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The *Employment Studies* newsletter reports on IES research on labour market and employment policy and practice in the UK and abroad. It is aimed at those interested in research to inform the development and implementation of public policy. Two other publications, *Research Digest* and *HR Insight*, provide briefings on IES employer-related work.

Coalition government and the evidence base

Nigel Meager, IES Director

Details of the new UK government's policy priorities in areas of interest to IES (including welfare reform, skill development, further and higher education, workforce health and well-being, older workers and pensions, and many others) are only just emerging. However, its approach to the generation and analysis of the evidence base to underpin these priorities remains wholly unclear.

A pervasive Leitmotiv of the post-1997 Labour administration was its devotion to (some might say obsession with) so-called 'evidence-based policy-making' (EBPM). Despite the warm words, however, the objective of EBPM was rarely fully achieved during this period, partly because the research evidence was rarely considered at the policy design stage, and also because the political imperative for quick results barely allowed time to collect robust evidence.

Nevertheless, the Labour years saw a major expansion in government commissioning of applied social and economic research, and the growth of a 'market' of research suppliers. Not all the research was of high quality, or made best use of public resources: many costly and overlapping surveys were commissioned; there was a tendency to treat every policy question as if it were a new one, often ignoring existing research evidence and 'reinventing the wheel'; and learning from overseas evidence (apart from the US) was distinctly unfashionable.

Today's focus on value for money and effective use of public resources could, therefore, deserve a cautious welcome in the area of EBPM (or whatever the coalition-approved term for this activity might be...). However, as I write, in the early months of the new administration, little or no research or evaluation is being commissioned by government or its agencies (and many of the latter are disappearing in the 'bonfire of the quangos'). It remains unclear how far this reflects a short-term, post-election refocusing of activity combined with financial stringency,

and how far it reflects a permanent halt to evidence-gathering and analysis for policy development purposes.

Some eminent voices are already arguing that the latter is the case, that the new government will pay no more than lip service to the role of evidence in policy-making, and that political expediency and/or ideology are again in the ascendancy. If true, we may be about to see the end of an era of involvement of the social and economic sciences in public policy-making.

This could be too pessimistic a view, however: first, a recognition of the importance of evidence to policy-making has become deeply embedded within the policy infrastructure, and would be difficult to reverse. Further, it is clear that the new administration is not intrinsically hostile to social science and research: indeed several government ministers are highly social science-literate (David Willetts, Michael Gove and Steve Webb spring to mind). For those who remember the 'evidence-light' policy-making of the Thatcher years (not to mention the threat to the then Social Science Research Council; the vendetta against the Industrial Relations Research Unit at Warwick; and the refusal to fund major social surveys with public health objectives), this administration feels very different.

Nevertheless, it is important that the new government realise that, while there may be a case for rationalisation, if the current lack of attention to evidence-gathering persists for an extended period, there is a real risk to the

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continued existence of an independent applied research and evaluation capacity outside government. Given the degree of external scrutiny to which policy-making is now subject (through Freedom of Information, the press and the Internet, and the attention of select committees, the National Audit Office, and international bodies such as the OECD and the European Commission), it is difficult to imagine any administration choosing to perform without the safety net of externally-validated evidence. Not having a rigorous evidence base risks embarrassment, or worse, when things go wrong.

When faced with the need for rationalisation and cost-saving in policy research, a strong temptation, perhaps reinforced by civil servants' anxieties about their own jobs, would be to bring government analytical capacity back in-house. This would be a mistake. The political risks of not having a fully independent, arms-length supply of research and evidence have been adequately demonstrated by the recent debates about the independence (or lack of it) from the Treasury

of the new Office of Budget Responsibility. Equally risky would be over-reliance on the siren voices of the political 'think tanks'; while the latter provide a good supply of innovative policy ideas, they are campaigning organisations that rarely meet the test of real independence, and lack the scientific capacity (both social and economic) to test those ideas against real empirical evidence.

Rather, the government needs to find ways, in straitened times, to maintain its capacity to commission independent policy-relevant research, while still saving costs. How can this be done? Inevitably it will involve a far more parsimonious use of large-scale primary data collection through sample surveys: the tendency to throw a survey at any and every policy question has not only generated huge quantities of poorly focused, overlapping and under-utilised data, but has contributed to growing 'survey fatigue' among households, businesses and other respondents, reducing response rates and the relevance of the data. Expensive and burdensome surveys should be saved for those questions for which there is no

alternative research strategy, and which are sufficiently important to justify the expense. Much greater use needs to be made in policy research, of administrative data collected as part of the normal process of delivering public services, particularly where data sets from different sources can be linked at micro-level. There is a case for far more extensive reliance on the existing evidence base (including, importantly, the international evidence), in the academic and broader literature when examining policy questions, using improved methods of systematic and rapid evidence reviews. Similarly far more can and should be done through small scale in-depth qualitative research.

It is already clear from the 'Structural Reform Plans' produced by government departments, that the coalition has ambitious policy objectives that will be extremely challenging to achieve alongside drastic public spending cuts. In such an environment, the need for robust, timely and accessible evidence of 'what works' and what offers best value for money must be greater than ever.

IES policy conference | 16 November 2010 | London

Fit for Work? Securing the Health of the Working Age Population

This one-day conference draws together influential speakers for a debate on the relationship between population, health and the labour market.

- How will the new government's policies impact on the health of the working age population?
- What are the implications of constrained public sector budgets for the health of the working age population?
- What have been the main lessons learnt since Dame Carol Black's Review, and what can we learn from international experiences?
- What more could, and should, be done to protect and improve the health of the working age population?

