Employment Studies

The IES public employment policy research newsletter

In this issue

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.

Evaluation of the Youth Contract for 16-17 year-olds

Becci Newton, IES Principal Research Fellow

The dominant theme guiding UK labour market policy over the last decade has been to encourage labour market participation and, as a consequence, reducing the proportion of young people not in education, employment or training (NEET) is a priority. While the number of young people who are NEET has recently fallen, the youth unemployment rate remains two and a half times the adult rate and the economic downturn has had a disproportionate effect on young people. Worryingly, being NEET results in lifetime scarring, affecting the ability of individuals to ever gain a 'toe-hold' in the labour market (Bell and Blanchflower, 2009[1]), as well as influencing their mental and physical well-being and increasing their likelihood of being involved in criminal activity (Commission on Youth Unemployment[2]).

Combined with low skill levels, the consequences of being NEET are emphasised. Low-skilled, young people NEET are three-to-four times more likely to be unemployed in early adulthood than those with higher qualifications (Smyth and McCoy 2009[3]).Those who do gain work earn lower wages because they enter low-skilled jobs and are the least likely to receive training, which perpetuates employment and social insecurity (Newton et al. 2005[4]).

In recognition of the need to reduce youth unemployment and increase skill levels among young people, the government raised the age of expected participation in education and training to 17 years (from 16) and will raise this to 18 years by 2015. Young people are expected to study English and mathematics between the ages of 16 and 18 whether they pursue full-time education, an apprenticeship or job with training. While undoubtedly valuable, the impacts from these policies will take time to be demonstrated. It is commendable, therefore, that policymakers have recognised that young people currently affected by unemployment needed immediate help.

Cross-governmental support for this agenda was demonstrated when, in November 2011, the Deputy Prime Minister announced funding for the Youth Contract (YC) to support young people NEET aged 16-24. The departments for: Work and Pensions; Business, Innovation and Skills; and Education united to support a range of initiatives across the age group. The Department for Education invested £126 million over three years in a programme of intensive support targeted at disadvantaged and/or low-qualified 16-17 year olds who were NEET. This programme aimed to assist them to re-engage and participate in education, an apprenticeship, or a job with training, and it was this element of the YC that IES, in partnership with the University of Warwick and Leeds Metropolitan University, was commissioned to evaluate.

What did the Youth Contract for 16-17 year olds deliver?

Two models were established for this element of the YC. One was national, commissioned

through prime providers and supply chains, and featured payment-by-results (PbR) with a focus on sustained outcomes. It was subject to strict eligibility criteria, accessible only to low-qualified young people (fewer than two A*-C GCSEs), care leavers and young offenders who were NEET.

The other model devolved funding to three core city areas[5] where six local authorities (LAs) determined the shape and nature of delivery. Each LA established their own delivery model, some of which featured PbR. Eligibility was determined locally and while this focused on vulnerable and disadvantaged young people NEET, it was less restrictive than the national criteria.

Despite the potential diversity introduced by the two models, there was remarkable consistency in the support and services delivered. In all areas, young people worked with a key worker to assess their needs and abilities, establish a goal and work towards it through action planning. What set some areas apart was a focus on helping young people to enter the labour market (apprenticeships and jobs with training) as opposed to re-enter learning.

What was the impact of the YC on the eligible NEET population?

In light of the targeted nature of the YC for this age group, impacts were considerable. For example, we found an overall 1.8 per cent reduction in the number of 16-17 year olds NEET in England. In addition, there was a 12 percentage point increase in engagement in learning and training among national participants, an 11 percentage point increase among those in Leeds, Bradford and Wakefield and a 7 percentage point increase for participants in Newcastle and Gateshead.

The highest impacts were seen for Level 1 learning and training, although impacts were also demonstrated at Level 2. And while our assessment demonstrated a negative impact of two percentage points among national participants in respect of learning and training at Level 3, this may have indicated that low qualified participants were routed into courses that better matched their needs and capabilities.

While these hard impacts are of crucial interest to policymakers, the qualitative impacts should not be overlooked. In our assessment, the YC – and specifically mentoring by key workers – made a crucial difference in raising young people's confidence in their ability to progress, and helped them to learn about appropriate behaviour, or to deal with challenging personal or family circumstances. As a consequence, the

YC achieved some major breakthroughs with young people - some of whom had experienced extended periods of being NEET and/or had become isolated from or fallen under the radar of statutory and other forms of support. In our view, the key worker model was flexible enough to support young people in a range of contexts and with differing needs.

Was the YC value for money?

On the basis of the impacts achieved on learning/training engagement, we were able to estimate the lifetime returns on earnings, health and crime reduction that would result from the qualifications young people would gain, and review these relative to the estimated costs of delivery.

The estimated net benefit arising from the national model was £12,900 per participant. Returns from core city delivery were also very positive, although in one of those they were lower due to the higher prior qualification levels of participants, and in another there were higher rates of re-engagement relative to the additional outcomes secured, which attracted increased costs. In essence, the national targeting of the YC on young people with low educational attainment increased the net social benefit arising for each participant. However, while looser targeting would, in all likelihood, have reduced the social benefits arising for each participant, it might have increased total social benefits arising from delivery as a whole, provided that a larger number of young people benefited from the programme.

To set these figures in some context, the lifetime costs to the public purse of a young offender who is NEET between 16 and 18 and becomes a persistent, lifetime offender has been estimated to be around £2,371,000, although this is the worst-case scenario among the sub-groups showing high propensity of becoming NEET in this age group (Coles et al, 2010, University of York[6]).

What lessons arose from design and delivery of national and local programmes?

