

Evaluation of the Skills Escalator Pilot

Final report

Jane Colechin, Hannah Murphy, Connor
Stevens, Jodie Penacchia, Kathryn Ray,
Lovedeep Vaid

October 2017

Written by National Learning and Work Institute (England and Wales)

21 De Montfort Street, Leicester LE1 7GE

Company registration no. 2603322 | Charity registration no. 1002775

Learning and Work Institute is a new independent policy and research organisation dedicated to lifelong learning, full employment and inclusion.

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

We bring together over 90 years of combined history and heritage from the 'National Institute of Adult Continuing Education' and the 'Centre for Economic & Social Inclusion'.

www.learningandwork.org.uk

@LearnWorkUK

@LearnWorkCymru (Wales)

All rights reserved. No reproduction, copy or transmission of this publication may be made without the written permission of the publishers, save in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency.

CONTENTS

Table of Contents

CONTENTS	3
Summary	5
Who took part in the pilot?	5
What did the pilot achieve?	6
Does the programme provide value for money?	7
How were pilot outcomes achieved?	8
How could participant outcomes be improved?	9
Recommendations for wider rollout	9
1. Introduction	12
The Skills Escalator Pilot Programme	12
The Evaluation	13
Structure of the report	13
2. The Skills Escalator model and pilot design	14
Pilot context	14
Pilot aims	15
Pilot funding, eligibility and targets	16
The design of the support model	16
3. Implementation of the Skills Escalator pilot	21
Adviser skills and capacity	21
Partnership working	23
Summary	31
4. Client characteristics, barriers and needs	33
Demographic characteristics	33
Barriers to progression	38
Summary	44
5. Client experiences of pilot support	46
Awareness and engagement	46
Initial appointment with an adviser	48
Needs assessment and action planning	50
The core training offer	53

Wraparound adviser support	55
Immediate outcomes from pilot support	57
Support gaps and barriers to pilot participation	60
Summary	62
6. Pilot outcomes and client progressions	65
Skills Escalator enrolments to March 2016	65
Training and progression outcomes	65
Earnings progression outcomes	71
Earnings progression outcomes by sector and qualification level	79
Additional benefits from progression	81
Summary	82
7. Impact assessment and Cost - Benefit Analysis	84
Impact Analysis	84
Cost Benefit Analysis	86
8. Conclusions and recommendations	94
Review of findings	94
Sustainability of the Skills Escalator pilot	97
Recommendations	98

Summary

This report from the Learning and Work Institute reports the findings from the evaluation of the West London Alliance *Skills Escalator* pilot – which aimed to support working people on low household incomes in West London to gain better-paid and more stable employment through a programme of personalized advice and skills acquisition.

The pilot was delivered in the London boroughs of Harrow and Hounslow from November 2014 to date, with funding from the Transformation Challenge Award. Subsequently, two additional years of funding were secured from the European Social Fund (ESF) to continue delivery in Harrow and Hounslow from 2017, and to extend delivery into the London boroughs of Ealing and Barnet. This report covers findings from the first two years of delivery in Hounslow and Harrow only.

The pilot was targeted at residents living in the private rented sector or in temporary accommodation in receipt of partial Housing Benefit, with the intention that by overcoming barriers to progression, and increasing earnings, residents would reduce or end their dependency on in-work benefits, releasing savings to the public purse.

The pilot service offered residents an integrated support offer to help them increase their skills, and thus enable them to achieve career development and / or career change and improve earnings. This comprised:

- Direct marketing to eligible individuals using Housing Benefit data;
- One-to-one support from an adviser, structured around a personalised action plan;
- A core offer of referral to existing skills provision, with the cost of this covered by the service;
- Wrap-around support from other existing services; and
- Direct employer engagement.

Who took part in the pilot?

Almost three quarters of Skills Escalator clients were women and mostly in the 30-50 age range. They were in a range of family situations, with around a third being lone parents. Around four fifths lived in private rented accommodation and the remainder in temporary accommodation.

The main ethnic groups among participants were Asian/British, Black/British and White Other. Almost a quarter reported that their key barrier to progression was limited English language ability as an ESOL speaker.

Starting qualifications varied hugely with the most common being levels 2, 3 and 4, but with 12 per cent having entry level qualifications only, and 5 per cent educated to degree level. Half of all clients cited a lack of appropriate skills and qualifications as their key

barrier to progression. Qualitative findings suggest that clients often had overseas qualifications that were not recognised in the UK.

Participants experienced a range of cross-cutting barriers that limited their ability to improve their earnings, including:

- Individual behavioural and emotional barriers – including confidence, motivation and lacking direction
- Household barriers –including childcare and care for sick or disabled relatives which could limit the time they had available to commit to taking steps to improve their situation
- Complex housing or financial situations – which could distract clients from dealing with their employment issues and threatened disengagement from the programme in crisis situations
- Limited labour market and employability knowledge, with clients struggling to make successful applications in the right career sectors

What did the pilot achieve?

Between the last quarter of 2014 and the first quarter of 2016, the pilot enrolled 361 clients, 168 in Harrow and 193 in Hounslow.

Just over a third of all clients enrolled took up a training course at a range of different levels and in different sectors. ESOL courses were taken up by the largest number, while other popular courses included teaching/ education; accountancy or book keeping; beauty, fitness and wellbeing; childcare; and IT.

Participants undertaking training were more likely to increase their earnings (within the timescale of the evaluation) than those who did not take up training (34 per cent, compared to 11 per cent). Training take-up resulted in a range of soft outcomes too, including improved self-esteem, a sense of purpose, confidence and improved job performance.

Seventy clients who took part in the programme had increased their earnings by March 2016, representing a one in five outcome rate (21 per cent outcome rate in Harrow and 18 per cent in Hounslow). The average monthly earnings increase for these clients was £529 in Hounslow and £430 in Harrow. Most of these clients had increased their earnings by the time they had been six or seven months on the programme.

The likelihood of earnings outcomes was related to client characteristics. Those aged 31-40 years old were most likely to increase their earnings, while this was much less likely for

those aged over 40, and especially those aged over 50. Those starting with qualifications at level 3 and upwards also had larger earnings gains than those starting with lower qualifications.

Mirroring other in-work progression studies, external progression to a new employer was by far the most common type of outcome achieved (58 per cent of all earnings outcomes), and led to larger financial gains compared to other progression routes. Internal progression within an existing job resulted in much lower earnings increases.

Clients told us that the earnings increases they achieved had transformed their own and their family's quality of life, leading to improvements in their standard of living, housing situation and their ability to address financial worries. Clients also reported a changed perspective and sense of direction and felt they presented a more positive role model for their children.

Does the programme provide value for money?

In order to assess the additional impact of the programme, over and above what participants might have achieved in the programme's absence, we compared participants' earnings improvements to a matched comparison group from the Labour Force Survey.

This suggested that Skills Escalator clients earned on average £147.10 more per month than the matched group not on the programme. However the main reason for this difference was that the matched group saw a reduction in their earnings, on average, due to a number of them losing their jobs. **This suggests, therefore, that one of the key benefits of the Skills Escalator programme was to keep people in work.**

Our cost-benefit analysis suggests that **the costs of the Skills Escalator programme do not cover the fiscal savings to the Exchequer.** However, when taking into account the full range of public value benefits (including the economic benefits of earnings increases and the benefits of wellbeing improvements as a result of these increases in earnings), the programme can be viewed in a positive light, with overall benefits to society outweighing the costs. Taking into account this wider range of benefits, **for every £1 spent on the programme there is public value return on investment of £3.41.**

These findings should be treated with some caution, however, as there were limitations in the matching process which mean that we cannot be completely sure that the difference we observed between Skills Escalator participants and the comparison group is a result of participation in the pilot rather than due to differences in other unobserved factors. Our recommendation for future commissioners wanting to invest public money in a similar programme is that, for a more robust estimate of additionality, they should consider a randomised control trial (RCT), which would provide greater confidence when calculating the additional benefits of the programme.

How were pilot outcomes achieved?

The key features of pilot support that enabled outcomes were:

- **Personalised and flexible** support, based on an in-depth assessment of client needs, and a well-sequenced action plan, focusing on priority needs and addressing areas of weakness, with intermediate steps towards longer-term goals.
- The offer of **funded training provision** – which was a key element in the appeal of the pilot offer. Clients particularly valued the flexibility of the offer – with all types of training eligible - and welcomed adviser expertise to guide them in choosing courses. Sustained engagement with training was facilitated by well-structured courses, in accessible locations and with additional support for those with barriers to participation (such as digital skills).
- **Wraparound advisory support**, which improved confidence, motivation and ambition, and developed core employability skills, knowledge of the labour market and appropriate career goals. The quality of the client/adviser relationship was a key driver of outcomes, determining ongoing engagement in the pilot support.

The key factors in successful implementation of the model were:

1. Adviser skills and capacity, and
2. Effective partnership working.

Skills Escalator advisers required a range of skills including:

- identifying client needs
- building trust
- coaching and challenging clients
- delivering tailored careers guidance
- building knowledge of training provision and wider services and
- providing a range of employability support.

Partnership working was also essential - for generating referrals to the pilot, for sourcing learning and skills provision, for addressing participants' other barriers and for accessing good quality jobs for clients. Pilot staff drew on and developed partnerships with a range of services, including local authority housing teams, learning and skills providers and Jobcentre Plus (JCP).

In Hounslow a closer relationship was developed with Jobcentre Plus due to the earlier rollout of Universal Credit (UC) in that borough. It was felt by JCP staff that the pilot

provided an easily understood and tangible offer to support their low-income working claimants (who were subject to in-work conditionality under UC).

In Harrow, by contrast, the relationship with JCP was less developed, but a closer relationship with the local authority business support team was developed which facilitated effective employer engagement in the pilot.

How could participant outcomes be improved?

Support gaps and challenges in pilot delivery included:

Limitations on the training that could be accessed, due to **rigidities in course scheduling**, especially for those with unusual or irregular shift patterns or with caring commitments.

Gaps in the provision of support to help ‘convert’ the new skills/qualifications gained into earnings outcomes, especially where participants wanted to access new areas of work.

Work experience opportunities and **self-employment support** were identified as key gaps.

Other suggestions for additional support components included a **personal budget** to ameliorate financial barriers to participation and additional **self-employment support**.

People with complex needs, in temporary accommodation or finding themselves in crisis were more likely to disengage from the pilot support. There is a question as to whether the pilot is currently able to serve these clients well and whether further support needs to be sequenced into the client support journey to address their needs.

Recommendations for wider rollout

Client referral and engagement

- Receipt of partial Housing Benefit proved to be a difficult eligibility criteria for the pilot, since it is awarded based on household-level income, while the pilot provides individual-level support. Going forward it could be useful to review this eligibility, particularly as this would help with the engagement of new referral partners.
- For further rollout, it would be beneficial to work with additional partners to build in more proactive referral points to pilot support, for example with colleges/training providers and local authority housing staff. Introductions and ‘warm handovers’ to the pilot from trusted advisers who can sell the pilot offer and support referrals would be most effective. The referral route from Jobcentre Plus was furthest developed in Hounslow where the JCP Partnership Manager brought the Skills Escalator offer onto the ‘IBoard’ (Jobcentre Plus’s intranet and referral mechanism) and committed to referring five clients to the pilot each month. This relationship has

the potential to be developed further, thus helping to support the rollout of UC. Further development of shared systems and enhanced communication between JCP and the pilot would be important in facilitating this.

Nature and level of support

- The pilot should continue to deliver a flexible service where clients can engage at different points in time and clients who temporarily disengage due to personal circumstances should be proactively followed up to ensure that they feel confident to opt back in when they are ready to do so
- Clients with additional or complex needs risked disengaging with the support or not being able to overcome their barriers and achieve an outcome. This could be addressed by:
 - Adviser decision-making at the point of needs assessment and signposting to an alternative support offer if that is appropriate.
 - Reviewing whether it would be useful to develop different streams of support to suit different levels of need.
- This could be facilitated if the pilot support was embedded within a wider local authority employment support offer to ensure that non-eligible clients, or those who face changing circumstances, can still access support.

Training and development

- A key strength of the Skills Escalator model is the wide range of training courses funded which can match individual needs. We recommend that the training offer should remain flexible and subject to staff discretion.
- We recommend that the pilot works more closely with learning and skills providers to help unlock greater flexibility in the scheduling and delivery of training, to suit those with irregular shift patterns or caring commitments.

Resourcing of support

- Longer-term funding for the pilot needs to be reviewed to support its sustainability. Short-term funding negatively impacted on adviser turnover, which was detrimental to the delivery of client support.
- Adviser resource was crucial to the pilot delivery model and is resource-intensive because of the flexible, client-facing support model. Resource also needs to be built in for adviser networking, particularly to enable the support offer to be

responsive to clients with additional/complex needs, as well as to support increased referrals. For future development, it would be beneficial to review the level of adviser resource dedicated to the pilot and/or review the support model to see if support could be delivered in a way that is less time-intensive. Possibilities to achieve this could be to make greater use of group support, online support and peer (volunteer) support. However there may be limitations to this given client needs.

- The impact of RAG rating on the delivery of support for clients with different levels of need should be reviewed. This is particularly important within the context of a potential increase in referrals from Jobcentre Plus, since these clients were often seen to have higher levels of support need.

Employer engagement

- The ability to scale the Skills Escalator model would be supported by an expansion of the employer-facing support. Greater employer engagement is important in increasing the scale of the programme, through providing additional referral routes into the support and readily available vacancies for clients. Enhanced employer engagement would also be helpful to fill identified support gaps, such work experience opportunities.
- It is easier to build in employer-facing support where there is a close partnership with other business support services. This can support employer engagement since a wider offer for employers can provide support to fill vacancies as well as progression-focused support. Additional business support services, such as support for employers to identify skills needs and to progress staff, could also usefully add to the support offer and ensure that employers are able to make the most effective use of the pilot.
- Given the wider rollout of the Skills Escalator pilot across four boroughs, there is scope to achieve economies of scale in employer engagement by developing a multi-borough approach and working in partnership with existing sub-regional business engagement networks and forums.

1.Introduction

This report presents final findings from the evaluation of the Skills Escalator pilot – which aimed to support working people on low incomes in West London to gain better-paid and more stable employment through a programme of personalized advice and skills acquisition.

The West London Alliance (WLA) commissioned the Learning and Work Institute to carry out this evaluation of the pilot. The findings reported are based on an analysis of the programme's management information (MI), alongside qualitative interviews with Skills Escalator participants and staff involved in the management and delivery of the programme.

This chapter describes the Skills Escalator pilot, the evaluation approach and methods and the structure of the report.

The Skills Escalator Pilot Programme

In 2014, The West London Alliance (on behalf of the London Boroughs of Hounslow and Harrow) were successful in securing a Transformation Challenge Award (TCA) (2015/16 round) to support working people on low incomes to move into better-paid and more stable employment.

The aim of the Skills Escalator pilot was to redesign frontline services for people working on low incomes, by providing a support service of personalised advice and skills acquisition, in order to promote access to better-paid and more stable employment. The pilot was targeted at residents living in the private rented sector or in temporary accommodation, as they were deemed to be most at risk of in-work poverty. The intention was that by overcoming barriers to progression, and increasing earnings, residents would reduce or end their dependency on in-work benefits (e.g. Housing Benefit and tax credits), releasing savings to the public purse.

The pilot service offered residents an integrated support offer to help them increase their skills, and thus enable them to achieve career development and / or career change and improve earnings. This comprised:

- Direct marketing to eligible individuals using Housing Benefit data
- One-to-one support from an adviser, structured around a personalised action plan
- A core offer of referral to existing skills provision (e.g. training providers, the National Careers Service (NCS) and colleges), with the cost of this covered by the service
- Wrap-around support from other existing services

- Employer engagement

The pilot went live in the London Boroughs of Harrow and Hounslow in November 2014, following the successful 2014-15 TCA bid, and then secured additional funding from TCA for delivery in 2015-16. Subsequently, two additional years of funding were secured from the European Social Fund (ESF) to continue delivery in Harrow and Hounslow from 2017, and to extend delivery into the London Boroughs of Ealing and Barnet. This report covers findings from the first two years of delivery in Hounslow and Harrow only.

The Evaluation

The evaluation of the Skills escalator pilot utilises a range of research methods and data sources to provide an assessment of the programme's effectiveness. This includes:

- A process evaluation to examine implementation and pilot delivery and to explore how outcomes were achieved;
- A descriptive analysis of outcomes achieved by the pilot and how these varied by site and by client characteristics;
- An impact assessment and cost benefit analysis to determine the additional value of the pilot (as compared to business as usual) and its value for money.

Structure of the report

The remainder of the report is structured as follows:

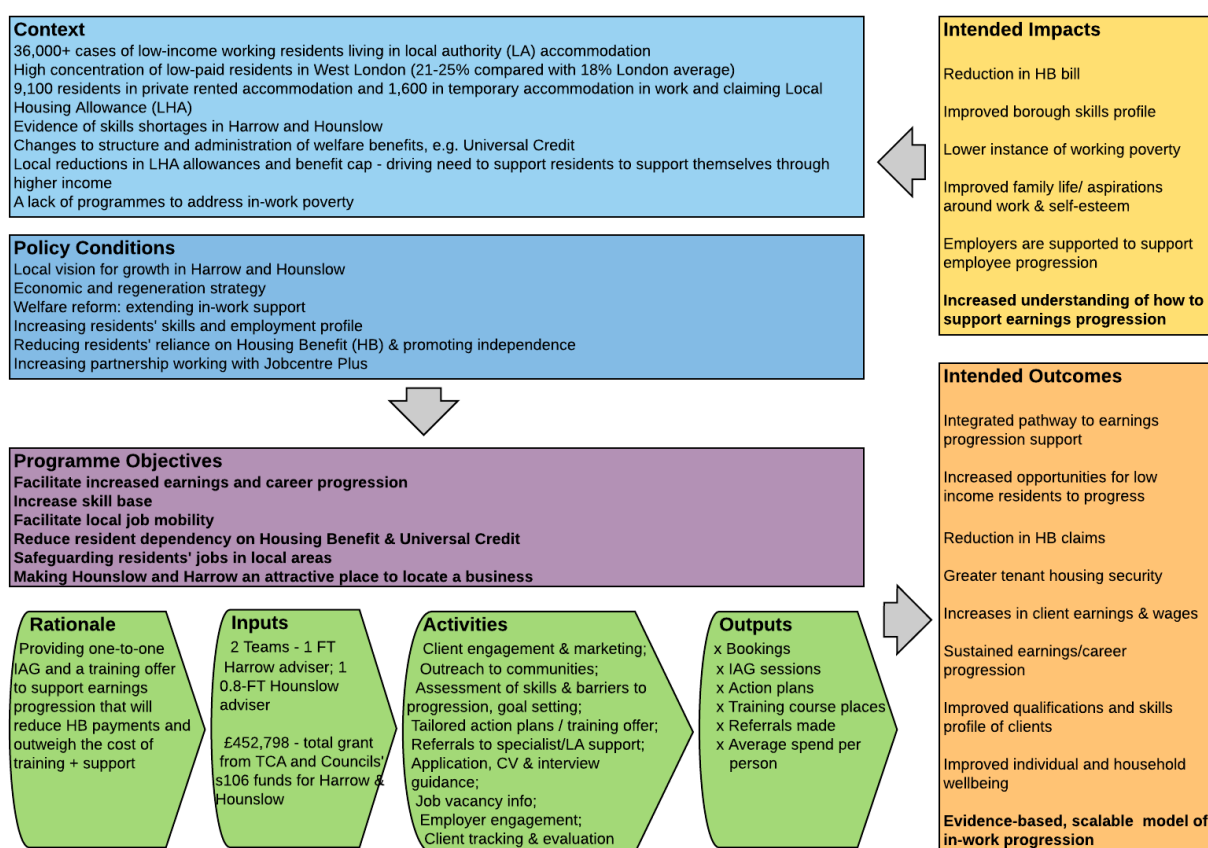
- Chapter 2 describes the aims and rationale for the pilot and the design of the support model;
- Chapter 3 explores pilot implementation including partnership working;
- Chapter 4 presents data on pilot participants, exploring their demographic characteristics and reported barriers to progression;
- Chapter 5 examines the support delivered through the pilot and staff and participant views on this;
- Chapter 6 presents outcomes from the pilot and how these vary by site and by client characteristics;
- Chapter 7 presents the additional impacts of the pilot and the cost-benefit analysis;
- Chapter 8 presents conclusions to date and lessons for delivery going forward, as well as wider policy implications.

2. The Skills Escalator model and pilot design

The Skills Escalator was an innovative pilot which provided earnings progression support for low-paid workers living in private rented housing or temporary accommodation and claiming Housing Benefit. This chapter describes the rationale for the pilot and the design of the initiative.

The logic model below shows the rationale for the pilot, how the programme was intended to operate and its intended outcomes.

Chart 2.1: Skills Escalator Logic Model



Pilot context

The Skills Escalator pilot was developed in response to the wider context of welfare reform, local skills shortages and high numbers of residents in low-paid employment.

At the time of pilot development there had been ongoing reductions in local authority funding for housing support and Local Housing Allowance rates. The reduction in the benefit cap level from November 2016 also decreased the amount of overall benefit payments residents in London could claim, to £23,000 per year for families and £15,410 per year for single claimants (with some exempted groups). These reductions occurred alongside a trend of steep increases in rental charges in the private and temporary accommodation sectors. The cumulative effect of these changes was increased pressure on households and on the local authorities' ability to support them through traditional income maximisation or discretionary funding (e.g. where residents had fallen into debt or had other crisis issues which put their housing security at risk).

Therefore, there was felt to be a need for provision which enabled low-paid working residents to increase their earnings potential and reduce their reliance on Housing Benefit.

The Skills Escalator pilot was also developed in response to broad welfare changes associated with the introduction of Universal Credit (UC), which required low-income workers to increase their earnings towards the equivalent of the full-time National Minimum Wage. This prompted concern that low-paid workers were being faced with new conditionality requirements but had insufficient support to enable them to increase their earnings, given that there was limited statutory or other support for working residents, in comparison to the support available for out-of-work residents:

"If you are unemployed, signing on Job Seeker's, then Job Centre can offer you ... financial support. They have a network of suppliers and contractors, so if you need help with your ESOL they can send you to ESOL, if you need help with computers they will help you with computers, and they ... get some funding even for short courses like security courses. However, once you are working, even 16 hours per week National Minimum Wage, then you cannot access anything." **(Pilot adviser)**

Therefore, there was perceived to be a clear national and local support gap for low-income working individuals that the WLA could meet with an in-work progression support service.

It was also hoped that the pilot would inform broader policy debates about the need for in-work progression support and the potential role to be played by local authorities and other partners in this.

Pilot aims

As shown in the logic model, above, the aim of the pilot was to develop a new support service for low-income workers to enable them to progress into better-paid and more stable employment, with a key focus on improving their skills by funding the cost of their skills development:

“The most important objective is enabling people to progress in their careers... from low-paid employment to something more sustainable...in most cases that means earning more income and in a lot of cases it means gaining new skills.” (Pilot lead)

The pilot also intended to demonstrate that providing progression support for low-paid workers could positively impact on local economies, by facilitating job mobility and thereby opening up more entry-level jobs to unemployed people. A key outcome for the WLA was also for the pilot to reduce the Housing Benefit bill in Harrow and Hounslow through residents increasing their earnings.