Confirmed speakers:



David Brindle (Chair) is the Guardian's public services editor. He has won awards for his coverage of social services, mental health, nursing and disability issues.



Anne Milton MP (Keynote) was appointed Shadow Minister for Health in 2007, and in 2010 she was made Minister for Public Health in the new coalition government.



Prof. Dame Carol Black is the National Director for Health and Work. In 2008 she authored the government commissioned review, 'Working for a healthier tomorrow'.



Prof. Peter Goldblatt is an advisor in the Dept of Epidemiology and Public Health at University College London. He played a key role in the Health Inequalities Review led by Sir Michael Marmot.



Christopher Prinz is a Senior Economist in the Employment Analysis and Policies Division at the OECD, and is the lead author of the OECD's Sickness, Disability and Work review.



Prof. Roy Sainsbury is a Research Director at the Social Policy Research Unit, University of York, where he specialises in social security, employment, sickness and disability, and welfare to work.



Prof. Alan Walker is Director of both the UK New Dynamics of Ageing Programme and the European Research Area in Ageing

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The future for education and skills: the three 'A's

Jim Hillage, Director of Research

For many years the focus of education policy was very firmly on the so-called three 'R's: reading, writing and arithmetic. Looking ahead, the emerging policy focus of the coalition government in the area of education and skills seems to be on the three 'A's: academies, apprenticeships, austerity.

Academies

Many of the early education policy pronouncements have been about the establishment of a new tranche of academies – ie self-governed schools within the state sector. Although they are sometimes described as 'free', they still have to follow the national curriculum and conform to national standards. It is therefore unclear what effect they may have on attainment, and the international evidence on their impact is mixed. Accompanying the proposals on academies has been an increased emphasis on academic standards in schools, for example with the introduction of international GCSEs, the dropping of academic diplomas, and the scaling down of support for existing vocational diplomas.

Meanwhile, it is unclear whether the new government will go ahead with raising to 18 the age at which young people have to take part in formal education or training – which was the previous government's 'big idea' for cutting the number of young people not in employment education or training (so-called NEETs).

Apprenticeships

Apprenticeships have also featured strongly in new policy announcements, with plans to divert funds from Train to Gain to increase the number of available apprenticeship places by 50,000. The key question here is whether employers will get engaged in sufficient numbers, particularly as many public sector employers (where apprenticeships have been growing in recent years) are having to scale back their budgets considerably.

The apparent focus on schools on the one hand and apprenticeships on the other, suggests that young people will increasingly

face a choice between an academic or a vocational route at age 16. The 'third way' envisaged by Tomlinson in his 2004 report on the future of the education and training curriculum for 14- to 19-year-olds, and partly filled by diplomas, is looking less and less like a viable alternative pathway. Unless the idea of reviving the technical college option proposed by Lord Baker gathers steam, young people look like being forced to choose between an academic and vocational dichotomy. To make such a choice in an informed way, it is clear from IES and other research that they will need high-quality information and advice from an effective careers education and support service. However, it is not clear that this is currently provided through the Connexions service.

Austerity

The underlying theme that will underpin much of the development of policy in this area is austerity. While some of the budget covering compulsory education has been 'ring-fenced', the further and higher education budgets are more vulnerable. A cutback in spending on higher education has already been announced and speculation is rife that university fees will rise following the Browne report later this year. The impact of any such change, particularly on potential applicants from less well-off backgrounds, will be important to understand, especially as the government is still committed to widening participation and social mobility. IES research shows that some students are willing to incur greater debt in return for higher earnings in the long term. However, young people from more deprived backgrounds are more likely to be put off from going to university by the cost. They also have limited awareness of the grants, bursaries and other support that is available to help them.

Elsewhere, the government has already indicated that it will concentrate hard on trying to obtain value for money from the funds that are available, through minimising the deadweight from spending on activities that would have happened anyway, and from looking at longer-term outcomes (eg progression in employment and/or learning) rather than short-term indicators (such as attainment of qualifications). The cutback on spending on Train to Gain could be seen in this light, rather than a signal that a lower priority will be given to adult training.

What about adults?

That said, at the time of writing, the future direction of policy on adult skill development remains to be clarified. As the National Strategic Skills Audit – much of which was based on IES research – demonstrated, most of the new skills and job opportunities that will be created over the next 10 years or so will need to be taken up by people already in the workforce. As jobs continue to change in the wake of developments such as further digital technology innovation and the need to reduce energy consumption, people will need re-training and/or up-skilling. The skills audit predicted a growth in demand for technicians and while some of this demand can be met by young people coming through apprenticeships, it will also require older people to retrain and upgrade their skills. Many of the new jobs in the care sector, in hospitality and in retail that are also likely to be created in the next few years will be met by people already in the workforce. The better skilled and qualified they are, the better able they will be to get and do well in those jobs and contribute to the economic and employment recovery.

It is therefore important that government learning and skills policy does everything it can to encourage people already in work, or seeking work, to continually upgrade their skills or develop new skills to meet the changing needs of the labour market. In that light it is interesting (and to some extent surprising) to note the positive noises made by ministers about non-vocational learning and in particular the value of adult education classes. Whether such good intentions survive the austerity to come in the spending review, remains to be seen.

¹ 14-19 Curriculum and Qualifications Reform. Final Report of the Working Group on 14-19 Reform

Protecting the health of the working age population

Dan Lucy, Research Fellow

With a new coalition government in place, and public sector budget cuts under way, it is timely to consider what this means for existing policy around health and work, and what the future might hold.