A key lesson surrounded the difficulties of identifying the cohort eligible for the national YC model. There is no single data source that consistently reports participation status and qualification levels. Therefore, to operate within the eligibility, providers had to draw on the knowledge of local stakeholders and find innovative solutions to establish contact with the target group.

Local authorities were an important source of intelligence and acted as a linchpin to delivery,

so it was important to foster and secure their support in order to deliver effectively. Delivery appeared most effective when prime providers or their subcontractors also had responsibility for the provision of local guidance services or had already established close links to the local guidance providers. An overall picture emerged whereby collaborative working was a critical success factor.

The PbR associated with the national model particularly was viewed as unduly weighted on sustained outcomes in light of the resource required to identify, engage and support young people and the consequent investment this entailed from providers. It did not recognise the 'small step' achievements in moving young people towards full re-engagement, which our previous studies have shown to be central to progression (Newton et al, 2009)[7]. In our view, an interim outcome milestone associated with these softer outcomes would better recognise the impacts achieved by YC providers.

Finally, if the national eligibility criteria had been relaxed a little, a greater number of young people could have been supported, which could have achieved greater impact on the NEET cohort and would not have unduly undermined the cost-effectiveness of the YC approach. There were valid concerns that some vulnerable and disadvantaged young people NEET could not be supported by dint of having achieved a few good GCSEs. Some flexibility on the criteria would mean these young people could also have received help.

1 Bell D and Blanchflower D (2009), Youth Unemployment: Déjà Vu? IZA Discussion Paper No. 4705
2 The ACEVO Commission on Youth Unemployment (2012) Youth unemployment: the crisis we cannot afford
3 Smyth E and McCoy S (2009), Investing in Education: Combating Educational Disadvantage, Economic and Social Research Institute and Barnardos
4 Newton B, Hurstfield J, Miller L, Bates P, (2005), Training a Mixed Age Workforce: Practical Tips and Guidance, Department for Work and Pensions: Age Positive
5 Leeds, Bradford and Wakefield; Newcastle and Gateshead; and Liverpool
6 Estimating the life-time cost of NEET: 16-18 year olds not in Education, Employment or Training, Research Undertaken for the Audit Commission
7 See for example, Newton B, Levesley T, Oakley J, Fearn H, Johnson C (2009). Activity and Learning Agreement Pilots – Programme Theory Evaluation: Activity Agreements and Small Step Progression (Working Paper 5). Report RR098, Department for Children, Schools and Families

publications

Scoping study for a foresight on new and emerging occupational safety and health (OSH) risks and challenges

Cox A, Fletcher L; European Agency for Safety and Health at Work (EU-OSHA); September 2014

This report, published by EU-OSHA, describes the methodology and findings of a scoping study carried out by IES, examining emerging trends and areas of future concern in OSH and their potential for a future large-scale foresight study. A literature review, telephone interviews, online surveys and a consultation of expert opinion were carried out to identify and assess the suitability of these topics for study. Topics were ranked in terms of importance based on factors such as frequency of mention, the scale of the issue, priority given by stakeholders and likelihood of occurrence. Topics identified for further consideration were impact of ICT on OSH, trends in human resources management and the impact of the financial crisis on OSH.

Coming clean: contractual and procurement practices

Grimshaw D, Cartwright J, Keizer A, Rubery J, Hadjivassiliou K, Rickard C; Research Report 96, Equality and Human Rights Commission (EHRC); August 2014

A focus on the nature and influence of procurement is vital for an understanding of employment practices and working conditions in the commercial cleaning sector for several reasons:

- Like other business services, cleaning activities are often procured from specialist subcontractors rather than managed in-house.
- The strong cost focus of competition for contracts can exacerbate the vulnerable position of low-wage cleaners.
- Client organisations' procurement and HR practices can filter through the supply chain to shape employment practices in the contractor firm.

Using a novel analytical framework for understanding how procurement shapes employment, this report presents the results of six case studies of outsourced cleaning services and draws out key implications for improving policy and practice. Each case study is reported in the form of a narrative that highlights the specific characteristics of procurement practices and employment conditions. In addition, key thematic issues are explored by comparing the results across the six cases. The themes consider pay, working time, skill and job design, integration and employment insecurity.

The Labour Market Story: An Overview

UK Commission for Employment and Skills (UKCES); July 2014

The Labour Market Story provides an up-to-date assessment of the state of the UK labour market and how it is performing relative to our international competitors. It is intended to inform future skills investment and policy to deliver a more effective skills system and alignment of public and private investment in skills.

The report is based on research undertaken by the Institute for Employment Studies, the Warwick Institute for Employment Research, Cambridge Econometrics and the UK Commission for Employment and Skills. Four thematic briefing papers were also published alongside this overarching report:

- The UK following recession
- The state of UK skills
- Skills use at work
- Skills for the future.
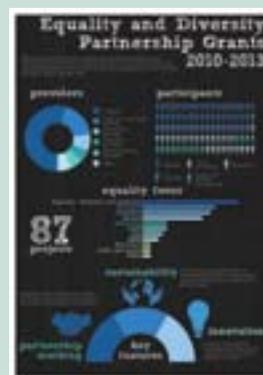
Evaluation of the Equality, Diversity and Inclusion Grants

Marangozov R, Marvell R, Miller L, Newton B, Fletcher L; Institute for Employment Studies; September 2014

The equality, diversity and inclusion grants were given to Further Education colleges and training organisations to develop the capacity of the sector to meet the public sector Equality Duty. This evaluation was commissioned by the Skills Funding Agency. It assesses the impact and value for money of the grants, and includes good practice eight case studies.

This evaluation examines the 87 projects that were funded over the three years covered. The priorities of the grant were innovation, sustainability and partnership working. The evaluation took the form of a review of documentation associated with the EDI Grants; an online survey of lead staff; and qualitative interviews with sector stakeholders and particular project leads. An infographic of the main findings of the evaluation was also published.

