



Glasgow City Region - City Deal

Cabinet

Report by Director of Regional Economic Growth

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Item 6

13th August 2019

In Work Progression Pilot Evaluation - Final Report

Purpose of Report:

This report accompanies a presentation to the Cabinet on the final evaluation report for the In Work Progression Pilot Project and proposes that the approach tested in the pilot be adopted throughout Glasgow City Region and applied to other sectors where low pay has been identified as a concern.

Recommendations:

The Cabinet is invited to:

- (1) note the content of the Final Evaluation Report for the In Work Progression Pilot and the presentation provided by GCC as the Project Lead; and
- (2) agree that the Glasgow City Region Skills & Employment Portfolio Group consider the Evaluation Report and provide a series of recommendations to the Chief Executives' Group on how the approach can be extended to the care sector across Glasgow City Region and into other sectors of the economy where low pay has been identified as a concern.

1. Purpose

- 1.1 This report accompanies a presentation to the Cabinet on the final evaluation report for the In Work Progression Pilot (IWP) Project and proposes that the approach tested in the pilot be adopted throughout Glasgow City Region and applied to sectors where low pay has been identified as a concern.

2. Background

- 2.1 The In Work Progression pilot is one of the three City Deal funded Skills & Employment projects. It delivered a business development approach to supporting the progression of employees in the care sector. The aim of the pilot is to test if this integrated approach improves people's chances of progressing out of in-work poverty through increasing their skills and earning potential.
- 2.2 The pilot was supported by Glasgow City Council and the Department for Work and Pensions and it concluded in December 2018.

3. Evaluation

- 3.1 The independent evaluators of the pilot, the Learning and Work Institute, have been gathering data throughout the different stages of the delivery of the project and presented their interim evaluation to the Chief Executives' Group on the 29 November 2019.
- 3.2 The Final Evaluation Report for the In Work Progression Pilot was discussed with Member Authorities and key stakeholders at a workshop session on the 4 July 2019. The Executive Summary is attached as an Appendix to this report and GCC as the Project Lead for In Work Progression will present the findings at the CEG meeting on 1 August and to Cabinet on 13 August 2019.

4. Next Steps

- 4.1 This report proposes that the Skills & Employment Portfolio Group is asked to consider how the lessons learned can be used to shape future approaches to delivery of regional employability programmes how the approach that was tested within the IWP will be extended throughout Glasgow City Region and into other sectors of the economy where low pay has been identified as a concern.

5. Recommendation

- 5.1 The Cabinet is invited to:
 - (1) note the content of the Final Evaluation Report for the In Work Progression Pilot and the presentation provided by GCC as the Project Lead; and

- (2) agree that the Glasgow City Region Skills & Employment Portfolio Group consider the Evaluation Report and provide a series of recommendations on how the approach can be extended to the care sector across Glasgow City Region and into other sectors of the economy where low pay has been identified as a concern

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Glasgow In-Work Progression Pilot Evaluation

Executive Summary

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Executive Summary

This report presents the findings from the evaluation of the “In Work Progression in the Care Sector” pilot, which formed a part of the Glasgow City Region City Deal.

The pilot

The pilot aimed to support individuals in the care sector to improve their skills and earnings potential. The pilot took an employer led approach which supported businesses to improve their operations, and through this, support their staff to progress. The pilot was delivered by Glasgow City Council Business Advisers. The support offer included a custom-made range of interventions delivered to businesses and the provision of employee training to support the skills and earnings progression of low paid employees.

The pilot was developed in response to a wider context of welfare reform, local skills shortages and increased levels of in-work poverty. The key contextual issues which provided the rationale for the pilot were:

- High predicted growth of sectors with high levels of in-work poverty
- Local demand for skills to meet the growth needs of these sectors
- Universal Credit rollout

To fully evaluate the effectiveness of the pilot, the evaluation undertook three separate elements including: a retrospective evaluation of the development process, a formative evaluation of learning from pilot delivery and a summative evaluation of the outcomes and impacts achieved.

Retrospective Evaluation

The process of developing the pilot included desk based research. It successfully engaged relevant stakeholders and consulted with employers in the sector to inform the pilot design.