Under the previous Labour government, the benefits to health of ‘good’ work were recognised¹, a Director of Health and Work was appointed, and a multi-stranded approach to protecting and improving the health of the working age population was proposed², and shortly afterwards set in motion³. The approach included: introducing the Fit Note (a replacement for the medical sickness certificate); piloting occupational health helplines for small and medium-sized businesses (SMEs); piloting Fit for Work services in 11 areas across the UK, designed to aid recovery and return to work following a period of sickness absence; and educating GPs about health and work.

Post-election, much of the rationale for policy intervention remains, with occupational health services still the preserve of the few

rather than the many, and a relatively high, but stable, bill for benefit payments provided to those unable to work due to a health problem or disability (approximately £12.6 billion for the year 2008-2009). Research commissioned by the Department for Work and Pensions has shown that three-quarters of benefit claimants were in work either immediately prior to their claim, or within the previous two years⁴. In addition, with increasing public sector efficiency a continuing issue, driving down absence rates and improving productivity (across the economy) remain key policy issues. Previous research has highlighted the costs of sickness absence to both employers and the economy, and the importance for economic growth of improving the health of the working age population.⁵

Review of health and safety

The coalition has announced that Lord Young will undertake a review of health and safety legislation, including assessing how to reduce burdens on small, local and voluntary sector organisations, and whether or not legal protection can be extended to include all people acting in good faith, including public sector professionals. Underlying this review appears to be the belief that the prevailing health and safety culture is excessive, and existing regulations place too great a burden on employers. Dame Carol Black's review noted that the number of injuries suffered at work had decreased by 70 per cent since the introduction of the Health and Safety at Work Act 1974. However, the Act is perceived to have been less effective in preventing occupational illness, and despite efforts by the Health and Safety Executive (HSE) to help employers to better manage common health problems within organisations⁶, latest HSE statistics show that musculoskeletal disorders and stress remain the two main causes of self-reported work-related illness (approximately 950,000 people in 12 months) and working days lost due to ill-health⁷. There is clearly a danger that a review of health and safety provisions or resources could result in less protection for employees, and an increase in workplace injuries and ill health.

Coalition commitments on work and health

The coalition's programme for government included a number of commitments of relevance to protecting and promoting the health of the working age population. These included:

- a commitment to support the National Minimum Wage
- a review of the benefits system to remove disincentives to work
- improving the Access to Work scheme to make it easier for disabled individuals to compete for jobs
- extending the right to request flexible working to all employees, consulting with business on how best to do so.

In addition, the programme commits the government to reassessing all current claimants of Incapacity Benefit for their readiness to work. Access to benefit on the grounds of incapacity has been made tougher with the introduction of the Employment and Support Allowance (ESA), with a greater focus on what claimants can do rather than what they cannot. There exists the possibility of a gap in services developing for those

unemployed individuals with an existing health problem who are considered fit enough to return to work but who need some support to do so.

As shadow health secretary, Andrew Lansley proposed tax breaks for employers that invest in workplace and occupational health, and suggested that if elected, the Conservative Party would consult on measures to incentivise preventative measures in occupational health⁸. In a pre-election Green Paper, the Conservatives also suggested that, if elected, they might consider offering matched funding for businesses that spend capital on promoting health improvement. The paper also suggested that there was a need to help employers see the benefits of investing in health or, alternatively, better apportion costs between employers, individuals and the NHS. It is unclear what the present thinking of the coalition government is on these issues, but a Public Health White Paper scheduled for late 2010 might offer some answers.

What this all means

It is still early days for the coalition, and it is too soon to reach a definitive judgment about what effect the new government may have on policy surrounding health and work. There are compelling underlying reasons for a continued focus on protecting and improving the health of the working age population, although with budget cuts under way, the status of the health, work and well-being initiatives launched under Labour may be uncertain. What we know to date of coalition plans presents a mixed picture, with commitments to improving public health balanced against concerns over the review of health and safety legislation and what this may bring.

¹ Waddell G, Burton AK (2006), *Is work good for your health and well-being?*, The Stationery Office

² Black C (2008), *Working for a healthier tomorrow*, The Stationery Office

³ HM Government (2008), *Improving health, changing lives*, The Stationery Office

⁴ Kemp PA, Davidson J (2008), *Routes onto Incapacity Benefit: Findings from a recent survey of claimants*. DWP Research Report No 350

⁵ Bell M, Kossykh Y, Ridge M, Woolley N (2008), *An empirical analysis of health and economic growth in the UK*, HSE Research Report No RR639

⁶ For example, *The Management Standards for Work-related Stress*, and the 'Bad backs' campaign

⁷ *Health and Safety Statistics 2008/2009*. HSE

⁸ Conservative Party. *A healthier Nation: Policy Green Paper No 12*

Anticipating and Managing Restructuring: Ireland

Broughton A; International Labour Organization

Assessing the Needs of Disadvantaged Learners and Potential Learners

Bates P, Usher T, Hunt W, Johnson C, et al.; Learning and Skills Council

Crafting Futures: A study of the early careers of crafts graduates from UK higher education institutions

Hunt W, Ball L, Pollard E; Crafts Council

Employment and Support Allowance: Early implementation experiences of customers and staff

Barnes H, Sissons P, Aston J, Dewson S, Stevens H, Williams C, Francis R; Dept. for Work and Pensions

Evaluation of National Skills Academies: Year 1 Synthesis Report

Hillage J, Bellis A, Ginnis S, Gosling R, Tu T; Learning and Skills Council

Joint Pilots Baseline Research

Atkinson J, Bellis A, Marangozov R; Dept. for Work and Pensions

Leading and Managing in Recession: same or different skills?

Cox A, Fairhurst P, Hadjivassiliou K et al.; Learning and Skills Improvement Service

Skills Priorities and Scenarios in the Justice Sector

Usher T; Skills for Justice

The Brighton Factor Revisited: Does it work and is it important?