Occupational Health and Safety Management Tools: A review for EU-OSHA

Dr Sally Wilson, IES Senior Research Fellow

The European Agency for Safety and Health at Work (EU-OSHA) is committed to making Europe a safer, healthier and more productive place to work. An issue of ongoing concern for it is the difficulty that small and medium-sized enterprises (SMEs) can face in implementing effective management of safety and health at work. Some smaller employers can struggle with the expense of occupational safety and health (OSH) advice: the costs of specialist consultants can be prohibitive, while printed or web-based sources produced by government or industry bodies may be too generic to be useful. In recognition of this, an important aspect of EU-OSHA's role is to support the design and development of hands-on instruments for micro, small and medium-sized enterprises to help them assess and manage workplace risks.

To support this aim, EU-OSHA recently asked IES to conduct a review of online OSH management tools so that it could gain a better understanding of the various online instruments available in Europe that provide OSH know-how. For the purposes of the research the Agency defined an online OSH tool as a piece of software that:

- can run on the internet, on a computer, or on a phone or other electronic device,

- can be connected to a system (as opposed to 'offline'),

- is interactive because it requires some active decision-making from the user, and guides them through the process (as opposed to a static or passive instrument such as traditional factsheets or checklists).

To meet EU-OSHA's requirements IES's review comprehensively documented the range of online OSH tools available in 27 EU Member States and provided a typology of tools. Another key component of the work comprised reviewing nine OSH tools in some depth and describing their format and function. IES researchers interviewed staff involved in the production of each tool to identify key features of the development

process and various challenges that would need to be addressed to enable wider usage across the EU. Finally, drawing on consultation with EU social partners and national health and safety representatives, the report recommended possible approaches that EU-OSHA could take to supporting wider use of online OSH tools.

Examples of online OSH tools

Three representative examples of tools that were reviewed in depth are described below: these illustrate the range available and how they vary in terms of accessibility and complexity.

SUBSPORT[1]

The goal of SUBSPORT, the development of which was funded by a multinational consortium of public-sector organisations, is to provide an internet portal that constitutes a state-of-the-art resource on safer alternatives to the use of hazardous chemicals. A particular aim of this OSH tool is to support companies of all sizes in fulfilling substitution requirements of EU legislation, for example those specified under the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). As

A screenshot of the SUBSPORT website

well as being a source of information on alternative substances and technologies, SUBSPORT also provides tools and guidance for substance evaluation and substitution management. Furthermore, this OSH Tool supports the creation of a network of experts and stakeholders actively involved in chemical substitution. This network assists in both content development and promotion of the tool to ensure sustainability of the site.

Løfte[2] ('Lifting'/ manual handling)

This Danish tool allows identification of health risks associated with lifting regularly or lifting heavy loads in the workplace. It can be used by anybody concerned with these issues as well as employers or representative bodies. However, at present, the tool is only available in Danish.

The tool is a so-called 'living app', which assesses risks associated with lifting for individual workers and is based on Danish health and safety legislation. However, IES found no reason why this application could not be translated and modified to fit other regulatory contexts in the EU.

Psychological health promotion as a leadership task[3]

This e-learning tool is a product of Psyga, a German consortium, which specialises in the area of psychosocial health issues in the workplace. The motivation behind its development was to reach their target groups (ie people managers) more effectively than was possible through paper-based material.

The tool focuses specifically on what managers can do to foster psychological well-being and guides users through a series of informative and interactive slides which illustrate the link between job performance and psychological wellbeing. Practical advice is also provided, particularly in regard to managing work-related stress. At the end of the slides, a checklist allows users to assess their knowledge of the subject area.

Conclusions

The above small selection of tools highlights several important issues that IES recommended EU-OSHA consider when developing its strategy for online OSH tools. For example, although all the reviewed tools are cost-free to access, currently each is available in only one or a limited number of languages. Further, widening access across national borders requires that attention be given to content as well as language: although regulations for health and safety measures are the same throughout Europe, Directives have to be altered to fit into the national law of member states. This means that health and safety law can differ between European Union (EU) Member States and some degree of tailoring is necessary for materials to be used by different audiences.

Other practical considerations arise when considering investment in further development of the identified tools: for example, the need to ensure that tools stay up to date (with respect to technological innovation and knowledge generated from research) and oversight of administrative and ownership issues such as copyright and intellectual property (IP) concerns. Also, the maintenance and development of interactive multimedia tools requires high-level expertise in software development, especially if it is desirable that the content is accessible from smart phones and tablets as well as PCs.

Regardless of these difficulties, there is potential for these tools to help reduce work-related accidents and ill health across the EU, especially if they remain free to use and resources are invested in translation and adaptation. The tools allow employers to be instrumental in the OSH management process, allowing them engagement with a process that would not be possible otherwise. Newer generations of employers are comfortable with IT and expect it to facilitate most aspects of their working and personal lives. Therefore there was a strong view among health and safety experts interviewed for the project that online OSH tools represent the future.

1 http://www.subsport.eu/
2 http://arbejdstilsynet.dk/da/atforms/apps/ loeftetjek#start
3 http://psyga.info/elearningtool/

Review of Occupational Safety and Health (OSH) benchmarking initiatives

The aim of this project for EU-OSHA is to carry out a review of OSH benchmarking schemes that have been set up at sector, member state or European level. The review aims to assess the benefits that such schemes can deliver as well as their limitations and to identify the key factors and main obstacles to their success.

The analysis will describe each initiative in depth and analyse its effectiveness (e.g. in the prevention of occupational accidents and diseases, number of organisations involved) and set this in relation to the efforts that were put into the programmes.

