Economic Regeneration Group
Leicester City Council

Phase 1 and 2 Evaluation
July 2015
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1. Executive Summary:

This report provides an overall evaluation of the Step-Up scheme (Phase 1 and 2), since the last interim evaluation was completed in October 2013 and outlines a number of recommendations for the delivery of any future incentivised scheme.

Consultations with employees, local employers and strategic referral partners provide much support for this initiative. In addition, desk-top analysis provides evidence that the scheme has successfully re-engaged unemployed young people from Leicester’s deprived neighbourhoods, which has also contributed to reducing the overall jobseeker claimants in the city too.

Over the implementation period (2013-15), the scheme has brokered over 300 jobs with local employers from a range of sectors, offering a substantial incentive to employ 18-24 year olds who have been unemployed for a minimum of 6 months. The job opportunities have attracted at least 800 referrals from strategic partners and generated 252 job outcomes to date.

The majority of Step-Up employees reside within non-affluent wards in the city representing 70% of overall starts. Of those that have exited the scheme to date (169), 75% on average have not returned to claiming JSA. This figure is in fact 97% for those that were employed directly within the city council in Phase 1.

These significant outcomes have contributed to the overall reduction in the city’s (18-24) Job Seekers Allowance (JSA) claimant rates, which in fact have fallen by 79% from April 2013 to April 2015. By contrast, Employment and Support Allowance (ESA) claimants over the same period have increased by 49.5% with other JSA claimant age groups also featuring highly within local statistics. The current scheme could be refocused to target these particular groups within any future service, but may require direct involvement of specialist providers.

From an employee perspective, the scheme has offered ‘real’ paid work experience, which has helped to increase confidence levels, motivation and to gain new skills. Indeed, an employee has stated “it has been very helpful, and has definitely improved the chances of finding a permanent job. It has given me skills and knowledge I did not have before entering the step up programme and has also given me the opportunity to build on the skills I may have already had.”

Employers have also benefited from wage incentives that were granted as part of the Step-Up formula, in addition to the extra capacity provided by recruiting supernumerary employees. Many would not have been in a position to recruit additional staff and to provide the various opportunities; this is especially true for the 80 posts offered by internal city council managers.

Employers have reported numerous benefits of the scheme; for example, one states...“the Step-Up scheme is equipping young people who have had limited work experience. This is exactly what is needed to allow them to get the jobs that they can do, but would otherwise not get. It is about confidence building so any support that the council can offer that continues to grow a candidate’s confidence will really help.”

A number of factors have contributed to the success of the scheme. However, it would be beneficial for other aspects to be reconsidered within the planning process of any new proposal. These are summarised below:
What has worked well?

<table>
<thead>
<tr>
<th>Partnership working with strategic partners especially Job Centre Plus.</th>
<th>Dedicated website, detailing background, application process for employers and vacancies.</th>
<th>On-line application form that populates CRM system, reducing paperwork and improved efficiency.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Streamlined grant approval process, with web links to terms and conditions.</td>
<td>Scheme has attracted range of employers from public, private and VCS.</td>
<td>Alternative recruitment methods such as Traineeships and Job Fairs.</td>
</tr>
<tr>
<td>Ability to target individuals from deprived areas of the city with related Talent Match scheme.</td>
<td>Voluntary work trials, providing both employee and employer reassurance for their selections.</td>
<td>Streamlined grant claims process, with fewer claims to manage.</td>
</tr>
</tbody>
</table>

What could be improved or refocused?

<table>
<thead>
<tr>
<th>Open up target group to all working ages given the fall in youth unemployment locally.</th>
<th>Targeting of specific marginalised groups, such as ESA or previous offenders.</th>
<th>Support individuals to apply for positions and standardise/simplify application forms.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time taken to recruit employees still protracted process in many cases with many posts withdrawn.</td>
<td>Streamline referrals process to encourage more numbers and introduce a ‘job ready’ assessment to create a pool of candidates.</td>
<td>Support candidate preparation for interviews.</td>
</tr>
<tr>
<td>Improve the recruitment to traineeships and support managers with processes.</td>
<td>Provide enhanced in-work support packages for all employees.</td>
<td>Target a broader range of jobs given JSA client demand preferences and match to pool of ‘job ready’ clients.</td>
</tr>
</tbody>
</table>

The above data and stakeholder feedback represents an extremely positive outcome for the Step-Up scheme and provides strong justification for intermediate labour market schemes generally. It is quite clear that a period of incentivised paid employment has contributed significantly to helping our target cohort to secure longer-term employment. Therefore, this latest evaluation exercise provides a convincing case to develop a further phase of Step-Up, given the impact it has had on working collaboratively with strategic partners and reducing youth unemployment locally.

A new phase could benefit a wider target group given the latest JSA data and would continue to facilitate the reduction in overall unemployment claimants in Leicester. However, there are a number of aspects within the current scheme that would benefit from further consideration as detailed in the main report and highlighted in the summary set out above. The over-riding message is to secure another programme with a refocus of target groups and to address specific aspects that need to be improved.
2. **Introduction:**

The report details: the background to Phase 1 and 2; headline achievements; comparative profiles of employees/employers; impact upon the linked Talent Match programme; survey data from employers/employees and local statistical data. Finally, it recommends areas that could be developed for a new scheme within a Leicester to Work (2) programme of activities.

### A. The key questions this evaluation aims to address are:

- What have been the positives and negative aspects of the scheme and has it met the original aims and objectives?
- Which processes have been successful and where do changes need to be made within a new phase?
- What impact has the scheme had on local unemployment statistics and the linked Talent Match Programme?
- What recommendations would the above findings lead us to make and do we need to refocus our attention within a future Step-Up type scheme?

### B. Methodology used:

An employer and employee survey was conducted using the city council Citizen Space survey module. In addition, a combination of meetings and interviews with referral agencies, employers, employees and team members have also contributed to the analysis and recommendations herein.

Desk-top research has also been conducted to ascertain the:

- headline Step-Up outcomes achieved;
- profile of employees/employers together with reference to the Talent Match Programme;
- recent local unemployment data trends.

The feedback and collection of data from surveys has been independently overseen by the Communications Team at the city council to ensure the findings represent an accurate assessment of the positive and negative aspects of this particular service area.
3. Background to Step-Up Phase 1 and 2:

The Step-Up scheme was announced following the launch of Leicester’s Economic Action Plan (November 2012). The scheme forms part of a portfolio of projects falling within the Leicester To Work Programme, aimed at tackling youth unemployment and worklessness within the city. Since its inception, the Leicester To Work Programme highlighted a number of key issues:

In October 2012, a total of 1,315 young people in Leicester (aged 18-24) were in receipt of Job Seekers Allowance for over 6 months. This statistic has significantly reduced to 300 as of April 2015, representing a 73% reduction over the period. Nonetheless, a key issue for the City Mayor is to continue to support those furthest from the labour market and most vulnerable groups into training and work.

Objectives:

The overall objectives of Step-Up were to tackle unemployment within the city for the 18-24 age groups, who have been out of work for at least 6 months. This has been addressed by developing an Intermediate Labour Market (ILM) scheme, which has provided the capacity for a combination of 6, 9 and 12 months paid work placements for 255 individuals to date, including 25 Traineeships hosted directly by the council.

Talent Match Programme:

Phase 2 has been enhanced with external funding from the Big Lottery Talent Match Programme, which is a 5 year programme aimed at tackling youth unemployment within 4 priority wards for those unemployed 12 months or more. In effect, this programme has provided additional funding to offer an extension period of between 3 and 6 months for 47 posts, including intensive in-work mentoring and skill development opportunities.

Financial offer to employers:

Phase 1:

Offered a 100% contribution to hourly wage costs for the 18-24 age groups, with no contribution towards employer National Insurance or associated on costs. Employers were also credited with a £500 incentive payment if employees did not return back to benefits 6 months after the initial Step-Up incentivised period.

