

Fit for the future: Reshaping Orbit's employment service

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About Learning and Work Institute

Learning and Work Institute is an independent policy, research and development 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.

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Executive summary

Learning and Work Institute was commissioned by Orbit housing association to undertake a review of its employment support service. The aim was to evaluate the impact of the current offer, provide insight into the future of work, and set out recommendations for the future of Orbit's employment support. The review involved interviews with customers of the employment support service and with internal and external stakeholders, a focus group with employment support staff, analysis of management information, a literature and data review focused on the future of work, and a workshop with senior Orbit staff.

Orbit's employment support offer was introduced from 2014. Funded by the community investment fund, the employment team now sits within the tenancy sustainment team. The service is focused on Orbit tenants, who make up 80 per cent of customers. Most are unemployed or inactive, with just one in ten in work. The aims of the service are to make customers better off, to improve their quality of life, and to help them sustain their tenancies, through supporting them to move towards work, progress into work, and progress within work.

The service is delivered by a team of 14, including seven employment and skills coaches. The team aim to deliver bespoke, one-to-one employment advice and support. Customers are referred either internally, externally, or self-referred. Coaches conduct initial assessments, develop an action plan, and then provide personalised support to overcome their barriers.

Customers were generally positive about the support they received. They compared Orbit's employment support favourably with Jobcentre Plus, and they were positive about the training offer, the availability of grant funding, and the impact on their motivation.

Outcomes of the service were explored through analysis of Orbit's management information. Looking across both the core employment team and the Love London Working programme, **Orbit achieved an outcome rate of 30 per cent across the period 2016 – 2019**. Orbit provides in work support to customers who succeed in moving into work; three in four (77 per cent) sustain in work for 13 weeks, with nearly two in three (62 per cent) sustaining in work for 26 weeks.

A **value for money** assessment was conducted using the HACT Social Return on Investment model. This finds that across the employment team and the Love London Working contract, **for every £1 spent the programme achieves £2.62 of social value**. The average person supported into work by the employment team is nearly £8,000 a year better off and on average, rent arrears are reduced by £75.50 after 26 weeks in work.

The **strengths** of the service include a skilled and experienced team, who provide a high-quality and tailored service, which helps address people's barriers to work. The flexible grants which can be used to pay for training or any other work-related costs were seen as

particularly effective by both coaches and customers. The training offer was seen as effective, though an area that could be built on further.

Potential **areas for development** were also explored. Several participants highlighted the need to raise awareness of the service so that more tenants can benefit. Resourcing and reach were seen as a particular challenge, with a relatively small team seeking to deliver across very large geographical areas, with real risks for efficiency and service continuity. There was recognition that support for in work progression was relatively limited, and that the training offer and the use of digital technology could both be improved. Finally, several participants questioned whether the current position of the employment service within the internal structure was fit for purpose.

A review of the literature and data relating to the **future of work** was carried out to understand how the labour market and policy context has changed since the development of the current service, how it will change over the next decade, and the implications of this both for Orbit's tenants, and for the future of Orbit's employment support. Since the development of the current offer, there have been significant changes in the labour market:

- Employment has risen to a record high and unemployment has fallen by nearly half, but many adults, including those with disabilities, still face barriers to employment;
- Self employment, insecure forms and the gig economy have all grown;
- Low pay and in work poverty are an increasing challenge; most people in poverty, and most of those accessing Orbit's debt advice are in a working household;
- There has been an increase both in the demand for and supply of skills in the workforce, and the labour market returns to qualifications have increased;
- Universal Credit is transforming welfare, placing greater emphasis on in work progression.

Over the next decade, a number of megatrends will shape the economy and the labour market, with profound implications for Orbit's tenants and employment support;

- **Automation and technological change** will reshape the labour market. While we will not see a jobless future, there will be significant flux in the labour market, with a decline in demand for many occupations, particularly lower skilled roles. Many workers will see their roles significantly changed by advances in technology. Employment and skills services will have to help people keep their skills up to date, and support those who are displaced from the labour market to adapt, retrain and return to work.
- **Demographic change** will lead to lengthening working lives, and an increase in demand in health and social care sectors. Employment and skills services will need to support people to work longer into later life.

- **Decarbonisation** will drive significant transformation in the economy and the labour market, with huge increases in demand in some areas, including in insulating and retrofitting tens of millions of buildings.
- **Brexit** may have a profound impact on our economy, with the likely impact depending on the outcomes of the negotiations over the future trading relationship, and the future migration system.

While it is inherently difficult to predict future employer demand for labour and skills, government forecasts suggest that overall employment levels will remain high, but with large increases in some sectors and occupations, and significant declines in others. Both the demand and supply of skills are projected to continue to increase in the coming years. The proportion of employment accounted for by self employment is expected to decrease.

Building on the above, we make a series of recommendations to transform the current employment support offer, so that it is fit for the future, and that I can meet the needs of Orbit tenants in the next decade. We recommend that Orbit should consider:

Reviewing the structure of the service. Orbit's should consider restructuring its offer, so that basic employment support is delivered by the tenancy sustainment team, with the employment support team focused on providing specialist support in a small number of priority areas, with high stock density and high needs.

Embracing digital platforms and focusing support where it is most needed. Orbit's future employment support service should be based on a tiered approach and a blended model of delivery. Customers should be triaged, and placed into either a universal support group, a light touch support group, or an intensive support group. Support for those with less significant barriers should be delivered primarily through a new interactive, self-service digital platform, allowing advisors to focus on the long term unemployed and those facing more profound barriers to work. This approach would help reduce deadweight and increase the impact of the service.

Supporting in work progression. Orbit should increase its focus on supporting residents who are stuck in low pay and/or insecure work to increase their earnings and find more secure employment. This should involve a more active targeting of those in work and in poverty, a greater focus on work-related training, and support from specialist advisors. The service could either be delivered in-house, by specially trained advisors, or commissioned from an external provider. This approach could help reduce in work poverty among Orbit tenants.

Focusing on retraining and upskilling. Orbit should introduce an Orbit Future Skills Fund to empower tenants, and support them to develop the skills needed for the jobs of the future. The fund should provide a personal learning account, focused on customers who are most at risk from changes in the world of work, to support them to upskill. The fund should also support the delivery of high-quality training for groups of Orbit customers

in areas of future skills demand. This approach could help support Orbit residents to compete in an increasingly highly skilled labour market.

Helping customers adjust to longer working lives. With people facing longer working lives, and rapid change in the labour market, Orbit should introduce an Orbit Mid-Career MOT for tenants in mid to late career. This should focus on exploring customers' career aspirations, their skills gaps, and available training. This approach could help Orbit to engage with customers who are at risk from changes in the labour market, and to help them to retrain, upskill, and plan the next steps of their career.

Leveraging opportunities through social value. Orbit should develop a social value function, led by a dedicated social value officer. This approach could help residents access employment and training opportunities created by Orbit as an employer, and through its procurement.

Exploring future funding opportunities. Building on Love London Working, Orbit should explore partnering with other housing associations and employment and skills providers on a local level to bid for funding from the UK Shared Prosperity Fund. This approach could help Orbit secure additional investment to expand the scope and scale of its employment and skills offer.

Introduction

Orbit is a leading housing association, which provides secure housing to over 100,000 customers in 40,000 homes, spread across the Midlands, East Anglia, and the South East. The organisation has 1,100 employees, and a turnover of £316 million in 2018/19.

Orbit has a focus not just on building homes, but on building thriving communities. As part of this, Orbit has a community investment fund, worth £4.7m last year, to support positive outcomes for tenants and the wider community. The fund is focused on four key priorities:

- Employment and skills
- Financial wellbeing
- Wellbeing with a focus on mental health
- Digital inclusion

Orbit provides a universal offer across these four key areas which is available to all of their tenants, and in some cases to the wider community. All of the offers are externally commissioned, with the exception of the employment support service, which is delivered by an in-house team.

Learning and Work Institute was commissioned by Orbit housing association to undertake a review of their employment support service. The aim of the review is to:

1. Examine and evaluate the impact of Orbit's current employment support offer;
2. Provide a deep insight into what the future world of work will look like over the next ten years, and the implications for Orbit's tenants and their employment support;
3. Based on the evidence, provide clear recommendations for the future of Orbit's employment support services;

The review was conducted between September 2019 and February 2020. It involved:

- Stakeholder interviews with senior Orbit staff and partners
- Twelve interviews with Orbit tenants who had accessed the employment support service
- A focus group with Orbit staff delivering the employment support service
- Analysis of management information from the employment support service
- A review of literature and data focused on the future of work
- A workshop with senior Orbit staff

Orbit's current offer

In this chapter we summarise Orbit's current employment support offer, setting out the aims of the service, the delivery model, and how it fits with Orbit's wider strategy.

Aims of the service

There is a clear and widely-shared understanding of the aims and objectives of the employment support offer, and how this fits with Orbit's wider aims. Staff described the ultimate aims of the service as being to help make their tenants better off, to enable them to sustain their tenancies, and to improve their quality of life. As one advisor described it, the service aims to help people '*to change their life and make a better future for them.*' To achieve these ultimate aims, the service aims to support tenants to move towards work and into work, and to support those in work to progress to a better job. The focus is currently on the former – moving towards and into work – rather than the latter.

The objectives of the programme are set out in Orbit's Employability Delivery Strategy, which was agreed in 2014. The strategy included a target of supporting 1,000 customers into employment, and 10,000 engaged in training or skills, with a focus on delivering maximum impact in a cost-effective way.

Alongside the target around job entry, there is a clear recognition of the importance of sustainability and of job quality. One of the service's key performance indicators, sustainability is measured at both 13 and 26 weeks. One advisor argued that '*in order to create sustainability in a tenancy obviously we have to create sustainability in the job itself.*' There was also a focus on job quality. One advisor explained the aim of the service as supporting tenants '*hopefully [to] find a career, rather than just a job.*'

The current offer

The employment support team is funded by Orbit's community investment fund. Since April 2018, it has been part of the tenancy support team. The team consists of:

- Seven employment and skills coaches, with one based in each area with a high level of Orbit stock;
- One employment and skills trainer, who provides a variety of courses covering motivation and employability skills;
- One employer engagement officer, who seeks to secure vacancies for customers;
- Two team managers;
- One programme manager;

- Two administrators.

Following pilots, which included internal delivery in some areas and externally commissioned support in others, Orbit opted to deliver employment support through an internal team. This was partly due to concerns around the quality of externally commissioned support, and the internal support being more trusted by residents. Having an internal team has also offered the opportunity to bring in funding, including through ESF contracts like Love London Working (LLW) and delivering support for external organisations.

The employment support team aims to deliver bespoke one-to-one employment advice and support to customers in order to support them to move towards – and into – employment. It is based on a personal advisor model, with the employment and skills coaches working with a caseloads of around 70 customers at any one time – though advisors in the focus group described their current caseload to be somewhat lower than this figure – and they are targeted with supporting four customers into work per month. Advisors provide personally tailored one-to-one support on their journey towards and into work. The service seeks to use a coaching model, with customers supported to find solutions themselves. Given the geographical spread advisors work over, most support is delivered over the phone or digitally, though some support is delivered in person where possible.

In terms of the **customer journey**:

- Customers are **referred** to the employment service either by the triage team, from colleagues in other parts of the organisation – particularly the tenancy support team, by external partners, or through self-referrals on the Better Days website;
- Tenants who are referred to the service are **engaged** by an employment and skills coach, with an aim that engagement takes place within 48 hours;
- Employment and skills coaches conduct an **initial assessment** with the customer which explores specific needs, their aims, and barriers. While the preference is for these to take place in person, most are now carried out over the phone due to the size of the areas covered by advisors and the number of customers.
- The employment and skills coaches then develop an **action plan** with the customer, which will set a realistic job goal, and how they will work together to address the identified barriers. Typical actions include:
 - o Creating an effective CV
 - o Support with job search and application
 - o Interview skills and preparation
 - o Employability and motivational training sessions

- Completing better off calculations
- The coach and the customer will hold **action plan review meetings** every four – six weeks to assess progress, and identify further actions.
- Customers have access to a range of **free training opportunities**, including employability and motivational training, delivered from local community venues.
- In addition to openly available opportunities, Orbit provides some **job-brokerage support**. An employer engagement officer works with national employers, including Greggs, Primark and Tesco, and employers in Orbit's supply chain, to help them recruit to vacancies, and to secure opportunities for Orbit's customers.
- Alongside support to access jobs, Orbit provides training and **business start-up** support for customers looking to become self employed. This includes support in creating business plans and cash flow forecasts for self employment.
- Customers can apply for **flexible grants** of up to £500 to support them with costs involved in transitioning into work, from travel and clothing to bespoke training.
- On securing work, customers are supported for 26 weeks to help them **sustain employment**. Orbit collects sustainment data, as well as data on the amount customers are better off in work after 26 weeks, and the change in their rent arrears.

Support from employment coaches lasts an average of six months before customers enter work. Alongside the employment-related advice and support, Orbit's team can refer customers to support to address other barriers, such as debt, mental health, or digital skills gaps.

In addition to the mainstream support it provides, Orbit has also delivered support through external contracts. These include Love London Working, an ESF-funded employment support partnership led by a number of housing associations, Accelerate – an ESF-funded project delivering motivational training, and a number of projects for NHS partners.

In addition to the in-house employment support team, Orbit commissions place-based projects to address identified local needs, including a limited number of employment support projects.

Alongside the employment support service, Orbit has recently created a placemaking and partnerships team, which aims to work in partnership with customers, communities and stakeholders in six areas with high levels of Orbit stock, to build thriving communities. Orbit is also working with three housing associations on the Community Impact Partnership, a social investment partnership which is investing £3 million to support social enterprises.

Orbit is conscious of the rapid changes in the external environment, both in terms of the labour market, and wider employment and skills policy, that have occurred since the

design and development of the current service. They are keen to reflect on these changes, to understand what they mean for their tenants, and how their employment support service may need to adapt.

Target group

Orbit tenants are the primary target group of the service, and they make up around 80 per cent of customers. The service is flexible, and is open to non-tenants in the areas in which Orbit operates. There tend to be higher levels of non-tenants accessing the training support and the Love London Working support, compared to the core employment support offer. Advisors saw the flexibility in being able to work with non-tenants as beneficial in both ensuring the service is open to the community, and allowing it to work effectively with partners.

The service is relatively flexible in who it supports, working both with people who are economically inactive, the long term unemployed, more recently unemployed, and those who are in work.

