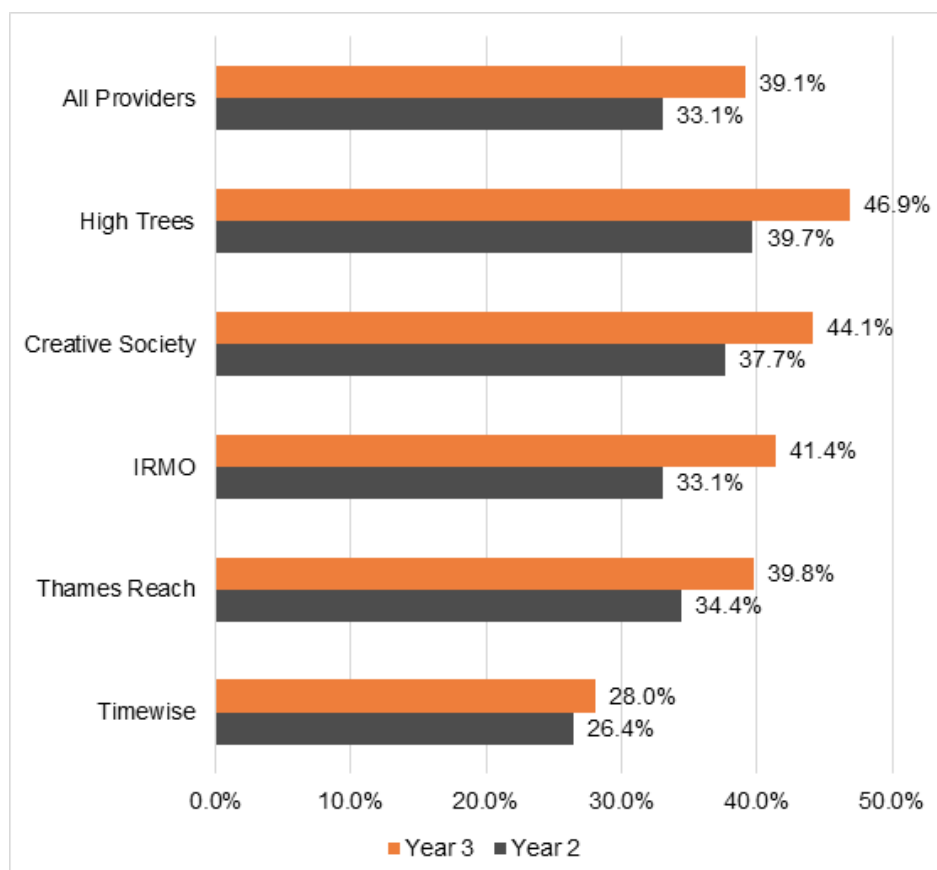
Summary

- Step Up participants were more likely to be women (62%), in their 30s or 40s and to be from a black or minority ethnic group – typically Black African/ Black Caribbean/ Black British/ Other Black (39.9%) or Latin American (30%).
- Around one in 12 (8%) had a disability.
- Around half (53%) had dependent children and just under a third (29%) were lone parents.
- Predominantly participants lived in either council housing (29%) or private rented accommodation (48%).
- Participants qualification levels ranged from degree level to entry level or no qualifications. A large proportion (44%) were educated overseas to at least secondary level.
- Work histories varied, with two fifths (41%) having been in continuous work for 12-18 months prior to Step Up, and a third (34%) having worked consistently for three years or more.
- Predominant sectors were cleaning, hospitality and retail, together accounting for three fifths (62%) of participants.
- The largest group of participants (one third) were paid within £1 of the National Minimum Wage- although 1 in 5 (19%) participants had higher wages of above £9.50 per hour.
- Around half (52.6%) of participants had permanent contracts with guaranteed hours, while almost a third (33.9%) had various forms of less secure contacts (temporary, zero hours or no contract).
- Working hours varied, with around half (47%) working between 16 and 30 hours and two fifths (39%) working over 30 hours.
- Weekly earnings were low, with just under half (45.8%) of people earning below £200 per week.

Employment Related Outcomes

Figure 2.16 shows the proportion of participants that had achieved at least one employment related outcome by Q3 2018, by provider. **Across all providers, 327 participants achieved such an outcome, which is almost two-fifths (39%) of all participants registered on the programme.** This represents a 6% increase from the year 2 evaluation findings.

Figure 2.16: Proportion of participants achieving an employment-related outcome, by provider



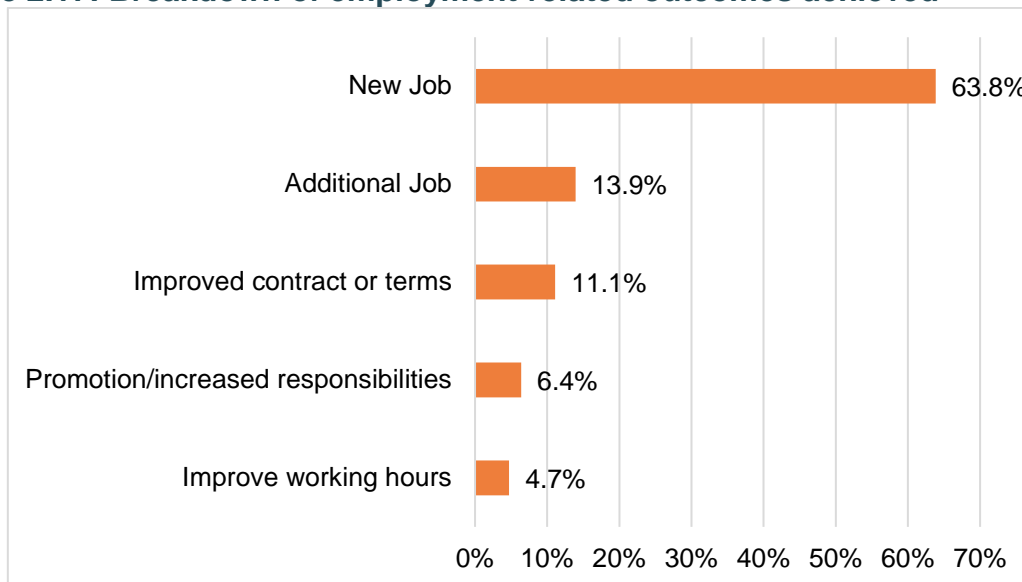
Base: all programme participants = 837

All providers increased the proportion of participants who achieved an employment related outcome by between 2% to 8% in comparison to outcomes achieved at the end of year 2.

Figure 2.17 shows the range of different types of employment-related outcomes achieved by Step Up participants. In total, 423 employment related outcomes were achieved (including multiple outcomes for the same participant) across all providers. **Taking a new job was by far the most common type of outcome, accounting for more than three-fifths (64%) of all employment-related outcomes.** Taking an

additional job accounted for 14% of total outcomes, while getting an improved contract or terms and conditions and getting a promotion or increased responsibilities accounted for just 11% and 6% respectively. Just 5% of total outcomes included changes to working hours within an existing job.

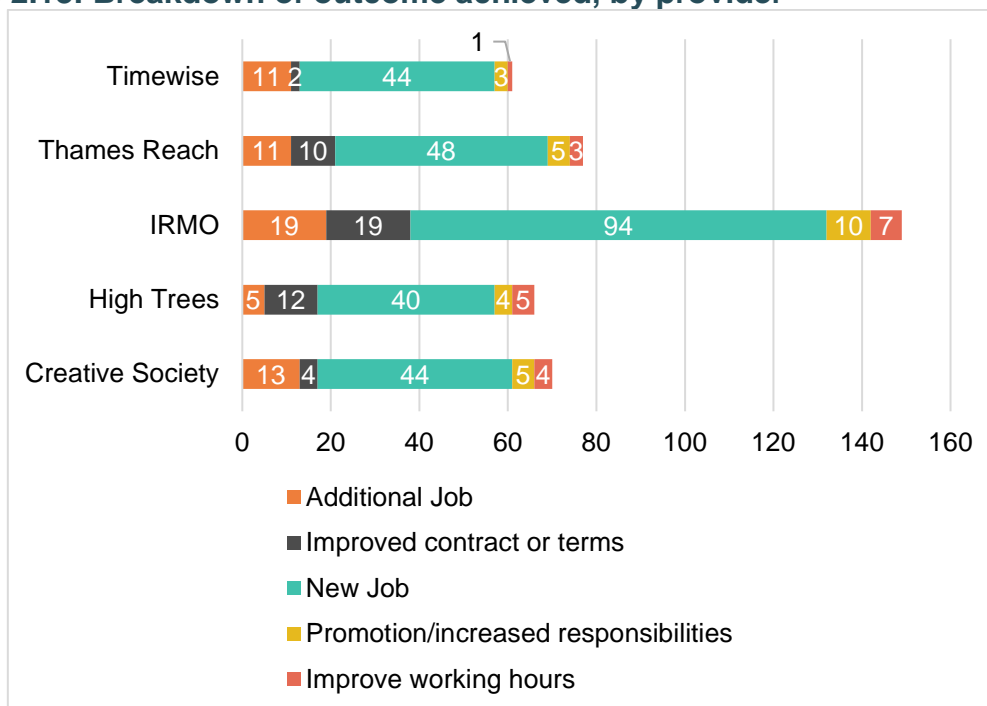
Figure 2.17: Breakdown of employment-related outcomes achieved



Base: all employment-related outcomes = 423

The range of outcomes achieved across the five providers is shown in Figure 2.18. The broad pattern of outcomes is similar, but IRMO was much more likely than other providers to achieve new jobs. Thames Reach, IRMO and High Trees were more likely than other providers to achieve improvements to contracts or terms and conditions, while High Trees participants were less likely to take on an additional job.

