



Marks & Start

Opening the door to employment?

Alexandra Jones, Max Nathan and Andy Westwood

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SPENCER**

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Foreword

Marks & Start represents a step change in our long tradition and commitment of being a responsible corporate citizen. For the first time, we are concentrating our community activities on a single flagship programme that will make a measurable difference to the lives of thousands of people throughout the UK and Ireland.

Marks & Start builds on our current commitment to offer 600 work placements to the homeless. This has shown us that enabling people to experience work through practical, hands-on placements in our stores and offices can make the world of difference to their self-esteem and ability to find a job. It follows our philosophy of 'helping others to help themselves'.

This new programme has also been designed to develop the skills of many of our own people. We know that being a mentor or 'buddy' to someone who's homeless, unemployed or has disabilities can be both challenging and motivating.

While we are launching *Marks & Start* with experience of running an 'employability' programme already under our belt, we expect to encounter new challenges along the way. As this report says, *Marks & Start* is a 'bold' initiative that will help open the door to employment to thousands of people. Not an easy undertaking but one which we expect to be both exciting and rewarding.

Luc Vandeveld

Chairman, Marks & Spencer

For many years, the business community has viewed corporate social responsibility (CSR) as a luxury good; something a few big companies could indulge in, but hardly a necessity for others with market share to fight for and shareholders to satisfy.

Like many luxuries, today CSR is within everyone's reach. This is because CSR is itself changing dramatically. We are witnessing a shift away from simple philanthropy and community activities, towards a much more sophisticated understanding of how corporate activity impacts on – and can benefit – a range of stakeholders. In practice, this involves a shift from 'doing good things' to finding new ways of doing good business – for example, looking harder at places and people employers have traditionally ignored, passed over or shied away from.

Here in the UK, our experience of welfare to work shows how these programmes can concretely benefit both people who want work, and employers with jobs to fill. So far, relatively few employers have been prepared to embrace this new approach wholeheartedly. This is why The Work Foundation was delighted to be asked to independently evaluate some of the activities that Marks & Spencer has been undertaking.

Marks & Spencer should be commended for committing so much time and resource to helping groups of people who face particular barriers to finding and keeping work. This report provides compelling evidence of how the ideals implicit in the concept of CSR can translate into a range of benefits for business – and, just as importantly, can provide hundreds of people with a chance to improve their lives.

Will Hutton

Chief Executive, The Work Foundation

Executive summary

Key messages Despite a decade of economic growth, there are still over three million people in the UK without a job but who would like to work. And while house prices continue to rise, nearly half a million people are without a permanent place to live. Marks & Spencer commissioned The Work Foundation to examine its contribution to tackling these challenges; a series of programmes designed to help people who face barriers finding and keeping work.

This report is an evaluation of two precursors to the company's *Marks & Start* programme, which launches in early 2004: Ready for Work, which is aimed at homeless people and delivered in conjunction with Business in the Community (BiTC), and the Young Unemployed Programme, a pilot project undertaken with the Prince's Trust.

The report has three main aims:

- To assess the performance of these programmes against their objectives, and to identify the benefits to participants, stores and customers;
- To put the programmes in context: to evaluate their impact on the UK's persistent labour market challenges and to analyse how they complement other activity in these areas, particularly New Deal;
- To draw out lessons and recommendations for *Marks & Start*, Government policymakers and other employers.

The main findings are as follows:

- Both programmes are working well. They are meeting their objectives – and in some cases, exceeding them. There have been some internal management and process challenges, but these have been identified and are being dealt with. An important finding is that the programmes have to be better connected to the company's HR processes, and more deeply rooted in business need. Overall, though, both programmes can be declared a success. This bodes well for the performance of *Marks & Start* in the future;

- At a more strategic level, Marks & Spencer's scheme tackles many of the issues facing workless and socially excluded individuals in the UK labour market. This contribution to improving employment opportunity in the UK could be further improved through *Marks & Start* being better connected with existing policy frameworks, such as the New Deal, and with government and voluntary agencies who are also addressing these issues. Business in the Community has a crucial role to play here in co-ordinating relationships between government, employers and agencies;
- Government also needs to learn lessons from Marks & Spencer's experience as an employer engaging with employability issues, and could work harder to integrate *Marks & Start* with its existing strategies, particularly the New Deal. This will be a challenge for Ready for Work, where a fully joined up policy framework does not yet exist. This report calls for a New Deal for the Homeless, building on the foundations of existing policy, to provide a smooth trajectory for homeless people and households to move from the margins into the mainstream of working life.

Overall, the report argues that Marks & Spencer should be applauded for what it is trying to do. *Marks & Start* will be one of the largest employer-based programmes in the UK, and is the largest of its kind. The company has taken a number of risks by involving itself in social and economic issues in this way: these risks seem to be paying off.

Equally, by looking hard at the potential of groups other employers often ignore, the company has tapped into a valuable source of recruitment and delivered a number of benefits for its existing employees, customers and public profile. *Marks & Start* represents a welcome shift in CSR thinking, one that focuses equally on benefits to business and benefits to society: 'doing the right thing', not just 'doing good things'. This approach is backed enthusiastically within Government, and is becoming the framework for official thinking in this area. Marks & Spencer has positioned itself ahead of the pack. Other employers can, and should, learn from its experience.

The rest of this summary sets out the main points from each section of the report.

The UK labour market context

The UK is an economy of paradoxes and polarisation:

- It has the fourth largest global economy – and one of the highest levels of people living in poverty in the developed world;
- The UK's active labour market policies are praised and emulated by countries throughout Europe, and homeless strategies have cut the numbers of rough sleepers by over two-thirds in the last five years. But well over 150,000 people are officially classed as homeless, and perhaps another 400,000 are thought to be without a permanent roof over their heads;
- Being world leaders in tackling long-term unemployment has not helped 150,000 of our 16, 17 or 18 year olds who are not in education, training or any kind of employment.

What's the worklessness problem?

There are over 28 million people now in work in the UK – the highest ever figure – and job vacancies continue to rise. There are fewer people claiming Jobseekers Allowance (917,800) and classed as unemployed under the International Labour Organisation definition (1,470,000). But these positive figures mask a growing problem:

- Currently nearly 8 million people of working age are classified as 'economically inactive'. Whilst nearly 6 million would not like a job, over 2 million would;
- That makes a total of 3.5 million people who would like work and are not currently in work.

Worklessness remains concentrated in certain groups:

- men and women without partners (especially lone parents);
- disabled people;
- those with low qualifications and skills;
- those in their 50s;
- members of certain ethnic minorities (especially Pakistanis and Bangladeshis);
- homeless people.

Some young people, particularly those with multiple labour market disadvantages, are also at high risk of being workless. Homelessness too is a major problem and there are many overlaps between these groups.

For those who are workless, there are many barriers to employment:

Personal	skills, confidence, lack of information about jobs, ethnic/racial group, circumstances, disabilities;
Institutional	benefit regimes (particularly Incapacity Benefits) and programme design/delivery capacity;
Local	core public services, particularly childcare and transport;
Structural	lack of labour demand, employer hiring behaviour, the attraction of the informal economy (cash in hand jobs that seem sustainable).

Why should business care? Unemployment, homelessness and social exclusion can seem of marginal interest to employers, who instead are more pressingly occupied and focused on the needs of making their workplaces productive and making a profit. But some are beginning to recognise that it makes sense for business as well as for society to support more cohesive communities and a more productive, inclusive labour market.

Marks & Start One of the organisations responding to these challenges is Marks & Spencer. It is now launching *Marks & Start*, a programme targeted at a range of excluded individuals. These include:

- Ready for Work, an initiative of Business in the Community, has been running at Marks & Spencer since 2002 and targets homeless individuals;
- the Young Unemployed and People with Disabilities strands have recently been piloted and will be rolled out in 2004;
- the School Work Experience strand is being re-focused to include more pupils from disadvantaged schools and communities, and children with special needs;
- the Student Support and Work Experience strand, for first generation students, and the Parents Returning to Work strand, will be rolled out this year.

Evaluation of two of *Marks & Start's* forerunner initiatives, Ready for Work, helping homeless individuals, and the Young Unemployed Programme, demonstrates that so far they are performing well:

- At the time of writing, 32% of participants on the Ready For Work scheme found sustained employment either with Marks & Spencer or elsewhere. This compares well with New Deal, a much bigger programme, where 38.6% of leavers find sustained work;
- 100% of participants said the placements had improved their confidence;
- Participants value the chance to make a gentle transition to work, improve their confidence and get a reference;
- Buddies – mentors to the participants – have the opportunity to develop their skills and the scheme can be beneficial for company morale as a whole.

However, the programmes continue to develop and improve, and as *Marks & Start* is launched there is an opportunity to learn lessons from previous experience.

CSR to HR

A key message from Ready for Work and the Young Unemployed Programme, which all businesses should take on board, is the importance of embedding Corporate Social Responsibility programmes in day to day business. Marks & Spencer is currently integrating their CSR programmes into the mainstream operations of the business, and the evaluation of the programmes supports this approach. Building on existing progress, specific recommendations include:

- More structure within the placements to maximise benefits to participants;
- Corporate recognition of the skills developed by buddies;
- Effective communication of the scheme and its benefits to participants and the business.

Businesses can benefit from moving away from a 'bolt-on' approach to CSR towards a 'built-in' approach. This means moving away from understanding CSR as simply being about 'business giving back to society'. The Work Foundation has adopted Business in the Community's definition of CSR as encompassing:

- Customers & Clients;

- Employees;
- Suppliers;
- Community;
- Environment.

In other words, CSR is about companies integrating their social and environmental concerns with the way they do business and in the way they interact with internal and external stakeholders on a regular basis.

Integrating CSR programmes like *Marks & Start* into day-to-day operations makes it more likely to be successful for participants, employees, the company and the community.

Benefit traps

Benefit traps are also a problem for the scheme:

- Benefits issues meant that the scheme was designed to last for only two weeks – after which benefits could be adversely affected;
- Issues of benefit receipt and non-receipt impacted dramatically on participants trying to combine the work placement (or the taking up of any subsequent job offers) with existing benefit claims.

Recommendations to improve the benefits regulations are:

Transitional approach to benefits

- Taking a more transitional approach to participants after completing their placements and before taking up permanent full time employment. This applies particularly to the regulations governing the receipt of housing benefit. Greater flexibility is required if these prompts toward self-sufficiency and social and economic inclusion are to be successful.

A New Deal for the Homeless?

- Government should examine the case for a New Deal for the Homeless. *Marks & Start*, Prince's Trust and BiTC programmes are similar to the guiding principles of New Deal; intensive pre-employment training, ongoing advice and support, learning programmes, work placements and a framework of rights and responsibilities;

- A New Deal for the Homeless would allow a tapered ‘tailing off’ period of around three to six months in housing benefit claims, particularly where participants are living in homeless hostels or other forms of sheltered accommodation. During that time participants should be required to work closely with a personal adviser (as well as a workplace buddy or mentor), demonstrate an acceptable work record and continue to participate in appropriate training and development;
- Opportunities for improving basic skills and for vocational learning up to Level Two of the National Framework are available through the Department for Education and Skills’ recently published Skills Strategy;
- These activities should help participants towards sustained employment.

Joined up working

For the other strands in *Marks & Start*, further partnership approaches with Jobcentre Plus should be considered:

- There are already New Deals in place for young people and single parents (as well as for other client groups) and the flexibilities in both are far greater than when either programme was initially launched. Synchronising *Marks & Start* with these programmes will support greater successes – and ensure efficient use of resources;
- Greater clarity is needed about the role of agencies and buddies in supporting participants. BiTC needs to continue to improve its links with government and other agencies to support participants after the placements.

If this joined up working happens, both Marks & Spencer and other agencies such as Jobcentre Plus will achieve even more than they are currently doing individually.

Calling other employers to action?

There are still far too many people excluded from the mainstream economic and social life of the UK, and far too few high quality private sector opportunities for such individuals. Marks & Spencer should be applauded for what it is trying to do in some of the most deprived parts of our towns and cities, and for continuing to develop and improve the programmes. Other employers should also look at opportunities for engaging with excluded groups, taking inspiration and learning the lessons from the Marks & Spencer experience.

Introduction

The UK has the fourth largest global economy – and one of the highest levels of people living in poverty in the developed world. The UK has active labour market policies that are praised and emulated by countries throughout Europe, and homeless strategies that have cut the numbers of rough sleepers by over two-thirds in the last five years. But well over 150,000 people are officially classed as homeless, and perhaps another 400,000 are thought to be without a permanent roof over their heads. Nor has being world leaders in tackling long term unemployment helped 150,000 of our 16, 17 or 18 year olds who are not in education, training or any kind of employment.

The UK's is an economy of paradoxes and polarisation. The contrasts between affluence and poverty are increasingly visible and fast approaching those levels witnessed in America. This situation is contributing to some of our most pressing political, economic and social problems, with the consequences of our failure to deal with these issues filtering down to our local communities and labour markets.

But there are also opportunities to tackle some of these paradoxes and support individuals in the most challenging of circumstances. Some are beginning to take advantage of these openings, recognising that it makes sense for business as well as for society to support more cohesive communities and a more productive, inclusive labour market. Changing demographics and business and consumer pressures continue to stimulate diverse organisations into action. And those who are responding are finding that it is a job worth doing.

One of the organisations responding to these challenges is Marks & Spencer. In collaboration with Business in the Community (BiTC), it has recently developed and since 2002 successfully implemented a hands on work experience programme for people who are, or are at risk of becoming, homeless. The programme provides employment training, mentoring support and work experience in a store or at head office. Since 2003, Marks & Spencer has also been piloting similar programmes

for young unemployed people and for people with disabilities. February 2004 marks the launch of *Marks & Start*, a programme targeted not only on homelessness, the young unemployed and people with disabilities, but also on parents returning to work and young people from disadvantaged backgrounds.

Marks & Start is a bold attempt on a large scale to address some of the most stubborn social problems that the country faces, and one to which Marks & Spencer is committing considerable resources. It has set itself clear objectives for impacting upon participants, employees and communities, and predominantly central town or city locations mean that participants in the work placement programmes are exposed to other employers and job opportunities. Provision of support inside and outside the workplace also reflects research that shows this holistic approach is essential to fully and sustainably addressing individuals' barriers to work.

**About this
report**

This report evaluates two of the six strands that make up *Marks & Start*: Ready for Work for homeless people and the Young Unemployed Programme.

The report has three main aims:

- To assess the performance of these programmes against their own objectives, and to identify the benefits to participants, stores and customers;
- To put the programmes in context: to evaluate their impact on the UK's persistent labour market challenges and to analyse how they complement other activity in these areas, particularly New Deal;
- To draw out lessons and recommendations for Marks & Spencer about developing *Marks & Start*, and for policymakers about improving the interface between Government and those employers who are working to support excluded individuals.

The report starts by analysing the UK labour market and its challenges, before going on to ask why employers should get involved with issues

of worklessness. *Marks & Start*, a scheme that does engage with excluded individuals, is then outlined and evaluated using a framework developed by The Work Foundation. The framework draws both on Marks & Spencer's own objectives and on existing research about how to successfully and sustainably move excluded individuals closer to the labour market. Finally recommendations are made to Marks & Spencer about how to further develop the programmes at a micro and macro level, and to Government about how it could better support this and similar programmes to improve the outcomes for individuals and society.

1 The wider labour market context

“The best defence against social exclusion is having a job.”

Tony Blair¹

To properly assess the purpose and performance of Marks & Spencer’s programmes, we first need to understand what they are up against – the deprivation and social exclusion that they set out to tackle in the Ready for Work and Young Unemployed Programmes. This section of the report sets out the basic concepts of worklessness, homelessness and employability, and discusses key trends in each. It then outlines the major Government programmes and strategies currently in operation in each of these areas, looks at what some other large employers are doing, and sets out the remaining policy challenges.

Key concepts ‘Social exclusion’ is a term that has grown in use since the mid 1990s. It is usually understood as the range of practical problems that are experienced by individuals who are not participating in society, but would like to. Social exclusion typically involves ‘a range of barriers arising from constraint, not choice’.² Burchardt, LeGrand and Piachaud for example, define social exclusion as being unable to participate in some or all of four types of activity (Table 1, below).

TABLE 1 Social exclusion: key aspects

Activity	Indicator	Threshold
Consumption	The capacity to purchase goods and services	Equivalised household net income is under half mean income
Production	Participation in economically or socially valuable activities	Unemployed, long-term sick or disabled, early-retired or ‘other’
Political engagement	Involvement in local or national decision-making	Did not vote in general election and not a member of a campaigning organisation
Social interaction	Integration with family, friends and community	Lacks someone who will offer support, to listen, comfort, help in crisis, relax with, really appreciates you

Source: Burchardt, LeGrand and Piachaud (2002)

Similarly, *worklessness* can be understood as *'not having work, but wanting some'*. Here, *worklessness* refers to being excluded from 'production' or productive activity. Not having work – and the material poverty and social isolation that can result from this – is one of the main aspects of social exclusion. Persistent worklessness in particular places, and for particular groups of people, remains one of the key policy challenges for the UK. Helping people move towards and into work – and to stay there – is one of the most important ways that we can reduce poverty and improve people's quality of life.

'Worklessness' is about much more than just unemployment (being officially registered as unemployed). It covers whole groups of people not counted as unemployed in official statistics, but who nevertheless are out of work and would like a job of some kind. For the purposes of this report, we have defined *'worklessness'* as including those claiming Job Seekers' Allowance (JSA); those unemployed on the Government's preferred ILO³ definition (defined as those out of work, wanting a job, have looked in the past four weeks and available to start in the next two weeks); and the economically inactive who want to work (defined as those wanting a job, but not looking within the past four weeks; plus those wanting a job but unable to start a job in the next two weeks).

'Homelessness' usually conjures up images of people sleeping rough in doorways. In practice however, rough sleeping is just a small part of a much larger phenomenon: *'the vast majority of homeless people are actually families or single people who are not literally sleeping on the street but living with relatives and friends or in temporary accommodation.'*⁴

Definitions of homelessness vary, but usually cover those living in temporary accommodation (in hostels, B & Bs etc), those accepted for re-housing but not yet accommodated (i.e. on a local authority waiting list) and those forced to stay with friends – as well as those sleeping on the streets. For the purposes of this report, we take *'homelessness'* to cover all of these scenarios and groups.

'Employability' is usually understood as the ability to find and keep work. Most definitions focus on personal capabilities (the supply side), but some also incorporate employer behaviour and perceptions (the demand side) and the quality of institutional support (between supply and demand).⁵

BOX 1 Key concepts

Homelessness	= being without permanent accommodation = sleeping rough, living in temporary accommodation or accepted for rehousing ('statutory homelessness')
Worklessness	= not having work, but wanting some = JSA claimants ('claimant unemployed') + ILO unemployed + economically inactive who want to work
Employability	= the skills, competencies and attributes that allow people to find and keep paid work

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For a number of reasons, being in work does not guarantee that people will move out of poverty. Because of the growth in low paid work (numbers have doubled since 1977), delivery problems with some in-work benefits, and because low paid work is often precarious, in-work poverty has also grown dramatically in recent years.⁶ Similarly, moving into work does not guarantee that people will necessarily then feel socially included. A decent basic wage and job security are necessary, but not always sufficient.