Barriers to employment

The employment support service works with customers with a wide variety of barriers to work. The most commonly cited include:

- Mental health needs
- Disabilities and long-term health conditions
- Basic skills needs, including low literacy, numeracy and digital literacy
- Caring responsibilities
- Debt issues
- Ex-offenders with criminal records

Evaluating Orbit's employment support

In this section we present the evidence from the service evaluation. We draw on evidence from a review of existing documents, interviews with senior Orbit staff, stakeholders and customers, a focus group of Orbit employment support staff, and analysis of Orbit's management information.

Customer feedback

Twelve semi-structured interviews were conducted with customers of Orbit's employment support service. Interviewees were sampled to reflect Orbit's customer base in terms of demographics, region, employment status, and outcome.

Referral

Most customers were Orbit tenants. Some found out about the programme upon moving into an Orbit property. Others were contacted by an Orbit work coach during their Orbit tenancy; a few customers were informed of the programme during a property inspection. One customer was referred by Jobcentre Plus (JCP). Another was told about it at a local charity that helps people with substance abuse issues.

Customers generally found it easy to make their first appointment, with the only exception being a customer who had mental health problems which made this more difficult. Most customers made their first appointment by text or phone, and were satisfied with the time it took for an Orbit work coach to respond to their request.

Aims and barriers.

The majority of interviewees wanted a full time job. Some were satisfied with the prospect of part-time work – particularly those with caring responsibilities – and a few were attracted to self employment which they saw as offering greater flexibility and autonomy. The career aspirations of customers varied enormously. Some wanted help getting into specific industries, such as catering or beauty, while others were more flexible in their job goal, and instead focused on finding a job which suited their other commitments, like childcare or volunteering.

Most of the customers identified low confidence as a barrier to securing work. For some, this was a result of being out of work for a long time. Some were put off by how competitive the job market was. As one customer described; '*you apply for a job and four hundred apply for the same job*'.

Transportation was repeatedly mentioned as an issue. Many of the customers live in rural communities poorly served by buses, which tend to be more expensive than in urban areas.

Caring responsibilities, and particularly childcare was a major barrier to employment for many customers, particularly for women. This both impacted the hours people were

available to work, and their household finances due to the cost of childcare. One woman explained; '*I needed to find something that fitted in with my son*'. Another customer mentioned caring for her father as a responsibility which required a very flexible job.

Many customers believed a lack of qualifications was an impediment to finding work. Some were looking to complete vocational qualifications, such as door supervisor training. A few customers lacked level 2 English and maths qualifications. Some were interested in improving their IT skills, which they believed were necessary both to apply for jobs online, and to do the jobs they wanted.

For a few customers, particularly younger customers, a lack of work experience was a barrier. In some cases, this was because they wanted a career change but didn't have the experience in the field they wanted to enter. In other cases, long-term unemployment made them less employable, so they needed some interim experience to prove their current capabilities. Many of the customers expressed a desire to start afresh, either because they had recently moved to a different town, or personal circumstances made continuing in their previous occupation difficult.

Disabilities, health conditions, and particularly mental health issues were frequently cited as barriers to work. Physical health conditions were more commonly cited by older customers, with mental health conditions being highlighted consistently by customers of all ages. In less severe cases, customers highlighted feelings of fear and anxiety relating to returning to work, particularly when they had not been in employment for some time. In more severe cases, diagnosed conditions such as depression and PTSD were a significant barrier to returning to work. One customer had injured her knee, which made it very difficult for her to travel to work.

Most customers were receiving employment support from organisations other than Orbit. In most cases, they were being helped by JCP. Opinions of the support provided by JCP were largely negative. They found JCP impersonal, unfriendly, and unresponsive to their needs. A lot of criticism of JCP stemmed from the rollout of Universal Credit. Customers' experience of Universal Credit was unanimously negative. However, one customer praised JCP for organising and paying for her IT course, including covering her transport expenses.

Some customers were also getting help from charities such as the RBLI, the Job Shop, or the Shaw Trust. These charities' support was generally viewed positively, though one customer said Orbit's programme was superior to the Shaw Trust's, because of the one-on-one support offered.

Customer experience of the programme

With only two exceptions, customers' first impressions of the service were very good. One customer even described it as a '*breath of fresh air*'. Customers praised the approachability of the staff, how friendly, supportive and helpful they were, and how easy it was to book a session. The one-to-one sessions received particularly high praise, and were favourably contrasted to the more formal JCP interviews, or the group sessions other charities host. Perceptions of the service were consistently positive across all ages, genders, ethnicities, and previous employment status.

The customer who had the least favourable impression told us that staff made little effort to communicate with him, or to support him or motivate him when he was struggling with his course. Another customer was less critical, but described the process of enrolling in the programme as slow, and that he felt 'forgotten'. He recommended Orbit keep in regular contact with customers as soon as they are told about the programme.

The programme helped the customers in a wide variety of ways. Some had training courses and vocational qualifications organised and paid for. Courses ranged from one-day certificates and informal training, all the way to level 2 and 3 qualifications in subjects like massage therapy, digital skills, English, maths, beauty and catering. The array of qualifications available was consistently praised as a strong aspect of Orbit's offer.

Most had help applying for jobs. This included CV writing, help writing cover letters, interview practice, and help applying for jobs. Sometimes, customers were linked with job opportunities brokered by Orbit, and in a few cases customers applied for jobs at Orbit.

The two customers who wanted to be self employed received a great deal of support. They were both given £500 worth of grants to help start their businesses. Both customers were also given laptops, and one received a printer. Orbit provided tutorials on how to start their businesses, which included topics on how to manage business finances and how to use IT and social media for business purposes.

The aspect of the programme which received the highest praise were the range of courses on offer, the supportiveness of the staff, the small business support, the continued support for those who have found work, and the confidence boost participating in the programme gives participants.

The main ways that customers identified that Orbit could improve the service included more frequent monitoring of and contact with customers, ensuring a smooth transition if a customer's work coach changes, more funding for courses and business start-ups, and better marketing to increase public awareness of the programme. The last of these suggestions was the most frequently mentioned.

Impact of the programme.

Nine out of twelve customers interviewed said the programme helped them achieve their goal, with many finding work. Both of the customers who sought self employment are on track to run successful businesses, with one already having 300 customers. All of the customers who achieved their initial goal said their confidence improved. One customer felt his overall approach to life had improved, saying, '*I feel that I want to do more now, even if it's just volunteering*'. Common areas of improvement included self-esteem, the ability to look for and find jobs, and improved wellbeing and mental health.

Some customers who did not find work nevertheless said the programme had helped them. One explained that she had not found a job due to the competitive job market locally, but that she had passed the counselling course Orbit organised for her, and her confidence has improved, increasing the likelihood of her finding a job in the future. Another customer who was yet to find work had just started some courses arranged for her by Orbit, and described how the service had helped her both with her dyslexia and

depression, including through being supported to access counselling and a confidence-boosting course. A customer who didn't find paid work nevertheless believes his initial goal was achieved as his self-esteem and confidence has improved. He enjoys the voluntary position Orbit got him, and believes he is on track to find employment as soon as he achieves his level 2 English and maths qualifications. One customer who had remained unemployed described his lack of motivation as a significant barrier.

The findings suggest that Orbit's employment support is responsive to customers' needs, that it is effective in helping people achieve their job goals, and that where this is not possible, it still delivers positive outcomes for customers.

Strengths

In addition to the interviews with customers, interviews were also held with internal stakeholders and external partners, and a focus group was held with employment support staff at Orbit. These findings are brought together below to identify the strengths and areas for development of the service:

Dedicated, skilled and experienced team

Both customers, advisors and senior managers described the employment support team as being made up of dedicated and skilled staff. They were seen as bringing a wide variety of experience and expertise, and a good understanding of the local labour market.

Tailored and responsive support

Advisors highlighted the ability to provide bespoke advice to customers to help them overcome their specific barriers. As one explained, '*The service's strengths are we provide a tailored one to one service, so we listen to what the customer wants, identify the needs and our support is tailored to them overcoming their barriers.*'

Customers were positive about the quality of support that they received from Orbit, comparing this favourably both to Jobcentre Plus support, and to other voluntary provision. External stakeholders were also positive about the quality of advice and support provided to customers.

Flexible grants

The flexible grant funding which advisors can use to support customers was seen as being a particularly effective element of the support. These are used in a number of ways, including to cover the cost of work-related training courses, or to help customers setting up as self employed to buy the equipment they need.

Advisors highlighted the ability to provide grants to support customers with any costs they faced on moving into or staying in work. As one advisor explained, '*they allow us to provide customers with lots of things that they need, to move forward.*'

Customers were very positive about the impact of the grant funding, particularly around enabling access to work-related training, and supporting customers to set up as self employed.

Training offer

Advisors and customers highlighted positive aspects of the training offer at Orbit. The motivational training was seen as effective in helping customers increase overcome low levels of motivation. Customers also valued access to the work-related training courses, both provided directly by Orbit and arranged through them.

Positive outcomes

Customers, advisors and senior managers at Orbit highlighted the evidence of positive outcomes delivered by the service. In addition to strong performance against job outcome targets, the service was seen as having relatively good job sustainment rates, and good data both on the impact on household finances and on rent arrears.

As one advisor put it; '*we're proven to have reduced rent and seen people significantly better off in work, so that is being measured.*'

The outcomes of the service are explored in more detail in the following section.

Challenges and areas for development

Awareness

Advisors and senior managers highlighted awareness of the service – both within the organisation and among tenants – as an ongoing challenge, which was limiting the potential reach and impact of the service.

Awareness of the service internally was described as initially being relatively limited, which served to reduce the number of internal referrals. This has improved in recent years, particularly since the move over to the tenancy support team, but it is seen as an ongoing challenge.

Awareness among tenants was also seen as relatively limited, which served to limit the number of self-referrals. This was due in part to the service being still quite new, and separately branded from Orbit.

Resourcing and reach

While Orbit has demonstrated a significant commitment to the employment support team over a number of years, the level of resources remains limited compared to the scale of need among tenants.

Orbit's employment support team consists of 14 people, of which seven are caseload-carrying employment and skills advisors. This represents just over one per cent of Orbit's workforce. At any one time, they are working with just under 500 customers, of whom

around 400 are Orbit tenants. This represents around 0.25 per cent of Orbit's total tenant population.

One advisor highlighted the relatively limited 'reach' of the current service, arguing that more tenants could benefit from the offer:

'For the amount of customers that are there that potentially could need help, to the amount of customers that we're currently helping and the percentage, well, from a percentage point of view, it's very, very low and I think that's that frustration that we all feel'.

As Orbit's stock is spread across four regions of England, in dozens of local authorities, the employment and skills advisors have to operate across very large areas. Rather than operating from hubs, advisors tend to provide support either remotely over the phone, or in person by travelling to meet customers.

This makes delivering services effectively and efficiently a significant challenge. It limits the ability of advisors to develop deep understanding of their area, and strong partnerships with local stakeholders. It also represents a significant risk in terms of service continuity if a member of staff is unavailable. As one stakeholder explained, the current structure leads to a '*single point of failure*' whereby if one advisor is off sick, the service '*freezes*', with a significant impact both on service continuity and on the colleagues who have to try and cover. Finally, the scale of the areas also limits the visibility of the service to tenants.

In work progression support

A number of participants highlighted the growing challenge of in work poverty among Orbit tenants. The majority of people in poverty across the UK now live in working households. This is reflected among Orbit tenants too; three in four (74 per cent) of the customers accessing their debt support are in a working household.

The rise in in work poverty is seen both as an important issue facing tenants, and an issue that impacts on Orbit's 'bottom line' in terms of their ability to collect rent.

While Orbit's employment support does help some in work customers, it is primarily targeted at those who are out of work. The lack of support for in work progression was seen as a gap by a number of participants, and something that would require a different approach. As one participant explained, '*that requires a bit more of a flexible structure, a flexible model, and that's something we've never really got our heads round*'.

Training offer

While there were a number of positive comments relating to the training offer, this was seen as a potential area for further development and investment. A number of advisors highlighted lack of basic digital skills as a significant barrier for many claimants, both in accessing Universal Credit, looking for work, and securing a role. Advisors suggested that the offer of basic digital skills training could be improved.

Use of digital technology

A number of participants highlighted the relatively limited use of digital technology as part of the service. There was an awareness of the potential of digital technology to deliver support in a cost-effective way to a geographically dispersed customer group, however the lack of basic digital skills among many customers was seen as a potential barrier here.

Orbit is currently exploring the potential of using digital platforms for supporting customers alongside advisor support, in order to offer a blended approach which could offer greater reach and scale.

Coherence of internal structure

The employment support team was created as part of the community investment team. However, while it is still funded by community investment, it now forms part of the tenancy sustainment team. This team provides advice, support and training to tenants across a wide range of areas, with the aim of supporting them to maintain their tenancies.

In addition to the employment support team, the community investment team and the tenancy support team, Orbit also has a newly created placemaking team which aims to support economic and social development in areas with higher levels of stock.

This represents a relatively complex and potentially over-lapping structure, and a number of participants suggested that either working across teams could be improved, or that the structure could benefit from being reviewed.

Administration and internal systems

Advisors highlighted what they saw as excessive and time-consuming administration, and the perceived duplication of processes, as an area for improvement. There was a recognition that work was underway to address this, with a new system being developed.

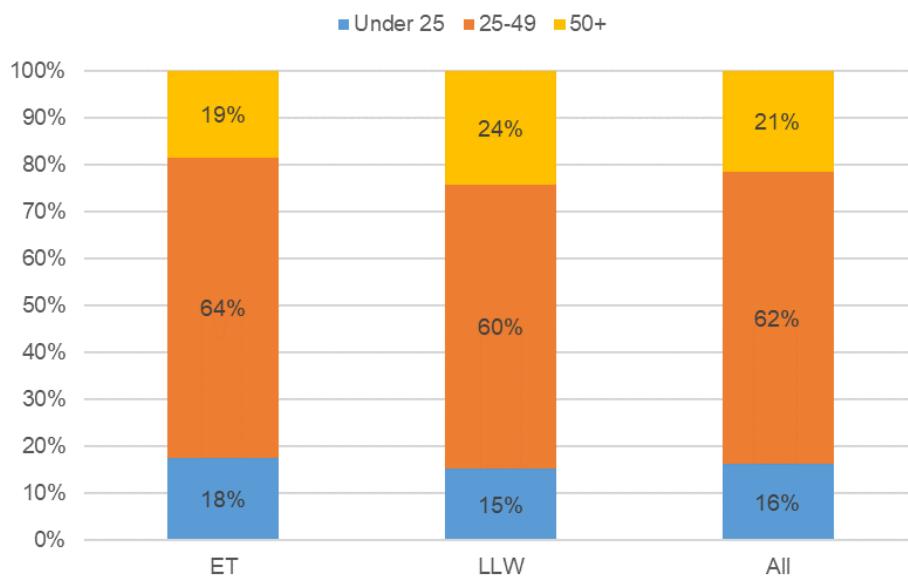
Management information analysis

An analysis of management information (MI) collected from the Orbit employment team (ET) and the Love London Working Team (LLW) was conducted to understand the impact of the service. ET MI covers the period January 2016 to October 2019, while LLW MI covers July 2016 to July 2019. The analysis shows results of both teams separately and as a whole.