Pilot funding, eligibility and targets

The WLA were successful in bidding for two Transformation Challenge Award (TCA) bids, which provided funding for delivering the pilot in the London Boroughs of Harrow and Hounslow in 2014/2015 and 2015/2016.¹ Those eligible for the pilot included Harrow and Hounslow working residents who were claiming Housing Benefit and living in either private rented or local authority temporary accommodation.²

The pilot aimed to engage 260 clients per year in the service across Harrow and Hounslow, with a three to one split between clients in the private rented sector and in temporary accommodation. It was assumed that 60 per cent of engaged clients would take up skills provision and 15 per cent of all participants would increase their earnings sufficiently to leave Housing Benefit.

The design of the support model

The pilot was designed to support low-paid, employed residents to improve their incomes, either within their current role or by finding new employment. To achieve this aim, the support model comprised of a ‘core offer’ to fund skills development, alongside wraparound, one-to-one support from a personal adviser. The support was designed to enable participants to develop and work towards a personalised action plan to increase their working income and reduced their reliance on welfare benefits.

Thus, the distinguishing feature of the pilot model was the provision of funding for skills development for working participants. Skills Escalator clients were referred to existing learning and skills provision which met their own personal development needs with the costs of this borne by the pilot. This was designed to increase access to training courses for low-income workers, based on the assumption that a lack of access to skills

¹ Subsequently, two additional years of funding have been obtained from the European Social Fund (ESF) to continue delivery in Harrow and Hounslow from 2017 and to extend delivery into the London Boroughs of Ealing and Barnet.

² The pilot extension from 2017 will include residents in the social rented sector too.

development is a key barrier to their income progression. This could be either due to individuals working in low quality jobs, with employers who were unwilling or unable to fund training, or individuals looking to progress on their own initiative independently of their employer with insufficient resources to fund this.

Clients also had access to wraparound personal adviser support in order to address a lack of knowledge about both training opportunities and pathways to progression. Advisers could source a wide range of training courses and provided guidance to support individuals to find the best option for them, which aligned with their experiences, interests and goals, and could result in a realistic progression outcome:

“Often that’s their biggest barrier - they don’t know what course they need to do in order to get this particular job and, once they do know what course they need to do, they don’t know where to go to do it.” (Pilot lead)

Adviser support was also needed to support individuals to find new work. It was known that many low-income working residents had been working for their current employer for a long time and therefore may not have current CV or job application skills. Similarly, it was likely that some clients would have limited digital skills or access to IT. Additionally, the local demographic profile in the two boroughs meant that English skills and literacy were recognised as a key barrier for many potential clients. Advisers therefore provided a wide range of employment-related support, in order to guide people into sustainable employment, including identification of transferable skills, careers guidance, help with CVs, applications and cover letters, interview preparation support, confidence coaching and referrals to address wider barriers.

Alongside the ‘core offer’ of training, the support delivered also included:

- Signposting and referrals to support services (including local authority services and third sector organisations) to assist with individual barriers and issues; and
- Making clients aware of any volunteering, community employment opportunities or work experience placements available through other local authority services (e.g. employer engagement work).

Differences in the pilot design between Harrow and Hounslow

The client journey charts (Charts 2.2 and 2.3) show that Harrow and Hounslow took slightly different approaches to the design and implementation of the Skills Escalator pilot. The main difference included two strands of additional activity developed in Harrow:

- a group meeting introducing potential participants to the pilot prior to the initial one-to-one adviser appointment, and

- an ‘internal’ progression support offer, which involved working with employers to support their employees to progress.

Initial group meeting

The group introductory session was introduced in Harrow as an additional stage in the pilot, prior to the first appointment. In this session, the adviser checked participants’ eligibility for the pilot, set out the support options available in the pilot and provided an opportunity for questions. In Hounslow, this had been provided as part of the initial one-to-one adviser appointment.

‘Internal’ progression support

A key difference between the pilots in Harrow and Hounslow was the extent to which the programme engaged with employers as a part of the delivery model. In Harrow, the pilot was positioned within a pre-established priority for the local authority, involving the Skills and Business departments working closely together to drive local area regeneration. Harrow pilot leads thus sought to use the pilot as a further opportunity to address skills shortages and promote a culture of ‘progression’ in local businesses.

As part of this, the pilot featured an employer-focused strand where the adviser worked with employers to provide internal progression for their employees as well as new vacancies for other participants. Clients who sought to progress within their existing employment were supported by their adviser to access training which suited their internal progression needs.

Chart 2.2: Skills Escalator Client Journey - Hounslow

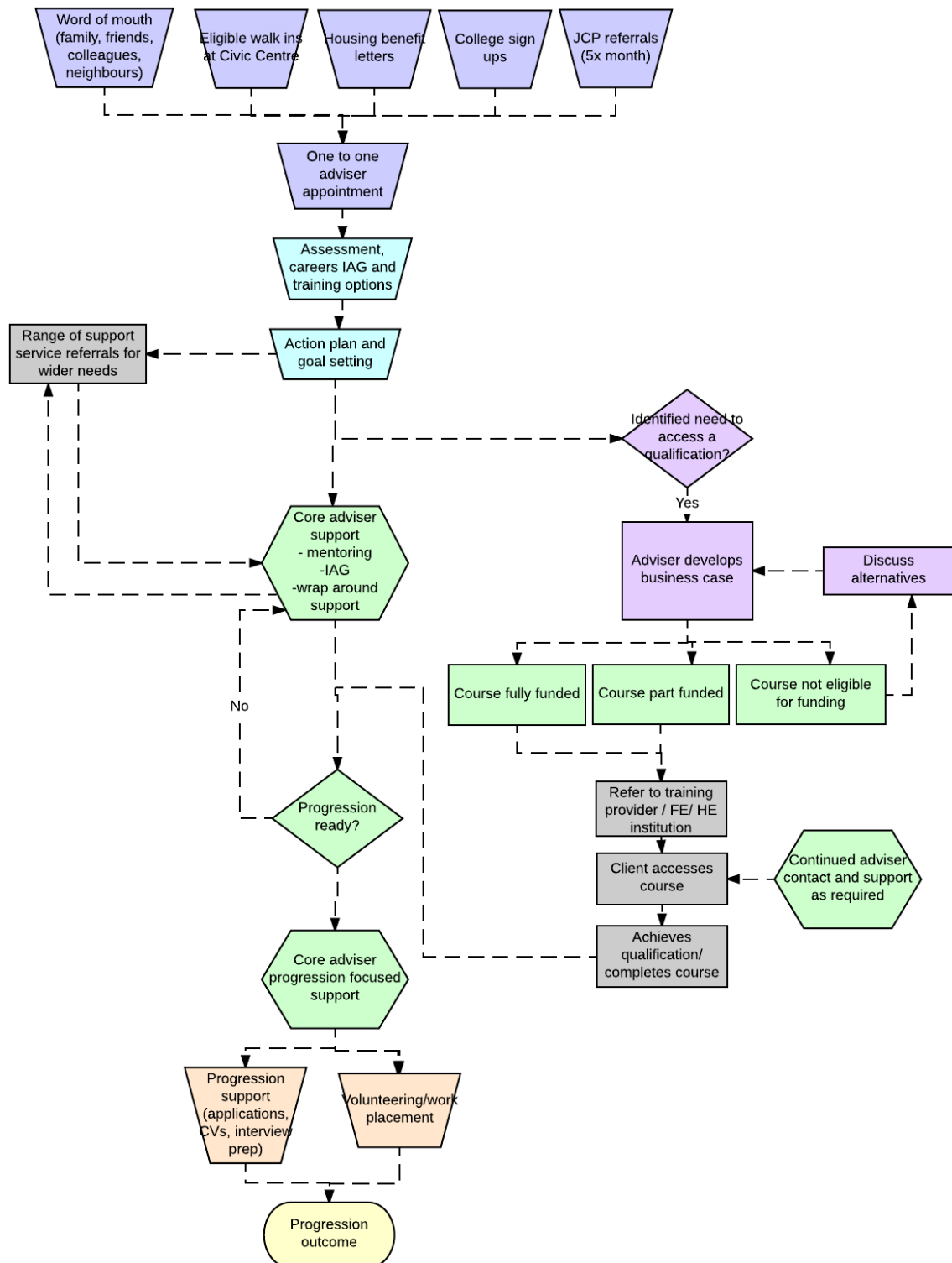
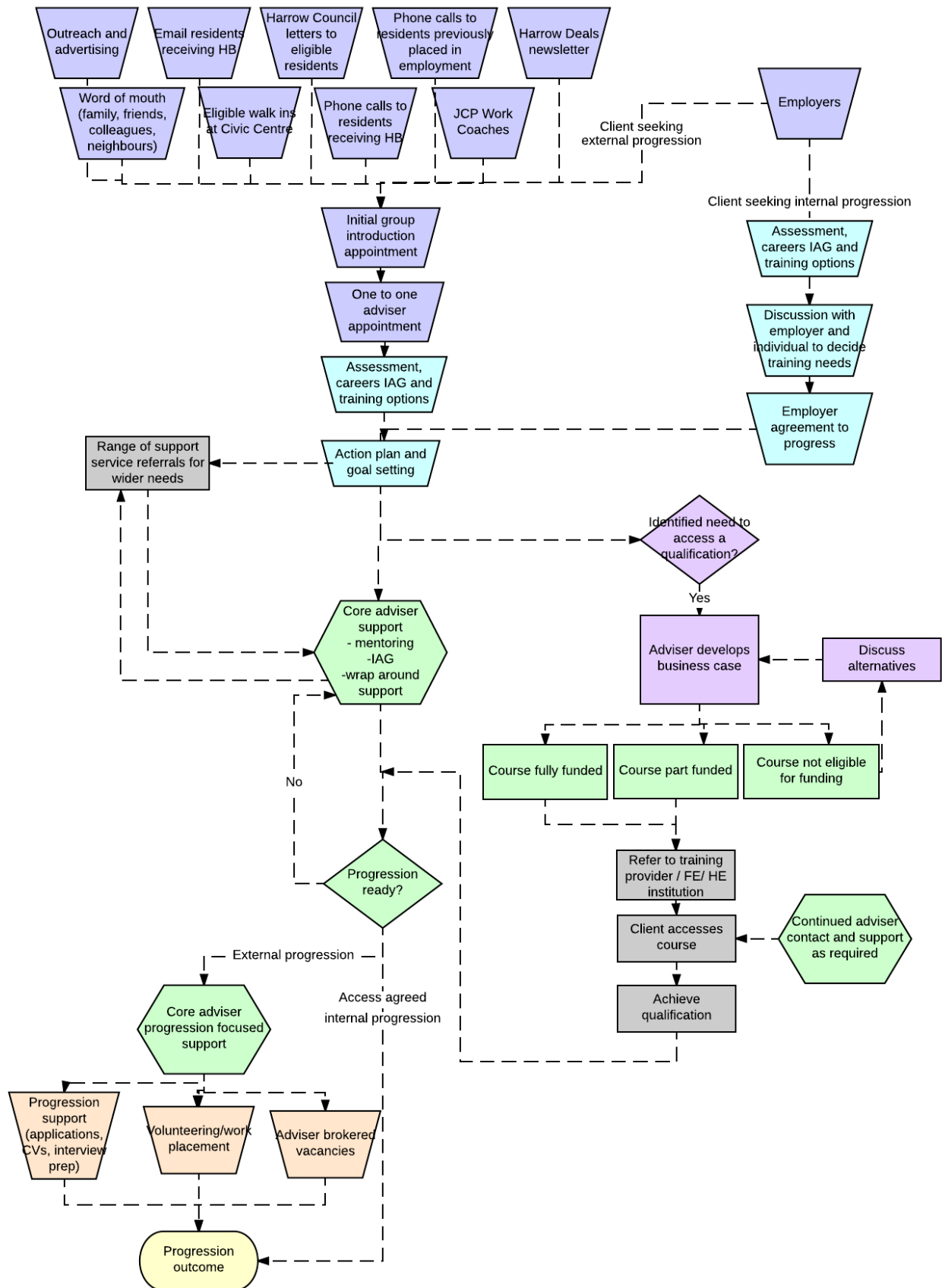


Chart 2.3 Skills Escalator Client Journey - Harrow



3.Implementation of the Skills Escalator pilot

The key elements required for successful implementation of the Skills Escalator model were adviser skills and capacity and developing effective partnerships – with referral partners, skills providers, other sources of support and employers. In this chapter we explore these elements of implementation and how they differed across the two sites.

Adviser skills and capacity

Successful implementation of the Skills Escalator model relied crucially on the quality of the wraparound adviser support. Alongside the funding of training provision, it was essential that information, advice and guidance was provided to ensure that the skills provision taken up suited the individual's skillset and aspirations and had the potential to make a positive difference to their earnings opportunities in the local labour market:

"I think it's probably the IAG element is probably the most important... for local residents here, and it's both expanding their horizons and opening their eyes to new possibilities... Telling people what's out there and how they can focus their skills to apply for those opportunities." (Pilot lead)

The adviser role required a wide-ranging skillset to support individuals throughout their time on the programme. Advisers had to be adept at:

- identifying client needs
- building trust
- coaching and challenging clients
- delivering tailored careers guidance
- building knowledge of training provision and wider services and
- providing a range of employability support.

Advisers who engaged with employers also had to be sufficiently firm and confident in challenging employers to support the progression of their low paid employees:

"You're looking for those combined skills... that they're sufficiently confident to go out and say hard things to employers and to the client. You've got [to] be a professional friend." (Pilot lead)

Adviser resourcing

The pilot employed one adviser in both Harrow and Hounslow, amounting to 1.8 FTE. As programme delivery progressed, advisers experienced increased demands on their time, as new clients joined their caseload, while existing clients sometimes remained on their books for several months. Advisers had to respond to these time pressures through

making changes to caseload management and to the content of appointments. For example, in Hounslow the adviser implemented a contract, which aimed to provide greater focus to interventions by setting out the expectations of the client and adviser, including the limits of the support:

"It makes me feel more focused, people do start to talk about why they haven't moved on...because of the contract I can say, 'Well, I understand this is all very hard for you at the moment, but can we go back to looking at...' I can remind them what the session is about." **(Pilot adviser)**

Advisers also utilised caseload management techniques to enable them to provide responsive support to clients at key points, such as interview preparation. In Hounslow a RAG rating system identified clients who were nearer to a progression outcome to ensure that they received the appropriate amount of support needed to progress. Individuals with more limited barriers to progression would be rated 'green' and offered more regular appointments, while clients who were on a course or dealing with a more substantial barrier would be rated red and offered less adviser contact:

"Some of them are in red because....they are busy with their course...or people who have got housing issues and they literally tell me, 'Well, I need to sort this out first before I come and see you' so they will go onto the red pile until I have referred them onto the housing department or whatever they need.

[Others] are not complicated, they will do shift work, they will work at weekends, those people will very quickly be on the green light." **(Pilot adviser)**

The RAG rating system was felt to be necessary to enable the adviser to better prioritise their caseload, keep in touch proactively to prevent disengagement and to track outcomes. However, the limited time available for advisers did have implications for the ability of the programme to support clients with more complex or durable barriers to progression:

"I am very limited in time that I need to be selective in when I can make appointments...the ones who have children and say 'I can only work ten to two'...if they are really motivated I will try to help them, but sometimes there are such big barriers that you can't always prioritise them." **(Pilot adviser)**

The ability to develop partnerships and engage with employers was also affected by competing demands on the advisers' time. As discussed further below, for effective delivery it was necessary for advisers to have good networks with local authority departments, wider support organisations and employers in order to support individuals to overcome a range of barriers and access progression, but this required the advisers to have time to develop partnerships:

"The sharing of information is vital... the more information I have, the more I can pass on to my clients, whether it's a training opportunity, an additional support opportunity, employment opportunity, it's all good for the programme." (Pilot adviser)

In Harrow, the development of partnerships and employer engagement was greatly assisted through existing partnerships between local authority departments and the resourcing of a full time adviser (compared with a 0.8 fte adviser in Hounslow). In Hounslow, the adviser had less time to develop local partnerships, which affected the support model. Some partners also commented that they would prefer a stronger relationship with the programme adviser. The adviser also reported lacking time to engage local employers which could have unlocked important vacancies for clients.

The funding available for the pilot was reported to be the key constraint on adviser resource:

"The problem I have has been unsolvable... I personally think we need somebody else but the funding isn't there." (Pilot adviser)

Pilot leads also felt that the short-term nature of funding impacted on adviser turnover, which was a particular challenge in Harrow. It was felt that longer-term financing of the pilot would have contributed to a more stable workforce.

Partnership working

Partnership working was key to the successful delivery of the Skills Escalator pilot in a number of ways – including for generating referrals, for sourcing learning and skills provision, for addressing other barriers to progression and for accessing good quality jobs for clients. The pilot embedded a local partnership approach from the outset by establishing a Stakeholder Reference Group to support and advise the pilot's development. This group included representatives from Jobcentre Plus (JCP), the Skills Funding Agency, training providers and the local authorities' Employment and Growth teams.

In addition, on the ground, pilot staff drew on and developed partnerships with a range of services including local authority housing teams, learning and skills providers and with Jobcentre Plus. In addition, in the Harrow pilot, a close relationship with the local authority business support team facilitated more effective employer engagement.

Partnerships for referral

Local authority housing teams

Local authority Housing teams were a key partner for the Skills Escalator pilot, as they formed the main referral source. Housing departments shared the contact details of

working residents in receipt of Housing Benefit and these residents were individually contacted by advisers and invited to access the pilot. This partnership ensured that residents who met the pilot's eligibility criteria were made aware of the support offer. Housing staff also engaged in proactive outreach to raise awareness of the pilot among other potential referral partners during the early stages of the pilot:

"[The outreach worker] calls the Housing Association or she'll call temporary accommodation, our housing officers, to make sure they know we exist. She's been to children's centres and lots of meetings to make people aware that we're around so that key workers can refer to us, even adult education...she gets up to a lot to make sure I get my clients." (Pilot adviser)

Pilot leads in Harrow and Hounslow felt that there was further scope to develop the partnership with the housing team to create a more proactive referral pathway and better support the pilot's core aim of reducing residents' reliance on Housing Benefit. For example housing officers could identify, inform and refer eligible clients to the pilot on an ongoing basis as residents reached certain points where the offer would be most relevant to them, for example at their initial claim or if they became affected by the benefit cap. It was felt that a proactive referral to the pilot at these points would give pilot staff adequate time to work with clients to progress their income, since later referrals at crisis points proved to be less successful:

"We haven't had the referrals we were expecting early enough ...They're telling us they're going to be moved next week, it's no good: 'You've got to give us a bit of a run at it to make it effective'." (Pilot lead)

In Hounslow, the housing teams experienced several changes and restructures during the course of the pilot as the administration of Housing Benefit moved to Jobcentre Plus (JCP) due to Universal Credit and these changes impacted on their level of involvement with the pilot.

Referrals from Jobcentre Plus

At the outset, it was envisaged that Jobcentre Plus would also provide an important referral route into the pilot and that the pilot would provide an important support offer for claimants on Universal Credit with in-work conditionality as part of their claimant commitment. However, the pilot in both Harrow and Hounslow struggled to establish a relationship with Jobcentre Plus, and it was only 18 months into delivery that an operational partnership was established in Hounslow.

Differences between the two sites in their relationship with JCP were related to the rollout of Universal Credit across the two boroughs. In Hounslow, UC was rolled out from March

2016, while in Harrow full service rollout is not scheduled until April 2018.³ Harrow staff thought that this was why they were not able to obtain any JCP referrals, despite regular communication and a good relationship with the local JCP Partnership manager. Without UC rollout (and the introduction of in-work conditionality), it was felt that JCP work coaches had little reason to refer to an in-work progression pilot.

In Hounslow, there were initially some successful examples of ad hoc partnerships between Skills Escalator advisers and individual work coaches, although this was reliant on clients telling their JCP work coaches about the pilot. For example, the Hounslow adviser provided her clients with a business card and instructed them to tell their work coaches about their involvement with Skills Escalator, which resulted in some successful examples of information sharing and partnership working.

However, the partnership developed more formally following the introduction of Universal Credit, since it was felt that the pilot provided an easily understood and tangible offer to support low-income working claimants to progress their income above the Conditionality Earnings Threshold, as required by UC:

"They [DWP] can understand our place and how we would fit, whereas before....they couldn't quite see the fit, but with the introduction of UC, I think that's definitely helped... they understand Skills Escalator, a big part of the model is the training element, I think they're quite happy that we're paying for it, to move forward." (Pilot lead)

In August 2016, a new JCP partnership manager brought the Skills Escalator offer onto the 'IBoard' (Jobcentre Plus's intranet and referral mechanism) and committed to referring five clients to the pilot each month.

In general, it was felt that the partnership with JCP was working well. When clients engaged with the support, it was felt that the pilot was able to fund courses that assisted UC claimants to improve their income:

"When they do [attend] we can do good work. There's a few on there that we've helped become an Uber driver, one wanted to do an accountancy course but couldn't afford the course fees, people that have increased their hours ... once they

³ (source: Universal Credit Transition to full service: Transition Rollout Schedule – April 2017 to September 2018:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/571711/universal-credit-transition-rollout-schedule-phase-4-to-6-2017-to-2018.pdf)

are here and have the motivation and commitment to better their income then we can certainly do that." (Pilot lead)

The referral of Universal Credit claimants has presented some challenges to the pilot however, principally around non-eligible referrals and non-attendance. For example, one key challenge has been the referral of clients who are not motivated to progress their income or engage with the pilot. This has implications for the delivery of support, as previous referral methods (through housing teams) relied on eligible clients volunteering to access support. Pilot advisers reported being unsure of the extent to which they should attempt to convince referred claimants to engage with the programme if they appeared unwilling to do so. This difficulty was compounded by a lack of information at the point of referral, which would indicate how the Work Coach thought the support could assist the client:

"I don't get any of the information about the discussion that the Job Centre has had with these people and their reasons for wanting to refer them to me.... I had a lady who said, 'I work ten hours and I don't really want to work any more because of health reasons' so it was a closed book.... This has obviously been discussed at the Job Centre, so why was she sent to me? Do I need to convince her?" (Pilot adviser)

At the time of writing, these issues were being addressed through regular communication and presentations at JCP from the pilot lead and the introduction of a jointly accessible reporting system to record non-attendance. It was felt that the relationship could be further improved in future through increased communication between the pilot adviser and individual JCP work coaches.

Referral challenges

One of the key challenges around referrals to the pilot was the eligibility criteria, which required participants to be a Hounslow or Harrow resident, in work and in receipt of Housing Benefit. Pilot leads reported that the eligibility criteria restricted some low-paid individuals from accessing the service, since a Housing Benefit claim is based on household rather than individual income. Advisers were keen to expand the eligibility criteria to facilitate a more inclusive approach to supporting low-income workers.