Pollard E, Hunt W, Sumption F, Cowling M, Millmore B; IES

Train to Gain: Wave 5 Learner Survey

Levesley T, Bellis A, Regan J; Learning and Skills Council

Workplace Health Connect Pilot: Evaluation Findings

Tyers C, Lucy D, Carta E, Savage J, Kossykh Y, Bailey Y; Health and Safety Executive

These reports are free to download from the IES website.

Articulating the Additional Value of Volunteering

V Inspired (the national young volunteers service) is keen to extend existing evidence on the value of volunteering to more clearly understand its role and impact on young people and communities. The research will explore the 'internalisation' of benefits of volunteering, ie the gains and outcomes for individuals who volunteer, such as employability skills and attributes, career knowledge and planning, and social capital/community gains. The 'externalisation' of the benefits of volunteering will be captured through organisations through which young people volunteer, and the wider communities with which they work. The work will articulate the unique contribution of volunteering to communities, and in helping young people prepare for employment.

IES Contact: Becci Newton

Supporting Legislative Requirements in Jobcentre Plus

Jobcentre Plus has commissioned research to establish whether and to what extent staff across the organisation understand and feel adequately supported to undertake the legislative requirements of the public sector equality duties to prevent discrimination and promote positive attitudes towards customers and staff from different demographic groups. The project involves interviews with around 80 staff in a variety of roles across Jobcentre Plus. Its findings will be used to inform improvements to existing processes, learning and development approaches, staff guidance, products and training.

IES Contact: Annette Cox

Evaluating Fit for Work Service Pilots

An IES-led consortium is evaluating the Fit for Work Service pilots for the Department for Work and Pensions. The 11 pilots are designed to provide early interventions aimed at supporting people back to work after a period of sickness absence. Sickness absentees referred to the service will have a case manager who will co-ordinate a range of interventions including liaising with their employer to help them return to sustained employment. The pilots are funded until March 2011 and the evaluation will produce a final report in December 2011.

IES Contact: Jim Hillage

The Work Programme – Learning from the Past

Nii Djan Tackey, Research Fellow

Welfare reform is central to the government's ambition to address the problem of growing unemployment and worklessness. An early indication of government thinking was set out in a policy speech by Lord Freud at the IES annual policy conference (Whither Welfare to Work?) in November 2009. Lord Freud envisaged a new programme that would bring 'a good number of the [existing] programmes into one programme, rather than having ... several'. Among the rationales for such radical reform was a particular view that there were groups of people who were circulating round the welfare-to-work system; from one initiative or another, to short-term jobs, to benefits, and back again.

Features of the Work Programme

The new government plans to end most, if not all, of the welfare-to-work programmes and initiatives of the previous Labour administration, and intends to create in their place a single, comprehensive Work Programme to help all unemployed people get back into work. It is envisaged that the Work Programme will be up and running by 2011, underpinned by some key features:

- an outcome-related funding model that incentivises welfare-to-work providers to help people into employment with payments associated with sustained job outcomes
- a greater role for large private and voluntary sector providers who will be granted bigger, more ambitious and longer-term contracts, free from state interference,¹ which will encourage (and enable) providers to apply their own approaches to getting people back into work through greater specialisation. Providers (or consortia of providers) will be expected to be well-capitalised and well-resourced, with the scale to handle, simultaneously, unemployed and disadvantaged groups with vastly varying needs.
- more mandating, such that benefits for unemployed people who are able to work, are conditional on their willingness to work. The government intends to cut benefit payments if recipients 'don't do the right thing'. The Secretary of State for Work and Pensions, Iain Duncan Smith, has stated (25 May 2010) that if taxpayers

are helping people to get back into work, then they 'also have a right to expect that those they support are ready and willing to take on work if it is offered'.

It is clear that the government is planning a fundamental shift in the welfare-to-work landscape. However, while it is still under development, it is useful to look at the proposals that have been announced so far, and see what lessons the Work Programme can learn from welfare-to-work initiatives from the past.

Funding by results

One of the most important lessons from the raft of welfare-to-work initiatives during the last ten years or so, is that people who are very disadvantaged do not move easily into jobs. Indeed, job outcomes are often not possible for people who are very far from the labour market. Consequently, the emphasis given to outcome-related funding, and paying largely for results has inherent problems for the hardest to help.

At worst, outcome-related funding is likely to result in 'creaming' and 'parking', whereby providers prioritise those people who are closest to the labour market over those much further from it. The problem of creaming is likely to be worse during economic recession, and there is anecdotal evidence to suggest that new jobseekers have squeezed out the long-term unemployed in the rush for jobs. Other evidence from previous Department for Work and Pensions (DWP) research has shown that outcome-related funding encouraged private sector led organisations to work



with easier-to-help clients, as there was little incentive to help those with multiple barriers get closer to employment.²

Research undertaken by the Institute on the early implementation of the Employment and Support Allowance (ESA)³ showed that welfare-to-work providers who were helping people allocated to the work-related activity group following a Work Capability Assessment (WCA) had concerns about their unexpectedly severe health problems: many reported that these people would be particularly difficult to help into employment (although the WCA found them able to prepare for a return to work). Many more ESA claimants are being found fit for work (statistics released in July 2010 show that 66 per cent of all claimants going through the WCA process were found fit for work⁴). The unemployed cohort is likely to contain even more people who are harder-to-help as plans to move Incapacity Benefit claimants through the WCA and onto ESA and Jobseekers Allowance gather pace.