Participants by characteristic

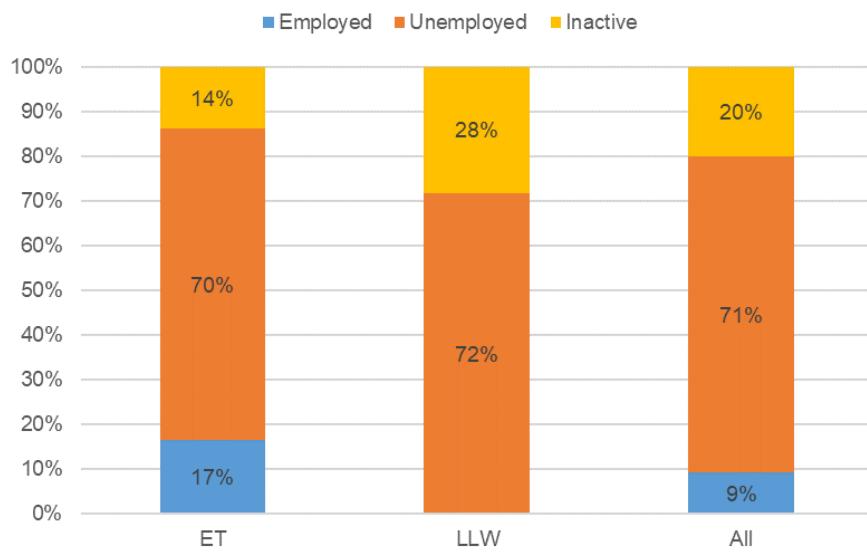
Women made up the majority of participants supported both by the ET (61 per cent) and LLW (55 per cent). Across the two programmes, 58 per cent of participants were women. Figure 1 shows participants by age. Just over sixty per cent were aged 25 to 49, while 16 per cent were aged under 25 and 21 per cent were aged 50 or over.

Figure 1 Participants by age



On accessing Orbit's employment support, seven in ten customers were unemployed, with 20 per cent economically inactive, and nine per cent already employed. As figure 2 shows, the LLW team was more focused on economically inactive customers (28 per cent), and does not support customers already in work. The ET programme supported fewer inactive customers (14 per cent), and a significant number of customers who were already employed (17 per cent).

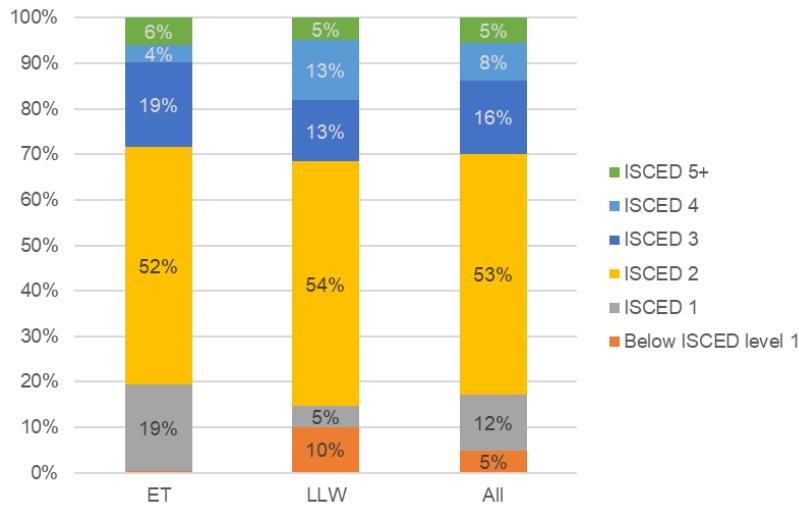
Figure 2 Participants by previous labour market status



In keeping with other employment support programmes, participants tend to have relatively low levels of qualifications. As figure 3 shows, across the ET and LLW, just three in ten (29 per cent) of customers had a level 3 qualification or higher. By comparison, looking across

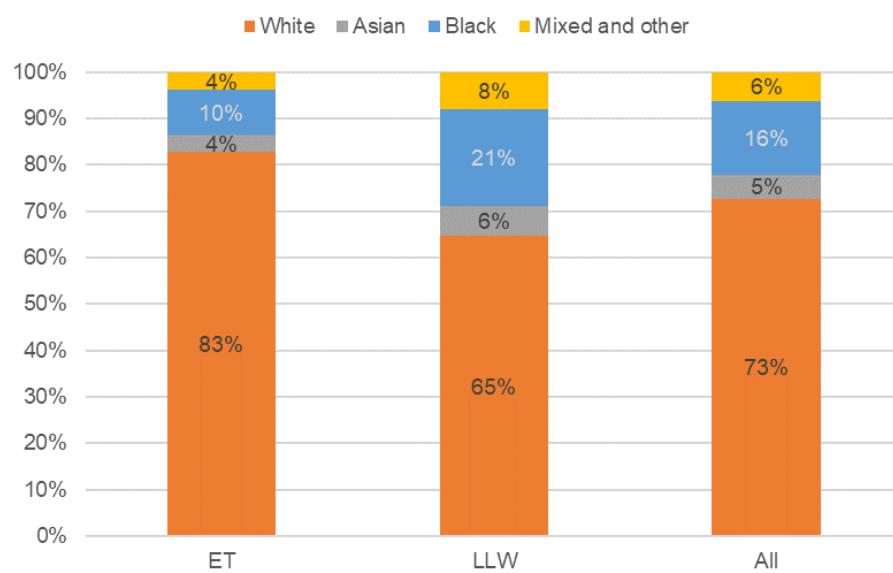
the UK as a whole, nearly six in ten (58 per cent) people have a qualification at this level ([ONS, 2019](#)).¹

Figure 3 Participants by qualification level



Participation by ethnicity reflects the areas in which the teams operate in. As figure 4 shows, more than four in five (83 per cent) of customers on the ET programme are white, compared to two in three (65 per cent) on LLW, which is focused on London.

Figure 4 Participants by ethnicity



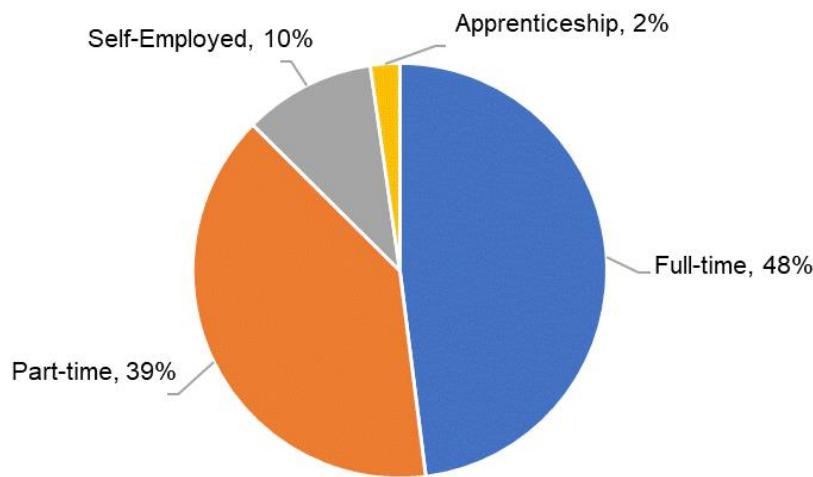
Employment Outcomes

Outcomes here refer to those customers in each team who progressed into employment. Outcome rates are defined as all job outcomes as a proportion of all participants.

¹ We use the International Standard Classification of Education levels. Level 2 is equivalent to lower secondary education (GCSEs), with level 3 being equivalent to upper secondary education (A Levels).

Of the 1,172 customers who were engaged by the employment team between January 2016 and October 2019, 350 achieved an employment outcome, a **30 per cent outcome rate**. As figure 5 shows, 48 per cent of employment outcomes were full-time, with 39 per cent being part-time and ten per cent being self employment. Only two per cent of employment outcomes related to apprenticeships. This represents a higher proportion of part time jobs compared to the wider labour market, though this is in keeping with other employment support services.

Figure 6 Employment outcomes by type for the employment team



The LLW Team achieved a lower outcome rate at **27 per cent** over the period July 2016 – July 2019. The outcome rate across the ET and LLW teams was **29 per cent**.

Figure 7 presents outcome rates by gender. While outcomes on the LLW programme are broadly similar for men and women, outcomes for men on the ET programme are significantly higher than for women (32 per cent compared to 26 per cent).

Figure 7 Outcome rates by gender

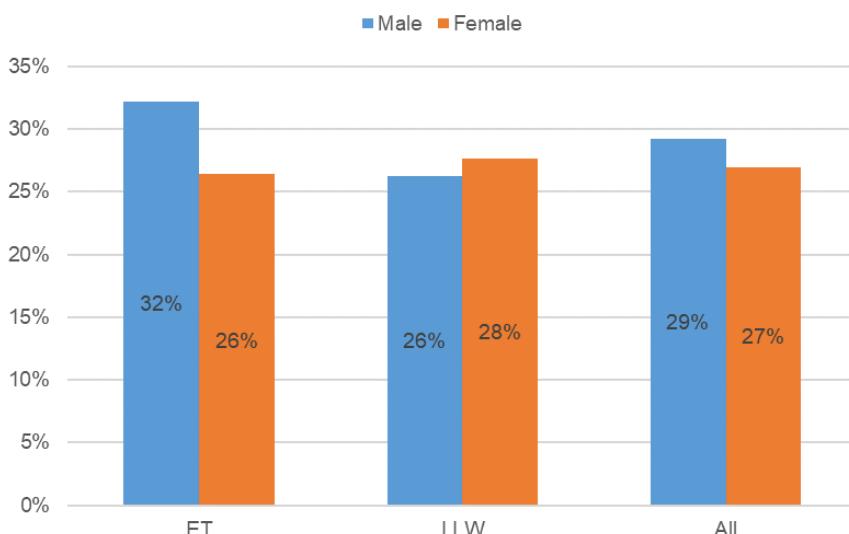
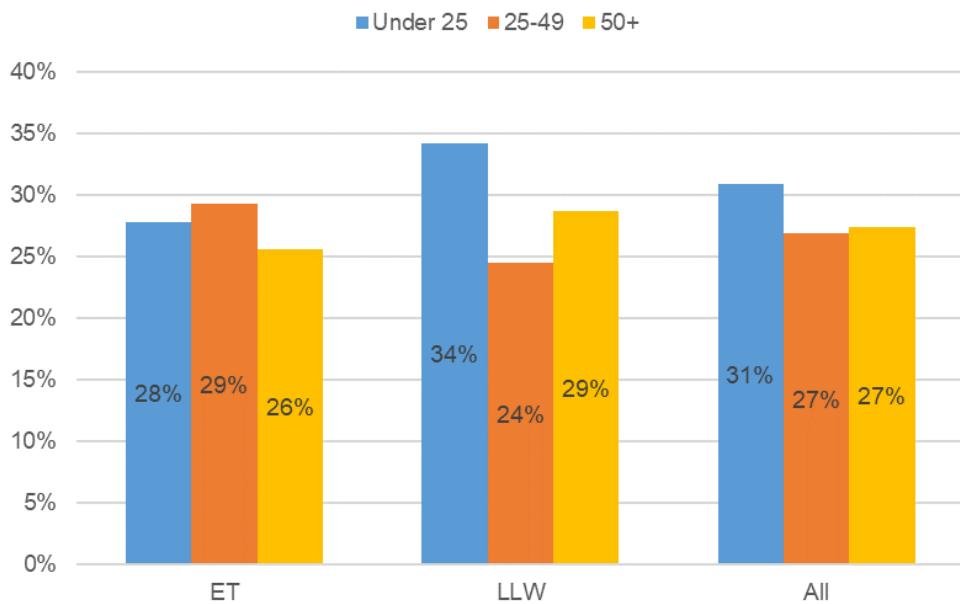


Figure 8 presents outcome rates by age. It shows that across the two programmes, performance among customers aged under 25 (31 per cent) was marginally higher than those aged 25 and over (27 per cent).

Figure 8 Outcome rates by age



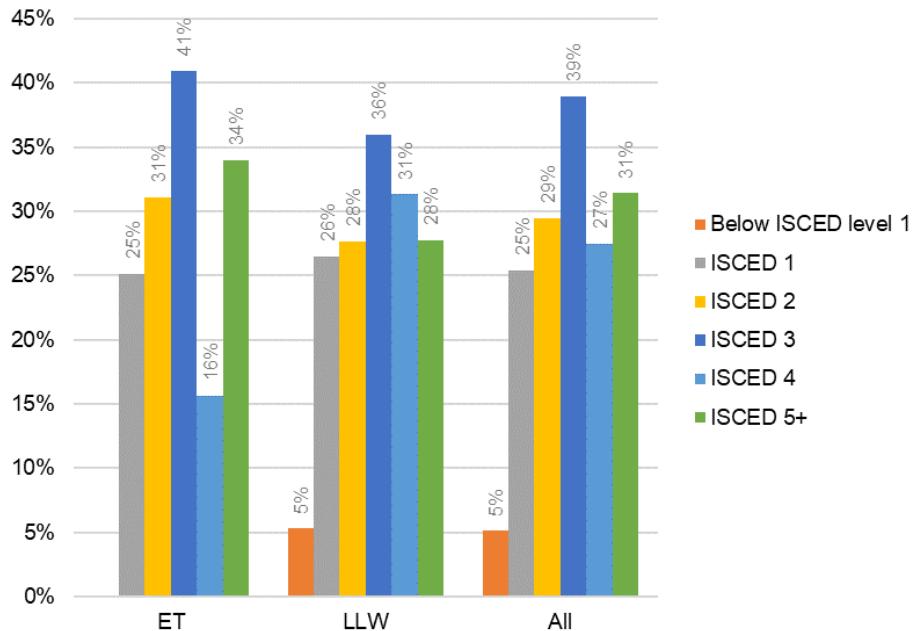
There is a large difference in outcome by employment status between the two programmes. The LLW programme performs far better with customers who are inactive on joining the programme, 42 per cent of whom go on to find work. By comparison, previously inactive customers perform worse than average on the ET programme, with just 16 per cent finding work.