Stakeholders emphasised the lack of existing evidence regarding what works to promote in-work progression in the care sector and valued the pilot as an opportunity to learn. The review of literature and previous projects which aimed to tackle in-work poverty found limited success in the absence of employer involvement. Conversely, working with employers alone to improve business practice had not been shown to facilitate employee progression. The pilot was therefore designed as an integrated employer and employee focused approach based on supporting employee skills development in the workplace. The design phase also recognised factors specific to the care sector, including: the financial constraints it operates in, the importance of retaining skilled workers and the need to improve the sector's reputation to support an ageing population.

This development process resulted in an employer led pilot, providing a range of interventions tailored to the need of individual businesses and their employees. This pilot was designed to support care homes to identify areas for improved business efficiency and support the progression of their staff. The employee offer was not fixed

during the development stage as it was intended to follow individual business consultations.

Formative Evaluation

The delivery model followed a process of: employer engagement, business diagnosis, consultancy, employee training, with ongoing support from Business Advisers.

Key factors which affected pilot implementation were the funding model and challenges associated with operating within the care sector. Changes requested to the funding model had to go through DWP governance processes which caused delays. The care sector context presented specific difficulties for the pilot including time and funding constraints, staff capacity and the highly regulated nature of the sector. These challenges affected the ability of the pilot to engage employers and deliver pilot support in the timescales set.

Pilot stakeholders highlighted learning from employer engagement, pilot interventions and ongoing support. Stakeholders noted that delivery was continually adjusted to increase its effectiveness. This learning also offers valuable lessons for future similar interventions. Delivery staff reported that effective employer engagement was enabled by engaging with key decision makers; using knowledgeable and trusted advisers; and by flexibility in communication. The messaging of the pilot was vital for overcoming employers' barriers to pilot participation. Effective messaging included the offer of tailored, practical support addressing employers' main business difficulties and emphasising the prospect of business savings prior to discussing employee training interventions.

There were unanticipated challenges affecting the delivery of the pilot, particularly related to the employee training offers. Delivery staff highlighted some instances of businesses' need for support in organising training and to successfully identify their staff skills needs. External training needs analysis support would have been helpful to enhance both benefits to business and employee progression. A further challenge arose from condensed delivery timescales which prevented the effective sequencing of consultancy support and employee training.

Further learning from delivery included: the importance of prior mapping of provision to ensure that businesses could quickly access good quality training providers; the need to effectively promote the support among employers and employees, and the need to reflect accessibility issues such as shift patterns in the delivery.

Overall, it was found that engaging and retaining care sector employees in the pilot was time intensive. Stakeholders frequently noted that supportive and dedicated staff and partnerships were vital for successful implementation.

Summative Evaluation

The pilot met the amended target of engaging with 20 businesses. Fifteen businesses remained engaged. The number of interventions was exceeded with over 120 free interventions being accessed and over 60 consultancy sessions being undertaken.

Management information (MI) was provided by five of the fifteen care homes participating in the pilot. The MI indicated that in these five homes between 2015/16 and 2018/19 turnover increased (+28%), gross profits increased (+39%), employee numbers increased (+24%), the number of full-time employees increased (+44%) and the number of employees receiving training increased (+22%). In addition, net profits moved from being negative to being positive.

Employers reported several business benefits from pilot participation and consultancy offers including heightened business profiles, improved financial processes, better HR practice and improvements to the standard of care. They reported that improvements in these areas also produced a range of wider impacts such as improved business sustainability, improved staff recruitment and retention, cost savings and improved profitability. Some employers reported that the staff training had a positive impact on productivity, motivation, staff retention and progression. The business impacts of these were noted as increased referrals, improved operational efficiency and improved care ratings. However, while some benefits for employees had subsequent business benefits, others, such as changes to shift patterns, benefited residents and the business but did not necessarily impact positively on employees.

