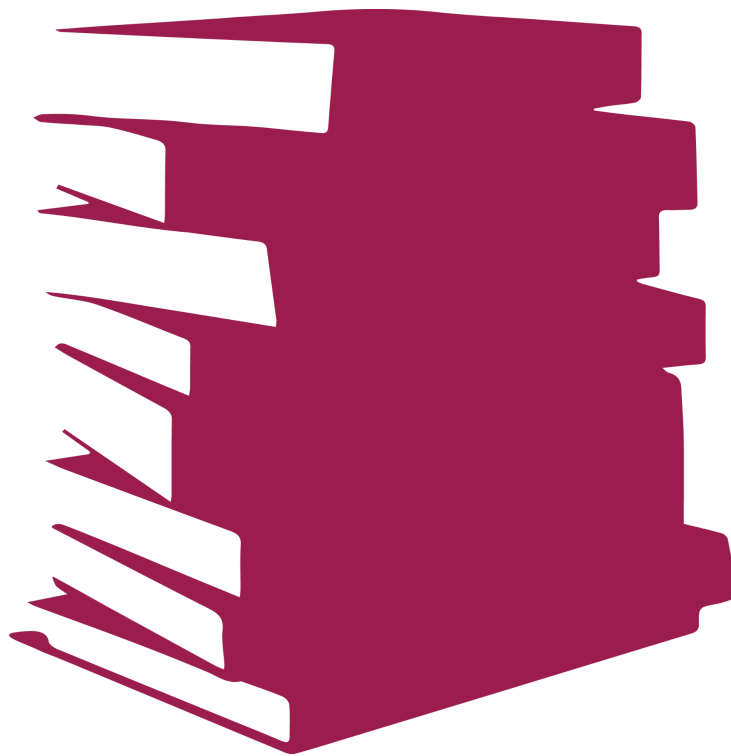


# Levelling up through employment - *Literature Review*

The role of the VCSE in partnership with  
the health and social care sectors



**VCSE**  
health &  
wellbeing  
alliance ■

A partnership project lead by Citizens Advice for the Health and  
Wellbeing Alliance: May 2021



## Content

---

<b>1. Challenge mapping</b>	<b>3</b>
Targeting interventions - people vs places	4
Levelling up through employment	5
Low pay and insufficient hours	7
Worklessness - the scale of the challenge	7
Gig economy	8
The rise of insecure work and low wages	10
‘Gig economy’ - enablers and impact	11
Regional Impacts	12
Cities	15
Towns	16
Coastal towns	17
Barriers to employment - personal factors	17
<b>2. Solutions mapping</b>	<b>21</b>
Contributing economic-led enablers	21
Contributing to a health-led approach	23
The NHS approach to addressing the changing labour market	25
Local recruitment	26
Additional levers	26
Supporting the health and social care workforce	28
Active Labour Market Policy (ALMP)	29
Economic development - focus on productivity	30
Local Enterprise Partnerships focus	30
VCSE role in developing the local economy	31
Apprenticeship take-up	31
Social economy / inclusive growth	31
<b>3. Best Practice and Case Studies</b>	<b>33</b>
Employment advisers in GP surgeries	33
The Inclusive Economy Partnership	33
The Place Board model - divesting local strategic leadership in health and wellbeing boards	33
North East Lincolnshire (NEL) Place Board	34
Bath and North East Somerset neighbourhood development	34
‘Marmot cities’	34
Swindon Borough Council - Multi-sectoral weight management strategy	35
Talent Match programme	36
Business support of apprenticeship take-up	36
Liverpool Life Rooms - integrating VCSE, NHS and local authority services	37

West Midlands Combined Authority - embedding employability programmes within primary care	37
Liverpool City Region (LCR) Wealth and Wellbeing Programme - establishing the well-being economy	38
Community Catalysts - economic development of the social care sector through micro-enterprises	38

# 1. Challenge mapping

## 1.1 The pledge for levelling up - what does it mean?

Levelling up is the catch-all phrase for addressing regional disparities across the U.K. But what does this mean in terms of policy and what, if any, is the unit of analysis?

The regional differences implied vary significantly depending on the economic or social outcomes in question. In terms of the economy and public spending, most official analyses take a regional approach and focus on income and productivity.

There are clear differences in productivity and income across the country. Both gauge prosperity but do so in different ways.

- Gross value added (GVA) per worker measures how much value is created by businesses in a particular area.
- Gross domestic household income (GDHI) determines the share of value created that accrues to households located in that area<sup>1</sup>.

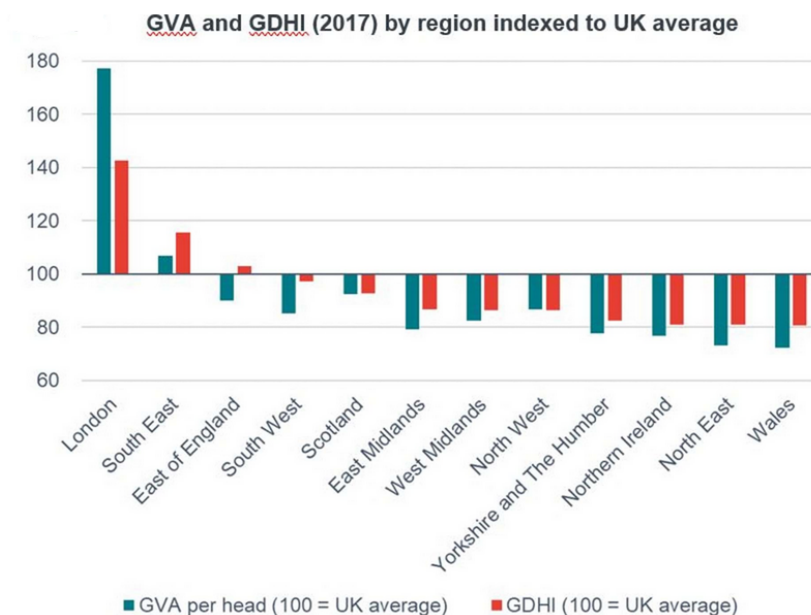


Figure 1: GVA and GDHI (2017) by region indexed to UK average.<sup>1</sup>

Gross domestic product (GDP) per person measures local economic development. However, many areas which perform well on GDP per head actually have low household incomes, so the figures on regional inequalities do not reflect the living standards of those that reside there. For example:

- Belfast and Nottingham have dynamic economies, but also high levels of poverty, reflecting how strong GDP per head figures result from commuters going into the cities for work.

<sup>1</sup> <http://www.frontier-economics.com/uk/en/news-and-articles/articles/article-i7182-levelling-up-getting-it-done/#:~:text=Levelling%20up%20is%20the%20new,for%20ensuring%20effective%20policy%20design>.

- Conversely, there are areas with weak local economies but rich households: Dorset is an affluent county by way of its status as a desirable place to retire to<sup>2</sup>.

Therefore, relying too much on any one measure of levelling up is a risk; more nuanced approaches to policy are required.