Figure 9 Outcome rates by previous labour market status



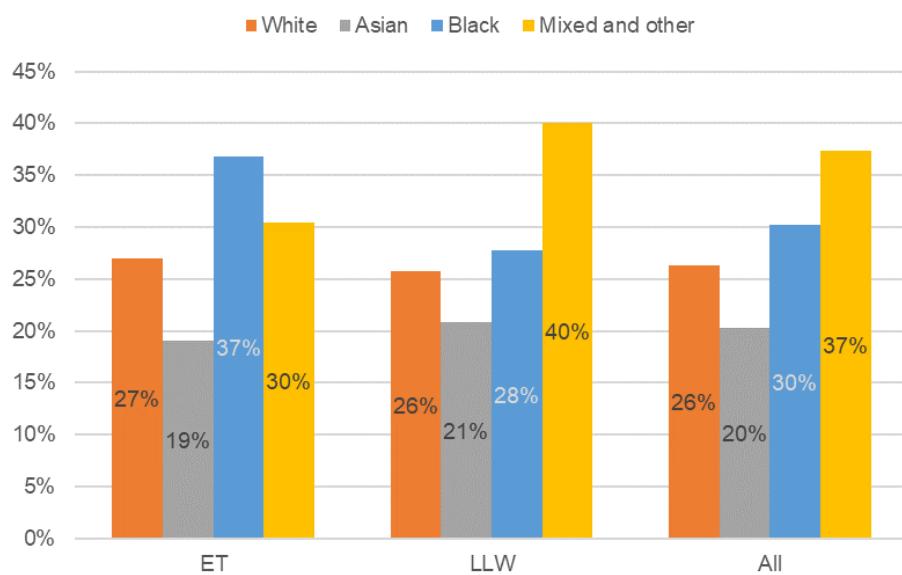
Figure 10 presents outcome rates by highest qualification level. Across both the ET and LLW team, outcome rates were far higher for participants with a level 3 qualification – equivalent to A levels – than among those with a lower level qualification. Outcome on the LLW programme among those who lacked a level 1 qualification were very low at just 5 per cent.

Figure 10 Outcome rates by highest qualification level



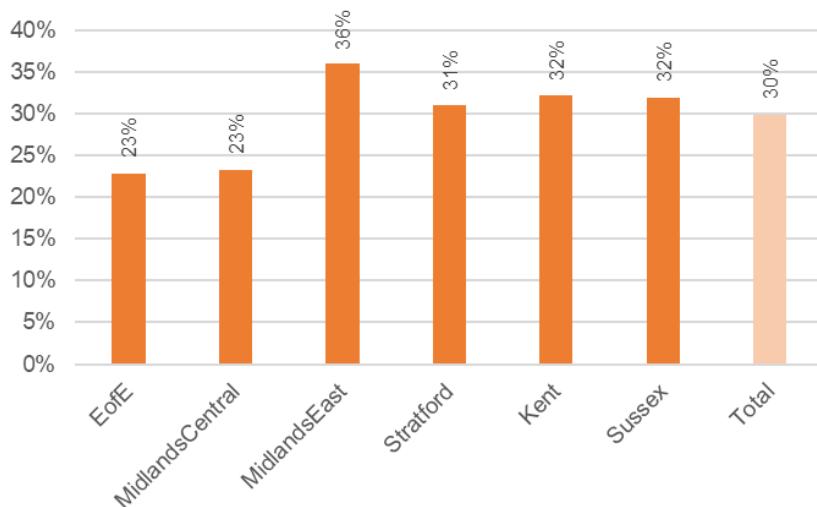
There was some variation in outcomes by ethnicity. As figure 11 shows, across the two programmes, customers from an Asian background achieved the lowest job outcome rates, with just one in five (20 per cent) finding work.

Figure 11 Outcome rates by ethnicity



The employment team achieved the highest outcome rates in the East Midlands at 36 per cent compared to the lowest rate of 23 per cent in the East and Midland Central.

Figure 12 Outcome rates by area for the employment team



Benchmarking performance

The performance of the Orbit employment support programme is highlighted below against a number of other similar employment support programmes. We include a number of ESF-funded programmes delivered by housing associations, alongside a more recent figure for the Work Programme, and a more recent still figure from another housing association.

As the table shows, Orbit's employment outcomes compare favourably against these benchmarks. However, it is important to note that the programmes were operating across different periods, within very different labour market contexts, and with different client groups.

Benchmarking against other programmes

Programme	Year	Target group	Job outcome rate
GLOBE	2008-2011	Social Housing	15%
Xcite	2008-2011	Social Housing	18%
Moving into Employment	2008-2011	Social Housing	19%
Marching On	2008-2011	Social Housing	10%
Shaping Your Future	2008-2011	Social Housing	19%
Links2Work	2008-2011	Social Housing	23%
Work Programme (JSA 25+)	2011-2014	Unemployed and health-related	27%

Orbit employment support	2016-2019	Social housing	29%
Peabody Employment and Training Programme	2017-19	Universal	36%

Sustainment

Orbit provides ongoing support for customers who have found work, up to 26 weeks.

Sustainment data is collected at 13 weeks and 26 weeks. Three in four (77 per cent) sustain in work for 13 weeks, with nearly two in three (62 per cent) sustaining in work for 26 weeks.

Value for money calculations

To determine the value for money of Orbit's employment support we use the HACT Social Return on Investment model. HACTs Social Value Bank is the largest set of methodologically consistent social value metrics including areas particularly of interest to UK housing providers: employment, local environment, health, financial inclusion and youth. The values are calculated through statistical analyses of four large national UK datasets that contain data on wellbeing and life circumstances: British Household Panel Survey (BHPS), Understanding Society, the Crime Survey for England and Wales, the Taking Part survey.

These datasets include not just peoples employment status, but responses to questions relating to wellbeing, health, volunteering, and many other areas. The majority of values come from the BHPS which has been completed each year by more than 10,000 of the same individuals since 1991 so incorporates over 20 years of panel data. The values are robust due to the use of these very large datasets and the methods in which they are derived.

Deadweight calculations (the percentage of outcomes that would have happened anyway without the intervention) are already built into the HACT model. As a default, they are taken from the Homes and Communities Agency (HCA) as published in the HCA Additionality Guide (January 2014) which describes how to calculate the additionality of housing interventions, which is how much change happens as a result of an intervention rather than due to other factors. A review for the then Department of Business Innovation and Skills (BIS)also provides guidance on typical levels of deadweight.

Because the approach is consistent with HM Treasury Green Book guidelines, the UK Government's core guide to policy evaluation, they are compatible with approaches to valuation used by central government departments, local authorities and other public sector bodies as well as the Office for National Statistics' National Wellbeing Programme.

The HACT approach is not designed to provide a full cost benefit analysis (CBA) of any programmes or interventions but to provide an assessment of the social impact from what is spent. For a full CBA, other potential benefits from intervention activities would need to

be included notably savings from reduced demands placed on public services because, for example, those entering work obtain health benefits and consequently place fewer demands on the NHS, and the economic benefits of them working in terms of the economic output they now generate. These can be calculated alongside the HACT calculations with additional data. The total benefits can then be compared against the costs of the interventions to provide an overall assessment of the value for money of activities.

By entering job outcome numbers and education and training outcomes into the HACT model the following social values are achieved:

Social value of Orbit outcomes using the HACT SROI model

Team	Total cost	Associated outcome / value	Average person value	No. of participants/beneficiaries				Total value	Total minus deadweight
				Age unknown	Under 25	25-49	50+		
Orbit employment team	£1,080,839	◆ Full-time employment	£14,433	68	15	46	13	£2,072,353	£1,378,115
		◆ Part-time employment	£1,229	54	14	38	17	£177,547	£118,069
		◆ Self employment	£11,588	7	0	22	0	£342,268	£227,608
		◆ Apprenticeship	£2,353	3	3	2	0	£17,589	£14,951
		◆ Vocational training	£1,124	81	12	55	14	£165,024	£140,270
		◆ General training for job	£1,567	50	3	27	20	£170,100	£144,585
		◆ Regular volunteering	£3,249	21	2	18	1	£121,417	£98,348
		◆ Employment training	£807	7	1	4	0	£4,532	£3,852
Orbit LLW Team	£772,883	◆ Full-time employment	£14,433	4	39	110	52	£2,980,248	£1,981,865
		◆ General training for job	£1,567	399				£880,043	£748,037
All teams	£1,853,722	◆ Full-time employment	£14,433	72	54	156	65	£5,052,601	£3,359,980
		◆ Part-time employment	£1,229	54	14	38	17	£177,547	£118,069
		◆ Self employment	£11,588	7	0	22	0	£342,268	£227,608
		◆ Apprenticeship	£2,353	3	3	2	0	£17,589	£14,951
		◆ Vocational training	£1,124	81	12	55	14	£165,024	£140,270
		◆ General training for job	£1,567	449	3	27	20	£1,050,143	£892,622
		◆ Regular volunteering	£3,249	21	2	18	1	£121,417	£98,348
		◆ Employment training	£807	7	1	4	0	£4,532	£3,852

The participant numbers above only include those that were previously unemployed or inactive. The employment values in the HACT model are for movements from not working into work, therefore the participant numbers ignore those that were previously employed – which impacts the SROI for the Orbit employment team only.

Training and education data comes from the ET MI and reported results for LLW. LLW training figures cannot be calculated by age. Those clients that did some training but also got a job were excluded as there was a risk of double counting some values.

The HACT model has deadweight rates already embedded within the HACT model. For employment and training outcomes this is 15 per cent and 19 per cent for those who

volunteered. We believe these are too low when compared with other deadweight evidence. The BIS report 'Research to improve the assessment of additionality' (BIS Occasional Paper 1, 2009) shows that the deadweight figure for sub-regional programmes that focus on workforce and skills development is 19 per cent and the figure for regional programmes is 35 per cent. A weighted average of both (based on the number of programmes used in the calculation) is 33.5 per cent. We have therefore taken a conservative approach and used the higher deadweight rate of 33.5 per cent rather than the 15 per cent suggested by HACT.

The total cost of the programme is as follows:

Year	employment team	LLW Team	Total Cost
16-17	332,417	211,588	544,005
17-18	328,591	255,354	583,945
18-19	301,524	196,583	498,107
19-20 (YTD)	118,307	109,358	227,665
Total	1,080,839	772,883	1,853,722

Taking all of this into account we arrive at the following value for money table:

Activity	Overall budget	Overall social impact	Analysis of benefit	
			Budget : social impact	Net benefit
ET	£1,080,839	£2,125,798	1 : 1.97	£1,044,959
LLW	£772,883	£2,729,902	1 : 3.53	£1,957,019
ALL	£1,853,722	£4,855,699	1 : 2.62	£3,001,977

The above table shows that overall **for every £1 spent, the programme achieves £2.62 of social value**. The overall social value is £4.86 million and the net benefit of the programme (taking into account deadweight) is £3 million.

Other potential benefits not included in the value for money calculations

There are many other values that could be included in the value for money calculation if the relevant data was available.

Orbit measure how much better off its customers are by carrying out a **better off calculation** based on customers starting work and the hours they will be doing. The last report showed that on average people are £661 better off a month moving in to work or nearly £8,000 a year. **For those who entered full time work via the employment team this amounts to £1.3 million per year**. This has not been included in the overall return on investment figures as there is a danger of double counting as the average person value used in the HACT model takes an increase in earnings into account.

Orbit also provides support for rent arrears and debt. Orbit's rent impact report shows that 68.1 per cent of customers who go in to work and sustain for 26 weeks or more have an

equal or improved rent account. The report shows that (for 2018/19) the average **reduction in arrears** between the start and 26 weeks was £75.50 which, when applied to the 139 clients in the report, is an arrears saving of just over £10,000 after 26 weeks.

We can also include fiscal metrics not covered by the HACT approach, such as savings and benefits to the Government arising from a **reduction in claimants and increased taxation, indirect tax revenues** (the income boost that occurs from increased earnings can result in higher household spending and therefore higher indirect tax revenues), **reductions in Working Tax Credit** (there were some individuals who were already in employment and had an earnings progression. Some may have been claiming Working Tax Credit when they joined the pilot). However, it must be remembered that these do not impact on the final public value calculations as these are transfer payments².

Reductions in housing evictions and statutory homelessness: Given that participants are renting or in temporary housing (and Orbit has provided support to reduce rent arrears and debt as mentioned above), 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 eviction³. Savings associated with reduced homelessness include the reduced costs of emergency accommodation, administration and legal advice.

We have not included any **family, community and child impacts**. There is some research that shows that an improvement in the financial situation of a parent has a positive impact on their child's wellbeing and performance at school.

Longer-term impacts: we have calculated the benefits of the programme for the lifetime of the programme. However, impacts on earnings, reduced housing benefit payments and the associated impact on the individuals' wellbeing can last into the longer term.

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.

² 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.

³ Research Briefing: Immediate costs to government of loss of home, Shelter, 2012

The future of work and employment support

In order to inform the future development of Orbit's employment support, a review of existing research and data on the future of work was conducted. This explored the recent trends in the labour market since Orbit developed its employability strategy, and the trends that will shape the future of work over the next decade. The findings were complemented by discussion with advisors, and senior managers at Orbit and by stakeholders. We explore what these trends mean for Orbit's tenants, and for Orbit's employment support.

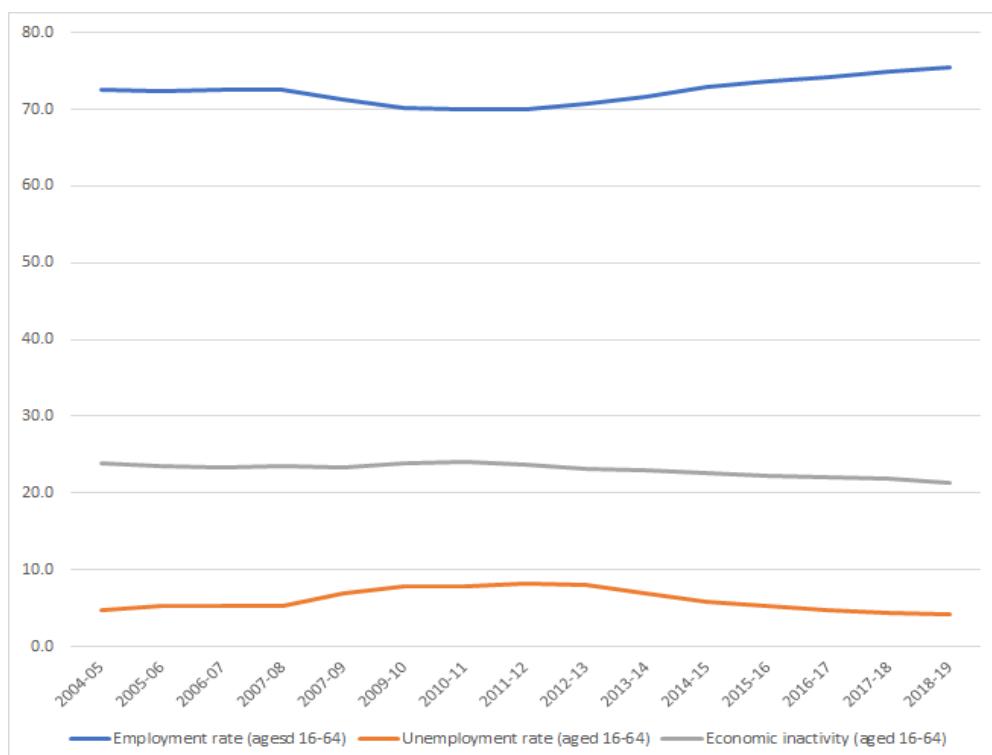
Recent changes in the world of work

In this section we highlight some of the recent trends in the labour market which shape the context in which Orbit's employment support service is operating. We explore the consequences of these trends, and the extent to which they may continue in the coming years.