Figure 2.18: Breakdown of outcome achieved, by provider



Earnings outcomes

Impact on Hourly Wage

Of the 403 employment-related outcomes which could lead to a change in hourly pay²⁰, 354 (88% of the total) had pre- and post-outcome hourly wage data available. **The median percentage change in hourly wage across all outcomes was 21%²¹.** The median pre- and post-outcome hourly wage was £8.00 and £9.77 respectively, whilst the median change in hourly wage £1.47²². **This represents an increase from the year 2 evaluation findings, which reported a median change in hourly wage of £1.25, or 15.4%.**

Getting a new job was, on average, most likely to lead to the largest median absolute and percentage change in hourly wage (£1.55 and 22% respectively), while improving one's terms and conditions resulted in the smallest median change (£0.83 and 12% respectively).

²⁰ In cases where participants achieved multiple outcomes, participants' hourly wage at the point of starting the programme has been used, in order to assess the overall change achieved while on Step Up.

²¹ The median percentage change in hourly wage is the median percentage change of each pre and post-outcome hourly wage measure – this differs to the percentage change in the median value.

²² The median change in hourly wage is the median change of each pre- and post-outcome hourly wage measure – this differs to the change in the median value.

Table 2.3: Change in median hourly wage, by outcome type

Outcome Type	Median pre-outcome hourly wage (£)	Median post-outcome hourly wage (£)	Median change in hourly wage (£)	Median percentage change in hourly wage (percentage)
Promotion / increased responsibilities (n=25)	£8.00	£9.77	£1.47	20.9%
Additional job (n=50)	£7.85	£9.00	£1.40	20.0%
New job (n=239)	£8.00	£9.58	£1.03	14.7%
Improved contract or terms (n=40)	£7.90	£10.00	£1.55	22.1%
All outcomes (n=354)	£8.58	£9.99	£0.83	11.9%

Impact on Weekly Earnings

Of the 423 employment-related outcomes which could lead to a change in weekly earnings²³, 336 had pre- and post-outcome weekly earnings data available. The median percentage change across all outcomes (with the relevant information available) was 39%²⁴. **The median pre- and post-outcome weekly earnings were £225.75 and £322.40 respectively, whilst the median change in weekly earnings was £82.50²⁵.**

In the year 2 report, the median percentage increase was 41.9%, therefore this represents a small decrease. However, the previous increase was based on a far smaller cohort (160 employment-related outcomes); therefore individuals with exceptional circumstances such as particularly high pay had a greater impact.

²³ In cases where participants achieved multiple outcomes, participants weekly earnings at the point of starting the programme has been used, in order to assess the overall change achieved while on Step Up.

²⁴ The median percentage change in weekly earnings is the median percentage change of each pre and post-outcome weekly earnings measure – this differs to the percentage change in the median value.

²⁵ The median change in weekly earnings is the median change of each pre- and post-outcome weekly earnings measure – this differs to the change in the median value.

Table 2.4: Change in median total gross weekly earnings, by outcome type

Outcome Type	Median pre-outcome weekly earnings (£)	Median post-outcome weekly earnings (£)	Median change in weekly earnings (£)	Median percentage change in weekly earnings (percentage)
Promotion / increased responsibilities (n=23)	£283.50	£315.00	£26.00	10.2%
Additional job (n=39)	£187.50	£287.00	£100.00	53.1%
New job (n=221)	£216.00	£346.12	£89.00	42.3%
Improved contract or terms (n=36)	£292.50	£306.00	£25.92	11.3%
All outcomes (n=336)	£225.75	£322.40	£82.50	38.5%

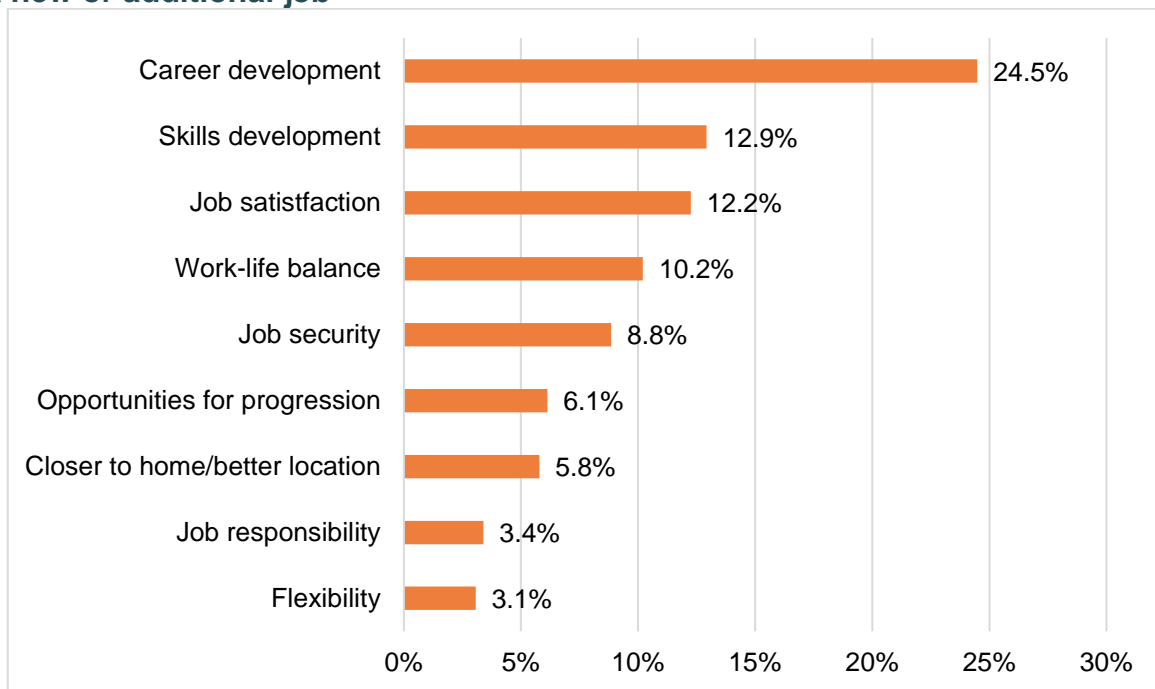
Table 2.4 shows the change in median total gross weekly earnings by outcome type. **Participants who took an additional job saw by far the largest improvements in weekly earnings**, with a median percentage change of 53% and a median increase of £100.00. A new job led to a median percentage change of 42%; improved working hours resulted in a median percentage change of 33%; improved contract or terms led to a median percentage change of 11%; whilst a promotion or increased responsibilities resulted in the smallest median percentage change of 10%.

Additional Impacts from employment outcomes

In addition to the increases in hourly wage and earnings, **participants also reported additional benefits arising from their employment related outcomes** (Figure 2.19). Participants who obtained new or additional jobs recorded reasons why their new position was better than their previous or original job. The three most common reasons given were that the change resulted in career development (25%), skills development (13%) or improved job satisfaction (12%).

10% said their new or additional job meant they have an improved work-life balance. Smaller numbers cited the new job being more secure (9%), having more opportunities for progression (6%), being closer to home (6%), having more responsibility (3%) or having greater flexibility (3%)

Figure 2.19: Breakdown of non-financial benefits for participants who obtained a new or additional job



Base: all employment-related outcomes = 423

Step Up Programme Targets

This section details participant outcomes in relation to the key programme outcomes:

- an increase in hourly wage by 10%;
- earning at least the London Living Wage (LLW);
- earning at or above the weekly earnings target²⁶; and
- movement from a temporary or zero hours contract to a permanent one.

In total, across all providers, of the 313 participants who achieved an outcome that could have directly led to an increase in hourly wage, 273 had the relevant wage information available. Of these, 62% increased their hourly wage by 10% or more. In the year 2 evaluation, this was just 51%, or 17% of total Step Up participants. This now represents a fifth (20%) of total Step Up participants.

Of the 284 to achieve an outcome that could have directly led to an increase in hourly wage (and had the necessary information available), just under three-fifths

²⁶ The weekly earnings target is 16 hours x LLW for lone parents and 36 hours x LLW for other participants. The calculation is also complicated by the increase in LLW rates over the course of Step Up. We have made the calculation using the LLW rate in place at the time the outcome was achieved.

(58%) achieved an hourly wage of at least the London Living Wage. In the year 2 evaluation, this was just 43%, or 15% of total Step Up participants. This now represents 19% of total Step Up participants.

Of the 327 to achieve an outcome that could have directly led to an increase in weekly earnings, 281 had the relevant weekly earnings data available. Of these, 55% increased their earnings to at least the level of the weekly earnings target²⁷ or higher. In the year 2 evaluation, this was just 45%, or 15% of total Step Up participants. This now represents 20% of total Step Up participants.

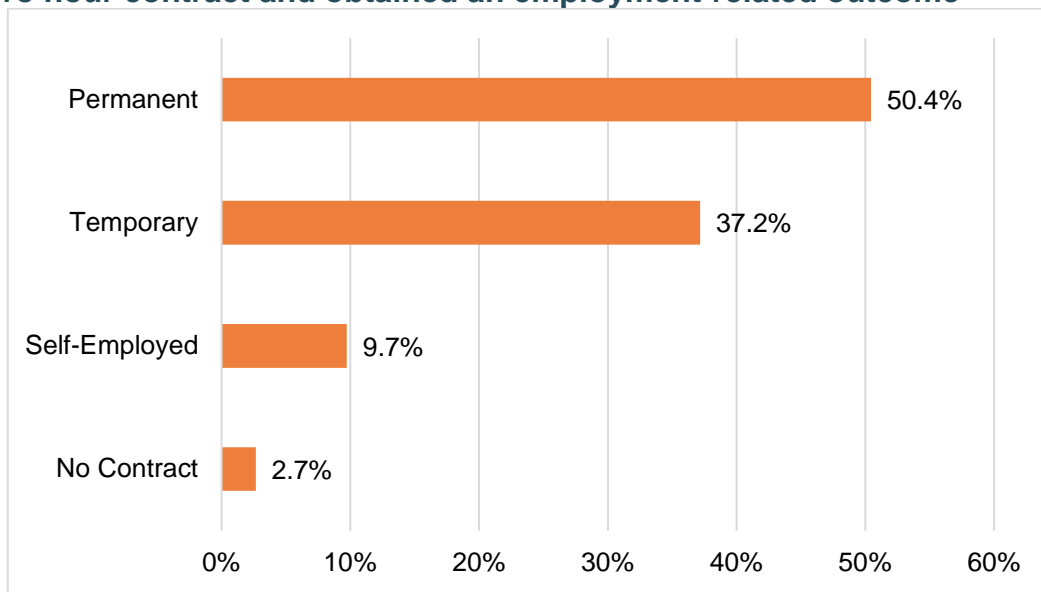
The weekly earnings target is lower for lone parents (16 hours x LLW rather than 36) to account for caring responsibilities limiting weekly working hours. Breaking the results down by lone parent status shows that lone parents were more likely to achieve the weekly earnings target. The vast majority (84%) of lone parents achieved this target, compared to just under one-half (47%) of non-lone parents.