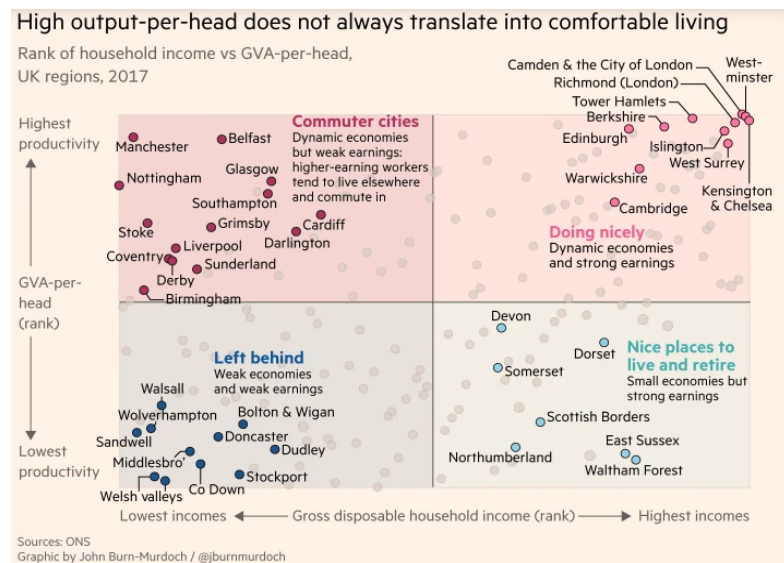
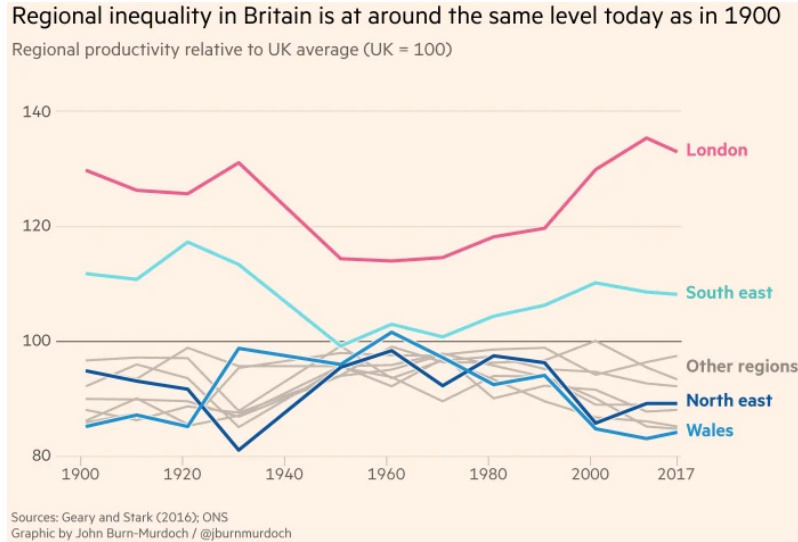


Figure 2a: regional inequality by historic perspective & Figure 2b: Output-per-head comparison.<sup>2</sup>

### Targeting interventions - people vs places

Is it the individuals or the place itself which should be levelled up?

- Policies aimed at improving the places that score low on income and productivity measures are indirect ways of targeting specific people. These would imply the creation of local jobs, and also address immovable factors, such as housing and transport.

<sup>2</sup> [Levelling up: how wide are the UK's regional inequalities?](#)

- Policies aimed at specific people will directly help increase income levels and employment prospects of people living in a particular area, regardless of whether their job is local or not.<sup>3</sup>

The fact that 'levelling up' speaks about north/south divides and 'city versus rural' suggests indirect ways of targeting people (i.e. local job creation, as opposed to commuting to existing nodes of business activity). This posits a greater role for local employers, the Voluntary, Community, Social Enterprise (VCSE) sector and other stakeholders and a more locally varied approach.

If London and the south-east continue to drive job growth, especially high-skilled, high paid job growth, then improving social outcomes will rely on the ease through which people from disadvantaged backgrounds can find work in the capital. Yet the cost of housing, the cost of living and the cost of transport and the competition for work from large-scale migration remain a huge barrier for people from moving to the south-east<sup>4</sup>.

### **Levelling up through employment**

Human capital is a life-long process and a key driver of family income and economic wellbeing. The employment and earnings trajectories that individuals face over their adult lives are linked to the formation of skills during childhood and the continuing investment in skills later in life. But they also depend on labour market conditions and institutions. Labour supply and earned income underpin the standard of living of individuals and their families.<sup>5</sup>

It is worth noting that someone with a higher educational attainment will have, on average, higher lifetime earnings than the same individual with a lower attainment. For example, those aged 26 to 35 years who have a degree will have a 19% higher average human capital than those whose highest level of qualification is higher education, which are qualifications that are higher than A levels but lower than an undergraduate degree<sup>6</sup>.

When looking at further research it will be useful to establish a set of local employment outcomes (for people and place) that can help to demonstrate levelling up. Potential examples:

- People have aspiration and achieve their ambitions by education, training, employment and learning
  - People have enhanced skills, employment prospects and incomes - % in training, education, unemployed people getting jobs or being supported
  - People are working or make progress to finding meaningful employment - see above
- Places have sustainable economic growth for communities and business
  - Places have improved competitiveness and profitable business, providing good quality work - numbers of jobs created through interventions

Alongside a set of population type indicators:

- GVA per head

<sup>3</sup> <http://www.frontier-economics.com/uk/en/news-and-articles/articles/article-i7182-levelling-up-getting-it-done/#:~:text=Levelling%20up%20is%20the%20new,for%20ensuring%20effective%20policy%20design.>

<sup>4</sup> [State of the Nation 2018-19: Social Mobility in Great Britain](#)

<sup>5</sup> <https://www.ifs.org.uk/research/54>

<sup>6</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/humancapitalestimates/2004to2018>

- Business stocks
- Average work based weekly earnings
- Median incomes
- Employment rate
- Welfare spend
- Out-of-work benefits claimants
- Skills attainment levels

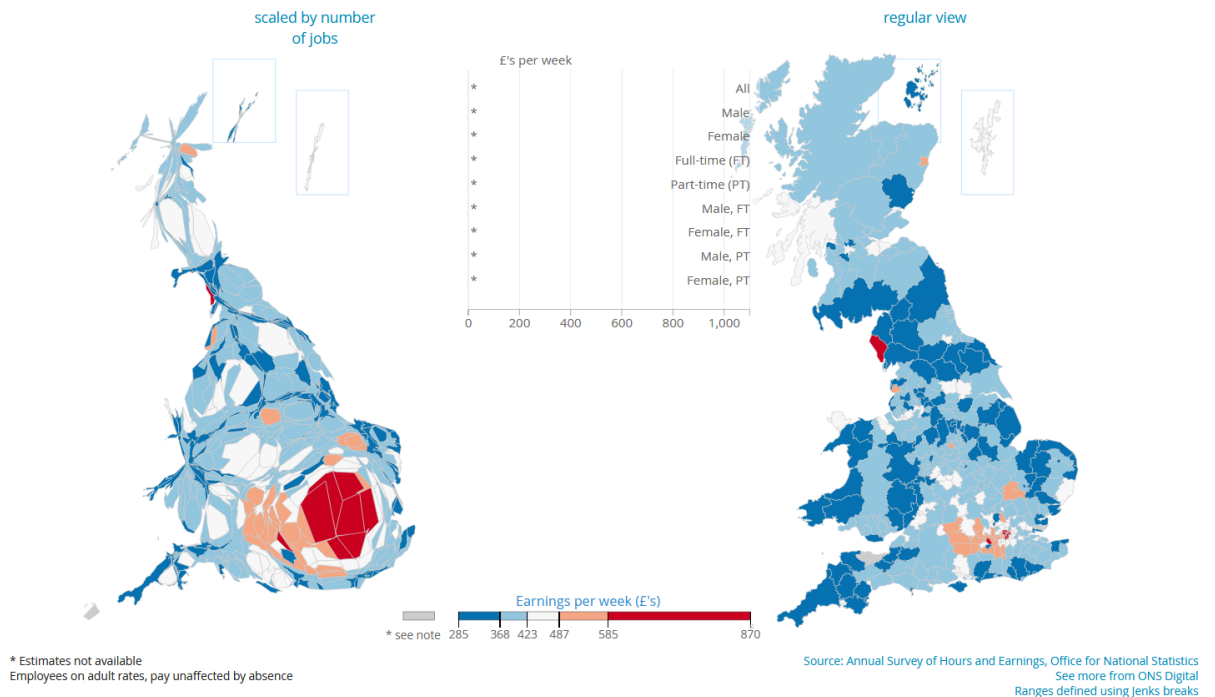


Figure 3: Median gross weekly earnings by place of work, Great Britain, April 2015.<sup>7</sup>

## 1.2 Impact of employment disparities

**Ill-health** - The Institute of Fiscal Studies (IFS) estimates that the fall in employment over the 12 months after the 2008 crisis caused an increase in the prevalence of chronic illnesses in those of working age of around 900,000. IFS evidenced that a one per cent increase in employment leads to a two per cent fall in the prevalence of chronic health conditions among the working-age population. To put this in context, if employment were to fall by the same amount as it fell in the 12 months after the 2008 crisis, around 900,000 more people of working age would be predicted to suffer from a chronic health condition.<sup>8</sup>

**Poverty** - Research from Citizen's Advice<sup>9</sup> shows that the risks of redundancy are not being faced equally. Disadvantaged groups and those with caring responsibilities are far more likely to be facing redundancy than the general population.