Rising employment but a persistent disability employment gap

In recent years, the UK has seen a remarkable rise in the employment rate. The employment rate has risen by over 6 percentage points, to a record high of 76.5 per cent. There have been significant falls in unemployment too, with the unemployment rate falling by half since 2011/12. There has been a smaller but still significant decline in economic inactivity.

Figure 13 – The employment rate has reached a record high



Source: [ONS Annual Population Survey 2019](#)

However, many adults still face barriers to work. Adults with disabilities are far less likely to be in work. Despite successive policy initiatives to tackle the disability employment gap, it remains stubbornly persistent at 27 percentage points (L&W analysis of [ONS 2019](#)). This was reflected in the interviews and focus groups with Orbit managers and advisors, who highlighted the prevalence of health and particularly mental health related barriers to work among customers.

It is inherently difficult to predict future employment growth, given the importance of the business cycle and wider economic conditions. Predicting the future employment rate is particularly difficult given the uncertainties around the impact of leaving the EU, and the future trading relationship. However, forecasts by the Office for Budget Responsibility are for employment to remain high, with unemployment predicted to remain at 4.1 per cent in 2020 and 2021, falling to 4.0 per cent in 2022 and 2023 ([OBR 2019](#)).

The rise in the employment rate has important consequences for Orbit's employment support services. With low levels of unemployment, those who are out of work often tend to have more profound barriers to work. However, lower levels of unemployment also offer the opportunity to focus more on those who are further from the labour market. Low levels of unemployment, along with high levels of in work poverty, also make supporting in work progression a greater priority.

Growth of self employment

Part of the story of the significant increase in employment has been the rapid growth in self employment. There are 4.9 million adults in self employment in the UK, an increase of 29 per cent over the last decade (L&W analysis of [ONS 2019](#)). The increase in London has been particularly large, with self employment rising by 47 per cent over the last decade.

The increase in self employment has been driven by a number of factors, including technological advances which have made it easier to be self employed, the growth of platform based businesses, which rely on a self employed workforce, and demographic change, which has led to more older workers becoming self employed towards the end of their careers ([CIPD 2018](#)). Others have highlighted concerns that an increase in 'bogus self employment' could account for some of the growth ([Citizens Advice 2015](#)).

There is significant diversity within the overall self employed population, and it is difficult to make generalisations about this part of the workforce. However, incomes of self employed workers are, on average, far lower than for employees. Average income for self employed workers in 2016/17 was £12,300, just over half the average income for people in employment (£21,600). Half of self employed adults aged 25 and over – over 2 million people – earn less than the equivalent of the minimum wage for the hours they work ([TUC 2018](#)).

It is difficult to predict the future trend of self employment growth. Ongoing advances in technology could continue to drive self employment growth in the future. However, future trends in self employment will also be affected by policy decisions around taxation, regulation and enforcement.

The government's Working Futures forecasts suggest that the proportion of employment accounted for by self employment is set to shrink in the coming years, falling from 13 per cent in 2017 to 10 per cent in 2027. The decline is primarily due to shifts in the demand for labour across different industries, with an anticipated decline in sectors such as construction which tend to have a high level of reliance on self employed labour ([DfE 2020](#)). in addition to the willingness of workers to engage in such work, regulation matters too, and policy decisions by future governments could restrict the size of the sector.

The growth of self employment has important potential consequences for Orbit's employment support. Self employment can be a positive option for Orbit's customers, with 9 per cent of employment outcomes in the last year being from self employment. Managers and advisors at Orbit were well aware of the recent growth in self employment, and had seen an increase in interest in self employment among their customers. Orbit provides support for customers in setting up as self employed, with those who have accessed the support describing it as very effective.

However, while self employment can work for some people, for others managing the additional insecurity that self employment brings can be challenging. There is also a relatively high risk of in work poverty for the self employed. If Orbit continues to focus on supporting self employment in the future, it should ensure that customers understand and are able to manage the insecurity inherent in self employment, and that they are able to earn sufficient income to achieve a decent living standard.

Growth of insecure work and the gig economy

There has been a rapid growth in insecure forms of work in recent years. The TUC estimate that 3.7 million workers are in some form of insecure work. This includes workers in low-paid self employment; agency, casual and seasonal workers; and workers on zero-hours contracts ([TUC 2019](#)).

One aspect of insecure work on which there has been much focus is the rapid growth in zero hours contracts. There are now 974,000 workers on a zero hours contract – a record high – representing 3.0 per cent of employment. The number of workers on zero hour contracts has increased by 415 per cent over the last decade (L&W analysis of [ONS 2019](#)). However, some of this growth could be accounted for by a growing recognition of zero hours contracts over this period, leading to more accurate reporting.

There has also been a rapid growth in the so-called gig economy. While definitions vary, this tends to refer to people using apps such as Uber and Deliveroo to sell their labour. Due to limitations in the data, it is difficult to ascertain the exact size of the gig

economy. Estimates from CIPD found that there were around 1.3 million workers in the gig economy in 2017. A high proportion of these were also permanent employees, suggesting that engaging in the gig economy was a means to top up income from traditional employment ([CIPD 2017](#)).

Again, it is difficult to predict the future trend of the gig economy. CIPD research suggests there is potential for continued growth of the sector, with 12 per cent of adults in the UK in 2017 who had not previously participated in gig economy work in the last 12 months saying they are thinking about doing so in the next year ([CIPD 2017](#)). However, as highlighted above, the proportion of employment accounted for by self employment is expected to shrink significantly in the next few years ([DfE 2020](#)).

For some, insecure forms of work and the gig economy can fit their circumstances, offering opportunities to flex work around other commitments. Gig economy work can also have a low barrier to entry, allowing people to develop their skills and experience and to support them to progress in their career. Some research has suggested that most workers in the gig economy are satisfied with their working situation, with levels of satisfaction broadly equivalent to those of people in traditional employment ([CIPD 2017](#)). For others, gig economy work can be difficult to manage, leading to insecurity, and a difficulty in being able to plan and budget from week to week. A recent review for government has also highlighted the extent to which insecure forms of work can be detrimental, with power imbalances leading to 'one sided flexibility' ([Taylor 2017](#)).

Advisors described seeing the growth of insecure forms of employment in recent years, including zero hours contracts. Zero hours contracts were seen as being particularly problematic for customers, given they can lead to insecurity and unpredictable income, with a particular impact for those on benefits. This left many customers wary of taking on such employment. As one advisor explained, '*they won't do them because the fear of being placed off of Universal Credit, and then having to do another five week re-join period*'. Advisors also highlighted insecure forms of work as being a challenge for sustainability. Given the focus of the service is on enabling people to sustain their tenancies through securing sustainable work, insecure employment was seen as less appealing than more secure forms of work.

The growth of insecure work and the gig economy has important consequences for Orbit's employment support services. While for some customers, insecure employment may be manageable with their lifestyle, and while for others it can provide a stepping stone towards more secure employment, for many, insecure work does not provide the route out of poverty and towards a sustainable career. Given this, Orbit's employment support should maintain its focus on secure work and on job quality.

Low pay and in work poverty

While employment has increased significantly in the UK in recent years, there remains a significant challenge with low pay and in work poverty.

One in four (24 per cent) workers in the UK were paid below the real Living Wage in 2018, up from just 16 per cent in 2009 ([Resolution Foundation 2019](#)). Low pay varies by region, with 28 per cent of workers earning below the Living Wage in the East Midlands, compared to 26 per cent in the West Midlands, 24 per cent in the East of England and 21 per cent in London.

Due both to the increase in low pay, real terms reductions to in work welfare payments and increasing housing costs, the number of people in work but in poverty has increased significantly in recent years. Four million workers are living in poverty in the UK, an increase of more than half a million in the last five years. Most people who are in poverty in the UK today live in a household in which someone is in work. The number of people in work but in poverty has been increasing faster than employment in recent years, and the increase has been driven almost entirely by rising poverty among working parents ([JRF 2018](#)).

Again, it is difficult to forecast future trends in both low pay and in work poverty. There is likely to be a significant increase in the wage floor in the next few years. The government has committed to increasing the National Living Wage to two thirds of average earnings – currently forecast to be £10.50 an hour – by 2024. The government has also committed to extending the eligibility for the National Living Wage from all workers aged 25 and over to all workers aged 21 and over. However, while lifting the wage floor could help significantly reduce low pay, it alone will do little to tackle in work poverty ([IFS 2019](#)). The Government has also committed to ending the freeze of working age benefits which have contributed to growing in work poverty.

In addition to being more likely to be out of work, housing association tenants who are in work are more likely to suffer from low pay ([IPPR 2018](#)). Orbit is no exception, and there is evidence to suggest that in work poverty is a major challenge for Orbit residents; three in four customers using Orbit's debt advice support in working households. Both advisors and senior managers at Orbit were keenly aware of the growing challenge with in work poverty.

The growth in in work poverty has important consequences for Orbit's employment support services. First, while employment support services have traditionally focused on job entry, the growing challenge of in work poverty place greater emphasis on job quality, and ensuring that customers are supported into work which can provide a decent income, or opportunities for progression. Second, the increase in in work poverty and the reduction in unemployment also place greater emphasis on the importance of support for in work progression. There is a recognition among both staff and managers at Orbit that while the employment service does work with some customers who are in work, the support for this group was relatively limited, and that this should be an area for future development. In order to tackle poverty and to promote independence, progression within work to a higher paid role is arguably as important as progression into work.

Increasing qualification levels of the workforce

The UK has seen a significant increase in the qualification level of the workforce in recent decades. The proportion of the workforce with a qualification at level 4 and above has increased from 26 per cent in 2004 to 40 per cent in 2018, with the proportion with no qualifications halving over that period.

Figure 14 – The UK's workforce has become more qualified



Source: ONS Labour Force Survey, 2019

The qualification and skill level of the UK population is set to increase further in the coming years. The government's Working Futures report forecasts that the proportion of the adult population with no qualifications will halve between 2017 and 2027, with big declines in the proportion with level one or level two qualifications over the same period, and large increases in the proportion of adults with level four and above qualifications ([DfE 2020](#)). Research by Learning and Work Institute suggests that the number of adults lacking basic literacy and numeracy set to fall by two percentage points respectively over the next decade ([L&W 2019](#)).

In addition to the growth in the skills supply, there has been a growth in skills demand among employers in recent decades. DfE forecasts suggest these trends are set to continue. The sectors that will see the strongest growth in demand in the coming years are those which traditionally require higher levels of qualifications. In addition to this, in a number of other sectors – including some which have traditionally been characterised as 'low skill' – employer demand for qualifications is set to increase ([DfE 2020](#)).

As the qualification levels of the working age population has increased, and as employer demand for skills has increased, adults who lack higher level qualifications face increasing labour market disadvantage. Adults with low or no qualifications face both a higher risk of unemployment, and those who are in work face a higher incidence of low pay.

Analysis of Orbit's management information – set out above – shows that job outcome rates for customers with lower levels of qualification are significantly lower than those for

customers with a level three qualification. Orbit's advisors were keenly aware of the challenges that many of their customers face with lack of basic skills and lack of qualifications. Advisors highlighted lack of basic digital skills as a growing barrier for many workers.

This has important consequences for Orbit's employment support. Given the increasing levels of qualifications among the workforce, and the growing demand for qualifications among employers, Orbit could consider increasing its focus on education and training. This could include both helping tenants understand their skills gaps, the skills requirements of their desired job, and the education and training options available to them. Orbit could also look at providing short, cost-effective and work related training itself in order to help tenants access work.

Universal Credit and welfare reform

Universal Credit is a new social security payment which is designed to simplify the benefits system and improve incentives for work. It replaces six benefits, bringing together the benefits system for the unemployed and for people in work on low incomes, including housing benefit.

Introduced in 2013, Universal Credit is being gradually rolled out. New claimants are now put on to Universal Credit, but the process of transferring existing claims over to the new benefit – known as 'migration' – has been delayed again. This is now not set to be complete until 2024, over a decade after the benefit was first introduced.

Universal Credit is viewed negatively both by advisors and particularly by customers. It was seen as poorly designed and poorly implemented. Advisors highlighted fears over moving on to Universal Credit, and fears of having to stop and potentially re-start a claim as adding to customers' concerns when considering moving into employment. Universal Credit was seen as contributing to an increase in debt and arrears, and creating a particular challenge for claimants with poor basic digital skills.

Under Universal Credit, 'in work conditionality' will apply to many in work claimants, requiring them to seek to increase their earnings, either through working more hours, getting an additional job, or getting a higher paid job ([Work and Pensions Committee 2016](#)). However, as yet, support for claimants to increase their hours and earnings remains relatively limited.

The growing focus on in work progression under Universal Credit, and the lack of support for customers to progress, has important consequences for Orbit's employment support service. It places a greater emphasis on the need for support for customers who are in work but on low pay, to progress and increase their incomes.