"Work is at the heart of our lives. It is, of course, the source of the income that sustains our capacity to live. But it is more than that... Above all, work is a supremely social act: work cannot be prosecuted by ourselves as solitary individuals, but rather through a network of relationships. To have work, and to be respected at work by others, are central to both individual well-being and to working effectively." **Will Hutton**⁷

Work is supposed to be like this. If it is not, workers do not derive the material benefits from work that help them move out of poverty and participate socially – to consume, in the typology above. But they also

don't derive the less tangible benefits – respect, social capital, status, skills – all of which are equally important for engagement and interaction. Pulling apart and treating the causes of 'bad work' are essential if work is to lead to social inclusion and a better quality of life.

Worklessness Ten years ago, worklessness used to be simply about unemployment – the official figures – rather than 'economic inactivity'; and there are now around 3.5 million people in the UK who 'want work' but do not currently have a job.⁸

TABLE 2 The UK labour market, Autumn-Winter 2003

	Level	Rate (%)	Change, 2002-2003		
				Level	Rate (%)
Employment*	28,169,000	74.6	Up	+ 228,000	1.1
Unemployment**	1,470,000	5.0	Down	- 71,000	- 0.3
Economic activity*	29,640,000	78.6	Up	+ 158,000	0.8
Economic inactivity***	7,795,000	21.4	Up	+ 95,000	0.2
<i>Inactive and wanting a job</i>	<i>2,096,000</i>	<i>??</i>	<i>Down</i>	<i>- 207,000</i>	<i>??</i>
<i>Inactive, not wanting a job</i>	<i>5,699,000</i>	<i>??</i>	<i>Up</i>	<i>+ 302,000</i>	<i>??</i>
Claimant Count**	917,800	3.0	Down	- 20,800	0.1
Vacancies	647,100	2.5	Up	+ 4,600	??
<i>Explanation of symbols: * = levels are for those aged 16 or over, rates are for those of working age (16-59); ** = levels and rates are for those aged 16 or over, rate is as a proportion of economically active; *** = levels and rates are for those of working age; ?? = not available.</i>					
Source: ONS ⁹					

Overall, economic inactivity now affects over five times as many people as unemployment; and there are nearly half a million more inactive people who want a job as there are people who are officially 'unemployed' (Table 2). One of the best measures of worklessness is the size of the so-called 'want work' group, covering all people who are not in work but would like to be. This includes varying levels of job seeking activity and work-readiness, from those moving between jobs to those completely disconnected from the labour market. So there is a blurred boundary between being 'unemployed' and being 'inactive' (Box 1).

While there are now fewer unemployed people than a decade ago, those who are workless tend to be further away from the formal labour market. Sustained economic growth over the 1990s has led to large falls in unemployment, but falls in worklessness have been much smaller (Table 3).

TABLE 3 Unemployment and worklessness, 1993-2003

Year	Unemployment (ILO measure)	Worklessness ('want work')
1993	2,900,000	2,500,000
2003	1,500,000	2,100,000
<i>Note: figures given to nearest hundred thousand</i>		
Source: Joseph Rowntree Foundation, 2002, ONS, 2003		

Who is most at risk from worklessness?

Worklessness remains concentrated in certain groups. Those in certain circumstances are those with the lowest employment rates. According to research by Richard Berthoud, the following groups are most at risk:

- men and women without partners (especially lone parents);
- disabled people;
- those with low qualifications and skills;
- those in their 50s;
- members of certain ethnic minorities (especially Pakistanis and Bangladeshis);
- homeless people.¹⁰

Some young people, particularly those with multiple labour market disadvantages, are also at high risk of being workless. ONS data indicates that as of Autumn 2003, 409,000 18-24 year olds were unemployed, while a further 552,000 were not in employment, education or training.¹¹ This group's problems over the last two decades led directly to the introduction of the Government's first New Deal; for young people.

There are also particular places where worklessness is higher than average – and where there has been little change over time. Two thirds of the local authority districts with the lowest employment rates in 1997 were still in the bottom thirty in 2001, five years later.¹² In some of these areas, there can be between six and twelve people wanting work for every vacancy locally available. The types of places most affected are:

- Ex-industrial areas;
- Inner urban areas/'inner city' areas;
- Some coastal towns.

TABLE 4 Lowest employment districts, January 2001

Area/Rate (%)	Claimant count	ILO un-employment	Employment	Economic activity	Economic inactivity	Want work
Knowsley	11.2	13.4	55.8	64.5	35.5	25.7
South Tyneside	11	16	64.3	76.5	23.5	15.9
East Ayrshire	10.8	13.6	64	74.1	25.9	21.3
Newham	10.3	14.3	55.5	64.8	35.2	26.5
Redcar and Cleveland	9.8	12	59.1	67.2	32.8	23.5
West						
Dunbartonshire	9.4	#	63.2	70.4	29.6	#
Blaenau Gwent	9	#	60.4	67.5	32.5	#
Middlesbrough	8.9	17.8	56.1	68.2	31.8	28.3
Easington	8.5	#	57	66.8	33.2	#
Merthyr Tydfil	8.5	#	59	64.7	35.3	#
Hackney	8.2	13.7	59.5	69	31	24.3
Hartlepool	8.2	15.8	61.8	73.4	26.6	23.1
Liverpool	8.1	11	59.4	66.8	33.2	22.6
Kingston upon Hull	7.8	12.7	64.2	73.4	26.6	21.6
Clackmannanshire	7.7	#	63.7	67.9	32.1	#
UK	3.5	5.3	74.6	78.8	21.2	12.2
<i>Explanation of symbol: # = figures suppressed for statistical unreliability (data below 6,000)</i>						
Source: NOMIS, ONS, Industrial Society ¹³						

Table 4 gives a recent indication of where such areas of concentrated worklessness are located across the UK. As we can see, inner city areas are particularly prone to concentrations of worklessness. Research by the Joseph Rowntree Foundation indicates that between 1981 and 1996, Britain's biggest twenty cities lost more than 500,000 jobs.¹⁴

Why are people workless?

There are a number of reasons why people might be unable to get and keep work – some obvious, some less so. These can be grouped into three or four overlapping categories.

First, structural changes in the economy over the past two decades have led to massive increases in unemployment, much of which has been long term. As people remain out of work, it becomes harder for them to move back into employment; the more so if jobs gaps remain where they live. At the same time, employers are often wary of hiring people with patchy or non-existent work histories, and cash in hand jobs in the informal economy may seem more attractive in any case.

Second, people's characteristics and behaviour may make it hard for them to get and hold down a job. Low or no skills, lack of confidence and motivation, chaotic lifestyles, substance abuse, homelessness and lack of childcare are all well-known personal obstacles that stand between people and a sustained place in the labour market.

Third, government (or 'institutional') interventions in the labour market may help or hinder people in their search for work. Some benefits, particularly incapacity benefits and Housing Benefit, seem to discourage many recipients from looking for work, either because this threatens benefit receipt, or because getting a job may provide no more money (or less, in some cases) than being on benefit. This is commonly described as the 'benefits trap' – a situation where potential income increases from paid work may only be marginal or where individuals may consider it too risky to take up such work. The Government's own

research indicates, for example, that once someone has been on Incapacity Benefits for 12 months, the average duration of their claim will be eight years. Equally, badly thought-out or ineffective 'welfare to work' programmes to move people off benefit may exacerbate worklessness, rather than tackling it.

BOX 2 Worklessness and barriers to employment

Personal	skills, confidence, lack of information about jobs, ethnic/racial group, circumstances, disabilities
Institutional	benefit regimes (particularly Incapacity Benefits) and programme design/delivery capacity
Local	core public services, particularly childcare and transport
Structural	lack of labour demand, employer hiring behaviour, the attraction of the informal economy (cash in hand jobs that seem sustainable)

Fourth, as we have seen, there are some location-related factors such as job gaps – and lack of transport to work elsewhere. 40% of job seekers say lack of transport is an obstacle to them getting a job. All of these barriers are summarised in Box 2.

Homelessness There are three main groups of homeless people: those classed as 'statutory homeless', having approached a local authority for help; those classed as 'rough sleepers'; and others, in temporary or insecure accommodation who are not known to the authorities. Those approaching Local Authorities are classed as being either 'unintentionally homeless and in priority need', 'intentionally homeless and in priority need', 'homeless but not in priority need', or 'not homeless'.

Statutory homelessness rose in the 1980s, reaching a peak in the recession of the early 1990s. It has fallen since, although numbers have recently started to creep up again. In 2002/3, 279,480 applications were

received by Local Authorities, of whom around half were found to be 'in priority need':

- 129,700 (46%) were found to be unintentionally homeless and in priority need;
- 10,000 (4%) were found to be intentionally homeless and in priority need;
- 61,850 (22%) were found to be unintentionally homeless and not in priority need;
- 77,930 (28%) were found not to be homeless.¹⁵

Those classified as being 'in priority need' include households with dependent children or where a household member is pregnant (the majority of priority need cases); or where a household member is vulnerable through old age, physical handicap, mental illness, young (16-17, or someone leaving care aged 18-20), a victim of domestic violence, those leaving the armed forces, those fleeing the threat of violence and those leaving care or custody.

Statutory homelessness is increasing, and so are the numbers of people classified as being in priority need. On the other hand, the number of rough sleepers has declined dramatically, falling by nearly 75% in the past three years. Latest estimates suggest around 504 people are sleeping rough in England, compared with nearly 2,000 in June 1998.¹⁶

It is very hard to get an idea of how many people are 'unofficially homeless' – who may be sleeping in hostels, staying in B & Bs or on friends' floors. There is no accurate measure of this group, although the charity Crisis suggests it could comprise around 360,000 people.¹⁷

Who is most at risk of homelessness?

Homeless people are a diverse group, though young people and those from ethnic minorities are over-represented. Roughly one in 10 rough sleepers are female, one in six are under 25, one in 14 are over 60; 23% are from black or ethnic minority communities.¹⁸

Homelessness also varies from region to region across England. The Government's 2002 report *More Than A Roof* states that 'by and large, levels of homelessness tend to be greatest in areas of high housing demand', and points out that the biggest increases in statutory homelessness can be found in London and the South East. London itself accounts for more than 25% of statutory homelessness in England.¹⁹

Most homeless people are out of work – although a 1999 St Mungo's survey found that 12% of rough sleepers actually have some kind of job.²⁰ Many homeless people will have previous employment experience. Many will also be more or less ready for work, though others will have complex, multiple disadvantages. Even those closest to the labour market will find it hard to hold down a job – and this, in turn, makes moving out of homelessness even harder.

Why do people become homeless?

Academic and public policy research focuses on the structural and individual factors that create homelessness. Structural factors include:

- Adverse housing and labour market trends;
- Rising levels of poverty;
- Family restructuring.

That is, many of the same structural factors that have created and embedded worklessness across the UK have also contributed to homelessness. This suggests that policies to tackle these issues may need to be interlinked.

Government analysis suggests that the key structural factor is the supply of affordable housing, which has tapered off considerably over the past two decades. There are two main reasons for this. First, housing demand is increasing in some places – particularly in the South East – pushing up prices. Second, the supply of affordable housing has decreased. A key provider of affordable accommodation – the social housing sector – has shrunk: since 1977, the number of homes owned by local authorities and social landlords has fallen by over a million.

In part, the sector has got smaller because of cuts in investment over the 1990s (although this has been reversed in the Communities Plan), and because of the sale of council housing (1.7m council homes were sold between 1979 and 2001). Other factors include low density developments, purchases of second homes and the need to accommodate asylum seekers.²¹

Against these deep background trends, a number of individual factors make people more likely to become homeless. These include:

- Poverty and/or unemployment;
- Sexual or physical abuse;
- Family disputes and breakdown;
- A background of local authority care;
- Experience of prison or the armed forces;
- School exclusion;
- Poor mental and physical health.²²

A person usually becomes homeless because of a 'trigger event' of some kind. Common trigger events include leaving parents; the breakdown of marriage or a relationship; widowhood; eviction; leaving prison, care or the armed forces; a deterioration in mental health; or an increase in alcohol or drug abuse (or both).²³

TABLE 5 Reasons for homelessness: households in priority need, 2002/3

Main reason for loss of last settled home (%)					
Parents or friends no longer able or willing to provide accommodation	Relationship breakdown with partner	Arrears	End of tenancy	Loss of other rented or tied housing	Other
35	21	4	14	6	21
Source: ODPM					

Government figures suggest all of these factors play a part for households in priority need (Table 5), although typically a number of factors will be involved in any one case. This means that homeless people tend to face a number of barriers back to a normal life.

**Tackling
worklessness
and
homelessness**

Not surprisingly, these problems have been major priorities for politicians and policymakers for many years. Arguably these have been some of the largest and toughest problems for successive governments to tackle. Where the causes are so complex the remedies can be equally difficult to implement. As we will see, many of the solutions are interconnected.

Worklessness: key strategies

Recent Government strategies to tackle worklessness have had two guiding principles: promoting work as the best form of welfare for people of working age; and protecting the position of those in greatest need. This has been appropriately summarised in the phrase – ‘*work for those that can, help for those that cannot*’.

In practice, these principles translate into a number of priorities for policy and delivery. Boxes 3 and 4, below, summarise each of these.

Policy priorities

The Government’s Welfare to Work programme is at the centre of efforts to tackle worklessness. The New Deal for the long term unemployed has been the major element of this approach. It has been described as the ‘flagship’ policy of the Government’s first term and is one of the administration’s major achievements.

The New Deal aims to help people find lasting jobs and improve their long-term employability. There are now several different types of New Deal programme all based on similar combinations of individual rights and responsibilities. The New Deal family comprises two compulsory programmes (for 18-24 year olds and those aged 25 or over) and four

voluntary programmes (for lone parents, people with disabilities, those aged 50 or over and partners of unemployed people). All programmes involve a combination of advice, training and support; with many also offering short or long term work placements.

BOX 3 Key policy frameworks

- **Welfare to work** – the seven New Deals, funded from the Windfall Tax, plus a number of smaller programmes aimed at ‘hard to help’ places and people, and the Jobcentre Plus network aimed at all benefit claimants;
- **Making work pay** – the National Minimum Wage, the Tax Credit programme, and a number of alterations to benefit rules;
- **Workforce development and skills** – expansion of Higher Education, the Skills Strategy, Employer Training Pilots, Trade Union Learning Pilots;
- **Business-led regeneration** – a bundle of measures including the Community Investment Tax Credit, City Growth Strategies, Phoenix Funds, Enterprise Areas and the Inner City 100.

The New Deal for Young People (NDYP) is the largest of these programmes. Around 84,000 people are currently on the programme; and by the end of January 2002, over 750,000 were participating or had participated. Latest available data indicates that by the end of September 2003, 48.4% of participants had found work, and 38.6% were still in work three months later.²⁴

NDYP is compulsory for those aged 18-24 who have been unemployed for six months or more. First, participants enter a four-month Gateway stage with intensive tailored advice and support to find a job. They are assigned a Personal Adviser who will put together a package of help. Second, those who have not found a job by the end of the Gateway enter one of four Options, chosen with the Adviser:

- Employment Option: a six-month subsidised work placement;
- Voluntary Sector Option: a six-month placement with a voluntary organisation;

- Environment Task Force Option: a six-month placement doing environmental work;
- Full-time Education and Training Option: a six or twelve-month course.

The first three options all include an element of training during the placement. When the placements have finished, participants enter a third stage, the *'follow through'* period, which gives extra Personal Adviser support and is designed to ensure that as many participants as possible enter jobs.

The *New Deal 25+* and *New Deal for Lone Parents* share many of these features, notably the use of a Personal Adviser, Gateway and work placements. The other New Deals also use Personal Advisers but offer simpler packages of support.²⁵

At the same time as rolling out the New Deals across the country, the Government has also developed a number of programmes aimed at particular groups with low employment rates, and parts of the country where employment opportunities are scarce. This is a recognition of the problems described earlier: while the national labour market continues to be strong, disadvantage is increasingly concentrated in certain places and amongst certain groups of people. These pilots and area-based programmes include the Rapid Response Service, StepUP Pilots, Transitional Employment programmes, Recruit Pilots, Jobs Action Teams and Employment Zones.

The third, and perhaps most ambitious element of the Welfare to Work programme has been the creation of Jobcentre Plus. This has involved merging the old Employment Service and the Benefits Agencies to create a network of work-focused services aimed at all benefit claimants, and currently being rolled out across the UK. JobCentre Plus aims to be the first port of call, making initial assessments of benefit claimants, helping them to find work and steering them to appropriate support – such as New Deal – if need be.

Delivery frameworks

In all of these programmes, the Government is keen to involve private sector employers and the voluntary sector in delivery, and in providing employment opportunities for programme participants. If anything, employers' support is now even more actively sought. Jobcentre Plus' mission is to serve both benefit claimants and employers, and to meet both groups' needs. At the same time, the Government is developing a package of regeneration measures built around the private sector.

Business-led regeneration is now a key pillar of Government policymaking and strategy – as evinced in programmes led by the Treasury, Office of the Deputy Prime Minister (ODPM) and the Department of Trade and Industry (DTI). The aim is to enable incoming or indigenous companies to generate sustainable employment opportunities in deprived communities – and in the process, to take advantage of as-yet untapped market opportunities. In practice, this idea covers a number of interventions, including inward investment policy, City Growth Strategies, Community Development Tax Credits and the Phoenix venture capital funds, support for entrepreneurship and small businesses, overall business support systems, plus knowledge transfer and innovation structures.

BOX 4 Key delivery frameworks

- **Tax and benefits system integration** – The Employment Service and the Benefits Agency have merged to form Jobcentre Plus, to operate nationwide by 2006;
- **Regional and local flexibility** – Regional Development Agencies, Learning and Skills Councils and Jobcentre Plus gain increased discretion to shape policy and spend money on the ground;
- **Involving employers** – growing use of 'demand-led' policies that take employers' needs and perspectives seriously (e.g. Sectoral Gateways in construction and IT and Intermediary-type projects in a number of cities).