Improved Employment Contract

Lastly, in terms of employment contracts, Figure 2.20 shows the proportion of individuals to move from no contract, a zero hour's contract or a temporary contract on to a permanent contract. Of the 125 individuals who started the programme this way and achieved an employment outcome, the necessary information was available for 113 people. Of these individuals, 50% moved on to a permanent contract. This represents 21% of all Step Up participants who started out on a zero hours, temporary contract or no contract.

²⁷ The weekly earnings target was the equivalent to 36 hours at the London Living Wage per week (16 hours for lone parents).

Figure 2.20: New contract type for participants who previously had a temporary or zero hour contract and obtained an employment-related outcome

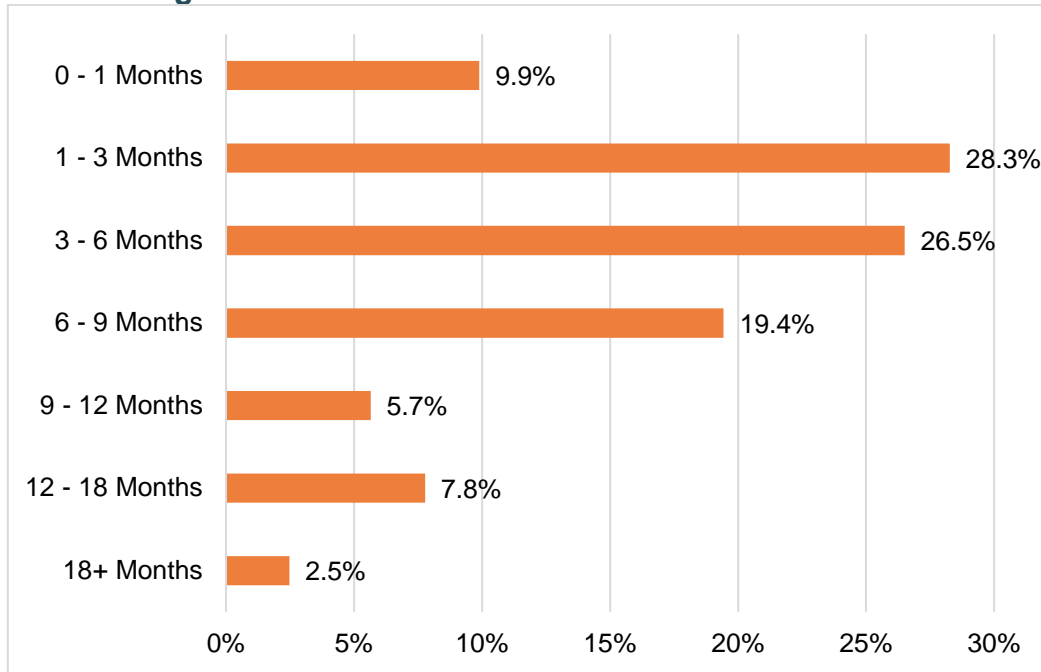


Base: all participants on temporary, zero hour or no contract to achieve employment-related outcome with necessary information available = 113

Length of time taken to achieve outcomes

Figure 2.21 shows the length of time taken by participants to achieve their first outcome. **Around two thirds (65%) achieved an outcome within six months of joining the programme, most commonly between 1 and 3 months into the programme (28%) or between 3 and 6 months (26%).** One quarter (25%) achieved an outcome around 6-12 months after starting on the programme and 10% took longer than 12 months. The average time taken to achieve a first outcome was 5.4 months. This remained consistent with year 2 findings.

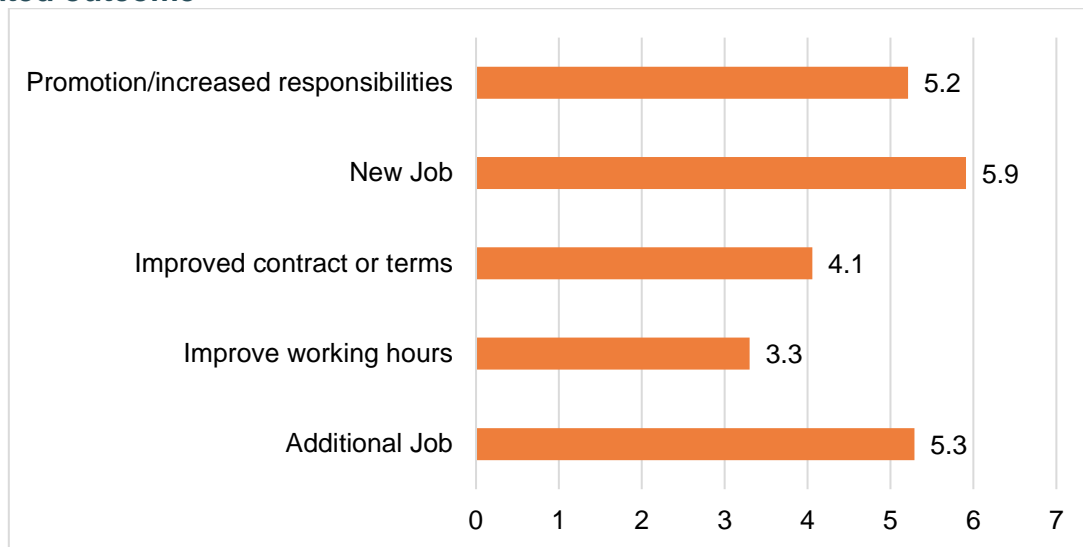
Figure 2.21: Length of time taken to achieve first outcome



Base: all participants on temporary, zero hour or no contract to achieve employment-related outcome with necessary information available = 113

Figure 2.22 shows the time taken to achieve an outcome for the different outcome types. This shows that taking new jobs took longer on average (5.9 months) than gaining a promotion or increased responsibilities (5.2 months).

Figure 2.22: Average number of months taken to achieve first employment-related outcome



Base: all first employment-related outcomes with length of time information available = 283

New Qualifications

Across all providers, there were 111 participants who achieved a new qualification while on Step Up, accounting for 13% of all participants registered on the programme.

Summary

- Almost two-fifths (39.1%) of all Step Up participants had achieved an employment related outcome by Q3, 2018.
- Gaining employment in a new job was the most common type of outcome achieved, accounting for 63.8% of all employment related outcomes.
- The median percentage increase in hourly wage for individuals achieving an employment-related outcome was 20.9%. The median change in hourly wage was £1.47 and the median percentage increase and median change in weekly earnings for these individuals was 38.5% and £82.50 respectively.
- Around a fifth (21%) of participants who started the programme on either a zero hours, temporary contract or no contract had moved onto a permanent contract by September 2018
- 13% of participants gained a new qualification while on the programme.
- In terms of the three primary earnings targets for the programme:
 - 20% of participants achieved an increase in their hourly wage of 10% or more;
 - 19% of participants achieved an hourly wage of at least the level of the London Living Wage (LLW); and
 - 20% of participants achieved the weekly earnings target (36 hours x LLW – or 16 hours if a lone parent).
- The average time taken to achieve the first employment related outcome among participants was 5.4months. Around two thirds (65%) of those who achieved an outcome did so within the first 6 months of being on the programme, while a further quarter (25%) did so between 6 and 12 months of joining the programme.

3. Longitudinal interview findings

Longitudinal interviews were conducted with participants who took part in the year 2 evaluation of the Step Up programme. These interviews were conducted 12 months after participants' first interviews to track longer-term changes in participants' career progression and wider circumstances. These interviews are not intended to be representative of Step Up participants, but serve to demonstrate some of the enabling and constraining factors in longer term journeys, which could impact people accessing in-work progression programmes.

Method

Year 2 interview data was re-examined to identify participants that had achieved an employment-related outcome²⁸, or achieved 'soft' outcomes²⁹ which were felt to increase the likelihood of progression in the future, at the time of their first interview.

Participants from these cohorts were screened to identify if their circumstances had changed. If a change had occurred, further screening was conducted to identify the nature of the change.

The screening criteria were:

- Participants who had, in the last 12 months (either in their same role or by securing a new role):
 - a) Increased their earnings, and/or;
 - b) Secured a better contract, and/or;
 - c) Perceived to have improved their employment circumstance;
 - d) Secured further soft outcomes
- Participants who perceived that their circumstances had deteriorated in the last 12 months

Screening criteria were designed to collect evidence on longer-term changes following engagement with the Step Up programme. Participants from each Step Up provider were interviewed in order to capture a range of experiences.

Based on these criteria, five participants were selected for longitudinal interviews:

- 3 participants had achieved a hard outcome (earnings increase or better contract) and a range of soft outcomes since their first interview

²⁸ Employment-related outcomes are defined as a new or additional job, improved working hours, improved contract or terms of employment, or a promotion/increased responsibility

²⁹ 'Soft' outcomes include increased confidence, employability skills or labour market knowledge.

