REASONS TO BE CHEERFUL

Job outcomes, 2012-2013
Family Mosaic: an introduction

Family Mosaic is one of the largest housing providers in London and the South East.

We provide affordable homes to rent and buy as well as care and support services to thousands of people who need extra support.

We have around 23,000 homes for rent and serve more than 45,000 people.

We provide a range of opportunities for our customers such as training, employment and access to learning.

We partner local communities to make our neighbourhoods better places to live.

www.familymosaic.co.uk
In April 2012, we said we would support 1,000 people into work in three years: so how are we doing?

In 2012, we launched Health, Wealth and Wellbeing, our manifesto for change through housing. Central to this was a commitment to helping those in greatest need, while recognising that part of our role is to help them move on with their lives and ambitions.

In practice, this means supporting more residents into work, so they have choice in the future.

We stated that we would support 1,000 people to get into work in three years. This report explains how we’ve done so far, and the lessons we’ve learned.
SUMMARY

Between April 2012 and March 2013, we supported 301 people into work. From web designers to trainee plumbers, care assistants to engineers, every job represents a step away from a life of dependency.

When we examine the data relating to these new jobs in more detail, we can identify a number of trends.

First, unlike many mainstream services, our proximity to our customers enables us to engage with a diverse client group. Over 70% of those supported into work were of BME origin.

Secondly, investing into employment programmes yields tangible benefits. When we placed dedicated employment coaches in a borough, we saw a higher number of job starts compared with employment coaches working across multiple boroughs.

Thirdly, this investment does not have to be costly. The Government’s Work Programme pays providers £3,800-6,600 per job outcome for general needs customers and over £13,000 for some care and support customers. Our costs were £1,907 per job outcome.

Fourthly, these jobs have resulted in benefits for our customers, for us, and for the Treasury. The average salary of people we supported back into work was over £18,000; this compares favourably to the minimum wage (£10,740) and the London living wage (£16,450). All of those employed full time were on a salary above the minimum wage. Over half were on a salary above the London living wage.

The tangible benefits for us can be seen in the impact on rent arrears: 42% of tenants we supported into work decreased the amount of rent they owed to us. With more earning potential, and our support in financial management, we believe these rent arrears will be further reduced over time.

Finally, there is the impact on the public purse: we estimate that the net benefit from supporting 301 people back into work is between £1.5 and £2.2 million a year, from an initial investment of around £575,000 a year.
301
This report analyses data for customers who we supported into work between April 2012 and March 2013. It explains the nature of our relationship with these people, their gender, age and ethnicity, as well as the types of jobs they have found and their average salary levels.

Between April 2012 and March 2013, those who we supported could be split into these groups:

- 201 Employment Team customers;
- 61 apprentices;
- 19 care and support customers;
- 20 customers through our subsidiary, Charlton Triangle Homes.

A word, here, about the data that has been used in the report. As a result of data recording and storage issues, the majority of the information and analysis contained in this report is drawn from 214 of the 301 employed customers.

We believe that these 214 people represent a statistically significant data set in order to identify trends from this programme.
We supported a variety of individuals into work. While our primary focus is our tenants, their spouses and dependants, and our care and support customers, we also supported people who are not our tenants.

As shown below, the majority of the 301 people we supported into work were tenants, their spouses or dependants. The latter are mainly apprenticeships, which are another key focus of our employment work.

Figure 1: Relationship with Family Mosaic
Just under 60% of our tenants are female. Usually we attract more women than men to our employment service. This year, however, of those who we supported into work, over 52% were male. This might partly be explained through the higher amount of males who are placed as apprentices.

The majority of our apprenticeship placements were in construction, and this sector tends to attract more males. We have, however, worked hard to encourage more females into the construction sector, and to diversify the sectors in which we offer apprenticeships. As a result, over 25% of apprentices were female.

*Figure 2: Individuals, by gender*
When we examine the ages of those we supported into work, the largest group were 25-50 year olds. As a result of the investment in our apprenticeship services, 19-24 year olds accounted for just under a third of all job outcomes. The 16-18 age group can be low because many are either at college or on government-supported employment programmes. We are now focusing on increasing the number of over 50 year olds we support into work.