Business-led regeneration programmes also represent some new thinking about Corporate Social Responsibility on the part of Government. Recent speeches by the Chancellor, particularly at Canary Wharf in March 2003, suggest the Government increasingly views CSR in terms of providing new market opportunities for business – opportunities that have a social and/or environmental benefit.²⁶

Outside these statutory frameworks, the voluntary sector and local agencies also deliver projects to tackle worklessness. Intermediate Labour Markets (ILMs) are perhaps the most common project of this type. ILMs provide workless people with temporary jobs, plus training and mentoring. The work often has a direct social benefit (e.g. recycling, heat insulation). There are at least 73 ILMs in the UK, supporting around 8,700 jobs. ILMs have a proven record of success in moving people from welfare to work, and in helping people hold jobs down (usually outperforming New Deal).²⁷

ILMs have traditionally been delivered by the voluntary sector. In the past few years, however, elements of the ILM model have been adopted by Government (in Transitional Employment Programmes and StepUP) and by major employers, such as Tesco and Asda, both of whom have used temporary jobs as a structured first step into permanent, regular employment in the company.²⁸ There is more detail about these programmes in Appendix 4.

Homelessness: key policy frameworks

Government policy on homelessness also has two key principles: tackling the personal and social causes of homelessness in the short and medium term; and achieving a step change in housing supply in the longer term. These translate into three direct targets:

- Maintaining the sustained reductions in numbers of rough sleepers;
- Ending the use of B & Bs to house homeless families;
- Working with local authorities, voluntary agencies and others, at local level and across administrative boundaries.

An early priority of the Labour Government was to cut the numbers of rough sleepers. A Rough Sleepers Unit was established, and as we have seen, has had a good deal of success in reducing numbers sleeping on the streets.

The Homelessness Act 2002 provides much of the strategic frameworks to help other groups of homeless people. The Act requires all local authorities to carry out a homelessness review; draw up a local anti-homelessness strategy and provide accommodation and support for people who are or may become homeless. Those in priority need are to be supported for as long as it takes them to find a settled home.

The Act also gave local government more discretion about how homeless people are helped; extended the categories of vulnerable people; and provided help to many homeless 16 and 17 year olds not owed a duty of care by social services.²⁹

Employment and training is seen as a crucial element in tackling homelessness: debt and isolation are two of the main reasons people lose their homes. Allowing people to spend time in meaningful activity boosts self-esteem, can help to create social networks and lessen isolation; and gives people money in their pocket they know has been earned.³⁰ Many homeless people agree: a survey of Big Issue sellers found 53% identified employment as the key to moving away from homelessness.³¹

In practice, there is considerable overlap between the employment and training services offered to homeless people (many of whom will be claiming JSA or other work-related benefits) and programmes to tackle worklessness more widely. The New Deals, National Minimum Wage, Tax Credits and reforms to Housing Benefit are all obvious areas of connection. A key consideration for policymakers, therefore, is how best to connect up the *'spider's web'* of strategies, agencies and projects operating in these areas.

Voluntary programmes form a crucial element of services for homeless people. Foyers, such as St Mungo's and Connection at St. Martin's work with younger people and now provide a range of training, employment and mentoring services. Other key players include DePaul, Off The Streets And Into Work (OSW) – and Business Action on Homelessness.

Worklessness and homelessness: future challenges Looking at both worklessness and homelessness, a number of policy challenges remain. All are of major importance to the *Marks & Start* programme:

Worklessness

More work and connecting people to it. Despite large falls in unemployment across the UK – and the virtual elimination of youth long term unemployment through the New Deal – worklessness persists in many parts of the country, and for particular groups of people employment rates remain significantly lower than average. Current policies have only had limited success in tackling this: the Government's Social Exclusion Unit is currently looking at further measures that may be required for these places and people.

Retention and progression in work. Helping people stay in work once they have it is a second key challenge. For example, around 46% of New Deal placements only last six months, and while some people will leave first jobs to go on to better things, others will be heading back to unemployment (the 'revolving door' syndrome³²). This is part of a bigger problem of a low-pay, no-pay cycle. Unemployed people are most likely to get work in the lowest paid jobs; those with the lowest paid jobs are most likely to lose them.³³ There is strong US evidence that 'the highest job retention rates can be achieved when post-employment services are incorporated into pre-employment programmes'; what The Work Foundation has described as an 'attachment' approach.³⁴

Better work (and working life). A recurring critique³⁵ of current policy in the UK and abroad is that many of the jobs workless people are asked to

take are not 'good jobs' – that is, pay little, require low or no skills, are not managed well and offer few chances for advancement and progression. Low-paid jobs are the most precarious; between 1977 and 1998, the number of people in low paid jobs has doubled to over 6 million people and 21% of the workforce.³⁶

Homelessness

More flexible support, more intense support. The homeless population is extremely diverse, ranging from more or less work-ready people to those facing multiple, complex barriers to getting a job. Research suggests that programmes need to become even more flexible to deal with this range of needs; equally, it is important to ensure support is intense and ongoing, perhaps through using Personal Advisers and/or mentors to accompany people back towards employability and employment success.³⁷

Helping people stay in work once there. Because accommodation can be so uncertain, homeless people often face particular difficulties in holding down regular employment. Policymakers must continue to refine housing and benefits regimes to minimise these difficulties, and to provide extensive in-work support.

Benefit traps. Benefit traps for homeless people are well-documented, particularly involving the withdrawal of Housing Benefit once in work, the difficulty of making new claims or reviving old ones. These will be most severe in London and other areas where rents are high (which can include deprived communities with a lack of social housing, such as Morecambe's West End). Recent changes to Housing Benefit rules have gone some way to mitigating these pressures, though more work still needs to be done, both in further refining the rules and in minimizing feelings of risk and uncertainty among homeless people looking to move from welfare into work.

2 Employers, Welfare to Work and Marks & Start

Why should employers care about this? Unemployment, homelessness and social exclusion can seem of marginal interest to employers, who instead are more pressingly occupied and focused on the needs of making their workplaces productive and making a profit. What, if anything, do these issues have to do with business? This report demonstrates that ‘new-style’ CSR, which forms part of a corporate strategy and way of operating, can directly benefit organisations (see Section 3).

In fact, companies are affected by these problems like the rest of us. Worklessness and homelessness are significant and persistent social issues. Both remain a basic feature of the social and economic landscape that employers operate in. The economy is recovering and unemployment has fallen, but the numbers of workless – and homeless – people remain high. Some groups of people and parts of the country remain particularly prone to these problems. And they are not going away. Despite the best efforts of a range of Government departments and agencies as well as a host of other public, private and voluntary organisations, these problems remain real. Indeed amongst certain groups within the population, they are growing.

Worklessness and homelessness are both the symptom and cause of poverty and social exclusion. They levy a high human cost: increased poverty and insecurity, but also a greater risk of poor health and isolation.³⁸ Society as a whole also pays. Across the UK, the consequences are reduced social cohesion, higher levels of stress, higher crime and fear of crime, more run-down communities and reduced economic competitiveness.³⁹

Companies pay the costs of social failure too: a less skilled workforce, lost customers and markets – and higher business taxation.⁴⁰ Business cannot hide from problems outside office walls or factory gates: it needs to recognise and engage with these issues just like everyone else. This is the guiding principle of increased corporate social responsibility (CSR) – the understanding that organisations of whatever type are

fundamentally and indivisibly connected to the communities and localities in which they operate. Furthermore, organisations are beginning to see direct benefits of doing so (see section 3).

As CSR has developed, it has moved from focusing predominantly upon philanthropy and organisations working within their local communities. There is now a much broader understanding of CSR, as something that is embedded within the organisation and benefits a range of stakeholders, both internal employees and external communities. This means moving away from understanding CSR as simply being about ‘business giving back to society’. The Work Foundation has adopted Business in the Community’s definition of CSR as encompassing:

- Customers & Clients;
- Employees;
- Suppliers;
- Community;
- Environment.

In other words, CSR is about companies integrating their social and environmental concerns with the way they do business and in the way they interact with internal and external stakeholders on a regular basis.

The experience of New Deal and other welfare to work programmes suggests that employers and the economy can both benefit from engaging directly with some of these issues and problems that confront the UK’s labour market today.⁴¹

Why welfare to work works

Employers face skills gaps; many operate on low skill, high turnover models. But there are thousands of people willing to work, who lack one or more of the skills, abilities and support to break into the labour market, and to stay there. Most of all, the world of work itself has become riskier and harder to negotiate – for everyone. More than ever, therefore, there is a market for those who can help – providing quality job match, employability and HR services to individuals and companies.

The large growth in private sector provision over the last few years bears this out. More and more, the workers who employers want can tap into excellent private job search and employability services, and have highly adaptable skill sets. Private agencies providing job finding and attachment services will naturally gravitate towards easy-to-place groups. In the UK, as the labour market has got riskier, the industry has flourished: between 1994/5 and 1996/7, for instance, temporary and permanent placements rose by around a third and a half respectively.⁴² By the late 1990s, around 51% of all employers were using private agencies for at least some of their recruitment.⁴³

Welfare to work programmes play a similar role for other groups: those in need of more intensive help. While some private operators have become involved in New Deal, in general these groups are the least likely to be taken on by the private employment sector. The state takes on the job, providing active labour market programmes such as New Deal.

The basic rationale for welfare to work is to overcome these market failures by combining social and economic goals. Current policies are born of mass long term unemployment and the socio-economic problems it creates. Persistent joblessness, untreated, leads to benefit dependency and unemployability. This in turn leads to social breakdown, poor labour market operation and wage inflation pressures. Welfare to work policies, therefore, aim to break dependency by introducing new conditions for benefit receipt; but also to improve the quality of the labour supply (through training), and increase labour demand (through employer subsidies). This increases firms' output and productivity – and decreases overall inflationary pressures. Society and the economy both benefit. Welfare to work policies can also have a whole-economy proofing effect. By helping change the terms of the unemployment-inflation trade-off, active labour market approaches can help reduce pressures to recession.

The various New Deal programmes have helped place many long-term unemployed people into jobs. Two heavyweight assessments of the largest

programme – the New Deal for Young People – have both declared it a success. A strong economy and tight labour markets in many places have played a big part in this. Stripping out these effects, independent commentators estimate that the programme alone has increased youth employment by 15,000-18,000 a year, with unemployment falling by 20,000-30,000 a year.⁴⁴ Last year's evaluation, by the Policy Studies Institute, found that New Deal had cut total youth unemployment by 40,000, and boosted total youth jobs by a similar amount.⁴⁵

Perhaps more importantly, research also indicates that the NDYP has improved UK growth by 0.1% per annum, increasing the economy's capacity to grow without wage inflation intervening.⁴⁶ All of this should be a vindication of the welfare to work approach.

**A new human
resource?**

So, when employers get involved in the welfare to work agenda, they can benefit the community and benefit themselves. This kind of approach is the cornerstone of the new style of Corporate Social Responsibility (CSR), and indeed, another way of examining these issues is to see them through the CSR lens.

Looked at this way, *Marks & Start* and other programmes like it seem to offer employers many gains. Involvement in the welfare to work agenda means improved brand and image with customers, helping recruitment in tight labour markets and acting as a structured development programme for buddies – those who mentor participants – as well as for participants.

Marks & Start should stand Marks & Spencer in good stead for the future. There are major demographic changes ahead for the UK workforce that will steadily challenge many of the ways that we traditionally recruit and develop workers. A quick look at the main trends suggests that the workforce is changing quickly and dramatically. The recruitment pool from which employers have traditionally drawn is diminishing:

- There will be 3 million more workers aged over 35 years by 2010;
- There will be 1.3 million fewer aged 25-35 years by 2010;

- Only 20% of the workforce will be made up of white, able-bodied men under 45 years in full-time work;
- The proportions of ethnic minorities of working age will rise by several percentage points in the next two decades;
- There will be 12 million over-65s by 2020 being cared for by a growing number of working women over 50;
- Over 80% of workforce growth up to 2010 will be accounted for by women;
- Up to 18% of working age people have a long-term disability – but only 46% of these are in work. The number of unemployed disabled people will grow, though 47% will be available for work.

So the natural consequences of these changes are that employers will need to think about different types of recruitment and retention strategies in the future. When combined with the tightening of many local labour markets caused by lengthy periods of economic growth and stability, these pressures to do things differently will become more intense.

And the service sector in the UK's city centres is likely to bear the brunt of these pressures. As the sector grows – it has more than doubled in size since the 1970s – competition for the best workers has become fierce. Because the service sector is typically very labour intensive, there is also significant competition for the numbers of workers required to fully staff a business the size of a supermarket or a department store. This too is likely to increase in coming years. Employers across the economy, and in the service sector in particular, must begin to quickly prepare new ways of filling its job vacancies. Sam Ogunde, a 19 year-old featured in the BBC Documentary *'Headhunting The Homeless'*, makes it clear where he sees the problems lie:

"I woke up, it was, like, really late – about half ten/eleven and I didn't feel like going in – because I was still getting used to it. I felt kind of under pressure to perform and I felt like there was a lot expected of me, I had so many responsibilities, to be myself and not crack, so I was feeling a bit

insecure and vulnerable especially having never been in work before – but I just got to get on with it.”⁴⁷

Working successfully with homeless and workless people is a tremendously difficult thing to do well. As the words of Sam Ogunde effectively illustrate, it is much easier for individuals (and businesses) not to take risks. Failing can be a highly public experience for both groups. But as Sam says, ‘a lot is expected’ of people and businesses these days. It might be a frightening prospect and hard to justify financially on either the bottom line of an unemployed person’s bank account or a company’s bottom line, but tackling these growing problems require taking risks.

The risks in reputation, financial position and the views of colleagues and customers are broadly similar for both Marks & Spencer and Sam Ogunde. In getting involved in these types of programmes both are sticking their heads way above their very different parapets. The sad reality is that many people would not expect either Sam or a company like Marks & Spencer to get involved in this type of project. Or that if they did, that they would inevitably fail somewhere along the line. It would be far easier for both not to bother at all; for Sam to stay in his secure hostel accommodation and on various benefits payments and for Marks & Spencer to just carry on running its business.

Time, of course, will tell, but the reality for both is that they know that they will be much better off if their different risks pay off. But it doesn’t make taking the very real risks any easier.

**What is
Marks & Start?**

Having long prided itself on its involvement and interest in local communities, Marks & Spencer is celebrating a significant development of its community strategy with the launch of *Marks & Start*. Moving away from philanthropy towards partnership, Marks & Spencer is now working with local agencies to enable different excluded groups to increase their chances of finding, and keeping, work.

“Marks & Spencer has a long history of social commitment and the tradition of linking good social behaviour with good commercial performance lives on. Responsible business practice is crucial to the commercial success of Marks & Spencer and a major part of building our future. We have placed corporate responsibility at the heart of the business and made it a management priority to integrate it into everything we do.” **Luc Vandeveld**⁴⁸

The *Marks & Start* programme pulls together all the community investment that Marks & Spencer has been piloting or will be launching this year. It has a high profile throughout the company, with the Chairman, Luc Vandeveld, having final accountability for the programme’s successful delivery. It has clear objectives:

- To raise the aspirations and employment prospects of participants, enabling them to move towards sustained employment;
- Develop employee skills (through buddying) and improve employee commitment, loyalty and pride in the company;
- Integrate community activity throughout the company;
- To provide a strong focus for external communications and to increase customer awareness of the Marks & Spencer CSR programme;
- Provide sources of recruitment.

In other words, *Marks & Start* explicitly recognises the range of benefits the company can realise. At the same time, these objectives are close to the Government priorities described in section one of this report – specifically those raising the ambitions and skills of excluded individuals and helping them move towards sustained employment – all with business focused delivery.

To meet these overall objectives, the programme consists of a number of different strands targeted at different groups in the labour market. Some have been piloted and are now being rolled out, whilst other programmes are new and are being piloted in the coming year:

BOX 5 *Marks & Start Programmes*

Projects	Target group	Internal sponsor	Stage
Homeless Programme	Homeless	Maurice Helfgott – Executive Director of Food	Running since 2002 and being rolled out across Marks & Spencer
People with Disabilities Programme	Those with disabilities	Alison Reed – Chief Financial Officer	Piloted in autumn 2003 and being rolled out across Marks & Spencer
Young Unemployed Programme	Young unemployed	Laurel Powers-Freeling – Chief Executive, Marks & Spencer Money	Piloted in autumn 2003 and being rolled out across Marks & Spencer
Parents Returning to Work Programme	Parents returning to work	Alice Avis – Director of Marketing and e-Commerce	Being piloted from February 2004 and rolled out in autumn 2004
School Work Experience Programme	School students (14-16)	Graham Oakley – Company Secretary and Head of Corporate Governance	School work experience has been provided for many years, but it is now being re-focused to include more children from deprived areas
Student Support Programme	Students whose parents did not attend university	Jean Tomlin – Director of Human Resources	A new scheme being rolled out now and starting in September 2004

Success for Marks & Spencer means ensuring that all of *Marks & Start* meets its combined objectives, whilst ensuring that each strand is successful against its own more detailed criteria. Overall success is monitored against a range of success criteria (see Box 6), with progress reported to the CSR Committee and Board sponsors of individual strands on a monthly basis.

BOX 6 Success Criteria of Marks & Start Programmes

Measure	Frequency
Conversion rate to sustained employment	Monthly
Tracking of participants – ethnicity, age, gender, disability	Monthly
External awareness and approval	Monthly from January 04
Communications value	Quarterly
Impact on employees	6 monthly
Wider impact on society	2 years from launch

Source: Marks & Spencer 2003

The programmes on which this report focuses are described in more detail below.

Ready for Work “One of the big ways of tackling homelessness is putting hard cash in people’s pockets that they have actually earned.”

Interviewee at the Office of the Deputy Prime Minister

“Ready for Work is about opening a door for people who have faced so many closed doors in the past.”

Ready for Work Store Co-ordinator⁹⁹

The Ready for Work programme started with the Business Action on Homelessness (BAOH) campaign. This emerged following research conducted by Bain & Company in 1997/98 on behalf of Business in the Community (BiTC), which found that homelessness was seen by consumers as the second most important social issue that businesses should address. Bringing together a range of interested companies, BAOH developed a work placement programme called Ready for Work, with the aim of giving homeless people a chance to gain some experience, improve their self-esteem and try to help themselves out of the ‘no home, no job, no home’ trap.

Opportunities for training and employment are a key element of government schemes designed to tackle the rising trends in homelessness. Work, whether paid or unpaid, can help improve confidence and self-esteem, helping to meaningfully occupy people's time, giving them coping skills and helping them to build social and economic networks. This can in some cases lead to work opportunities that may support moving towards a more independent lifestyle.⁵⁰ In practice, BAOH has focused upon providing individuals with opportunities for employment placements and set itself up as the manager of a 'triangle' between statutory agencies, voluntary agencies and employers. This has enabled small and large firms – ranging from small solicitors and accountants through to larger multinational companies such as Marks & Spencer, KPMG and Barclays – to provide homeless individuals with work experience opportunities.

Marks & Spencer is the biggest single backer of the BAOH campaign and have committed to providing 600 placements for the Ready for Work scheme between 2002 and 2004. The scale of their ambition and their presence nationally has rapidly expanded the scheme. BiTC has also commented that the expanded scheme has enabled lessons to be learned and practice to be improved more quickly than would otherwise have been possible. This has led some to comment that:

“[Marks & Spencer] are leading the way. They've put their money where their mouth is – and put in time and effort as well. [They've been] fantastic.”