- 1 participant had secured further soft outcomes since their first interview
- 1 participant perceived that their circumstance had deteriorated since their first interview

The findings presented explore the enabling and constraining factors influencing key changes experienced by participants, as well as participants' future aspirations and barriers to achieving these.

To demonstrate key points, the appendices feature case studies focusing on three differing participant journeys to highlight how the support accessed through Step Up, and external factors have influenced their progression opportunities.

Participant situations

Most of those interviewed had moved into new jobs since the first interview. One participant was still in the same role. Of those to change role, two had obtained jobs with a new employer as a result of 'pull' factors such as improved pay and employment security, and aspirations to move to a desired role or sector. Conversely, the other two participants had had to obtain new roles due to 'push factors', such as temporary contracts and company closure.

Views of current situation and influencing factors

Participants held differing perspectives on their feelings towards their current employment situation. Three explained that they felt more positive about their situation than 12 months ago, whereas two felt more negative about changes (or lack of) that had occurred. Participants attributed their feelings to a range of influencing, interacting factors and changes to their lives and employment situation over the last 12 months.

Positive changes

Change in employment contract

Positive changes to employment contracts resulted in improved work-life balance and improved financial security for participants.

Two participants' contracts and working hours had changed in the last 12 months. Fewer and fixed weekday hours had considerably improved their work-life balance. Both participants had actively sought out new opportunities. Another participant had secured a new three-month rolling contract, working three days a week. They reflected on this change positively, noting that part time hours suited their health-related needs, enabling them to take time off two days a week if needed. It also supported their longer-term progression plans as it enabled them to work in a freelance capacity, pursuing a wide range of opportunities, on their days off. Some

participants had secured permanent contracts since their last interview. They were happy with this change, as it provided financial security.

Pay improvements

Improvements to pay enabled participants to positively impact their wider circumstances, for instance improving their ability to meet familial needs, or save for the future.

One participant had significantly increased their annual income and felt very satisfied with their progression since their engagement with Step Up. Their financial progression had enabled them to cover specialist childcare costs for their child with special educational needs, rather than relying on familial support or less specialised childcare professionals.

One participant who was living with their family explained that their earnings increase had enabled them to save money and begin to search for their own accommodation. At the time of their previous interview they felt priced out of privately rented accommodation.

Skills development and progression

Participants noted opportunities to continue to build on skills developed through Step Up. Some participants noted that over the last 12 months, they had improved sector-specific or employability-related skills which had supported their progression or steps towards progression. They said they **gained these skills initially through their engagement with Step Up which acted as a catalyst to their skills development**. Since then, they had been able to put these skills into practice to pursue progression opportunities independently.

For example, one felt that they better understood how and where to look for sector specific roles. Another continued to improve their digital skills that in turn improved their capacity to job search.

Two participants explained that over the last 12 months they had gained exposure to new professional contexts. Through these experiences they had built on skills and confidence developed during their engagement with Step Up. One felt more able to negotiate a competitive day rate which at the time of their last interview they cited as a main barrier to their progression.

Wider circumstances

Participants highlighted a range of positive changes to their wider circumstances since their engagement with Step Up, which were attributed to participation in the pilot. These included:

- **Health and wellbeing**
- **Improved and sustained confidence**
- **Support from professional networks**
- **Practical support**

Two participants reported that they had experienced positive changes to their mental wellbeing over the last 12 months. One participant noted that Step Up, and the friendly, welcoming atmosphere at the provider premises had a long-term positive impact on their mental health:

'I was suffering from depression, so it has helped me overcome that everyone in [Step Up provider], it is like a little family thing...And you can encourage people [other clients]' (Step Up Participant)

Another participant had made significant positive steps by securing contracts that suited and were flexible to their health needs. They attributed their ability to do this to their confidence gained through support from their adviser.

Three participants felt that their confidence developed significantly through engagement with Step Up. They felt the one-to-one support from their adviser had been instrumental in building their confidence which enabled them to proactively seek progression opportunities independently. These experiences post-engagement further empowered participants and boosted their confidence.

One participant reported this confidence helped them deal with the interview process and potential negative outcomes:

'It makes you stronger and gives you more confidence because if you are going for interviews and all right, you might not get the job but then you are ready for the next interview' (Step Up Participant)

One participant explained that supportive colleagues and employers had improved their ability to pursue progression opportunities. Tapping into professional networks had been an effective way in which to access training opportunities or new job opportunities.

One participant had installed the internet in their flat and was given a laptop by their Step Up adviser. Their lack of digital access had previously been a key barrier to their progression and having unlimited access to a computer had improved their confidence in their digital skills and their ability to job search.

Negative changes

Negative changes included a pay decrease, and lack of progression opportunities in participant's new roles.

One participant who had changed jobs due to company closure was now working fewer hours and was not permitted to work more than their contracted hours. This had negatively impacted on their overall income which presented new financial challenges, including difficulties paying household bills and meeting overall living costs. It also meant they were re-eligible for Universal Credit; a process they found challenging to navigate.

One participant's employment circumstance had not changed since their first interview. They noted that the lack of scope for progression in their current company was a limiting factor on their ability to achieve long-term progression. They explained that this had had a negative impact on their confidence, resulting in them feeling unsure about how to seek progression opportunities.

Participants noted a range of factors that enabled positive changes to their circumstance over the last 12 months. The key elements of the support accessed through Step Up which led to sustained improvements included:

- **Fostering transferable skills**
- **Building confidence**
- **Supporting improvements in health and wellbeing**
- **Providing practical support**

Future aspirations and goals

At the time of their last interview, all five participants had achieved an employment-related outcome, or 'soft' outcomes which were felt to increase the likelihood of progression in the future. Despite this, all five participants wanted to continue to progress and held specific future aspirations for improving their circumstances. Factors identified as important included: increased pay, improvements in contract, accessing courses or qualifications and securing meaningful work.

Securing a higher income was seen as most important for those with specific financial goals including providing for family members or buying their own house.

Securing a permanent contract in order to improve financial security was a long-term aspiration for one participant working in the creative sector. They lamented that due to the nature of the sector, this was an ongoing challenge. Accessing self-

employment to enjoy more flexibility, autonomy and a better life-work balance was a long-term future objective for one participant.

Some participants had plans to access specific courses, qualifications or training opportunities such as English and maths courses or vocational qualifications. These participants felt this would enable them to achieve their desired long-term progression. One participant had secured financial support from their employer to access specific training relevant to their role.

Further aspirations included securing meaningful and satisfying work which would develop their skill set, gaining experience in a certain field or securing a role which provided better work-life balance and higher job satisfaction.

Barriers to reaching goals

All five participants were able to identify barriers and challenges to reaching their long-term goals. These could be characterised by those which could be overcome independently, and those which required additional support to overcome. Overall, views on their current situation and the extent to which they felt they had progressed since their last interview influenced the importance and weight of these barriers.

Barriers that can be overcome independently

The two participants who felt most satisfied with their progression over the last 12 months identified certain challenges to their progression. However, these were not perceived as insurmountable. They felt confident in their ability to overcome such challenges independently.

One of these participants was no longer engaged with Step Up because they felt they didn't need support anymore and were satisfied with their initial and sustained progression. They explained that when challenges arose, they were able to draw on their professional social networks for in-work progression support, rather than advisory support.

Another felt that they no longer needed the intense and regular support that they had accessed when they first engaged with Step Up because they felt more able to pursue progression opportunities independently. They were satisfied accessing ad-hoc support to meet their needs.

Barriers to be overcome by accessing further support

Conversely, the other participants reported a range of barriers that they felt they would need external support or guidance to overcome.

One participant with ESOL needs explained that since Step Up they had been unable to find an ESOL course that suited their working hours. They had accessed ESOL support through their Step Up provider but felt that it was too short and light touch to make a significant difference to their English language ability. They cited their English language need as a key barrier to their progression at the time of their last interview and felt it continued to be a barrier.

One participant, who perceived that their situation had worsened since their last interview, felt unable to find a role that suited their needs in terms of sector, location or pay which also matched their skills and experience level. In order to try to overcome this barrier, they continued to access support from Step Up on an ad hoc basis. They felt the light touch, occasional support with job search activities would support them to reach their goals:

'If I am stuck they have a lot of volunteers on the computers and they help you...I was stuck on getting into my exam and one of the ladies helped me, so it is good'
(Step Up Participant)

The two participants who felt their circumstances had worsened reported that this had negatively impacted on their confidence. One participant, whose employment circumstance had not changed in the last 12 months, felt particularly unsure about how to take the next steps needed to progress in work:

'I haven't done anything about it because I don't know if I am ready or if it is the right time to take the plunge...or do I need to do a little bit longer in this job to show that I can hold a job down? I want to be a bit more adventurous and go a little bit further and achieve a little bit more but you need support sometimes to do that.' (Step Up Participant)

They felt that low confidence was their main barrier to in-work progression, which they explained hadn't been overcome during their engagement with Step Up. In order to move into a role and achieve their long-term goals, they felt accessing job search support would be highly beneficial.

Physical barriers faced by the in-work cohort

Some participants reflected that limitations on their time hindered their ability to fully engage with the support from Step Up, or wider provision opportunities which they felt would have impacted positively on their progression.