The target of reaching 400 employees was exceeded. 573 people undertook over 1400 training places. Employees were mostly positive about the pilot training they received and acknowledged a range of positive outcomes from participation. These included improvements in their financial wellbeing, development of job specific skills and instances of career progression. Employers corroborated this, noting improved confidence, knowledge and skills, satisfaction and morale amongst their employees who had participated in training. This led to employees having an improved ability to perform their roles and consequent improvements in the quality of care provided to care home residents.

Pilot stakeholders acknowledged instances of employee progression in the form of improvements to job specific and soft skills which led to more responsibility, internal promotions and increased appetite for further learning. However, there were mixed views as to the extent to which the pilot directly enabled progression of low paid individuals. Several employees were unaware of pilot aims to support progression as their employer had not explained this. Additionally, staff at all levels of the organisation received training, therefore senior staff were among those who obtained financial progressions and promotions. Employees and stakeholders noted a range of persistent barriers to progression. The key barrier was the requirement for SVQ qualifications to progress into higher roles, which were mandatory qualifications required by regulation which were not funded by the pilot. These qualifications were often linked directly to wage setting processes in care homes, particularly for those progressing out of lower paid roles.

Stakeholders offered several solutions to improving progression outcomes including increasing the accessibility of training provision, improving processes for selecting

staff for specific training and improving access to SVQ qualifications. Employees suggested a range of support needs to enable them to progress including careers and course advice, basic skills courses, financial support to access training, mentoring, benefits advice and improved workplace supervisory practices.

Cost Benefit Analysis

A Cost Benefit Analysis of the pilot was undertaken. This calculates the costs and benefits of the pilot to society and assesses whether the pilot provides a positive return on the money spent on it and so whether it represents value for money.

The total cost of delivering the pilot was £313,694. The analysis includes the following potential benefits:

- earnings increases for individuals;
- economic benefits from improved individual wellbeing; and
- economic benefits for the employer in terms of increased profit

The estimate of these benefits were as follows: earnings gain, £71,905, individual wellbeing gains, £253,440, and profitability gains, £35,953. Thus, total benefits are estimated as £361,298. Overall this means that the estimated difference between benefits and costs of the pilot is £47,604 and ratio of benefits to costs is 1.15. As the benefits from the pilot exceed its costs this indicates that the pilot has achieved value for money. However, this result is only indicative. The low level of quantitative data from the pilot means that the estimate of benefits had to be based on a number of assumptions using data from outside of the pilot.

Pilot transferability

The pilot contains a number of lessons which can potentially be used to inform similar employer led initiatives in other low paying sectors such as hospitality and retail.

Within an employer led pilot, progression outcomes for low paid workers are much more likely to eventuate if the intervention's design focuses delivery directly on these outcomes. This could require a more constrained approach to delivery for any initiative in retailing and hospitality with, for example, a fixed menu of support to ensure that the intervention is focused largely on enabling progression for low paid workers.

Differences between the care sector and the retail and hospitality sectors may affect the degree of transferability of the pilot model to these sectors.

Care Sector workers may be more motivated to engage with training opportunities even if it does not result in a pay rise. Care workers want to perform better in their jobs as this has an impact on the people they care for, whereas workers in other low pay sectors do not typically have this same type of motivation. However, there is a countervailing argument. Unlike retail and hospitality, the care sector is a highly regulated sector. Thus, the main requirement for staff there to achieve significant progression was to attain SVQ qualifications, which the pilot did not offer. There is no similar regulatory requirement in retail and hospitality, so the returns from general training offered by a similar pilot should be greater to workers in these sectors which ought to encourage their participation.

Employers in retail and hospitality may also take a different approach compared to those in the Care Sector. Care workers have specific skills which, if lost, have business impacts, whereas workers in the Retail and Hospitality have more generic skills (e.g. customer interaction) which employers in those sectors view as readily available. For these reasons employers in these sectors may be comfortable with business models based on high rates of labour turnover, and not view training as a business priority.

One factor that is likely to be transferable across sectors is the need to support to SMEs to identify their training needs. The pilot found that many small care sector employers struggled to identify the training needs of their staff. This indicates a need for external support in the form of training needs analysis. This should help ensure that employees undertake suitable training that develops their skills appropriately.