The eligibility criteria was also felt to make it more difficult for partners to refer to the pilot since they were often unaware of an individual's HB status. This particularly affected employer referral. In Hounslow, one large employer was keen to engage with the pilot and support the internal progression of employees, but found that none of their low-paid employees were claiming Housing Benefit and therefore were ineligible for support:

"We went to a meeting, talked to them about Skills Escalator, they were brilliant, and came back to us with a list of names of people they think we can help...None of them were eligible, which was unfortunate because we had a good list of 10 to 12 names on there...it's difficult to find people who meet the criteria." (Pilot lead)

In Harrow, this challenge was mitigated to an extent since the pilot was embedded within the local authority's employment and skills team, which increased the flexibility of the support offer. This meant that if clients were ineligible, or their circumstances changed, they could be transferred and supported by the wider team. The flexibility of this wider support offer also made it easier to engage potential referral partners, since participants who did not meet the eligibility criteria could access alternative support. This 'no wrong door' approach meant that no interaction was wasted, which enabled engagement with employers and voluntary sector organisations, as well as with clients from previous into-work support:

"We have gone back to our own database and contacted people that we've put into work in the past to see if they would like to do some additional skills training...If they're not on Housing Benefit, then we can actually refer them on to the other project for skills training, so it's not a wasted call from the client point of view." (Pilot adviser)

Partnerships for sourcing learning and skills provision

Partnerships with learning and skills providers were fundamental to the delivery of the Skills Escalator pilot, due to the design of the support model, and pilot staff reported some strong relationships with colleges and training providers which contributed to successful implementation. From the outset, the pilot developed partnerships with a number of colleges and training providers who supported pilot leads to understand the local landscape of Further Education and skills provision. Similarly, Skills Funding Agency staff – some of whom served on the stakeholder group – also assisted pilot staff to resolve issues with local colleges and helped to unlock training offers.

Pilot leads reported that their ability to source a wide variety of learning and skills opportunities for their clients through local colleges and training providers was a real strength of the programme, ensuring that the pilot could effectively meet a wide variety of individual career aspirations.

In some cases, training providers were able to deliver provision within the workplace, when a single employer referred several members of staff to the pilot, which enabled clients to more easily fit the training around their work commitments. The pilot was also able to source a variety of free training provision, for example in functional skills and ESOL, through partnerships with adult education providers.

However, pilot leads also reported instances where they were unable to source appropriate training locally that fit their clients' schedules, and sometimes participants had to travel to courses a considerable distance away. Where appropriate local opportunities were not available, this increased the risk of client disengagement, particularly for clients with financial concerns or competing time commitments.

The key challenge for the pilot in working with colleges and training providers, however, was the lack of flexibility in course enrolment times. Pilot leads reported that colleges and training providers were not able to provide the level of flexibility in scheduling provision that they had been led to understand at initial development meetings. Many courses followed academic timetables or providers were not able to put on a course until a sufficient number of learners had signed up. However, it was often difficult for pilot staff to find the required number of working clients who wished to complete the same course at a common time, date and location. Pilot leads felt that these rigidities in provision scheduling did not accommodate the needs of their clients, who had limited availability and a wide range of training needs:

"We were assured that we would have greater flexibility, people would start courses at any time, that it would be more customer-focused, but in reality we found that we have difficulty getting a class of 15 together, or the course doesn't start so we're on a holding list for really quite a substantial time...that's not practical or beneficial to the client so we have felt let down by that." (Pilot lead)

The combination of academic year starts and a required number of learners meant that some clients had to wait several months to begin their course, which prolonged the time before a progression outcome could be achieved:

"We can see a client in February, and source the right course, but the course is maybe not starting until September...they're not going to look for a job in the mean time, because they've already identified that the reason they're not getting the work they want is because they haven't got those particular qualifications." (Pilot lead)

Pilot staff reported that private training providers were less likely to stick to academic term-times, but were usually more costly than FE provision and some courses were non-accredited. Online courses offered greater flexibility for clients, but pilot staff were not always sure of the quality of these courses or their recognition by employers.

Additional partnership work with training providers was thought to be important to help unlock greater flexibility in the scheduling and delivery of training. Pilot staff suggested that development work with smaller providers could open up offers that better met the needs of Skills Escalator clients, for instance more modular delivery which could suit clients with childcare responsibilities or with irregular work patterns. It was also suggested

that the role of training providers as a referral route in to the pilot could be further developed. For example, there was a potential role for college-based advisers to link prospective learners to the pilot in order to have their course funded and to receive adviser support to help with progression. This did become a focus of partnership working later on in the pilot.

Employer engagement

Hounslow

While employer engagement was initially envisaged as a key element of the pilot, this did not become a core part of the pilot offer in Hounslow. The pilot lead here initially reported concern about a possible tension between making the programme attractive to employers and maintaining a client-focused support model. There was also concern that employers could perceive in-work progression support for their staff as Council 'interference' with business practices, fearing that upskilled employees might leave to find employment elsewhere, or, alternatively, that employers might exploit the model to gain access to training that they would otherwise have paid for themselves:

"At the beginning the intention was always to work with employers...the challenge is you can go in there and talk about what Skills Escalator can do, and it's being mindful that they're not just seeing that as a way for you to pay for all their training... The whole idea is that they upskill in order to get better paid work but obviously you've got no legally binding contract that the employer has to do that."
(Pilot lead)

In addition, advisers found that clients often wanted to progress their income through sourcing a new job, rather than within their existing job, and were generally reluctant to involve their current employers. Advisers therefore primarily engaged with clients independently of their current employer:

"Quite quickly it settled very much into being client-led, because most of the clients don't want their employers to know, because basically what they want to do is leave their current job..." **(Pilot adviser)**

As noted previously, employer engagement activity in Hounslow was also constricted by the adviser's limited time to network with employers. Pilot leads felt that this was an area of the pilot that could be further developed, however, since stronger employer relationships could better support participants to access suitable opportunities that matched their needs and expectations. For example, securing employer buy-in could potentially unlock job vacancies for clients with caring responsibilities who required certain hours and wages to meet their needs.

Harrow

In contrast, in Harrow, employer engagement was a key ingredient in the pilot model, providing an additional source of recruitment into the pilot (e.g. where employers identified suitable employees for the pilot directly) and also providing access to employment opportunities for pilot clients.

Effective employer engagement was supported by close partnership working between business and economic development leads and the employment and skills team where the pilot was located. The physical proximity and shared mission of the two teams (centred on economic regeneration) enabled effective information sharing and increased opportunities for joint working. For example, the business team hosted information about the pilot on their website while pilot leads accessed local employer networks, attended networking events and advertised on websites used by local businesses. This provided the pilot with access to employer networks while maintaining the essential focus on the client-facing support, given limited resource:

“It’s setting up your networks, setting up regular meetings with all of those people, where you’re going to get your help from, and don’t try and initiate things yourself, try and get on the back of what else is already going on.” (Pilot lead)

Similarly, because the pilot in Harrow was embedded within the wider skills and employment team, this enabled them to provide a broader ‘offer’ to employers. For example, the employment and skills team’s ‘one stop shop’ offer to businesses enabled pilot advisers to provide assurances to employers that if pilot clients found alternative employment, they could advertise and fill the position through their job brokerage or apprenticeship service. This reduced the risk of a conflict of interest for employers and facilitated engagement.

Harrow advisers also developed links with employers through calls and visits to the ‘top 400’ Harrow businesses and through targeted engagement with employers in sectors which current clients were interested in, or which tied in with their training. In addition to close working with business teams, pilot staff found that providing the right messaging for the pilot was key to employer engagement. Messages needed to be tailored to the skills needs of the business and to clearly explain the benefit of providing training for their staff. The adviser did this by giving examples of tangible and relevant training courses and highlighting the cost savings to employers of accessing free training to upskill existing staff, rather than recruiting new staff.

Careful targeting of employers was also important, for example avoiding employers with high staff turnover and/or a lack of internal progression opportunities, since they were unlikely to find the pilot offer beneficial. Moreover, given time constraints, it was more effective for the adviser to undertake a targeted approach, engaging with employers in

sectors that had previously been successful. This included the early years and social care sectors, since employers in these sectors often had supervisory roles available which were attendant on acquiring qualifications, while for the individual client the qualifications were also portable if there were insufficient progression opportunities in-house. Employers were also assured that their partnership with the local authority could enable them to easily source a replacement if their employees left.

Summary

The key factors in successful implementation of the Skills Escalator model were adviser skills and capacity and effective partnership working.

Alongside funded skills provision, wraparound adviser support was key in ensuring that the training taken up was appropriate to career aspirations and to labour market opportunities and in addressing wider barriers to progression. Advisers required a range of skills including:

- identifying client needs
- building trust
- coaching and challenging clients
- delivering tailored careers guidance
- building knowledge of training provision and wider services and
- providing a range of employability support.

Sufficient adviser resource was key. As the programme progressed, advisers had to introduce ways of ensuring that meetings were focused and of managing large caseloads effectively to ensure that progression outcomes were achieved. Constraints on advisers' time placed some limits on partnership working and employer engagement, especially in Hounslow where the adviser was not full-time.

Partnership working was essential to ensuring referrals, sourcing training provision and wider support and employer engagement.

Local authority housing teams constituted the main referral source. While it was envisaged that Jobcentre Plus would be a key referral source this only transpired in Hounslow and only after 18 months of delivery. This was related to the rollout timetable of Universal Credit, which provided a tangible reason for JCP to refer to the pilot. Referrals from JCP raised some challenges for advisers around supporting mandated clients who expressed limited interest in progressing their income or engaging with the support.

Partnerships with learning and skills providers were fundamental to the delivery of the pilot, and pilot staff built some strong relationships which contributed to successful implementation. However a key challenge was the lack of flexibility in course enrolment

times, with many courses following academic timetables which did not provide sufficient flexibility to accommodate client needs. Where flexible provision was available (e.g. online courses) pilot staff were not always sufficiently informed of its quality. Additional partnership work with training providers was suggested to help unlock greater flexibility in the scheduling and delivery of training to better meet the needs of clients, for instance more modular delivery which could suit clients with childcare responsibilities or irregular work patterns.

Employer engagement was a much more central part of the pilot support in Harrow, and was enabled through a close partnership between the employment and skills team (where the pilot was located) and the business team. Tailored messaging of the pilot offer and careful targeting of employers was also important to successful employer engagement.

4. Client characteristics, barriers and needs

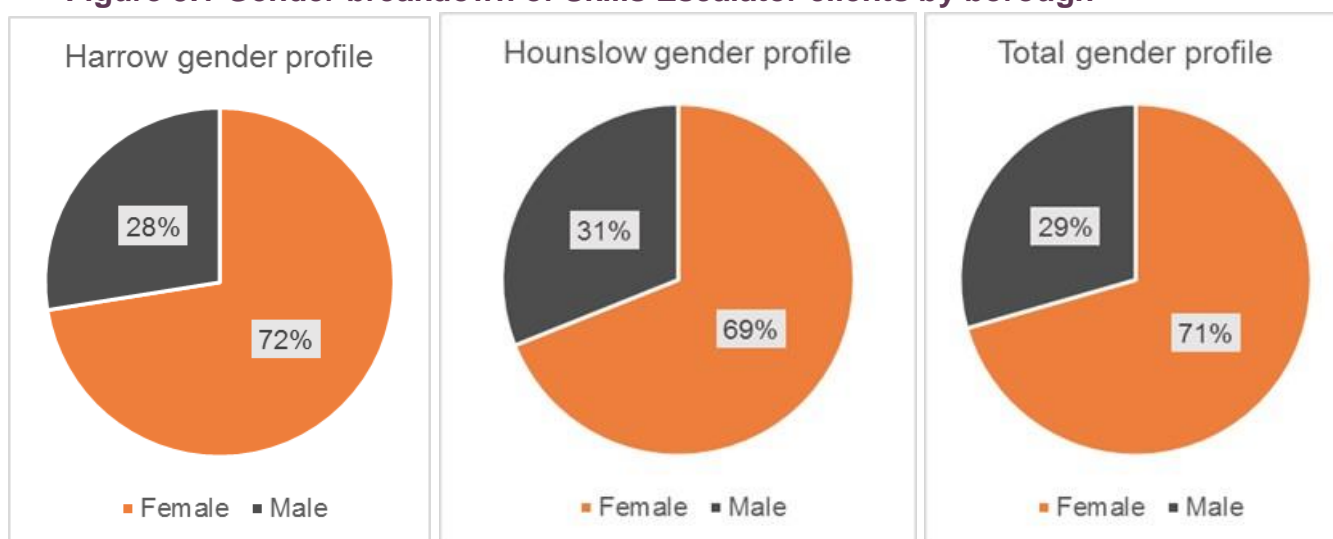
This chapter describes the profile of Skills Escalator clients in relation to key socio-demographic characteristics, as identified by programme management information from programme inception in November 2014 up to March 2016. The chapter also draws on qualitative research with pilot clients to explore the range of barriers and challenges experienced by clients in advance of accessing support.

Demographic characteristics

Gender

Across both boroughs, 71 per cent of Skills Escalator participants were female. As Figure 3.1 shows, this was similar across the two boroughs.

Figure 3.1 Gender breakdown of Skills Escalator clients by borough

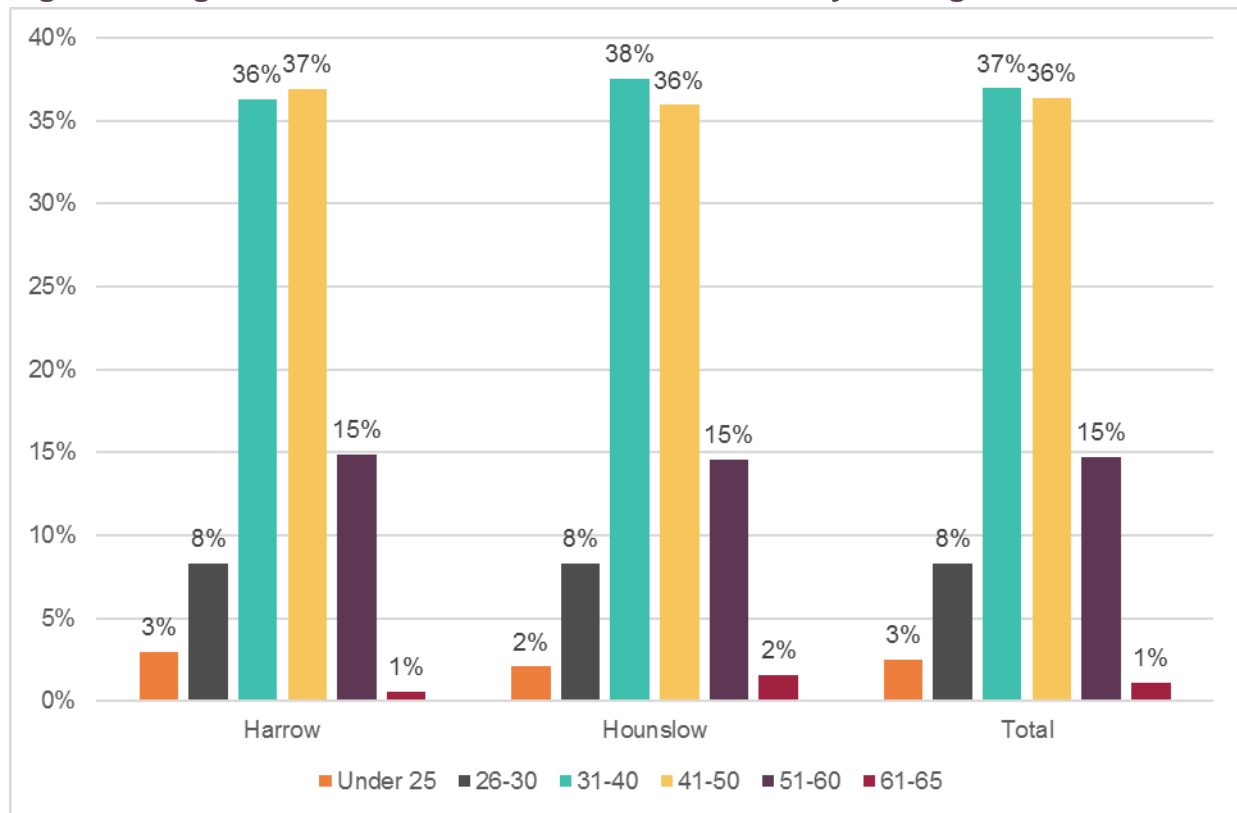


Pilot leads originally anticipated that there would be a more even gender split, however in practice lone parents made up the largest group of participants and these were largely female (only 3 of the 121 lone parent clients were male).

Age

The average age of clients enrolling onto the programme was 41 years old. As Figures 3.2 and 3.3 show, people between 30 and 50 years of age made up the greatest proportion of clients. Only 3 per cent of clients were aged under 25.

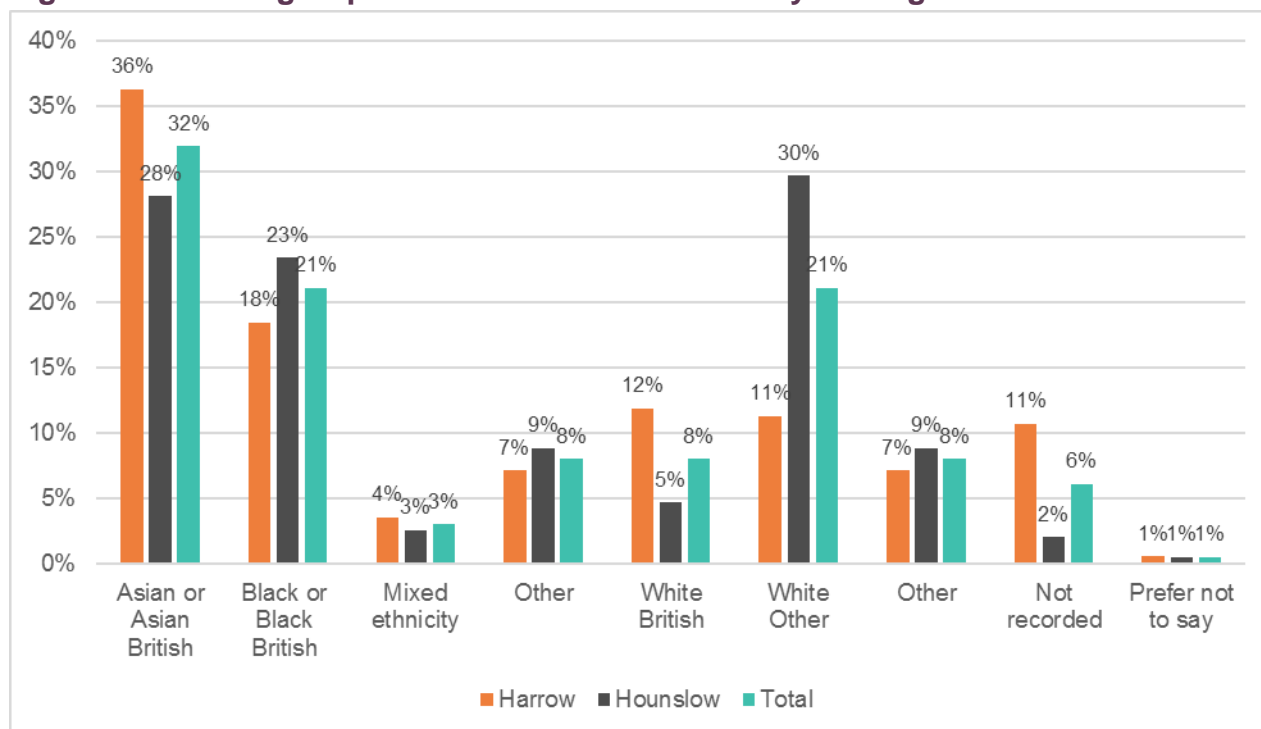
Figure 3.2 Age breakdown of Skills Escalator clients by borough



Ethnicity

Across both boroughs, the largest ethnic group among clients was Asian or Asian British (32 per cent), reflecting the local demographics of the two boroughs. There were also high proportions of Black/Black British (21 per cent) and White Other (21 per cent), with the latter mainly comprising Poles, Albanians, Serbs and Irish. In Hounslow, the proportion of White Other participants was larger than Asian participants.

Figure 3.3 Ethnic group of Skills Escalator clients by borough



Disability

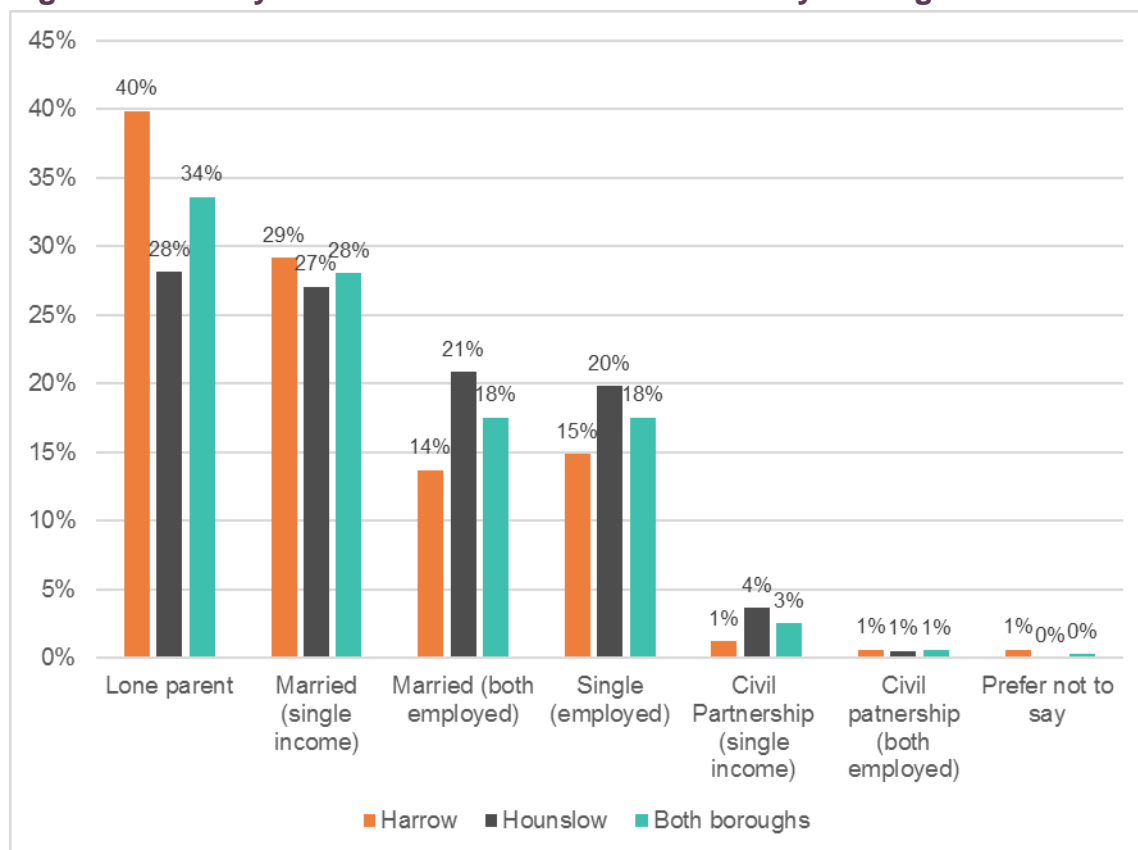
Across both boroughs, the great majority of participants on the pilot had no declared disability (94 per cent), with just 4 per cent of programme clients declaring a disability, with similar proportions across the two boroughs.

The data did not show those who had a mental health condition, but qualitative interviews found that some clients were reporting depression and this could present difficulties in maintaining engagement with the programme. As such, monitoring and recording mental health conditions will be important for future Skills Escalator cohorts.

Family status

In terms of family status, the largest proportion of service users in both boroughs was lone parents, who made up 40 per cent of clients in Harrow and 28 per cent in Hounslow. Those married in a single income household made up the next largest proportion, with 29 per cent in Harrow and 27 per cent in Hounslow. As Figure 3.4 shows, there were smaller proportions of both single clients and those in dual-income married households.