Suggestions on how best to support people to progress in work

The main suggestions for future in-work progression support were:

- **The availability of one-to-one, personalised and face-to-face support**
- **Accredited training and opportunities to gain qualifications**
- **Long-term, follow up support to ensure that progression is sustained**
- **Employer engagement**

Most participants felt that the Step Up model, which provided one-to-one, individual-led support, should be replicated by other providers and made more widely available for people in low-paid work who are keen to progress their earnings. They noted that **face-to-face support with a trusted expert who can provide information, advice and guidance is extremely beneficial for those who feel ‘stuck’**:

‘Support, having someone there that you can reach out to if you need to... Not seeing anybody and not talking to anybody doesn’t help the situation. It is nice to have feedback. When you are doing something alone then it is alone and you can’t get answers from yourself.’ (Step Up Participant)

The ability to access accredited training courses which led to a qualification was also felt to enable people in low pay to progress in work. One participant explained that having advice about which courses would most effectively meet their career aspirations is key to support people to reach long-term career goals:

‘It’s not just about getting a job. We want to enhance our careers as well. I think just some advice, if you want to be a project manager, these are the courses you could do in the next five years to enhance that career.’ (Step Up Participant)

One participant also suggested that a central information hub or website that listed all available courses in their local area, with an advanced search function would be useful as they found searching for suitable courses difficult.

Many participants reported that **support needed to be longer-term in order to most effectively support people to achieve desired and sustained in-work progression outcomes**. This included support which followed on from an initial ‘progression’ outcome if needed. Some participants reported feeling ‘stuck’ following a progression and felt unable to achieve longer term goals without support. Participants were keen for support to address their main barriers to ensure that they feel able to progress independently, or with far lighter touch support. They noted that adviser consistency is particularly important to facilitate progression:

‘I think that sometimes if you let people go too quick it is disastrous...it is just about letting the person that has chosen to come to you have the point where they say, “Thank you. I feel now that you have given me the confidence and initiative to go on without you.” Or, the appointments become less regular because people go for help

initially, and when they get that help and they succeed it is not the end of that journey.' (Step Up Participant)

One participant suggested that to most effectively support individuals to progress in work, **providers should take a two-pronged approach to working with employers**. Firstly, by working with them to broker jobs for individuals and, secondly by engaging employers to consider how they can support existing employees to progress.

Summary

Longitudinal interviews were conducted with participants who participated in the year 2 Step Up pilot evaluation, 12 months after their first interviews to track longer-term changes in their career progression and wider circumstances.

Several factors influenced the extent to which participants were currently satisfied with their roles. These included number of hours, pay, contract type, opportunities to gain experience in desired sector, opportunities for training, skills development and progression, and relationships with colleagues. Negatively perceived factors could be offset by more important, or a larger number of positive factors, and vice versa, depending on wider circumstances and participant's longer-term aspirations.

Overall, engagement with the Step Up programme had reduced since their previous interviews. This was mainly because they felt more able to pursue progression opportunities independently. Some participants continued to be engaged in a light touch and ad hoc way. They had selected elements of the support which benefited them and were grateful of the open and flexible approach that their Step Up provider offered at stages of the employment process that they found particularly challenging. However, other participants reported facing barriers to engaging with support from Step Up, including limitations on time and no longer feeling eligible for the support.

All participants had future aspirations and desired a form of support to meet these, either formal support from a course or a programme like Step Up, or more informal sources such as colleagues. Participants also noted several challenges to reaching their aspirations including practical or physical difficulties, such as time and financial constraints to accessing a course, systemic, such as a lack of suitable roles, and personal, such as a lack of confidence.

While most participants felt that they had not achieved their desired long-term career goals, some felt that they had made significant strides towards their ultimate goals, and even met certain aspirations. Enabling factors to their progression or steps towards progression included: increased confidence and self-worth, awareness of

labour market processes, improvements in skills, support types tailored to their needs, practical resources and social enablers such as supportive colleagues.

4. The Impact of Step Up

In this chapter, we provide an estimate of the impact of Step Up on participants' earnings, over and above what they would have experienced if the programme had not been delivered.

Matched comparison group

To estimate whether Step Up participants' earnings would have changed without the support provided, we generated a matched comparison group from the Labour Force Survey³⁰ (LFS). The matched comparison group was used to explore what happened to the earnings of a similar group of people over a 12-month period. This was compared to a sample of Step Up participants whose weekly earnings trajectory 12 months since joining Step Up was collected³¹. By comparing the change in earnings over a 12-month period we were able to estimate the additional impact of Step Up. Overall, earnings trajectory information was available for 188 Step Up participants.³²

In order to obtain sufficient candidates for matching (on characteristics) to Step Up participants, we downloaded the latest twelve Labour Force Survey five-quarter longitudinal datasets for the UK as a whole from the UK Data Service.^{33 34}

We initially selected respondents in the LFS that had earnings records available at both interviews and that met Step Up requirements; an hourly pay rate less than or

³⁰ The LFS is a regular survey carried out by the Office for National Statistics (ONS), which interviews survey respondents each quarter. Each responding household is interviewed five times over the course of 12 months. The fifth interview is approximately one year after the first interview. At the first and fifth interview, respondents are asked about their earnings, as well as questions about other aspects of their economic activity.

³¹ To monitor Step Up participants earnings trajectory, participants weekly earnings at the point of engagement and 12-months since engaging were monitored.

³² Data was not available for a large proportion of Step Up participants, as some participants were yet to reach their 12-month point, were unavailable for contact at their 12-month point or were unwilling to disclose their current earnings information at the 12-month point.

³³ It was not possible to restrict the comparison sample to London only due to smaller sample sizes. Restricting to London would have meant either inferior matching on participant characteristics or using many more datasets.

³⁴ The latest interviews in these twelve datasets cover the period from the fourth quarter of 2015 to the third quarter of 2018 (while the initial interviews were one year previous to this, i.e. 4th quarter 2014 to 3rd quarter 2017).

equal to £9.75 per hour at their first interview (the highest London Living Wage for the period covered) and had been employed at their first interview for one year or more.^{35 36} These filters left 4,253 potential comparison cases in the LFS samples.

The next stage was to find those people in the LFS samples who most closely resembled the 188 Step Up participants for whom we had earnings data at both their point of engagement and at the 12-month point, and a full range of personal characteristics for matching. To do this, we used a statistical matching technique called 'nearest neighbour matching' to select those that were closest to Step Up participants on the basis of a set of characteristics that included:

- age
- gender
- disability status
- ethnicity
- qualification level
- hours worked when first observed, and
- gross weekly pay when first observed.

A number of caveats regarding the categorisation of the characteristics used for matching should be noted:

- In the LFS, disability by the Equalities Act definition was used to identify a disability, while in Step Up, participant 'disability or health condition' depended on participant self-declaration.
- Ethnicity within the LFS is simplified to seven levels, meaning some ethnic groups are grouped together within broader categories which are not closely matched. For example, 30% of Step Up participants were Latin American, which is a comparatively very small population group nationally. As this group is not used with the LFS, these participants were matched with 'Other White', a range of groups that includes a large proportion of low-paid EU nationals.
- The LFS groups overseas degrees and UK degrees within the 'NVQ 4 and over' category, while overseas qualifications below degree level are mostly

³⁵ Note that the LFS definition of the length of employment is those employed in their *current* job, while in Step Up it is continuous employment in *any* job, so this introduces a small difference between the matched sample and Step Up participants.

³⁶ By definition, this also filtered out all respondents who were not employees when first interviewed, as the survey does not ask about self-employed earnings. We also filtered out cases where the hourly rate quoted was below £2.50 per hour (well below the lowest National Minimum Wage over the period covered) as the few cases are likely to have been errors.

included within 'other qualifications'. 16.5% of Step Up participants had overseas degree. Qualitative findings suggest these were typically not transferable within the UK setting. This meant Step Up participants were effectively at a lower qualification level in comparison with the LFS matched group, whom were more likely to have a UK-based / accepted level 4+ qualification.

Matching

This resulted in a comparison group who were 48% 'other white' by ethnicity, compared to 45% for Step Up, 39.4% qualified to Level 4 and above (Step Up 39.9%) and 28.2% with 'other qualifications' – usually overseas qualifications below degree level (Step Up 28.7%).

Three regression analyses were conducted to identify the impact of Step Up on:

- The percentage increase in weekly earnings
- The monetary increase in weekly earnings
- The level of weekly earnings at the end of the observation period.

The following three charts show the outcome measures comparing the 188 Step Up participants with earnings measures with the matched comparison group.

The first table shows the first regression analysis of the annual percentage change in earnings. This is also shown in Figure 5.1. We have limited the data show to those with less than 200% increase.³⁷ The graphs show the distribution of annual percentage change in weekly earnings.

Very large proportions of both the comparison group and of Step Up participants have very small increases – the median change (half above and half below the median) was 12.9% for Step Up and 8.0% for the LFS comparisons. The skew to the left shows this concentration of individuals with very small wage increases.

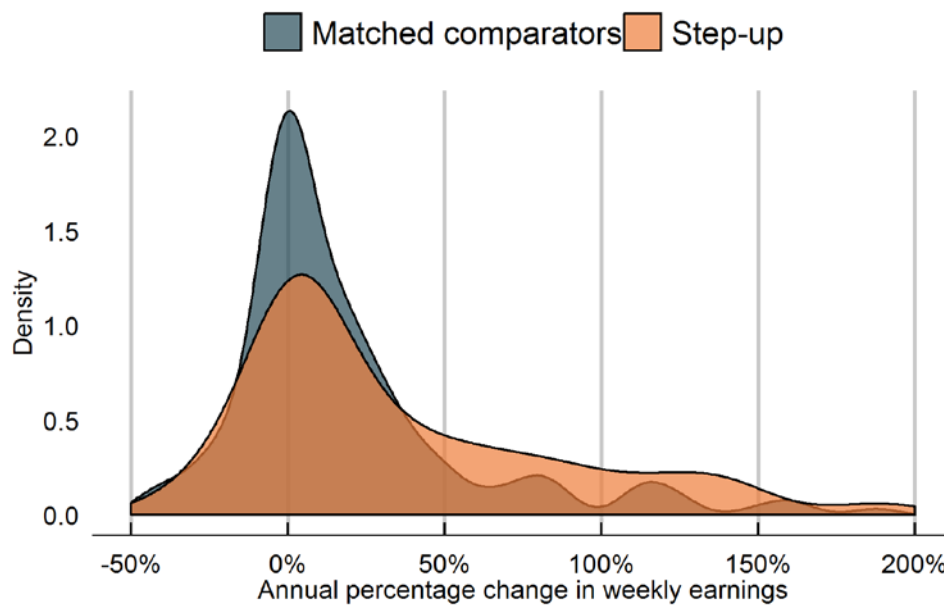
The average change in individual earnings was, in both groups, affected by the small numbers of very large pay increases, and was similar between the two groups as shown in Table 5.1.