Phase 2:

25% employer contribution required towards wage costs as summarised below:

<table>
<thead>
<tr>
<th>Contract length</th>
<th>Contribution</th>
<th>Aged 18-20</th>
<th>Aged 21-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Months</td>
<td>Step-Up</td>
<td>£3,000</td>
<td>£3,750</td>
</tr>
<tr>
<td></td>
<td>Employer contribution (25%)</td>
<td>£1,000</td>
<td>£1,250</td>
</tr>
<tr>
<td></td>
<td>Total Costs</td>
<td>£4,000</td>
<td>£5,000</td>
</tr>
<tr>
<td>9 Months only for Talent Match eligible individuals</td>
<td>Step-Up</td>
<td>£4,500</td>
<td>£5,700</td>
</tr>
<tr>
<td></td>
<td>Employer contribution (25%)</td>
<td>£1,500</td>
<td>£1,900</td>
</tr>
<tr>
<td></td>
<td>Total Costs</td>
<td>£6,000</td>
<td>£7,600</td>
</tr>
</tbody>
</table>

The above grants were reduced by 50% for part-time employees.
The specific aims of the Step-Up scheme are:

- To provide a collaborative model of service delivery, working with key strategic partners, including Talent Match programme to offer unemployed young people support to enter employment.
- To work closely with a range of employers from the public, private and voluntary sectors; to provide training opportunities for employees to help them gain work experience and new skills with a view to securing permanent jobs.
- To promote access to appropriate employment opportunities and entry into sustainable employment at the earliest opportunity.
- To offer pre-employment training courses to all, which can be achieved whilst maintaining benefit provision and with no cost to the employer.
- To provide a contribution to employee wage costs for 26, 39 or 52 weeks (at current National Minimum Wage rates) following an optional 2 weeks unpaid trial period, at the employer’s discretion.
- Talent Match aims to extend 47 placements by a period of 3 or 6 months for eligible individuals living within 4 priority wards.
- To identify and remove multiple barriers to securing long-term employment.
- To increase confidence, motivation and offer job search support to enable employees to secure long term employment.
- To maintain regular contact with the employees to ensure they are benefiting and employers are delivering against their promises.

Target Step-Up Client Group:

- Unemployed clients living within the Leicester City postcode boundary;
- Clients who are aged 18-24 at the start of employment;
- Clients who are in receipt of Job Seekers Allowance/Employment Support Allowance for at least 6 months.

Additional Talent Match Client Group:

- Clients who have been unemployed for at least 12 months or ‘Hidden NEETs’.
- Unemployed clients living within the following wards: Braunstone & Rowley Fields; Spinney Hills; Beaumont Leys; and New Parks.
Step-Up summary delivery model Phase 1:
The chart below provides an overall summary of the processes and timescales of how Phase 1 of the Step-Up Scheme was implemented:

**Step-Up First Phase Launch.**
(Nov 30th 2012)

- Employer Applications received.
- Employer Applications Appraised; employer contracts sent out.
- Step-Up Job Descriptions distributed to referral agencies; released in stages.

Employer received shortlist of candidates for interview from referral agencies and selected employee.

Employer agrees with referral agency, enrolment onto Pre-work Training course and final start date to Step-Up, taking into account trial period.

Employee starts Job and supported by Employer and LCC to attend work support training at months 4-6.

LCC – finance and monitoring cycles triggered.

Month 5 of employment – options to sustain employment considered by employer and LCC.

Employee retained in employment, contract extended or ends dependent on available options. Employer may receive incentive payment.

Step-Up summary delivery model Phase 2:
Following, a mid-term evaluation of Phase 1, an amended delivery model was adopted taking on board feedback from stakeholders. An overall summary of the processes and timescales of how Phase 2 of the scheme was implemented is shown below:

**Step-Up Phase 2 Launch**
(March 2014)

- Employer Online Expression of Interests received.
- Employer applications appraised; employer indicative offer letters sent out throughout period.
- Step-Up approved jobs released on website and referral partners notified direct with links.

Employer receives applications directly, and checks eligibility with Step-up Team before interviews arranged.

Employer Interviews eligible candidates and agrees start date taking into account trial period if required.

Step-Up team identify appointed candidates and Talent Match eligibility assessed.

LCC – finance and monitoring cycles triggered.

Talent Match employees visited at start, 3 and 6 months of employment. Aim to contact other employees at 3 months.

Employee retained in employment, finds other employment or returns to JSA.
The following points highlight the differences from the delivery of Phase 1 and were implemented as a result of the last interim evaluation:

a. An online expression of interest process was implemented with forms populating directly into a CRM system.

b. Indicative offers were sent directly through a CRM system removing the need for formal contracts and associated delays to recruit staff.

c. Grant payments were reduced to 4 intervals from monthly payments for employers and submitting wage slips only for claims to be approved.

d. Approvals for funding were communicated directly through the CRM system, which provides consistency in terms of an effective audit trail of evidence and payments.

4. Achievements of Step-Up Phase 1 and 2:

4.1 Job outcome analysis.

The implementation of Phase 1 and 2 has delivered a significant number of outputs/activities that have assisted target clients into work. The headline outputs are summarised within the table below:

<table>
<thead>
<tr>
<th></th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Total</th>
<th>Commentary:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs released</td>
<td>150</td>
<td>159</td>
<td>309</td>
<td>The majority of Phase 1 releases transferred into job outcomes. However, within Phase 2 there were a number of posts that were re-released and eventually withdrawn owing to the number and quality of applications received.</td>
</tr>
<tr>
<td>Job referrals</td>
<td>408</td>
<td>447</td>
<td>855</td>
<td>Phase 2 created more referrals given that there was no restriction on the number of applicants that could be referred from partners and posts were advertised on the Step-Up website. However, this pattern has not translated into higher job outcomes than Phase 1.</td>
</tr>
<tr>
<td>Job offers</td>
<td>145</td>
<td>110</td>
<td>255</td>
<td>The EAP target has been met; however there are a small number of Talent Match outcomes that remain. Within Phase 2, employers have been quite particular with their selection processes. Other factors include: low referral numbers; candidates not attending interviews; the need to re-release a number of posts.</td>
</tr>
<tr>
<td>Jobs starts</td>
<td>145</td>
<td>107</td>
<td>252</td>
<td>This will increase with remaining Talent Match outcomes yet to be achieved.</td>
</tr>
<tr>
<td>Review, In-work support meetings</td>
<td>387</td>
<td>104 (to date)</td>
<td>491</td>
<td>Phase 1 included 3 visits per employee. With reduced resources in Phase 2, TM employees have been visited regularly and we have aspired to contact other employees 3 months prior to completing contracts to discuss next steps.</td>
</tr>
</tbody>
</table>
4.2 Profile of Step-Up employees.

a. Gender:

The gender breakdown is relatively balanced for Phase 1 Step-Up employees. Phase 2 is more reflective of the overall gender breakdown for Leicester City’s JSA total claimants. Step-Up overall figures are 48% female and 52% male, which contrasts slightly with city wide data. Therefore, more targeting of male candidates within a future phase of Step-Up could be considered a desired objective.

b. Age:

The age breakdown of Phase 1 employees is reflective of the target number expected given the financial budget that was available. We had forecast that 66% of the total employees would be aged 18-20; the actual was 61%, which we were able to accommodate.

In contrast, the age profile of Phase 2 employees is more evenly distributed for the 19-24 age range. This is because there was no age restriction applied to candidates as a direct recommendation from the last interim evaluation.

Coincidently, there is a low number of 18 year olds that secured placements across both phases. This may be due to the fact that individuals can only claim JSA at age 18 and therefore far fewer applicants of this age fell within our full 18-24 age criteria.
c. Residence of employees:

The graph above highlights the fact that the majority of Step-Up employees we have engaged with in both phases reside within the non-affluent wards of the city, representing 70% of overall starts.

The above trend can further be evidenced by mapping employee postcodes against local indices of deprivation, as represented below:

Within Phase 1, there was no direct targeting of claimants from areas of higher multiple deprivation. Despite this, the map above clearly shows the majority of employees lived within 5-15% of the most deprived areas of the city (applying the most recent 2010 data).
Similarly within Phase 2, there was no direct targeting of employees from deprived wards as part of the city council solely funded scheme. This approach hasn’t altered the position from Phase 1 in our ability to attract individuals from the most deprived areas.

As part of the related Talent Match employees we were originally targeting the wards of Beaumont Leys, New Parks, Braunstone and Spinney Hills, represented by the blue spots in the map below. This objective has clearly been achieved, and highlighted by the blue spots within map 2 below:

A more detailed analysis of the Talent Match programme is provided within the section below. However, we can confidently say that Step-Up has directly benefited individuals residing within areas associated with higher levels of deprivation and worklessness, which is a very positive outcome for the scheme overall.

d. Ethnicity profile of Step-Up employees compared to City wide JSA data (June 2015):

![Image of Ethnicity profiles]
Within Phase 1 and 2 there are a high proportion of Step-Up employees of Asian/Asian British (28 and 25% respectively) and White/British (47 and 54%) backgrounds. This is a broadly similar trend to the overall city figures for the same groups.