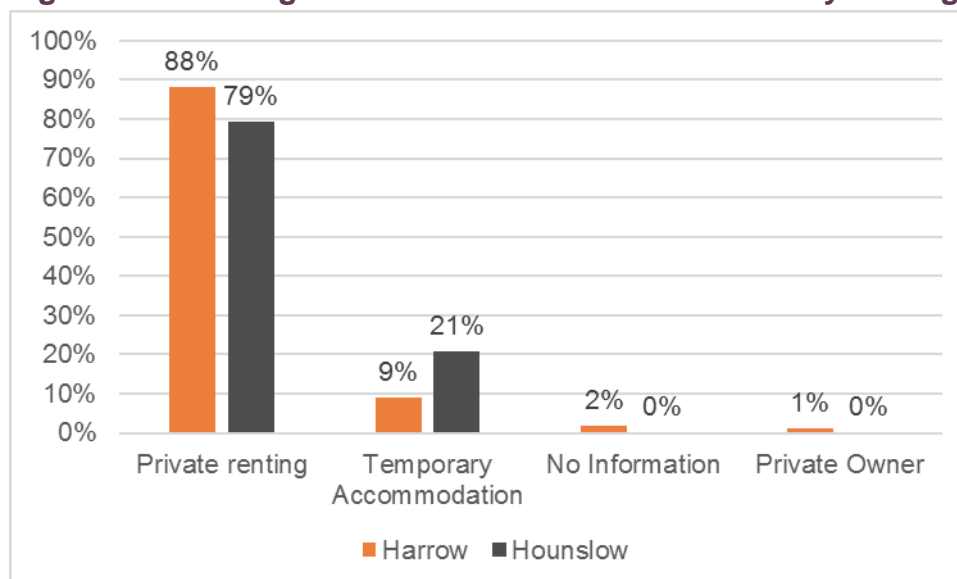
Figure 3.4 Family status of Skills Escalator clients by borough



Housing status

According to the terms of the funding, pilot clients needed to be either living in temporary or private rented accommodation. The majority of clients that enrolled lived in privately rented accommodation (89 per cent in Harrow and 79 per cent in Hounslow). The remaining clients lived in temporary accommodation (bar two clients in Harrow who owned their home). The split between temporary accommodation and private renting was broadly reflective of the expected split between the two sectors.

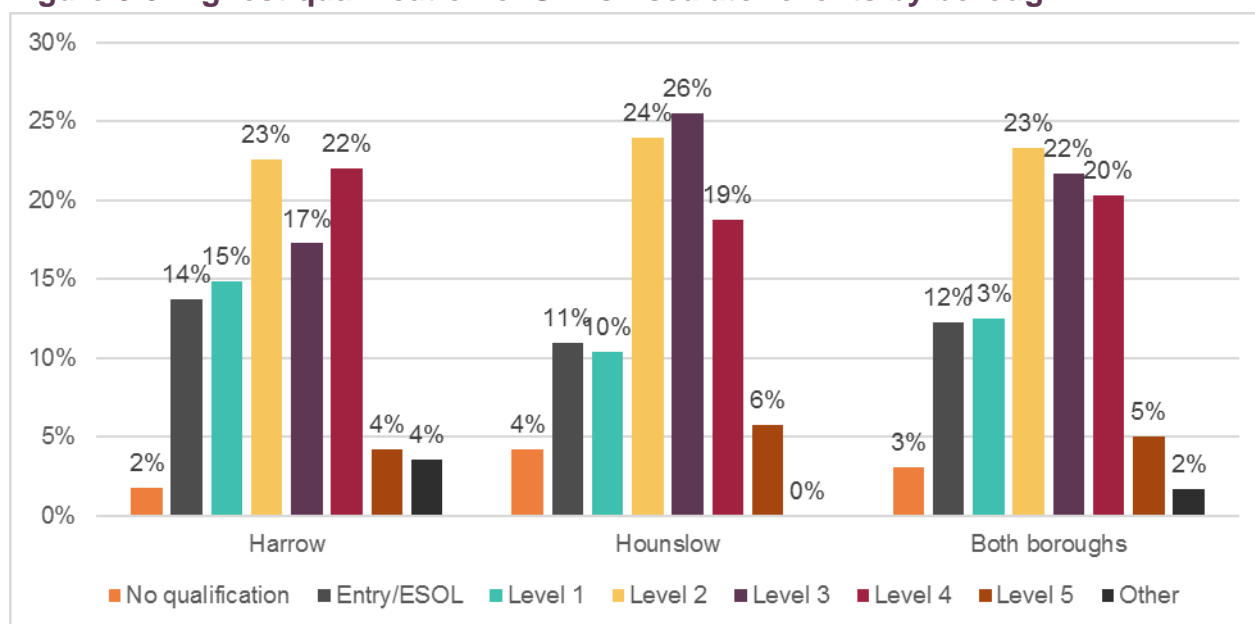
Figure 3.5 Housing status of Skills Escalator clients by borough



Education levels

The prior qualification level of Skills Escalator clients varied considerably. Most clients in both boroughs, had either a level 2, level 3 or level 4 qualification, the most common being level 2 (23 per cent of clients overall). However, a further 12 per cent had only entry level qualifications, while 5 per cent had a degree level qualification (level 5). Clients appeared slightly higher qualified in Hounslow, where 50 per cent of enrolments were level 3 and above, compared to 43 per cent in Harrow, while only 11 per cent were at entry level, compared to 14 per cent in Harrow.

Figure 3.6 Highest qualification of Skills Escalator clients by borough



Barriers to progression

Clients were asked about their most significant barrier to progression on entering the programme. As Figure 3.7 shows, the most significant barrier for around half of all clients was reported to be a lack of relevant skills and qualifications. This likely reflects the fact that the programme was marketed as an opportunity for clients to improve their skills and qualifications in order to progress. However this was not the most important barrier identified by everyone. Almost a quarter (22 per cent) identified lack of English language ability as their key barrier, while smaller numbers identified a lack of career or sector knowledge (7 per cent), job search or application skills (6 per cent), relevant employment experience (3 per cent) and caring responsibilities (2 per cent).

Figure 3.7 Clients' self-identified barriers to progression on entry to the programme



Qualitative interviews shed further light on the range of barriers faced by clients and how this affected their ability to improve their employment situation.

Qualifications, skills and experience

As noted, inadequate skills or qualifications was seen as the key barrier to progression for many participants. This included clients who had failed to obtain good qualifications during their time at school, which they saw as limiting their opportunities to progress, as well as those who had qualifications from overseas but found that they were not transferable or were unrecognised in the UK. Included in interviews were people with overseas qualifications in economics, information technology, accountancy, nursing and midwifery. Hence, individuals who were highly trained and possessed the skill-set to gain a well-paid job, were unable to find employment in their respective fields and were instead working in low-skilled, low paid positions:

"I did 'O' levels and 'A' levels from my country and I did tourism management diploma from my country but, of course, that was not of any value here."

(Hounslow Client)

"I tried to focus on the IT, but I couldn't get any experience so that is why I couldn't get any jobs in the IT area...Because I don't have any UK qualifications, and I tried to apply for lower level vacancies in the IT area but I couldn't get them." (Harrow Client)

Another barrier for many participants was their English language ability. Clients reported difficulty when speaking, reading or writing English, which constituted a major barrier to looking for and gaining employment. Having limited English skills restricted individuals to roles which did not require functional English beyond basic conversation, which were often low-skilled and had limited progression opportunities, for example cleaning and security roles.

Some clients also reported difficulties with other basic skills such as maths or basic IT and some reported learning difficulties such as dyslexia:

"I don't know it's just a thing, I don't... I like drawing, so for me pen and paper, writing anything down or drawing anything, whereas technology I do hate it, it takes ages, it's slow, it crashes, it just... I don't know, I just don't... it's just not my thing." (Harrow Client)

In addition to a lack of qualifications, clients also often lacked transferable experience to be able to move into their desired sectors. Moreover, some aspired to start or expand their own business ventures, viewing self-employment as a means of increasing their income, but often lacked the networks, skills and knowledge required to do this.

Constraints on the take-up of training

Some clients had already recognised, prior to the programme, that they needed to improve their skills or qualifications to access better opportunities, but had lacked the financial and personal capacity to take part in training or learning. Clients identified the high cost of training courses, and their limited financial resources, as restricting their access to learning opportunities. Thus the provision of funding for skills acquisition as part of the pilot was a welcome offer:

"Initially it would have been the cost, because of where I was at financially. The fact that the opportunity to do a course was brought to my table was brilliant, absolutely brilliant." (Hounslow Client)

Other clients pointed to work and personal commitments as a limiting factor, since they restricted the time they had available to take part in learning or training or to find new employment.

Limited knowledge of the employment market and suitable opportunities

A number of clients felt hampered by their inability to find appropriate opportunities that matched their skills, experience and interests. Sometimes this was because individuals held infeasible plans and expectations, and as a result focused on areas of employment that had limited opportunity in light of their personal restraints, such as qualifications or time. Others simply had little knowledge of how to navigate the labour market. This was mainly due to limited knowledge of the requirements and procedures of the job search process, due to a lack of previous experience. For example, one individual who trained as an accountant in India did not understand the steps needed to find employment within this sector in the UK, and had only recently found out that their qualifications were invalid. As a result, they were working in a minimum wage role, which had no viable route for progression.

In addition to limited knowledge of the labour market and the job search process, some clients felt limited by the lack of viable opportunities for them. Clients noted that they were often constrained in the employment positions that they could apply to, both due to limited skills and qualifications, and to the shortage of certain positions. Again, clients' inexperience navigating the labour market was a contributory factor. Many lacked understanding of the transferability of their skills and experience across sectors and did not know how to market themselves effectively.

As a result of these factors, clients frequently mentioned that they 'lacked direction' and had often resigned themselves to their current situation:

"I felt like I was stuck, I wasn't really going anywhere, and just waiting for something." (Hounslow Client)

Individuals who had previously tried to progress but had not been successful also reported that they were left feeling disillusioned, with a lack of confidence or motivation to pursue further career progression.

Caring responsibilities

While only 2 per cent of clients reported childcare as their main barrier to progression, those clients with children reported that this was a major concern for them when looking for additional hours or for new employment opportunities. In many cases, people were already struggling to balance work and care:

"I took up full-time work, it was in a nursery...I was able to put children in childcare and the nursery wasn't far from the school. But it was really a rush because I had to finish and then just literally run to the school because they were waiting for me to

close.... it was really hectic and my children were younger, and I just had to stop. It was challenging." **(Hounslow Client)**

The low wages earned by working parents often meant that paid childcare was not seen as a viable option, since the cost was seen to outweigh the financial benefit of working additional hours. Moreover, it was difficult to obtain formal childcare when working irregular shift patterns. For these reasons, clients were often reliant on informal methods of childcare, such as family and friends or parents working alternate shifts. However this could serve to limit the pool of employment opportunities that clients were looking for, since caring arrangements would need to be renegotiated if working hours changed.

Other clients had caring responsibilities for their partners or other family members, which again placed additional constraints on them, for example restricting the location of their work and limiting the length of time they were able to spend away from their caring responsibilities. Clients also felt that employers were unfairly wary of hiring individuals with caring responsibilities, as they presumed they would not be able to give full commitment to their job:

"I went for the interview; I think when I tell them I've got a disabled husband nobody wants to give me a job.... when they know you have got somebody to take care of, they will not give you a job... I don't know ... 'Maybe she won't come in punctually'." **(Hounslow Client)**

Physical and mental health

Whilst the prevalence of declared disabilities was low amongst Skills Escalator clients, poor physical and mental health constituted a barrier to progression for those affected. Clients with health problems reported experiencing similar barriers to those faced by older clients, including difficulties in their current role, an inability to increase their current hours, and limited new opportunities.

Some clients disclosed mental health problems, which also affected their confidence and motivation to change their situations:

"How do you start anything? Once you're not well, your body can't handle anything, you're all down emotionally." **(Hounslow Client)**

Clients also described how personal circumstances, such as financial, housing and family issues also contributed to experiencing high levels of stress and worry, which again reduced their confidence and motivation to take steps to increase their income:

"Very stressful at the moment, because he's (son) doing a lot of silly things and getting involved with the police a lot these days." **(Harrow Client)**

Older workers

Older clients, aged 50+, identified their age as a key barrier to improving their earnings, both via 'internal' and 'external' progression routes. For example, clients currently working in physically demanding roles, such as cleaning or maintenance, felt that their age limited the opportunity to expand their income via additional hours in their existing job, due to the physical burden of additional work. Clients also highlighted concerns and anxiety about their capacity to continue in their current roles in the medium-term:

"At my age and due to a sort of serious health issue many years ago, I'm struggling with my job. I'm doing my job, but I feel at 57 I cannot be doing this for the next ten years." **(Hounslow Client)**

Clients also expressed difficulties in navigating the labour market to look for new employment opportunities. This was a particular problem for those with few qualifications and experience of only low-skilled positions. Some of these clients felt that it was important to expand their current skill-set via training, in order to be more attractive to potential employers, but also felt that they missed out on training opportunities in the workplace because of their age.

Housing and financial circumstances

Some clients faced very difficult personal situations, for example in terms of their housing or financial circumstances. These circumstances were often the result of complex situations and were usually the first priority for clients to address. As a result, they often lacked the confidence, capacity and motivation to effectively concentrate on taking steps to try to increase their earnings.

Low incomes, alongside a lack of financial knowledge and planning, sometimes led to clients building high levels of debt, which they were unable to reduce sustainably. This was sometimes as a result of having to rely on credit cards or loans to meet the high cost of living, whilst others were in debt as they had failed to keep up with their outgoings, for example forfeiting rent payments and entering arrears. Some clients were in debt due to the overpayment of tax credits:

"Bills are paid first, that's the most important thing, rent, bills, everything all paid first. And the rest, I juggle, I go without, we'll go without certain things and we have very few luxuries." **(Hounslow Client)**

"Because the first year that we were here, apparently they got wrong the income for my partner, and apparently they gave us more tax credits than we should get, then we are paying now some money back to them." **(Hounslow Client)**

Some clients had entered debt agreements and were paying the minimum repayment level required in order to avoid an escalation of the situation, but lacked the capacity to repay the full amount in the long-run. Others were not engaging with their creditors due to an inability to pay. Consequently, many households were unable to sustainably reduce the amount they owed:

"I say I cannot pay. I cannot pay now and they don't want to lower the £100, so what can I do? So, I stop paying. Now, they say they put me to bankruptcy."

(Hounslow Client)

Some clients were also in precarious housing situations. As a result of falling behind with rent payments, or the landlord deciding to sell their property, some residents in private rented accommodation had been subject to eviction notices and/or made homeless. They were then reliant on the council to provide temporary bed and breakfast accommodation, which could often mean moving to a different part of London. Clients living in temporary accommodation often experienced particularly problematic and stressful living situations, with entire families commonly sharing one bedroom in overcrowded bed and breakfast accommodation.

Summary

Almost three quarters of Skills Escalator clients were women and mostly in the 30-50 age range. They were in a range of family situations, with around a third being lone parents, but also including a mix of single or dual earner couples and single person households. Around four fifths lived in private rented accommodation and only a small proportion in temporary accommodation.

The main ethnicities among clients were Asian/British, Black/British and White Other, including Poles, Albanians, Serbs and Irish. While country of birth and duration in the UK are unknown, almost a quarter reported that their key barrier to progression was their limited English language ability as an ESOL speaker.

Starting qualifications varied hugely with the most common being levels 2, 3 and 4, but with 12 per cent having entry level qualifications only, and with 5 per cent educated to degree level. Half of all clients cited a lack of appropriate skills and qualifications as their key barrier to progression. While not recorded in the MI, qualitative findings suggest that clients often had overseas qualifications that were not recognised in the UK.

Qualitative interviews provide further insight into a range of cross-cutting barriers that limited participants' ability to improve their earnings. These included:

- Individual behavioural and emotional barriers – including confidence, motivation and lacking direction

- Household barriers –including childcare and care for relatives with physical or mental health conditions which could limit time available to commit to progression
- Complex housing or financial situations – which presented as stress and worry or put individuals into crisis situations, which could distract clients from dealing with their employment issues
- Limited labour market and employability knowledge, with in-work clients displaying similar barriers to unemployed clients in struggling to make successful applications in the right career sectors

5. Client experiences of pilot support

This chapter discusses the support received by clients who engaged with the Skills Escalator pilot, drawing on interviews with clients to explore their views and experiences of the programme and how well the support received addressed their barriers to progression. It also incorporates staff and adviser insights to uncover which elements led to positive outcomes for clients, as well as identifying gaps in provision that, in some cases, hindered progress.

Awareness and engagement

Contact method

The majority of clients interviewed first became aware of the Skills Escalator pilot through a letter or leaflet which was sent to eligible Hounslow and Harrow residents. Clients were generally positive about this mode of engagement as they could read the information in their own time. This was particularly important to those who were time poor, juggling several commitments or had ESOL needs, who reported that they would be less likely to be able to fully understand and engage with verbal information:

“The letter is very easy because you read a letter when you have the time. I wouldn’t have had time for a person to stop me and tell me how we have got such-and-such a programme.... Sometimes verbal information you don’t really know what is happening, but with a letter you understand...if I don’t understand the letter I will take it to someone to interpret it for me in the language and I will understand.”

(Hounslow Client)

Clients who engaged via the letter also said they preferred this method compared to receiving digital communication (such as an email or text) as a letter felt more personal and they were less likely to automatically disregard it. For those who responded to an email, it was important that this looked official, for example that it included an authentic council logo.

Clients said that it was important that the eligibility criteria were clear in early communication. The targeted approach and messaging to people in low-paid work receiving partial housing benefit assured clients that the programme was for people like them. Although they had a range of different barriers to progression, they reported that the messaging resonated directly with their situation and assured them that the support would enable them to address their individual barriers and needs.

Other referral routes into the programme included word of mouth from friends, family or neighbours and being signposted from a college or by local authority housing services

(e.g. at the point of being placed in temporary accommodation). This range of referral routes enabled people to access the support offer at the point of need. Some clients thought that it would be helpful to have more advertising in the local community, for instance at bus stops and in job centres, to raise the profile of the programme.

Communication of the ‘progression’ offer

Clients had a range of personal aims and aspirations that they felt could be met through the programme, including leaving unsuitable employment, leaving (in-work) benefits, clearing debts, and being able to better support their families. They were all motivated to progress but – as outlined in the previous chapter - felt stuck as a result of various, sometimes compounded, barriers which left them under-resourced, overstretched and lacking in direction to improve their situation. In this context, the support offer of assistance to address these barriers was commonly talked about as being exactly what they needed to hear:

“At the back of your head you always want to progress, get better, learn more and actually do something you want to do and that you’re happy in... Then I got a letter in the post saying, ‘Call this number if you want to progress your skills’ ... it’s quite weird, it was like meant to be.” (Hounslow Client)

“Because it was an opportunity and a window there, like a helping hand, that I haven’t had from anywhere else, and it was somebody kind of reaching out to say ‘Look here, we’ll kind of help you with this’.” (Harrow Client)

The message of support to improve skills as a way of increasing income was an important element of what attracted clients to the pilot, particularly those who felt they lacked the necessary qualifications and access to training opportunities to earn more.

As noted in the last chapter, several clients had looked into skills courses before but had not been able to afford or otherwise access them, and so the mention of skills provision was a key draw for them:

“It was basically for different temporary accommodation people, to get skills and get better earning, and that was my barrier in my life... When they talked about skills, that was my major core word I wanted to hear!” (Hounslow Client)

Clients also responded to the perceived distinctiveness of the offer, with many saying that they had not received any comparable support previously and were appreciative of being included within the programme’s eligibility. The offer to fund and enable the development of skills for people in low-paid work is one which stakeholders and clients alike noted as being a rarity in support provision.

Flexibility to commit at the right time

The timing of the pilot offer was also an important factor in whether a client engaged with the support. Some with family commitments could only engage at certain times of the year or on certain days, so the flexibility of the offer was important to them. In one case, a client found out about the service in April 2015 but was not able to begin visiting the adviser until 2016 as she didn't feel emotionally ready and able to commit:

"It wasn't right then, but the timing was right now...when you haven't been in a study environment for a long period of time you have to be ready to make that emotional commitment. ...You can't just behave in a robotic manner and say, 'Yes, I will do that.' No, it doesn't work like that." (Hounslow Client)

In another case, a participant explained that he had initially suspended his participation with the pilot in order to care for his children whilst his wife took part, but then he had re-joined after his wife completed the pilot. He explained that the ability to restart the pilot at a time appropriate to him had allowed him to balance the pilot with his family responsibilities, ensuring that he was able to fully commit to attending and making sustained progress.

Initial appointment with an adviser

The first appointment with an adviser on the pilot provided a chance for clients to speak in detail about the programme and the offer. The meeting was also used to confirm eligibility, to begin the assessment of clients' needs and to start to formulate an action plan for progression.

One-to-one and group based engagement

As noted in Chapter 2, while in Hounslow, initial appointments were one-to-one, in Harrow a group meeting was devised to introduce potential participants to the pilot prior to the initial one-to-one adviser appointment. Most clients that were interviewed were booked into an initial one-to-one meeting, though two of the clients interviewed first engaged with the programme through a weekend group workshop that taught attendees how to make a CV. The research findings showed that it was important for clients with additional needs to have some form of one-to-one contact and/or an opportunity to discuss the programme in depth. One of the two clients who engaged through a group workshop had ESOL needs and struggled to understand the group sessions. He disengaged after not being able to access one-to-one adviser support.

Location of support

Flexibility in where meetings took place was important to working clients. In some cases, the pilot adviser came to their place of work, which made things easier for them:

“It was quite nice that they came out to see me, it certainly made it work a lot more around my work...Quite convenient, it was really good that they were that flexible and keen to sort of get people on board.” (Harrow Client)

Staff also emphasised that finding the right locations for support was a key ingredient in the success of the programme. They found that clients preferred central and well-used locations where they could maximise their limited time by easily travelling to or from various other appointments. The use of child-friendly environments, such as the local library, was also important to clients who had younger children.

Initial assessment

The majority of clients recalled the adviser putting them at ease during the first appointment and developing an understanding of their current situation, barriers, skills and aspirations:

“Yes, because [adviser], he did a really good meeting. I feel that people listen as well, I was feeling so comfortable, that’s why I wasn’t scared to go to every meeting.” (Harrow Client)

However, perceptions varied, depending on the client’s feelings about their adviser and how well they felt the adviser got to know their individual needs through the assessment process. Some clients felt there was too much emphasis in the first appointment on completing the paperwork and checking eligibility. If the adviser did not clearly explain the rationale behind the paperwork, the questions could appear confusing, irrelevant or overly sensitive:

“I kind of got confused, I’m like... why am I here now? There was a questionnaire I had to do, I’m like what’s all this about? I mean, where is this leading me to? I just filled it, but I was wondering the relevance. There was loads about yourself and then about your mental state...it was quite intense.” (Hounslow Client)

Another respondent felt that the initial meeting was rushed and that there was too much emphasis on immediately booking the client onto a training course, rather than time for discussion of their experiences and barriers to date:

“Because when I was going to the meeting, he had some kind of forms and he was asking to fill this form, and ‘I’ll try to get the funding for you quickly and you can start your course’, so at that time I just felt that if I could have had more time, I could tell him more about what is happening, why I can’t get a job. It was always a rush, so they could improve better with that.” (Harrow Client)

Some clients also felt that they did not gain a full understanding of the programme offer from their adviser until subsequent appointments. This could inhibit the management of client expectations around the support offer and the routes to increasing income, which could risk disengagement from the programme.