It is often small, specialised providers who are most likely to work with the hardest to help, but most such providers have much fewer resources, and are unlikely to achieve hard (job) outcomes quickly for these people. Soft (incremental) outcomes are important, and in many cases critical for many claimants, particularly the hardest to help or to reach, as they are so far from the labour market. It is not yet clear how, or if, such outcomes will be rewarded.

Content of the Programme

So, what can be learned from previous initiatives and research to inform the design and content of the Work Programme? Drawing on IES's considerable experience of evaluating welfare-to-work initiatives, it is possible to identify some success factors:

- **Local approaches and partnership working:** Worklessness is often entrenched at a community or neighbourhood level and requires action and input from strategic partners at that

level. Local approaches to welfare-to-work have been shown to be effective at addressing the problems of people with multiple barriers and getting them back into work. A role for local authorities and other strategic partners, such as (the soon-to-be appointed) Local Enterprise Partnerships (LEPs), as well as the voluntary and third sectors, will greatly enhance the effectiveness of the Work Programme in tackling the issue of worklessness.

- **Outreach and engagement:** It is important to reach and engage the full range of disadvantaged groups, including the traditionally harder to reach and harder to help groups, and this has often been shown to be effective in local community or outreach settings. The evidence available so far suggests that private sector led provider organisations may be less successful at helping these people into work.⁵ The Work Programme must ensure there is co-ordination of services at the local level and that funding is not disproportionately focused on the more job-ready groups who have less severe disadvantages, and which provide short-term wins for providers. Provision may need to be offered in local areas, closest to those requiring the most help.
- **Personalised, holistic packages of support:** The longer people stay on benefit, the greater and more complex the barriers they face to get back into employment. People who are furthest away from the labour market require personalised services that provide what they need to increase their employability rather than a one-size fits all approach. The types of interventions that have been shown to work include: regular support from personal advisors with the flexibility to deliver to specific needs; engendering and maintaining the motivation and confidence of individuals; and tackling basic skills problems at an early stage. Such personalised approaches can be expensive to deliver, and will require

imaginative funding. The anticipated influx of IB claimants to the JSA regime as the Employment and Support Allowance rolls out is going to make such flexible approaches even more crucial and is likely to require significant provision to overcome health-related barriers to work.

- **Employer engagement and in-work support:** A demand-led approach to welfare-to-work, which places employers at the heart of any initiative to get unemployed people back into work, will be even more important to the Work Programme than before. DWP research has shown that private sector led provider organisations have very good local employer links, and have dedicated members of staff to manage their relationships with employers.⁶ But while employers provide the initial vital link between work preparation and real jobs, it is equally important that there is ongoing support for people when they get into a job. This is particularly important for people who have been out of the labour market for a long period of time. Ongoing in-work support is necessary to build emotional resilience and keep people in work for longer.

¹ Chris Grayling, Minister for Employment. Address to Welfare Providers, 2 June 2010

² Casebourne J, Davis S, Page R, *Review of Action Teams for Jobs*, Department for Work and Pensions Research Report No. 328, 2006. Hudson M, Phillips J, Ray K, Vegeris S, Davidson R, *The Influence of Outcome-based Contracting on Provider-led Pathways to Work*, Department for Work and Pensions Research Report No. 638, 2010

³ Barnes H, Sissons P, Aston J, Dewson S, Stevens H, Williams C, Francis R, *Employment and Support Allowance: Early implementation experiences of customers and staff*, Department for Work and Pensions Research Report No. 631, 2010

⁴ http://research.dwp.gov.uk/asd/workingage/esa_wca/esa_wca_27072010.pdf

⁵ www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news/committee-of-public-accounts-support-to-incapacity-benefits-claimants-through-pathways-to-work/

⁶ Casebourne et al., op. cit.

The new government and upcoming EU employment issues

Andrea Broughton, Principal Research Fellow

The type of relationship that the UK will have with the rest of the EU now that the new coalition government in place is likely to take shape over time. The government's coalition programme does not reveal a great deal about its plans for its future relationship with the EU. However, it does state that its primary concern is to ensure that the UK plays a leading role in Europe, but that there is no further transfer of power from the UK to Brussels without a referendum in the UK.

Working time high on the employment policy agenda

The coalition programme makes only one explicit reference to employment policy in Europe and this is to working time. This issue is also perhaps one of the most topical at EU level at present. A proposal was issued by the European Commission in 2004 to revise the Working Time Directive, looking particularly at the opt-out from the maximum 48-hour week that individual member states may apply, and the definition of on-call working, which is not directly defined by the Directive as it stands, there is some case law from the European Court of Justice that centres on whether on-call working should be fully or partially classed as working time. However, no final agreement on the text could be agreed between the Council and the European Parliament, and the proposal was abandoned in April 2009. Almost a year later, in March 2010, the European Commission issued a new proposal, aiming to gather views on a broad review of the Directive. It would like this review to take into account the changes in the organisation of working time that have taken place over the past 15 years, including issues such as work-life balance, an increase in the number of people working in multiple jobs and a greater flexibility in the overall organisation of working time. It is still, however, intending to address the issues of the opt-out from the 48-hour working week and on-call working.

The previous and the present UK governments have a particular interest in the individual opt-out from the 48-hour week, as it has been applied across the whole economy since the UK originally applied the Directive. The opt-out has been intensively used in a number of sectors in this country, such as finance. Although other member states have also taken advantage of the opt-out, either across the whole economy (five member states) or



for particular sectors (10 member states), it has particular resonance in the UK, and the new government will undoubtedly follow in the footsteps of previous governments in opposing any attempts to end this provision. The coalition programme does not give many details, but states clearly that it will 'work to limit the application of the Working Time Directive in the United Kingdom'.