- One in four disabled people (27%) are facing redundancy.
- One in two people who are extremely clinically vulnerable to coronavirus (48%) are facing redundancy.

<sup>7</sup> [Annual Survey of Hours & Earnings - Map](#)

<sup>8</sup> [Recessions and Health: The Long-Term Health Consequences of Responses to the Coronavirus\\*](#)

<sup>9</sup> [Demand for Citizens Advice rent arrears advice up 332%](#)

- Two in five people with caring responsibilities (39%), either for children or clinically vulnerable adults, are facing redundancy.
- Three in 10 people with children under 18 (31%) are facing redundancy, compared to less than one in 10 (7%) of those who don't have children under 18. This indicates that women will be disproportionately affected.

The same Citizens Advice study shows those living in the private rented sector are more likely than those living in other household tenures to have been adversely affected, with 36% of private sector renters seeing their income fall by 20 per cent or more.

The precarious position of households coming into the pandemic, coupled with the impact of the crisis, means that a significant rise in the numbers of people living in poverty and destitution over the coming years is highly likely. The National Institute for Economic and Social Research (NIESR) estimates that over one million working age adults will have been forced into extreme poverty during 2020.<sup>10</sup>

### **Low pay and insufficient hours<sup>11</sup>**

- Of all those low-paid in 2006, only one in six made a sustained progression onto higher wages ten years later.
- Over half were 'stuck' on low pay for this period with no imminent prospects to progress.
- Further, low-paid workers face acute problems of large firms dominating in certain sectors.

**Nearly one in six (16 per cent) low-paid workers are employed by just 20 firms, reducing choice and competition for improved job conditions.<sup>12</sup>**

The relationship between low income and poor health is well established. Income affects health through different broad pathways:

- Material: through the ability to afford a healthy lifestyle.
- Psychosocial: through the impact that having insufficient income has on stress levels.
- Behavioural: the material and psychosocial impact of income can lead to maladaptive coping strategies such as drinking and smoking.

### *Risk factors*

- Poor health can also lead to a reduced income, through reduced hours and higher expenses.
- Job insecurity leads to higher self-reported ill-health relative to workers in secure employment. Workers exposed to chronic job insecurity had the highest self-reported morbidity, indicating that job security might act as a chronic stressor.

### **Worklessness - the scale of the challenge**

In 2018, there were five million people in low paid work. In addition, just under one and a half million people are unemployed and another million inactive and not looking for work.

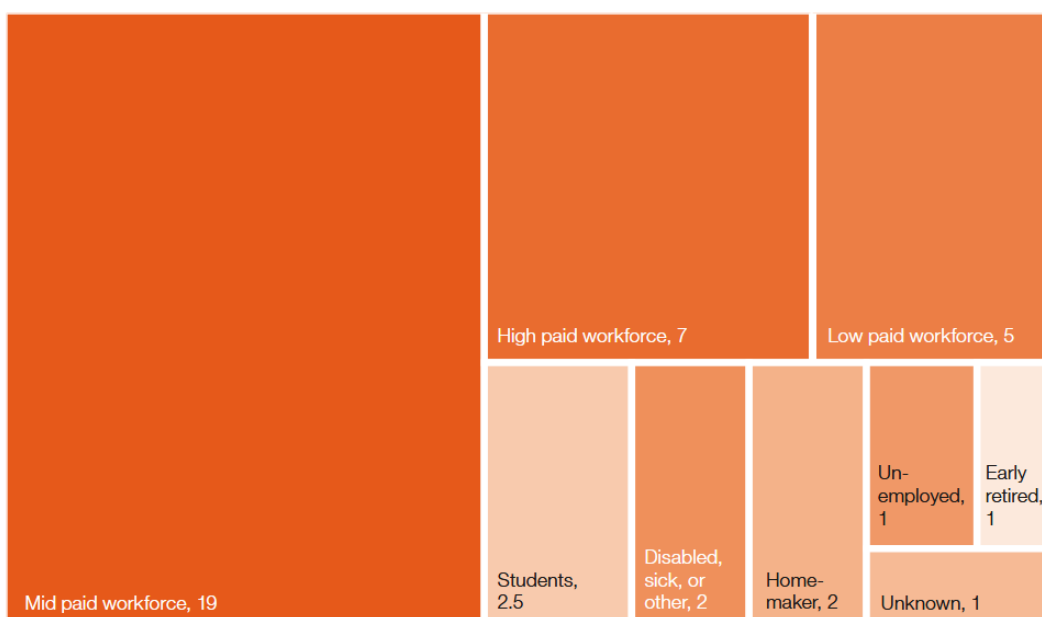
<sup>10</sup> [PROSPECTS FOR THE UK ECONOMY Cyrille Lenoël, Rory Macqueen and Garry Young\\* Section 1. The economic recovery from the Covid-19](#)

<sup>11</sup> [How does money influence health? | JRF](#)

<sup>12</sup> [State of the Nation 2018-19: Social Mobility in Great Britain](#)



### People of working age pay level or status in 2018 (to nearest 0.5 million)



Source: ONS, *Labour market statistics*, December 2018

Figure 4: The pay level (status) of people of working age 2018.

### Gig economy

Because there is no single definition or measurement, it is unknown exactly how many people work in the gig economy, with **estimates varying from 1.3 million to 2.8 million people in 2018**. This is a third to two-thirds of the four million self-employed people who do not employ anybody else, and likely accounts for the majority of the 40 per cent rise in self-employment since 2001.<sup>13</sup>

### 1.3 Causes of employment disparities

- **Disinvestment in adult education for the low paid.** The large volume of Britons stuck in low pay is set against the context of a steady year-on-year decline in the number of those participating in adult education, with a 10 per cent drop in 2017/18 compared to 2015/16. Recent Social Mobility Commission research found that the poorest adults with the lowest qualifications are the least likely to access training; almost half (49%) from the lowest socio-economic group receive no training at all after leaving school, compared to 20 per cent from the highest socio-economic group. This means that those stuck in low pay have fewer opportunities to upskill or retrain.
- **Low uptake of adult learning.** The most frequent obstacles to participation in lifelong learning in 2016 were existing work schedules (59.8%) and cost (45.2%). The lack of flexibility in training opportunities is also a barrier to Adult Learning and Education (ALE) participation.<sup>14</sup>
- **Competition for higher skills.** In the context of automation and technological advancement, the affluent are more likely to benefit from changes that require upskilling. Employers are

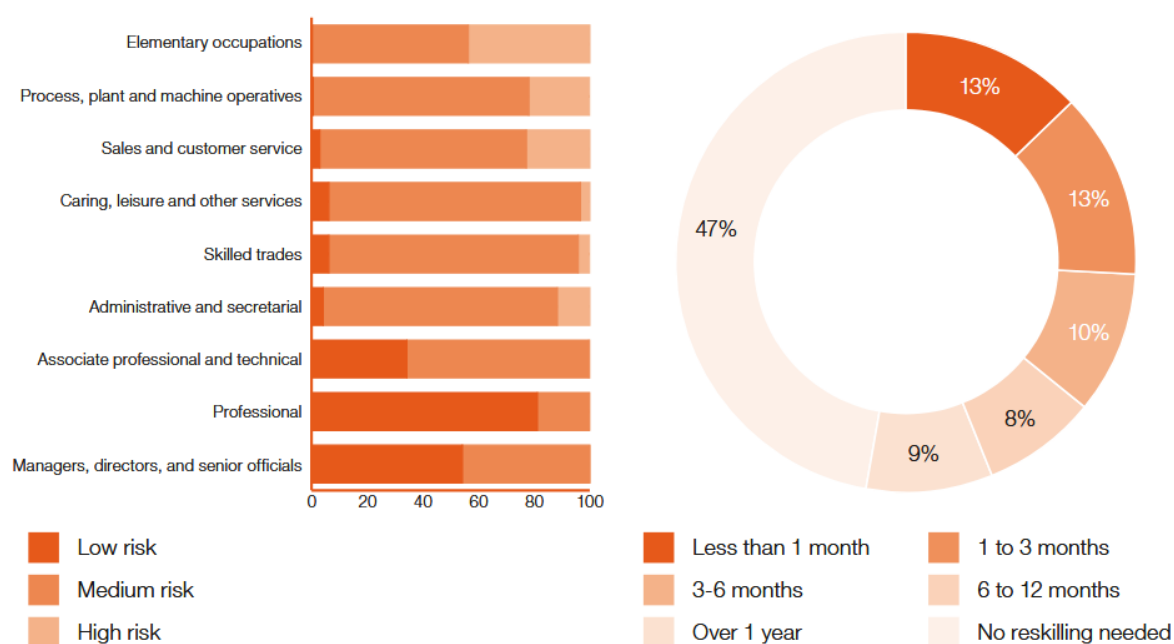
<sup>13</sup> [State of the Nation 2018-19: Social Mobility in Great Britain](#)