Based on systematic analysis of selected initiatives, IES will develop practical guidance on how to set up a successful OSH benchmarking network.

IES contact: Sally Wilson

Evaluation of Napo for teachers

The Napo Teacher Toolkits aimed to introduce health and safety topics to primary school children in an educational, yet fun and imaginative way using clips and activities centring on the Napo character. IES is conducting an evaluation of the Napo for Teachers initiative for EU-OSHA, in order to assess its effectiveness and impact. The evaluation will seek to understand the full range of factors that determined how well Napo for Teachers worked in various member states and the role of these factors in the overall impact of the initiative.

IES contact: Sally Wilson

Eurofound's network of national and EU-level correspondents

An international consortium led by IES has been awarded a four-year contract (2014-2018) to provide EU-level information to Eurofound on industrial relations, working conditions and management of change. The information will appear on Eurofound's website and in a range of Eurofound publications. The IES consortium will form part of an EU-wide network of national correspondents.

IES contact: Andrea Broughton

The benefits of using mediation to resolve workplace conflict

Andrea Broughton, IES Principal Research Fellow

Dealing with conflict in the workplace is a difficult task, but one that most managers will encounter at some point in their careers. The Advisory, Conciliation and Arbitration Service (Acas) devotes a considerable amount of time and resources to advising on how to deal with conflict at work and to stop it from escalating to an employment tribunal claim. Mediation is a form of alternative dispute resolution that can be effective in helping to resolve a tense and difficult situation in the workplace. It involves using a trained, neutral mediator to engage with the conflicting parties and to help them work towards finding a solution that is acceptable to both sides. Mediation does not necessary need to result in a definitive solution, but is more about bringing both sides together to find a way forward.

One of the potential weakness of mediation, but also one of its strengths, is that it does not guarantee an outcome, as no binding decision is made. Instead, the mediator works with the parties to try to find a solution, but there is no guarantee that the issue will be resolved. While this can be frustrating, it may also mean that the parties to a dispute may be more willing to engage in the process if they are reassured that they will not be forced to accept an outcome with which they are not happy. Acas notes on its website that 'the overriding aim of workplace mediation is to restore and maintain the employment relationship wherever possible. This means the focus is on working together to go forward, not determining who was right or wrong in the past[1]'.

IES evaluation of Acas mediation training

Acas recently commissioned IES, partnering with BMG Research, to carry out an evaluation of Acas' internal workplace mediation training service[2], which trains individuals to achieve a formal qualification in mediation (the Certificate in Internal Workplace Mediation, CIWM). This aims to equip mediators with better conflict management and interpersonal skills for day-to-day relationship management and provides accreditation for current and future workplace mediators, subject to the completion of a portfolio.

The research took the form of a telephone survey with mediators who had attended any CIWM training course between April 2012 and March 2013, and case studies of three organisations, of which two had participated in Acas' in-house training.

Telephone interviews were conducted with 150 individuals between 24 October and 20 November 2013, using a semi-structured questionnaire.

The research included the following objectives:

- To provide insights into the perceptions of the accreditation process.

- To provide hard measures and perceptions of the use of mediation in the workplace.

- To examine barriers and facilitators to successful mediation in the workplace.

- To examine the wider effects of mediation training on their job/role, for example, in terms of 'soft skills'.

- To provide an insight into organisations' view of the effectiveness of Acas' in-house mediation training.

Perceptions of the accreditation process

Overall, the training was very well received, with 94 per cent of survey respondents stating that they were very or fairly satisfied with the course. From the case studies, there was a great deal of praise for the content of the course, the balance of elements in the course, and the way in which the content was delivered. Many interviewees felt that the trainers were highly skilled and experienced and that they went out of their way to ensure that the course was a success.

These high levels of satisfaction with the training were reflected in the fact that 94 per cent of survey respondents said that they were very or quite likely to recommend Acas training to their colleagues.

Impact of the mediation training

Almost all survey respondents felt that the course had given them a clear framework or structure to work with, had led to a better understanding of the process and had more generally led to greater confidence in managing mediation. Further, the overwhelming majority said that the skills they had acquired on the course were very or quite useful. When asked which skills in particular the respondents valued as very useful, the main skills cited were reframing (whereby the facts of a case are placed in a different, impartial frame, in order to change its emotional setting or its perception by the parties), impartiality, and acknowledging differences in viewpoints between the different parties to mediation.

In terms of opportunities to undertake mediations in their organisation since completing the training, three-fifths of survey respondents said that they were satisfied, although 15 per cent said that they were dissatisfied, largely because cases had not arisen, or there was no organisational mediation policy in place.

Further, the skills that individuals had acquired on the course were reported as transferable to other aspects of their role at work. Almost a quarter of survey respondents said that they used these skills on a day-to-day basis, and one-fifth said that they used them in the management of staff, including situations such as training, coaching and meetings. Fifteen per cent said that they used these skills in disciplinary and grievance situations, and conflict resolution. Specific skills mentioned included: listening and empathising; an overall improvement in interactions and communication; being able to apply mediation skills to other types of situations in the workplace; and being able to use the skills to improve communication and interaction in their personal life.

Barriers to and facilitators of mediation

Among the main barriers to successful mediation were a perceived lack of impartiality in the mediator, which led to a lack of trust, unrealistic expectations about what mediation can and cannot achieve, a lack of a proper structure around mediation and other organisational issues such as a lack of support for the process. There were also some issues around time, with some people reporting that mediation took longer than expected.

Key facilitators for successful mediation included a willingness from both parties to engage in the process and have an open mind, and the skills and competences of the mediator, particularly in terms of listening skills and objectivity. The presence of an established organisational framework for mediation was also seen as important.