Figure 3: Individuals, by age and gender
James is 21 years old. We helped him to get a full time position as a web specialist for a car and jeep dealer in Essex, with a salary of £20,000. James is now part of the team looking after the company’s web site.
WHERE THEY LIVE

Three London boroughs were home to over 60% of those who we supported into work: Southwark, Hackney and Lewisham. Essex was the next highest residence for those we supported into work, most of whom were our care and support customers.

Figure 4: Number of job outcomes, by location

<table>
<thead>
<tr>
<th>Location</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwark</td>
<td>49</td>
</tr>
<tr>
<td>Hackney</td>
<td>47</td>
</tr>
<tr>
<td>Lewisham</td>
<td>34</td>
</tr>
<tr>
<td>Essex</td>
<td>21</td>
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<tr>
<td>Lambeth</td>
<td>12</td>
</tr>
<tr>
<td>Islington</td>
<td>11</td>
</tr>
<tr>
<td>Hammersmith &amp; Fulham</td>
<td>8</td>
</tr>
<tr>
<td>Greenwich</td>
<td>7</td>
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</tbody>
</table>

In addition, 4 people lived in Barnet, Haringey and Waltham Forest, 2 lived in Croydon and Newham, while one person lived in Brent, Kensington & Chelsea and Wandsworth.
When we examine the data in more detail, we can see the benefits of investing into employment services. The three London boroughs where the most people we supported into work lived were Southwark, Hackney and Lewisham. These were also the three London boroughs where we had a dedicated employment coach.

These London boroughs are also three of the top six boroughs in terms of our housing stock. Interestingly, though, Islington, Lambeth and Greenwich – all of which are also in the top six – did not have dedicated employment coaches and had about 30% fewer job outcomes compared to those boroughs with a dedicated employment coach.

<table>
<thead>
<tr>
<th>Boroughs with dedicated employment coach:</th>
<th>% of Family Mosaic housing stock</th>
<th>% of job outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwark</td>
<td>7%</td>
<td>23%</td>
</tr>
<tr>
<td>Hackney</td>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td>Lewisham</td>
<td>6%</td>
<td>16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Boroughs with shared employment coach:</th>
<th>% of Family Mosaic housing stock</th>
<th>% of job outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lambeth</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Islington</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>Greenwich</td>
<td>6%</td>
<td>3%</td>
</tr>
</tbody>
</table>
We believe that having a good job and gaining new skills makes people happier, healthier and wealthier. We believe that, given access to the right support, guidance and opportunities, people can achieve their full potential. We don’t just want to place people into jobs: we’re here to support people as they move on from a life of dependency to a life of choice.

In 2012-13, we radically changed our pre-employment training and developed two core skills programmes: Employment Boot Camp and Get that Job.

**Employment Boot Camp** helps people overcome personal barriers to employment and take the first step towards a healthier and happier life. The programme takes a holistic view of the individual’s personal and professional development needs. Participants are put through an intensive and innovative line-up of workshops for two days a week over six weeks.

Employment Boot Camp is designed to challenge, invigorate and inspire people to change their lives. A third of those who attended the programme have gone on to secure work. The others have made visible improvements to their daily lifestyle and are engaged with our employment support services.

**Get that Job** is designed for our more job-ready customers, in order to give them an all important boost just before they have an interview. The programme is an intensive, three-day course that focuses on helping people with job search techniques, creating a winning CV, successful application forms, as well as mock interview sessions and constructive feedback.

Workshops take place on emotional intelligence, presentation skills, dressing for success, critical thinking and team building exercises. Of those who attended Get that Job courses, over 40% have got a job.

We also invested more resources into ongoing training for over 750 clients in London, Essex and the South East. These courses range from money management and confidence building to customer service and child care, helping many to secure and sustain a job.
BME groups are often under-represented in mainstream employment support, partly because BME users might not understand the support available to them, but also because the support might not adequately meet their needs. There is also an issue of trust. Localised employment support programmes that try and redress this situation usually take a more grass roots approach, working through local community groups to attract BME groups.