<sup>14</sup> [Education for all](#)

more likely to invest in those with higher skills; graduates are three times more likely to receive training than those with no qualifications. Low skill jobs are likely to be easily automated, especially in administration, manufacturing and retail, employ millions and are expected to be lost on a vast scale, as automation increases.<sup>15</sup>

Left unaddressed, this risks leaving people worse off, exacerbating the cycle of disadvantage that is already entrenching poor social mobility generation-on-generation. Unless the U.K can quickly build an adult skills system that enables retraining into medium-skilled work, these changes will inevitably see social mobility get worse as the more educated pull ahead and the low-skilled are left behind, living from vulnerable job to vulnerable job.

**Estimate of reskilling needs by 2030 (left) and estimate of risk of automation by occupation by 2020 (right)**



Source: World Economic Forum, *The Future of Jobs Report 2018*, 2018

*Figure 5: Worldwide reskilling required due to threat of automation.*

The estimations suggest that, among men, more of the relatively young and relatively old respond to higher unemployment rates by withdrawing from the labour market. These groups are likely to find it easier to substitute alternative activities for work or job search, with the young tending to invest in human capital — for example deciding to be students — and the relatively old taking early retirement.<sup>16</sup>

**Lack of targeted support for older unemployed people** to find work coupled with age discrimination in the workplace can also prevent or disincentivise longer working lives. Poor health and caring responsibilities are two of the major factors that push older people out of the labour market. The

<sup>15</sup> [State of the Nation 2018-19: Social Mobility in Great Britain](#)

<sup>16</sup> [Bank of England Quarterly Bulletin 2011 Q1](#)

majority of those leaving their jobs between 50 and 64 move into unemployment or onto disability benefits rather than retirement.<sup>17</sup>

For **women**, participation rates for women peak around the mid-40s at just above 80%, a lower level than for men.<sup>18</sup>

**Ethnic minorities** have also been disproportionately affected. Many BAME groups have younger population age profiles, and are also more likely to work in business sectors shut down due to Covid. Ethnic minority women are more likely to work in sectors affected by the lockdown. And, men in BAME groups are more likely to work in shut-down sectors than women. This is particularly striking for the Bangladeshi and Pakistani groups, with Bangladeshi men four times as likely to work in shut-down sectors as white British men, due in large part to their concentration in the restaurant sector, and Pakistani men nearly three times as likely, due in part to their concentration in taxi driving.<sup>19</sup>

### **The rise of insecure work and low wages**

The recent 10-year update of the 2010 ‘Marmot Review’<sup>20</sup> (Feb 2020) highlights that while rates of employment have increased since 2010, there have been significant changes to the quality of work over the past decade, with serious implications for people’s long-term health. The burden of low-quality work falls disproportionately on certain groups. It is concentrated among those with less education and lower social status. Young people under 25 are particularly badly affected, and there are significant geographical variations.

Britain has long had a problem with ‘sticky floors’ in its workforce; it has poor pay, poor progression and large numbers of low-skilled jobs. There is also a trend towards more unstable (or ‘flexible’) employment.<sup>21</sup>

The Living Wage Foundation estimates that the living wage – the wage they define to be required in order to live a minimum standard of life – is £9.00 across the U.K and £10.55 in London, compared to the national living wage of £7.83 for those over 25. This suggests that thousands of ‘hard-working people’ are still not able to make ends meet. This is in part because minimum wages are not set with an eye to living standards. They are driven by economic theory therefore minimum wages do not always compensate for actual living costs.<sup>22</sup>

---

<sup>17</sup> [Unfinished Business: Barriers and opportunities for older workers](#)

<sup>18</sup> [Bank of England Quarterly Bulletin 2011 Q1](#)

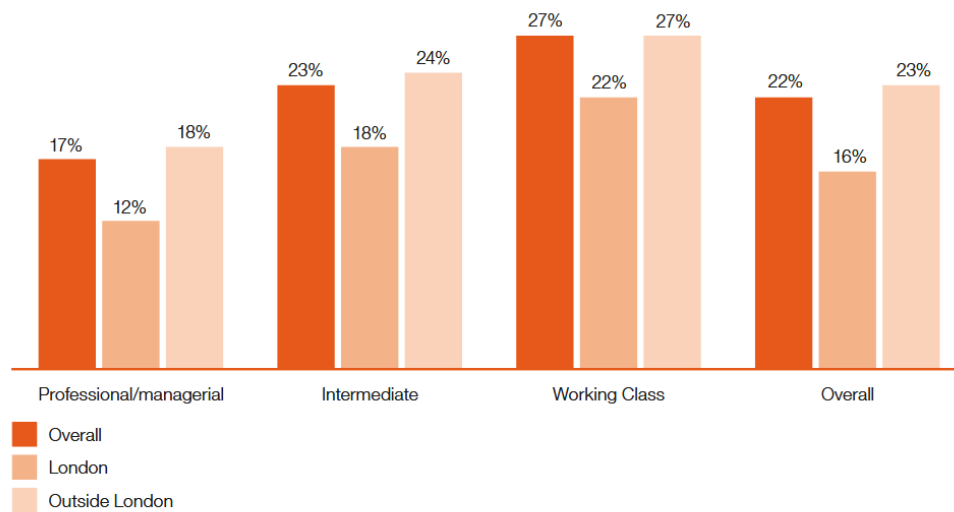
<sup>19</sup> [COVID-19 and Ethnic Inequalities in England and Wales\\* - Platt - 2020 - Fiscal Studies](#)

<sup>20</sup> [Health Equity in England: The Marmot Review 10 Years On](#)

<sup>21</sup> [State of the Nation 2018-19: Social Mobility in Great Britain](#)

<sup>22</sup> [State of the Nation 2018-19: Social Mobility in Great Britain](#)

### Percentage of people earning below the voluntary living wage, by background



Source: SMC analysis of Labour Force Survey, 2018<sup>21</sup>

Figure 6: People earning below living wage in 2018.

The decade of ‘post-crisis recovery’ since 2008 raises serious questions about what decent work is today and who has access to it. Rising employment rates, as in the U.K., often belie increases in

- part-time and short-term work;
- low-paid work;
- zero hours contracts;
- in-work poverty.

This recovery has contradictory macroeconomic implications, since under-employment and job insecurity, compounded by cuts to welfare, have a destabilising effect on consumption, which, in turn, slows GDP growth. In the era of austerity, public service cuts have underwritten a crisis in the provisioning of care needs – of ‘social reproduction’ – the brunt of which is being borne by women, low-income households, and BAME communities.<sup>23</sup>

### ‘Gig economy’ - enablers and impact

The so-called ‘gig economy’ and associated forms of low-paid casualised work, often underpinned by internet technologies, normalise the idea that work is no longer a permanent arrangement; that everyone is or can be an independent contractor, and that a ‘job’ can be broken into tasks to be performed by multiple people.

Under the cover of incentivising flexible working, risks and liabilities are passed from employers to individuals. In low-wage labour markets with low union density, such forms of work can quickly take hold and can accelerate the hollowing out of mid-skill professional jobs, and cement the shift away from the standard employment relationship.

<sup>23</sup> [Labour & Decent Work](#)

The widespread socialisation and acceptance of these trends to casualisation have the potential to fundamentally redefine work throughout all tiers of the labour market and to enable businesses to further bypass the hard-won legal rights and benefits that are mandated to be provided to workers.