More flexible parental leave

Another area to which the government will have to turn its attention is parental leave. This follows the adoption of a new Directive, in March 2010, which replaces the existing parental leave Directive and gives enhanced parental leave rights to parents. The new Directive, which must be implemented by member states by March 2012, will give parents the right to take four months of unpaid parental leave (the current entitlement under the present parental leave Directive is three months) and will reserve at least one month of the leave for fathers on a non-transferable basis, in order to encourage fathers to take the leave. It will also give parents the right to request flexible working upon return to work, although UK regulations already give employees with children under 16 or with disabled children under the age of

18, or those with caring responsibilities, the right to request flexible working and the new government has pledged to extend this right to all employees.

In its coalition programme, the new government has pledged to 'encourage shared parenting from the earliest stages of pregnancy – including the promotion of a system of flexible parental leave', which will no doubt be tied in with the implementation of the new parental leave Directive.

Future concerns and priorities

Overall, there are not many new EU legislative instruments in preparation in the social policy field, and it is clear that those that are being prepared will be implemented as required literally, and without any supplementary provisions added on. The coalition programme states that it will not 'gold plate' any Directives, meaning that it will not exceed their terms when implementing them in UK law. The Conservative party had previously pledged to stop gold plating of EU legislation, which it believes adds to the burden of UK businesses. However, the Labour government, when in power, had indicated that there was no evidence that the UK routinely over-implements European legislation. This is in any case unlikely to be a concern in the social and employment field.

In terms of the immediate future and the coming few months, the Belgian government, which holds the presidency of the EU Council until the end of 2010, has stated that employment will be one of its central themes. It is concentrating its efforts on trying to help EU labour markets to weather the economic crisis, in addition to promoting green jobs and the acquisition of the necessary skills to carry out these jobs, and trying to put into place an overarching strategy to respond to the ageing population. Given that these are all issues with which the new UK government will have to engage, there is likely to be much common ground at least for discussion over the coming months

Survey paints picture of creative graduates

Emma Pollard, Senior Research Fellow

Graduates of creative courses are well placed to ride out the recession, a new study has revealed. Led by University of the Arts London and conducted by IES, *Creative Graduates Creative Futures* is the largest ever survey of creative graduates' career paths.

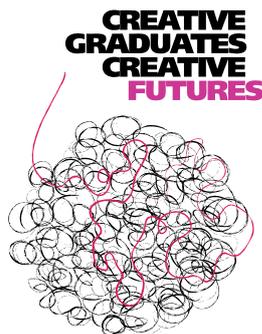
The report shows how creative graduates' ingenuity and resourcefulness, and their valuing of creativity over wealth makes them well equipped to survive tough economic times. With 78 per cent of those surveyed working in the creative industries, which accounts for 6.4 per cent of the UK economy (NESTA, 2009), the survey also highlights the importance of highly qualified creative graduates to both the sector and the national economy.

Many creative graduates sustain a living through multiple income streams, simultaneously doing freelance, part-time, self-employed and full-time paid work; often combined with further study and continued creative practice to develop their skills. This flexible approach is essential for capitalising on the rapidly changing opportunities of the creative industries, and as more workers across all industries face an uncertain employment market, could become an increasingly popular way of working.

Three-quarters of working creative graduates are satisfied with their jobs, compared with a national average of just 44 per cent (SHL Global, 2009). This is in spite of comparatively low pay – one half of respondents earn £20,000 or less. As 'a job for life' becomes a thing of the past, creative graduates' emphasis on personal fulfilment above financial reward, teamed with their entrepreneurial spirit, could be a new mantra for the modern workplace.

This research presents a picture of success that can be overlooked by traditional surveys of graduates that tend to emphasise full-time employment, focus on traditional graduate occupations, and stress salary levels. These measures are less appropriate to creative graduates who value new learning, work-life balance, and the pursuit of creative practice above earnings.

A second report due later this year, based on a follow-up email survey and depth interviews, further explores creative graduates' experiences – telling in their own words how creative careers develop in these uncertain times.



Ball L, Pollard E, Stanley N (2010), *Creative Graduates Creative Futures*, IES Research Report 471

UK-Spanish Comparison of Youth Transitions Into Work

IES is undertaking a project building on work funded by the German Federal Ministry of Training and Occupations (BIBB). The BIBB project took place in Germany, Finland, Spain and the UK; it collected data from national statistics and training policy profiles, case studies with six employers in each country, and a telephone survey of 100 firms in each country. Drawing on these data, this project will compare youth entry into intermediate jobs in Spain and the UK and develop a theoretical framework to understand the factors influencing employer strategies for recruiting and training younger people for intermediate level jobs.

IES Contact: Kari Hadjivassiliou

The Impact of Flexicurity

IES has been commissioned by the European Foundation for the Improvement of Living and Working Conditions, Dublin, to carry out research into the impact of 'flexicurity' provisions at company level on the employment and working conditions of women, young workers and older workers. The research will be based on 18 company case studies in six EU member states and will be analysed in a report due by autumn 2011. 'Flexicurity' can be defined as a policy strategy to enhance the flexibility of labour markets, work organisation and labour relations on the one hand, and employment security and income security on the other. More on 'flexicurity': <http://tinyurl.com/flexicurity>

IES Contact: Andrea Broughton

Young People Without Accredited Training

Greater Manchester Challenge (a consortium of local authorities formed of Salford, Bury and Wigan) has commissioned research into the barriers to learning, and the learning and training needs, of young people in jobs without nationally-recognised accredited training. The research comprises interviews with young people and their employers, and will be used to inform planning in Greater Manchester in advance of the policy to Raise the Participation Age. The project is being led by Dr Sue Maguire, Centre for Education and Industry at the University of Warwick.