The number of recruits from the Bangladeshi, Pakistani and Black/Black African communities are relatively low.

However, when compared to the overall ethnicity profile for City wide claimants (18-24’s), the numbers for these ethnic groups are similarly quite low. We can say that the ethnicity profile of all Step-Up employees recruited is reflective of the overall City wide ethnicity profile for JSA clients. Therefore, there is no compelling evidence for the need to target particular ethnic groups in any future scheme, within the context of the city wide claimants.

e. Talent Match employee profiles:

A total of 48 Talent Match employees have been recruited to date, 56% of these reside within the original 4 target (red) wards as highlighted within the graph above. Given the flexibilities that were applied 12 months into the programme to attract more clients, we notice an even spread amongst the most deprived areas of the city. This trend is more visible with reference to the 2010 indices of deprivation as per the map below:
We can comfortably say that the majority of those supported with an enhanced 9-12 month contract reside within the most deprived areas of the city. The flexibilities applied have therefore had a positive impact in being able to attract more individuals. This has also helped us meet our individual partner targets within the wider Talent Match programme.

Analysis of the age profile of Talent Match employees reveals that there are very few 18 year olds engaged within the scheme.

This is a pattern reflected within the entire Step-Up engagement figures and again is related to the fact that claimants of JSA must be 18 before they can make a claim. The additional requirement to be at least 12 months unemployed would also have an impact.

When compared to the overall Talent Match Programme, which has engaged with a total of 334 people to date, 32% are aged 18-19 (20% for Step-Up) and 67% are aged 20-24 (79% for Step-Up). Therefore, our age groups for Talent Match employees are not aligned with the overall programme, however they continue to meet the 18-24 eligibility criteria.
A comparison of the gender breakdown for the overall Talent Match programme and the 48 Talent Match employees is summarised in the table below:

<table>
<thead>
<tr>
<th>Gender</th>
<th>TM Programme (334 starts)</th>
<th>Step-Up/TM (48 Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>64%</td>
<td>58%</td>
</tr>
<tr>
<td>Female</td>
<td>36%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Despite the fact that we have engaged with less males than the overall TM programme, the gender profile of the 48 employees is aligned directly with city wide JSA data and is quite similar to the overall Step-Up profile for this data set.

Consideration of the ethnicity breakdown for the overall Talent Match programme and the 48 Talent Match employees is summarised in the table below:

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>TM Programme (334 starts)</th>
<th>Step-Up/TM (48 Employees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>52%</td>
<td>62.5%</td>
</tr>
<tr>
<td>BME</td>
<td>48%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

It is clear that the above profile of 48 employees is quite dissimilar from that of the overall Talent Match programme. We have engaged with more white individuals and less from a BME background. In light of the above, specific targeting of BME communities may be a desired objective for any future TM/Step-Up joint initiative, but this should be considered within the context of the overall city wide ethnicity profile for JSA claimants.

4.3 Leavers outcome data:

Phase 1:

<table>
<thead>
<tr>
<th>Percentage NOT returning to JSA post Step-Up contract</th>
<th>Percentage NOT claiming JSA, 3 months post Step-Up</th>
<th>Percentage NOT claiming JSA, 6 months post Step-Up</th>
<th>Percentage NOT claiming JSA (6th May)</th>
</tr>
</thead>
<tbody>
<tr>
<td>67%</td>
<td>66%</td>
<td>75%</td>
<td>77% (LCC = 97%)</td>
</tr>
<tr>
<td>96 of 143</td>
<td>95 of 143</td>
<td>107 of 143</td>
<td>110 of 143 (LCC = 33 of 34)</td>
</tr>
</tbody>
</table>

The above data represents a very positive outcome for Phase 1 of the scheme, with 77% of all employees not returning back to claim JSA as at the beginning of May 2015.

The most impressive statistic from the above is the 33 out of 34 Step-Up employees that were employed within City Council departments have not returned to claiming JSA as of May 2015. This is an extremely impressive outcome from the scheme and could have been influenced by enhanced in work support activities that were available within our Corporate Training Section e.g. providing advice with CV writing, application forms and interview techniques. Other regional schemes have also reported that pastoral support is key to achieving high sustainable job outcomes.

Phase 2:

Given that the majority of Phase 2 Step-Up employees are still within their respective contracts, we cannot provide a full assessment of the destinations of leavers. However, the table below provides a snapshot of the situation so far:
Step-Up: Phase 1 and 2 Evaluation (July 2015)

<table>
<thead>
<tr>
<th>Number of employees started</th>
<th>107</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Those left project:</strong></td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>End of contracts/other</td>
</tr>
<tr>
<td><strong>Not claiming JSA as at 02/07/15</strong></td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>This represents 75% to date, which is very encouraging</td>
</tr>
<tr>
<td><strong>Dismissed/other</strong></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Dismissed by employer, attendance/timekeeping</td>
</tr>
</tbody>
</table>

In cases where the employee has been dismissed, officers have liaised directly with the employer and referral agencies to discuss appropriate support mechanisms available and in some cases benefit sanctions are applied.

From the information available to date, it can be said that a period of ‘real’ paid work experience through the Step-Up scheme for our target groups has had a really positive impact, helping individuals to come off benefits and most evidently it has helped a high proportion to stay off them!

4.4 Step-Up job sector profiles, JSA claimant demand and predicted job openings:

![Phase 1 & 2 Job Sectors](image)

Source: LCC Step-Up Database

The above graph summarises the profile of Step Up jobs that were offered over both phases. We can compare this information to the desired occupations sought by current JSA claimants:
### Predicted job openings – identified by LLEP

<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>Additional details</th>
<th>Predicted Job openings 2010-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale/Retailing</td>
<td>Includes online shopping</td>
<td>35,000</td>
</tr>
<tr>
<td>Health/Social Care</td>
<td>Includes primary care; secondary care and tertiary care; as well as activities involved with public health authorities.</td>
<td>21,000</td>
</tr>
<tr>
<td>Business Support</td>
<td>Services including: office support; call centres; employment agencies; rental and leasing.</td>
<td>20,000</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>19,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>Including: engineering; textiles and food-drink manufacturing.</td>
<td>18,000</td>
</tr>
<tr>
<td>Professional Services</td>
<td>Including: legal; accounting; consultancy; scientific; architecture and engineering.</td>
<td>18,000</td>
</tr>
<tr>
<td>Construction</td>
<td>Including: Buildings; civil demolition; site preparation; installation; roofing; joinery; plastering and painting.</td>
<td>17,000</td>
</tr>
<tr>
<td>Transport Storage</td>
<td>Road; rail; air and warehouse.</td>
<td>12,000</td>
</tr>
</tbody>
</table>

Source LLEP “The Labour Market”
Commentary:
The profile of Step-Up posts filled, shows a disproportionately high number of Admin/Clerical jobs for which there is not as much client demand when compared to recent JSA claimant data.

Sales occupations feature very high as aspirational goals amongst this target cohort group. However, within both phases of Step-Up there are relatively few sales occupations that have either been offered or filled.

The LLEP information above also highlights where the predicted job openings are likely to be over the next few years. Specific targeting of jobs that match these sectors may be a desired objective to help promote more sustainable jobs.

However, the above comments must be considered in parallel with job ready assessments of eligible candidates. There would be no point in brokering specific jobs for which there are no suitable ‘job ready’ eligible candidates.

5. Budget Overview.

Step-Up has been delivered since the 2012/13 financial year and subsequent years. A summary of the overall budgets and job outcomes (including remaining targets) is provided below:

<table>
<thead>
<tr>
<th></th>
<th>Budget committed</th>
<th>Job outcomes</th>
<th>Average cost per job outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>£579k</td>
<td>145</td>
<td>£3,993</td>
</tr>
<tr>
<td>Phase 2</td>
<td>£486k</td>
<td>113</td>
<td>£4,300</td>
</tr>
<tr>
<td>Combined Total</td>
<td>£1.07M</td>
<td>258</td>
<td>£4,128</td>
</tr>
</tbody>
</table>

Commentary:

a. The budget commitment for Phase 2 is as of June 2015. This may reduce as employees exit the scheme earlier than expected and respective savings are made.

b. Phase 2 budgets include resources of £107k from the Talent Match programme with outstanding commitments and remaining job outcome targets.

c. Phase 2 average cost is higher as we have offered 30 hour contracts compared to 25 hrs/week in Phase 1 and includes a mixture of 6, 9 and 12-month contracts.

d. When we consider the costs above compared to the wider costs of unemployment, they appear marginal. There is an immediate impact to that person's standard of living when unemployed. Even for those eligible for unemployment benefits and other forms of assistance, it is often the case that these benefits replace 50% or less of their regular income. That means people are consuming far less than usual. The economic consequences can go beyond less consumption, though as there are other costs to the individual. Studies have shown that prolonged unemployment harms the mental health of workers and can actually worsen physical health and shorten lifespans.
6. Feedback and summary data from stakeholder meetings and surveys.