Conclusions

Although mediation is a relatively new form of dispute resolution in the UK, it is gaining momentum as more and more organisations come to see its benefits. From this research, it is clear that many organisations want to engage with mediation as a way of resolving workplace issues and improving employment relations in their organisation.

Trust plays a key role in the mediation process, and it is therefore of extreme importance that mediators are seen to be impartial. One issue that emerged quite strongly from both our survey and case study work is that many of the trained mediators tend to have an HR background and therefore are either not perceived as being impartial, or have actually already been involved in a dispute in some capacity and so cannot then be involved as a mediator. The provision of a greater number of trained mediators who work outside the HR function is therefore key.

There is clearly scope for further awareness-raising of mediation and publicising of the availability of mediation in organisations, and such activities should include both general managers and line managers. One relevant issue may be the positioning or labelling of mediation within an organisation. It is important that employees understand what mediation is, what it can and cannot do and what it involves. The timing of mediation may also play a part: if organisations are keen to resolve issues informally, they may use mediation too late in the process, as mediation can often be seen as a formal process. More emphasis on using mediation as early as possible in a dispute could help with this.

1   www.acas.org.uk
2   *An evaluation of the impact of the internal workplace mediation training service.* Andrea Broughton, Stefanie Ledermaier, Annette Cox; Research Paper 07/14, Acas, June 2014

The Contribution of FE and Skills to Social Mobility

IES is conducting a Rapid Evidence Assessment and data review for the Department for Business, Innovation and Skills in order to provide an up-to-date understanding of the contribution that learning and skills gained through further education make to social mobility, including measures such as improved individual and societal outcomes relating to well-being, health and life chances. The review will synthesise evidence from England and the UK and will have a focus on adult learners.

IES contact: Rosie Gloster

Evidence Reviews and Economic Analysis for NICE guidance on Workplace Health of Older Workers

The National Institute for Health and Care Excellence (NICE) has commissioned IES, in conjunction with the Work Foundation and the Universities of York and Lancaster, to provide a series of evidence reviews on the barriers, success factors and cost effectiveness of interventions to promote and protect the health of older employees, to support them to stay in work after state pension age and to support them to make effective transitions to retirement. The reviews will be used to develop NICE's forthcoming public health guidance on workplace policies and approaches on this topic.

IES contact: Annette Cox

Youth transitions to, and within, the labour market

IES has been commissioned by the Department for Business, Innovation and Skills to undertake a study on young people's transitions to, and within, the labour market. This project aims to achieve an up-to-date evidence-base on movements and progression within the youth labour and learning sectors, to provide comparisons with earlier cohorts and to have an improved evidence base on the long-term outcomes on employment in adolescent and adult years.

IES contact: Stefan Speckesser

Integrated working in the public sector

Linda Miller, IES Senior Research Fellow

There has been interest in integrating health and social care services for over two decades, but it is only in the past few years that real progress has been made. The Health Act provides the accountability structure for a single Executive Leadership Team, pooled budgets and common goals. Interest has been sharpened firstly by funding of the Integrated Care Pilots in 2009, and more recently through the Better Care Fund announced by the Government in the June 2013.

The movement of responsibility for public health (and funding for this) to Local Authorities has also increased attention on the need for integration of health and social care. In other areas of public life too, the potential is being recognised for increased effectiveness – and, importantly in this time of budget constraints, greater cost-effectiveness – arising from joined-up services focused on the need of the individual.

The Better Care Fund (BCF) is a £3.8bn single pooled budget to support health and social care services to work more closely together to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. The NHS is expected to make a further £200 million available in 2014/15 to accelerate this transformation.

However, a pooled budget will necessarily lead to changes in how services are organised and delivered in future. As it is still relatively early days, only a minority of Local Authorities has attempted integration to date. For this reason the Local Government Association (LGA) commissioned IES to undertake four case studies of integrated services. These were designed to serve as learning resources and contribute to current thinking about the major questions involved in taking forward an integrated approach. Three of the cases focus

on health and social care to improve support for elderly people or people with long-term conditions, while the fourth looks at a wider alliance of organisations focused on improving response to and reducing the numbers of incidents of domestic violence.

Better Together in Dorset, Bournemouth and Poole

Dorset County Council, Bournemouth Borough Council and the Borough of Poole joined with the NHS to find new ways to deliver health and social care services using funding won through the Challenge Fund. While the planned changes were prompted in part by the government drive to join up health and social care, they build on several previous initiatives within Dorset that have sought to join up services, including: the Partnerships for Older People initiative; merging of the Adult Learning Services across Dorset; and the integration of health and social care service provision for people with dementia. This earlier work built a partnership between the statutory and voluntary sectors, and the *Better Together* programme builds on those earlier experiences, with the local authority and NHS working with the Voluntary Sector Collaborative to deliver improved community support for residents.

The integrated care provision is based on a locality model. It is anticipated that there will be 13 integrated locality health and social care teams operating across Bournemouth, Dorset and Poole. Each patient or client will have one member of the team assigned as their care co-ordinator. The integrated care teams will merge the professionals and roles of existing services into one multi-disciplinary team with teams including GPs, community matrons, primary care practice nurses, physiotherapists, district nurses, occupational therapists, community mental health teams for older people, social workers and care managers, support workers and a voluntary sector co-ordinator, along with an administrator.

Betty Butlin, Service Manager, Older People and Physical Disability, said: *'Part of Better Together is to look at how you can best provide the service. The Integrated Model reduces duplication and gives the service that is needed. We are all looking now at how we can work more succinctly together.'*

The approach is starting to show results. Christopher Beale, Chief Executive Officer, Poole Council for Voluntary Service, has noted a shift from reacting to issues to being proactive: *'For example identifying people in hospital who could be effectively supported to return home before they become too*

dependent. And in addition, close attention is paid to the impact of the service from the start.'