Over recent decades, the globalisation of supply chains, enabled by information and communication technologies, new transport systems and transnational corporate governance, have transformed the relationship between labour and capital. In a global economy dominated by large corporations with far-reaching production networks, international governance and regulatory norms have been reshaped to privilege business over workers. To maintain profits in an era of low investment and low growth, powerful downward pressures have been exerted by both states and businesses to cut labour costs and reduce the bargaining power of labour. Legislative efforts to curtail the power of organised labour have contributed to a rapid decline in trade unionism and collective bargaining in most developed economies. Many workers face severe constraints in exerting rights and power.

To the extent that labour supply has been higher among individuals with lower productivity, firms are keen to employ more of these low-productive, low-paid workers, rather than substitute them for more expensive workers or capital.

It has been hypothesised that one reason why the proportion of individuals in work has not fallen further during the most recent recession in the U.K. is because there has been an increase in the proportion of self-employed workers with very low incomes, who may be regarded as the 'hidden unemployed'.

Reduction of actual wages has been caused by:

- a labour market that is now substantially more flexible than it was in the recessions of the 1980s or 1990s. There has been a dramatic decline in trade union membership over the last 30 years, which appears to have made it easier for employers to reduce insiders' wages
- levels of labour supply - there are more individuals willing to work at any given wage, which leads to greater competition for jobs. As a consequence, workers are likely to have lower wages than in the past and seem to attach more weight to staying in work (because their expected time to find another job is longer than in the past) than on securing higher wages.<sup>24</sup>

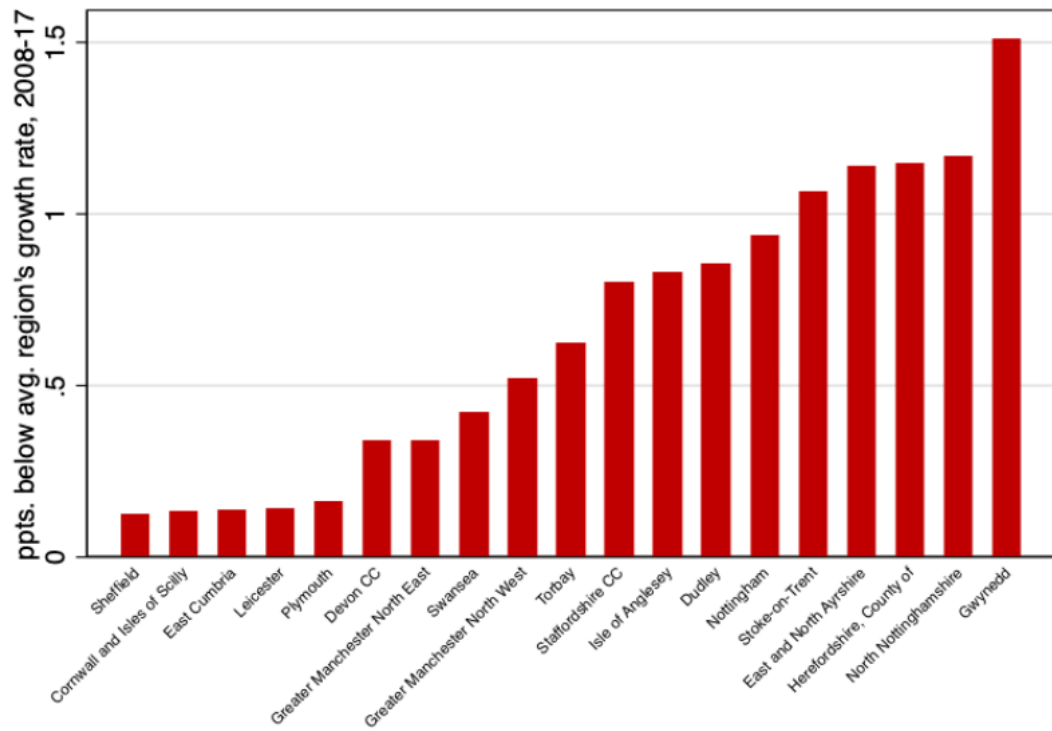
Low-paid work is most associated with retail, waitressing, and residential care, and elementary occupations and agriculture are the worst in terms of work stability and security (vendors, cleaners, porters, waste collectors)<sup>25</sup>

## **Regional Impacts**

---

<sup>24</sup> [What Can Wages and Employment Tell Us about the UK's Productivity Puzzle?](#)

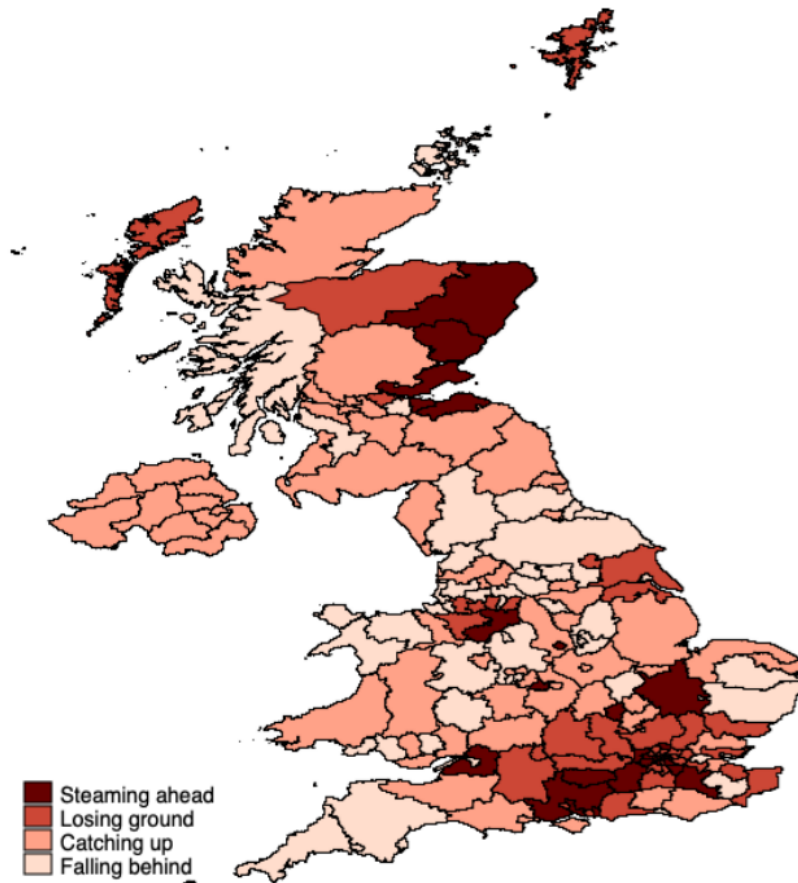
<sup>25</sup> [Promoting good quality jobs to reduce health inequalities](#)



Source: ONS (2019a)

Figure 7: NUTS3 areas falling below regional growth rate 2008-2017. <sup>26</sup>

<sup>26</sup> [UK labour market: January 2019](#)



Source: ONS (2019a)

Figure 8: The Government's 'falling behind' regions

As identified by the Industrial Strategy Council, in Feb 2020.<sup>27</sup>

- “Steaming ahead”: region with above-average initial productivity, and above-average productivity growth.
- “Losing ground”: region with above-average initial productivity, but below-average productivity growth;
- “Catching up”: region with below-average initial productivity, but above-average productivity growth;
- “Falling behind”: region with below-average initial productivity, and below-average productivity growth.

Initial productivity is calculated as gross value added (GVA) per hour worked in 2008. Productivity growth is real growth in GVA per hour worked in the 2008-17 period.