Suggested improvements to initial engagement

While the initial engagement letter was attractive to clients, the nature of the provision was quite unfamiliar for many as they had not previously accessed comparable support. Therefore, some clients felt that their experience could be improved by providing additional information in advance of the first appointment so that they could better prepare. For instance, one client suggested that the letter, or the phone call to book the appointment, could have provided some context around the sort of questions they would be asked in the first appointment, and what information it would have been useful to bring with them. Building in an opportunity for prior preparation would have lessened their nerves and allowed for a smoother needs assessment process.

Another client felt that splitting the initial session into one group meeting to outline the support offer, complete paperwork and meet the adviser, followed by more intensive individual adviser support in a separate appointment could have improved the process.

Needs assessment and action planning

The research found the needs assessment process to be client-led, with advisers using a mixture of assessment tools and probing conversations to develop an understanding of client barriers and creating a tailored action plan to support progression. Overall, the approach worked best where clients' barriers and personal needs were sensitively identified and clear manageable steps were agreed that would lead to a positive, tangible goals.

Clients varied in their ability to engage with this process. Those with lower level needs tended to find the action planning process through goal visualisation easier to engage with, while those with higher levels of need or additional needs required a simpler method of identifying barriers and sequencing support, with simple steps to follow.

Some clients already had a clear view of where they wanted to go when they joined the pilot and had simply lacked the resources to develop their skills previously. They did not therefore need an extensive needs assessment. However, these clients valued the adviser's knowledge of the different courses available and their recognition by employers which helped them select the one that would be most beneficial to their progression.

For those who did not have clear goals at the outset, clients were encouraged to consider their barriers and then visualise the steps and activities that they would need to achieve in order to overcome them, for example, as one client explained:

“[My adviser] asked me what would be the best thing to do to improve my income, and I said, ‘well, you know, I’m in this line of work and I would like to get more hits on the internet for my - what I do...’ and she said ‘OK, what are you thinking of?’ and I said ‘Well, the search engine optimisation course would be very beneficial for me’. **(Hounslow Client)**

The majority of clients interviewed found this process useful and it was particularly effective for those who felt they were ‘stuck’ or lacked direction. These clients benefitted from the adviser’s skills in helping them to reflect on and identify their barriers, as well as the steps to address them, including consideration of moving into a new employment sector if that would fit their needs. The resulting action plans were reported to be most effective where they were person-centred and took into account an individual’s needs and circumstances, which required them to build a trusting relationship with the adviser:

“She spoke about my personal life and what happened, what I could achieve in my life, so she can know what would be the best place for me. She knew about me as a person first.” **(Hounslow Client)**

Visualising longer-term goals was also a good way to engage those who needed to develop a long-term plan to achieve their goals. The approach was useful to help clients to recognise that progression could take a long time and to break down their plan into a number of manageable steps:

“If you don’t have the qualification or if you can’t reach to the top until you actually follow the steps... but I needed to find the steps.” **(Hounslow Client)**

“Actually I was not very familiar with the professional path, like I needed to know more about the other options I could use... Yes, I think at the beginning it was something that I really needed, just more time and explanation about the system, how it works because it is very different from the country which I came, there are so many different tasks here.” **(Harrow Client)**

Approaches to action planning also varied by adviser on the pilot. Some focused more on the clients’ overall goals while others used the client’s existing skill-set to develop their action plans. Clients varied in their views on these respective approaches. Sometimes clients who lacked clear goals found it easier to engage with an approach that started from their existing skills and interests, drawing out support recommendations through a

discussion of those, rather than starting with where they wanted to end up – which was initially unclear to them.

Pilot staff stressed that action plans could not just be decided by the adviser, but required clients to understand and buy into the overall aims and steps. If clients did not understand the rationale behind the steps required, particularly if they were more protracted, they could be discouraged if they did not see an immediate increase in earnings. Similarly, those with challenging home or family circumstances also found it difficult to maintain engagement with the long-term investment in time, and often wanted to see quicker results.

Challenges with action plans

Action plans tended to work well where they were sequenced according to the priorities and individual needs of the client. Where this did not occur, clients felt that the action plan was difficult to engage with. For example, one client interviewed who lacked IT skills was asked to bring in their CV on a memory stick which they were unable to do. Other clients also reported that they were not provided with IT support, such as help producing their CV or referral to computer classes.

In other cases, wider issues faced by clients, such as housing and childcare, acted as barriers to their ability to engage with the commitments in the action plan and in some cases there was insufficient flexibility in the plan to allow them to balance these competing priorities. For example, one client felt that the action plan did not adequately acknowledge the complexity of their housing situation and there was no offer to deal with this as a first priority:

“When I do the application, they ask me where you live. I said I lived in a bed and breakfast ... they didn’t say anything.” (Hounslow Client)

Another client with multiple barriers, including problems with work, family life, finances, health and housing issues, found being asked to work on their CV independently too much to do alone and felt that they needed additional support:

“His main issue was I get the CV up-to-date, that’s what he mainly wanted. I’m like ‘I don’t have the time now; I’m going through some other stuff.’ That’s what he wants, I had to work on that. It wasn’t like he was helping me to do it, or giving me someone to help me along... that would have been helpful, instead of just ‘Go home, work on it’. I didn’t have that time.” (Hounslow Client)

Additionally, some clients reported that they were not aware of an action plan being developed for them while on the pilot.

The core training offer

As described, the ‘core offer’ of the pilot comprised a referral to skills provision, with the cost of this covered by the pilot. The flexibility in the type of training that could be funded, ranging from short vocational courses to longer professional qualifications, was seen by pilot staff as a key benefit of the programme. The paid training offer was also highly valued by clients, particularly by those who knew what skills or qualifications they wanted to achieve and had simply lacked the financial resources to pursue this:

“Funding courses gives a great helping hand to people if you don’t have the money, like you say, it’s that first stepping stone.” (Harrow Client)

Selecting the right course

Where clients lacked direction or knowledge of the different training options, advisers supported them to come to a decision on the best course for them, according to their strengths and their overall progression goals. However, the amount of support that clients got from advisers could vary. In some cases, clients reported that advisers had simply signposted them to course websites or provided literature on relevant course options. In some cases, clients struggled to access these courses, due to their scheduling or other access issues. One respondent, for example, reported that he felt pressured to find a course quickly and consequently signed up for a course that turned out to be of poor quality.

A more effective approach in these cases was for the adviser to undertake research to find the best course for the client in terms of timings, location and the validity of the qualification, to ensure that the decision to invest programme and client resources into the course was appropriate. Having guidance from their adviser on which courses to choose and how to access these was highly valued by clients.

Course accessibility

Clients interviewed participated in a range of courses, of varying intensity, ranging from a half-day workshop to year-long commitments, to qualify in occupations such as electricians, bereavement counsellors and accountants. Courses also varied by mode of delivery, some being classroom-based and others online. However, as reported by pilot staff (see Chapter 3), despite the wide range of training opportunities available there were still challenges regarding the accessibility of courses for clients.

For example, some clients were unable to access their preferred course due to limited availability because of childcare or work commitments. Clients who worked nights were particularly disadvantaged in this regard, but this was also an issue for people who were only available in the mornings or at weekends. In other cases, clients reported that they had to wait a long time to access a course – sometimes up to six months. This time lag

could risk clients disengaging with the programme as they lost momentum, particularly where they had extensive barriers or issues. One client was told their adviser would support them to find a suitably timed course but did not hear back from them and subsequently disengaged from the programme. The turnover of pilot advisers also exacerbated the lack of communication and follow-up in some cases.

Combining training and work experience

Several of the courses clients accessed, such as teaching assistance and care work, featured a volunteering or placement element, which involved gaining experience in the chosen field by doing some unpaid work as part of the course. Clients who successfully completed these placements found this to be a useful opportunity to apply their acquired knowledge from the course (see Case study 1). It was also essential in some cases for gaining references, accessing follow-up training and making links with potential employers:

"The teachers in my school placement really like me! They say 'We'll get you a job, definitely'." **(Hounslow Client)**

Case Study 1 – Female, 33, Hounslow client

At the time of starting the pilot, this participant worked part-time in a supermarket but wished to move into accountancy, based on their prior qualifications and experience gained in India.

The participant found that her qualifications were not recognised in the UK, while other barriers included a lack of awareness and experience within the UK accountancy sector, and limited capacity to gain the qualifications and experience necessary as a result of stretched finances and childcare responsibilities:

"I was really left behind, I have done a lot of courses over the year, but I was not knowing which way to go."

Since joining the pilot, the participant received guidance and support from her adviser about how to take the necessary steps to move closer to her chosen career. This led to her completing an AAT Accountancy level 2 qualification. She then continued to receive support looking for employment, but struggled to find an accountancy position due to a lack of UK-based experience:

"Accountant job is very... difficult to get the experience... because I have done only the learning part and so they wanted... every day I went for the interview, they always asking for the experience."

Consequently, she sought additional support from the pilot to address this issue, and was able to source an additional training opportunity with a guaranteed work placement and six

months on-the-job training. The participant was pleased with the willingness of her adviser to source and be able to fund the appropriate training opportunities to expand her skill-set and experience, and now feels much confident about her future and ability to progress into accountancy:

"Before it was just no life, or just sitting at home and just going to work, but now I have to do my course, I feel confident. I just feel like, I'll get a job at least somewhere."

Maintaining engagement with a course

The design of a course was an important factor in clients' ability to engage with it. Some courses used homework clubs or remote support to facilitate client engagement. Where this was not available, Skills Escalator advisers were sometimes able to provide this support. For example, advisers sometimes provided additional or intensive support to complement the training, and in one case, an adviser supported a client with low IT skills and no IT access to complete a course exam in the pilot office.

External factors also played a large role in clients' ability to maintain engagement with their training, particularly where courses were intensive or involved work experience. Clients who completed work experience were often able to do so because of a support network to assist with childcare responsibilities or a supportive employer that, for example, enabled partners to take leave:

"I would have given up...most of my friends who did it without the help, they are failing, they are so disappointed. Some of them have not gone for the voluntary work...single parents may qualify but who can look after the children? My husband was taking unpaid leave from work to enable me to go and do this." **(Hounslow Client)**

Wraparound adviser support

The pilot also provided intensive one-to-one support for clients alongside the core training offer, in order to overcome any additional barriers and to help them 'convert' their new skills into successful earnings progression. This included the provision of tailored advice sessions, careers guidance, coaching and assistance with employability skills, such as job search, CVs and applications. Pilot staff reported that this intensive one-to-one support was key both to building a relationship with clients and to ensuring their success:

"Having the one-to-one support and the personal action plan underpins everything in terms of achieving successful outcomes. If you just met someone for half an hour and said, 'We need to increase your IT, there's the courses. Bye', and you never spoke to them again - for some people that might be enough - but for most people that wouldn't be sufficient. I think the one-to-ones, the personal support,

having that relationship with the adviser that's based on the client's own situation...that is really crucial.” (Pilot lead)

Clients also found it valuable to have one-to-one time with an adviser to reflect on their personal skills and strengths and discuss their aspirations in developing and implementing their action plans. Adviser qualities of being knowledgeable, encouraging and invested in the client's progression were particularly valued. Both pilot staff and clients saw the adviser relationship and the quality of communication as an essential element in keeping the clients motivated throughout the support. When clients felt that their adviser understood their situation and barriers and supported their journey, they reported feeling more confident and having improved self-belief, which motivated them to persevere:

“She was like a free coach rather than an adviser, rather than putting me on a particular trajectory it was more a coaching approach and that was very useful.”
(Hounslow Client)

“The support that I got from her is mainly as a friend. She listened and she never said, ‘Oh, I don’t think you can do this’. She would say, ‘OK, let’s give it a try, you think about it... you do your bit and I’ll do my bit’.” **(Hounslow Client)**

Some respondents did express some limitations with the support they received from pilot advisers, including that it was not sufficiently tailored, intensive or long-lasting (explored further under ‘support gaps’ below). Clients also reported variability in the extent of adviser communication and the level of adviser expertise and understanding. For example, in some cases, clients reported that advisers lacked crucial knowledge regarding their legal rights to work, which created difficulties for them. In other cases, more proactive contact from an adviser might have prevented disengagement, particularly for participants with more challenging personal circumstances:

“She could have contacted me, find out why you didn’t come back... because then I could have expressed my problem to her that this is what I’m going through at the moment, I will be back to you when all this problem finishes up... When you are giving somebody a hope, I had a very big hope, I went with the hope that I’m going to get what I want, so you should finish that.” **(Hounslow Client)**

Other clients also reported that their adviser was sometimes difficult to get hold of because, in the words of one respondent they were “*pulled in so many directions*”.

However, it appeared to be the quality of the relationship with the adviser, and the personalised nature of support, that was paramount rather than the quantity of time spent together. Some clients with lower needs felt that they did not need regular adviser contact, but valued the individually-responsive support based on an understanding of their needs.

Advisers were also more positively viewed when clients felt they understood the importance of their time. Clients felt inconvenienced when advisers were inefficient or disorganised or when appointments were rearranged at short notice.

Job search, CV and application support

Clients who required job search and application support spoke highly of having one-to-one support from their adviser. Advisers were able to instil good practice, such as insisting that clients read through the job description before they apply, and were able to keep clients more motivated and confident than they would have been on their own. For example, the process of putting together a CV, which required talking through experiences and skillsets, was motivating to clients and encouraged self-belief. CV support could also help support clients' digital skills, for example learning how to attach the CV to an email ready to be sent to employers. Once clients had a good quality CV, that demonstrated their core skills and attributes, they felt much more positive about their chances to secure better quality work.

When this support was needed it could be time-intensive, with appointments often lasting over one hour, plus additional adviser time preparing for the session. Clients appreciated this and felt that the support was personalised, with advisers who were genuinely interested in their experiences and progress:

"I think he was very helpful and very encouraging and very friendly. I bumped into him once when I was out shopping, he instantly recognised me and remembered my project, my course and all my details, he was obviously very invested in the idea, he wasn't just... so I felt like it was actually something he was interested in."
(Harrow Client)

Clients also reported access to group sessions, as part of the pilot, to develop CVs or to practice interview skills. Some clients reported that they enjoyed group settings, as there were other people in similar situations to speak to and this could increase their confidence, however others preferred the individually-tailored one-to-one support.

Immediate outcomes from pilot support

Clients felt that the pilot support, including one-to-one adviser support and training provision, had helped them achieve a range of 'soft' outcomes including:

- confidence, motivation and raised ambitions;
- improved knowledge of key strengths and aptitudes;
- understanding of opportunities and clearer career direction; and
- job search, application and interview skills.

While these clients had often not yet experienced earnings progression, they felt that the steps towards this, as identified by their action plan, were falling into place and therefore were positive that they could access the progression they desired in the future.

Confidence, motivation and ambition

Clients explained that participating in the pilot had increased their confidence as support from the programme had given them purpose and something to work towards:

“I’ve just been a mum for literally, I’ve been indoors for like the last 15 years, ... I was literally a hermit of just school, after school, home and Sainsbury’s, school, home and Sainsbury’s, and I was going mental and very stressed. So yes, it did pick me up a bit, and you know, it got me out and I was learning something.”

(Harrow Client)

“I’m more confident, I feel better, I feel like I’m a productive person, I feel I’m doing something useful.” **(Harrow Client)**

Support and advice from advisers, in addition to engagement with training opportunities, were significant factors resulting in increased self-value and confidence, particularly in relation to gaining employment. Some clients reported feeling a sense of pride and achievement once they had completed their course, as well as being more motivated and hopeful in their ambition to progress:

“It made me valued, and now that I actually know that I can, I did manage to finish, and it was a good result and good feedback from the tutor, so it was a very good impact.” **(Hounslow Client)**

“I’m much more uplifted in spirit and therefore much more hopeful, I think that in itself is a positive.” **(Hounslow Client)**

Respondents reported that their increased drive meant that they felt determined to look for further training and employment opportunities. Clients also noted an improvement in their general wellbeing and attitude as a result of improved confidence and motivation.

Knowledge of key strengths and aptitudes

Many clients referred to adviser coaching, which worked to identify existing strengths and address areas of weakness (such as job search skills, improving their CV, or doing better interviews), as a key aspect of provision that improved their confidence:

“[My adviser] helps me to get my skills better and she helped me to know more about myself, that I’m not whatever I believed before, and I’ve got very good qualifications that can drive me.” **(Hounslow Client)**

“I’m more confident on what I’m doing. Because now I know about communication, how to deal with different situations.” (Harrow Client)

The combination of addressing weaknesses, setting and achieving goals, having an adviser who believed in their abilities, and having a practical source of support could make a large difference to clients.

Understanding of opportunities and career direction

In interviews, clients commonly reported that the pilot enabled them to start moving in the right direction. Clients reported that they were better at concentrating on what was feasible and making sure that they could effectively progress towards their ambition. This could be finding out that they needed to achieve a particular qualification to get their chosen job, it could be selecting the right course to achieve their overall career aim, or it could be breaking down longer-term goals into more manageable steps:

“I’d apply for accounting before, [but] no one was calling me...but then afterwards I joined the Skills Escalator, then I came to know I have to do this course.”

(Hounslow Client)

“It’s been really useful. I think I always wanted to work with children but I didn’t actually know what I want to do and got stuck in retail. So it was really helpful just to talk to someone who wants to listen and wants to help you.” (Hounslow Client)

Job Search, application and interview skills

An improved knowledge and understanding of how to navigate the labour market and source suitable opportunities was another widely reported outcome in qualitative interviews. Clients described how advice from pilot staff had significantly improved their job search techniques, so that they had better knowledge of how to search for opportunities and where to source them.

Clients also described how they were better able to prepare effective CVs and application forms, through adviser guidance and CV workshops that improved their ability to describe and clearly set out their skills and experience in response to job adverts, and to make effective applications. Consequently, clients reported that they felt much more confident in their ability to submit a successful job application and were more likely to apply for roles that they may not have previously.

Lastly, clients also described how the pilot support had greatly improved their interview skills, with advisers teaching clients how to approach interviews and how to tailor answers according to the role and their experience.

Support gaps and barriers to pilot participation

While a range of positive soft outcomes were achieved from the pilot support, some clients did find it harder to engage with the pilot support and/or to achieve progression outcomes. This was due both to limitations and gaps in the support model (such as gaps in the available skills provision and limitations in employer engagement), as well as to more challenging personal circumstances (such as difficulties balancing work and caring responsibilities and unaddressed additional or complex needs).

Gaps in skills provision

Some clients were not able to make progress because there was not a course available that met their needs. Where courses were not available, clients sometimes felt that the pilot was not for them, as they understood it to be for those who wanted to take-up training.

Some clients required more than one course to progress to where they needed to get to, such as first taking an ESOL course and then a sector-specific vocational course, or two separate parts of a course (such as for teaching assistant courses). For the most part, clients were able to access these follow-on courses as part of the pilot. However, there were cases reported by clients where follow-on courses were not funded, which prevented progression outcomes. For example, one client completed a (funded) level 2 course, but was not able to obtain funding for the follow-on level 3 course, either from the pilot or from her employer:

“I feel as though they have left me in the middle of the ladder, I thought they would take me from the bottom to the top.” (Hounslow Client)

In other cases, opportunities to support clients to improve their basic skills, particularly reading and digital skills, appear to have been missed on the pilot:

“I think my reading is the biggest failure. ... If I choose a support package [again], I would choose to maybe go back to college and try, if I can get something in the brain, that I can move forward more.” (Harrow Client)

Gaps in support for converting skills and qualifications into progression

Another gap identified from client experiences was around converting the skills and/or qualifications gained into improved employment outcomes. In some cases, clients found they required additional **work experience**, in addition to their qualification, to achieve their desired job outcome. In some cases, there was an expectation from clients that the programme would be able to utilise links within the council to assist them to access work

experience, but found that this was not the case⁴. For instance, one client had completed training as an accountant but did not have the work experience required. Such clients were eager for relevant work experience and could have benefitted from some form of support to access a work experience placements:

“I ask even voluntary job, unpaid work, yes I asked them, but at this moment they don’t have anything ... I need experience to apply for jobs, because everybody asking at least one year, two years, but I am happy to take a voluntary job.”

(Harrow Client)

In addition, some clients wanted to set up their own business following their training completion and would have benefitted from specialist **self-employment support**. .

For future development of the pilot, it would be beneficial to leverage employer interest/involvement in the pilot to secure work experience opportunities for pilot participants. This could be undertaken in partnership with the local authorities’ business support teams. It would also be useful to source self-employment support for clients wanting to set up their own business.

Balancing work and family commitments

Having the time to engage with a course around other commitments, such as unsociable working hours and family life, was a common barrier among participants that could result in clients who were initially engaged being unable to commit to training or to gain employment after training completion. For example, clients with unsociable working hours were unable to meet regularly with advisers or to find appropriate courses. Commitment to the pilot also often relied on having family support, which not all clients had access to.

Unaddressed additional/complex needs

Clients with wider, unaddressed barriers tended to fare less well in general and sometimes had to disengage from the support. For example, some clients required additional support with basic digital skills but this was noticeably absent from the support offer. A referral to an external (or internal) provider to address these needs might have been beneficial to support engagement and improve longer-term job search skills.

Several clients also had more complex needs and challenging circumstances, usually involving their finances, health or housing, and in these circumstances were more likely to disengage from the support as it became less relevant to their most pressing needs:

⁴ The provision of work experience was not intended to be part of the Skills Escalator model.

“At that time everything was happening to me, then I missed their appointment two times, and then I didn’t want it.” (Hounslow client)

Stress with their current situation or reaching a crisis point (typically through housing difficulties, worsening debt or an issue with a dependent) could adversely affect a client’s progress if the adviser did not follow up with them to help them manage the problem and maintain focus. This was particularly true of clients in temporary accommodation, who had an intensified need to see faster results and could lose patience with the programme if this did not occur. In addition to maintaining flexibility and leaving the door open to later participation as circumstances changed, a clearer focus on reducing pressure from wider, complex difficulties could also be beneficial to maintain these clients’ engagement in the programme.

People interviewed in these situations did not expect to receive housing or financial support from their adviser, but needed to have these additional support needs addressed in order to fully engage with the programme. While these additional needs were identified through the needs assessment, pilot action plans often did not address these wider issues. It might therefore be beneficial to revisit the role of action plans for people who were not immediately able to engage with the pilot, introducing specialist advisory services and provisions to address pre-support issues and barriers, for example around housing, health and debt.

For people in financially precarious circumstances, participation in the pilot could also worsen their circumstances at least in the short-run. For example, one client who left their job and was on a course which involved voluntary work placements was in financial difficulty with rent arrears until they achieved their income progression. A small package of financial support, such as supporting with travel to unpaid placements, as well as more specialist financial support referrals, might be helpful in these situations.

Summary

The pilot has successfully engaged a wide range of clients into the pilot support, through a range of methods, with a targeted letter to eligible participants proving the most successful, including for those with English language barriers. Clients were attracted by the distinctiveness of the offer – targeted at low-paid workers – and many were attracted by the core offer of funded skills provision. In addition, the flexibility of the support was important as people were only able to engage at the right time for them and at individually-determined levels of time commitment.

Clients were found to prefer receiving support in a central, easily accessible location, through an individual appointment with an adviser, particularly for those who had language or literacy difficulties. Adviser skill in managing the paperwork and quickly getting to know

the client's individual circumstances and priorities was found to be a key driver of engagement and relationship-building. Some clients found the nature of the service unfamiliar and would have preferred additional explanation and information to help them prepare for the first meeting.

Action planning was based on an in-depth needs assessment of client circumstances and barriers, achieved through either a skills-based assessment or a process of mapping steps against an identified goal. While most clients felt either process was useful and could engage with it, those with more complex barriers or additional needs preferred the less abstract skills-mapping exercise. Clients found sequenced action plans that focused on priority needs and addressed areas of weakness easiest to engage with, while those that appeared out-of-step with clients' present abilities and circumstances could over-challenge clients and risked them disengaging.