³⁷ For both groups, there are a small number above this level. These outliers have been removed to make it easier to see what is happening to the majority.

Table 5.1: Matched comparisons - annual percentage change in individual earnings

	Step Up participants	LFS Matched Sample
Mean	45.9%	47.6%
Median	12.9%	8.0%

Figure 5.1: Matched comparisons – Step Up and Labour Force Survey low-paid employees

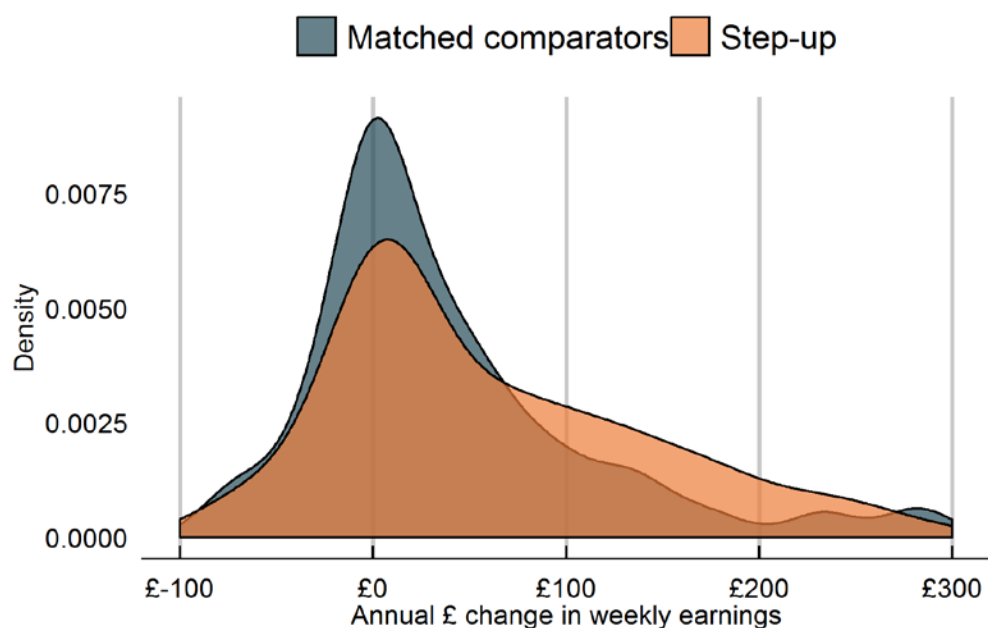


The second regression analysis was the absolute (£) change in earnings. This also shows a wide dispersion of earnings changes, with a strong concentration just above zero. As with Figure 5.1, we have not shown results over £300 for visualisation reasons. Table 5.2 shows means and medians of these changes.

Table 5.2: Matched comparisons - absolute (£) change in earnings

	Step Up participants	LFS Matched Sample
Mean	£67.08	£59.25
Median	£29.88	£17.00

Figure 5.2: Matched comparisons - absolute (£) change in earnings



The third outcome measure is the weekly earnings after 12 months. This period better enables comparison with the Labour Force Survey, which only measures earnings at interviews one year apart. There are differences between the two groups, but overall the patterns are very similar.

Figure 5.3: Matched comparisons - earnings of low-paid workers after 12 months

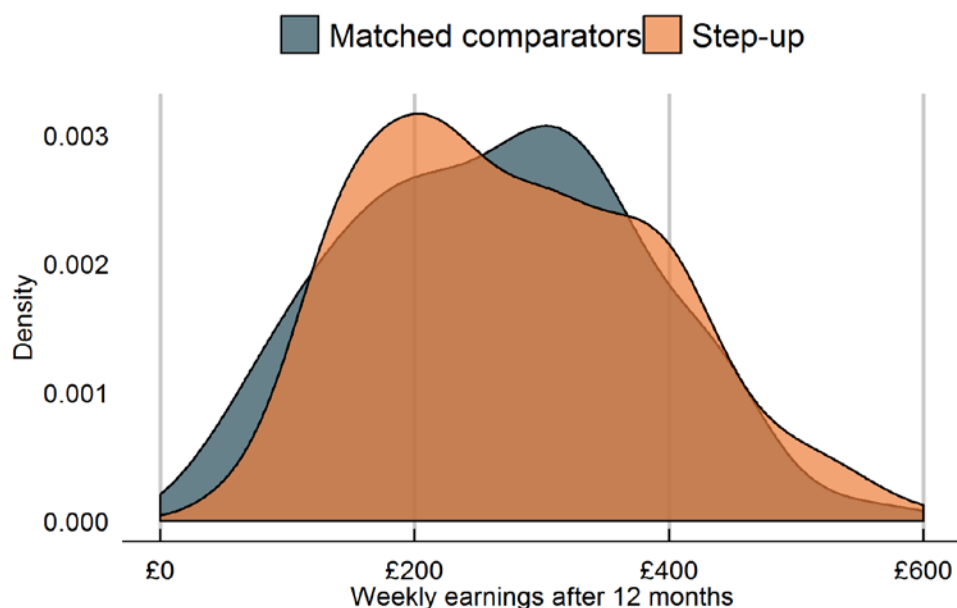


Table 5.3: Matched comparisons - earnings of low-paid workers after 12 months

	Step Up participants	LFS Matched Sample
Mean	£293.15	£293.83
Median	£274.53	£277.00

Multivariate regression analyses

Three regression analyses have been undertaken showing the effect of being on Step Up on the percentage change in their earnings, on the absolute (£) change in their earnings, and on the gross weekly pay at the 12-month point. **None of these show a statistically significant difference between Step Up participants and Labour Force Survey matched comparisons.**

Multivariate regression analysis was conducted to review the effect of each of the factors included in the matching on outcome measures (e.g. ethnicity, qualification level, gender). This analysis found no changes to categorical variable factor which showed statistical significance (i.e. had a confidence level not including zero) from participation in Step Up.

The impact assessment was not able to identify a statistically significant increase in earnings among Step Up participants. Lack of suitable data limited the likelihood of finding a statistically significant difference. 188 Step Up participants had sufficient

information to enter into the analysis (with earnings information at the start and 12-month points, and all the information used to match their characteristics with the LFS). The difference in median earnings between the two groups after 12 months was 4.9%, and the difference on the mean was -1.7%³⁸. If the distributions of pay rises were approximately “normal”, then we could estimate the size of the population we would need to be able to determine whether the difference in earnings increases was significant. At the usual 5% significance level, we would have needed around 6,000 respondents in each group to identify a 5 percentage point difference in outcomes.

Cost Benefit Analysis

Cost Benefit Analysis (CBA) is an approach to help understand the value for money of public service programmes and initiatives. The two key inputs into the CBA model are programme costs and benefits (or outcomes). *The outcomes used should be those that are additional to what would have been achieved in the programme’s absence.* We are not able to do this for Step Up as the impact assessment findings are not statistically significant. However, in order to inform future commissioning, and as part of the learning from this project, we have conducted a CBA to show what level of additional impact would need to be observed in a programme such as Step Up for a financial return on investment to be achieved.³⁹

We begin by examining the costs of Step Up and calculate the costs per outcome for each of the five providers. We then conduct a cost-benefit analysis using the gross outcomes observed for the programme. This shows what the return on investment would have been if all outcomes had been additional (i.e. none would have been observed if the programme had not run). In reality no programmes have 100% additionality and low levels of additionality are not uncommon. We then calculate what level of additionality would need to be achieved for a given return on investment.

Step Up costs

The overall cost of Step Up has been taken as the total value of the grants given to each of the delivery partner on the programme. This amounts to £602,000.⁴⁰ Tables 5.5, 5.6 and 5.7 show, respectively, the total expenditure for the programme per

³⁸ As shown in Table 5.1.

³⁹ The Cost Benefit analysis is based on a model designed by Manchester New Economy.

⁴⁰ Costs (and benefits) for Springboard have been excluded as they only delivered Step Up for one year of the programme.

delivery partner; the outcomes achieved by each delivery partner; and the cost for each of these outcomes.⁴¹

Table 5.5: Total programme expenditure, by provider

Provider	Year 1 spend	Year 2 spend	Year 3 spend	Grand Total
Creative Society	£42,995	£40,996	£39,780	£123,771
High Trees	£39,976	£40,025	£40,195	£120,196
IRMO	£35,262	£43,562	£39,058	£117,881
Thames Reach	£36,097	£40,402	£44,205	£120,703
Timewise	£36,788	£43,053	£39,936	£119,777
Grand Total	£191,118	£208,037	£203,174	£602,328

Table 5.6: Employment progressions, by provider

Provider	New Job	Improved contract or terms	Additional Job	Improved working hours	Promotion/ increased responsibilities	Grand Total
Creative Society	44	4	13	4	5	70
High Trees	40	12	5	5	4	66
IRMO	94	19	19	7	10	149
Thames Reach	48	10	11	3	5	77
Timewise	44	2	11	1	3	61
Grand Total	270	47	59	20	27	423

Table 5.7: Cost per outcome, by provider

Provider	Cost per outcome
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⁴¹ For this calculation, we have included all employment outcomes that could have resulted in an earnings increase, regardless of whether an earnings increase was achieved in practice. It should be noted that an individual can have multiple outcomes.