Conclusions and Recommendations

The pilot aimed to improve care sector businesses access to interventions which would facilitate growth, and to improve care sector employees' access to interventions which would support skills improvement and increased earning potential. Both aims were grounded in improving staff progression and the financial situation of employees in low pay, and their households.

The conclusions relate to how well the support model worked to promote business impacts and individual earnings progression. Based on this, recommendations are made in relation to the design and delivery of future employer led progression initiatives.

Conclusions

The pilot had a noticeably transformative impact on several of the participating SME's. There were clear business benefits reported by employers who participated in the pilot. They reported that the pilot offer enhanced the profiles of their homes, improved financial processes and provided tangible cost savings and care standards improvements. Even during the lifespan of the pilot, these business improvements had resulted in wider positive impacts on their organisation's financial sustainability, staff morale and recruitment and retention prospects.

The pilot also enabled employers to invest in employees' development which contributed to a range of soft outcomes such as increased confidence, knowledge and skills, satisfaction and morale among participating staff. The wellbeing benefits demonstrated are likely to flow through to benefit retention rates if sustained.

Employees reported a range of benefits from participation in pilot activity including improved financial wellbeing, development of job specific skills and instances of careers progression in some instances. There was also evidence of employee's improved ability to perform in their role leading to improvements in quality of care provided to care home residents. Increased responsibilities resulted in business benefits including a higher quality of service, improved operational efficiency, cost savings and greater likelihood of business generation.

The pilot provision of financial management training improved individual's abilities to manage their outgoings through the use of practical financial management tools and a link to tailored financial advice. There was evidence that this training improved the financial situations of employees and their households.

In summary, there are evident wide ranging benefits to employers, employees, residents and the sector as a result of the pilot. But there were mixed views on how well the pilot model had enabled afforded direct earning progression. These limitations are explained under 3 headings:

Contextual

At the start of the pilot it was identified that the care sector had limited capacity to provide pay progression given financial constraints. The pilot demonstrated that business support could result in cost savings.

Funding for training in the pilot was restricted to non-mandatory training while pay increases relate to achievement of SVQs. While there was evidence of improved skills and additional responsibilities in existing roles, this did not allow for progression to new roles. Employers cited the lack of an SVQ as the reason for not promoting employees.

Design

The support on offer for business development was more clearly defined than the employee offer as this was to be identified with each employer to avoid being prescriptive and ensure it was employer led. However, employers required significant support in this area which was not anticipated at the start of the pilot.

The training chosen was driven mainly by organisational pressure rather than individual progression needs linked to overall business development plans.

While there was evidence of business benefits through business support interventions and while there was evidence of gains for employees these did not always clearly align or result in employee progression outcomes.

Implementation/Delivery

Changes were made based on delivery experience (availability of finance and amount of support required by businesses). These impacted on: delivery timescales and sequencing of supports; communication within homes (articulating the context of the pilot and training); attendance at training (pressures on time and staff resource and shift patterns); gathering data on impacts.

Recommendations

The interaction between business development and employee progression must be more clearly defined to ensure interventions can result in progression in future provision set in the context of the care sector. The recommendations reflect this.

Refine the design

- Ensuring funding is flexible and responsive (consider mandatory vs non mandatory training focus and consideration be made on whether to expand eligibility beyond SMEs)

- Consider targeting of employees? (eg. limiting the training offer to low paid workers and/or focusing on staff with additional barriers to upskilling, such as part time workers or those working night shifts)
- Build tighter data collection methods with a view to capturing longer-term gains for businesses and employees

Refine the delivery

- Allow a substantial lead in time prior to the delivery of interventions
- Implement a clear sequenced approach to delivery
- Implementation of consultancy support first to provide a tangible business benefit or cost saving which link to progression
- Always include HR business support to clarify the link to business development and identifying employee skills gaps to ensure training is suitable for selected individuals prior to employee training offers
- Develop a menu of support for employees that is linked to progression
- Widen access to financial management support for all staff

Stakeholders

- Share the learning across a range of stakeholders. The learning for the role employers can play is of use to organisations/policymakers focussing on addressing poverty