### 6.1 Referral Partners:

The engagement of key referral partners has been crucial in achieving a co-ordinated approach to identifying eligible candidates. The following partners have been engaged as part of the process:

- **Job Centre Plus**
- **The Network of Multi Access Centres**
- **A4E - Work Programme Provider**
- **In-Training – Work Programme Provider**
- **Connexions Service**
- **Talent Match Partnership**
- **Looked after Children’s Service**
- **Troubled Families Programme**

The referral process involved direct notification to key partner contacts as soon as Step-Up jobs were released on a dedicated website. Partners were then responsible for identifying their own candidates that met eligibility criteria and most importantly the respective job descriptions. Within Phase 2, there was no restriction on the number of applicants that could be referred from each partner organisation. This decision was taken to promote more referrals given the noticeable reduction in JSA claimants during the course of the implementation period.

The latest feedback from referral partners has been captured within an open discussion meeting held on June 16 with: JCP; In-Training; A4E; Talent Match and Connexions Service representatives in attendance. A summary of their views on a number of key aspects is provided below:

#### Job readiness - What has been the experience in terms of preparing clients to become ‘Job ready’ and what are the current issues?

On a positive note, officers have reported that a period of work experience significantly increases the transition for individuals to becoming job ready. This is particularly evident with the city council internal Traineeship scheme having offered 25 paid placements following a 6 week work trial period. In-Training have provided pre-employment courses to promote job readiness with ESA clients being offered continual one-to-one support.

Partners have however reported that in many cases it is taking much longer to get individuals to this stage owing to a number of employment barriers. These include more Employment Support Allowance (ESA) clients and others with multiple barriers such as lack of basic skills in literacy and numeracy, mental health and learning issues.

From a Talent Match perspective, officers report that 40% of clients are not known to JCP and typically have complicated barriers to deal with. One of the most challenging is the general lack of motivation to secure employment, which makes the support mechanisms extremely difficult to apply and to move individuals closer to the labour market. The Connexions service is also experiencing similar issues with a general lack of motivation amongst its client groups and wanting to take the first steps from being NEET.

All partners feel that job readiness is essential to increase confidence in our schemes for recruiting employers. A job readiness assessment of all eligible candidates could be undertaken to help improve recruitment rates.
**Job release and referral process** - Was this clear and was there sufficient information within the job requirements and process to apply?

JCP have reported no major issues with the release and referral process, with deadlines and job descriptions provided as links to the main website. The timescales to apply for posts was generally seen as adequate for partners to meet.

However, other partners have stated that a dedicated officer as applied within Phase 1 with the use of referral forms proved more effective to be able to manage the process and referral numbers as these were offered to clients as unique opportunities. It is also important to have consistent eligibility criteria, as this can often cause confusion for advisors who may fail to make a referral when they are unsure of inconsistent criteria.

**Referral numbers** - why have these been so low recently? Was there enough variety in the posts that were brokered?

This issue is closely related to the comments above concerning job readiness of candidates, which impacts directly on the numbers that can be referred. In addition, JCP have stated that there are many initiatives available at the moment. National Work Experience programmes are the key targets for advisors currently and this has impacted directly on the number of candidates referred by them. Therefore, a period of work experience could be applied as a mandatory requirement to all future jobs, which would promote DWP targets and also prepare clients prior to a formal paid period of employment.

It was felt generally that there was a good variety of jobs on offer throughout delivery of the scheme, with a recent job fair particularly offering a good mix of opportunities within a range of employer sectors.

**Future recruitment mechanisms** - what other methods could we use and do actually work?

The format of a recent job fair worked well for referral partners, providing clear guidance on the referral procedure and allowing candidates to focus on a key date to be interviewed by recruiting employers. Recruitment days combined with screening sessions (to assess job readiness) would provide eligible candidates with more job offers. The suggestion of ‘brand fit’ used in previous recruitment exercises such as Work Highcross was a successful model and could be applied to future job opportunities if we were to target larger employers with multiple vacancies. Other suggestions included: running joint events with the established Hub 100 apprentice recruitment; taster sessions; increased use of the SBWA model and ‘Get Into’ schemes currently administered by the Princes Trust.

**Future target groups** - who might these be? What issues will we need to address and how?

There was general consensus that the cohort of 18-24 year olds claiming benefits and who are job ready has drastically decreased over the last 2 years. Detailed local statistics in this respect are provided later in this report. In light of this recent trend, referral partners feel that the following groups should also be considered if they are job ready and have a genuine desire to seek employment:

- Those unemployed but not claiming benefits
- All age groups to be supported after a period 3 months of unemployment and not 6. Particularly the over 50’s age group, given that there are no employer incentives to encourage their recruitment.
• ESA customers - who would need comprehensive one-to-one support to progress them into a job ready position. Furthermore, employer expectations would need to be managed through offering the required level of support.

• Care leavers and other marginalised groups such as offenders, through offering necessary support prior to employment.

The direct support of specialised partner organisations would be vital with assisting this wider age group, particularly the marginalised groups whose barriers must be addressed prior to being presented to recruiting employers.

6.2 Employee feedback:

The views of current Step-Up employees have been ascertained as part of this report using the city council corporate Citizen Space web link. 50 replies have been received from 102 (total of those that started employment when the questionnaire was sent out). The questionnaire aimed to gather feedback in terms of the support from referral agencies, the job application process; the employee’s experience whilst in work; and to gather an overall view of the scheme in terms of helping them to secure long-term employment.

The full data sets and graphs of employee replies are included within Annex 1 of this report. A summary of the employee feedback and commentary compared with the last interim evaluation (October 2013) is provided below

A. Support from Referral Agencies. Overall, employees have replied that the level of support received from Referral Agencies was helpful.

In terms of the level of support received while applying for the post - 64% felt the support was either good or very good (only 12% felt this was poor). This response is fairly consistent with the previous evaluation, where 61% agreed or strongly agreed that the support was really helpful.

Comments: other written replies state some employees are not so satisfied with the support from their referral agency and that they should have more specific knowledge about it relating to future vacancies and how long contracts would last and wage rates.

B. Application Process. Overall, applicants felt that the application process was straightforward and in fact 90% of replies indicate that it was easy to apply for a Step-Up post. A similar percentage felt that the deadline for applications was realistic. The majority of replies also felt that the posts they were applying for were posts they were genuinely interested in and 92% of replies stated that the job descriptions and person specifications were suitable for the positions on offer.

Comments: the responses to the areas above are similar to the previous evaluation replies; however the response to the job descriptions aspect is much higher for Phase 2.

Other written comments state that vacancies should be made a little easier for job seekers and some may find it difficult to fill out the application forms. One interesting reply states:

"I believe there should be one generic application that is available for candidates to apply for the vacancies advertised. Different organisations have their own application forms and sometimes it can be difficult to complete as some need to be printed out before they can be filled out."
C. **Work Trials.** From those that completed a work trial period, 78% of replies agree or strongly agree it was useful. The response to this is reflective of the last interim evaluation with the majority who completed work trials also stating the 2/4 week Work Trial was useful.

Comments: the consistent reply provides evidence that work trials should be made mandatory within any future recruitment procedures, to ensure both the employee and employer are satisfied with their selections.

D. **Experience whilst in employment and employer support.** 100% of replies received from Step-Up employees agreed or strongly agreed that they felt welcomed by their employer when they first began their placement (this is an increase from 92% reported in October 2013). 84% agreed or strongly agreed that their employer had taken the time and effort to help develop their skills, which is almost similar to the last reporting period. 56% have stated that their employer has helped them look for alternative employment (this figure was 50% of replies received in October 2013).