Creative Society	£1,768
High Trees	£1,821
IRMO	£791
Thames Reach	£1,568
Timewise	£1,964
Grand Total	£1,424

As can be seen, the cost per progression for the programme as a whole was £1,424. This varied across providers from £1,964 (Timewise) to £791 (IRMO). Given that each organisation received the same grant, the differences across providers simply reflect their different outcome rates.

Step Up benefits

The following is a list of the benefits included in the CBA. For each benefit we have listed the assumptions made to identify the impacted population.

Reduced Housing Benefit and Working Tax Credit payments

Calculations for reduced Housing Benefit (HB) are based on Step Up management information regarding changes in earnings. We have estimated an annual figure for HB savings using the pre and post programme weekly earnings figures for those that indicated that they were receiving Housing Benefit at the outset. The total savings are distributed over financial years based on the claim date. The total increase in earnings for those on Housing Benefit amounted to £257K. On the basis that every £1 change in wages means a 65p increase or decrease in HB (Source: DWP benefit calculators), **we estimate the overall HB savings from Step Up as £167K.**⁴²

For Working Tax Credit (WTC), we calculated the difference in salaries pre and post programme for each participant who indicated they were receiving WTC at the outset. We then applied the rule that the maximum tax credits award (£1,960 per

⁴² It should be noted that these saving calculations are based on changes in an individual's salary, when in reality Housing Benefit payments are based on household income. However as we do not have a reliable measure of total household income, we have to assume other household circumstances remain static.

year) is reduced by 41p for every £1 of income above the £6,420 WTC threshold. **Overall, this amounted to a WTC saving of £91K.**⁴³

Salary increases

There are two types of benefits arising from a salary increase: fiscal and economic.

Fiscal benefits are based on those earning more than the minimum income tax threshold resulting in **additional Income tax and national insurance payments** flowing to the Exchequer. Our calculations show that for Step Up, this would have amounted to:

- **Additional income tax = £119K**
- **Additional national insurance contributions = £105K**

The economic benefits include the economic value of any salary increase to the individual concerned. **For Step Up, annual salary increases amounted to £1,989K**, which are distributed over the three years of the programme according to outcome dates.

Wellbeing benefits

As well as measuring the economic and fiscal benefits created by the programme, the CBA model also has the capacity to measure and value the social benefits created, such as the benefits deriving from improvements in wellbeing. The list of social outcomes used for this CBA is shown in Box 5.1. The values applied for each of the social outcomes are drawn from the Manchester New Economy Model.

To calculate the wellbeing benefits of Step Up, we have applied the wellbeing values from the model to all those individuals that achieved an earnings progression and indicated that they had a mental health issue at the beginning of the programme. For Step Up, this amounted to 20 individuals.

Box 5.1: Wellbeing benefits

Outcome Type	Outcomes / Benefits	Description
Improved wellbeing of individuals	Increased confidence / self-esteem	Drawn from the national accounts of well-being model (where it is described as resilience and self-esteem)

⁴³ The actual WTC amount received by individuals is based on the basic amount plus any extra payments (known as 'elements') on top of this based on the individual's circumstances. This includes, for example, a premium for working over 30 hours a week and for a disability. However, with the additional elements applied, the overall WTC savings are still the same because the additional elements apply to both the starting salary and final salary.

	Reduced isolation	Drawn from the national accounts of well-being model (where it is described as supportive relationships)
	Positive functioning	Drawn from the national accounts of well-being model. This includes features such as autonomy and meaning and purpose
	Emotional well-being	Drawn from the national accounts of well-being model

We have taken a conservative approach to the CBA and excluded a range of other potential benefits of the programme. These are described in Box 5.2.

Box 5.2: Potential benefits not included in the model

Family, community and child impacts: There is some research that shows that an improvement in the financial situation of a parent has a positive impact on their child's wellbeing, their performance at school and a reduction in truancy.

Indirect tax revenues: the income boost that occurs from increased wages results in higher household spending and therefore higher indirect tax revenues, for example, in the form of VAT receipts.

Longer-term impacts: our values are calculated for the programme period (two years). However, impacts on salaries, reduced Housing Benefit payments and the associated impact on the individuals' wellbeing can last a lifetime, especially in relation to a child's performance at school and the ongoing benefits when they reach adulthood.

Mental health: There is an economic value based on the reduced health cost of interventions such as prescribed drugs, in-patient care, GP costs, other NHS services, supported accommodation and social services costs.

Reductions in housing evictions and statutory homelessness: many clients rent privately or from the Local Authority, therefore, there could be some savings associated with reductions in housing evictions and statutory homelessness. The figures based on research conducted by Shelter⁴⁴ show there are potential savings for not having to write off arrears at the point of an eviction, costs of repairing and re-letting the property, administrative and legal costs and temporary

⁴⁴ Research Briefing: Immediate costs to government of loss of home, Shelter, 2012

accommodation. Savings associated with homelessness include the reduced costs of accommodation, administration and legal advice.

Upskilling: there is evidence of the future economic benefit of ‘upskilling’ based on the percentage uplift in wages as identified by BIS45 from reaching certain qualification levels which could be applied to those who achieved a qualification but did not get a wage progression during the programme.

CBA results

Table 5.8 brings the programme costs and benefits of Step Up together. It is important to bear in mind that this uses gross outcomes (i.e. assuming that all outcomes achieved were additional, which as stated they never are in practice).

There are a number of different net present values in the table. For the financial case, the key metric is the **net present budget impact** which considers the fiscal costs of delivering the project and the resultant cashable fiscal benefits. This is calculated by taking away the net present cashable fiscal benefits from the net present fiscal costs. The **financial return on investment** is calculated by dividing the present value of the budgetary savings by the upfront budgetary cost of the intervention.

A ratio of 0.80 shows that, for fiscal benefits alone, the costs of the programme marginally outweigh the potential fiscal benefits. This is not surprising for an in-work programme as participants are not claiming out of work benefits – which is usually the main component of Exchequer savings.⁴⁶

The economic case takes a broader view of the benefits of a project or programme with the goal of identifying programmes that maximise the total net present value to society, including the economic and social benefits. The **net present public value for Step Up**, which is the difference between the overall benefits to society and the overall costs to society, shows an estimated positive return of £1,748K. This results in an overall public value return on investment of 4.01. This means that if all Step Up

⁴⁵ Further education: comparing labour market economic benefits from qualifications gained, December 2014

⁴⁶ Note that Housing Benefit savings, Working Tax Credit savings and tax returns from increased earnings do not contribute to the final Return on Investment figures as these are transfer payments to the Government. Transfer payments are payments of money for which no good, or service is received in exchange, and so consumes no resources that might be used for other purposes (opportunity cost). In contrast resource costs are where resources (labour services, rental of buildings, materials etc.) are purchased that might otherwise have been used for other purposes. While resource costs should be included within the estimated costs of the programme, transfer payments should not be included.

outcomes achieved were additional, for every £1 spent there would be a public value return on investment of £4.01.

Table 5.8: Cost benefit results for the Step Up programme (gross outcomes)

	Total discounted costs	£581,074	
	Savings in Housing Benefit	£166,748	
	Savings in Working Tax Credits	£90,666	
	Additional Income Tax	£119,321	
	Additional NI contributions	£105,102	
	Total Fiscal benefits	£481,836	
	Total Fiscal benefits (discounted)	£465,782	
What impact Step Up be for be	Net Present Budget Impact (fiscal)	£115,292	level of from would needed costs to
	Overall Financial Return on Investment	0.80	
	Earnings value to the individual (present value)	£1,988,625	
	Wellbeing value	£425,382	
	Total Economic and Social benefits	£2,414,007	
	Total Economic and Social benefits (discounted)	£2,328,621	
	Net Present Public Value (economic and social)	£1,747,548	
	Public Value Return on Investment	4.01	

covered?

For the public return on investment to equal 1.0 (i.e. for costs to be equal to benefits), would require that the discounted benefits equal £581K, the level of the discounted costs. This represents 25% of the total discounted benefits that we have calculated assuming that all the benefits are additional (so gross benefits equal the net additional benefits) and would not have occurred without the programme. Another way of saying this is that **the level of additionality (net benefits / gross benefits) would need to be equal to at least 25% for the benefits of Step Up to be equal to or greater than its costs.** As the earnings of the Step Up participants increased by £1,989K (in discounted terms) in total (gross benefits), this means that the net increase in earnings (that which would not have occurred in the absence of the Step Up intervention) across the participants would need to be at least £497k.

On average per participant this equates to an increase of £594 over the three years or the programme or £3.81 per participant per week.

The point estimate of the impact on the change in weekly earnings suggested that the level of additionality was 11.7%. This indicates that the actual wage impact achieved was £232,669. With 837 participants, this equated to an achieved impact per participant of £277.98 over the three years of the programme, or £1.78 per participant per week. However, as stated, this is not statistically significant.

More generally, Table 5.9 shows the ratio of benefits to costs (return on investment) at different levels of additionality from 100% (zero deadweight or counterfactual) down to 25% (equivalent to 75% deadweight or counterfactual)⁴⁷.

Table 5.9: Counterfactual impacts on the return on investment ratio

Additionality	Return on investment
100%	4.01
90%	3.61
80%	3.21
70%	2.81
60%	2.40
50%	2.00
40%	1.60
30%	1.20
25%	1.00

⁴⁷ Our impact assessment suggests that Step Up does not have a statistically significant impact on the earnings of its participants. The point estimate of the impact on the change in weekly earnings suggested that the level of additionality was just seven per cent.

Summary

This chapter presents the results of our impact assessment, which estimates the additional value of the programme over and above what would have been achieved in its absence, and a cost-benefit analysis, which compares programme value to what it cost to deliver in order to assess value for money.