Clients valued the flexibility of the training offer and found adviser support to choose the right course very useful. Most clients were able to access relevant courses, however those who worked unusual shift patterns or had limited schedules due to work and care commitments could struggle to find appropriate courses. Sustained engagement with training could vary according to how long clients had to wait to begin a course, how well the course was structured and whether clients had additional needs or barriers to participation (such as access to and ability in IT).

Clients highly valued the wraparound advisory support and felt that it was a key factor in their ability to progress their earnings. In particular, the support was reported to improve their confidence, motivation and ambition, alongside developing core employability skills, knowledge of the labour market and appropriate career goals. The quality of the client/adviser relationship was an important driver of outcomes since if clients felt that their adviser understood their situation and barriers and supported their journey, they reported feeling more confident and having improved self-belief, which motivated them to persevere. It appeared to be the quality of the relationship with the adviser, and the personalised nature of support, that was paramount rather than the quantity of time spent together per se.

The research identified some barriers to participation and to achieving outcomes, both in terms of personal circumstances and in terms of support gaps. Support gaps included limitations on the training that could be accessed (due to course scheduling) and support to find suitable work experience opportunities to build up the experience required where clients wished to move into a new sector or area of work. This could be addressed through additional employer engagement as the pilot is rolled out further. Other suggestions included the addition of a personal support fund to cover e.g. travel expenses to unpaid work placements to prevent financial difficulties being compounded by pilot

participation and additional support to enable clients who wish to do so to become self-employed.

Personal circumstances limiting participation or outcomes included balancing work and care and a lack of familial support. Those with complex needs, in temporary accommodation or finding themselves in crisis were also more likely to disengage from support. There is a question as to whether the pilot is currently able to serve these clients well and whether further support needs to be sequenced into the client support journey to address their needs.

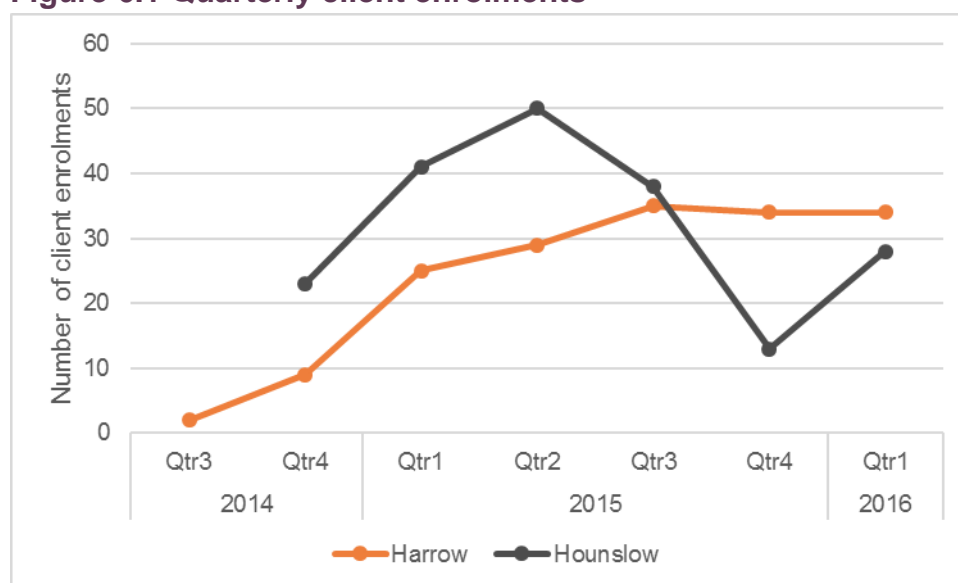
6. Pilot outcomes and client progressions

This chapter investigates the outcomes from the Skills Escalator pilot to date. Firstly, the programme's management information is used to examine enrolments onto the programme, the types of outcomes achieved and how these vary by participant characteristics. The chapter then draws on qualitative interviews with clients to provide an insight into participant views of what was achieved through their participation with the programme, including soft outcomes, skills development and career progression.

Skills Escalator enrolments to March 2016

Between the last quarter of 2014 and the first quarter of 2016, 361 clients had enrolled onto the Skills Escalator pilot, with 168 enrolled in Harrow and 193 enrolled in Hounslow. Client enrolments have fluctuated over the duration of the pilot as Figure 6.1 shows, below. Harrow enrolments were undertaken over a longer period of time and steadily increased to a peak of 35 clients during quarter 3 of 2015. In Hounslow, client enrolments built more sharply and peaked in quarter 2 of 2015 with 50 client enrolments in this period. Enrolments exceeded initial targets in both boroughs.

Figure 6.1 Quarterly client enrolments



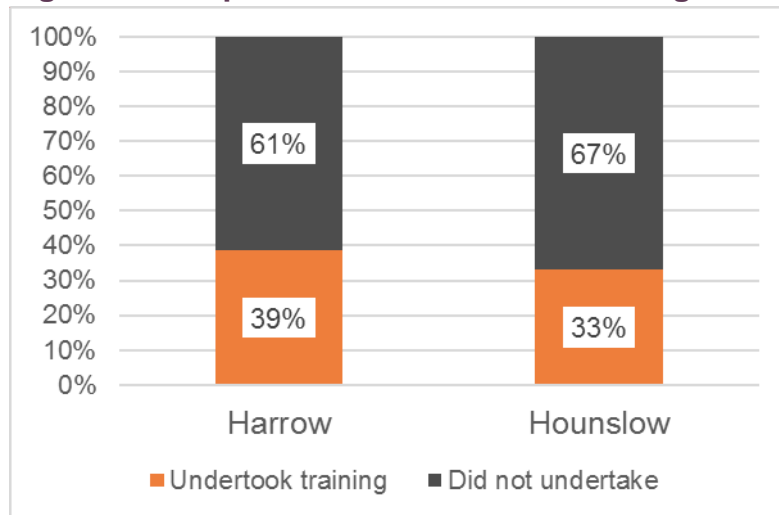
Training and progression outcomes

Training

One hundred and twenty nine clients took up training as part of their Skills Escalator support (65 clients in Harrow and 64 in Hounslow). Figure 6.2 shows the proportion of

enrolled clients who took up training: 39 per cent of enrolled clients in Harrow and 33 per cent in Hounslow.

Figure 6.2 Proportions of clients undertaking training



Clients took up a wide range of different courses, typically leading to a recognised qualification. As Figure 6.3 shows, clients took courses in a range of areas. ESOL courses were taken up by the largest number of participants overall. Other popular courses included teaching/ education; accountancy or bookkeeping; beauty, fitness and wellbeing; childcare; and IT courses. Larger numbers of clients took up ESOL and English and maths courses in Hounslow – where almost half of all enrolled clients took up ESOL, compared to Harrow, while Harrow clients were more likely to take up accountancy/bookkeeping, business administration and childcare than in Hounslow.

Figure 6.3 Types of training courses undertaken by clients

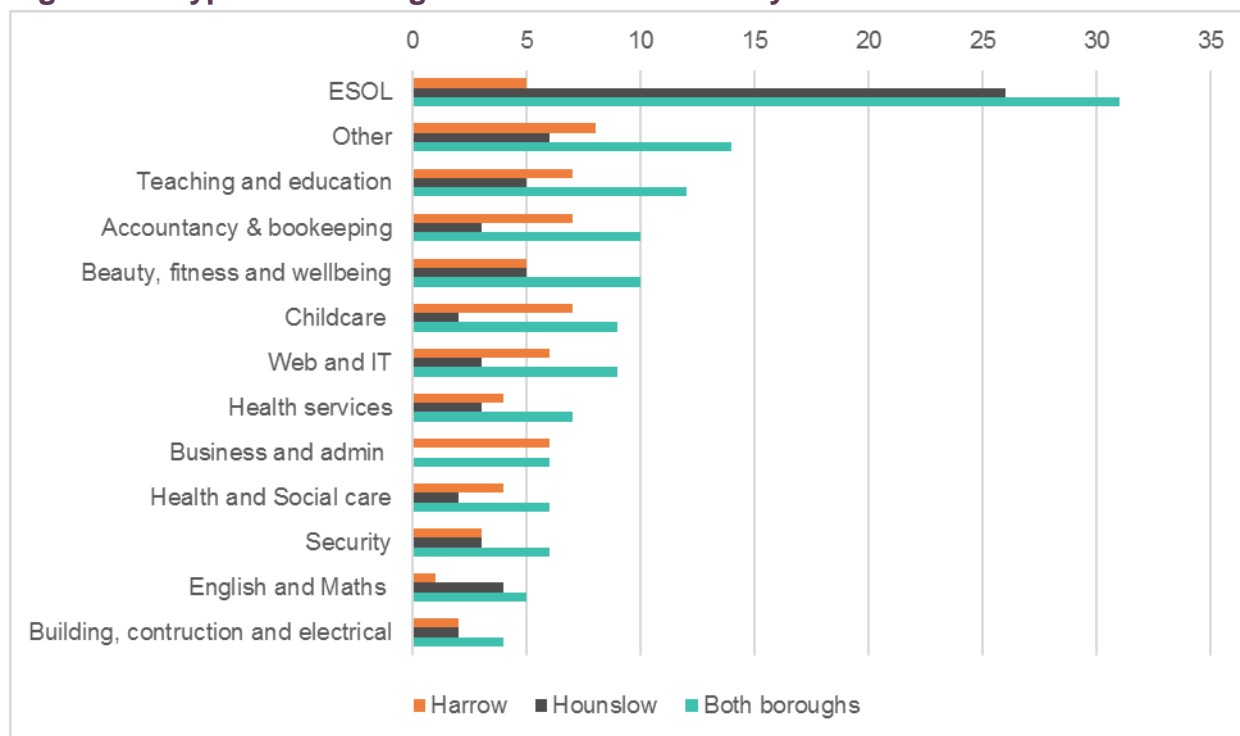
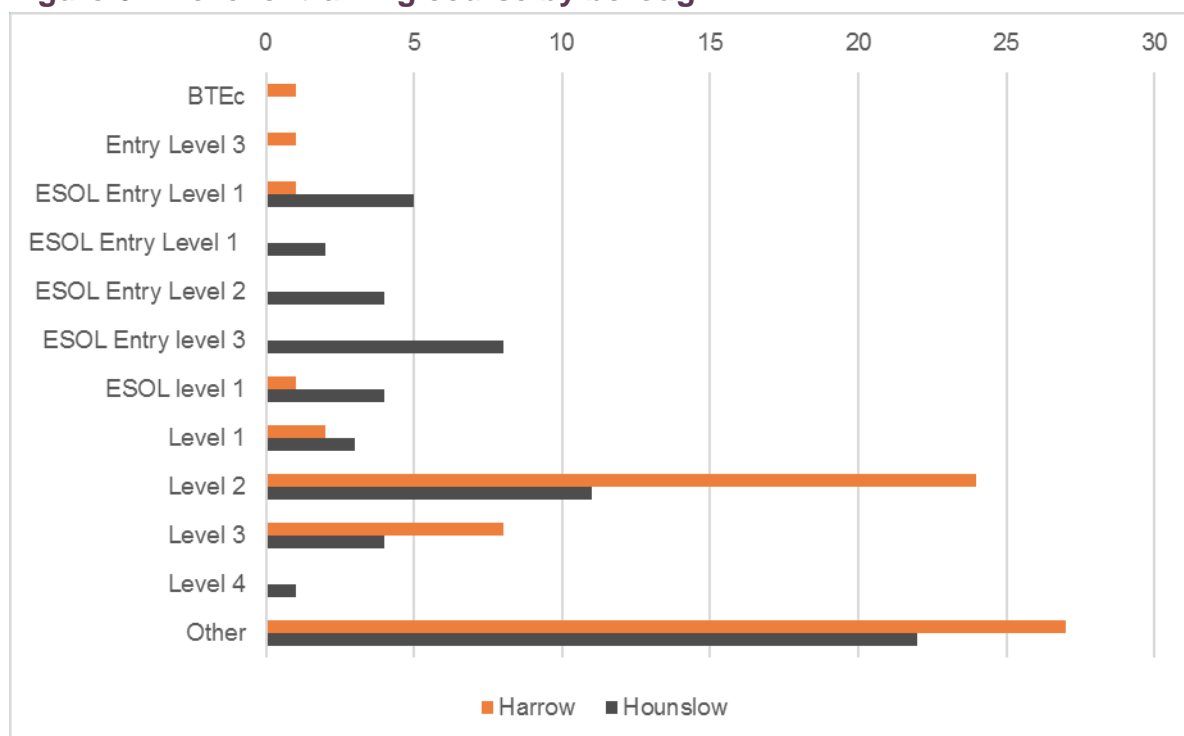


Figure 6.4 below shows the level of the training courses undertaken by borough. Hounslow had a higher level of entry level qualifications due to the high proportion of clients choosing ESOL courses. Harrow had greater proportions of clients undertaking training at levels 2 and 3. There were also high proportions of clients undertaking vocational courses that did not have official levels (or where these were not recorded). In many of these cases, clients were undertaking professional web design or IT courses.

Figure 6.4 Level of training course by borough



ESOL training

Sixty five clients in Hounslow and 15 clients in Harrow felt that their largest barrier to progression on joining the programme was ESOL needs (see Chapter 3). However, as Table 6.1 shows, only around a quarter of these clients took up ESOL training as part of the Skills Escalator offer (although other participants who did not identify ESOL as their main barrier also took up ESOL support).

Table 6.1 Client ESOL needs and take-up of support

ESOL Needs	Harrow	Hounslow
ESOL Need	15	65
Took up ESOL training	4	16
Percentage against need	27%	25%

Cost of Training

The cost of the training courses taken up ranged from courses that were free to over £3,000 (for full bus driver training and testing). As can be seen in Table 6.2 below, training at higher levels tended to be more costly. As such, the average cost of training in Harrow

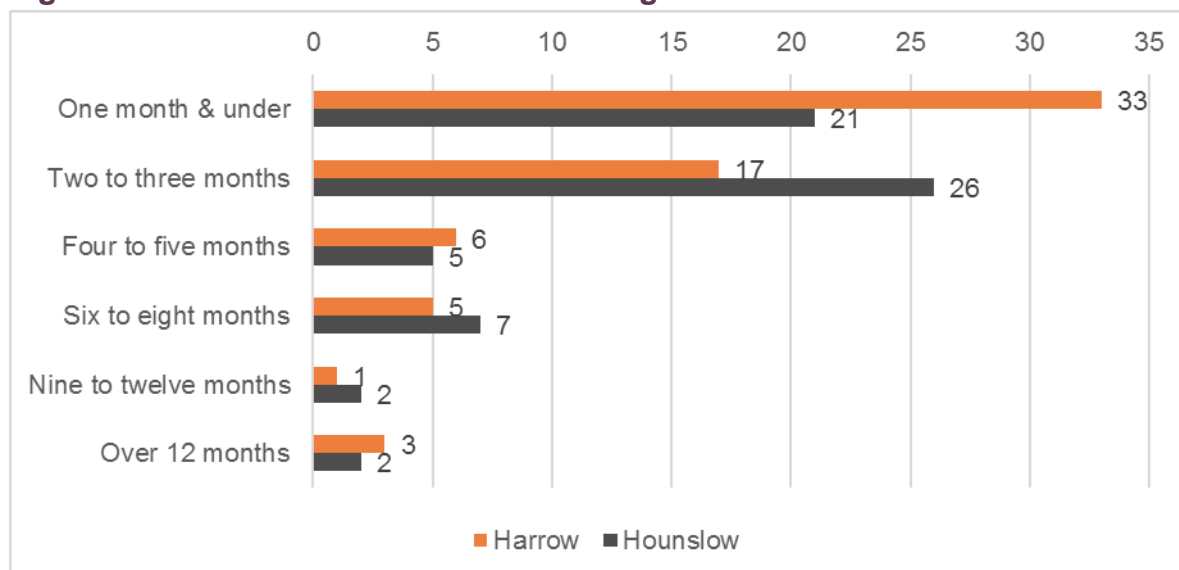
was £833.37 but lower in Hounslow, at £523.33, where a greater proportion of clients undertook ESOL and maths and English courses at entry levels.

Table 6.2 Average cost of training

Course level	Harrow average cost	Hounslow average cost	Both boroughs
BTEC	£1,800.00		£1,800.00
Entry Level 3	£250.00		£250.00
ESOL Entry Level 1	£250.00	£311.30	£301.08
ESOL Entry Level 1		£321.50	£321.50
ESOL Entry Level 2		£148.75	£148.75
ESOL Entry level 3		£450.44	£450.44
ESOL level 1	£380.00	£334.00	£343.20
Level 1	£425.00	£198.67	£289.20
Level 2	£787.29	£400.91	£665.85
Level 3	£1,247.56	£696.50	£1,063.87
Level 4		£1,200.00	£1,200.00
Other	£806.06	£762.14	£786.34
Total	£833.37	£523.33	£679.55

Clients on the programme, took an average of 2 and a half (in Harrow) and nearly 3 months (in Hounslow) to start training from when they enrolled on the programme. As Figure 6.5 shows, relatively small proportions of clients had to wait over nine to twelve months to start their training. In these cases, clients tended to be waiting for specialist courses, such as wax carving and casting, bridal hair and AutoCAD courses.

Figure 6.5 Months from SE start to training start



Soft outcomes from training

Clients reported that the training they took up made them much more likely to be able to progress their earnings. In addition, many clients reported soft outcomes as a result of training, which made a substantial difference to their motivation levels, confidence and general wellbeing.

Gaining relevant qualifications for their career ambitions

Through taking up training, clients were able to consolidate their existing skills and further their knowledge and qualifications in a chosen field. For example, one participant used the opportunity to expand upon their previous experience and skills from an accountancy degree, which was not recognised in the UK. As a result, they were able to obtain a professional qualification in accountancy and consequently look for relevant employment with much better opportunities and pay than their existing position.

Experience and skills

Clients also reported that participating in learning developed more generic employability skills, including their IT skills, English language competency and general literacy. These skills were seen as better equipping them to compete for employment that would provide better pay, progression opportunities and work-life balance, in comparison to their current positions.

Some clients also reported participating in work placements and voluntary work as part of, or in addition to, their training. This work experience enabled individuals to develop the knowledge and skills necessary to succeed in their chosen workplaces. It will be useful for

the development of the pilot in the future to more fully capture take-up of work experience and voluntary placements, in order to monitor their contribution to progression outcomes.

Soft outcomes

Clients who accessed relevant training opportunities also reported a range of soft outcomes, such as improved self-esteem, a sense of purpose and increased confidence, even before a progression outcome had been achieved. The tangible achievement of a qualification provided a confidence boost to clients and they reported a more positive outlook after having completed a course which related to their future plans.

“Before it was just no life, or, just sitting at home and just going to work, but now I have to do my course, I feel confident. I just feel like I’ll get a job at least somewhere.” (Hounslow Client)

Earnings progression outcomes

At the end of the evaluation, 70 clients had a recorded progression outcome, with 67 clients having a measurable earnings progression.⁵ Table 6.3 shows the breakdown between boroughs. Harrow had a slightly higher proportion of clients progressing their income (20.8% of client enrolments) compared to Hounslow (18.1%). However, on average, clients in Hounslow gained a higher monthly earnings increase (£529) compared to Harrow clients (£430).

Table 6.3 Types of earnings progressions

Types of earnings progression	Hounslow clients	Harrow clients	Total
Number of clients	193	168	361
Clients progressing their earnings	35	35	70
Percentage of enrolments leading to earnings progression	18.1%	20.80%	19.40%
Measurable earnings progressions	33	34	67
Average monthly earnings at start of programme	£644	£634	£639
Average monthly earnings after progression	£1,173	£1,064	£1,118
Monthly earnings difference	£529	£430	£479

⁵ The other three clients did not have reliably recorded data on earnings at either the start or end point of the pilot. We do not have data on earnings changes for the 291 clients who did not have an earnings progression recorded, but it can be assumed that this number included some unrecorded progressions, as well as some who stayed in the same position, and indeed some who reduced their income or lost their jobs. This range of outcomes would be typical of low-income earners over a one-year period.

Figure 6.6 below shows the length of time it took clients to achieve a progression outcome. Seventy two per cent of clients in both Harrow and Hounslow who achieved an outcome did so by 6 or 7 months on the programme.

Figure 6.6 Months from enrolment to progression outcome

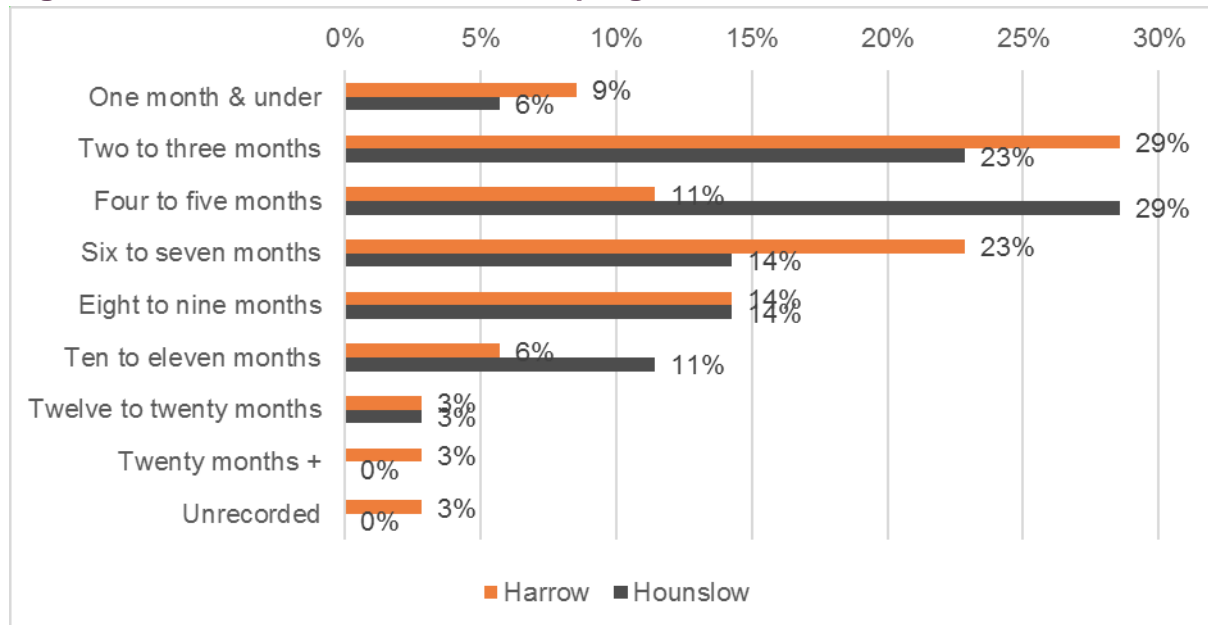


Table 6.4 below, shows that those aged 31-40 years old were most likely to achieve an earnings progression. Those aged over 40, and especially those aged over 50, were much less likely to improve their earnings, with only 13 per cent of this age group achieving an earnings progression.