The future of work and four megatrends

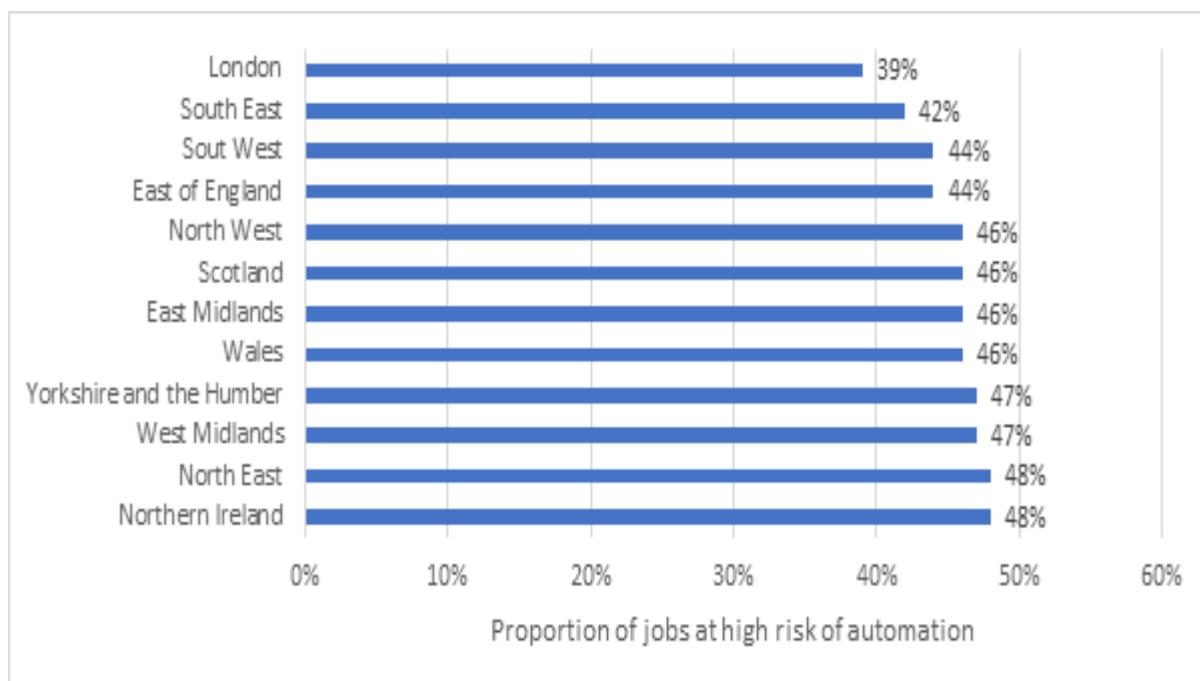
Having considered the recent trends in the labour market, in this next section we explore some of the key megatrends shaping the future of work in the coming decade.

Automation and technological change

In the coming years, rapid advances in technology – which some have dubbed the fourth industrial revolution – are set to transform the labour market. Technologies such as artificial intelligence, robotics, big data and the internet of things will lead to significant change across many sectors, with a transformative impact on the demand for labour and for skills.

In recent years, there has been growing focus on the potential for ‘automation’ of jobs, whereby new technology reduces or eliminates the demand for human labour, with various estimates of the proportion of jobs at risk ([Frey and Osborne 2013](#), [McKinsey 2017](#), [IPPR 2017](#), [ONS 2019](#)). Figure 15 below highlights the proportion of jobs estimated to be at high or medium risk of automation by region in the UK.

FIGURE 15 – The proportion of jobs at risk from automation varies across the UK

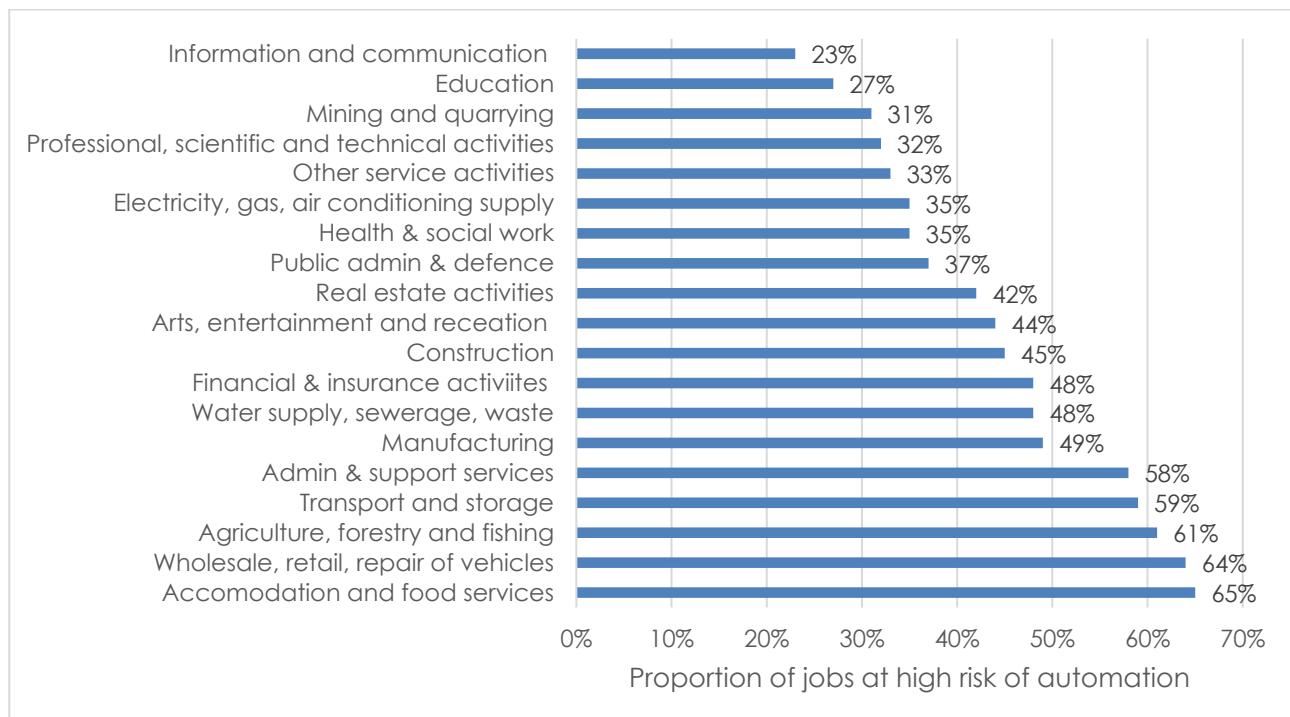


Source: [IPPR 2017](#)

In addition to significant regional variations, the potential for automation varies substantially by industry, by occupation, and between different groups of workers. As figure 16 below shows, industries with high potential for automation include accommodation and food services (65 per cent of jobs at high risk of automation), wholesale and retail (64 per cent) and transport and storage (58 per cent). Low skilled

occupations have a higher potential for automation and women tend to work in jobs with a higher potential for automation ([IPPR 2017](#)).

Figure 16 – The proportion of jobs at risk of automation varies by sector in the UK



Source: [IPPR 2017](#)

However, while technology will drive significant change in the labour market in the coming years, we are unlikely to see a significant decline in the demand for labour in the medium term, or a jobless future. Despite rapid advances in technology in recent years, we have seen the employment rate rise to a record high of 76.5 per cent. While all previous industrial revolutions have seen jobs eliminated by advances in technology, many more have been created. There is little reason to expect this time to be different.

In the near term, the Office for Budget Responsibility forecasts that employment will increase every year up to 2023, with unemployment falling from 4.0 per cent ([OBR 2019](#)). In the medium term, forecasts for the government suggest that employment will continue to rise by just under a million over the next decade ([DfE 2020](#)).

However, while there is unlikely to be a significant decline in the demand for labour, there will be significant changes in the demand for labour and skills. This will include both changes in the composition of the economy – with growth in some sectors and occupations, and decline in others – and changes in the skills demands within many occupations. Recent analysis suggests that between 38% and 42% of the UK population

will need to retrain within the next decade as a result of changes driven by rapid advances in technology ([City and Guilds 2020](#)).

Advisors were keenly aware both of the impact advancing technology is already having on the labour market, and the potential impact in the future. As one explained; '*I think the technology, so automation and AI, is definitely starting to impact*'. This impact was seen as being particularly acute at the bottom end of the labour market, with advisors highlighting the decline in demand for low-skilled jobs, and the impact technology has already had on industries such as retail, hospitality and warehousing. Advisors also highlighted concerns about the impact of potential redundancies on some workers, particularly older workers whose skills might not have kept up with a changing labour market.

While there is unlikely to be a significant decline in the number of jobs, automation will lead to very significant changes in the demand for labour to which employment and skills policy and provision will need to adapt:

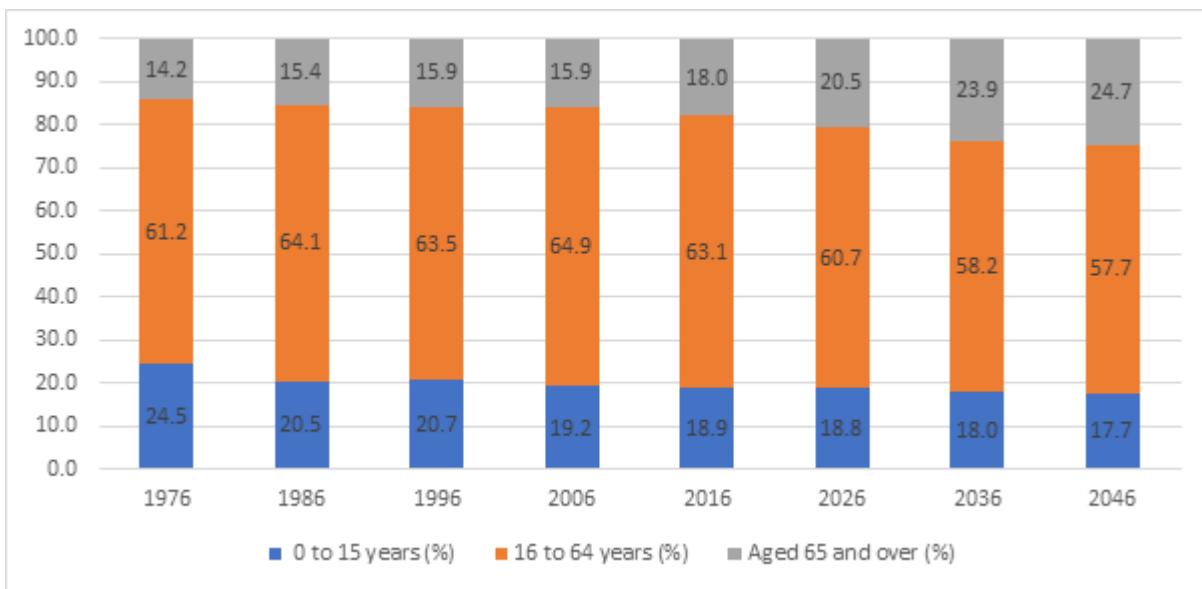
Workers will need to be supported to adapt as their jobs change. Automation is more likely to lead to jobs changing, rather than being eliminated. Workers will increasingly have to work with and alongside technology, with certain tasks within their roles being automated. Orbit should consider how its employment support services can help people to adapt to these changes in their work by keeping their skills up to date in order to prevent them from falling out of work.

Workers who are displaced from the labour market will need to be supported to re-train and return to a suitable role. While there is unlikely to be a significant decline in the total demand for labour, there will be profound shifts in the composition of the economy. Certain sectors and occupations will see very significant increases in demand, while others will see large declines. While some workers who would be negatively affected by such changes may be well placed to adapt, to retrain and to find suitable alternative work, others may be less resilient and adaptable, with a greater risk of falling into long term unemployment or inactivity. Orbit should consider how its employment support services could support workers who are displaced from the labour market to adapt, to retrain, and to return to suitable work.

Demographic change

The UK population is set to continue to age, driven by growing life expectancies. As figure 16 shows, the proportion of the population aged 65 and over has grown significantly, and it will continue to grow in the coming years. The Old Age Dependency Ratio (OADR) measures the number of adults aged 65 and over for every 1,000 adults aged between 16 and 64. The OADR in the UK grew from 170 in 1996, to 285 in 2016, and it is set to grow to 411 by 2036.

Figure 16 – The UK's population is ageing



Source: [ONS 2017](#)

In addition to the growth in the number of adults aged 65+, the growth in the number of very old adults will be particularly stark. In the next 50 years, the UK population is set to increase by 17 per cent, but the number of adults aged 65+ is set to grow by 71 per cent, with the number aged 85+ set to grow by 219 per cent (L&W analysis based on [ONS 2017](#)).

While healthy life expectancies have been increasing, this increase has been at a slower rate than life expectancy. This means adults can expect to spend a longer period of time in old age in poor health, and in need of support. We have seen an increase in the number of adults, particularly older adults, living with chronic diseases and with multiple conditions.

This will have a number of important consequences for the labour market:

Adults will be expected to work longer into later life. This will be driven both by the ongoing increase in the state pension age, but also by growing healthy life expectancies enabling people to choose to work longer. Employment and skills services will have to adapt, and support adults to remain in decent employment for longer, keeping their skills up to date with a rapidly changing labour market. Orbit should consider how its employment services could support residents to adapt to longer working lives.

We will see a larger number of people with disabilities within the workforce. With the pension age increasing, there will be a growing number of older adults with disabilities and long term health conditions within the workforce. This will mean a growing need both to support people with health and mental health related issues to stay in work, and to help those who have fallen out of employment to access decent work.

We will see a growth of the ‘care economy’. With the increase in the number of older adults, and the growth in the number of adults with multiple conditions, there will be a growing demand both for healthcare and social care. In addition to increases in demand in this sector, employment in healthcare and social care is relatively resistant to automation. According to the government’s forecasts, the number of people working in public administration, health and education is expected to grow at nearly double the rate of employment as a whole, driven by particularly strong growth in health, residential care and social work ([DfE 2020](#)). Given the likely growth in this sector, Orbit could consider how its employment support could help residents build a career in healthcare and social care.

Decarbonisation

According to the International Panel on Climate Change, the world has 11 years to significantly reduce emissions in order to avoid severe and irreversible climate change ([IPCC 2018](#)).

In response to these warnings, the Government has committed to reaching net zero emissions by 2050. Reaching net zero will require significant changes in our economy, which will have a profound impact on our labour market.

There will be significant growth in demand in some sectors as we move towards net zero. For example, at Orbit alone, there will be a need to insulate tens of thousands of properties, and to replace tens of thousands of gas boilers with zero carbon heating systems. In thinking about how to deliver this transition, Orbit could consider how it could upskill its customers and support them into long-term careers in these growth sectors.

Brexit

Following the referendum in 2016, the UK left the European Union (EU) on January 31st January 2020. On leaving the EU, the UK entered into a transition period which will run up until 31 December 2020. During this period, the UK will still have full access to the single market, and freedom of movement will still apply.

The UK government is currently negotiating a future relationship with the EU, which it hopes will come into place following the end of the transition period. The government has stated that it plans to end freedom of movement with the EU, whereby EU nationals can travel, study and work in any member state.