The impact assessment compared the earnings of Step Up participants with a matched comparison group from the Labour Force Survey, to explore what happened to the earnings of a similar group of people over a 12 month period. Three regression analyses were undertaken showing the effect of being on Step Up on the percentage change in their earnings, on the absolute (£) change in their earnings, and on the gross weekly pay at the 12-month point. None of these show a statistically significant difference between Step Up participants and Labour Force Survey matched comparisons. **Therefore, our assessment of the additional impact of Step Up on participants' earnings does not show a significant difference over and above what would have happened without the programme.**

The costs per outcome for the programme as a whole (i.e. the average across all providers) was £1,424. This figure was less than the year 2 evaluation figure of £1,901, demonstrating increased programme efficiency.

The Cost Benefit Analysis found an overall public value return on investment of 4.01, meaning that if all outcomes achieved were additional, for every £1 spent there would be a public value return on investment of £4.01. **For the benefits of Step Up to be equal to or greater than its costs the level of additionality would need to be equal to at least 25%.** On average per participant this equates to an increase of £594 over the three years of the programme or £3.81 per participant per week.

While the impact assessment suggests that Step Up does not have a statistically significant impact on the earnings of its participants, **the point estimate of the impact on the change in weekly earnings suggested that the level of additionality was 11.7%.** On average per participant this equates to an increase of £277.98 over the three years of the programme, or £1.78 per participant per week.

5. Conclusions and implications for future support

This report provides an updated assessment of the outcomes and impact achieved by the Step Up programme during the full three years of delivery. It is intended as an addendum to the year 2 Step Up evaluation report, which provides a full set of recommendations and learning from delivery, following a process and impact evaluation. The year 2 evaluation report can be accessed here⁴⁸.

This evaluation provides additional findings which take into account data (and subsequent analysis) from the final year of delivery, as well as longitudinal interviews with Step Up participants. These activities provide several implications concerning the delivery and evaluation of in-work progression initiatives.

837 low-paid Londoners were supported through Step Up during three years of programme delivery. Almost two-fifths (39%) of these participants have seen their employment improve after taking part, which is defined as taking on more or better work, increasing their earnings or improving their hours. Furthermore, over one fifth (21%) of Step Up participants who were on a temporary, zero hours or part time contract moved onto a permanent contract, and 13 per cent gained a new qualification while on the programme.

There was an improvement in programme results reported in the year 2 evaluation, as the 'test and learn' approach has become increasingly efficient throughout delivery. This is demonstrated by improvements in programme outcomes achieved from the year 2 evaluation findings (covering delivery from October 2015 to September 2017), in comparison with those achieved across the full three years of delivery (October 2015 to September 2018). This evaluation of Step Up found:

- 39% of Step Up participants achieved an employment outcome during the three years of delivery. In the year 2 evaluation this figure was 33%.
- 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 London Living Wage or above. In the year 2 evaluation this figure was 14%.
- The average cost per outcome was £1,424. In the year 2 evaluation this figure was £1,901.

⁴⁸ <https://www.learningandwork.org.uk/resource/Step-Up/>

Step Up participants who were previously interviewed for the year 2 evaluation reported a range of softer outcomes from participation in the programme, which continued to impact their progression prospects. These included increased self-confidence, awareness of labour market processes and increased skills. The longitudinal interviews highlighted the individual interaction between factors relating individual definitions of job satisfaction and conceptions of progression, affirming the need for individually tailored support and a range of measures of progression.

The interviews suggested that the long term impact of in-work progression support is most sustainable when it fully addresses core barriers and is focussed on building individual resilience and empowerment. Support which does not sufficiently address barriers to independently accessing a progression can result in participants becoming 'stuck' when they disengage. The interviews demonstrate a desire for light-touch continued in-work progression support, following a progression outcome. There was a noticeable desire for increased access to accredited training and careers advice about appropriate skills and training to enhance careers. This could be particularly important in sectors with a high proportion of freelance contracts, or where the onus is on the individual to find and secure training opportunities.

Despite a range of positive benefits shown in this evaluation of the Step Up programme, our assessment of the additional impact of Step Up on participants earnings shows a small difference in earnings compared to what would have happened without the programme, but that was *not* statistically significant. There were several caveats particularly regarding the matching process, which means the result should be treated with some caution. However, this impact assessment suggests that Step Up did not impact on a sufficient number to produce a positive return on investment in terms of programme costs. This finding should be treated with caution due to the numbers of participants able to be included in the impact assessment, caveats in the matching process as well as the robustness of LFS earnings data, as explored in chapter 4.

Our analysis showed that each participant would need to improve their weekly earnings by £3.81 per participant per week more than the comparison group on average in order to achieve a positive return. At the current rate of additionality, the average participant earnings increase is equivalent to £1.78 per week.

To improve outcomes and achieve impact favourable to a matched comparison group would require support to reach a larger number of people with the same costs, or to increase the earnings of those engaged by a greater extent at the same costs. The data collection processes are also important to fully evidence impact achieved for in-work progression initiatives. Approaches such as Randomised Control Trials

would most clearly demonstrate impact. Robustly collecting earnings data is important in increasing the likelihood of achieving results of statistical significance.

In-work progression support remains a relatively new area, with limited evidence of what works. The delivery and evaluation of Step Up has provided a wealth of key learning to contribute to this evidence base. This final evaluation of Step Up has also included 'deep dive' research and policy briefing papers⁴⁹ to explore key areas of in-work progression support where evidence is currently lacking. Going forward, the Better Work Network⁵⁰ will support efforts to raise awareness of the issue of low pay and progression, share existing practice and understanding and sharing 'what works'.

⁴⁹ <https://www.learningandwork.org.uk/resource/the-step-up-pilot-year-3-report/te> Up

⁵⁰ <https://www.learningandwork.org.uk/our-work/work-and-careers/better-work-network/>

Appendices:

Case studies

Case study 1: Continued career progression

When they engaged with Step Up, this participant was working as a part-time administrator, earning £16,000 pro rata. Through the programme they secured a permanent, full-time contract as an office manager earning £28,000 a year. At the time of their last interview, they also made a solid 5-year plan to increase their earnings annually as well as securing a more senior role which they have been able to follow.

In the last 12 months, they have moved roles twice, increasing their income on both occasions. They now earn £33,000 a year and are currently on a project manager training course which they managed to secure funding for through their previous employer and hope will improve their chances of moving into their long-term desired role.

This participant has managed to progress significantly since first engaging with Step Up. They attribute this progression to skills and experiences they gained through the support accessed from the Step Up programme. They felt that the tailored, one-to-one, long-term career oriented support they received from their Step Up adviser provided a spring board from which they were able to launch into their desired employment pathway. Key enablers to their progression into a higher paying role were working closely with their adviser to identify skills gained through parenting that could be transferred onto a CV and setting out a clear career progression plan.

This career planning process significantly built their self-worth, courage, motivation and confidence, which they have continued to draw on to propel their positive progression trajectory, demonstrating the long-term impact from Step Up support. This participant now feels empowered to actively seek out opportunities that would support their progression such as drawing on advice from colleagues, approaching their employer to request funding for their training course or applying for more senior roles:

“When I first joined the Step Up programme... I had very low confidence...Without the help I probably wouldn't have the courage to go for some of the jobs that I've had in the last two and a half years, if I'm honest...It's given me the courage to go for jobs that are bigger than what I currently do and actually be able to get those jobs as well.”

Earning more was a key objective for this participant, which they feel they have now achieved. A key reason is so that they can invest in her children's future, provide them with opportunities and secure suitable childcare for their younger child who has learning difficulties.

Case Study 2: Step by step achievement of career goals

In their initial interview, this participant felt that they had gained a host of soft outcomes from accessing support from the Step Up programme. These included gaining clarity about a progression route and which steps to take to reach their longer-term objectives, increased confidence and motivation, and overall improved wellbeing. At this time, despite not achieving a hard outcome, they had managed to overcome a number of barriers they faced to progression and built strong foundations on which to build.

Over the last 12 months, this participant has continued to engage with the Step Up programme, although in recent months this has been on a more ad hoc basis. Through this support which has been tailored to his needs and aspirations, they have experienced a number of changes.

They have gained a wide range of experience in various roles in the creative sector and recently secured a new part-time role working as a producer. They are very satisfied with this role for a number of reasons. Firstly, working part-time suits their health needs. Additionally, they are satisfied with the exposure it is giving them to develop new skills and experience in an area they are interested in. Finally, they also have high job satisfaction as they feel well supported.

Through both the support from Step Up and their work experience, they have built their confidence in negotiating increased day rates for freelance work. As a result their day rate has gone up as have their overall earnings (rising from £18,000 to approximately £28,000 per annum) in the last year. This has enabled them to start planning a more independent lifestyle.

This participant feels they have been able to build and draw on skills developed during their engagement with the programme to secure positive in-work progression outcomes. The experience they have now gained in the workplace and in professional situations has cemented these skills and further developed their confidence.

Now, this participant feels confident about searching for new roles and plans to continue to further expand their skills and expertise in their field. Although they would ideally like to secure a permanent contract, they recognise that this is a challenge in the creative sector.

Case study 3: Need for longer-term in-work support

While engaged with the Step Up programme, this participant secured a promotion in their existing organisation. This resulted in having a more senior role and securing a pay increase. At this point, the participant felt they should disengage from the programme so that the support could be given to those who had not yet achieved a hard outcome. However, they felt they had not achieved their desired outcome of earning enough money to better enable them to provide for their family.

In the last 12 months, this respondent has stayed in the same role, at the same level. However, their confidence and motivation has significantly declined due to a lack of progression opportunities and feeling that their engagement in Step Up did not fully address their barriers. They particularly lack confidence in matching potential job roles to their own skills and experience, which has put them off job searching or thinking about progression in general.

This participant feels that accessing more support would be really beneficially, especially in terms of confidence building and matching jobs to skills.