Table 6.4 Progression outcomes by age group

Age groups	Did not progress	Achieved earnings progression
Under 25	7	2
% of enrolled age group	78%	22%
26-30	24	6
% of enrolled age group	80%	20%
31-40	101	32
% of enrolled age group	76%	24%
41-50	108	23
% of enrolled age group	82%	18%
51-60	46	7
% of enrolled age group	87%	13%
61-65	4	
% of enrolled age group	100%	0%

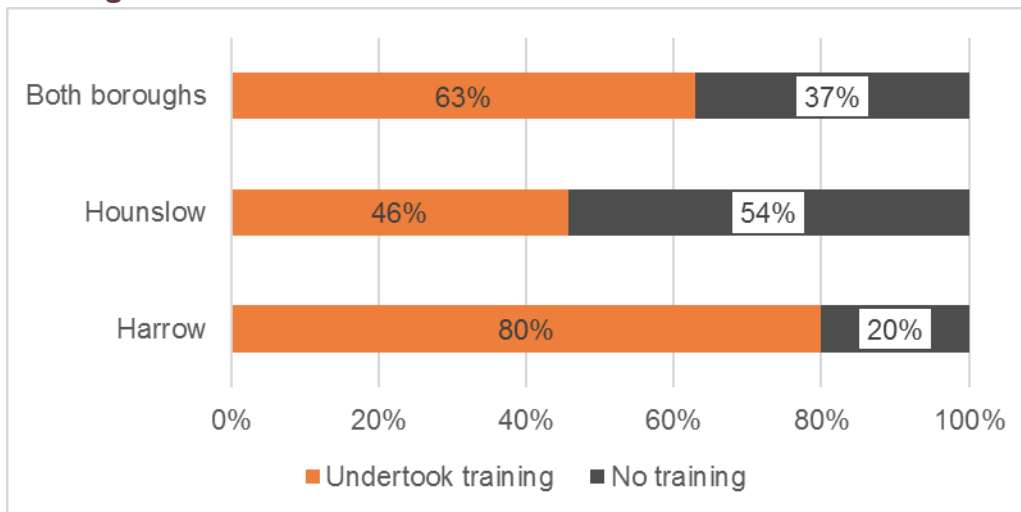
As Table 6.5 shows, although there were fewer men enrolled on the programme overall, they were slightly more likely than women to achieve an earnings progression.

Table 6.5 Progression outcome by gender

Gender	Did not progress	Achieved earnings progression
Female	206	48
% of women	81%	19%
Male	84	22
% of men	79%	21%

As Figure 6.7 shows, of those clients that achieved a progression outcome, 80 per cent had undertaken training in Harrow but only 46 per cent of those in Hounslow.

Figure 6.7 Proportions of clients with a progression outcome who undertook training



However, as Table 6.6 shows, overall taking up training was more likely to lead to a progression outcome than not doing so, with around a third (34 per cent) of those undertaking training gaining a progression outcome, compared to 11 per cent of those who did not take up training.

Table 6.6 Comparison of training outcomes to progression outcomes

	Progression outcome	No outcome
Clients who took up training	44	85
Percentage of those who took up training	34%	66%
Clients who did not take up training	26	206
Percentage of those who did not take up training	11%	89%
Total	70	291

The evaluation found that the most common type of earnings progression (58 per cent of all earnings outcomes) was from moving into a new job role (with a new employer). Clients who experienced this type of progression also had larger average earnings gains, in both Harrow and Hounslow, than those who progressed through other routes, such as taking on an additional job, becoming self-employed, taking on more hours or securing an internal progression within their existing job (see Table 6.7). This mirrors findings from other in-work progression trials⁶. The second most common type of outcome was internal progression within an existing job (21 per cent of all outcomes), however earnings gains were much lower for these progression types.

Table 6.7 Amount of earnings increase by type of progression

Types of earnings progression	Hounslow Clients	Hounslow Average Salary Increase	Harrow Clients	Harrow Average Salary Increase
Additional job	2	£508	1	£156
External progression - new job	24	£636	15	£451
External Progression - New Job (Self-employed)			4	£348
Increased hours	4	£175		
Internal progression	3	£160	11	£286
Unrecorded			3	£1,060

⁶ Bennett, L., Colechin, J. and Wilson, T. (2016) *Evaluation of Timewise Foundation's Earnings Progression Trial: A demonstration trial to support 100 low income parents to progress in-work*, DWP ad hoc research

Total	33	£529	34	£430
-------	----	------	----	------

Client experiences of earnings progression outcomes

Finding a new job with a new employer

By far the most common earnings progression outcome was to find a new job with a new employer, and as noted above, this resulted in the largest average earnings increase. Clients that obtained new jobs included those who used their new skills and qualifications to change sectors (with better pay) and those who used this to find higher quality jobs within their existing sector (with better paying employers). For example, one client explained how they were able to leave their previous role working in a warehouse after completing training and work experience through the pilot. Job search advice from pilot staff, combined with improved qualifications, enabled them to obtain their desired position in the care sector, which provided a much more stable, enjoyable and better-paid job. See Case study 2 for a further example of progression through job switching.

Case Study 2 – Female, 44, Hounslow client

The participant previously worked in a busy restaurant waiting tables, however struggled with the job due to high blood pressure and restricted mobility, and instead wanted to find a job that posed less physical pressure whilst providing a higher income. However, the participant felt lost looking for work due to limited experience and knowledge of the job search process, alongside limitations to her spoken English, which left her feeling stuck:

“Not enough confidence... have no time to go for interviews... I don't know, not enough whatever, just to find some adverts about jobs.”

Through the pilot, the participant had regular one-to-one sessions with her adviser, where they created an action plan to identify the steps required to achieve her desired goals. This included job search and application support, CV sessions and enrolment in an English language course, alongside close support and motivation from her adviser:

“If someone tells you, “You are good,” it helps you a little bit with that. So it's always helpful, even if you talk with someone, it's always good and she's a really lovely lady, I really enjoyed to talk with her, to work with her.”

Within a few months of joining the pilot, the participant successfully got a job as a receptionist in a hotel, which provided an improved working environment, better wages and opportunities to progress in the future. The participant stated that the support provided by the pilot had helped to guide her in the right direction, providing invaluable

improvements to her confidence, understanding of how and where to look for work and her spoken English, which quickly led to the new job:

"I really enjoy that kind of work... the owner is very nice and the staff are very nice and like it's easy to arrange everything. I'm sitting at the reception desk, I've got regular hours, I feel I learn a lot."

Internal progression

The second most common type of progression among participants was securing an increased wage from their current employer after completing a relevant course.

In qualitative interviews, clients who accessed training related to their current job role reported that they had increased confidence in their ability to carry out their duties and that their job performance had improved. For example, one client who worked in social care felt that they had improved their ability to deal with difficult situations and had become a more resilient employee as a result:

"I learnt a lot more on the course, I'm more confident on what I'm doing, because now I know about communication, how to deal with different situations." **(Harrow Client)**

However, whether or not they received a wage increase was dependent on the employer's ability and willingness to pay their employees more. Therefore there was some disparity between client satisfaction and earnings outcomes. One client interviewed was able to increase her wages by £5 an hour, as well as doubling her hours in her existing role, after completing a level 2 qualification in swimming instruction (see Case Study 3). In some cases, positive earnings outcomes were assisted by communication between the client's employer and the Skills Escalator adviser, who sought to encourage the employer to provide a progression opportunity to clients who had accessed appropriate training.

Case Study 3 - Female, 34, Harrow client

Prior to starting the pilot, the participant had recently self-funded a level 1 swimming instructor course in order to build a career in this, and was working as a swimming assistant. She explained that, despite this, her low income meant that she had regular concerns as to how to provide for her family and deal with debts of over £5,000:

"We were probably limited to the essentials, electricity... but you know, days out and things like that, they were very limited... there was no extras."

Prior to starting the pilot, the participant was hoping to complete her level 2 swimming instructor qualification but could not afford the £800 cost and saw no feasible way of doing

so. However once she joined the pilot, the participant was able to source the funding needed and completed the course:

“The biggest help of all and, you know, the financial side of it because obviously, I wouldn’t even have been able to attempt to do it.”

The participant explained that because of the funding provided, she was able to expand her skills and progressed to a job as a swimming teacher; increasing her hourly wage from £10 to £15, and doubling her hours worked to 16 hours per week. Further, she explained that completing the course had improved her confidence and self-belief, resulting in her most recent plan to organise funding through her employer to complete additional training in order to become an advanced swimming instructor:

“The fact that I was able to do my level 2 and obviously then I was teaching, I was able to show that I was capable...I was then able to prove that I’m not a bad swim teacher, and also I then got able to start helping the swim coordinator with what she does, and now that’s another bit of progression that I’m looking to do.”

However, in other cases, clients were disappointed at the relatively small difference in their take-home pay as a result of their training, particularly when this impacted on their benefits so that they were not financially better off as a result. In addition, one client who had worked at the same employer for eighteen years expected increased responsibility in their role as a result of what they had learned in their course and felt frustrated when this did not occur.

Increased wages from self-employment

A small number of programme clients achieved pay increases from self-employment, as a result of either setting up their own business or improving the financial viability of an existing business, after taking part in funded training through the pilot.

The wide range of funded training available through the pilot enabled clients to access the most relevant course for their individual business needs in order to increase productivity or sales. For example, one client accessed training in jewellery-making techniques, which increased their efficiency in making the product, and resulted in the business becoming more financially sustainable:

“I can now produce things in more numbers, and therefore I have had a lot more time to focus on marketing and branding the business, which before I wasn’t finding time to do because I was so stretched...now I’ve got more time for everything else, which really helps the business.” (Harrow Client)

Another client reported that the pilot was able to fund their course, as well as training for two other eligible staff members, which positively impacted on the whole business. The

course improved their ability to manage their workload, increase sales and manage their team.

In other instances, training courses undertaken enabled clients to start their own business. For example, one client accessed a training course which provided them with the skills and confidence to set up their own business providing IT support.

Taking an additional role

Finally, a few clients progressed their income through taking on an additional job role or additional hours. In these cases, clients were often motivated not simply by income gains, but also to gain additional experience or training, often as part of a longer-term strategy to move into a new occupation or sector. For example, one client applied for an additional job as a care assistant, following coaching in job search techniques and CV skills, in order to increase their working income while they continued additional learning. Another client took on additional hours as a teaching assistant as this gave them experience of additional responsibilities which they thought would help support their longer-term career goal to become a teacher:

“It’s a little bit more money because I am working 30 hours now, before I used to work only 23... If I want to be a teacher this is going to help me a lot.” (Hounslow Client)

Earnings progression outcomes by sector and qualification level

Table 6.8 below shows the average monthly salary increase of clients that progressed by the sector that they achieved their progression within. The very large salary increase recorded for construction was as a result of one client who switched from a post office customer services assistant to an administrator role for a national construction company. Income progression in the retail sector mainly comprised jobs as sales assistants and in head office roles. Similarly, in administration, progression was to jobs in central functions of large companies, while those who progressed in the ‘other’ category were mainly working in technical roles such as IT, finance and security. Given that the majority of progressions from the pilot were as a result of clients moving jobs, it is likely that the change in the client’s role has a greater effect on the size of the earnings increase than the sector that they moved into per se.

Table 6.8 Average salary increase of progressed clients by (finishing) sector

Sector of progressed clients	Nos of clients with measurable income progression	Average monthly salary increase
Construction	1	£1,431.66
Not recorded	3	£991.55
Retail	7	£901.57
Administration	3	£592.67
Other	6	£586.94
Health	5	£543.20
Care	9	£463.43
Education	7	£408.57
Transport	8	£377.65
Cleaning	5	£289.67
Logistics	3	£248.00
Hospitality	7	£115.71
Retail (food)	3	£104.32

Table 6.9 below shows the average salary increases by the highest qualification of clients when they enrolled on the programme. In common with other larger scale tracking of in-work progression⁷, clients starting with level 3 upwards had larger income gains through the programme than those starting on lower qualification levels.

Table 6.9 Average salary increases by highest entry qualification on enrolment

Highest entry qualification	Number of progressed clients	Average salary increase
Entry/ESOL	9	£248.59
Level 1	8	£432.43
Level 2	16	£497.71
Level 3	13	£729.11
Level 4	10	£384.80
Level 5	4	£658.92
No qualification	5	£253.10
Other	2	£606.33

⁷ For instance, DWPs Employment Retention and Advancement study. See Hendra et al., (2011) Employment Retention and Advancement (ERA) demonstration: Delivery, takeup and outcomes of in-work training support for lone parents, DWP Research report 727.

Additional benefits from progression

The Skills Escalator support model was designed to produce wider outcomes for clients, including improved individual and household wellbeing. Qualitative research findings suggested that these additional benefits had been enjoyed by clients who achieved an earnings progression.

In addition to working in more enjoyable and stable roles, clients experienced other benefits to their living situation as a result of the new roles and higher earnings. For example, several clients were able to transition to less physically demanding roles, which was important for them due to ongoing health problems. The pilot support helped these clients to focus on accessing sustainable long-term employment, which supported them to remain in the labour market.

Other clients noted how career progression meant that their financial situation had improved markedly, and as a result they were now able to afford a comfortable standard of living whilst taking decisive and sustainable action to reduce their debts. As a result of increased earnings, one individual was able to move their family out of one-bedroom temporary accommodation and into private rented accommodation, with wider benefits for the whole family.

Clients who secured a progression outcome also often noted that increased financial stability had positively impacted on their family life and health. For example, clients felt that the development of their skills and career made them a more positive role model for their children. One client who had formerly worked as a psychologist in Eastern Europe felt that her progression into the sector in the UK was aspirational for her young daughter and beneficial for their integration in the UK:

“My daughter... knows that I am a psychologist, so I was working as a cashier and even though I am working she was not very happy, because I was not very happy. So it was important that she could see that I am trying to improve the language and qualifications and to find my place in this country...maybe it was also encouraging her when she had some difficulties in the past.” (Hounslow Client)

Clients who achieved a progression felt that they could inspire their children to achieve and also provide a comfortable standard of living for them. The desire to make their family proud was a powerful motivation for several clients to engage and persevere with the pilot support. Some clients who saw an overall reduction in their income, due to reduced benefit payments, felt that their status as a positive role model outweighed the reduction in income, particularly if the latter was temporary:

“I don’t want my kids to grow up and think to themselves, ‘Mummy sits at home all day doing nothing’ my kids are going to grow up saying, all mum did was work and I understand why.” (Harrow Client)

Several clients also reported that they had a changed perspective and sense of direction since engaging with the Skills Escalator programme. They often expressed a desire to access further training and upskilling in their chosen career path. For example, some clients reported proactively looking for further skills training and talking to their employers about options for upskilling in their roles, which they had not previously considered.

Summary

Over the last two years, the Skills Escalator pilot has achieved a good rate of enrolment and engaged a range of clients needing support to progress their earnings, exceeding their enrolment targets.

Just over a third of clients enrolled took up a training course through the programme at a range of different levels and in different sectors. ESOL courses were taken up by the largest number of participants overall. Other popular courses included teaching/education; accountancy or bookkeeping; beauty, fitness and wellbeing; childcare; and IT courses. Larger numbers of clients took up ESOL and English and maths courses in Hounslow compared to Harrow, where a wider range of courses were taken up and at higher levels.

While ESOL classes were the most popular type of course overall, only around a quarter of those who identified ESOL as their main barrier took up ESOL classes through the pilot. This requires further investigation going forward to ensure that these needs are addressed.

While pilot staff reported a lack of flexibility in course scheduling among training providers which could result in lengthy delays, clients on the programme took an average of only two and a half to three months to start training (from their date of enrolment). However, around fifteen per cent waited for four months or more.

There were 70 recorded instances of income progression among enrolees by March 2016, representing a 21 per cent outcome progression rate in Harrow and 18 per cent in Hounslow. The average monthly earnings increase among those who obtained an outcome was £529 in Hounslow and £430 in Harrow. Most clients (almost three quarters) who achieved an outcome had done so by 6 or 7 months on the programme.

Those aged 31-40 years old were most likely to achieve an earnings progression, while this was much less likely for those aged over 40, and especially those aged over 50.

Those starting with qualifications at level 3 and upwards also had larger earnings gains than those starting with lower qualifications.

While overall numbers are relatively small, the data shows that participants undertaking training were more likely to achieve a progression outcome (34 per cent of those who trained, compared to 11 per cent of those who did not). Mirroring other in-work progression studies, external progression to a new employer was by far the most common type of outcome achieved (58 per cent of all outcomes) and led to larger income gains, compared to other progression routes. Internal progression within an existing job resulted in much lower earnings gains.

Clients reported that taking up training and gaining a progression outcome was associated with a range of softer outcomes too. Training take-up resulted in a range of soft outcomes, such as improved self-esteem and a sense of purpose and increased confidence, even before a progression outcome had been achieved. Those who accessed training related to their current job role also reported that their job performance had improved.

Earnings outcomes could also result in an improved standard of living, an improved housing situation and an ability to address financial worries. Clients also reported a changed perspective and sense of direction and felt they presented a more positive role model for their children.

7. Impact assessment and Cost - Benefit Analysis

The analysis in Chapter 6 showed the number of people who progressed their earnings while on the pilot and the extent of the earnings increases. In this chapter, we attempt to provide an estimate of the *additional* impact of the programme on client earnings *over and above what would have been achieved in the absence of the programme*. It then uses this assessment of additional impact to examine whether the benefits of the programme outweigh the costs and whether it provides value for money.

Impact Analysis

In order to identify the additional impact of the programme, we need to estimate what would have happened to clients without the programme. This is referred to as the counterfactual and includes making an estimate of the change in earnings for people who are otherwise similar to Skills Escalator participants but who did not take part in the pilot. To do this, we have compared the change in earnings for Skills Escalator participants with a matched comparison group from the Longitudinal Labour Force Survey (LFS) - a national survey undertaken by the Office for National Statistics that interviews around 80,000 people each quarter. Survey respondents are interviewed about their earnings at two time points, one year apart.

We use matching methods to identify survey respondents who are as similar as possible to the pilot participants. However, we are restricted to using the data on personal characteristics that are both available for Skills Escalator participants and in a form that can be compared with LFS data. This includes: age, gender, disability, ethnicity, qualification level and initial salary level.⁸ It is important to note that the matched comparison group may have other unobserved differences from the Skills Escalator participants that may affect their outcomes (i.e. make them more or less likely to remain in work or increase their earnings). In particular, for voluntary initiatives such as this, entry into the programme depends on them agreeing to volunteer, which is a question not asked of LFS respondents. Another potentially important factor could be differences in past labour market experiences, notably time in / out of work, as past negative labour market experiences could have 'scarring' effects on the individuals concerned. *The consequence of this is that we cannot be sure that at least part of the difference we observe between*

⁸ We were not able to use some of the data that the pilot collected (such as marital status and the length of initial employment spell) that could have been helpful, because the data collected was not compatible with the LFS data.

participants and the matched comparison is down to differences in unobserved factors rather than to participation in the pilot.

Once a matched comparison group is identified, we next examine changes in earnings for both groups and undertake a series of analyses to determine the differences in earnings between the two groups, controlling for the differences in characteristics that might be expected to affect earnings. This allows us to determine whether the observed differences are likely to have arisen by chance or due to the pilot.

Due to a lack of information in the MI regarding the earnings of Skills Escalator clients that did not achieve a progression outcome, our analysis assumes that these clients remained on the same salary as when they started the programme. This approach was informed by the results of the client exit survey, which shows that for clients who did not see an earnings increase, just 9 per cent were out of work at the time of the exit survey, while 91% were in the same job or in a new job (see Table 7.1).⁹

Table 7.1 Results of exit survey

Which of the following best describes your situation now?	Total interviewed	Included in progressions	Not included in progressions	
I am employed in the same job	34	6	28	49%
I have obtained a new job with a new employer	27	13	14	25%
I am employed in the same job and have taken on an additional job	3	0	3	5%
I have obtained a new job/promotion with the same employer	13	6	7	12%
Looking for work	3	1	2	4%
Not in work, looking after the home or family	4	1	3	5%
Not in work due to illness or disability	1	1	0	0%
Total sample	85	28	57	100%

On this basis, our analyses assume that Skills Escalator participants without an earnings progression both remained in work and remained at the same monthly pay level.

⁹ Around a quarter of clients (24%) enrolling on the programme completed the exit survey. The resulting confidence interval shows that we can be 95 per cent sure that between 14 per cent and 4 per cent of all Skills Escalator clients were out of work at the time of the exit survey. Some caution should still be applied to these results, however, as it is possible that there is some response bias, with those that disengaged from the programme likely to be under-represented in the sample.

However, the LFS comparator group includes both people moving out of work and those who saw reduced pay (e.g. from reduced hours of work). In fact, the Labour Force Survey matched comparison group shows an average loss in pay over the one-year time span of £142.79 per month, while Skills Escalator participants saw a gain of £4.31 on average (see Table 7.2).

Table 7.2 Predicted values from modelling of monthly earnings changes

	Average	Median
Skills Escalator	£4.31	£39.32
LFS comparison	-£142.79	-£137.72

Thus the major finding from these analyses is that there *is* a statistically significant difference in the earnings change between Skills Escalator participants and the matched comparison group, in favour of the Skills Escalator participants. The analysis suggests that people who joined the pilot were, on average, £147.10 better off per month than if they hadn't joined the programme. *However it is important to bear in mind that this difference comes about primarily due to reductions in earnings among the comparison group as a result of people leaving work.*

This pattern for the LFS comparator group is similar to findings from previous research. For example, our previous analysis of pay dynamics among lower-paid workers in Greater Manchester¹⁰ showed that while large numbers of low-paid workers remained in low pay over the period of observation, there were also substantial flows into and out of work and increases and decreases in pay among those remaining in work.

In effect, then, our findings suggest that one of the major impacts of the Skills Escalator pilot appears to be that it helped a large proportion of participants to maintain their salary – who would otherwise have lost their jobs or reduced their salary – as well as helping some people to increase their earnings.

Cost Benefit Analysis

The Cost Benefit analysis (CBA) is based on a model designed by Manchester New Economy, which is designed for commissioners and practitioners to understand the value for money of public service reform programmes. The outputs of the analysis estimate the overall public value created by a project and the individual elements of public value. This includes:

¹⁰ Low Pay and Progression in Greater Manchester, Bivand, P, 2016, New Economy Manchester, available from <http://www.neweconomymanchester.com/media/1701/progression-from-low-paid-work.pdf>

- the financial or ‘fiscal’ impacts to government agencies, which are broken down across the agencies affected;
- the economic benefits to individuals and society; and
- wider social benefits such as wellbeing.¹¹

The analysis can therefore be used to assess whether interventions provide value for money and whether the benefits are primarily fiscal or a matter of public value.¹²

There are two key inputs into the CBA model: costs and benefits.

Costs

The total cost of delivering the Skills Escalator pilot for the period covered by this evaluation was £412,798. This is the total value of the grant from the Transformation Challenge Award, which was received to deliver the programme. There is no indication of any additional costs in delivering the programme that fall outside of this grant payment.

Benefits

The Manchester CBA model provides a varied list of possible benefits that might arise from an employment programme. In our analysis, we have included the following benefits:

- reduced payment of Housing Benefit¹³;

¹¹ While conventional forms of CBA often exclude these wider social benefits, disciplines such as Social Accounting and Audit have attempted to identify and quantify the social change created. More recently Social Return on Investment (SROI) has gone further by monetising this social change, and allowing the creation of a CBA framework that accounts for social, economic and environmental costs. For more information see the SROI guide, published by the UK Cabinet Office, and available here:

http://www.thesroinetwork.org/publications/doc_download/51-sroi-guide-2009-for-printing-out

¹² Public value benefits are the total socio-economic benefits that accrue to society as a whole. While resource costs and benefits are included within a social (or public) value cost benefit analysis, transfer payments are not included. Transfer payments are payments of money for which no good or service is received in exchange, and so consume no resources that might be used for other purposes (opportunity cost). Examples include welfare payments such as housing benefits and tax receipts to the public exchequer. 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, and resource benefits relate to reductions in demand for public services which release resources to be used for other public or private purposes.