Integrated care in North Norfolk

North Norfolk was one of the original Integrated Care Pilots[1] (ICPs) and has used the experience gained in that earlier work to build an integrated and co-ordinated model of care focused in four community hubs, centred around GP practices. John Everson, Head of Integrated Commissioning said *'The ICP gave us a sense of the need for local area co-ordination across the system. So it was a starting point in building a strong integrated care foundation and it allowed us to identify what we needed to do next.'* In fact, John's post is a joint appointment across North Norfolk Clinical Commissioning Group (NNCCG) and Norfolk County Council.

As well as this joint appointment, Integrated Care Co-ordinators have been introduced, based in the two integrated community team offices along with nurses, social workers, occupational therapists and GPs. The team see co-location as being particularly helpful in bringing about team integration and the ICCs are seen as an essential part of the mix; Becky Cooper, Assistant Director for North Locality, Norfolk Community Health and Care, said: *'The Integrated Care Co-ordinators have transformed how we do things, they are the cement, really, a massive help.'* The team can already see improvements. Becky said: *'Patients need to see fewer people. It's streamlining patient care and there's more we can do as a result.'*

Another key part of the North Norfolk approach is to identify those patients most likely to benefit from an integrated care review: this is called risk profiling or 'risk stratification'. NNCCG, in conjunction with one of the GP practices, developed its own risk-profiling software; this, together with use of GPs' clinical knowledge of their patients' needs, is the basis for interventions. Dr James Gair, Integrated Care Clinical Lead, NNCCG, said: *'the combined clinical and professional expertise of GPs, community nurses/matrons, social workers and community mental health staff is used to help identify those patients who will most benefit from an integrated care discussion. These discussions then help to identify the most suitable support and services for that individual's health and care needs. The value of this kind of integrated approach cannot be underestimated.'*

Integrated Safeguarding and Public Protection in Wigan

The Wigan Building Stronger Community Partnership recognised the need for an improved multi-agency response to incidents of domestic violence and, as a result, the Local Authority and its partners developed an Integrated Safeguarding & Public Protection Team based on the principles of a Co-ordinated Community Response Model. At the core of this is a fully integrated team comprising members of the police, local authority, probation, fire service, housing and health services. Detective Inspector Mick Montford leads the team and he too is an advocate of co-location to improve integration; however, he notes that while co-location is important, on its own it's not enough. *"There is an important difference between co-location and integration. I didn't want all the police, for example, to sit together in one corner. I deliberately mixed people up because I wanted them to get used to that and the idea that we will work as a team. Ensure a good mix-up and help people get used to each other."* Sarah Owen, Strategic Business Manager, Domestic & Sexual Violence, designed training for the team. She argues that: *'Domestic Abuse is everybody's business.' People saying "It's nothing to do with me" is completely wrong.'*

When the case study interviews were conducted, the new arrangements had been in place for only 12 months but already the impact of the changes was being seen. The integrated approach has improved and developed staff awareness and understanding of a wider range of issues, for example around the impact of domestic abuse on children. Andrew Roberts, Operational Manager, National Probation Service, said *'The holistic approach has unquestionably improved how we assess risk and subsequently manage that risk contributing to the safeguarding of victims within the local community.'*

Integrated health and social care for the elderly in Salford

In common with the rest of the UK, Salford has a growing elderly population, predicted to increase by 22 per cent by 2030. Salford is committed to finding new and better ways of providing services and so for the past two years, health and social care partners have been working together to look at new ways of caring for and supporting older people in the district.

While the focus on older people is relatively new, Salford has a long history of strong health and social care partnerships, starting 12 years ago with integrating services for people with learning disabilities. This case study explores the ways in which Salford has approached integrating services. A central plank of its philosophy is the focus on individual patients. Jennifer McGovern, Assistant Director Integrated Commissioning, Salford said *'There needs to be a focus on improving people's lives. The vision is important. "We're all in this together" needs to be the approach'.* Dave Clemmett, Assistant Director, Operations, Salford, backed this up, saying: *'You have to constantly talk about being person-centred and do this through collaboration with colleagues.'*

To help in optimising and maintaining individuals' overall well-being, Salford adopted an approach it calls 'Sally Ford', an approach to Integrated Care Planning based on six elements:

- a systematic assessment of health and social care needs;

- appointment of a named key worker;

- joint working with all organisations/ agencies involved, multidisciplinary groups and a single entry/contact point;

- an agreed Shared Care Plan, based on joint working and a 1 to 4 stepped level of care need (these levels are the 'Sallys' in the approach's title);

- the sharing of essential information between provider agencies;

- and regular reviews to reconsider need and change plans as necessary.

Conclusion

All four project teams were seeing improvements to services even though it was early days. They are confident that the emerging data will demonstrate real cost benefits over the next few years. It is to be hoped that these examples will help other local authorities to take forward the integration agenda. The full-length case studies can be found at: http://bit.ly/lgacases

1   The Integrated Care Pilots programme was a two-year Department of Health initiative between 2009 and 2011 that aimed to explore different ways of providing integrated care to help drive improvements in care and well-being. A total of sixteen projects were funded across England.

Improving working conditions in the hairdressing sector

Andrea Broughton, IES Principal Research Fellow

The hairdressing sector faces a number of employment-related challenges, including relatively low pay; limited opportunities for career development; health and safety considerations such as skin complaints from working with water and chemical dyes; and ergonomic issues. IES recently carried out a European study looking at working conditions and the future challenges for the social partners in this sector in eight countries, based on a scenario-building methodology.