IES Contact: Becci Newton

Regional Skills Analysis

IES has been asked by the South East England Development Agency (SEEDA) to undertake an analysis of current and future demand for skills by employers, broken down by occupations and sectors across the South East region. These demands will be compared with the current and future supply of skills, to identify areas of mismatch. The results will inform SEEDA's Regional Skills Priorities statement, and underpin the case for funding priorities for any areas of education and training considered critical to the region's economic growth.

IES Contact: Annette Cox

Review of the Investors in People Standard

Since April 2010 the UK Commission for Employment and Skills (UKCES) has taken over strategic ownership of the Investors in People (IIP) standard. In the first year, the UKCES will develop a strategy for the development and longer-term implementation of IIP policy. To inform the development of this strategy, IES has been commissioned by the UKCES to conduct a review of academic and policy literature to examine the perspectives and performance of the IIP standard and framework to inform the development of the future progress of IIP.

IES Contact: Rosie Gloster

Comparing SMEs in the Economic Crisis

IES is co-ordinating and writing a comparative analytical report on Small and Medium-sized Enterprises (SMEs) in the current economic crisis, focusing on employment, industrial relations and local partnership, for the European Industrial Relations Observatory (EIRO) of the European Foundation for the Improvement of Living and Working Conditions in Dublin. Overall, the report will present information across the EU member states about the current situation in SMEs, relating particularly to trends in their level of employment and structure, and examining issues such as organisation of work and subcontracting. The report will also aim to outline the impact of the economic crisis on SMEs, which are likely to have found it more difficult to weather the effects of the recession than larger companies.

IES Contact: Andrea Broughton

The dangers of working with isocyanate paints

Andrea Broughton, Principal Research Fellow



Isocyanate paints have been identified as a major cause of occupational asthma in the UK and are thus a serious potential health hazard in the motor vehicle repair sector, where they are in common use. The Health and Safety Executive (HSE) has undertaken information and advice campaigns aimed at workers and managers in this sector, warning them of the dangers of these paints. It stresses that the negative health effects can be overcome by following procedures such as always wearing air-fed breathing equipment when spraying the paints, and spraying in a controlled environment, such as a spray booth. One of the main dangers is that the spray mist from isocyanate paints is so fine that it cannot be seen by the naked eye. It is therefore vital that the time it takes for the spray to clear from the spray booth – the clearance time – is calculated and posted clearly on the booth.

In 2009, the HSE commissioned research to examine health and safety practices in the motor vehicle repair sector in relation to the use of isocyanate paint spray, focusing in particular on the use of masks and the use of spray booths. The intention was to gather data about practice, in order to gain a view of the overall state of play in relation to the health and safety practices that determine isocyanate use in the sector. IES carried out the research, which was based on a telephone survey of 500 motor vehicle repair bodyshops and visits to 30 bodyshops, during which face-to-face interviews were carried out with bodyshop managers and sprayers.

One of the main findings of the research was that sprayers wearing full-face air-fed masks often lift their visors after spraying in order to check the finish. This was a major and fundamental problem and one that appeared to be common to all sizes of business in the sector, not just small businesses. Ways in which to address this threat to good health and safety practices when using full-face masks might include the use of half-face masks, and consideration of whether the visibility of full-face masks can be improved, or whether spray booth lighting can be improved in order to increase visibility.

We also found that there is continuing evidence of misconceptions about the main risks of working with isocyanate paints. Some bodyshop managers and sprayers still believe that the paints can cause cancer or that they can cause asthma through entering the pores of the skin. Any future HSE information campaigns would therefore need to focus on eradicating these myths.

Overall, bodyshop managers tend to rely on external contractors/advisors to carry out technical testing and health surveillance of their employees. They rarely question what these external contractors do, trusting them to do everything to ensure that they comply with the law. A further research recommendation was therefore, that, in addition to targeting bodyshop managers, it might be worth targeting information at these external contractors in order to ensure that they are

Get Connected Impact Evaluation

IES is working in partnership with the National Institute of Adult Continuing Education (NIACE) to evaluate the Social Care Institute for Excellence (SCIE) *Get Connected* funding programme. The funding is being offered to organisations in the social care sector to improve access to ICT for service users, family carers and staff, so as to enhance the quality of life offered within the service and improve opportunities for learning. The project will examine the impact that this investment has on staff, service users and carers/family of service users. The factors that help with implementation will also be examined, and feedback provided to assist with later rounds of this funding initiative.

IES Contact: Linda Miller

Sector Skills Councils' use of Labour Market Information

The UK Commission for Employment and Skills (UKCES) has commissioned IES to quality assure the use that Sector Skills Councils (SSCs) make of labour market information (LMI) data. This involves reviewing 25 SSC reports and consulting with SSCs about their use of LMI for their organisational strategy and dissemination activities, followed by the production of a revised framework for future quality assurance purposes. A key purpose of the project is to assist SSCs by providing independent feedback on any opportunities to improve their use of LMI. The outputs of the project will contribute to the ongoing SSC re-licensing processes for which the UKCES is responsible.

IES Contact: Annette Cox

Unemployment and Worklessness in Newham

The London Borough of Newham commissioned IES to provide an analysis of long-term unemployment and worklessness, and to identify ways in which this might be addressed. The research will include a targeted literature review of long-term worklessness and policy responses to this; an overview of secondary data to describe the characteristics of worklessness locally; and qualitative research with a range of local stakeholders, employers and workless groups, to gather further information about barriers to work and current provision within the Borough.

IES Contact: Paul Sissons

offering the correct advice and guidance to bodyshops.