Family Mosaic already has an existing relationship with many BME communities, and individuals, many of whom might traditionally be perceived as hard-to-reach. Our use of neighbourhood managers, targeted communications and community open days mean that these relationships have been built on trust and mutual respect.

As a consequence, over 72% of those customers who we supported into work were from BME communities. By comparison, of those whose ethnicity we know, under half of our tenants are from BME communities.
Figure 6: Individuals who got jobs, by BME / non-BME ethnicity

- BME: 72%
- Non-BME: 24%
- Not known: 4%

Figure 7: All Family Mosaic tenants, by BME / non-BME ethnicity

- BME: 48%
- Non-BME: 29%
- Not known: 12%
- Refused: 11%
Flo is a refugee. She lost her mum when she was very young, has no siblings, and no idea where her dad is. After graduating from university with a civil engineering degree, we supported her to find an apprenticeship as a trainee site manager.
Our investment in our apprenticeship team was not just about creating a dedicated team. We also formed partnerships with key agencies to maximise apprenticeship opportunities for young people. By tapping into our networks, we were able to contact over 600 young people.

Those who expressed an interest were then invited to take part in a pre-apprenticeship programme of interviews, workshops and work trials. As a result, we could guarantee employers that the apprentices were not just committed, but understood how an apprenticeship worked. And we could better match placements that were mutually beneficial to both the individual and the employer.

During the year, 61 young people were placed onto apprenticeship placements, including some at Family Mosaic. Most national schemes have a drop-out rate of 30-70%. During the year, our drop out rate was just 8%: five people left their placements. Of these, however, three have already been placed in new roles and are doing very well.

Our focus is that our apprentices benefit not just professionally, but also financially. Over 40% of the apprentices were earning twice the minimum wage for apprentices.

**Figure 8: Salary levels of apprentices**

- **Over £7.70 per hour**: 10%
- **£5-7.70 per hour**: 31%
- **£3.60 per hour**: 52%
- **£2.65 per hour (minimum wage for apprentices)**: 7%
We wanted to ensure that those who we supported back to work didn’t just take any old job. Many employment providers concentrate solely on getting people into a job, regardless of suitability. It might mean more job starts, and temporarily take people off benefits, but often it leads to a failure to sustain employment, serving only to demotivate people in the long-term.

The combined annual income of the 214 people for whom we had data was over £2.5 million (see methodology, page 6).

When we examined the salary levels of those who were working full time – excluding apprentices – the average salary was over £18,000. This compares favourably to the minimum wage (£10,740) and the London living wage (£16,450).

In fact, all of those employed full time were on a salary above the minimum wage. And over 50% of those living in London were on a salary above the London living wage. The highest salary achieved was £36,000.

At the end of the year, we phoned our customers to verify the data we held on them. Of those we were able to speak with, 80% reported that they had been in work for longer than three months.

The majority of those not in work had either re-engaged with our employment service, or have decided to go into training and to gain the qualifications they require in order to get a higher paid job in the future.
Figure 9: Salaries of all those employed full time
Alisha always dreamed of being a nurse. Now, with our support, she’s found a job near to her home in Southwark, a job that’s full time and that pays £25,000 a year. Her dream has come true.
WHAT THEY DO

The types of jobs we helped people to find were varied. As might be expected, the number of retail and hospitality jobs was high, as many positions require limited experience and no qualifications. Similarly, the number of building or construction jobs was high, with many of these being apprenticeship positions.

There were also a high number of admin positions (18%), helping people to get onto the job ladder so they can gain experience to get a better job in the future. It should also be noted that 5% of the jobs obtained were in management positions.

Figure 10: Job outcomes, by employment sector

NB - Building and construction has been shortened to ‘building’
In the financial year 2012-13, Family Mosaic spent £574,161 on its employment service. For the 301 job outcomes, this works out at £1,907 per job outcome. We consider these as job outcomes once people have been in work for longer than three months. This figure of 301 people includes apprentices, as well as care and support customers.