Interviewee at the Office of the Deputy Prime Minister (ODPM)

The programme has evolved rapidly since Marks & Spencer first got involved in 2002. As practical examples have highlighted areas for improvement, learning has been fed into the scheme overall or to separate companies as appropriate and many of the innovations reflect other best practice research. From its origins as a half day of training and then a work placement scheme, the Business Action on Homelessness programme has developed to have longer pre-placement training, Ready to Go, at a national level as well as have greater involvement with voluntary organisations all the way through the process.

The programme now consists of the following measures:

BOX 7 Ready for Work placement process

- Selection of participants by voluntary agencies, monitored by BiTC, and against clear criteria that they must be on JSA and on a drugs or alcohol programme if appropriate; (These criteria have been amended for the launch of *Marks & Start*.)
- Two days of work preparation for the participant, Ready to Go, run by external organisations. This includes half a day for organisations to meet the participant and to find out more about issues around homelessness;
- Participant meets with Marks & Spencer;
- Two week placement with an in-store 'buddy' who mentors the participant;
- Participant is debriefed with the placement line manager;
- Link to post-placement employment guidance (an 'Action Day' to talk about next steps, putting people in contact with other relevant agencies such as Job Centre Plus).

(Some participants will be invited to apply for work at the store at the debrief, or at the Action Day)

More emphasis upon sustained contact with participants after the placements has also been recognised as crucial in sustaining momentum. A participant support network, bringing people together to talk about progress, and job coaching are among the measures being piloted, with the aim being to roll out national post-placement support by July 2004.⁵¹

During the placement itself, Marks & Spencer provides suitable work clothing, travel expenses, lunch and a certificate of attendance, as well as job references if requested. Some of those completing the placement will be advised to apply for work at Marks & Spencer, and will go through the normal company recruitment procedures, albeit with the appropriate flexibility in some individual cases.

A list of stores who participated in Ready for Work and the Young Unemployed Programme up to December 2003 can be found in Appendix 4.

Overview of the Young Unemployed Programme Following the broad outline of Ready for Work and delivered in partnership with the Prince's Trust, this new programme was piloted in Autumn 2003 and is being rolled out nationally in January and February 2004. The programme consists of:

BOX 8 The Young Unemployed Programme

- A work preparation course delivered through the twelve week in Prince's Trust Team Programme;
- Two week placement with an in-store buddy;
- Debrief with the placement line manager;
- Post-placement employment and training guidance, delivered through the Prince's Trust.

(Some participants will be invited to apply for work at the store at the debrief)

As with the Ready for Work programme, Marks & Spencer provides work clothing, lunch, travel expenses, attendance certificate and references on request. Seven people participated in initial pilots, held in Edinburgh, Derby and Leicester.

Overviews of the other programmes in *Marks & Start* are in Appendix 5.

3 Evaluating Ready for Work and the Young Unemployed Programme

Methodology for evaluating Marks & Start This report analyses two of the programmes in the *Marks & Start* framework: Ready for Work, which has been running since 2002 in conjunction with Business Action on Homelessness (BAOH), and the Young Unemployed Programme, which was first piloted in October 2003.

Between November and December 2003 The Work Foundation conducted semi-structured interviews in two stores for Ready for Work and two stores for the Young Unemployed Programme as well as with Head Office co-ordinators.

Store locations were chosen to reflect the different types of local labour market conditions currently experienced in the UK today. Some towns and cities with strong labour market conditions were selected for interviews (South and Central London, Edinburgh and Cambridge); whilst locations with greater rates of worklessness and economic inactivity such as Liverpool and Leicester were also visited. Interviewees included:

- Head Office Programme manager;
- Head Office co-ordinator;
- HR managers in 4 stores;
- Buddies in 4 stores;
- Participants of the scheme spread across a range of stores;
- 3 BiTC managers and co-ordinators;
- Local voluntary agencies who recommend participants for Ready for Work.

Drawing upon the results of these interviews, as well as quantitative research provided by BiTC, voluntary agencies and Marks & Spencer stores, this section uses the framework below to assess how the Marks & Spencer programmes have performed. The framework was developed by The Work Foundation drawing on Marks & Spencer's own objectives and on existing research about how to successfully and sustainably move excluded individuals closer to the labour market.

Using this framework, the outcomes, conditions for success and barriers are analysed for each aspect of the scheme. This analysis is then used to make recommendations about how the programmes can be further

developed with the launch of *Marks & Start*. The experience of these programmes also has lessons for policymakers about how the interface between programmes of this type and Government can be improved to better support socially responsible employers.

BOX 9 Success criteria

Elements of scheme	Areas tested for effectiveness	What would success look like?
Pre-placement	<ul style="list-style-type: none"> • Selection procedures for participant • Selection procedures for buddies • Training for participants • Training for buddies 	<ul style="list-style-type: none"> • Participants are close enough to the labour market to benefit from the experience and are likely to complete the placement; • Buddies have the skills to manage participants and the opportunity to further develop whilst doing so; • Participants feel prepared for the workplace and their expectations of the placement are managed; • Buddies are aware of the issues participants may face and feel able to provide support.
Placement	<ul style="list-style-type: none"> • Support for participants during placements • Support for buddies during placements 	<ul style="list-style-type: none"> • Participants complete the placement and feel they have support when they need it; • Buddies feel they have the knowledge and time to support participants.
Post-placement	<ul style="list-style-type: none"> • Outcomes of the placements for participants • Outcomes of the placement for buddies • Effectiveness of communication and follow-up after the placement for participants 	<ul style="list-style-type: none"> • Participants feel their confidence has improved and either move into sustainable employment or are much closer to doing so e.g. start serious job-hunting; • Buddies' skills are developed and they feel they have benefited from the experience; • Participants are given timely feedback after their placement, are linked to post-placement follow-up and other agencies, and are asked to apply to Marks & Spencer if appropriate. If their application is unsuccessful they are quickly told the reasons why to avoid damaging confidence.

BOX 9 *continued*

Elements of scheme	Areas tested for effectiveness	What would success look like?
Post-placement	<ul style="list-style-type: none"> • Co-ordination with other agencies 	<ul style="list-style-type: none"> • The placement links effectively with employability agencies e.g. JobCentre Plus who can support clients into employment.
Organisational impact	<ul style="list-style-type: none"> • Resourcing • Staff morale 	<ul style="list-style-type: none"> • The scheme is supported by line managers, store managers and HR, with resourcing planned so that buddies can fulfil their role and the day-to-day running of the store is not adversely affected; • Staff morale is improved by having run the scheme in their store.
Wider impact	<ul style="list-style-type: none"> • Impact of the scheme on customers and business • Impact of the scheme on wider labour market issues 	<ul style="list-style-type: none"> • Customers value Marks & Spencer for being a socially responsible employer and there are business benefits; • The programmes help tackle the challenges facing excluded individuals and moves them closer to or into the labour market.

Pre-placement It is clear from research and previous experience that participants need to be close enough to the labour market and to job readiness in order to benefit from the experience of the work placements Marks & Spencer provides. Sending people onto placements who are not adequately prepared for the experience could cause as many problems as might be solved for those that are ready. A placement that will raise their expectations could then be damaging and should be avoided at all costs. Furthermore the selection procedures need to safeguard customer and staff safety.

The procedures in place on both the Ready for Work and Young Unemployed schemes are probably as effective at selecting the right participants for the placements as most processes can be, given the complex issues these people are facing. To give a very general comparison, 19.3% of those on the New Deal for Young People leave the programme for an unknown destination before their first interview or during the Gateway stage.

The feedback from stores on pre-selection is positive:

“Ninety percent of the time agencies have done their best to put forward interested participants so the unofficial selection undertaken by the agencies works effectively... for Marks & Spencer the steering meeting involves a frank exchange of views examining whether an individual is genuinely interested in Marks & Spencer or retail and this can lead to the individual making an ‘informed choice’ as to whether to be involved in the programme or not...” **Ready for Work Store Manager**

Support whilst being re-introduced to the labour market is also key to supporting the aspirations of the participants. Buddies have a key role to play and can have a disproportionate impact upon the success of that participant. There was a general consensus from interviewees that the majority of the buddy relationships worked well, with buddies enjoying the scheme and participants appreciating their support. One of the most successful outcomes of the scheme for a buddy was his temporary promotion to Section Manager following the programme.

The training too was commended by many buddies:

“...the training was good... they recognise that it’s the first time many people have interacted with the homeless and they’re very supportive if you’ve got questions. And they tell you about scenarios that might come up and how you can deal with them, which is really helpful and saves you asking questions that you might feel awkward asking but want to know the answers to.” **Ready for Work Buddy**

However, this feeling was not universal. A significant minority of buddies felt ill-prepared for their role and unable to support participants effectively. In one case this was identified as a significant contributing factor to a participant not completing the scheme.

Conditions for success

Ensuring that participants are motivated and fully prepared for the placement

One store co-ordinator commented that the success of placements depended upon selecting participants who were sufficiently motivated to make the placement work.

“[Participants’ motivation] should be looked at before participants arrive, as Marks & Spencer do really make an effort to make the scheme succeed...” **Young Unemployed Programme Store Manager**

The Ready to Go training, extended from half a day to two days, has helped create these conditions, helping to ensure that participants are aware of what the schemes involve and are ready for the workplace.⁵²

“if [the Ready to Go training] has given an understanding of what work life is about, but they don’t want to get involved in it, then that is as much a success as somebody who’s completed the programme and had a position offered to them.” **Ready for Work Store Manager**

Some who found the Ready to Go training ‘*overwhelming*’ realised they were not yet ready for work, whilst others found that it helped them realise the possibilities arising from the placement. Comments from Marks & Spencer participants on the second day of the Ready to Go training included, ‘*I found the day inspirational*’.

Being able to cope with more challenging individuals

Ensuring that stores and buddies could cope if the wrong participant was selected was also seen as a condition for success. Some stores speculated that the programme would not cope well in its current form if someone unsuitable did get through the selection procedures:

"it's a good idea and so far the scheme has been very positive... [But] They need to be wiser for the day when they get a really difficult person and need to work out how they can deal with this – you can't just use common sense." **Young Unemployed Programme Store Manager**

Enthusiastic buddies

Ensuring that buddies are enthusiastic about the scheme was seen as important to the success of the relationship and to buddies further developing their skills.

"Buddies are really important, the buddy makes a real difference to how well it works. In Store X there was a great buddy and they worked the same shifts so it worked well. The buddy was really enthusiastic and it made a big difference." **Programme Co-ordinator, Head Office**

Central guidance for buddies

Buddies, most of whom had little experience of issues facing those who were homeless or the young unemployed, found the 'dos and don'ts' list from Head Office very helpful when they were trying to support participants and manage their expectations. Many commented that they would have felt lost without the initial guidance provided by the programme.

Those who felt less positive about the existing training were equally adamant about the importance of central guidance for buddies:

"it would have been better to have had more of an overview for the buddies, possibly an information leaflet..." **Young Unemployed Programme Co-ordinator**

Clear planning and preparation for the placements was seen as a precondition for success, as was central guidance from the Marks & Spencer on policies such as issuing travel expenses, lunch money and uniform necessities such as work shoes. This was seen as particularly important if participants are to be paid expenses up-front or by reimbursement.

Barriers to success

Lack of knowledge of the participants

Not knowing the background of the participants was identified as a barrier to the success of the programme. In many of the recent programmes staff had, by coincidence, known the participants, which they felt contributed to the success of the placement. Managing absences was seen as being a barrier to the success of placements, as were the initial selection criteria.

Travel to work issues

Selecting participants without taking into account where they were based was also identified as a barrier to the programme – one that is reflected in research about the barriers to people participating in the labour market (see Section One). In London in particular, for example, a Human Resources Manager argued that participants need to be placed in stores based on a realistic understanding of travel arrangements. Being able to reach a store easily and feeling able to settle, however briefly, in the local area was seen as a contributory factor to more successful placements.⁵³

Informal procedures for recruiting buddies

If having a suitable buddy is a condition for success, a barrier to success was seen as the slightly ad hoc selection procedures for buddies. Whilst the recruitment criteria for participants is clear, the process of selecting buddies is more informal. In practice a similar approach was taken across a range of different stores, with HR Co-ordinators talking to managers about who might be interested in becoming a buddy:

“[selection of buddies]... is quite ad hoc, the manager is asked about who would be good and they give the names and then someone is selected. There’s nothing firm in place, it’s just about the line manager’s knowledge of their staff and people’s willingness to get involved, and has to come from both a recommendation and willingness. Willing isn’t enough.” Ready for Work HR Manager

“We believed the buddy should be somebody who really wants to get involved with the programme, who has the desire to spend the time with and coach an individual.” **Ready for Work HR Manager**

All the stores relied upon managers singling out ‘appropriate’ people, and although in theory the process could have been open to anyone, in all the stores we spoke to individuals had been targeted. Whilst this was effective for the first round of programmes, this informality may become problematic in the future.

“The system works well... [but does rely on] getting the right buddy at the right time.” **Young Unemployed Programme Store Co-ordinator**

The placement

“Support is the key to helping them make the most of the placement. One young man came to us and was unable to look anyone in the eye; he wanted to take a ‘behind the scenes’ role, but we persuaded him to try working on the shop floor. By the time he left us he was a changed man, highly motivated and far more confident in his own abilities.”

Ready for Work Store Co-ordinator

This is one of the big successes of the programme, with positive comments from participants, their buddies and managers at each store. This is reflected in the completion rates.

BOX 10

Milestones	Marks & Spencer target	BAOH progress overall	Marks & Spencer progress overall
Number of placements offered	600 placements offered between 2002 and 2004	n/a	455 placements offered so far, 305 accepted
% completion rates of those starting placement	60%	58.6%	76%

Source: BAOH and additional M&S tracking 2002/2003

However, Marks & Spencer does less well at supporting buddies than participants – despite this being a condition of success for participants.

Although many buddies did feel supported during the placement, some struggled with their responsibilities. Often they found that, whilst in theory their managers were supportive, in practice they did not have enough time to fully support them in what is quite a difficult role.

“there was a sense of [buddies] feeling overwhelmed at times and that it was an awful lot of responsibility... they were outside their comfort zone.”

Ready for Work HR Manager

However, greater clarity about the role that agencies play in supporting buddies and participants would further improve these outcomes.

Conditions for success

Participants need the right kind of support

Research shows that making the transition to being in employment, even for a short period of time, requires that participants have the right support during the placement. Part of this support may simply be helping participants through one of the main challenges – conforming to a new routine and getting used to the working environment for the first time/again:

“It’s incredibly difficult for some of these people to find work. It’s not just about them not having a home address – it’s about whether they can cope with situations most of us take for granted. They need to be able to work under instruction and they need to be able to follow rules and regulations. They also need to know the things we take for granted, such as how to present yourself on a day-to-day basis.” **Voluntary agency working with the homeless**

One Ready for Work Co-ordinator underlined the importance of this when she suggested that the reasons that participants stayed on the programme were: a good relationship with their buddy; support when it is needed; and living close enough to work.⁵⁴

Participants' expectations are managed

Whilst it is important to support aspirations, it is also crucial to ensure that participants' expectations are not unrealistic or too high, which could present problems for both participants and buddies. There were some examples where, despite the best attempts of Ready to Go training and buddies, misunderstandings arose about the nature of the placement, which created difficulties:

"The participant... signed himself off the dole because of a misunderstanding, he thought he had work, and that was really difficult to sort out." *Ready for Work HR Manager*

Buddies helping participants become part of the team

Often there can be 'cliques' at work, or it can be a challenge to integrate into a large store – which can result in a participant feeling isolated, cut off from their normal networks.

"Every store has their own ways of working and acting, and without someone to show you it can be quite isolating, so that's what the buddy does, helps them feel settled. And in the big stores they stop them feeling lost, and in the little stores there's a lot of cliques so it helps to have a way into them." *Ready for Work HR Manager*

Buddies who ensure that participants are made to feel part of the team can help ensure that they feel supported – even when their buddy is not around.

"...and if I wasn't there, John⁵⁵ would happily look after him, they got on really well and I knew John would keep an eye on him if I wasn't about."

Ready for Work Buddy

Effective training for buddies

Although Marks & Spencer does offer training for buddies via its Retail Academy, communication difficulties with stores meant that some buddies we spoke to missed out on this training. Having effective

training and central guidance was seen as a crucial condition of success for ensuring that buddies felt supported during the programme, as it meant they always had something to fall back on.

"[The participant] needed a lot of handholding and also had two buddies, because they worked slightly different shifts... And he required constant supervision, sometimes he would just stand there looking lost..."

Ready for Work HR Manager

Having guidance about dealing with participants such as the one above improves the outcomes for participants as well as the experience for buddies. Equally, buddies cannot be expected to deal with absences on their own. Other agencies need to be pulled in to support them:

"[The participant]... didn't turn up one day and told lots of stories about a sick son in Amsterdam and how he had to go and see him, and we thought that was the end but he turned up the next day, it was just one day, he didn't go and see his son after all." Ready for Work Store Co-ordinator

Barriers to success

Buddies working different shifts

For participants to be supported it is important that there is someone who knows them well and can help them whenever they need that support. Some buddies commented that they found it hard to fulfil this role because participants worked different shifts to them, or moved around different departments. They saw this as a difficulty for both participants and for buddies trying to look after the people on the scheme as well as developing their skills:

"There is a need for a buddy to be very close when working with their participant which was not always the case... you must be able to work alongside your buddy rather than in different departments and locations." Ready for Work Store Co-ordinator

Line manager is not entirely engaged

It is important for buddies that they feel supported by the company – and particularly by those working closest to them, preferably their line managers.

“They [buddies] really needed a fallback, which would ideally be the line manager, or maybe even the HR manager or the store manager – we should be recognising that we’re asking a lot of these buddies.”

Ready for Work HR Manager

Line managers are often supportive of the programme in theory, but may not be able to be supportive of the buddy in practice because of all the other calls on their time.

“line managers were supportive of the idea but not as engaged as we had hoped... because it takes a lot of effort from their staff, day to day... it wasn’t they didn’t support it but they had no time which meant less support.”

Ready for Work Store Co-ordinator

They need to be encouraged to see the experience as beneficial for their staff and to achieving day to day operational priorities, and to be available to support the buddies.

The real difficulties facing some participants

One of the main barriers to success is the very real difficulties facing many of the participants in the Ready for Work and Young Unemployed Programmes.

“He didn’t speak English very well and that was a real challenge.”

Ready for Work Buddy

“participants need to be treated normally but within bounds, making allowances for the fact that they’ve been in a difficult place. And it’s not easy.” Ready for Work HR Manager

Day to day many buddies found it difficult to cope with the complexity of the issues facing their charges whilst also trying to get on with their day job. It is not easy for any of those involved in the scheme, and needs to be taken into consideration when evaluating its successes.