#### **1.4 The predictors of successful economic growth ('levelling up' factors)**

Nearly all places which are 'steaming ahead' are either in the South East, or in the East of Scotland. Most of the places which are "falling behind' are on the west coast or in the north of England. The membership of a place in a broader regional 'club' still appears to be an important determinant of its productivity performance and growth potential. A likely explanation is that these broader regional

<sup>27</sup> [UK Regional Productivity Differences: An Evidence Review](#)

clubs differ in terms of fundamental characteristics, which influence the productivity dynamics of its constituent places:

1. **Workforce attributes** - skills, motivation and health of the workforce that place is able to attract or retain - coupled with good individual health. The cities that experienced the highest population, employment and productivity growth in recent decades were those that had a high share of their employment in high-skill occupations and were able to attract graduates.
2. **Capital and infrastructure** - the machinery, equipment and infrastructure which supports work in a given location.
3. **Geography and local institutions** - inherent characteristics of a location which may be conducive to economic activity, such its location (coastal or inland, remote or central) or local culture.
4. **Sectoral specialisation** - refers to the composition of economic activity which takes place in a given location.<sup>28</sup>

The Industrial Strategy Council, which advises the government, listed several key reasons for left-behind areas:

### **Cities**

Many knowledge-intensive services, including professional, scientific, technical, administrative and support service activities, are concentrated in particular regions, leading to regional inequalities.<sup>29</sup>

High job availability and productivity areas are urban clusters that benefit from the network effects specific to the service economy, resulting in more innovation (i.e. Oxford and London). Increasingly, the age profile of places is polarising, with cities becoming younger, while most coastal towns are growing older. Having a much higher proportion of old people generally reduces the dynamism of areas. Well educated and skilled people have tended to move to the south-east, following the opportunities available, exacerbating regional differences.

---

<sup>28</sup> [https://industrialstrategyCouncil.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review\\_1.pdf](https://industrialstrategyCouncil.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review_1.pdf)

<sup>29</sup> [https://media.nesta.org.uk/documents/Education\\_For\\_All\\_Making\\_the\\_case\\_for\\_a\\_fairer\\_adult\\_learning\\_system.pdf](https://media.nesta.org.uk/documents/Education_For_All_Making_the_case_for_a_fairer_adult_learning_system.pdf)



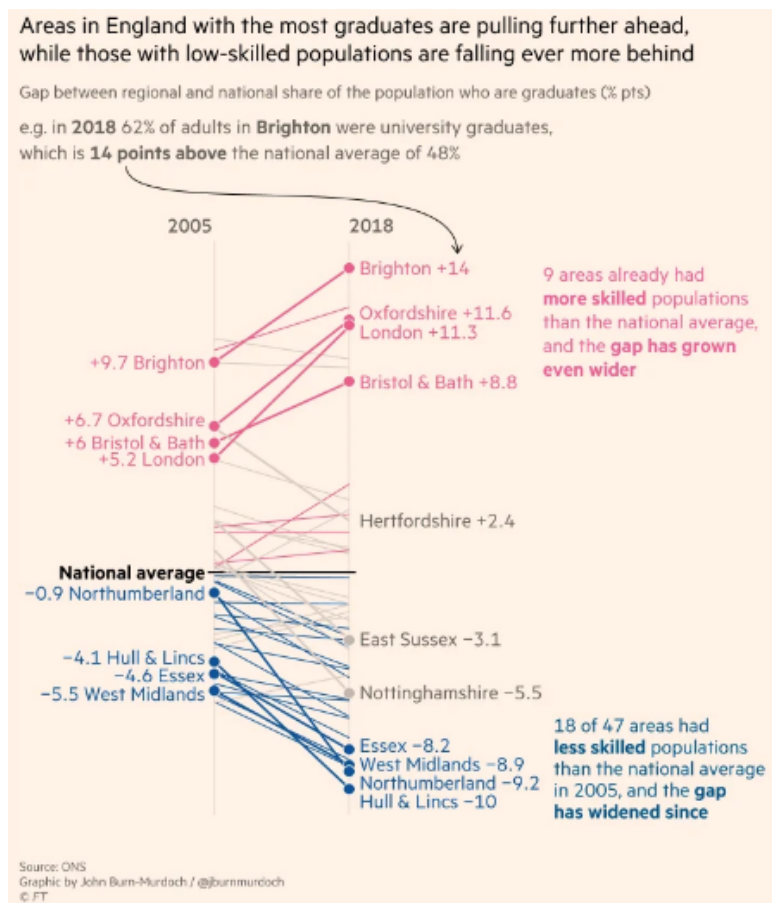


Figure 9: Differentials based on graduate populations.<sup>30</sup>

## Towns

Towns are home to some of the U.K.'s key businesses and employers, host some world-leading universities and are where the majority of the population live. They serve as important centres to their surrounding areas, with shopping and leisure facilities and other services drawing in people from villages and rural areas.<sup>31</sup>

Struggling towns, however, do not always have the fundamental building blocks of a strong local economy in place. The evidence shows they can face some significant challenges:

- an ageing population without the skills necessary to attract new firms
- fewer people going on to and returning from higher education
- fewer economic opportunities in the surrounding region
- fewer opportunities for training and retraining
- less foreign direct investment than in cities.

These problems are sometimes compounded by poor transport and digital connectivity.

<sup>30</sup> [Levelling up: how wide are the UK's regional inequalities?](#)

<sup>31</sup> [Towns fund guidance](#)

## Coastal towns

Many coastal areas have poorer health and employment opportunities. Coastal towns already rank highly in terms of overall deprivation, and the Covid-19 crisis will exacerbate this.<sup>32</sup>

A majority of the 50 places classified as 'falling behind' include coastal regions and communities. The economic deprivation and social decline of coastal areas in the U.K has received growing attention from government, researchers and the media over the past years. In 2017 an evidence review by the Social Market Foundation<sup>33</sup> established that coastal communities were more likely than the rest of the country to suffer from pervasive low pay, high unemployment rates and widespread health problems. Workforce educational attainment was also low.

In its recent report, the House of Lords Select Committee on Regenerating Seaside Towns and Communities<sup>34</sup> notes that coastal communities *"suffer from a set of issues that have their roots in the decline of their core industries"*. It lists the long-term structural decline in domestic tourism, fishing, ship building and port activities as specific examples of these core activities.

In this respect, coastal areas are no different from other places struggling with structural transformation, such as former steel and mining towns in Wales or the north of England. However, the committee goes on to state that what makes these areas distinct is: *"the combination of industrial decline and geography. Their location on the periphery of the country places them on the periphery of the economy, bringing consequential social problems. This combination of challenges warrants dedicated attention and support."*<sup>35</sup>

## Barriers to employment - personal factors

**Poor health** - Over a quarter of the 28 million people in work in this country have a long-term condition or impairment. Evidence shows that 90% of people with common health conditions can be helped back to work following a few basic principles of good healthcare and workplace management. For many people, returning to work can be part of their recovery. For example, in the Liverpool City Region there is evidence that poor health in the population accounts for a third of the gap in productivity between the region and the rest of the country.<sup>36</sup>

**Disabilities** - Between 2013 and 2019, roughly half of disabled people were in employment (53.2%) compared with just over four out of five non-disabled people (81.8%). Working disabled people were more likely to work part-time than non-disabled people, with 34.1% of disabled people working part-time in comparison with 23.1% of non-disabled people. The employment rate for disabled people with severe or specific learning difficulties was the lowest rate of any impairment.<sup>37</sup>

**Age** - The employment gap between older and younger people is partly explained by factors that take older people out of the labour market. For example:

---

<sup>32</sup> [The geography of the COVID-19 crisis in England](#)

<sup>33</sup> [Living on the edge: Britain's coastal communities - Social Market Foundation](#)

<sup>34</sup> <https://publications.parliament.uk/pa/ld201719/ldselect/ldseaside/320/32002.htm>

<sup>35</sup> [https://industrialstrategy council.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review\\_1.pdf](https://industrialstrategy council.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review_1.pdf)

<sup>36</sup> [https://mcusercontent.com/fe32d19e4e969e24d181cfbe1/files/fc68072c-009c-4a72-9e0b-b53a4074d427/Workshop\\_Report..pdf](https://mcusercontent.com/fe32d19e4e969e24d181cfbe1/files/fc68072c-009c-4a72-9e0b-b53a4074d427/Workshop_Report..pdf)

<sup>37</sup> [Disability and employment, UK](#)

- the nature of work-related financial incentives including pensions
- caring responsibilities and poor health
- factors that form barriers to entry for older jobseekers
- inadequate back-to-work support,
- age discrimination and
- lack of training opportunities.