Comments: the issue of supporting individuals to source alternative employment is vital for the long-term legacy left by Step-Up. The outcome information highlighted in section 3 above is very encouraging; however we must aim to improve on the 56% figure reported above for Phase 2 employees and to ensure employers deliver on their promises.

E. **Perceptions of the scheme overall.**

96% of replies agreed or strongly agreed that the Step-Up project has allowed them to gain the skills and experience they need to apply for permanent jobs, which is a marked increase from 77% reported previously. 82% also agreed/strongly agreed that the Step-Up project had increased their chances of getting a permanent job and 84% agreed/strongly agreed that the Step-Up project had improved their confidence and felt that they are more likely to apply for jobs now, compared to when they were unemployed.

Comments: the overall perceptions are very similar to the last reporting period with respect to the aspects above. There is overall satisfaction with the project, with a very high 92% of replies stating that they would recommend the Step-Up scheme to a friend or family member.

However, a few people suggested longer/sustainable placements. Other comments indicate that pay rates need to be higher and consistent with other staff after a 3 or 6-month probationary period based on performance.

In addition, the standing issue of supporting individuals to source longer-term employment must be addressed for any future incentivised schemes.
6.3 Employee case studies:

Jonny Cordes – Microsynthesis

What is your background?
Jonny is a technology graduate. He spent a long period of time in unemployment after graduating. He started looking for jobs in this area because he realised he is really good with computers and wanted to help people, on tech support.

He had two jobs and a couple of volunteering positions but couldn’t get in the door anywhere. He didn’t have the experience to put on his CV and when he did get in the door he made mistakes or wasn’t suited for what the company was looking for.

What have you achieved at Microsynthesis?
Jonny’s role within Microsynthesis is to support all the development activities, from setting up test equipment and PC tools to technical research and coding. He has created the new Microsynthesis website, blog and video channel.

What’s next?
“It’s early days but I hope there will be a role here or I know I will get some sort of job search support as well.

The company has invested a lot in me, so ideally I would like to continue with the company after the six months is up. I know there is some more investment into training and making me suitable for an actual ongoing role. If this is not possible, I’m young with a long way to go in my career and the experience will have been invaluable.”

“I needed a place where I could get some training, experience, make mistakes, learn from mistakes and have the grace of the employer to take care of me when I tripped up. And to teach me and really get some experience in the actual workplace and also to find out what I could do.”

“I’m actually really good at this, I was needing more encouragement. I am so glad I found Bob and we got involved in the Step-Up programme. I’ve been working here for two and a half months now and, yeah it’s been really good.”  Jonny Cordes
Youth Education Project Ltd – Ellie Cutter.

The Youth Education Project (YEP) is an alternative education & training provider offering opportunities to young people 14-18 (Up to 24 subject to learning needs). They offer vocational courses in motor vehicle studies, art & design, fashion & design, digital music production and childcare also currently offering functional skills in Maths & English (and GCSE’s starting August 2015). The project also offers independent life skills sessions (personal social development) and sports enrichment activities as part of non-accredited learning sessions. The overall aim is to improve the outcomes for young people by becoming a hub of support and advice, promoting training, employment and educational opportunities.

The YEP were offered a Step-Up/Talent Match grant of £4,500 which enabled them to employ an additional staff member at the centre - Ellie Cutter for a minimum of 9 months. Without the financial assistance the Centre would not have been able to offer Ellie a full-time post.

Ellie was already engaged with the centre completing five GCSE’s within 3 months, prior to being formally offered a paid position to offer administration and clerical support and general liaison work with other Centre users.

Ellie is set regular targets to help her to work harder and to develop new skills. This approach has helped her to acknowledge that she is very capable of working harder than she believes she can. Ellie finds the administration side less interesting than engaging with other Centre users and assisting them with various training requirements.

From a Talent Match perspective, Ellie receives support from Memphys on a regular basis, which helps to discuss confidential issues and to monitor progress of her overall development. She has a very good working relationship with her Memphys advisor which complements the overall package of work experience she is gaining.

From an employer’s perspective, YEP found that other applicants for this particular post were not prepared for the interview or didn't know what job they were applying for. Therefore, a 'pre-interview vetting' process to create a better impression with employers could help people be more successful with interviews.
What is your background?
I was unemployed for about six months, claiming jobseekers allowance. Coming in to the scheme was an experience and I received a lot of support. After an unsuccessful interview, I was given some feedback and the job centre suggested the Step-Up scheme. The advisors said I needed experience and the Step-Up scheme was the best thing for to gain experience in what I wanted to do.

What have you achieved on Step-Up?
Currently I’m doing admin and business, basically doing the paperwork and helping colleagues with anything they need doing, like taking bookings because we have a midwife clinic on Mondays, Wednesdays and Fridays, and helping bookings on those days of the week. I help with the orders, telephone queries and anything that needs doing in the office.

The scheme has also helped my confidence. Before I joined I was really low in confidence. My colleagues definitely helped me by challenging me and offering support. I’m meeting new people every day and always striving to go further to do better. Confidence was one of the most important things for me.

What’s next?
It’s helped me decide that I definitely want to stay in admin. It’s made me feel I can do the job well and because I have gained experience, skills and qualities to do more of it because I enjoy it. I do come into work every day thinking I enjoy my job and I’ve never woken up thinking I don’t want to go into work today so I want to carry on doing it for as long as I can.

“I would recommend Step-Up to everyone, all the young people who need employment and all the people who are low in confidence who believe they can’t go any further.
I believe any experience they get on the scheme would definitely help in the future.”

“I have gained experience and skills and qualities and I’ve been on a few training days which I thought I would never get. I got more than I expected and I’ve enjoyed it.”

Gurjeet Bains – Business and admin assistant – New Parks Children’s Centre
Background
Mark was recruited through a Step-Up employer event by Rupa Chandarana, community engagement manager. The event was a model used for other recruitment events and bringing in the employers was an experiment but received lots of positive feedback.

What is Riverside?
Riverside is a social housing registered landlord. The core business is social housing for customers in need. The area covered is south central so includes Derby, Leicester, Stoke, Kent, Margate, and parts of London. Departments cover social housing, employment, affordable warmth, community engagement and funding for groups to revitalise neighbourhoods.

Why did you choose Step-Up?
After a workshop on the city council’s back to work campaigns, we felt the project could be very tenant focused, a way to reach out to customers and get them to move into work.

Step-Up’s wage incentive was also helpful to us although we would have committed to taking a placement with no financial contribution. We liked the ethos of the scheme and the synergies with our own strategy.

What training is offered?
Riverside offers a lot of opportunity for courses. There is an induction to the company to understand work of colleagues across the country including background, motivations, and the financial structure from HCA. There is also online training for health and safety and community engagement. We then look at individual needs – IT, minute taking etc.

“Although tiring, the chance for interviews at 20 mins per person meant a great amount of time to talk about experience and to show they wanted the work. Meeting them like that gives the employer a good comparison and some had a lot more experience than others and it was the ones with the better attitude we chose over we chose over experience.”

Rupa Chandarana-Community engagement manager
Mark, what is your background?
I spent a long time unemployed, over a year, and I found the whole experience very difficult. It’s not very exciting, sitting around the house and looking for work, having to sign on. However, the Job Centre did help a lot and referred me to a Step-Up recruitment event.

What have you been doing at Riverside?
As a community development assistant, my role is assisting in the area of events – sending invites and preparing materials for our community chest initiative. I’ve also been supporting on digital and IT around the office including spreadsheets. I have developed a wide range of skills in a short space of time and have been able to refine others.

What have you achieved on Step-Up?
Improved confidence and motivation – couldn’t do much at home but now has time to do what he wants.

What’s next?
While on the scheme, I hope to get a full time job. A lot more than he thought and I am enjoying it. I would love an internal appointment at Riverside or something similar in this field of experience.

Rupa – We’ve had several placements, some have secured permanent employment. We are hoping to create something to suit Mark’s strengths which are digital inclusion. We have time to end of October so no rushing. Extension of our funding meant we could keep Mark longer to get involved in some big upcoming projects to help us deliver.

Do you have anything else to say to potential future employers?
Rupa – Riverside has benefited a great deal from this scheme and I have found particularly that when managers interview potential candidates, they look for experience and a wide range of skills.

I have recruited a couple of candidates now with a great deal less experience but a wealth of knowledge and personal experience although not in the workplace. They have been really valuable to the whole office and can help other people.

Just because you don’t have the experience, doesn’t mean you can’t do the job. As long candidates have a good attitude to work and positive mindset, I would certainly be more willing to work with that person.