The UK economy is likely to see an impact from Brexit, with both short and long term consequences, but with the impact depending on the nature of the Brexit deal and on migration flows. Studies suggest that a close relationship to the EU, similar to the European Economic Area model, would result in UK GDP being between 1.25 per cent and 11 per cent lower by 2027 than would have been forecast prior to the 2016 referendum. Forecasts for less close relationships, such as a ‘no deal’ Brexit or World Trade Organisation rules suggest that UK GDP could be between 2.7 per cent and 18.5 per cent lower than would have been expected prior to the referendum ([DfE 2020](#)).

However, it is important to recognise that in both cases, the estimates are based on lower potential GDP growth, rather than a decline in GDP.

Many sectors will see significant disruption as a result of the ending of freedom of movement. Employers may react in a number of ways, including by investing in training UK-based workers, investing in automation, or shifting towards reliance on non-EU migrant workers.

Forecasting future labour and skills demand

Forecasting future demand for labour and skills is inherently difficult, given the unpredictable nature of the labour market.

Working Futures is a report commissioned by government, which aims to set out long-term labour market and skills projections for the UK. The latest report, released in February 2020, sets out forecasts running up to 2027 ([DfE 2020](#)).

Changes in demand by industry

According to Working Futures, a number of industries are expected to see significant growth in employment in the next decade ([DfE 2020](#)).

The business and other services sector is expected to continue to grow over the coming years, albeit at a slower rate than seen over the previous decade.

Employment in public administration, health and education is set to see some of the strongest growth in the next decade, driven in large part by growing demand for health services as the population ages.

Employment in retail, accommodation and transport is expected to decline as a proportion of the whole economy in the next decade, driven in part by the shift towards online retail.

Manufacturing is expected to continue on its downward trend over the next decade, with a decline in its share of total employment, as well as an absolute decline in employment in the sector. Employment growth in construction is expected to slow compared to the previous two decades, driven in part by the skills shortage in the sector.

Orbit should consider the consequences for its employment support service from these shifts in demand in different sectors. The sectors where employment is expected to decline as a share of total employment include a number of sectors where employment support services have traditionally focused, including retail, accommodation, transport and construction. In the future, there may be relatively fewer opportunities in these sectors, and long term prospects for people entering the sectors may be weaker.

However, it is important to remember that there will be job opportunities even in sectors that are expected to decline in the coming years, with 'replacement demand' requiring new workers to fill the roles of people leaving industries including those who retire ([DfE 2020](#)).

Changes in demand by occupation

Working Futures forecasts significant increases in growth in a number of occupations, including managers, professional and associate professional, and technical occupations ([DfE 2020](#)).

Some growth is also forecast in caring, leisure and other service occupations, and in some sales and customer service roles, where the job functions are less susceptible to automation.

Overall, there is likely to be a decline in the number of sales and customer service roles, driven both by changes in business models, such as the increase in online retail, and automation, such as the use of automated checkouts.

Administrative and secretarial occupations are also expected to continue to shrink in the coming years, driven by advances in IT. Skilled trades occupations and process, plant and machine operatives are expected to continue to decline, driven in large part by the continued decline of manufacturing as a share of total employment.

There will be occupations within the overall groupings that will see particularly large increases. Looking at the list of occupations which are expected to see the most rapid growth (10 per cent+ between 2017 and 2027), there is a mix between higher and lower skilled roles, in both business services, customer services, and public services;

- Corporate managers and directors;
- Health professionals;
- Teaching and education professionals;
- Business, media and public service professionals;
- Health and social care associate professionals;
- Business and public service associate professionals;
- Caring personal service occupations;
- Customer service occupations.

Again, as with the changing sectoral composition of the economy, Orbit should consider the implications of anticipated changes in demand for different occupations on its employment support services.

Changes in skills demand

Working Futures forecasts both the demand for and supply of skills up to 2027.

In terms of skills demand, Working Futures predicts that the trend towards increasing demand for higher levels of qualifications that has been visible in recent decades is set to continue, albeit at a slower pace than in recent decades. However, this will go alongside some growth in lower skilled occupations ([DfE 2020](#)). This risks leading to an increasingly ‘hour-glass’ shaped economy, with strong demand for high and low skilled roles, but little in between, and limited opportunities for progression from the latter to the former.

The recent trends in skills supply – the qualification and skills level of the workforce – are also expected to continue in the coming years. Working Futures forecasts suggest that the supply of people with degree level qualifications will continue to grow steadily up to 2027, with the proportion of the labour force remaining unqualified expected to represent only a small minority by the end of the period.

The table below shows the forecasts for the qualification levels among the working age population in 2017 and 2027. It shows that the number of adults with no qualifications, and with level one and level two qualifications will shrink in the decade to 2027, with the number of adults whose highest level of qualification increasing in absolute terms, but shrinking as a share of the population. The number of adults with level four to six and seven to eight qualifications will see strong growth.

Table 1: Total numbers by qualification and change (total population 16+, 000s)

Qualification level	2017	2027	Change
No qualifications/other	3,830	2,296	-40.1%
Level 1	7,212	4,370	-39.4%
Level 2	10,652	10,291	-3.4%
Level 3	10,427	10,729	2.9%
Level 4 – 6	14,590	20,614	41.3%
Level 7 – 8	6,823	8,333	22.1%
Total	53,535	56,632	5.8%

Source: [DfE 2020](#)

Orbit should consider the implications of these anticipated changes in the supply of and demand for skills for its employment support services. With growing levels of qualifications among the workforce, and increasing employer demand for skills, there is a risk that those with lower levels of qualifications will continue to struggle, and face a higher risk of both unemployment and low pay. This would suggest that a focus on supporting customers to access high quality training and learning will be increasingly important in the future.

Changes in employment status

In addition to forecasting employment by sector and industry, Working Futures also forecasts changes in employment status up to 2027.

Part time jobs are expected to account for just under 30 per cent of all jobs in 2027, slightly higher than the current level (28 per cent).

Following strong growth in self employment after the financial crisis, self employment is expected to decrease significantly in the next few years. Self employment is expected to fall from 13 per cent of all employment in 2017 to just over 10 per cent of all jobs by 2027 ([DfE 2020](#)).

Orbit should consider the implications of these forecasts for its employment support model. We are unlikely to continue to see strong growth in self employment, and levels of self employment are likely to fall in the coming years. While support for customers who want to set up as self employed can be a valuable part of a wider employment support offer, the focus should remain on supporting customers into jobs.

The future of Orbit's employment support

In this chapter we set out our recommendations for the future of Orbit's employment support service. The recommendations are based both on the evaluation of the current service, and the evidence of the changing world of work. Building on the evidence, we outline a radical new service, which will better meet the needs of Orbit tenants over the next decade.

Reviewing the structure of the service

Context

Orbit's employment support team is currently delivering a relatively effective service to the customers with which it engages, and it is delivering significant social value. However, the structure and position of the team poses challenges for the service, limiting the impact it is able to achieve for Orbit residents.

Given the dispersed nature of Orbit's stock, and the relatively limited resource the team has, advisors are focused on very large geographical areas. This limits their ability to provide face to face support in an efficient way, it limits their ability to be visible to Orbit tenants, and it limits their ability to build strong local partnerships. With just one or two advisors working in each local area, there is also a significant risk around continuity of service; if one advisor is unavailable, this can compromise the service for residents in an entire region.

There are also questions around the effectiveness of internal links and partnership working between teams with an interest in the area. The employment support service is formally within the larger tenancy sustainment team, who also provide advice and support to tenants. The employment support team is not closely linked to the community investment team, or the placemaking team, which is focused on driving economic and social regeneration in areas of high stock.

Some participants in the review raised questions about whether the current positioning and structure of the team made sense.

What the service should look like

Orbit should consider re-structuring the employment support team to mainstream basic employment support within the tenancy support team, and provide specialist employment support in a small number of priority areas.

With some additional training, the tenancy sustainment team should be able to provide basic employability support and advice (CV design, job-search, interview skills) to

customers with lower levels of need, who fall in to the ‘light touch’ support group (see below).

Customers with a higher level of need who fall in to the ‘intensive support’ group could then be triaged and referred to face-to-face support from specialist employment advisors. This support should be focused in a small number of areas with high density of Orbit stock, and high levels of need (high levels of unemployment and/or in work poverty among Orbit residents).

This would allow for priority areas to have a minimum of two employment advisors allocated to them. Such an approach would allow more efficient service delivery, enabling a greater understanding of local needs, more effective local partnership working, and less risk to service continuity.

Digitisation – Embracing digital platforms as part of a blended model of service delivery that focuses support where it is most needed

Context

Orbit’s employment support service is currently focused primarily on support delivered by advisors, with most of this being carried out remotely and, where possible, face to face. The support that is delivered is a mix of relatively basic employability support, such as designing a CV, interview practice, and job-search support, alongside more complex information, advice and guidance. Currently, the use of digital technology is relatively limited.

At present, Orbit’s employment support service works with a range of customers, including those who are inactive, long-term unemployed, more recently unemployed, and some who are in work. Whilst there are some benefits in having a flexible service, which can work with all customers, irrespective of their employment status, this approach risks a significant amount of deadweight, with support being provided to customers who would have found work anyway. For example, looking at newly unemployed people, five in ten move off benefits within 3 months, rising to seven in ten by 9 months and eight in ten with a year ([L&W 2018](#)). In order to reduce deadweight, and to ensure that the service delivers a higher social return on investment, support should be focused on those who are less likely to find work without help, including those who have been out of work for a longer period, or those who are more recently unemployed, but who have certain characteristics which make them more liable to fall into long term unemployment.

In the future, public service delivery and employment and skills support will increasingly embrace digital technology. There have been a number of recent examples of employment and skills services making greater use of digital platforms for delivery as part of a blended model:

- **Universal Credit** which is ‘digital by default’, with most interactions being carried out online, as well as some telephone and face to face in Jobcentre Plus for those who need it, including those with basic skills needs;
- **National Careers Service**, which is primarily digital support, including online interactive tools and webchat, but with support also available through a phone line and face to face for some groups;
- **Get Help to Retrain**, which is a digital-focused service to help people understand their skills needs and link them up to local training opportunities, with a phone line available for those who need it.

This is being driven both by advances in technology which are improving the capabilities of online support, improvements in the skills of the population which are making such technology accessible to the vast majority of people, and the desire of policy-makers and service providers to both maximise impact and drive efficiency.

What the service should look like

Orbit’s future employment support service should embrace digital platforms as part of a blended service delivery model, which focuses advisor support where it is most needed.

This approach would require a number of changes.

First, there would need to be a **robust triage process** to assess the customer’s level of need, and to refer them to the right support. This triage process should take place either face to face with a member of the tenancy sustainment team, or over the phone where this is not possible.

Second, Orbit should develop a **tiered model of support**, which would see customers placed into one of three groups following triage; the universal support group, the light-touch support group, and the intensive support group. Those with the lowest needs would be supported through a digital by default service, whereas those with the highest level of need would have an enhanced offer based on a personal advisor model, and training budget. The model is set out in table 2 below:

Table 2: Suggested three-tiered and blended support model

Support group	Criteria	Delivery	Activity
Universal Support	▪ No entry criteria	Digital platform	Job-search, CV design, job application, and interview preparation.

			<p>Skills self-assessment webtools, with links to training provision.</p> <p>Links to local job and apprenticeship vacancies, including those secured by Orbit's brokerage.</p>
Light Touch Support	<ul style="list-style-type: none"> ▪ Short-term unemployed (<6 months) ▪ Low paid ▪ Some basic skills needs 	<p>Digital platform</p> <p>Telephone support</p> <p>Advice from tenancy sustainment team</p>	<p>Job-search, CV design, job application, and interview preparation.</p> <p>Skills self-assessment webtools, with link to training provision.</p> <p>Links to job vacancies.</p>
Intensive Support	<ul style="list-style-type: none"> ▪ Long-term unemployed or inactive (6 months +) ▪ Disability, health or mental health condition ▪ Stuck in low pay (earning below Living Wage for last 5 years) ▪ Basic skills needs 	<p>Face-to-face support from a personal advisor</p> <p>Telephone support</p> <p>Digital platform</p>	<p>Full needs assessment and action plan.</p> <p>Full, personalised, one-to-one support offer.</p> <p>Access to a flexible training budget – Orbit Future Skills Fund.</p>

Third, this blended model would require the development of an **effective online platform** to support Orbit customers. This should include both accessible and engaging information, as well as interactive and easy to use online tools. The focus of this platform should be helping customers understand the basics of finding a job (CV design, job search support, interview preparation), as well as helping them understand their skills, and the skills needs of employers, and the local labour market.

While such online platforms could deliver significant improvements in efficiency in the medium and long term, as they would allow for advisor time to be focused on those with the highest need and the lowest risk of deadweight, they could represent a significant cost in the short term. Orbit should consider working with other housing associations to jointly procure such a platform, which could be integrated into their own website

Such an approach offers the opportunity both to support a larger number of customers, across Orbit's wide footprint, and to focus advisor time on customers who could most benefit from personal information, advice and guidance.

In using such technology, Orbit should be aware of its limitations, including in supporting customers with basic skills needs and/or more profound barriers to work.

Metrics of success

The aim of this digital and tiered approach should be to deliver maximum impact from the service, by support where it is needed most.

In order to measure success, Orbit should measure the following across each of the three support groups:

- number of customers engaged;
- job outcomes and outcome rate;
- sustainment rate after 26 weeks and 52 weeks;
- impact on household income and rent account;
- customer satisfaction.

Focusing support on the 'intensive support' group may not lead to an increase in job outcomes overall, as it would involve more work with those with more profound barriers to employment. However, it would offer the opportunity to increase significantly the impact of the service, and the social return on investment, as it would focus resources on those who are less likely to find employment without support.

Getting on in work – Supporting in work progression

Context

Orbit's employment support service was developed in the first half of the last decade, in a period of relatively high unemployment. The focus of the service was primarily to support unemployed customers into work, in order to help improve their financial position and give them greater security and independence. Currently, over nine in ten (91 per cent) of the customers supported by the service are out of work.

Since the launch of Orbit's employment service, unemployment has fallen by nearly half, and the employment rate has reached a record high. However, while worklessness has declined, levels of poverty have not fallen. Instead, there has been a growth in in work poverty, such that most people who are now in poverty across the UK, and most people accessing Orbit's debt support, are in a working household.

It is likely that the future of work will see a continuation of this trend, with high levels of in work poverty. While the government plans to increase the National Living Wage to £10.50 by 2024, this will do little to boost incomes for those working part time, and there are no plans to reverse the cuts to in work benefits, which have contributed to growing levels of in work poverty.