As the population ages, and both the proportion of older workers and the demand for informal care rise, the need for government and employers to facilitate extended working lives will only become greater.<sup>38</sup> COVID has added to this. Nearly one in four employees aged 54 and over, who were working before the crisis, were on furlough in June–July, while among those still working, one in five were working fewer hours. Among the self-employed aged 54 and over, a third were not working, and among those who were working only one in five reported they could carry on their work as normal.<sup>39</sup>

### **1.5 Possible futures**

**Devolution and local government reorganisation** may provide an opportunity, where health and social care are part of devolution plans, the focus is often on integration of care and more effective care pathways between the different health bodies in a geographical area.<sup>40</sup>

**COVID & unemployment forecasts** - In November 2020 the Office for Budget Responsibility forecast the worst economic decline in 300 years. The impact of this crisis will be different to those felt after 2007/8. Notably, it is likely to have a much bigger impact on the labour market.<sup>41</sup>

The Institute of Public Policy Research (IPPR) estimates that one million jobs supported by the Job Retention Scheme could be lost permanently, in the sectors most heavily affected by the crisis so far, such as hospitality, retail, entertainment, manufacturing, support services and construction.

**Young people** (18 - 24) will be particularly affected. IPPR estimates that without further government action there will be an extra 620,000 young people unemployed by the end of 2020.<sup>42</sup> Becoming NEET results in a ‘scarring effect’ that lowers long-term employment prospects and earning potential. Furthermore, those from the poorest backgrounds and with the lowest qualifications are likely to be the worst affected. On top of the 410,000 who are already unemployed as of quarter 1 this year (pre-Covid); this will take youth unemployment to the highest number on record.

Those facing the greatest disadvantages are most at risk of being made redundant. Disabled people, carers, those in the shielded group and those with caring responsibilities are all significantly more likely to be in formal or informal stages of redundancy proceedings than the general population. This is due to either their jobs being interrupted, or to their incapacity to manage poor health, or dealing with the combination of huge increases in domestic responsibilities with the demands from paid work.<sup>43</sup>

---

<sup>38</sup> [Unfinished Business: Barriers and opportunities for older workers](#)

<sup>39</sup> [The coronavirus pandemic and older workers - Institute For Fiscal Studies - IFS](#)

<sup>40</sup> [https://richmondgroupofcharities.org.uk/sites/default/files/aw\\_ncp\\_report\\_-\\_untapped\\_potential\\_-\\_single\\_pages.pdf](https://richmondgroupofcharities.org.uk/sites/default/files/aw_ncp_report_-_untapped_potential_-_single_pages.pdf)

<sup>41</sup> [https://obr.uk/docs/dlm\\_uploads/CCS1020397650-001\\_OBR-November2020-EFO-v2-Web-accessible.pdf](https://obr.uk/docs/dlm_uploads/CCS1020397650-001_OBR-November2020-EFO-v2-Web-accessible.pdf)

<sup>42</sup> [Guaranteeing the right start: Preventing youth unemployment after Covid-19](#)

<sup>43</sup> <https://www.ippr.org/files/2020-08/rescue-and-recovery-august20.pdf>

**Future employment** - The prospect of a rise in unemployment means that the government will need to consider adult education and retraining policies that will help some workless adults move back into work and help other adults move to different sectors. However, we should not expect mass reallocation to solve the problem of job losses in the hard-hit sectors.

To prevent redundancies in the hard-hit sectors, new jobs are required elsewhere in the economy, and support is needed for the unemployed to take up those jobs. This could include job creation via direct public investment in social care and retrofitting.<sup>44</sup>

**The impact of COVID** - Mapping local authorities most vulnerable to the COVID crisis supports local decision making (see Figure 9).

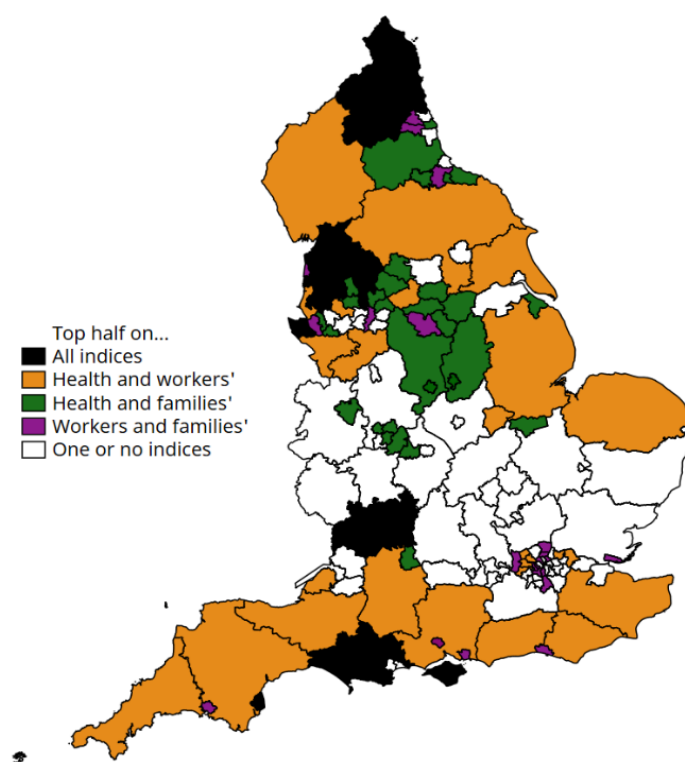


Figure 9: Areas with overlapping Covid vulnerabilities (June 2020)<sup>45</sup>

- **Health-related vulnerability:** This measure captures the prevalence of risk factors for experiencing severe symptoms from COVID. The indicators considered are the share of people aged 50 or older, and the shares with certain pre-existing health conditions (coronary disease, hypertension and diabetes).
- **Labour market vulnerability:** A number of sectors, such as restaurants, hospitality and personal services, have been entirely closed down as part of social distancing. Workers in these 'shut-down' sectors could face lower earnings during the crisis and uncertain employment prospects even as the lockdown eases.
- **Family vulnerability:** Schools are a vital part of the safety net for families with children, and school closures will affect not just children's educational prospects but also the ability to identify vulnerable children and families.

<sup>44</sup> <https://www.resolutionfoundation.org/publications/the-full-monty/>

<sup>45</sup> [The geography of the COVID-19 crisis in England](#)

- Nine local authorities – Torbay, the Isle of Wight, Blackpool, Northumberland, Dorset, Wirral, Gloucestershire, Bury and Lancashire – are more vulnerable than average across **all three domains**.
- 36 local areas are highly vulnerable on **both the health and worker indices**. Many of these are coastal areas which have a higher proportion of elderly people who have moved to the coast for retirement, and more jobs in tourism and hospitality. Many coastal towns already rank highly in terms of overall deprivation, and the crisis could be set to make these inequalities with non-coastal areas even wider.
- Local areas in the ‘northern spine’ of England are more vulnerable than average along **health and family dimensions**: these areas include South Yorkshire, Derbyshire and Nottinghamshire, where the population is relatively old and which are fairly deprived (going back to mining closures which may also link to poor health). These same points apply to the green areas of the north-east (Durham area).
- 36 other local areas combine populations that are highly vulnerable in health terms with **vulnerable children and families**. These areas are clustered around Birmingham and in the cities of the north-west and north-east.

## 2. Solutions mapping

---

The focus on narrowing gaps in life expectancy in the Industry Strategy<sup>46</sup>, DHSC's green paper for prevention<sup>47</sup> and the NHS Long Term Plan<sup>48</sup> create opportunities for co-ordinated, national and local level action on health inequalities.

To make the most of human capital (specifically looking at opportunities in health and social care), local infrastructure systems have been encouraged through policy or legislation (top-down) to engage in partnership working however, many existing partnership arrangements may not be coterminous within a geographical area.

### **2.1 Current enablers that have the potential to contribute to levelling up through employment**

#### **Contributing economic-led enablers**

Key initiatives that support local authority efforts to create jobs include Local Enterprise Partnerships (LEPs) and Enterprise Zones (EZs). Central government policy supports these schemes, and they have been further supported by 'growth deals', which provide additional funding.

There are 38 LEPs in England. LEPs are non-statutory partnerships between local authorities and businesses which promote economic growth in their local area. The LEP Network<sup>49</sup> allows LEPs to discuss issues of shared importance, engage with the government and share knowledge and good practice.

There are currently 24 enterprise zones in England. Enterprise Zones are specific geographic areas that offer tax, planning and other incentives for businesses to start-up or expand. Enterprise zones are hosted by LEPs, while the relevant LEP and local authority is entitled to keep all business rates generated within the enterprise zone.