During the course of the research, we visited a range of bodyshops, ranging from large and well-organised businesses to very small, owner-managed bodyshops. A few of these small bodyshops did not have good health and safety procedures in place. However, it was clear that this was due to a lack of information and knowledge, rather than a wilful attempt to skimp on health and safety.

In total, there has been a major improvement in health and safety practices concerning the use of isocyanate paints in the motor vehicle repair sector over the past 20 years, with sprayers and bodyshop managers much more aware of the dangers of the paints and good awareness

and implementation of health and safety procedures. In particular, an HSE campaign run a few years ago to increase awareness of the need to establish clearance times of spray booths has yielded success – we found that there was good awareness of and adherence to booth clearance times. Some problems persist, however, as set out above, which will inform future HSE action in this sector.

Broughton A, Sumption F, Jagger N, Tyers C (2010), *Determining current health and safety practices, awareness of HSE initiatives and economic trends in relation to isocyanate paint use in the motor vehicle repair sector*, HSE Research Report 802

Healthy Workplaces Milton Keynes

Dan Lucy, Research Fellow

Improving access to advice and support on occupational health and safety issues to business, especially those organisations with fewer than 250 employees (ie small and medium-sized enterprises – SMEs), has been identified as a key issue in successive UK government policy documents¹. Several pilot programmes have been launched over the course of the past five years² to test potential ways in which access could be provided. Evaluations of these pilot services have generally shown that SMEs are difficult to engage on the issue of occupational health and safety advice, and where they do seek help, this is most often for basic safety advice and with understanding and interpreting health and safety regulations³. Other research has shown that SMEs do not generally regard sickness absence as an issue, and tend to have a 'safety'-focused view of what constitutes health and welfare provision, although they may have a number of informal practices in place which they do not spontaneously connect with workplace health – for example, the offer of flexible working.

Healthy Workplaces Milton Keynes (HWMK), was a pilot designed to test the delivery of advice and support on occupational health and safety issues to SMEs based in Milton Keynes, using advisers drawn from the Health and Safety Executive (HSE) and Milton Keynes

Council. The service was promoted as a joint HSE/local authority service with advisers acting at a distance from the enforcement arm of the regulator. The service ran from February 2008 until March 2009.

The evaluation of the pilot, carried out by IES, confirmed many of the findings from previous studies, and although employers using the service felt that the involvement of the regulator increased its credibility (as for previous pilot services of this kind) those employers most likely to engage with the service often appeared to have a reasonable understanding of health and safety, and relatively good practices in place. Finding ways to access those employers most in need of support, and least likely to be able to effect change continues to be a challenge, as does raising the awareness and interest of SMEs more generally in occupational health and safety.

¹ HM Government (2005) *Health, Work and Well-being: Caring for our future*. TSO; HM Government (2008) *Improving Health and Work: Changing Lives*. TSO

² eg *Workplace Health Connect (WHC); Workboost Wales (WBW), Kirklees Better Health at Work pilot*

³ Tyers C et al. (2010) *Workplace Health Connect: Evaluation findings*. HSE

Evaluation of Moving Goods Safely Intervention

Sally Wilson, Research Fellow

HSE's Moving Goods Safely 3 (MGS3) intervention targeted risks associated with the movement of goods in the logistics, warehousing, road haulage and goods delivery sectors. MGS3 was aimed at reducing injury and ill-health through a number of different work streams that focused on risk areas such as loading and unloading vehicles, vehicle movement and parking, and appropriate use of equipment.



The intervention was designed to be a supply chain initiative with the aim of encouraging employers to spread good practice among their suppliers and contractors, giving rise to a 'multiplier effect'. Selected employers received an inspection from HSE and/or local authority (LA) inspectors or both. Some employers received an audit lasting several days, involving visits to various sites – up and down their supply chain.

IES carried out an evaluation to assess the extent to which the MGS3 intervention had made an impact on targeted firms. The evaluation consisted of a number of elements, involving inspectors, dutyholders

and their workforce, and suppliers/contractors linked to these employers. The evaluation involved a mix of methodologies, including in-depth interviews, site visits and a large-scale telephone survey. The survey enabled comparisons to be drawn with employers in similar businesses who had not received the intervention.

MGS3 was generally well received by employers who found the recommendations, in the main, practical and beneficial. Some examples of reported changes were:

- the introduction of demarcation lines for segregating vehicle and pedestrian movement, or better use of signage
- changes to site layout
- better management of visiting drivers
- improved communication with workers.

However, without baseline information, and given differences in the characteristics of inspected and not-inspected premises, it is difficult to state with confidence the extent that MGS3 was responsible for these changes.

The evaluation found no links between receiving an MGS3 visit and reduced absence or accident rates. There was also little evidence of a 'multiplier effect' up and down supply chains following inspections. There were a number of aspects of MGS3 that had a bearing on its potential to make an impact on the employers involved. Within the sectors targeted by the intervention there was already a high level of co-operation within some supply chains, often driven by larger organisations and commercial concerns. The evaluation report identifies several barriers to the effectiveness of the initiative and presents a number of learning points for consideration when designing future interventions of this type.

Wilson S, Tyers C, Carta E (2010), *Moving Goods Safely 3: Evaluation Report*, HSE Research Report 796

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The Institute has 60 staff, plus associates, skilled in the full range of social research methodologies for data collection and analysis. Techniques employed include: quantitative surveys (using face-to-face, telephone and postal methods); expert and informant interviews; case studies; qualitative interviews; and focus groups.

Clients include major public agencies involved in the development, design and delivery of public employment policy at local, sectoral, regional, national and international level.

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