“Before the Step-Up event I had only had a couple of interviews and they were spread apart.

Doing a lot of interviews in a day gave me some practice, helped with the nerves and gave me a chance to warm up.”

Mark Peasgood – Community development assistant, Riverside Housing

“My message to employers is to be more open minded and look for transferrable skills.”

Rupa Chandarana – Community engagement manager
6.4 **Employer feedback:**

The views of current employers engaged with Phase 2 of Step-Up have been ascertained utilising again the ‘Citizen Space’ corporate web link. 34 replies have been received from 64 employer contacts the survey was sent to, which is a very good response rate (53%).

As with a previous survey, we have aimed to gather feedback in terms of the employer’s experience of the project from the original application stage, through to recruiting employees and supporting them in employment. The full data sets and graphs of employee replies are included within Annex 2 of this report. A summary of the employer feedback and commentary compared with the last interim evaluation (October 2013) is provided below:

**A. Application Process.** An encouraging 81% of replies received state that the new on-line expression of interest process through a dedicated CRM system was either good or very good. 74% have replied stating that the supporting information to complete the form on our website was good/very good. These percentages are considerably higher than the overall 57% of previous employer survey replies that indicate that the process used, including the background information and the employer application. 34% have replied stating that workshops were good/very good, which is not so good; however 53% have not answered this question given that only a handful of employers attended these.

The responses above are reassuring and indicate that we have addressed the previous concerns from Phase 1 employers, which stated that the process was lengthy and detailed and heavy on paperwork.

**B. Approval process for posts.** 76% of replies received were content with the grant approval information provided within the indicative offer letters. An equal percentage was satisfied with the format of the Terms and Conditions and the information detailing the next stages to be followed.

Other written feedback indicates that a lot of detail in the offer letters could be more concise and the information read like a legal document, therefore quick reference information should be adopted. Such comments will need to be re-addressed in any future scheme.

**C. Job Release and Recruitment Procedures.** 81% of employer replies state that the information received in respect of the job release procedure was either good/very good. This is again a marked improvement from 54% of replies reported at the last review.

**D. Standard of Application Forms.** 35% of replies state that application forms were good or very good, which is a slight increase from 25% reported previously. 24% replied that the standard of applications was either poor or very poor, which is a marginal improvement from the 36% reported in October 2013. Although there is a slight improvement in this area, there is obviously a lot more work that needs to be done to improve the quality of applications and to work with referral partners to communicate and improve on this performance.
E. Level of preparation candidates had made. 32% of employer replies state that candidate preparation levels were either good or very good for interviews, which is a slight improvement on the 21% from the last report. 32% stated that they were acceptable and 32% stated they were poor or very poorly prepared, which are almost identical to the same issues reported in 2013.

82.3% of replies rate the standard of help from the Step-Up Team whilst helping to recruit employees as good/very good. The other disappointing percentages referred to above, support the fact that a number of posts had to be re-released and some eventually withdrawn. Once again, this whole area of interview preparation of candidates must be addressed to increase the number of job outcomes. One employer comments “I feel that the candidates could have benefited from some training/guidance around interview techniques as for many of them this was their first experience of interviews”.

F. The need for a voluntary Work Trial. 70% of employers agreed or strongly agreed that it is important to have this in place before offering a formal contract, which is a considerable increase from the last reporting period, where 46% felt that this aspect was important.

The high percentage of employers supports the employee replies with regard to this same aspect. Therefore, we need to seriously consider making a work trial period mandatory and part of the overall process of any future incentivised recruitment exercises. This would also make sense if we are to work with a wider client base and to reassure employers that they have made the correct selection from available candidates.

G. Employer support for job search. 82% of replies either agree or strongly agree that they have the capacity, expertise and necessary skills to support employees to find long-term employment, which represents an increase from the 64% reported in 2013. 65% of replies either agree or strongly agree that they are confident that they will be able to help employees to secure long term employment.

Comments:

Employers generally feel that they have this capacity, indeed one states: “The Step-Up placement I am offering to my employee will provide him with the much-needed real job experience (not just work experience) which, as an employee is very high up on my list of requirements when recruiting. I am also offering real and useful training. So the Step-Up scheme is equipping young people who have had limited work experience exactly what is needed to allow them to get the jobs that they can do but would otherwise not get. It is about confidence building so any scheme that LCC can run, that continues to grow a candidate's confidence beyond Step-Up will really help. It is important that candidates move straight into full long-term employment or continue confidence building straight after the Step-Up scheme or they will lose what they have gained.”

However, other comments feel that we could offer additional support. For example: LCC could provide information about some jobs available in the city, which the employees could apply to. In addition, a training programme should be in place to support this key activity for developing the person and to help and steer them in the right direction.
H. Step-Up claims and payments process. 59% of employers have stated that the claim process has worked good or very good for them and 29% have indicated this is acceptable. 50% have stated that the time taken to process a claim is either good or very good; 35% stating this is acceptable.

Comments: These figures represent a significant improvement from the last review where only 36% of employer replies have indicated that the process to claim wages was explained either good or very good. 25% reported that the time taken to process claims was good, 11% stating it is poor or very poor. Previous evaluation replies indicated the claims process was a complicated and time consuming process. The claims process has been streamlined for Phase 2, which has had a positive impact.

However, some employers have stated that there should be more flexibility for regular payments especially for smaller organisations that are constrained by cash flow issues. This aspect would need to be addressed in light of capacity within the team to handle an increased number of claims.

I. Employers were also asked if they would be prepared to take part in another similar incentivised scheme. 94% of replies have stated that they would, which is extremely reassuring from a future planning perspective.

J. In terms of making improvements to the scheme, the following general comments have been received:

- With respect to internal Traineeships that have been delivered, there needs to be more critical assessment of candidates and more introduction sessions for recruiting managers so that they are fully aware of the processes and expectations.

- Many Step-Up candidates were interviewed but were not ready for work. They really need to be assessed and given appropriate support before applying for jobs and getting them work ready, via work experience and volunteering opportunities.

- It would be a good idea to follow through with monitoring the type and quality of experience and training candidates are receiving whilst on a scheme. It is important that real opportunities are generated and so monitoring would be useful.

- A programme could be organised with other training providers so that the employees can develop their skills by taking training in PTTLS, Numeracy, Literacy, ICT, Food Hygiene, Health & Safety and Manual Handling etc.
6.5 Employer case studies:

Company focus – Microsynthesis

What is your role at the company?
My name is Bob Leardi – I am the company director. Prior to forming Microsynthesis I was a senior development engineer with a company which produced control and monitoring equipment for the food and textiles industries.

What does the company do?
Microsynthesis is the developer and provider of technical engineering solutions. It works with industrial and commercial customers to understand their problems and come up with solutions for them, in the process of doing that they design, develop electronic circuits, embedded software and similar such things.

Why did Microsynthesis take on a Step-Up role?
As a small business, resources are always very tight. I’d been working on my own for quite a few years. I always wanted to take on somebody but it’s not always that easy to do that, so I ended up doing everything myself. I saw the Step-Up scheme advertised in the Dock community and I wasn’t sure whether it would be appropriate but I made the application, looked at the details and went ahead with it.

How has the post benefitted the company/the individual?
The role is really technical assistance and Jonny excels at sorting out problems. We’re also looking into giving him experience of other disciplines such as programming and working with databases, so there are a lot of different areas. There’s training on the job that comes from me and support with processes but we also look at training schemes and other things that can offer benefit to Jonathan in the long term.

“In the short time we’ve been on the programme, we’ve been trying a host of different skills and different areas and I’m finding some of them are better than others and those are the ones I’m trying to explore and develop.”

“The salary incentive was also a big factor. I think without it I probably couldn’t have done it except for perhaps shorter hours. To be beneficial to the company, the scheme really needs to have a full working week and for that I did need the support that went with Step-Up.”

Bob Leardi - Director
Company focus – LCC Children’s/youth centres

What is your role at the company?
Hi I’m Ismail Vania Business support manager for children centres and youth centres.

What does the company do?
We have 23 children centres across the city in six areas which we call clusters. The children’s centre offers a range of services from before birth up to the age of nineteen. Services include health services for example, midwife and health visitors, learning services for young children learning through activity and play and also advice services welfare and benefits advice.