How does this compare with mainstream providers if we use the same methodology? In June 2011, the Government launched the Work Programme. This initiative is delivered by a range of different organisations. Payments are made to these organisations in a series of stages: initially when people sign up to the service; thereafter, when someone has started and stayed in a job for either three or six months.

Estimating how much each job outcome costs is tricky. Since its launch, over £736 million has been paid out to contracted providers. In the same period, there have been 320,862 job starts. This equates to a cost of £2,293 per job start (see graph on next page). But these do not necessarily equal sustained employment.

So how can we measure the costs of the Work Programme for each job outcome? During the same period, there have been 132,000 job outcome payments to providers. So the cost per job outcome (defined here as someone being in a job for more than three months), is £5,575 (see graph on next page). This figure may reduce over time.

To try and ensure that these organisations help as many unemployed people as possible, the Government has set different levels of payments for job outcomes, depending on the type of person who has been supported.

If an employment service supports a 18-25 year old who is in receipt of Job Seekers Allowance (JSA) into a sustained job (one that lasts for more than three months), this will result in a payment of £3,810 to the provider. For an over 25 year old on JSA, the payment increases to £4,395 per job outcome. These figures are also shown on the graph on the next page.

Perhaps we are comparing apples to pears, but it’s a start and we will continue to analyse, share and discuss our findings.
Figure 11: Comparative costs per job outcome

£5,575: cost per job outcome on Work Programme

£4,395: job outcome payment on Work Programme for over 25 year old on JSA

£3,810: job outcome payment on Work Programme for 18-25 year old on JSA

£2,293: cost per job start on Work Programme

£1,907: cost per job outcome (Family Mosaic)

WITH OUR SUPPORT, DOREEN GOT A JOB AS A PART-TIME NURSERY MANAGER, WORKING 18 HOURS A WEEK SO THAT SHE CAN STILL PICK UP HER OWN CHILDREN FROM SCHOOL. NOW, SHE’S EARNING OVER £15,000 A YEAR.
THE WIDER BENEFITS

There’s two key benefits beyond those that the individuals who have been supported back to work receive. First, there is the benefit to Family Mosaic.

Examining the data for our tenants, we were able to discover that 42% of tenants we supported into work decreased the amount of rent they owed us within 12 months, earlier than anticipated. The remaining 58% have stabilised their rent accounts and we expect to see a positive change after their first year of employment.

Our experience is that when people first go back to work they sometimes have a dip in their income. To support them, we provide further training in, for example, financial management and budgeting. We also emphasise that, unlike those on benefits, they have more future earning potential. We expect to see these rent arrears to be reduced further in the future.

The second benefit is to the public purse. One way of estimating this is by looking at the individual records of each person we supported into work. Using this method, we can estimate that we would have benefited the public purse by the following amounts:

- approximately £900,000 in Job Seeker’s Allowance;
- at least £100,000 in housing benefit;
- an increase in tax and NI contributions of around £500,000.

This suggests that by supporting 301 people into work, we would have made a positive contribution to the national purse of over £1.5 million a year. And this process does not account for a range of other benefit payments, for example, child tax credit or council tax benefits, that may have been reduced.

Another way of working out the wider benefit is by using the Government’s own methodology. The Government’s business case for the Work Programme was that it would generate £1.95 in societal benefits for every £1 spent. They defined these societal benefits (£0.95) as being comprised of £0.70 of benefit savings including unemployment, housing and council tax benefit, and £0.25 in increased tax revenues.
In calculating this figure, those responsible would have used an estimate of overall spending and job outcomes. Unfortunately, these figures are not available. We do know that the cost per job outcome of the Work Programme is currently £5,575, although this is expected to reduce in the future.

Our costs per job outcome are under half the amount of the costs of the Work Programme. Using this assumption, we would argue that for every £1 we have spent, we had generated not £1.95 in societal benefit, but at least twice that amount: £3.90.

Using this methodology, for the £574,161 we invested into our employment programme, we would have generated £2.2 million in societal benefits.

Figure 12: Costs and estimated wider benefits
“Taking part in this programme has been life changing for me – the training I received is exactly what employers are looking for. It gave me that competitive edge I was lacking and helped me get a good job!”

Jude, 26 year old father of two