The research

The research was carried out for Eurofound, Dublin, at the request of the EU-level social partners in the hairdressing sector[1]. It focused on eight EU countries: Denmark, France, Germany, Italy, Lithuania, the Netherlands, Poland and the United Kingdom. The specific objectives of the research were to: identify current and future challenges for the hairdressing sector in relation to the quality of work and employment; and to examine how and at what levels the improvement of quality of work and employment can be addressed by the social partners.

One of the key points of focus of the research was to link social partner actions and strategies to the concept of quality of work, using quality of work indicators based on career and employment security, skills development, reconciliation of working and non-working life, and health and well-being. This was carried out by undertaking desk research in each of the eight countries, interviewing relevant national social partners and stakeholders, and carrying out three focus groups of social partners, in which the main issues and strategies relevant for the sector were discussed. A small non-representative survey of salon owners and employees was also undertaken.

On the basis of this research, four scenarios of possible development in the sector were built. Through the research we identified a number of drivers, which were assessed on the basis of their relevance, importance and likelihood. We were looking overall for factors that had high potential impact but also a high uncertainty factor, which would serve to open up possible scenarios. Based on an assessment of the drivers, these factors were grouped together in order to build four separate scenarios.

Main themes and challenges

Our research found that there was a wide difference between the eight countries examined, particularly in terms of unionisation rates and collective bargaining structures. However, there were also a number of themes and challenges that were common to the sector across countries. These include: low wages; the dominance of SMEs; a predominance of self-employment; difficulties in entering the profession; low unionisation rates in some countries; occupational segregation; precarity in employment; the negative impact of the crisis; and health and safety considerations.

The scenarios

Based on the information gathered in the research, four potential future scenarios were built on the basis of trends such as a re-emergence of craft sector values, the development of technology, political uncertainty, climate change, and demographic shifts. An overview of the scenarios is given below.

First scenario: the rosy glow of craft sector values

In this scenario, the image of the sector is much improved, due to recognition of the value of people working with their hands. This is in part a general cultural shift back to a craft culture and also, in this sector, a consequence of technology having been tried but having ultimately failed: there had been an attempt to introduce automatic washing and cutting devices into salons, but this was not popular among customers, due to problems with the operation of the technology, the lack of social interaction and some high-profile mishaps. Customers subsequently realised the importance of communication and interaction with their stylist. The social partners have been able to push through a drive to professionalise career paths, competences and qualifications.

Second scenario: robohair

In this scenario, technological advances begin to change the shape and composition of the hairdressing sector. New applications, such as automated hair-washing and hair-cutting machines, remove much of the need for stylists to engage in actual washing and cutting of hair. Nanotechnology or inventions such as products that can be taken orally or by injection to stop hair greying or change hair colour mean that there is a collapse in demand for hair dye products, taking away a large part of salons' business and revenue stream, but also eliminating the health and safety issues connected with exposure to chemicals. The manufacturers of technological equipment become players in the sector.

Third scenario: the rise of the mall

In this scenario, economic uncertainty, resulting from factors such as climate change, political uncertainty, growing scarcity of resources and an ageing population, begins to have a profound impact on the structure of the sector. The high street continues to shrink, as the popularity of the out-of-town shopping mall grows, meaning that salons are increasingly part of a larger shopping mall, and subject to its opening hours. The sector polarises between larger chains and self-employed mobile hairdressers. In addition, the presence of more chains initiates a price war, which in turn has a downward pressure on pay and conditions in the sector.

Fourth scenario: global warming leads to the dry salon

This is a world of economic uncertainty where the effects of global warming and climate change begin to increase the cost of water and energy and cause economic instability worldwide. Increased cost and low affordability, both on the part of customers and salons themselves, has a significant impact on salons: traditional treatments such as wet cuts, blow-drying and hair dyeing are still available, but are much more expensive. As a consequence, there is a growth in mobile hairdressing in customers' homes, where the customers bear the costs of water, heating and lighting. The sector polarises into salons that offer expensive treatments for special occasions; those that offer a reduced service; and low-cost mobile hairdressers.

Social partner actions

Based on these scenarios, we set out a number of recommendations for the social partners of the types of actions that they might want to put into place to deal with future developments in their sector. These include:

- Action at EU level. There is already an active and well-functioning social dialogue at EU level in the hairdressing sector. This forum could be usefully employed as a tool for the discussion of further issues that are likely to remain a concern in the future in the sector, such as training and development, career progression, working hours, and possibly also pay.

- Monitoring dialogue between employer and employee representatives. Keeping a watching brief on relevant developments will help the social partners to anticipate changes and trends more effectively. It would therefore be useful to establish and maintain a dialogue at sector level (where possible) in order to monitor change and develop ways in which to respond.

- Best practice exchanges. One way in which to learn from other countries is to set up a series of best practice exchanges, possibly in the form of seminars and workshops in which selected national practices could be showcased.

- SME networks. SMEs traditionally struggle to offer meaningful training and development to their employees, due to their small size and limited resources. One possibility would be for SMEs to form networks in order to participate in and offer training. These networks could also be used to purchase specific tools or products that would be too expensive for each small salon.

- Engaging with new stakeholders. All four scenarios describe a changing world, with implications for a range quality of work and working conditions areas. In such a changing world, it will be important for the social partners to engage meaningfully with the different types of stakeholders that emerge. These could also include manufacturers of new products and technology and climate change and waste disposal advisors.

- Organising differently to cope with polarisation of the sector. Most of the scenarios contain some kind of polarisation of the sector, either into large vs small salons, high-tech vs low-tech salons, or special occasion vs low budget salons. This is likely to be challenging for the social partners, who will need to think of ways to organise in a more polarised sector. Special sections or branches at national and EU level, catering to different sectoral needs, might be a way forward.