Universal Credit will place a growing emphasis on in work progression. Under the new benefit, claimants who are in work but earning below a certain level will be required to

seek to increase their earnings. However, at present there is little support from DWP for people who are in work to progress.

What the service would look like

In order to respond to the changing nature of poverty, Orbit should increase its focus on supporting in work progression for tenants stuck in low paid and/or insecure work.

This should involve a number of changes to the service.

First, in terms of the target group, this would require **more active targeting of customers who are in work, but on low pay, and/or in insecure work**. Evaluation of in work support services has found that clear messaging is important here, as are promoting the relevance of support to the target group, and working closely with partners such as DWP to support referrals ([L&W 2019a](#)).

Second, as with support into employment, in work customers should be **triaged to understand their needs, and to focus support on those who could most benefit**.

Support for in work progression should be focused on those who are stuck in low pay, for example those who have been earning below the Living Wage for 5 years or more, and for those who are in insecure work and seeking a more secure role.

Third, support to progress within employment should be based on a thorough understanding of the aims and barriers of the individual, and set out in an agreed **action plan**, with support tailored to the individual's needs ([L&W 2019a](#)).

Fourth a greater focus on in work progression should go alongside a **focus on support for work-related training**. The evaluation of the DWP in work progression trials found that those customers who had participated in work-related training saw significantly larger increases in their incomes than those who had not ([DWP 2019](#)). Given this, Orbit should consider introducing a flexible personal budget – the Orbit Future Skills Fund – which could be used to help tenants who are stuck in low pay, and with identifiable skills needs, to retrain, upskill and progress (see below).

Orbit would have a number of options for the delivery of the service.

First, Orbit would need to consider whether the in work progression service would be **delivered in house or commissioning externally**. While there are some similarities between providing support to *enter* employment, and support to *progress* in employment, there are also significant differences. The role of an in work progression adviser requires a wide-ranging and distinctive skillset to support a variety of needs and aspirations ([L&W 2019a](#)). Given this, if Orbit was to deliver this service in-house, it should develop specialist and trained in work progression advisors, who would focus largely or solely on supporting customers who are in work to get on. Alternatively, Orbit could consider commissioning an external provider to deliver in work progression support.

Second, Orbit would need to consider whether the service would be delivered **locally, or remotely**. A local model of delivery could involve specialist in work progression advisors based in the areas where Orbit chooses to focus its support (see below). These should be areas with high levels of Orbit stock, and high levels of in work poverty. Alternatively, Orbit may want to consider delivering such support remotely, rather than face to face. There is reason to suspect that a remote service could still have impact; the recent DWP evaluation of the in work progression trial found that those in the 'moderate support' group, who received only periodic phone calls, achieved similar outcomes to those in the 'intensive support' group who took part in fortnightly face to face meetings ([DWP 2019](#)).

In developing an in work support offer, Orbit should explore the findings of evaluations of recent pilot projects, such as DWP's evaluation of their in work progression trials ([DWP 2019](#)), and Learning and Work Institute's evaluation of the Step Up programme ([L&W 2019b](#)). Learning and Work Institute also produced guidance for designing and delivering in work support services based on the latter evaluation ([L&W 2019a](#)).

Metrics of success

The overall aim of the in work support service should be to help more Orbit residents to progress in employment to higher paid and more secure work, in order to tackle in work poverty and promote financial security.

In order to measure the success of its in work support offer, Orbit should measure the following for-in work customers:

- number of in work customers engaged;
- progression outcomes (i.e. those supported to increase their income, and/or those supported into more secure employment) and outcome rate;
- impact on household income and rent account;
- customer satisfaction.

Retraining and upskilling – The Orbit Future Skills Fund

Context

As set out above, there is an increasing link between qualification levels and labour market outcomes. Adults with higher levels of qualifications are both more likely to be in employment than those with low or no qualifications, and those who are in work are less likely to be in low pay and in work poverty. Analysis of Orbit's employment support service shows that outcomes for customers with lower levels of qualifications are significantly lower than those with at least a level 3 qualification.

Changes in the labour market in the coming decades are likely to lead to a growing link between qualifications and skills levels, and outcomes. Automation will transform the labour market, and it is workers with low levels of qualifications who are the most likely to see their jobs replaced by new technology.

This means that Orbit tenants who lack higher level qualifications are increasingly likely to face disadvantage, both in terms of the risk of unemployment, and the risk of low paid and poor quality work.

Orbit already has a significant focus on training and skills as part of its employment support service. This covers both motivational training, employability training, and some funding for external courses. In order to reflect the growing importance of skills, Orbit's employment support should increase the focus on upskilling and retraining so that customers can thrive in the future world of work.

What the service should look like

Orbit should increase its focus on training and skills, including through introducing an Orbit Future Skills Fund to empower tenants and support them to get the skills needed for the jobs of the future.

The Orbit Future Skills Fund should be both a personal learning account accessible to Orbit customers, and a resource for commissioning high-quality training for groups of Orbit customers.

Research has shown that personal learning accounts can help empower adults to take part in learning ([L&W 2016](#)). Orbit could explore a personal learning account approach, whereby tenants who meet certain criteria are allocated a certain amount of funding to be invested in education and training to help improve their career prospects.

The Orbit Future Skills Fund could be targeted at tenants aged 25 or over, who are out of work, or in low pay, and who lack a level three qualification. This group can be seen as particularly vulnerable to future changes in the world of work, and it both reflects the priority group for the [National Retraining Scheme](#) currently being developed by Department for Education. It is also the group which tend to have lower outcomes from Orbit's current employment support.

The Orbit Future Skills Fund should be based on a 'dual key' approach, whereby both the individual and an employment and skills coach have to agree on the use of the funds. This would ensure that funding is only used for effective, work-related training, for customers who are committed, and where there are no other options available for accessing such training. It would also ensure that the fund is invested in skills that will be in high demand in the future world of work, enabling Orbit customers to build a successful career and to achieve lasting financial independence. Such an approach would ensure that the investment has maximum impact.

In addition to providing a personal learning account for customers to access for identified external courses, the Orbit Future Skills Fund should also enable Orbit to put on high-quality training for groups of customers in an identified area of need. Two such potential areas are identified below:

Green Skills for the Future

The UK is committed to achieving net-zero by 2050. Housing accounts for a fifth of the UK's emissions. In order to achieve this target, tens of millions of homes and buildings across the UK will need to be insulated and retrofitted, with sustainable heating systems to replace gas boilers ([IET 2018](#)).

In the next 20 – 30 years, Orbit will need to insulate and upgrade the heating systems in tens of thousands of its homes. In addition to reducing carbon emissions, insulating and retrofitting could make Orbit's homes warmer and reduce energy bills. It also represents a huge potential opportunity for training and employment for Orbit tenants.

Orbit could establish a Green Skills for the Future programme to ensure its residents can take advantage of the opportunities that insulating and retrofitting its existing stock will provide. This could involve working with the contractors who will be conducting the work on Orbit's stock to;

- agree social value conditions in the contracts, including a minimum number of residents trained and employed;
- map employment and skills demand relating to the work;
- broker opportunities for residents;
- support residents to gain the skills necessary through the Orbit Future Skills Fund.

Orbit could work in partnership with other housing associations to deliver this programme, and could potentially bid for UK Shared Prosperity Fund to support it.

Care Skills for the Future

As the UK ages, demand for social care will increase substantially. At the same time, access to migrant workers from across the EU will reduce following the ending of freedom of movement. This is likely to lead to the already significant skills shortages in the sector to grow very significantly ([IPPR 2018](#)).

In addition to the growing demand for care, work in this sector is relatively resilient to automation, with just one in three jobs at high risk of automation, half the level seen in sectors such as retail and hospitality ([IPPR 2017](#)).

Orbit should consider establishing a Care Skills for the Future training programme to support customers to build a career in the care sector.

This could involve identifying cohorts of customers who are interested in working in the sector, providing training funded through the Orbit Future Skills Fund, and brokering opportunities with local care providers.

Orbit should consider piloting the Orbit Future Skills Fund in one of its regions, with a view to rolling it out across the whole organisation.

The Orbit Future Skills Fund would require around £300,000 investment pa, with half of this being ring-fenced for personal learning budgets, and the remainder being used for commissioning group courses.

The Orbit Future Skills Fund could provide training grants of up to £3,000, which would allow customers to access most NVQ level 3 courses. Customers who are in work should be expected to co-invest some of the costs of the training. Assuming the average grant is £1,500, orbit would be able to support 100 residents a year, or around 1 per cent of Orbit residents over a 10 year period.

Metrics of success

The Orbit Future Skills Fund should aim to support more customers to achieve higher levels of qualifications, in areas of high demand in the future world of work, thereby supporting them to build a sustainable career and achieve financial independence.

In order to measure success, Orbit should measure:

- the number of customers supported through the fund;
- the number of customers supported to gain a higher level of qualification;
- employment status and income level after 1 and 5 years to understand the long-term impact on employment prospects and earnings;
- progress on to higher level training.

Adjusting to longer working lives – The Orbit Mid-Career MOT

Context

Currently, just one in five customers (21 per cent) of Orbit's employment support are aged 50 and over, well below the figure for Orbit's residents. Outcomes for customers aged 50 and over are lower than for the programme as a whole.

The future of work will bring longer working lives for Orbit tenants. This will be driven both by increasing life expectancies, and the increasing pension age. In addition to longer working lives, rapid advances in technology will mean a greater focus on the need for Orbit tenants to upskill throughout their working lives, and a greater likelihood of having to retrain.

What the service would look like

With people facing longer working lives, and rapid change in the labour market, Orbit should introduce an Orbit Mid-Career MOT for tenants in mid to late career.

Mid career MOTs can be effective in helping workers in the middle or towards the end of their working lives to consider their next steps.

A pilot for the Department for Business, Innovation and Skills, led by NIACE (Learning and Work Institute's predecessor) found that mid life career reviews for employed and unemployed adults aged 45 – 65 had a range of positive impacts. These included:

- supporting return to work after unemployment;
- developing a better understanding of opportunities to change job or negotiate more appropriate working conditions;
- support to find appropriate training;
- support in making realistic decisions about extending working lives;
- improved health and wellbeing.

The pilot found that the delivery of mid-career review was relatively affordable at around £100 per person engaged ([NIACE 2015](#)).

Orbit could offer its tenants aged 45 – 55 an 'Orbit Mid-Career MOT'. This could involve:

- exploring their current employment situation and career aspirations;
- exploring their current skills and the skills needs of their chosen career path;
- exploring potential training opportunities, including what could be funded through statutory entitlements to funding, and what could be funded through the Orbit Future Skills Fund;
- exploring their current pension savings, their forecast pension income, their likely pension need, and how much they would have to save to reach this level;
- developing an action plan to set out next steps;
- referring the individual to support, including through the employment support team.

Mid-career MOTs should be focused on customers who are in work but on low pay, as part of the effort to support in work progression. Orbit should aim to carry out 500 mid-career MOTs a year, which would reach around 5 per cent of Orbit residents over a ten year period.

Delivery could involve either a small team focused solely on conducting mid-career MOTs, or through mainstreaming mid-career reviews as part of a wider employment team. If this

was delivered by a separate team, it would require 2.0 FTE staff and a budget of around £70,000. Staff carrying out the mid-career MOTs would require training in information, advice and guidance, and access to information on employer skills needs and training options available.

Metrics of success

The aim of the Orbit Mid-Career MOTs should be to engage tenants in thinking about their options, and to support more tenants to improve their skills and employment prospects, and their long-term financial security.

In order to measure success, Orbit should measure:

- the number of customers engaged through a Mid-Career MOT;
- number of customers reporting a positive employment outcome (progression into work, progressing within work) or skills outcome (accessing training, achieving a qualification), and the outcome rate;
- customer satisfaction.

Leveraging opportunities through social value

Context

A common characteristic of effective employment support services is the combination of customer-focused IAG, with employer engagement and jobs brokerage in order to secure opportunities in which to place customers. Orbit's current model, with a relatively small team spread over a very large area, makes effective external jobs brokerage very difficult to achieve. Until recently Orbit had one member of staff working on jobs brokerage, though the role is currently not filled.

In addition, jobs brokerage at employment provides has traditionally focused on securing entry level vacancies in relatively low-skill, low-pay sectors, such as retail, hospitality, warehousing, security and care. While this can provide opportunities for residents to move from unemployment into work, these roles often provide limited opportunities for progression, and they do not support customers to escape from poverty.

Both as direct employers, and through their supply chains in construction and beyond, housing associations are major players themselves in local economies. An increasing number of housing associations have explored how they can deliver social value for their residents as part of their employment and procurement practices, whether it be through supporting residents to access vacancies within the organisation, or using contractual

obligations within framework agreements to require organisations in their supply chain to provide apprenticeship opportunities ([RSA 2018](#)).

Over the next decade, Orbit will generate a large number of training and employment opportunities, both through its housebuilding programme, and through maintenance and retrofitting of its existing stock.

What the service would look like

Orbit should develop a social value function, led by a dedicated social value officer, to maximise employment and skills opportunities for residents.

Rather than reaching out externally to employers in low pay sectors, the social value officer role should focus on working internally – with procurement, HR, direct services – and externally – with partner organisations – to secure as many high-quality employment and training opportunities as possible for Orbit tenants.

In addition to securing opportunities, the social value officer should work alongside the wider employment service to ensure that residents are able to access them. This could involve short pre-employment training courses, funded through the Orbit Future Skills Fund.

Metrics of success

The aim of the social value function, and the social value officer, should be to ensure that more residents can access high-quality training and development opportunities created by Orbit and its partners.

In order to measure success, Orbit should measure:

- the number of Orbit customers supported into jobs and apprenticeships at Orbit;
- the number of Orbit customers supported into jobs and apprenticeships in Orbit's supply chain.

Exploring future funding opportunities

Context

Most of Orbit's current employment and skills support is funded out of Orbit's community investment fund. Orbit has been successful in the past in leveraging in investment from other sources, including the European Social Fund (ESF), which funds the Love London Working programme.

The UK will no longer have access to the European Social Fund post-Brexit. The Government has committed to developing the UK Shared Prosperity Fund (UKSPF) to replace ESF. This will aim to reduce disparities between regions, including through the provision of employment and skills support. UKSPF will be at least as large as ESF, and the government has committed to making it less bureaucratic.

What the service would look like

Building on Love London Working, Orbit should explore partnering with other housing associations and employment and skills providers on a local level to bid for funding from the UK Shared Prosperity Fund.

This could lever in additional funding, to provide a more comprehensive support offer in the areas which Orbit chooses to focus.