Post-placement outcomes **Outcomes of the placement for participants**
Employment outcomes

CASE STUDY 1: BELFAST

David Brown⁵⁶ is still unable to talk about the family breakdown that left him without even a roof over his head. Thanks to the Ready for Work programme, however, the twenty-five year old has a full-time job and is preparing to move into a flat of his own.

"Marks & Spencer approached me after the two week programme to see if I would be interested in a job. I couldn't believe my luck. I now have a reason to get up in the mornings and can plan a future for myself, for the first time in three years."⁵⁷

Both Ready for Work and the Young Unemployed Programme are successful in getting some of the participants into sustainable employment.

BOX 11 Marks & Spencer Progress on Ready for Work

Milestone	Marks & Spencer Target (if relevant)	M&S progress as at November 2003
% advised to apply for work	n/a	56% completers advised to apply (42% of starters)
% moving into employment	20% into work with Marks & Spencer, or elsewhere within 8 weeks	29% have moved into sustained employment (20% Marks & Spencer and 9% elsewhere)
% participants reporting increased motivation and commitment	75%	85%

Source: Winmark research for BITC and additional Marks & Spencer tracking 2003

In other words, nearly a third of those who finish a Ready for Work placement at Marks & Spencer find a job. This is a rather smaller share of participants than in New Deal, where 48.4% of leavers find work and 38.4% are still in their jobs three months later. But New Deal is a much larger and more sophisticated programme; taking this into account, the figures look rather more impressive. (It is also worth noting that 40% of those applying to Marks & Spencer from the Ready for Work scheme have got jobs with the company.)

Although the Young Unemployed Programme is at an earlier phase and has had only seven participants to date, the results are still positive:

BOX 12

Milestone	Progress (%)
% of those starting placement who found work	60
% of those completing placement who found work	43
% of those applying to Marks & Spencer who got hired	50

Source: Marks & Spencer tracking 2003

Skills gained

"Here they are treated as an equal and they get to communicate with 500 others which is great for their confidence."

Young Unemployed Programme Store Co-ordinator

The scheme is explicitly about raising aspirations and does not guarantee that specific skills will be gained by participants, although in practice many do gain and develop new skills. The five main benefits of the programme to participants are:

Confidence

Marks & Spencer do achieve their objective of raising aspirations, with 100% of participants strongly agreeing that 'the placement has improved self-confidence and esteem.'⁵⁸

"...a lot of it is psychological, making the first step. It's about giving it a go, having the experience without the risks of doing it on their own as they're supported. It's about rebuilding the confidence that they've lost and it takes effort... In some ways it's just proving to themselves that they can do a fortnight of working 9-5pm." **Ready for Work Store Co-ordinator**

BiTC also agrees, arguing that the programme contributes greatly to the BiTC aims for participants of; 'refocusing on the job market', banishing fears of returning to work and overcoming potential barriers to employment such as the possession of a criminal record.⁵⁹

CASE STUDY 2: BELFAST

"Once I overcame my nervousness and fear of going back into the workplace, it really was a marvelous experience. It has helped boost my confidence and gave me a realistic challenge – being treated as any other employee and having to pull my weight like everyone else." **David Brown**

Work experience

The gentle introduction that the programme provides to the world of work was also seen as highly positive:

"People like you and me are capable of responding to opportunities when they arise but a lot of homeless people aren't, even when those opportunities are right in front of their face. It's essential they receive the right kind of support. This programme is perfect because it's a relatively gentle introduction to the world of work and a good way to help people make the transition from being homeless to being a valuable colleague."

Voluntary agency working with the homeless

The placement enables people to make a transition between their current situation and employment, giving them the chance to remember how to get back in the 9-5 routine:

“[[It’s] a stepping stone... people can put the placement on their CV, dip a toe in the water.” Interviewee ODPM

“the opportunity of getting back into a routine built around work... a two week spell of employment gives participants a routine after long periods of unemployment.” Ready for Work Store Co-ordinator

It can also enable the development of specific skills and at the end of the placement, Marks & Spencer ask line managers to assess participants against a range of skills (set out in Box 13 below). Buddies also have the opportunity to gain the skills below and can use them to demonstrate readiness for management responsibilities.

BOX 13 Skills gained in placement

Skills	Details
People skills	Communication, teamwork, presentation skills, relationships
Thinking skills	Problem-solving and adaptability, innovation, learning to learn, planning and organisation, numeracy
Positive attitudes	Personal responsibility, persistence and motivation, wanting to learn, self-confidence

New networks

Getting new perspectives about life and meeting new people, creating new networks, was also seen as a key advantage by voluntary agencies and participants alike:

“[[It’s about] meeting new people and getting interaction with different groups of people especially the younger participants... who wouldn’t normally associate with different age groups and working with that group they can get something different out of this interaction.”

Young Unemployed Programme Store Co-ordinator

“the scheme gives the participants a lot of confidence as they get to talk to and meet so many different people...The feeling participants got from being accepted into an organisation and having to wear uniforms made them feel part of a team.” **Young Unemployed Programme Store Co-ordinator**

For those whose networks may have previously consisted mainly of those on the streets or those who were unemployed, this can be an opportunity to develop a new network of friends, making it less daunting to move into a permanent employment situation where old friends could be lost.

CASE STUDY 3: BRIGHTON

Tom Atkins⁶⁰ was on the Ready for Work Scheme at the Brighton store and said

“I really enjoyed the two weeks I was there. I was working in the menswear department, keeping the shelves full, pricing things up and being nice to people – just like the other staff.”

Reference

The reference that the scheme provides is also a crucial benefit:

“Nowhere reputable is going to take on anyone unless they have a reference but another problem for homeless people is that people make assumptions about them – that they’re into drink or drugs, or that they won’t turn up to work on time – and it’s important to remedy this. A reference says, ‘Yes, this person is competent so don’t ignore them.’”

Voluntary agency working with the homeless

This is particularly because of the reputation that Marks & Spencer has:

“It makes them feel proud to be working for such a well known name.”

Young Unemployed Programme Buddy

Possibility of employment

There is also a positive step towards improving self-confessed employability: 85% of participants 'agree or strongly agree that the placement has increased motivation and commitment towards employment'.

"I love the job and I've made lots of friends here, it really has changed me totally. If I wasn't here, I'd probably still be sitting on my backside doing nothing...I had no references and no CV but Marks & Spencer and Business in the Community gave me a chance and now... I'll have something really impressive to put on my CV." **Ready for Work Participant**

"From the Prince's Trust perspective the programme's advantages for participants revolved around possibly gaining employment, the opportunity to get a full time job and integrate into the workplace."

Interviewee at a regional branch of the Prince's Trust

There are some excellent examples of the scheme enabling individuals to return to work on a full-time basis.

CASE STUDY 4: CAMBRIDGE

Mike Jones⁶¹ was living in a hostel in Cambridge when he heard about the Ready for Work scheme. His buddy was the store manager.

"When the opportunity arose I just decided to go for it. There was no promise of a job but when vacancies came up then those who excelled were offered them. Luckily I was one of them. It's helped me in lots of ways. Obviously getting back to work was a benefit. It's helped me socially, helped my confidence, there are so many factors."

Mike is now a Section Manager in the Cambridge branch of Marks & Spencer.

CASE STUDY 5: MANCHESTER

Sarah Ewah,⁶² 38, was offered a job as a sales adviser at Marks & Spencer's Café Revive almost four months after completing a work placement there.

"I was really surprised when they called and said 'Yes' straight away. It feels like I have a new life now, as since the placement we have moved into a lovely new home with friendly neighbours. It was hard to live in the hostel because a lot of the residents had drink problems and it was a bad influence for my son (11). I am very happy to be working at such a big company. I was so nervous during my placement and kept getting my security swipe card mixed up and couldn't open the doors, but now I know my way around and don't have any problems."

Conditions for success

Placements tailored to individuals

The outcomes for participants are significantly boosted by stores responding to individual needs. For example, one store recognised that retail was not the first career choice of their participant and accommodated this:

"Retail just won't suit some people. Fred⁶³ was great on PCs, so we gave him lots of experience on computers, but he didn't really like customers. So it was a great placement because he was ready for work and really good at IT, but we didn't offer him a job because he wasn't right for retail... But that experience should help him get a job somewhere he will like."

Ready for Work HR Manager

This was, however, at the discretion of individual stores and buddies.

Barriers to success

Too little guidance for stores about how the placement should work

Although local flexibility is clearly crucial to respond to individual needs, the interviewees suggested that too much flexibility could prevent participants gaining full benefits from the placement.

“well you do wonder what you should be doing with them on the first day, making sure they get the most out of it, and that’s what they’re here for so a bit more help on that would be great.” **Ready for Work HR Manager**

Highly structured placements, such as the School Work Experience scheme which is one of the *Marks & Start* programmes, ensure that pupils have a range of quite specific experiences to demonstrate the skills required to succeed in a retail job. Whilst this would not be effective across the *Marks & Start* programme, some interviewees suggested the flexibility of Ready for Work and the Young Unemployed Programme could mean participants were left too much to their own devices and so not benefit fully from the placement.

Outcomes for buddies

72% of employees who were buddies *‘agree or strongly agree that being a buddy increased their skills’*⁶⁴ – and most store managers agree about the success of the scheme in developing buddies’ skills. Not only do buddies have the chance to demonstrate that they have improved their people and thinking skills, but many talk about the satisfaction gained from a greater understanding of issues surrounding homelessness and from making a contribution to their local community.

“[[t’s a] good personal development opportunity...and it opens their eyes... it offers an adventure.” **Ready for Work Store Co-ordinator**

“...coming into work today I knew I did something good.” **Ready for Work Buddy**

“I got a lot out of it... it helped me gain experience of personal responsibility... you learn something from being a buddy... about yourself.”

Young Unemployed Programme Buddy

It also encouraged higher levels of motivation and commitment, particularly when it was seen as a mark of confidence placed in them by their line managers. Buddies were often *‘enthused by the fact they’ve been asked to participate in the scheme...’* **Ready for Work HR Manager.**

"[The buddies were] positive about how they felt about it and positive about Marks & Spencer, they said that they were proud to work for this company." *Ready for Work HR Manager*

"it's about feeling involved in something that's really worthwhile, a feeling of satisfaction at being involved in something special. And it really improves staff's perceptions of Marks & Spencer and the kind of company it is." *Ready for Work HR Manager*

Conditions for success

Recognition of the impact the programme has upon buddies' skills

Currently, although having been a buddy is recorded on the individual's development, it is not formally recognised as a development opportunity. Recognising the contribution made by all buddies, perhaps through the store's 'thank you' budget, and celebration of the buddy's achievements helps maximise buddy's motivation and recognition of how they have developed.

Barriers to success

Lack of awareness about the benefits of the scheme

Some buddies were unaware of the developmental benefits of the scheme, despite HR's enthusiasm about its importance in developing the people skills crucial to securing promotion at Marks & Spencer.

"Although it is good development, most staff probably wouldn't initially see it like that... and maybe would only see it afterwards."

Young Unemployed Programme Store Co-ordinator

Buddies who had participated were very enthusiastic about the experience. They also suggested that Marks & Spencer could do more to advertise the opportunities and to talk about the benefits. The perception, rightly or wrongly, was that not enough had been done to take the message out across the store network:

"I really enjoyed being a buddy, I'd do it again... they should tell more people about it, it's a big thing at Head Office but it hasn't filtered down here to the stores... Posters would be great so people know 'oh, that's a buddy, that's what they do' and more people would want to do it as well."

Ready for Work Buddy

Effectiveness of communication and follow-up and co-ordination with agencies

BiTC is seen as performing a valuable role in preparing participants and buddies for the scheme, and interviewees are very positive about the relationship:

"It's hard to see that this relationship could work any more effectively... [BiTC] provide the right type of participants and let the store have as much say as they need in picking them, the buddy day is well put together and informative and they are always there when the coordinator needs them." Ready for Work HR Manager

Other agencies were also praised, including the Prince's Trust who were singled out for their readiness to be contacted and their support of the participants during the running of the programme – particularly in terms of issue resolution. However, when it comes to post-placement, there is more work to be done. BiTC is currently working to improve its post-placement support and the findings of the interviews suggest that this is important. Too often participants can 'get lost' at the end of placements, or become discouraged at a lack of communication.

Barriers to success

Poor communication

Communication can also be somewhat erratic in the period following the placement. With some confusion over the roles of the buddy and agency workers during the placement, individuals on the scheme can fall between different people at the end of the placement, leaving a successful completer feeling somewhat let down.

"It was their last day and they were going to be seen by the line manager but the buddy didn't realise and said 'Well, it's your last day, why not go home early', so they did and that meant that he had the impression that he didn't have a job, which he was really crushed by. And the store thought there was nothing they could do, as they didn't have his contact details, and the HR Manager didn't pick it up for a while, as they manage three stores..." **Ready for Work Store Co-ordinator**

Although this was as a result of someone 'falling between' people, the net outcome can be a lasting impact upon the aspirations of the participant and his ability to move from the placement into actively looking for employment. BiTC are actively piloting post-placement support, which should help respond to these issues. But it was also felt that there was a wider issue: a need for clarity about the roles of agencies, BiTC and buddies in supporting the participant.

Lack of clarity about role of agencies and buddies

Agency workers commented that they were not entirely clear what their responsibilities during the placement were – whether they should visit the store to check on their participant, be available to talk to the buddy, or be there at the end of the placement or in case of emergency. Greater clarity about the roles of buddies, agency workers and BiTC in helping support participants during the whole placement as well as afterwards could help ensure more individually tailored support and prevent early drop-outs. BiTC, sitting at the heart of the triangle, is continuing to improve its links with government agencies and is piloting more post-placement support. The more that BiTC can do to improve its role as a facilitator joining up the different key stakeholders, the more effectively the placements and post-placement follow-up will work.

Clarity about roles and responsibilities would also help manage participant absences – which sometimes lead to people dropping out of the placement early, and then not being followed up. Buddies did try to help support participants with these issues, but the regular use of the word '*overwhelming*' when referring to participants' decisions to leave

the programme early suggests that support from a new environment is not sufficient. Buddies are usually given the contact details of an agency worker who they can contact in cases of emergency or difficulty, but it is unclear whether this happens very often, with buddies under pressure to perform day-to-day tasks and stores willing to accept that people may drop out of the scheme for their own personal reasons.

“Marks & Spencer was chasing the individuals who didn’t turn up for work, which we wouldn’t do for a normal fixed term worker who had just started, it would be their responsibility for them to contact us... there was some breakdown in communication concerning absences where the agencies were slow to contact us...” *Ready for Work Store Co-ordinator*

Existing recruitment processes

Recruitment of talented individuals from the Ready for Work or Young Unemployed Programme to Marks & Spencer can be problematic because of the requirements of the process. Requirements such as having a home address can stand in the way of those on Ready for Work moving to temporary or permanent contracts.

Organisational impact

The projects have the potential to impact across the store – with different sizes of store having different experiences:

“If it’s a small store than it can have a huge impact on the majority of staff, everyone works all over the place and at different times so it’s a chance to break down perceptions and stereotypes. In a big store this is less likely, and people are more likely to stare, but you still get the equivalent of what happens in a small store, but just in the section the person is working in.” *Ready for Work HR Manager*

However, frequent absences caused some negative effects on staff and many Section Managers found they were spending a huge amount of time tracking absences, often during busy periods. Staff themselves found the inconsistency of enthusiasm demonstrated by such absences, de-motivating:

“the casual attitude shown by an individual through absences gives some full-time staff a disinterest in participants.” *Ready for Work Store Co-ordinator*

Conditions for success

Supporting line managers to support buddies

This remains a condition for success; communicating to line managers the benefits of the programme to the company, to line managers and to buddies will support the resourcing of the programme and the impact it has upon the morale of the store.

Barriers to success

Expectations are too high

Some also suggested that the programme could have some negative effects upon the store, particularly if BiTC and agencies ‘oversold’ the enthusiasm of the participants to engage in the programme. Management being forced to alter their expectations of the programme’s success very quickly had a knock-on effect on the staff, who were faced with more issues during the programme than anticipated, necessitating managers to ‘weigh up the perception of a burden and extra workload with the benefits of taking part particularly in respect to building up the general skills of staff.’ These issues can have a detrimental impact upon the overall benefit of the scheme to buddies and the store as a whole.

Resource implications

Some buddies suggested that some allowances should be made for the impact that the role has on their workload:

“I think it needs to be clear than when you are a buddy your own workload should be reduced!... it was a big help as well as a headache.”

Young Unemployed Programme Buddy

If the implications of the programme for buddies and their teams is not recognised, it could prevent the buddy from fully being able to support the participant, as their attention will be focused upon day to day priorities instead.

Wider impact

Impact of the scheme on customers and business

Analysis of the Ready for Work and Young Unemployed Programmes also suggests that there are business benefits resulting from the scheme:

Staff morale

Most staff were very positive about their interaction with programme members, individuals who in some circumstances:

“...captured the imagination of all the teams that they worked with... there was clearly an impact on colleagues as individuals got on very well with the teams...” **Young Unemployed Programme Store Co-ordinator**

Higher productivity

In one case the motivation of the entire team improved, resulting in higher productivity:

‘The team themselves got a buzz (from a participant) as a great colleague to work with, they wanted to work with that individual... [it was definitely] ‘a tangible business benefit.’” **Ready for Work Store Co-ordinator**

Greater awareness of Marks & Spencer’s work

There is also the potential for greater awareness of Marks & Spencer’s work in this area through *Marks & Start* – benefits that are not currently being realised because it has not been rolled out across the company. There is research to show that the customer wants companies to be involved in community work, and research for Marks & Spencer found that 9 in 10 customers told about Ready for Work agree that ‘other companies should follow the lead that is being set’ by the organisation.⁶⁵

“it puts them [Marks & Spencer] on the map and shows where we should be going... this scheme goes beyond what I would have expected of Marks & Spencer – I never would have thought in the past they would have done a scheme like this – it just wasn’t down their avenue.”

Barriers to success

Communication

The communication of the existence of the programme to the public is seen as difficult to achieve. Traditional publications such as the Annual Report are not widely read and there is probably a limit to how many times a particular message can be communicated. More probably needs to be done for there to be an impact on the customer base:

“I don’t think we’ve done the best job in the world in communicating the work done by Marks & Spencer.” **Ready for Work HR Manager**

“Why would you want to tell customers that the scheme is operating in the shop?” **Ready for Work Buddy**

Concerns from stores were often about the impact either on participants or customers and some employees had strong views that customers should not be told – and would need convincing as to how they should inform customers about the scheme without this being a pressure upon the participant.

“We haven’t advertised this to our customers because we talked about it and we wanted to value the privacy of the individuals on the programme... It’s something we would like to do but we don’t know how.”