Why did the service take on a Step-Up role?
Two motivations, firstly we needed extra resource and support in the children’s centres and when we were aware we could get this through Step-Up admin people we were interested in enquiring about it. The second motivation was to provide opportunities for young people to gain experience and help them get into work.

The wage incentive was a great help. If we hadn’t received financial assistance from Step-Up, we wouldn’t have been able to afford the step up admin assistant that we have.

How has the post benefitted the company?
Our experience has been generally positive, although there have been some bumps along the way that Step-Up helped us solve. We would like to take on more placements, so if something can be done about funding we can continue to provide opportunities to young people that’ll be great.

“We encourage staff - the Step-Up admin assistants to gain as much experience as they can on the job.

We then offer to assist them with interview practice, the kinds of questions they can expect and the kind of answers interviewers are looking for and just general encouragement and confidence.

They also have the option to apply for other roles in the authority and we help them with that”

Ismail Vania – Business support manager
7. **Comparison of Step-Up and other schemes.**

There are similar employer incentive schemes in place within Nottingham and Birmingham. A summary of the package of support of these schemes and the most recent comparison with Step-Up is provided below:

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<th></th>
<th>Leicester Step-Up</th>
<th>Nottingham Jobs Fund</th>
<th>Birmingham Jobs Fund</th>
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<tr>
<td><strong>Scheme budget</strong></td>
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<td>£5.5m</td>
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<td></td>
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<td>3 years of operation</td>
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<td></td>
<td>(+£107k Talent Match Funding)</td>
<td></td>
<td>Year 1 (13/14) - £1.5m used for incentives, £0.5m for specialist project for those furthest from labour market (e.g. Troubled families).</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Year 2 (14/15) = £2m</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Year 3 (15/16) = £2m</td>
</tr>
<tr>
<td><strong>Target number of clients</strong></td>
<td>Phase 1 = 150</td>
<td>Year 1 = 400</td>
<td>Year 1 = 1000</td>
</tr>
<tr>
<td></td>
<td>Phase 2 = 100</td>
<td>Year 2 = 400</td>
<td>Year 2 = 1500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Year 3 = 1500</td>
</tr>
<tr>
<td><strong>Latest Financial offer to employers (Max at Nat. Min wages)</strong></td>
<td>£3,750 (6-month contract at 30 hours. Additional funding available if Talent Match Individual = Max £5700 - 9 months) (DWP Wage Incentive not available post August 2014)</td>
<td>£2,500 (Based on a 12 month contract at minimum of 30 hours per week. Additional £500 available if employer recruits an individual who has been unemployed for 6 months plus) New rate applies from May 2015</td>
<td>£2,275 (since Oct ’14 bridging loss of wage Incentive)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Paid at 26 weeks - no proportional payments if leave early. Rates 50% if PT in all above. Replicating old DWP payments process.</td>
</tr>
<tr>
<td><strong>Employer Contribution</strong></td>
<td>25% of wage rate only, no on-costs apply</td>
<td>Remaining salary and staffing costs for 12 month contract after £2,500 grant is deducted</td>
<td>Remaining salary and staffing costs for 12 month contract after £2,275 grant is deducted</td>
</tr>
<tr>
<td><strong>Duration of placement</strong></td>
<td>16 hrs or 30hrs 6/9/12 months</td>
<td>30 hours per week 12 months</td>
<td>16 hrs or 30hrs 26 weeks monitoring – but intention to have longer contracts</td>
</tr>
<tr>
<td><strong>Client eligibility</strong></td>
<td>18-24 6 Months + Unemployed Claiming JSA/ESA Traineeships also targeted – Day 1 claimants</td>
<td>18+ In receipt of benefits (JSA, ESA, DLA, IS) (Additional funding available to employers who take on someone unemployed for 6 months plus)</td>
<td>16-24 JSA/ESA/IS applicants Non apprentice = 16-24’s from specific wards if 3 months unemployed, was 6 months. If within priority wards = day 1 eligibility.</td>
</tr>
</tbody>
</table>
### Average number of client referrals/post

<table>
<thead>
<tr>
<th></th>
<th>2-3 (very few numbers being referred of late)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average 2-3 per day (numbers very low)</td>
</tr>
<tr>
<td></td>
<td>Candidates can refer themselves by visiting our website and applying that way - they can also be referred by our partner organisations e.g. JCP, local community partners, Work Programme providers, local employability organisations, other Public Sector and 3rd sector organisations</td>
</tr>
<tr>
<td></td>
<td>No idea of monitoring this. However reported steady flow of applicants – but more apprentice applicants of late.</td>
</tr>
<tr>
<td></td>
<td>Too early to monitor new process for DWP as process just started within last 4-6 weeks (19.06.15).</td>
</tr>
</tbody>
</table>

### Employers engaged

<table>
<thead>
<tr>
<th></th>
<th>Public/VCS and Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public/ VCS and Private sector (Although primarily target Private sector SMEs)</td>
</tr>
<tr>
<td></td>
<td>Majority are private SME’s.</td>
</tr>
<tr>
<td></td>
<td>No grants offered to internal managers, but not directly excluded.</td>
</tr>
</tbody>
</table>

### Method of Sourcing Employers

<table>
<thead>
<tr>
<th></th>
<th>Open Expression of Interest process, targeting via networks and internal procurement data, or through partner organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employers referred by word of mouth or by partner organisations. Fortunate in that pipeline of employers is healthy so not had to market the scheme too widely.</td>
</tr>
<tr>
<td></td>
<td>Employers brokered previously within the hub – now using JCP directly within 14 offices across Birmingham to roll out the £2275 grant.</td>
</tr>
</tbody>
</table>

### Employee retention rates

<table>
<thead>
<tr>
<th></th>
<th>Phase 1 (75% of 145 clients not returning to JSA 6 months after scheme)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phase 2 - Too early to determine, only 24 left the scheme, with 75% secured another job or gone into HE)</td>
</tr>
<tr>
<td></td>
<td>This is too early to determine for the latest format of the NJF scheme. However, previous versions of the scheme usually yield a sustainability rate of 70%+</td>
</tr>
<tr>
<td></td>
<td>(This figure includes those retained by their NJF employer or who move into alternative employment)</td>
</tr>
<tr>
<td></td>
<td>Old scheme non apprentices – paid at 13 weeks= 80-85%</td>
</tr>
<tr>
<td></td>
<td>6 months DWP model is too early to determine at this stage</td>
</tr>
</tbody>
</table>

### Success factors

<table>
<thead>
<tr>
<th></th>
<th>1. Partnership working with JCP.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2. Developing Traineeships at LCC.</td>
</tr>
<tr>
<td></td>
<td>3. Opening up to Private sector.</td>
</tr>
<tr>
<td></td>
<td>4. Job fair effective but need clients to be screened beforehand.</td>
</tr>
<tr>
<td></td>
<td>1. Rigorous assessment of employers wishing to access the scheme</td>
</tr>
<tr>
<td></td>
<td>2. Ongoing pastoral care given to each individual placed into employment which contributes to high sustainability rate</td>
</tr>
<tr>
<td></td>
<td>3. In total the scheme has placed more than 800 people into work, achieved an overall sustainability rate of 71% and engaged over 600 local employers</td>
</tr>
<tr>
<td></td>
<td>4. NCC is committed to the NJF and due to its success have highlighted it as an ongoing commitment in their 2015 Nottingham Labour Manifesto</td>
</tr>
</tbody>
</table>

### Current Issues

<table>
<thead>
<tr>
<th></th>
<th>Recruitment still slow process with Phase 2. Referral numbers very low within target group and multiple barriers with candidates not being fully Job Ready.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Low candidate referrals</td>
</tr>
<tr>
<td></td>
<td>• Quality of candidates</td>
</tr>
<tr>
<td></td>
<td>Currently working on candidate pipeline and existing relationships to increase referral numbers. A programme manager has just been appointed to oversee candidate pipeline development.</td>
</tr>
<tr>
<td></td>
<td>Harder to monitor this as JCP are leading this – retention rates</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1. In work support, DWP offer this directly through contracted provision and continuing this now</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Can access flexible fund if required whilst in work</td>
</tr>
<tr>
<td></td>
<td>3. DWP and BJF working together has helped significantly.</td>
</tr>
<tr>
<td></td>
<td>4. Delivery model – JCP are directly involved with this to promote and complete the paperwork and meet criteria .They lead on employer contact – employer applies to BJF- so replacing loss of DWP wage incentive</td>
</tr>
</tbody>
</table>

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Commentary.