¹³ This is a transfer payment flowing to the government and hence not included in public value cost benefit ratio, but is a key element in calculating the fiscal value of the programme.

- earnings increases for individuals; and
- economic benefits from improved wellbeing (as a result of earnings increases).

Table 7.3 details the assumptions made to calculate the extent of the value gained from each of these benefits.

Table 7.3 Calculating the value of benefits
<p>Reductions in Housing Benefit payments</p> <p>Our calculation of the reduction in Housing Benefit payments are based on the programme's management information. It should be noted that these calculations are based on changes in the individual's salary only¹⁴. For simplicity, we have assumed no change to a partner's salary.</p> <p>The total savings in Housing Benefit payments amount to £195,000 - based on the increase in earnings for 50 clients who achieved an earnings progression and for whom we have earnings data. As before, we have assumed no change in salary (and hence HB payments) to clients who did not improve their income. To calculate the extent to which this is additional (to what would otherwise have happened), we have reduced the monthly earnings for these people by £147.10 – which is the average difference between what pilot participants earned and what the comparison group earned – and reduced the HB savings on the basis that every £1 decrease in earnings means a 65p increase in HB (Source: DWP benefit calculators). This calculation shows the additional HB savings from the pilot to be £149,000.</p>
<p>Individual earnings increases</p> <p>There are two types of benefits arising from an earnings increase: fiscal and economic.</p> <p>The <i>fiscal benefits</i> result from additional Income Tax and National Insurance payments flowing to the Exchequer due to people increasing their earnings above the minimum income tax threshold. For this programme, this amounts to £42,176.</p> <p>The <i>economic benefit</i> is the value of the additional earnings increase to the individual. The additional economic value for those that saw an earnings progression was calculated in the same way as previously, by reducing the individual earnings increases for pilot participants by £147.10 each (i.e. the average difference between the pilot participants' earnings increase and those in the comparison group). For all other participants, who remained on the same salary, their earnings improvement (relative to the comparison group) was estimated at £147.10 each. These individual figures were then aggregated to an overall annual value. The total economic benefits to individuals from earnings increases from this pilot amount to £759,336.</p>

¹⁴ although Housing Benefit payments are calculated on the basis of household earnings, which has not been collected as part of the management information.

Wellbeing

Benefits from improvements in wellbeing have been applied to all those pilot participants that achieved an earnings progression. Wellbeing impacts are potentially important; their valuation is challenging but is essential to a full assessment of the public value benefits of social and employment interventions. Guidance on valuing wellbeing effects was included in the Treasury Green Book in 2011 (pp 57-58). The values we have used are taken from the National Accounts of Wellbeing which assign monetary value to improvements in wellbeing based on Quality Adjusted Life Years (or QALYs)¹⁵. We have used the overall value for the individual wellbeing domain¹⁶, which is £19,000 per annum. This is based on improvements in confidence or self-esteem, reduced isolation, positive functioning and emotional wellbeing.

To calculate the value of wellbeing improvements for the programme, clients' earnings increases were again reduced by £147.10 (the difference between client increases and the comparison group) and the wellbeing value applied to the resultant earnings increases. **The total value of the wellbeing benefits for this programme is £849,506.**

Summary of overall benefits

The total value of the benefits from the Skills Escalator pilot are shown in Table 7.4 below. These amount to £176,626 of fiscal benefits and £1,608,842 of public value benefits.

Table 7.4 Summary of total benefits from Skills Escalator pilot

	Fiscal	Economic/Public
Salary	£42,176	£759,336
Housing Benefit	£134,450	
Wellbeing		£849,506
Total	£176,626	£1,608,842

The results: costs v benefits

The fiscal value of the Skills Escalator pilot

For the fiscal case for an intervention, the key metric is the **net present budget impact**, which considers the costs of delivering the programme against the resultant cashable

¹⁵ The quality-adjusted life year or QALY is a generic measure of disease burden, including both the quality and the quantity of life lived. It is used in economic evaluation to assess the value for money of medical interventions. One QALY equates to one year in perfect health.

¹⁶ The wellbeing outcomes used in this study are for individual wellbeing only, but there are other domains in the National Accounts of Wellbeing - for families, children and the community.

fiscal benefits. This is calculated by taking away the net present cashable fiscal benefits from the net present costs. This amounts to £259,000 for the Skills Escalator pilot. **This indicates that the costs of the programme outweigh the fiscal flow back to the state** - see Table 7.5.

Table 7.5 Fiscal value of the Skills Escalator pilot

a	Total costs	£412,798
b	Total benefits	£176,626
c	Costs (adjustment to NPV and for inflation)	£413,254
d	Benefits (adjustment to NPV and for inflation, bias and adjustment for job losses)	£154,064
d-c	Net Present Budget Impact	-£259,189
d/c	Overall Financial Return on Investment	0.37

The **financial return on investment** is calculated by dividing the present value of the budgetary savings by the upfront budgetary cost of the intervention. For this programme, this results in a ratio of 0.37, which shows that, again, the costs of the programme outweigh the benefits (a ratio below 1.0 indicates that costs are higher than benefits).

This finding is not surprising for an in-work support programme as clients do not begin the programme claiming out-of-work benefits, and out-of-work benefit savings are usually the main component of fiscal savings for employment programmes.

The public value of the Skills Escalator pilot

The economic case for an intervention takes a broader view of the benefits of a project than the fiscal case, with the goal being to identify interventions that maximise the total net present value to society, including both the economic and social benefits.

For the public value cost-benefit ratio, the total public value is set against the costs of the programme. After adjusting the public value figure to a net present value (using the discount rates of 3.5 per cent as suggested by the Treasury), adjusting for inflation, making a downwards adjustment for bias of 10 per cent (which is recommended when there is not a proper control group), and a downward adjustment to take account of the 9 per cent of participants that may have lost their jobs, we arrive at a final benefit value of £1.4 million.

The net present public value for the Skills Escalator, which is the difference between the overall benefits to society and the overall costs to society, shows a positive return of

£996,449. The public value return on investment ratio, which is the total costs divided by the total benefits is also positive at 3.41. See Table 7.6.

Table 7.6 Public value Cost-Benefit Analysis for the Skills Escalator pilot

a	Total costs	£412,798
b	Total benefits	£1,608,842
c	Costs (adjustment to NPV and for inflation)	£413,254
d	Benefits (adjustment to NPV and for inflation, bias and adjustment for job losses)	£1,409,702
d-c	Net Present Budget Impact	£996,449
d/c	Overall Financial Return on Investment	3.41

The overall conclusion of the cost benefit analysis, then, is that **the costs of the programme do not cover fiscal savings to the Exchequer**. However, when taking into account the additional public value benefits, the programme can be viewed in a positive light with overall benefits to society outweighing the costs to society. **Overall for every £1 spent there is public value return on investment of £3.41.**

Focusing on the overall public benefits, relative to the total costs of the programme, is the appropriate metric for determining whether or not a programme has been 'good value', since this approach takes into account all the costs and benefits of the programme to society as a whole, while measures of the fiscal impact only take account of a more limited set of financial costs and benefits.

Our conclusion then is that the public value benefits of the Skills Escalator pilot outweigh the costs, however the return on investment ratio of 3.41 should be viewed with caution, given the caveats set out in the impact analysis section. One major lesson for future commissioners wanting to invest public money in a similar programme is that, for a more robust estimate of additionality, they should consider a randomised control trial (RCT). A well-designed control group would enable a better match to those on the programme and therefore provide greater confidence when calculating the additional benefits of the programme.

Table 7.7 Sensitivity analysis and additional benefits

We have used conservative assumptions in the CBA, for example:

- The overall value of the benefits was reduced by 9 per cent to take into account the proportion of clients who reported in the exit survey that they had lost their job. The confidence interval for this proportion was between 4 and 14%. If we used the top end of the confidence interval, and reduced the value of the benefits by 14 per cent, the public value return on investment ratio would be reduced from 3.41 to 3.23.
- The value of the benefits was reduced further with a bias adjustment of minus 10 per cent (which is recommended when there is not a proper control group). Doubling this bias estimate to minus 20 per cent reduces the return on investment ratio from 3.41 to 3.03. It would take a reduction of nearly 75 per cent for the ratio to be reduced to 1.0 (i.e. where costs are equal to benefits).

Additional benefits not included in the CBA

- We have not included any **family, community and child impacts** in the CBA. 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 earnings can result in higher household spending and therefore higher indirect tax revenues, for example, in the form of VAT receipts. As an example, in the macroeconomic analysis of the New Deal for Young People, indirect tax receipts accounted for over 20 per cent of the beneficial impact of the programme on public finances.¹⁷
- **Longer-term impacts:** we have calculated the benefits of the programme for the programme period only. However, impacts on earnings, reduced Housing Benefit payments and the associated impact on the individuals' wellbeing can last into the longer term, especially in relation to a child's performance at school and the ongoing benefits when they reach adulthood.
- **Mental health:** the MI does not allow us to estimate the number of participants with mental health conditions. However to the extent that improved income can result in improved mental health, there is likely to be additional economic benefit. This stems from the reduced cost of health 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:** Given that Skills Escalator participants are privately renting or in temporary housing, there could be some savings associated with reductions in housing evictions and statutory homelessness, as a result of earnings increases. These include savings on the costs of repairing and re-

letting properties, administrative and legal costs, costs of temporary accommodation, and writing off arrears at the point of an eviction.¹⁸ Savings associated with reduced homelessness include the reduced costs of emergency accommodation, administration and legal advice.

- **Reductions in Working Tax Credit:** The programme's management information shows that 21 individuals who had an earnings progression were claiming Working Tax Credit when they joined the pilot. This may have resulted in some reduction in tax credit payments as a result of the pilot, but it is difficult to know for sure as, unlike for Housing Benefit, the amount of tax credit payments was not recorded.¹⁹
- **Upskilling:** There is evidence of the future economic benefit from 'upskilling', based on the wage returns to different levels of qualification²⁰. This means that those individuals who completed a qualification but did not achieve an earnings progression during the lifetime of the pilot may experience an economic benefit in the future. We were not able to easily calculate the value of this, however, since many pilot participants engaged in *reskilling* rather than *upskilling*, that is they did not take a higher level qualification than they already held. In many cases, this included individuals with higher level qualifications from overseas taking lower level ESOL qualifications. There is limited evidence available on the financial returns to taking ESOL qualifications.

¹⁷ Riley and Young (2000), *New Deal for Young People: Implications for Employment and the Public Finances*, National Institute for Economic and Social Research:
http://research.dwp.gov.uk/asd/asd5/working_age/wa2000/esr62fin.pdf

¹⁸ Research Briefing: Immediate costs to government of loss of home, Shelter, 2012

¹⁹ The Manchester New Economy model does not include any values for in work benefits.

²⁰ Further education: comparing labour market economic benefits from qualifications gained, BIS, December 2014

8. Conclusions and recommendations

This final chapter presents an overall summary and commentary on the progress of the Skills Escalator pilot over the last two years. It presents key outcomes and examines how well the support model worked at the client level to promote earnings progression. The chapter also considers the sustainability and scalability of the pilot and presents a number of recommendations based on the evaluation findings to improve the design and delivery of pilot support as the Skills Escalator is rolled out further.

Review of findings

The Skills Escalator pilot delivered an innovative support model, addressing a key gap in support for people in low-paid work to access training and other support to improve their earnings.

Referrals

A strong partnership with (internal) local authority housing teams provided an effective referral route into the pilot, with recipients of partial Housing Benefit receiving a targeted individual invitation to take part. The distinctiveness of the target group, the tangible offer of funded training and the offer of personalised flexible support resonated with recipients and prompted take-up.

Moving forward there is potential for further integration with Jobcentre Plus as a key referral route. This relationship has been developed furthest in Hounslow, where UC rollout is more advanced. Early findings from this experience were that the nature of client needs and level of motivation for progression were different for clients engaging through JCP, due to the contrast between voluntary engagement through Housing Benefit and mandation via JCP. This may require modifications to the pilot support model in future.

Training provision

The core pilot offer of funded training provision appeared to be effective in promoting engagement with the pilot and addressing a key barrier faced by low-paid workers of accessing funds for skills improvement. Just over a third of clients enrolled took up a training course through the programme at a range of different levels and in different sectors.

Clients reported that taking up training was associated with a range of soft outcomes, such as improved self-esteem and a sense of purpose and increased confidence. Those who accessed training related to their current job role also reported that their job performance had improved.

Flexibility in the type of training that could be funded was a key strength of the pilot. ESOL courses were taken up by the largest number of participants overall. Other popular courses included teaching/ education; accountancy or bookkeeping; beauty, fitness and wellbeing; childcare; and IT courses. However, one of the challenges faced by pilot staff was the lack of flexibility in course scheduling – which was particularly problematic for clients with childcare responsibilities or irregular work patterns. Additional partnership work with training providers is suggested to help unlock greater flexibility in the scheduling and delivery of training to better meet the needs of Skills Escalator clients.

Adviser support

Wraparound adviser support is another central feature of the model, and was found to be particularly effective at supporting clients to find a new direction, mapping the steps that they need to achieve their goals, and ensuring that skills acquisition is able to be ‘converted’ into earnings progression, e.g. through careers guidance and support with job searching and applications. Advisers also play a key role in promoting clients’ confidence and motivation and thus sustaining engagement.

Adviser skills and capacity were an essential ingredient in successful implementation of the Skills Escalator, with advisers requiring a range of skills including:

- identifying client needs
- building trust
- coaching and challenging clients
- delivering tailored careers guidance
- building knowledge of training provision and wider services and
- providing a range of employability support.

The flexible and intensive nature of the support placed a burden on adviser resource, especially in Hounslow where the adviser support was resourced at 0.8FTE. In this context, partnership working and employer engagement were inevitably squeezed in favour of client-facing support. However effective partnership working is a key ingredient in the pilot support model, and therefore the adequacy of resourcing should be considered carefully in future rollout.

Support for addressing wider barriers

Results show that participants were much less likely to progress on the pilot if they did not take up training (just 11 per cent of non-trainees progressed their earnings, compared to 34 per cent of those who trained). There may be a case to review the wider support available through the pilot for those who do not require an increase in skills or qualifications in order to progress.

While the wide range of funded training and the personalised employability support were key strengths of the pilot, some support gaps in addressing wider needs were identified, including:

- access to work experience opportunities to address a key progression barrier for some clients
- self-employment support
- financial support to cover small expenditures (such as travel to voluntary placements) for clients in financially precarious circumstances, or to address emergencies which might threaten to derail programme engagement.

Pilot participants with complex needs, in temporary accommodation or finding themselves in crisis situations were at particular risk of disengaging from pilot support and there is a question as to whether the pilot is currently able to serve these clients well. Future development of the pilot should review whether further support needs to be sequenced into the client support journey to address these clients' needs.

Earnings outcomes

Around a fifth of clients who enrolled on the programme achieved an earnings outcome within the timescale of the evaluation, with an average monthly earnings increase of £529 in Hounslow and £430 in Harrow. Earnings outcomes could also result in an improved standard of living, an improved housing situation and an ability to address financial worries. Clients also reported a changed perspective and sense of direction and felt they presented a more positive role model for their children.

Earnings outcomes were most likely among those aged 31-40 years old (and much less likely for those aged over 40, and especially those aged over 50). More highly qualified participants (those starting with qualifications at level 3 and above) also had larger earnings gains than those lower qualified.

In common with other in-work progression programmes, earnings outcomes achieved through the programme were most likely to be secured through job switching rather than by internal progression within a company. Further development of links with employers by the programme might enable a greater focus on internal progression outcomes.

The Harrow pilot developed employer engagement as part of their pilot delivery, which was facilitated through a close working partnership between the employment and skills team (where the pilot was located) and the business team. This enabled effective information sharing and opportunities for joint working and also provided a broader offer to employers through the employment and skills team's 'one stop shop' offer. This reduced the risk of a conflict of interest for employers and ensured that pilot support could remain client-focused

while developing employer relationships. In future rollout, it would be useful if this model could be replicated and further developed.

Sustainability of the Skills Escalator pilot

The Skills Escalator model is currently being rolled out in the London boroughs of Barnet and Ealing, financed by ESF. The findings to date provide a strong foundation for future rollout by demonstrating the ability of the pilot to work effectively in partnership with a variety of stakeholders and produce progression outcomes for low-paid residents. The future delivery of the programme in four London boroughs should widen access, facilitate greater joint working and benefit from economies of scale. In Barnet, the Skills Escalator service will be co-located within *Working People Working Places*, a locally-based employment support service which should provide an effective referral route into the support.

Partnerships with Jobcentre Plus were furthest developed in Hounslow, with the rollout of Universal Credit full service (and consequently in-work conditionality) a key driver of this. There are plans to expand this partnership further, for example through more proactive engagement with JCP Work Coaches in order to embed JCP as a key referral route. To facilitate this, data sharing arrangements need to be further developed as currently DWP are unable to share claimant data with the Skills Escalator pilot.

Future funding options

Options to provide sustainable funding for the service in the future, include:

- Making use of Advanced Learner Loans (ALLs), currently available to cover the costs of training at level 3 and above. ALLs are loans which are paid directly to the training provider and do not have to be repaid by the individual until earnings reach £21,000 per year. There is generally low awareness of Advanced Learner Loans and pilot staff were generally reluctant to promote them for fear of increasing household debt. If this approach was adopted, support would need to be provided to outline funding options to clients, to conduct 'better off' calculations to show the impact of the investment on their future earning potential, and to explain the repayment structure of the loans.²¹
- Funding the service through the DWP's dynamic purchasing system (DPS). At the time of writing, pilot leads and stakeholders were planning to scope whether elements of the Skills Escalator service could be funded through DPS as part of the support model for Universal Credit.

²¹ This is the planned approach of the Career Advancement Service (CAS) in Oldham.

Recommendations

Based on the evaluation findings, we have identified a number of recommendations for changes to practice and delivery as the pilot rolls out to Ealing and Barnet, as well as options for scaling up.

Client referral and engagement

- Receipt of partial Housing Benefit proved to be a difficult eligibility criteria for the pilot, since it is awarded based on household-level income, while the pilot provides individual-level support. Therefore, there were individuals with low earnings who were not eligible to benefit from the service. Going forward it would be useful to widen this eligibility, particularly as this would help with the engagement of new referral partners (for example employers).
- For further rollout, it would be beneficial to work with additional partners to build in more proactive referral points to pilot support, for example with IAG or outreach advisers in colleges/training providers who could refer learners who are looking to progress their income and with local authority housing staff who can engage with potential clients at the point of claiming benefit / when affected by the benefit cap. Introductions and 'warm handovers' to the pilot from trusted advisers who can sell the pilot offer and support referrals would be most effective.
- The referral route from Jobcentre Plus has the potential to be developed further, thus helping to support the rollout of UC. However it is important that Skills Escalator should remain a client-led, voluntary service and advisers should ensure that clients are committed to training and likely to complete it. Further development of monitoring and communication between JCP and the pilot is required in order to track whether clients referred to the pilot engage with the support, and followed up with other appropriate provision and given a chance to be re-referred in the future.
- The pilot's support model is novel and many clients are unfamiliar with progression support. As many do not have any comparable experience, it can be difficult for clients to know what to expect and what is expected of them. Additional information about the programme so that clients can prepare for the initial appointment could help support these clients, particularly those with additional needs.

Nature and level of support

- The research found that time-poor working clients would only engage on their own terms and at a time that was suitable for their individual and household circumstances – but could benefit from support when the time was right. As such, we recommend that the pilot continues to deliver a flexible service where clients can

engage at different points in time – and that clients who temporarily disengage due to personal circumstances should be proactively followed up to ensure that they feel confident to opt back in when they are ready to do so

- Clients with additional or complex needs risked disengaging with the support or not being able to overcome their barriers and achieve an outcome. This could be addressed by:
 - Adviser decision-making at the point of needs assessment over whether the support is suitable (at that present time) for the client and to offer signposting to an alternative support offer if that is appropriate.
 - Reviewing the pilot support model to ascertain whether it would be useful to develop different streams of support to suit different levels of need, including offering a more intensive support pathway for those with additional/complex needs.
- Both of these options would require a greater emphasis on case management to monitor progression through alternative support. This could be facilitated if the pilot support was embedded within a wider local authority employment support offer (as in Harrow where the pilot is embedded within the established employment support team), which ensures that non-eligible clients, or those who face changing circumstances, can still access employment support of some kind. This would also present a clearer support offer both to clients and to referral partners which could encourage referrals.

Training and development

- A key strength of the Skills Escalator model is the wide range of training courses funded which can match individual needs. ESF funding (for the pilot rollout) has stricter criteria (e.g. accredited training only) which has caused some difficulties. We recommend that the training offer should remain flexible and subject to staff discretion.
- While there was a good mix of training offers, there was a need for greater flexibility in delivery schedules for those with caring responsibilities and/or irregular working patterns, and to minimise the time between identifying a training need and a client taking up support. We recommend that the pilot works more closely with learning and skills providers to help unlock greater flexibility in the scheduling and delivery of training, for instance developing more modular delivery, which is also helpful for participants in unstable or insecure work.

- Where delays in the take-up of training cannot be avoided, it is crucial for the adviser to maintain contact and try to move the client forward in other areas in order to maintain engagement with the programme.

Resourcing of support

- Longer-term funding for the pilot need to be reviewed to support its sustainability. Short-term funding negatively impacted on adviser turnover, which was detrimental to the delivery of client support.
- Adviser resource is crucial to the model and is resource-intensive because of the flexible client-facing support model. Resource also needs to be built in for adviser networking which is also key to effective delivery, particularly to enable the support offer to be responsive to clients with additional/complex needs.
- In Hounslow, clients were RAG-rated in order to prioritise support given limited resource, but this leads to a risk that those who require most support do not have their needs met. The impact of RAG rating on the delivery of support for clients with different levels of need should be reviewed. This is particularly important within the context of a potential increase in referrals from Jobcentre Plus, since these clients were often higher need

Employer engagement

- The ability to scale the Skills Escalator model would be supported by an expansion of the employer-facing support. Arguably, greater employer engagement is vital to increase the scale of the programme, through providing referral routes into the support and readily available vacancies for clients.
- Building up employer links is time consuming and the service needs to maintain a client focus in order to be able to support those with more complex needs. Experiences in Harrow suggest that it is easier to build in employer-facing support when there is a close partnership with other business support services within the local authority. This supports employer engagement since the authority can offer support to fill vacancies if clients do leave their original employer to progress their income. This approach would also unlock more entry level jobs and so would assist programmes which support unemployed people into work.
- Given the wider rollout across four boroughs, there is scope to achieve economies of scale in employer engagement by developing a multi-borough approach, working in partnership with existing sub-regional business engagement networks and forums. In the longer-run there is potential to link the service to a broader 'sector pathways' approach to skills development and commissioning, for example through

the West London Skills Commissioning Board and the area review process for skills.

- An expansion of employer-facing work has implications for Skills Escalator advisers. Having advisers who are both client-facing and employer-facing could enable better job matching (by 'reverse marketing' of clients to jobs). However this would require a wider skillset and has implications for time and resource. Additional adviser resource would be needed or the support model would need to be modified so that it is less adviser intense. Possibilities to achieve this could be to make greater use of group support, online support and peer (volunteer) support. However there are limitations to the extent of this given client needs.