Young Unemployed Programme Store Co-ordinator

“I don’t think we should tell customers, that’s a lot of pressure on the participants... and you know how some people are, it depends on the person, but some people are funny and think oh, a homeless person, why have they done that?” **Ready for Work HR Manager**

With the launch of *Marks & Start*, Marks & Spencer is starting to send information out to stores about communicating the scheme to customers. The information packs will need to deal with these concerns.

4 Recommendations for developing *Marks & Start*

It is clear from this assessment of how well Marks & Spencer is performing against its own objectives that, whilst it is performing well in some areas, there are also areas for improvement. These fall into three categories:

BOX 14 Recommendations for Marks & Spencer

Day to day practice

- More structured programmes to support stores in developing participants' skills;
- Developing clear selection procedures for buddies, and improving corporate support and recognition for them;
- Improving communication of the programme and its benefits across the business.

Internal Marks & Spencer strategy

- Embedding the programme within the HR procedures and processes of Marks & Spencer.

External strategy and working with other agencies

- Improvement of the links between participants and agencies before, during and after the placement, partly through greater clarity about the roles of agencies, buddies and BITC.

This section examines these areas in more detail.

Day to day practice Marks & Spencer and BITC work closely together to ensure that lessons continue to be learned as the scheme evolves and improves. With the launch of *Marks & Start*, programmes should take the opportunity to learn the following lessons:

More structured placements

More guidance for buddies and managers about how to structure and operate a work placement would support all involved in ensuring that participants gain maximum benefit from their time at Marks & Spencer. The guidance should recommend how to structure the first day for participants and outline how different activities could help them gain different skills. This would not negate the advantage of placements

being sufficiently flexible to be tailored both to the participant's individual needs and to the working environment. However, it would support buddies who wish to develop their participants but may not be sure where to start, and would create a more standard experience for participants.

"there should be more planning about what they will do, what their first day will look like... We should make sure we know what they're getting out of it... We do a lot of this for work experience [the School Work Experience Programme that is already run in many Marks & Spencer stores] and I don't think it should be that structured but we should make sure that the time is good for them. People instinctively put effort into it but more planning would help them." **Ready for Work HR Manager**

A more structured placement would also enable line managers to predict the resources involved and more effectively plan ahead for the placement – ideally responding to issues such as helping ensure that, as much as possible, buddies work similar shifts to their participants.

Corporate support for buddies

Established selection criteria for buddies would help ensure that this crucial aspect of the programme – the relationship between buddies and participants – works well. Whilst many of the relationships have been very successful to date, the process is too ad hoc to be sure that this will continue in the future. A clear selection process would help embed the programme in HR strategies for developing staff, as well as ensure that buddies are prepared and can better cope with the responsibilities of the scheme.

Having been selected, it is crucial that buddies are supported with clear guidance about their roles and responsibilities, and information about how to deal with the issues many of the participants will be facing. They also need clarity about who to turn to when there are particular issues, such as participant absence, difficulties getting everyday tasks done,

ensuring that participants gain particular skills. (Further recommendations about the role of agencies are made below).

Clarity about how the skills learned by buddies will be recognised within Marks & Spencer would also encourage the programme to improve. Although being a buddy is already recognised in the annual evaluation process, formalising this recognition – which skills are learned – is important, and would be supported by having more structured placements. Encouraging stores to thank buddies, using their discretionary thank you budget, may also increase morale – although clearly this needs to be left to the discretion of each individual store. However the establishment of the ‘Best Buddy’ award, as part of the annual Marks & Spencer Employee Volunteer Awards, demonstrates a corporate commitment to recognise the work done by buddies, and it is to be welcomed that this will be expanded to recognise buddies working on all strands of *Marks & Start*.

More effective communication

To support the structured placements working well, buddies receiving strong corporate support and, most importantly, the participants gaining maximum benefit from the placements, communication is key. Stores need to know the details of the programme, its objectives and how it will fit into their every day working life. With the launch of *Marks & Start*, Marks & Spencer is already ramping up communications to stores about the programmes. Analysis of Ready for Work and the Young Unemployed Programmes so far suggests that these communications should focus on:

Benefits of the programmes to buddies

A number of buddies commented that, whilst they had really enjoyed the experience, they had been unaware of the developmental aspect of the programmes. Advertising the programme and opportunities to be a buddy to staff, and being clear about the development prospects as well as the emotional satisfaction involved would both recognise the work of existing and past buddies, and help recruit new buddies.

Benefits of the programmes to stores

Management support for the programme will encourage it to be well resourced whilst participants are in store. Store and line managers need to be told about how the programme can benefit their store by potentially expanding sources of recruitment, by enabling buddies to develop new skills, and by demonstrating to customers that Marks & Spencer is committed to making a difference in the local community.

Structured placements would also help line managers be aware of the potential resource implications of the programmes, and plan ahead accordingly.

How the programme will work

Ensuring that it is clear how the programme will work, who deals with participants, how problems are dealt with, and how the placement is followed up (e.g. through feedback to the participant) are all-important to ensuring the success of the programmes. This also involves making clear how the links with HR will work. One of the areas where there have been issues in the programmes so far is in ensuring that participants are given feedback quickly about their performance during the placement and, if appropriate, at interview for a role at Marks & Spencer. Clarity about responsibilities should help prevent people falling into gaps.

“Management was not as involved as it should be. It meant that staff had to keep going back to Head Office for guidance and support. There could be more on-site knowledge and capability to bend the rules and apply discretion around the programme.” *Ready for Work Store Co-ordinator*

Managing expectations, communicating successes

The success of the programmes needs to be more widely publicised throughout the company (where success is seen as the taking up of employment by a participant), and staff expectations of potential success levels also need to be managed.

Many staff felt that a lot of the effort expended by Marks & Spencer was not resulting in employment of any individuals, despite employment being offered. One store commented that the failure to record a success has had a mildly negative effect on staff attitudes towards the programme and therefore could potentially threaten its future success. Where successes did occur, morale significantly improved.

“We need to do more communication, the HR manager knew about it but often the line manager didn’t know about what we were doing and why, and that could cause problems. The reason this time was that we didn’t have enough notice so didn’t have time to engage them – buddies need a network of support as much as the participants.”

Ready for Work Store Co-ordinator

“...[it is] really nice when somebody is taken on afterwards, the participants integrated really well into the store, it made a big difference being able to offer employment at the end of the programme.”

Young Unemployed Programme Buddy

Internal Marks & Spencer strategy

At a more strategic level, the programme would benefit from being more firmly embedded within daily operations and the HR processes and procedures of Marks & Spencer, more effectively supporting the participants as well as maximising the benefits to the company.

Daily priorities are determined by workload and the needs of the business. If the programme is not central to the needs of the business, it is likely to be low down the list for a busy line manager seeking to ensure that everything else gets done. That can mean a participant gets less support than he might need. Communicating the benefits of the programme to Marks & Spencer, as well as how it will work on a daily basis through a more structured placement, would help managers prioritise the scheme as important to the business and to employees – benefiting the participants. This has worked well in other employer-led schemes such as those run by Tesco in building stores in deprived areas and making effective training a business priority (see Appendix 5).

Business benefits

Tying the programme to HR procedures would also benefit the company. In both programmes, many very successful placements fall at the last hurdle because of inflexible recruitment processes. There is a strong argument for examining these processes to ensure that there are opportunities for good candidates to apply for employment in a fair competition.

Some agencies felt that there had been too much delay in providing candidates with the reasons why they were not successful in applying for a position, particularly those who applied to Marks & Spencer. The adverse impact this can have upon the confidence of a candidate was seen to potentially address the positive influence of the placement. Improved HR processes could counteract this. Most of those interviewed also wanted better corporate guidance for all those involved in the scheme, but with room for local flexibility.

Linking the programme to HR would also help ensure that it better met one of its objectives: to provide new sources of recruitment for the company. Ultimately participants would like sustainable employment, so this is a win for them as well as the company. Other leading retail organisations are developing impressive reputations for innovative ways of recruiting new staff because they have found that ‘mainstreaming’ CSR achieves great benefits for participants as well as the business. For example, B&Q and Asda are celebrated for their campaigns to recruit older workers, and Tesco is feted for its hiring of the long term unemployed. However, recruitment did not usually feature as an issue for the Marks & Spencer stores who ran the Ready for Work and Young Unemployed Programmes to date:

“Recruitment wasn’t really the reason we got involved, we don’t have many problems with recruitment in a lot of our stores, not the ones where we had the programmes this time round. We do have some problems in London suburb 1 and London suburb 2, where unemployment is almost nil and we have real problems getting staff. But people didn’t want to travel that far.” **Ready for Work Manager**

Some stores did time the scheme to maximise business benefits. For example, one of the young unemployed pilots was timed so that it ended when the seasonal employment was being undertaken, meaning that immediate vacancies were available. However, the majority did not use this opportunity to maximise their labour pools.

“We don’t have many problems with recruitment in a lot of our stores, not the ones where we had the programmes this time round.”

Young Unemployed Programme Store Co-ordinator

It is also worth noting that in some stores there was scepticism as to the length of time needed for the programme to produce such benefits, ‘it will be a while before they get results...’. These benefits are less evident currently due to the low numbers of participants who are offered employment and take up employment. Nonetheless, the experience of other programmes suggests that this is a key strategic area where Marks & Spencer could reap benefits from the programme and for the participants – and this should also be embedded in the communications strategy.

Programmes as suppliers of people

There is another important argument for integrating the programmes into Marks & Spencer’s HR function. The selection process and the pre-placement work with various voluntary sector partner agencies is of crucial importance to the overall success of the programme. Just as Marks & Spencer works well with its other suppliers (of goods, services and people) so it needs to develop a professional, high-quality business with its suppliers of the ‘hard to help’.

In both programmes we looked at, the placement is purposely designed as a short period of work experience for those that are deemed closest to job readiness but that are still from a background with multiple barriers to taking up permanent work. As important is the selection of individuals who are actively aware of both Marks & Spencer as a company and the retail sector as a potential area of employment.

Getting these initial stages working well is as important to Marks & Spencer as any of the company's typical relationships with 'suppliers'. Throughout its history this is something that the company has been known for doing very well and for building long term relationships with organisations in its commercial supply chains.

"It seemed a shining example of what later became known as stakeholder capitalism, a method of doing business that benefited customers, suppliers, staff and shareholders in equal measure... M&S has always been famous for its unique relationships with British suppliers."

Head Office Programme Manager⁶⁶

This long-term approach has been at least partly transferred to the way that Marks & Spencer has operated with partners in the Ready for Work and the Young Unemployed pilot. This is undoubtedly a good thing. For one, Marks & Spencer has always worked successfully and fairly with its suppliers – and two, has always had high demands in return. It is appropriate that where Marks & Spencer has invested in the services provided by partners – for instance by providing funding for named members of staff to co-ordinate involvement and referral – that high standards of pre-placement activity are required in return.

Because Marks & Spencer has fastidiously defended its reputation for both quality and service, it cannot afford to compromise either when it offers people the opportunity to work as frontline staff. Indeed if this were the case then the main reason for boosting the employability of participants – the successful completion of a placement at a reputable and exacting employer – would be undermined. This would be a major mistake, just as it would be if Marks & Spencer were to accept inferior service from any other type of supplier. For this is perhaps the most important quality that a private sector employer can bring to this kind of scheme – the ability and commitment to offer as real an experience of 'work' as is possible. This is what Marks & Spencer is best at – and not at providing some kind of transitional or sheltered approach. There are

other organisations who have been purposely established to do that in different and more effective ways.

So to do what Marks & Spencer does best and to capitalize on what it can give to participants, it must be as rigorous and demanding in its relationships with partners as it is with any other of its suppliers. In the long term this will be of most benefit to the organisations and to the participants themselves. In the operation of the programmes and pilots, Marks & Spencer has been aware of this important aspect and relationships with partners have – and continues to – evolve as a result:

“Yes, we have high expectations but we give a lot back – BiTC now have a full time co-ordinator because we’ve funded them – and it’s the same with other partners. Then they all provide a much better ‘service’ or referral procedure. M&S does have a reputation of being very demanding with its suppliers commercially – and this might have come across with some partners but (they) have become much more professional as a result.” **Head Office Programme Manager**

While it is of the utmost importance to get this expectation in place amongst partner/suppliers, and also to make the placement as real as possible, it is also clear that Marks & Spencer has also attempted to be both flexible and supportive with participants on their placements. To some extent this replicates the support and assistance that all new recruits to the company receive and it does follow induction and initial training procedures very closely. This too is to be applauded – but so too is the decision to implement and fully support the ‘buddying’ system which is also a vital part of the overall programme.

**External
strategy and
working with
other agencies**

The links between the programme and other agencies, whilst praised by interviewees, were also recognised as somewhat patchy. There was some lack of clarity about roles, with the result that participants would sometimes get lost in the confusion.

BiTC is currently piloting various forms of post-placement support, including networks, and linking in government agencies to the Action Day that follows the placement. This is important work and to be commended. But there also needs to be more work to include government and voluntary agencies all the way through the placement, making roles and responsibilities clear to all involved. This is no easy task, given the plethora of agencies and the complexity of the issues facing many of the participants. It is, nonetheless, crucial to the success of the programmes. Marks & Spencer has taken a lot of responsibility onto its own shoulders – and is to be commended for doing so. For *Marks & Start* to achieve bigger wins, however, two things need to happen.

First, Marks & Spencer and BiTC need to share some of their lessons learnt with other agencies, and work together to tackle obstacles encountered. Specific lessons from the Ready for Work and Young Unemployed Programmes for Marks & Spencer when working with BiTC and other agencies are that:

- Travel to work issues should be taken into account when selecting participants and advising Marks & Spencer about who could work in which store;
- Information about participants' background, where this is not confidential, could help buddies support them more effectively.

Second, there needs to be much closer strategic working with other agencies to plug the *Marks & Start* programmes into existing public policy frameworks. This is primarily a job for BiTC, as the link between the employer and Government; and the relevant Government agencies themselves. The next section sets out some of the key public policy challenges encountered, and outlines some possible solutions.

5 *Marks & Start* and public policy

So far the report focuses upon learning from the experiences of Ready for Work and the Young Unemployed Programmes to make recommendations for Marks & Spencer now it is developing the programmes into *Marks & Start*. However, the programmes also highlight wider issues about the interface between government and employers in addressing worklessness issues.

Examining the contribution that the programmes make to the labour market challenges and public policy frameworks identified in the first half of the report, this section concentrates on three key issues. It begins by placing the two programmes – and *Marks & Start* as a whole – within the context of changing debates about CSR. It then moves on to discuss how the programmes could be better integrated with existing Government programmes, particularly in the area of benefit rules and movement into work.

**Corporate Social
Responsibility:
Building in, not
bolting on...**

“You are here today because you believe that business also has a responsibility to play a role not just in the traditional marketplaces of our country but in the real life neighbourhoods and communities in which you find your employees and your customers – how corporate self interest and corporate social responsibility are not irreconcilable opposites but can move forward in unison.

...An initiative that began by focusing primarily on businesses giving money away is now widened to include issues of how companies make money. Companies setting up in deprived areas, recruiting the local unemployed and at one and the same time creating profitable local enterprises and bringing the out of work back into work.

In this way every business in the country will be helping to forge the new enterprise culture that we want to see, tapping the immense skill and entrepreneurial talent that exists in Britain to the benefit of us all – corporate social responsibility not just about ‘doing the right thing’ but a core part of improving our competitive edge.” **Gordon Brown**⁶⁷

This vision of Corporate Social Responsibility, set out by the Chancellor, resonates with The Work Foundation's definition of 'new-style', progressive CSR. It is about interaction with both internal and external stakeholders, embedding CSR in the way a company does business to maximise benefits to customers and clients, employees, suppliers, the community and the environment.

Many in the business community welcome this continued growing together of socially responsible business activity and human resource processes within companies. CSR in this guise is becoming an increasingly important technique for addressing demographic changes and consumer and employee demands. Building CSR into the day-to-day life of the workplace – its corporate DNA – benefits businesses and communities alike. Understood this way, CSR is not just about 'doing good things'. It is about 'doing the right thing' – for the organisation and the wider community.

This approach is still not widespread but is slowly catching on, with *Marks & Start* aiming to 'mainstream' CSR. However, it is important to note that analysis of the pilot programmes conducted so far suggests that more could have been done to build it further into the DNA of the business. Currently too many employees see the programmes as old-style CSR programmes, rather than offering any tangible business benefits in the form of buddy development or increased customer satisfaction – and this can mean the scheme may inadvertently be sidelined during busy periods. Although it is described as having the objectives of benefiting participants and store employees, and providing Marks & Spencer with potential sources of recruitment, it currently exists in separation from similar HR processes. This makes it more challenging to integrate the programme, and the people, into the day-to-day activity of the company.

Pulling the programmes together into *Marks & Start* will help this integration and the importance of moving *Marks & Start* from old-style to new-style CSR – from CSR to HR – is acknowledged in many of the

improvements that Marks & Spencer has already identified for the programme. HR processes, for example, are being evaluated to ensure that the programme is supported well enough, and a national internal communications initiative is being rolled out for the February launch.

The company is also ensuring that when moving to embed CSR more effectively in the organisation, the 'social' responsibility is not lost; this is no 'hire-and-fire' organisation and there is a clear commitment to continuing to roll out the programme regardless of changes in the labour market.

As the previous sections make clear, effective integration will be crucial to the success of all the programmes and communications and HR processes need to be effectively planned and implemented. There are also implications for wider strategies of integration outside the company walls. Connections between *Marks & Start*, government and other agencies need to be made stronger and more effective.

Good work One of the key reasons why the Government should be much more proactive about making effective connections between programmes like *Marks & Start* and its own initiatives is the quality of work that Marks & Spencer provides. One of the challenges that the New Deal programme has faced is the quality of opportunities that participants are encouraged or compelled to take up. The work may not be challenging, may be poorly paid, and there may be few or no ways of progressing beyond the job they are currently doing. This has been identified as one of the reasons for the high turnover of New Deal participants (Section One).

Marks & Spencer is one of the employers who should be encouraged to engage with these issues. It has job opportunities that are relatively well-paid and have good benefits, and it is an employer committed to training, development and progression. The *Marks & Start* schemes are not simply offering some work experience – it's good work experience, with the potential for people to move onto jobs that could go somewhere. Nor, as stated above, will Marks & Spencer suddenly

withdraw their resources from the programme faced with a downturn; CSR is being integrated into HR processes without losing its core purpose of benefiting a wide range of internal and external stakeholders.

This approach and the quality of the work is not something that the government can take for granted. Government should work harder at joining up with *Marks & Start* and similar employer-led programmes to ensure more excluded individuals benefit from the opportunities they offer.