All three schemes have undergone a period of review since they were first incepted. Most notably, the financial offer to employers has been reduced and has required employers to pay a higher contribution towards the placements. Each scheme has adapted to the loss of the DWP Wage Incentive in August 2014, originally one part of the Youth Contract measures. Specifically:

A. The resources of each scheme are quite dissimilar from a monetary perspective. Considering the individual package available to employers, we note that Step-Up provides the highest contribution to employers, with Nottingham and Birmingham requiring a much higher stake from employers over a 30 hour/week contract. The high levels of private sector involvement within the Nottingham and Birmingham schemes could be a result of the employer contribution required. However, we should not ignore the corresponding high sustainable employment rates reported too.

B. The Nottingham model most interestingly has worked with the entire 18+ age groups since it started; this is a major contributory factor in being able to engage with such a high number of individuals and local employers within a relatively short period of time.

C. Since the withdrawal of the DWP Wage Incentive, the Birmingham model has passed over the responsibility for employer engagement to its 14 JCP offices. This contrasts directly with the employer engagement practices within Step-Up and Nottingham models. In effect, Birmingham JCP offices are rolling out the £2275 one-off grant payment in a similar manner to the previous DWP Wage Incentive scheme, with a requirement for employers to claim the grant directly from the BJF.

D. Both Nottingham and Birmingham have reported that partnership working and In-Work Support arrangements are crucial to helping employees sustain employment within and beyond their wage incentivised contracts.

E. As with Step-Up, Nottingham has reported a lower number and poorer quality of recent referrals. Officers are developing more links with partner organisations to promote a greater number of referrals through a pipeline process. This is an area that could also be worthwhile considering for a new model in Leicester.
8. **Job Seekers Allowance (JSA) and Employment Support Allowance (JSA) Data:**

It has widely been reported that JSA claimants have significantly reduced over the last 2 years. Indeed, this is self-evident for all age groups within Leicester City trend data for those claiming for a period of 6 months or more in the graph below:

![JSA 6 Months+ Claimants Trend Data](source)

The most striking message from the above is the reduction in the Step-Up target 18-24 cohort, which has reduced by a **massive 79% from April 2013 to April 2015**. Given the above trend data together with the employee sustainability rates highlighted in section 3.1 above, we can say the direct outcomes from Step-Up together with other local initiatives have contributed to the reduction in Leicester City JSA claimant rates overall.

The above data represents a very positive picture in terms of the reduction of youth unemployment - a key aim of the Leicester to Work Programme. However, it also provides a strong signal that we should consider other age groups within any future incentive scheme, particularly given the lower number of ‘job ready’ 18-24 referrals that Step-Up has experienced recently.

By contrast, local Employment and Support Allowance (ESA) data shows that the number of such claimants of all ages has increased over the period Feb 2013 to Nov 2014 as represented within the graph below:

![ESA Claimants (All Ages) Feb 13 - Nov 14](source)

Source: Nomis June 2015
The ESA claimants over the period have increased by a huge 49.5%. This provides evidence that we could target these particular groups within any future incentive schemes. However, feedback from referral partners in terms of the level of support required for this particular group should not be ignored and a co-ordinated programme would be required involving specialist providers. In addition, the resource requirements would need serious consideration given the likely higher unit cost to support this cohort and associated employer capacity that would be required.
9. Conclusions and recommendations for a future scheme:

Moving people off long-term benefit dependency remains a key priority for the City Mayor and his Leicester to Work Programme. It is clear that a ‘real’ period of paid employment through Step-Up has significantly improved the prospects for previously unemployed young people to secure longer-term sustainable employment. Temporary job experience is really a step on the path to a sustainable longer-term job. In terms of this particular scheme it has been successful in attracting those young people who would not normally apply.

An advisor from the linked Talent Match programme has reported that most of the young people whom she has met up with were very grateful of the Step-Up opportunities and almost every one of them said they would not dream of going back on benefits. To use their own words they have said “it felt good to have a job”. And most young people visited agreed their confidence has improved greatly since being employed and they now have a routine.

A number of other specific positive aspects can be observed from the delivery of Step-Up and should be maintained within any new proposals. These are summarised below:

a. The scheme has been able to support a high proportion of individuals living within less affluent parts of Leicester. This is particularly evident from analysing the postcode data of all employees against the 2010 Local Indices of Deprivation within section 4.2 above. This is a significant outcome in terms of assisting these areas and is reassuring to know that limited public resources have been applied to less affluent parts of the city, where the focus should continue.

b. Most evidently, there has been a fall in local JSA rates for the (18-24) age group over the last 2 years. It can be said that the Step-Up initiative has contributed directly towards this fall, together with other schemes that the council has supported through its overarching Leicester to Work programme.

c. It continues to provide a collaborative model of service delivery, working with key strategic partners, including Job Centre Plus and the related Talent Match programme to offer those longer-term unemployed individuals (12 months+) a chance to enter employment. However, it is too early to determine the sustainability rates for those on Talent Match, as most are still in contract.

d. A number of processes from Phase 1 were amended including simplifying the application process and payments system for employers. This was facilitated by utilising a dedicated website, providing background information to the scheme and an on-line application form that populates a CRM system has also reduced paperwork and improved efficiency.

e. The majority of replies from employers lead us to conclude that these changes have had a positive impact. Indeed, one employer has commented: “The application process was very clear and straightforward. The online documentation was more than adequate and the staff offered very good telephone help for the things that needed a little explanation”.
f. Step-Up has promoted access to more employment opportunities, listing vacancies on the website and worked with a range of employers from the public, private and VCS sectors offering a broad mix of job opportunities.

g. From an employee’s perspective, it has increased confidence and motivation levels. Indeed one employee has stated: “It has been very helpful, and has definitely improved the chances of finding a permanent job. It has given me skills and knowledge I did not have before entering the Step-Up programme and has also given me the opportunity to build on the skills I may have already had”.

h. Alternative recruitment methods such as Traineeships and Job Fairs have proved successful and the experience from delivering these should be built upon.

**Recommendations for a future scheme.**

Whilst there are many positive aspects associated with the Step-Up scheme as listed above, this evaluation has highlighted a number of areas that must be readdressed to promote the efficient working of any future scheme, and most importantly to maintain employer interest. The specific areas below should therefore be given serious consideration moving forward:

a. To work with all working age groups claiming JSA/ESA and who are ‘job ready’ in light of the large fall in youth unemployment locally, evidenced by latest JSA statistics. This may include the targeting of specific marginalised groups, such as ESA or previous offenders. However, the support mechanisms and resources required for all such groups would need to be established to address specific employment barriers and employer capacity to accommodate more challenging needs.

b. The referral process has received positive support in the main. However, given the number and quality of applicants of late, it is imperative that the referral process is streamlined to reduce recruitment times and a job readiness assessment is implemented. This will improve the transfer rate into job outcomes and to potentially generate a ‘pool’ of job ready candidates, which can be presented to recruiting employers. This will allow for a better match to be brokered between available jobs and individual preferences.

c. Given the high proportion of administrative posts brokered within Step-Up, it may be desirable to achieve a greater range of posts that match the ‘job ready pool’ of candidates.

d. Information provided within offer letters could be more concise and should be less legally orientated. In addition, smaller employers have indicated that regular grant payments are still required for cash flow purposes, which would have to be considered in terms of resources available.
e. Employees have stated that more support from referral partners is required to apply for posts and the application form could be standardised to help with this. These aspects must be readdressed.

f. Employers have commented that the standard of employee applications and preparation for interviews needs to be addressed. One such comment regarding this aspect states: "The young people need to take more positive steps & a more mature attitude to preparing for an interview, the paperwork some of them presented as CV's or portfolios was poor and dress sense was not suitable also".

g. There remains much support for a mandatory work trial period as part of recruitment process. This would greatly improve the rate of overall recruitment and retention within some posts, and for both parties to be more reassured of their choice of job and employee respectively.

h. Whilst the Step-Up support team aspire to support employees with job search activities and employment sustainability rates are very good, many employees feel that in-work support offered by employers is still not adequate. It may therefore be desirable to provide enhanced in-work support packages for all employees.

i. Given the Birmingham and Nottingham models, we may wish to reduce the grant payments further for employers and offer a fixed payment for each employee, along the lines of the DWP previous Wage Incentive scheme.

In view of the progress made and experiences of all stakeholders concerned, the above analysis and recommendations should be applied directly to inform the planning process for a future employer incentivised scheme.