1 Broughton, Andrea; Reijenga, Femke; Oostveen, Adriaan; Ledermaier, Stefanie: "Improving quality of work and employment in the hairdressing sector: Scenarios for social partner cooperation". Eurofound 2014: http://www.eurofound.europa.eu/publications/htmlfiles/ef1426.htm

Productivity puzzles and poor performance

The good news is that the ONS recently (September 2014) revised the official GDP data, and it turns out that the post-2008 economic downturn was not as deep as previously thought. The bad news is that it was still deeper than any since the 1930s, and the recovery since 2010 has been snail-like. It took six years for GDP to (just) get back to its pre-recession level; after the 1980s and 1990s recessions, it took only 3-4 years.

As we've discussed here several times, the UK's employment performance has been remarkably good despite this dire economic record. Total employment held up much better than in the last two recessions and recovered much faster. This has been attributed to various factors, including the UK's much lauded 'flexible labour market', manifested by a growth in short-term, part-time jobs and self-employment, alongside a significant fall in real wages. More effective government welfare-to-work policies may also have helped.

Commentators have now started to notice the inevitable concomitant of these two key features (weak GDP and 'strong' employment), namely the unusual trend in labour productivity. After previous recessions (see graph) productivity grew fast, initially a 'batting average' effect as the least productive firms went to the wall, and surviving firms shed less-productive labour. As GDP started to pick up, productivity growth continued, as firms are cautious about hiring when orders grow, taking the opportunity to review working practices and invest in new machinery. New (more productive) businesses come into the market as growth continues. This is the "creative destruction" of the capitalist business cycle. This time, we've seen nothing like that, rather productivity (output per hour) has been falling or stagnant since 2008. It's still not

back to its underlying growth path, and the 'productivity gap' between the UK and its competitors has widened alarmingly.

Does it matter? Well yes, especially since it's gone on for so long, and productivity is still stagnating despite the resumption of economic growth. Economists, policy-makers and the Bank of England[1] have started to worry about a semi-permanent loss of competitiveness, and there has been a rash of suggestions about the cause of the "productivity puzzle". Currently, the best guess is that it reflects several factors coming together at the same time.

One relates to wages. It's very unusual that real wages should be squeezed for such an extended period. While it initially helped firms retain staff in the early stages of the downturn, it has clearly gone on for far too long. Apart from the negative effects on household incomes, continued "cheap" labour provides an incentive for firms to engage or remain in labour-intensive activities rather than invest in capital, innovation and new technology.

Capital investment itself has indeed been at low levels for several years, not least because the financial system has been poor at directing finance to business investment. Despite the Bank of England's efforts, too much capital has been shoring up post-crisis bank balances, or leaking into housing, rather than funding business investment, which would help reverse the productivity slump.

Some argue that a shift between sectors may have played a role, with growing shares of GDP in low-skilled service sectors, and jobs lost in capital-intensive high-productivity sectors (oil, pharmaceuticals etc.). This can't be the whole story, though, because productivity has also been falling within individual sectors.

Which leads to skills – are we now reaping the longer-term effects of the UK's under-investment in middle level, especially technical, skills? Arguably too many new kinds of business thriving post-recession are low value-added businesses with low skill requirements (matching the historically weak skills profile of the UK workforce), while firms with higher skill requirements are starting to struggle (anecdotally, reports of skills shortages are increasing[2]).

Finally, we should mention the composition of recent employment growth, and the surprising expansion of self-employment. While much of this is due to the existing self-employed staying in work[3] (in some cases because they can't afford to retire), some of it is new entrants. It's unclear how far the latter are dynamic entrepreneurs creating new businesses of the future, and how far they're an army of 'odd-jobbers' hanging on to a foothold in the labour market through bits and pieces of freelance work[4] (or even very little work at all, but calling themselves self-employed to be able to claim tax credits). Certainly there's some evidence of a recent shift in the occupational and sectoral profile of the self-employed, alongside massive growth in part-time self-employment, and a big fall in their real earnings. All this gives support to the odd-job hypothesis, and the idea that much recent jobs growth has been among freelancers not contributing much to GDP, but helping to drag down the overall productivity figures.

So the productivity puzzle is, it seems, a jigsaw, with many interlocking pieces. What's clear, however, is that the longer the divergence from trend productivity growth continues, the harder it will be to catch up with our international competitors. Ultimately this implies lower average per capita income, with major political and social implications in the years ahead.

Labour productivity trends in three recessions
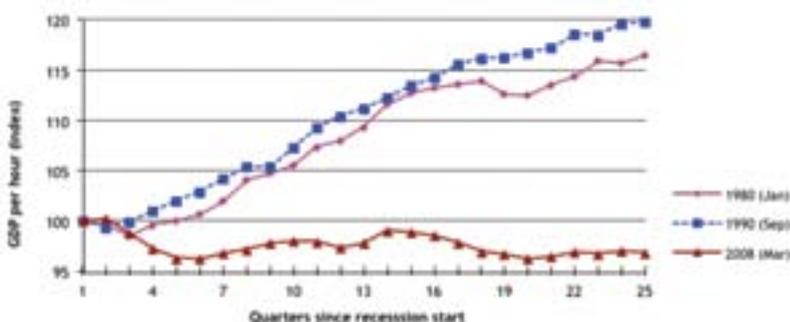
1 http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q201.pdf
2 UK Commission for Employment and Skills (2014), *The future of work: jobs and skills in 2030.*
3 http://www.ons.gov.uk/ons/rel/lmac/self-employed-workers-in-the-uk/2014/rep-self-employed-workers-in-the-uk-2014.html
4 http://www.resolutionfoundation.org/publications/just-the-job-or-a-working-compromise-the-changing-nature-of-self-employment/