Joining up

To help *Marks & Start* perform to its full potential and integrate effectively with other programmes and agencies trying to do the same thing, Government agencies should work harder to integrate *Marks & Start* with existing strategies, particularly New Deal. This will be a challenge for Ready for Work, where a full joined-up policy framework does not yet exist. As Government sources make clear, the key here is to be aware of who else is operating, and liaise with them appropriately.

Where there is a worked-out policy framework to plug into, such as the New Deals, it is essential to avoid duplication of effort. The Young Unemployed Programme and the other elements of *Marks & Start* are mirrored by one or other of the New Deals, and in many cases by smaller area-based or group-based projects as well. As Section One makes clear, most of these programmes already have a good track record. Later in this section, we make some suggestions about how that might happen.

There is only so much a single employer can do to deliver this. As the intermediary between Government and Marks & Spencer, BiTC needs to take the lead – with JobCentre Plus and other Government agencies – to plug *Marks & Start* into these larger policy frameworks.

Marks & Spencer takes on an unusual amount of work during this programme – voluntarily and to its credit – but this can mean increased workload for some individuals. It may need to either get more support externally, or ensure that this extra workload is factored into how the

programme will operate. It is also crucial that line managers and other managers support the programme. BiTC may also need to do more to co-ordinate with government and voluntary agencies who can support individuals before, during and after their placements.

“BiTC do give the stores someone to ring if people don’t show up. However this number may not always be given to the right person so the buddy might not have it or the store manager might not have it, and so they don’t get in touch with them and they get lost.”

Ready for Work HR Manager

If the programmes evolve to start working with the harder to help, coordinated planning will be essential as well.

Who is helped?

The programmes we evaluated provide a valuable service for some who are a long way from the labour market. However, it is important to note that those who are selected for the programmes are not the very hardest to help. A primary concern for the safety of the customer means that selection criteria for participants, who are screened by the voluntary agencies recommending them to the programme, include being on Job Seeker’s Allowance (JSA) and being treated for any drug and alcohol programmes. These are people who may be suffering from a number of problems, but are relatively close to the labour market.

This means that the emphasis is upon raising aspirations: successful applicants to the scheme are those who are quite close to the labour market but may be struggling with problems of low self esteem or concerns about entering or re-entering the labour market. Tackling longer-term employability issues is not intended to be a core feature of the projects: giving people a second chance is.

“[The programme is about]... more than equal opportunities, because everyone gets a chance almost regardless of their past.”

Young Unemployed Programme Store Manager

Measured against wider objectives, the selection criteria are very supportive of government and voluntary agency work to reduce homelessness where the main need of the individual may be for greater self-esteem. However, they may be less effective at helping young people achieve sustainable employment if not better combined with other elements of the welfare to work agenda.

The benefits trap

The impact of benefit regimes is a specific area where the organisers of *Marks & Start* will need to work especially closely with others. The 'benefits trap' is a term that has cropped up frequently during the research for this report. Issues of benefit receipt and non-receipt appear to have impacted not only on the initial design of the schemes, but also most dramatically on the participants who are trying to combine the work placement (or the taking up of any subsequent job offers) with existing benefit claims.

The benefits trap in action: an example

Let's return to Sam Ogunde in the BBC's *'Headhunting the Homeless'* documentary. After being in foster care and temporary accommodation for many years and at the time of filming living in a hostel paid for by a range of benefits including JSA and Housing Benefit, it is clear that moving off them would represent a massive personal risk for Sam.

The nature of the benefit trap for Sam becomes clear after he has finished his work placement. Following his failure to turn up for work on the second day of his placement, his experiences improved quickly. By the start of the placement's second week he is serving customers, handling money, operating tills and he is eventually offered the job full time. It all looks rosy for Sam.

However a couple of months later he is only working part time and only for two days a week as this is the maximum permitted under the benefits system's sixteen hour rule. Despite only working part time, his attendance is not good. He is worried about many aspects of working – but above all the risk of losing his hostel place – his home – because

working full time will mean that he is no longer entitled to Housing Benefit and therefore not to the hostel place. As a result he complies with the 16 hour permitted work rules and stays put. This is as a result of him consciously calculating his existing and potential incomes (£4.75 an hour at Prêt) and the risk for him is too much.

His manager at Prêt à Manger is naturally disappointed:

“The solution would be for him to be allowed for a certain amount of time to actually work with us as a team member. If the government would allow him for maybe three to six months to actually come back to work – not to play at coming back to work.” **Brigitte – Prêt à Manger Store Manager.**

Existing benefit restrictions

For *Marks & Start*, the issues will be much the same. Participants and organisers face a number of benefit-related obstacles to the success of the programme. Benefit issues affect both the length and quality of the placement, and the chance of moving into work at the end of it. This is partly to do with time – placements running for more than a few weeks run the risk of being classified as ‘work’ and subject to loss of JSA or Income Support. Similarly, if placements are classified as ‘work’, the 16 hour rule vastly reduces the amount of time participants can spend with the employer. It is also to do with money – we know that JSA may be clawed back, but a much bigger problem for those offered jobs by the store is a reduction in Housing Benefit. This will cut the extra money gained from getting a job, and may wipe out the gains from work altogether.

At the moment, a *Marks & Start* placement will be classified as ‘voluntary work’. Benefit rules state that there are no limits to the amount of voluntary work that benefits claimants are allowed to undertake, provided that:

- You are still looking for work as agreed with your adviser;
- You can be contacted quickly if the chance of a job comes up, you are willing to go for an interview within 48 hours notice and able to start

work within one week;

- You do not receive any pay other than to pay for expenses like fares or special clothing you need for the voluntary work.

And voluntary work can be pretty much anything. As Jobcentre Plus rules make clear, unpaid or voluntary work can be anything from being a good neighbour to working with charities or other organisations such as social services departments. Volunteers give their time without pay, but they may get reasonable expenses. But there is a further clause that may limit voluntary work for employers that usually pay for employees:

- It is reasonable for the person or organisation you are doing the voluntary work for not to pay you... If it is unreasonable for them not to pay you, we will reduce your JSA by an amount you could expect to be paid for the work you are doing, even though you are not being paid. You must tell your Jobcentre Plus office or Jobcentre if you do any voluntary work. You must also tell us if you are paid in any way. This includes things that are sometimes called payments in kind, which could be something like meal vouchers.⁶⁸

In other words, although participants, managers and organisers favour extending the length of placements, there is a strong incentive not to do so. Longer placements may be construed as free labour, and participants penalised as a result. Or if the placement is extended past the two week mark, the 16 hour rule means participants will work part-time, at best, minimising the employability benefits from taking part in the first place.

For those who successfully land a job once the placement finishes, there are further obstacles in their path. Reduction or elimination of Housing Benefit appears to be the biggest barrier at play here. This is not surprising: firstly, it is usually one of the biggest payments in terms of financial size, but secondly it is apparent that many recipients see the risking of their housing benefit payments as the risking of their home – for those without a permanent place to live, this is potentially a massive

barrier to taking a job when the placement finishes. The unemployment trap still exists – as Sam Ogunde found to his cost.

Ways forward

Benefit traps are perhaps the single biggest barrier to success faced by *Marks & Start* and programmes like it. So what can be done to dismantle some of these obstacles? How can placements be made longer, and how can people be more easily encouraged into work?

The placement

It is worth pointing out that not all participants need more than a couple of weeks in store before becoming ready for work. As several store co-ordinators and buddies have remarked, they do begin to see a marked improvement in participants' effectiveness and standards of work by some point in the second week of their placements. This also applies to most new recruits joining the company in normal circumstances. So it follows that the individual is getting closer to a reasonable state of employability or job readiness and that an employer – whether Marks & Spencer or another organisation – should be ready to employ and pay them appropriately for their work. It is after all the exact purpose of the programme from the point of view of both Marks & Spencer and the participant.

The question does remain though about those people who have yet to really show such competencies or proficiency by the end of their two-week placement. Some will inevitably require a longer time; more attention, more training and mentoring and more support. As the current rules apply and as the programme is currently set up, it is almost impossible to provide this.

One way forward here is to more formally link *Marks & Start* into Government programmes such as New Deal. Since participants are JSA recipients, it ought to be possible to allow those finishing a two-week placement to stay on, extending the placement by treating it as a New

Deal Option. The Office of the Deputy Prime Minister's Homelessness Directorate is already developing this idea, working with the Department for Work and Pensions to allow local easing of JSA conditions, to allow the placements to be extended up to 13 weeks.⁶⁹

As might be expected, the idea of such a scheme has been bandied about in the past, although usually framed in a more punitive manner. In the run up to the 2001 General Election, *The Guardian* reported that a new benefits regime for the homeless was under consideration. According to plans at the time, drug addicts and the homeless were to be rounded up by benefits advisers for the next and most radical changes to the Government's New Deal scheme. Furthermore, hostel places for rough sleepers were to be made conditional on such people joining job-preparation schemes. However, at the time these proposals came up against severe internal criticism and were dropped:

"You have to get people away from drugs and their problems before trying to get them to work. Forcing them on to the New Deal will not necessarily achieve this. What we need to look at for this group is something like a pre-New Deal programme to address their needs, in order that they can get enough of their lives sorted to start even thinking about work." Louise Casey, the Government's homelessness tsar

Nearly four years on, the Government's various New Deal programmes have continued their success with various participant groups on the fringes of the formal labour market, but not yet with the homeless. So, more does need to be done if there is to be greater sustained success with people at risk of homelessness. A more transitional approach to participants after completing their placements and before taking up permanent full time employment is required.

Our research suggests this change is essential if *Marks & Start* is to fully achieve its stated objectives. The strands of work need to be more joined-up with external agencies: this is the crucial link to be made.

The job

Even if *Marks & Start* participants find a job, it is not always certain to be worth taking: Housing Benefit clawback can eat into the gain from working. The new Employment Tax Credit now subsidises all low-paid employment, but even this may not be enough. Clearly, the better paid the job, the less chance of this unemployment trap closing shut. Marks & Spencer is doing its bit here: entry-level positions with the organisation pay at the upper end of the expected scale, with a range of side benefits. Tackling worklessness is not just about providing work, it is also about providing work worth having.

But this is only one side of the story. If Sam Ogunde had had a job with Marks & Spencer, perhaps things might have been a little easier. However, he still would have faced other benefit rules seemingly bent on making it impossible to move into employment. Changes to Housing Benefit rules to date have concentrated on reducing the perceived risk of taking a job; for example, new regulations allow claims to be suspended when someone moves into work, minimising disruption and loss of benefit if the job does not work out. But although the Housing Benefit system is currently under review, the basic problems with the system remain – as do the inbuilt disincentives to move into work. Housing Benefit stands as the last major benefit trap in the UK. It is holding back Marks & Spencer, other employers, New Deal and the whole Government programme for full employment. Most importantly, it fails the workless and the homeless – the people it is supposed to help. Effective reform cannot come quickly enough.

6 Conclusions and recommendations

The evaluation of the Ready for Work and the Young Unemployed Programmes provide a number of varying lessons, but two principal conclusions. Firstly, they prove that there is a pressing need for this kind of activity – there are still far too many people excluded from the mainstream economic and social life of the UK and far too few private sector opportunities for such individuals. Secondly, the experiences thus far from the wide range of pilots and programmes reminds us that working with the hardest to help is exactly that – there are no magic wand solutions to these deep seated and longstanding problems.

Marks & Spencer should be applauded for what it is trying to do. It is one of the UK's most high profile employers and it has the capability of offering opportunities in just about every part of the country including in some of the most deprived parts of our towns and cities. And its high profile should help focus the wider public's as well as more employers' attention on the economic and social problems that we have described in this research report.

There is though a key lesson for Marks & Spencer as it formally launches *Marks & Start*, a greatly expanded programme. That is that the company must work more closely with the Government departments and agencies that are trying to solve the same problems. And of course the same must be said for the Government – it too must learn from these experiences and look to maximising the opportunities that the scheme presents. The simple reason for this is that more people amongst the groups targeted by both Marks & Spencer and the Government (and they are the same) will benefit. That has to be a good enough reason for both sides.

Key points There are other important learning goals for both the Government and Marks & Spencer. We have tried to list as many of them here as possible. In terms of a key recommendation for Marks & Spencer (and for anyone else working with these participant groups) it is clear that although the actual placement works very well, more thinking is required in the

referral process and in the period that follows both successful and unsuccessful placements. An impressive number of participants (over one in three) are finding work either at Marks & Spencer or with other employers as a result of the programme. But more needs to be done for those that don't quite make the grade, those that drop out of the placement or that conclude it successfully but fail to find work. All of their expectations will inevitably have been raised and their fragile confidence temporarily reinforced. The case of Michael Brown – the man featured in the BBC's *'Headhunting the Homeless'* documentary, should serve as a salutary warning.

Post-placement support is vitally important if the huge personal strides forward are to be sustained. Practically, this can take the form of continued learning, further development and ongoing support. Marks & Spencer don't have to do any of these things but it should try to make sure that one of its existing or potential partners does.

This is where the Government should come in. Marks & Spencer is committing considerable effort and resources to the programmes – and yet it is clearly prepared to do much more given the considerable expansion planned for *Marks & Start*. But the programmes all need to 'dock' more effectively into the mainstream employment and training programmes that are operated by the Government largely through Jobcentre Plus.

Much frustration has been expressed by both participants and providers about the so-called 'benefits trap' during the interviews and research for this report. As we have seen in Section Three, this trap manifests itself at two main points during the scheme; during the placement because of the ambiguity over what constitutes voluntary work and for how long individuals might be allowed to do it, and also at the end of successful placements where both employers and participants want to move into formal employment. Sam Ogunde's experience at Prêt à Manger is highly relevant here. Expecting someone at severe risk of homelessness,

who has never worked before in his life, to risk their home is a very big expectation indeed. In fact for Sam and for many others like him, it is clearly too big a thing to do. To risk something that provides the majority of the security in their lives for a workplace that they have little or no experience in is simply unrealistic.

So what should be done? Of course, the Government and Jobcentre Plus are already doing a great deal – as are a plethora of other voluntary, public and private organisations. The New Deals have become increasingly flexible and a host of participant and area specific programmes have also been gradually introduced such as StepUP, Employment Zones and Action Teams For Jobs. There should be little doubt that if the various stakeholders in types of schemes such as *Marks & Start* want to reinforce their success they need to work much more closely with both Jobcentre Plus and the Department for Work and Pensions.

But it should be remembered that for the vast majority of the time, both Jobcentre Plus and Marks & Spencer is trying to do the same things for the same people. The Office of the Deputy Prime Minister and the Department for Work and Pensions are already looking at ways to better manage the transition of people from homelessness to full time work. This should be welcomed. There have also been changes to the Permitted Work regulations and to Housing Benefit – indeed it is likely that there will be more to come.

Nevertheless, there is a strong case to do more – perhaps even to consider a New Deal for the Homeless. So much of what happens on the *Marks & Start* programmes and on those run by Business in the Community are strikingly similar to the guiding principles of New Deal; intensive pre-employment training, ongoing advice and support, learning programmes, work placements and a framework of rights and responsibilities. Even the success rates of the programmes are broadly similar. It is also true that people on JSA who are at risk of homelessness are far less likely to be successful within existing New Deal programmes.

However, more does need to be done if there is to be greater sustained success with people at risk of homelessness. A more transitional approach to participants after completing their placements and before taking up permanent full time employment is required. This applies particularly to the regulations governing the receipt of housing benefit. Greater flexibility is required if these prompts toward self-sufficiency and social and economic inclusion are to be successful.

A tapered 'tailing off' period of around three to six months should be allowed in housing benefit claims particularly where participants are living in homeless hostels or other forms of sheltered accommodation. During that time participants should be required to work closely with a personal adviser (as well as a workplace buddy or mentor), demonstrate an acceptable work record and continue to participate in appropriate training and development. Opportunities for improving basic skills and for vocational learning up to Level Two of the National Framework are available through the Department for Education and Skills' recently published Skills Strategy. All of these activities will push participants closer to their goals of sustained employment.

In the case of other programmes within *Marks & Start*, similar partnership approaches with Jobcentre Plus should be considered. There are already New Deals in place for young people and single parents and the flexibilities in both are far greater than when either programme was initially launched. Marks & Spencer has the opportunity to further synchronise its already successful programmes much more closely with these other mainstream schemes and services or with other partners and providers such as the Prince's Trust who are already doing so. If this happens both Marks & Spencer and Jobcentre Plus will achieve even more than they are currently doing.

RECOMMENDATIONS

Main Policy Recommendations for Marks & Spencer The scheme has clear benefits for staff, participants, stores and customers and some innovative practice. Many areas for improvement have already been identified internally – and are being dealt with as *Marks & Start* is rolled out. However, there are a number of specific lessons from our evaluation of Ready for Work and the Young Unemployed Programme:

Day to day practice

- Provide guidance on structuring the placements so participants and buddies learn specific skills;
- Establish clear selection criteria for buddies;
- Provide clear guidance for buddies and line managers on their roles in relation to the participants;
- Communicate to HR and buddies which skills buddies can develop during this challenging role, to feed into buddies' performance reviews;
- Effectively communicate the benefits of the programme to buddies and to stores;
- Manage expectations and communicate successes across the company.

Internal Marks & Spencer strategy

- Embed the programme more firmly in daily operations and HR processes and procedures of Marks & Spencer, to help more effectively support the participants as well as maximise the benefits to the company;
- Evaluate HR procedures in the light of the programmes to ensure Marks & Spencer can fairly recruit successful participants;
- Time *Marks & Start* programmes strategically to coincide with potential periods of recruitment;
- Be as rigorous and demanding in relationships with partners supplying participants as Marks & Spencer is with other suppliers.

External strategy

- Establish clarity about the roles of agencies in the programmes;
- Marks & Spencer and BiTC should share lessons learnt from these

programmes with other agencies and work together to continue to improve outcomes;

- Government and BiTC should work harder to plug the new *Marks & Start* programmes into existing public policy frameworks.

**Main Policy
Recommendations
for Government:
(ODPM, DTI,
HMT, DWP and
Jobcentre Plus)**

The Government's welfare to work programme has made great progress, but a number of new challenges are now becoming clear. Key new and emerging issues are:

- a) the need to do more to move 'hard to help' groups, such as the homeless, towards the labour market;
- b) the need to help people stay in work, not just get back into work; and
- c) urban areas suffer particular employment problems that require further, targeted solutions.

Lessons learned from the Marks & Spencer programmes as well as the research about worklessness issues suggests that government should:

- Broaden concepts of 'employability' along the lines above;
- Ensure that policymakers and employability programmes recognise and take these new challenges on board;
- Recognise the challenges employers face when trying to engage with these issues and with existing policy frameworks and agencies. Lessons should be learned from the experience of Ready for Work and the Young Unemployed Programme and the Government should look at how existing New Deals and other welfare to work programmes can best work with *Marks & Start* programmes at both local and national levels;
- Do more to make sure that mainstream programmes such as New Deal are compatible with employer activities such as *Marks & Start* – demand led programmes must be more 'weighty' within design of such programmes. Government agencies such as Jobcentre Plus need to engage with employers on such programmes more consistently;
- Consider piloting or launching a New Deal for the Homeless, in partnership with employers like Marks & Spencer, in order to test the effectiveness of a tapered scaling down of Housing Benefit receipt in the 3-6 month period following a successful placement;

- Make clear the benefits implications for employers and participants of the status and length of voluntary work placements (this may link into recommendation above);
- Do more to encourage employers to react appropriately to demographic change and varying labour market pressures according to location.

