

A better **Orbit**

**Employment
Support:**

Fit for the Future



Foreword

Isn't it always tempting after a few years of delivering operational services to review and automatically reform things. "We must be able to do more for less".

How often do we genuinely give things (a) the right amount of time to bed in (b) the right metrics to prove the value (c) the backing required? How often do we then just stop it? I'd say that this very rarely happens, and we work in a constant world of tweaks, realigned measures and repackaging to cover core costs. This unfortunately lends itself to slow adaptations in service provision, poorly evaluated programmes and an iterative merry-go-round.

Sometimes however the environment does change and being mindful, aware and agile must be key for support services particularly. Given the pandemic sweeping much planning from under our feet, this point is even more critical now. Too often commissioners drive the agenda, conformity provides an element of security and the risk of innovation in markets where outcome models are so rigid and risks to innovate aren't rewarded. Has it been the combination of lazy commissioning, an unclear government agenda and future funding mean that support provision looks broadly the same as it has for the last 15 years? Everyone has learnt to play the game and we think we need to look to break from that.

At Orbit we are nearing the end of ESF contracts and so the drivers for conformity and overzealous accounting within funding streams we can now shake off. We can develop and deliver employment and skills that reflect UK priorities. We have enough research now that recognises the economy is very different to even five years ago and is going to shift even more radically post pandemic.

Adaptation isn't just another restructure, it is a bolder recognition of the data the impending challenges taking decisive action. This isn't baby out with the bath water, it equally isn't a small splash around. Having completed a seven-month appraisal of our work around employment, as a commissioner and deliverer, at least in the employment space this, I do think, is a bath bomb moment. At the moment, pilots stay as pilots. The current game keeps the same wheel spinning and the data doesn't seem to get used to inform effective change, it is just for reporting. At least for housing associations, with opportunities such as ESG investment looking at indexing employment outcomes to the cost of capital, we need to shift the game quickly before we risk being stuck back in a cycle of providing outcomes to the wrong people on the wrong things.

Update note. *Since the research we have seen the initial implications of a global health pandemic which will further place new challenges on the support provision to our customers. Though we anticipate a significant increase in unemployment, the critical considerations of this research we believe remain relevant and will continue to be our focus. If anything, a number of the recommendations we believe may accelerate in importance.*

Sam Scharf

Director of Sustainable Communities

Introduction

We commissioned the Learning and Work Institute to undertake a review of our 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 how we should look moving into a future state. The full evaluation report is available, with this report providing both a summary of the findings and Orbit's initial response.

Orbit's employment support offer was introduced in 2014. The service is focused on Orbit tenants, who make up 80 per cent of customers. The aims of the service is 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 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.

Outcomes of the service

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) sustain in work for 26 weeks.

A social value assessment was conducted using the HACT Social Return on Investment model. This finds that **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, and 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. The training offer, focused on confidence building was seen as effective, and 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.

Future of work

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 our Orbit's customers, and for the future of our 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 our customers 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, a series of recommendations to transform the current employment support offer have been made, so that it is fit for the future, and that can meet the needs of Orbit customers in the next decade.

Reviewing our focus

What was clear though was that the outcomes being achieved were really positive, there was both overlap with other services as well as outcomes being achieved that didn't require such specialist support. The future focus will be

To best utilise the resources across the wider business and alongside our supply chain and sector considering future trends to provide a value-added offer, delivering greatest impact.

Further to this, we believe that where our value and effort should be placed is to ensure quality over quantity. To keep our focus on this we will look to adopt a number of measures that drive our focus.

- Use the Job Quality Measures (The Carnegie Trust, 2018)
- Better off Calculation
- Work sustainability measures (13 and 26 weeks)
- Work experience, volunteering, apprenticeship, part-time, full-time employment
- Training (level 3 and above)

Taking us there

This will be achieved with careful consideration in the following areas:

A digital for all approach, focusing direct support where it is most needed. Orbit's future employment support will be based on a tiered approach and a blended model of delivery. Support for those with less significant barriers should be delivered primarily through a new interactive, self-service digital platform, allowing advisors to focus on those with wider difficulties within the labour market. This approach would help reduce time spent with those already likely to achieve the outcomes they desire and increase the impact of the service.

Supporting in work progression. We will increase our focus on supporting customers who are stuck in low pay and/or insecure work to increase their earnings and find more secure employment. This will involve a more active targeting of those in work and in poverty, a greater focus on work-related training, and support from specialist advisors.

Focusing on retraining and upskilling. We will gradually build a future skills programme that looks to empower tenants, enabling them to develop the skills needed for the jobs of the near future. Still providing customers with the skills and employment journey best suited for them, we will increasingly develop an offer that utilises the current and future sector skills requirements within Orbit and our widest supply chain in order to bring greater impact to our customers.

Helping customers adjust to longer working lives. With people facing longer working lives, and rapid change in the labour market, it is recommended that Orbit should introduce an Orbit Mid-Career MOT for tenants in mid to late career. Having looked at this, we believe there is great support in the market already for this and we'll look to partner with other agencies to ensure our customers are supported effectively.

Summary

The support needs of customers and who needs support from Orbit is not always where we and our funding have focused. That, with an accelerated change to the economy, we need to accelerate the way and the type of support provided. What I am convinced by is that the bath bomb has hit the economic water and is rapidly fizzing away. We mustn't throw the baby out with the bath water, but it is the time to carefully remove her. We must consider and provide a much better vehicle that can cope with the modern choppy waters ahead.

Will we get all this right? Absolutely not. But we will continue to measure the impact, make sure we are doing everything we can to add value in our communities and give the best tools for our customers to thrive. This is just one part of a Better Orbit.