Recommendations for employers

Engaging with broader, more diverse labour pools can help employers to prepare for the consequences of demographic change. Employers considering CSR programmes may wish to learn lessons from Marks & Spencer's experience but ensure they make efforts to design and develop individual programmes according to sectoral and geographical needs.

Appendices

Appendix 1 Homelessness in England, Autumn-Winter 2003

Statutory homelessness: Local Authority applications from eligible households

	Households found to be:										
	Total	Unintentionally homeless and in priority need			Intentionally homeless and in priority need			Homeless but not in priority need		Not homeless	
		<u>Numbers</u>	<u>Numbers</u>	%	<u>Numbers</u>	%	<u>Numbers</u>	%	<u>Numbers</u>	%	
1997/98	243,730	102,430	42	5,060	2	57,130	23	79,110	32		
2001/02	256,050	117,810	46	8,570	3	54,910	21	74,760	29		
2002/03	279,480	129,700	46	10,000	4	61,850	22	77,930	28		

Source: ODPM

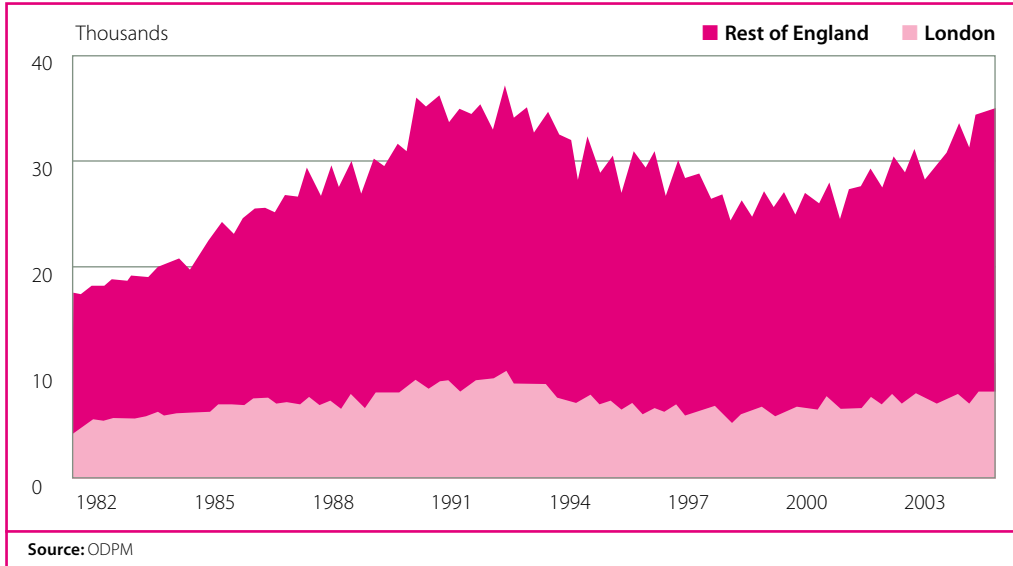
Reasons for homelessness: Households in priority need, by reason for loss of last settled home

Total	Relatives/friends no longer able or willing to provide accommodation		Relationship breakdown with partner		M'gage arrears (%)	Rent arrears (%)	End of assured short hold tenancy (%)	Loss of other rented or tied housing (%)	Other (%)	
	<u>Parents</u>	<u>Other</u>	<u>Violent</u>	<u>Other</u>						
	1997/98	102,430	16	11	18	7	6	2	14	9
2001/02	117,810	19	15	15	7	2	3	15	7	18
2002/03	129,700	19	16	14	7	2	2	14	6	21

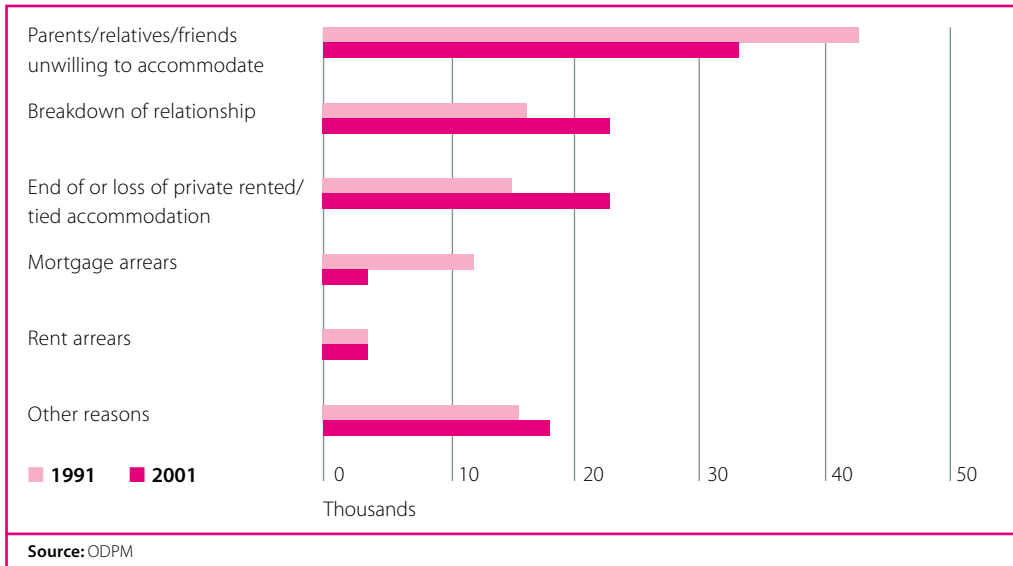
Source: ODPM

Appendix 2 A picture of homelessness in England, 1982-2003

Households accepted as homeless and in priority need, England, 1982-2003



Households accepted as homelessness: main reason for loss of last settled home, 1991-2001



Appendix 3 Business-led regeneration: Tesco and Asda

Tesco and Asda have been leading some of the most sophisticated recruitment and training programmes seen in recent years. Their groundbreaking programmes attached to newer stores in places such as Hulme and Eastlands in Manchester, Seacroft in Leeds, Dragonville in Durham and St Rollox in Glasgow, have set new records for offering jobs to the long term unemployed.

“At first sight developing new stores is not necessarily commercially attractive. Costly land reclamation, high unemployment, a poor skills base and inadequate levels of public transport provision all make it more difficult to sustain a return on investment.”⁷⁰

Both supermarket groups have understood that conventional recruitment patterns often do not fit with people’s circumstances and expectations, such as caring responsibilities, disabilities and travel problems. Skills are a problem too, and not just for people who have been out of work for many years. Much of the UK’s adult population suffer from low levels of basic skills. One in five adults within the workforce have major problems with reading and writing.⁷¹

Many people working at these new stores face severe barriers in trying to move into work. Making the transition – sometimes called ‘heavy lifting’ because of their distance from the labour market – can involve overcoming these barriers: basic skills problems, poor language, self esteem, caring responsibilities for families or older relatives, lack of transport, unreliable (and sometimes non existent) work histories, criminal histories, people on incapacity benefits or with permanent disabilities or learning difficulties and so on.

Both Tesco and Asda have addressed these inherently low levels of skill and trust during their first stages of engagement with their various communities. By building appropriate partnerships through simple and fundamental commitments, they have made their intentions clear from the very beginnings. For example, the Employment Service (now Jobcentre Plus) and a local training provider have always had a pivotal role.

Together these three partners have put together intensive training programmes with a job guarantee. It is something simple and tangible for even the most cynical local resident; do this training and we will guarantee you a job. There is no ambiguity, no reason for misunderstanding, the message represents a simple agreement. With the greatest respect for government programmes such as the New Deal, this is not something that people will have come across very often. They will have been used to something far more vague; a possibility of a job; one that they will know nothing about; where it is, how much it might pay or how long it might last.

However, the learning programmes are in no way a small undertaking for either the participants or for the supermarkets. It probably takes about as long to build the employees as it does to build the store. The learning programme is a considerable and long-term commitment and no one suggests that it will be easy for anyone. Programmes typically include elements such as a basic skills assessment and training,⁷² screening by Jobcentre Plus, food hygiene, first aid, retail legislation, team working, sales skills, customer care, complaint handling, assertiveness and presentation skills.

Both companies have impressive promotion records and this too is a compelling element of the job guarantee; it is not likely to be a dead end job where you will be stuck as a shelf stacker for all of your working life. At Tesco's Seacroft store in Leeds, recent evidence suggests that up to 19% of these recruits are either training for more specialist positions or have now been promoted to more senior jobs.⁷³

Appendix 4 Ready for Work: list of participating stores

Ballymena
Bangor
Belfast City Centre
Birkenhead
Birmingham
Bootle
Brighton
Bristol
Cambridge
Cardiff
Darlington
Folkestone
Foyleside
Harbourne
Hyde Park DC
Leeds
Lisburn
Liverpool
Manchester
Metro Centre Gateshead
Newcastle
Newry
Newtonbreda
Nottingham
Sheffield
Southport
Sutton Coldfield

Dublin

Mary St
Grafton St
Liffey Valley

London

Bromley
Croydon
Elton
Hammersmith
Head Office
Holloway Rd
Kensington
Lewisham
Orpington
Pantheon/Oxford St
Redhill
Reigate
Sutton
Walworth Rd
Woolwich

Appendix 5 *Marks & Start: other strands*

Overview of the People with Disabilities Programme This programme also follows the broad outline of Ready For Work, and is delivered in partnership with a number of charities working with disabled people; for the pilot, which took place in Autumn 2003, partners were Disabled Go, Leonard Cheshire, Mencap and Remploy. Going forward, *Marks & Start's* partner will be Disabled Go.

BOX 15 The People with Disabilities Programme

- A work preparation course;
- A tailored four week placement with an in-store buddy;
- Debrief with the placement line manager;
- Post-placement employment and training guidance linked to Jobcentre Plus.

(Some participants will be invited to apply for work at the store at the debrief)

Marks & Spencer also provides lunch, a reference on request and a certificate of attendance.

Participating stores and Head Office were audited for accessibility prior to the pilot. Locations included London, Solihull, Croydon, Shoreham, Nottingham, Sheffield and Newcastle. This pilot is not assessed in this report but it should be noted that it performed well when looking at headline statistics. 26 people took part, of whom 4 are now in employment in Marks & Spencer (none found work elsewhere). 22% of completers found a job, as did 17% of those who started a placement. 2/3 of those who applied to Marks & Spencer got hired.

Overview of the School Work Experience Programme Marks & Spencer has run a School Work Experience programme for a number of years but, with the launch of *Marks & Start*, will be focusing more on pupils from disadvantaged areas. 15% of their current placements come from disadvantaged schools and for 2004 a greater number of disadvantaged communities and schools will be targeted to take part. There will also be a focus upon increasing the number of special needs students. Materials for the School Work Experience programme continue to be developed and enhanced.

The programme itself is very structured and all materials used are developed in consultation with teachers.

BOX 16 Experience of Work for School Children Programme

- Assessment of suitability for the programme (e.g. understands the benefits, appreciates the importance of being presentable, punctual, motivated);
- Placements last between 5 and 10 days;
- All pupils have trained buddies as mentors;
- Uniform and meal costs are provided;
- Feedback to all participants;
- Certificate after the placement.

If appropriate, suitable vacancies may also be discussed with the pupils.

Overview of Student Support and Work Experience Scheme This new scheme targets 'first generation' students with no tradition of higher education in the family, and who have an interest in, and aptitude for, retail management. A website is being used for the applications and marketing materials were sent to schools and universities in October 2003. The scheme will also be promoted to those participating in the Experience of Work for School Children Programme and will start in September 2004.

BOX 17 Student Support Scheme

- Financial support;
- Structured and paid vacation and weekend work;
- Mentoring support from a recent graduate;
- Each student will be trained to have generic employability skills as well as being trained to Section Manager level;
- Participants have regular reviews and at the end of the three or four year placement, there will be a final performance review and they may be invited to apply for a permanent position on the Graduate Recruitment scheme.

The scheme will mean that each student will leave university with a strong CV of education and work experience, with the possibility of having a strong application to the Marks & Spencer Graduate Recruitment scheme if they wished to continue working there.

The programme has also built in some flexibility for individuals. Applicants are interviewed at the store most convenient to them and, if successful, will then start work at the store closest to their university. The work schedule will be negotiated on an individual basis and, as the programme supports the individual rather than the course, even if an individual changes university or degree course, they can remain on the scheme, with the sole proviso that the university needs to be close to a store.

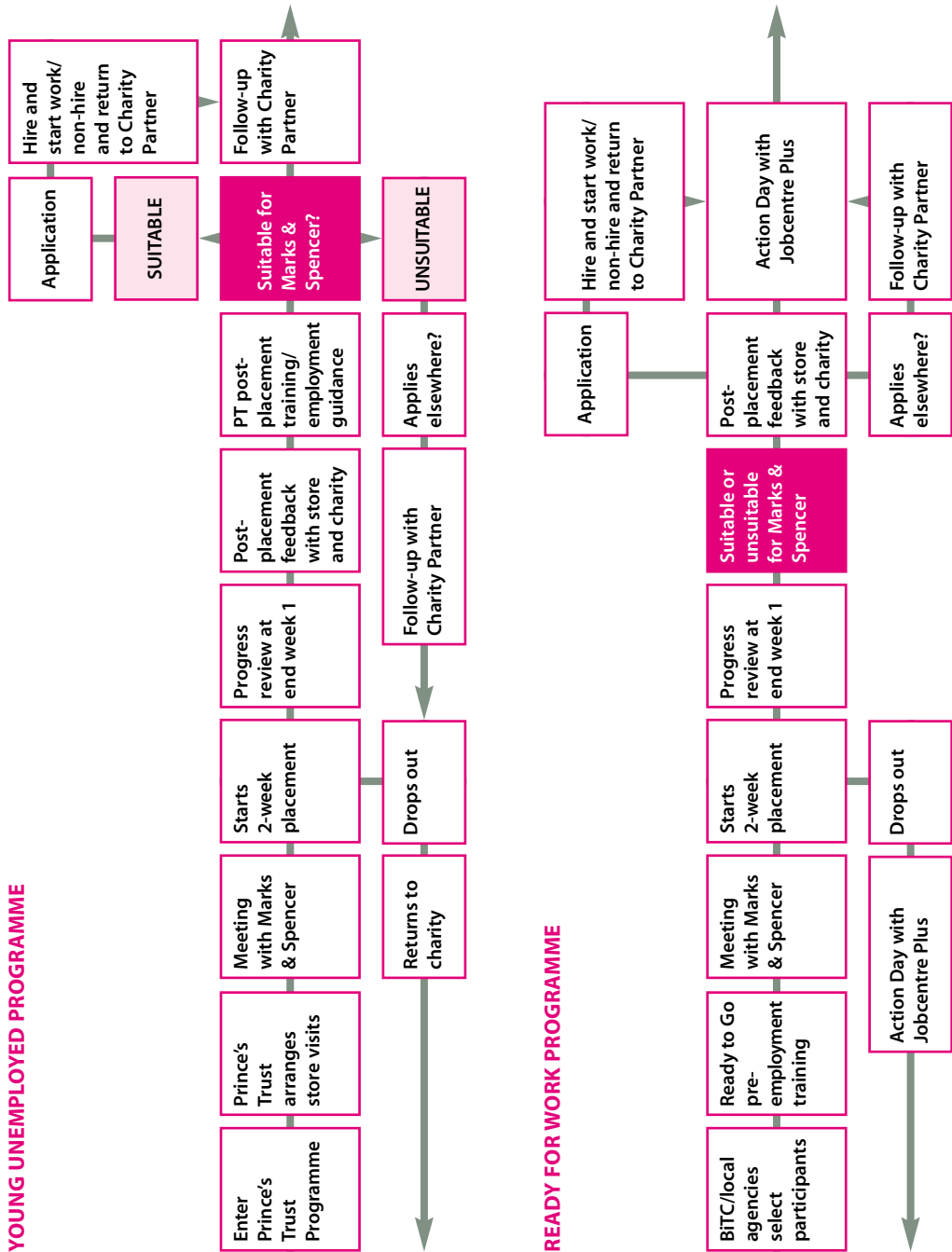
Overview of Parent Returners Programme This is a new programme aimed at parents wanting to return to work, which will be piloted in February 2004 and rolled out in the autumn. Family Business, a joint venture operation between Parentline Plus and the National Council for One Parent Families, have been appointed as the partner organisation for the programme.

BOX 18 Parents Returning to Work Programme

- Work preparation course;
- Information on local childcare support;
- 2-4 week tailored work experience;
- Working parent will act as a buddy for each participant;
- Post-placement link to agencies including Sure Start and Jobcentre Plus for employment guidance after the placement.

The programme aims to rebuild confidence and update skills that may have been lost during parents' time away from the workplace, including self-esteem and confidence building, communicating and negotiating.

Appendix 6 Programme flow charts



References

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- 2 Sen's 'capability poverty' (Sen (1992)).
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- 13 Notes: 1) Claimant count data is for January 2001; LFS data is for year March 1999-February 2000 and is given for all of working age. 2) # indicates figures suppressed for statistical unreliability (data below 6,000). 3) National LFS data is given for October-December 2000. ILO unemployment rate is for those aged 16 or over, and is given as a percentage of all those of working age; employment, economic activity and inactivity rates are for those of working age. 4) Want work data is combined from ILO unemployment figure, plus 30% of the corresponding economic inactivity figure. Rate is given as a percentage of all those of working age in employment.
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- 41** White and Riley (2002), Riley and Young (2001).
- 42** Federation of Recruitment and Employment Services (1997).
- 43** Atkinson, Rick, Morris and Williams (1996).
- 44** Figures taken from Anderson, Riley and Young (1999); Riley and Young (2000); Van Reenen (2001).
- 45** White and Riley (2002).
- 46** Riley and Young (2001).
- 47** Sam Ogunde, 19, worked at Prêt à Manger as part of the Business Action on Homelessness scheme and was the subject of a BBC2 documentary, 'Headhunting the Homeless' 2003.
- 48** Business in the Community launch June 2002.
- 49** In personal interview.
- 50** Improving employment options for homeless people.
- 51** Interview with Jo Pyres of Business in the Community.
- 52** Winmark research (ibid).
- 53** Interview with HR co-ordinator in a Ready for Work pilot.
- 54** Ready for Work co-ordinator, London.
- 55** All names have been changed.
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- 66** Research for Marks & Spencer.
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