LEP boards consist mainly of private sector representatives, public leaders and a higher education representative. There is no statutory obligation to include VCSE. The board has responsibility to:

- gain 'buy-in' from all sides
- 'sell' the area by:
  - leading bids for central government funding
  - attracting private sector investment and other sources of funding (including match funding from other local partners, such as housing associations, universities and colleges, or unlocking surplus and redundant public sector assets)
  - influencing local funding streams (such as the community infrastructure levy and retained business rates) and ensuring these deliver against locally-agreed priorities, without necessarily being the direct budget holders
- focus on improving the local business environment through
  - strategic planning

---

<sup>46</sup> [Industrial Strategy: building a Britain fit for the future](#)

<sup>47</sup> [Advancing our health: prevention in the 2020s](#)

<sup>48</sup> [Online version of the NHS Long Term Plan](#)

<sup>49</sup> [The LEP Network | Supporting all 38 LEPs across England](#)

- transport networks
- matching training offers to labour market needs.<sup>50</sup>

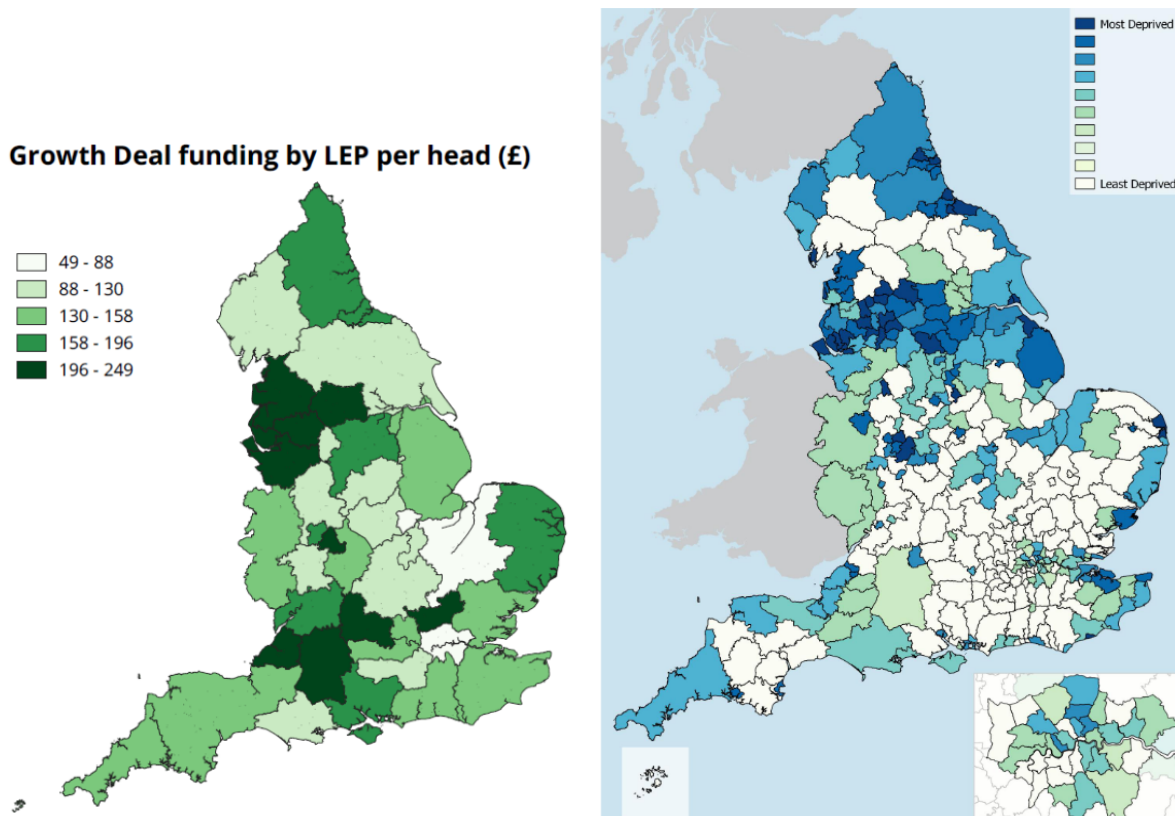


Figure 10: [Left] Growth Deals per LEP (£ / head). [Right] Indices of Multiple Deprivation 2019 distribution by LA.

- **Strategic Economic Plans** - required as part of Government funded funding by local growth deals<sup>51</sup>, articulate a clear long-term strategy for enterprise growth, identifying barriers and actions in terms of:
  - land-use planning (infrastructure, climate resilience)
  - skills & labour market - lead changes on how businesses are regulated locally and help workless people into jobs by working with local employers, Jobcentre Plus and learning providers
  - growing business sectors, for example by bringing together consortia to run growth hubs.<sup>52</sup>
- **Towns Funds**<sup>53</sup> - With £3.6bn awarded for 2019 to 2026, these funds aim to drive the sustainable economic regeneration of towns to deliver long-term economic and productivity growth by supporting urban regeneration, creating new jobs, training people and boosting growth. Current guidance requires local enterprise partnerships and local industrial strategies to coordinate with partners on the ground (including VCSE and health) to create local proposals. Town deal boards are responsible for producing town investment plans,

<sup>50</sup> <https://lgiu.org/wp-content/uploads/2013/04/Local-Enterprise-Partnerships-an-LGiU-essential-guide1.pdf>

<sup>51</sup> [Local Growth Deals](#)

<sup>52</sup> <https://researchbriefings.files.parliament.uk/documents/SN05651/SN05651.pdf>

<sup>53</sup> [Towns fund guidance](#)

including the involvement of communities in co-production. The Towns Fund Prospectus stated that membership of town deal boards should comprise:

- a private sector chair
  - all tiers of local government for the geography of the town
  - the MP(s) representing the town
  - the local enterprise partnership
  - local businesses and investors
  - community/local voluntary community sector representatives
  - other relevant local organisations, such as FE colleges or clinical commissioning group.
- **Local industrial strategies**<sup>54</sup> - Government expectation is that local enterprise partnerships (LEP) will play a pivotal role in delivering the national industrial strategy in sub-regional areas across the country. These strategies are used to inform LEPs' approach to any further local growth funding deployed through them, as well as helping areas work on 'maximising the long-term impact' of the new U.K Shared Prosperity Fund. The Industrial Strategy's focus on earning power, and thus raising living standards, reflects the government's intention to enable more people and places to benefit from the proceeds of economic growth. Localities will have to develop approaches to inclusive growth, which will specifically target actions and initiatives that seek to tackle local inequalities, including health inequalities. Inclusive growth strategies will differ according to local need but would typically include examples such as recognising and promoting 'good work', connecting people to the labour market and addressing in-work poverty. Inclusive growth has striking similarities to the emerging population health agenda, given the obvious and pressing links between the social determinants of health and low regional productivity.
  - **U.K Shared Prosperity Fund**<sup>55</sup> - As a member of the European Union, the U.K received structural funding worth about £2.1 billion per year. This funding was used for boosting aspects of economic development, including support for businesses, employment and agriculture, and was administered by the different nations of the U.K. Now that the U.K has left the European Union, this funding will cease. In order to replace it, the government has pledged to set up the U.K. Shared Prosperity Fund to "reduce inequalities between communities".
  - **Economies for Healthier Lives**<sup>56</sup> - a £1.72m funding programme to support partnerships to promote health and reduce health inequalities through economic development strategies.

### Contributing to a health-led approach

The conditions in which we work have a large impact on our health. Good quality jobs can be protective of health, whereas poor quality work can be adverse for health. Poor quality jobs are an issue for health inequalities as they are concentrated at the lower end of the social gradient.<sup>57</sup> Health policy and infrastructure can promote levelling up through employment. VCSE has a role to play as a provider of services and an influencer and member of local institutions.

---

<sup>54</sup> <https://www.cbi.org.uk/media/4133/all-together-now-february-2020-final.pdf>

<sup>55</sup> [The UK Shared Prosperity Fund - House of Commons Library](#)

<sup>56</sup> [Economies for Healthier Lives](#)

<sup>57</sup> [Promoting good quality jobs to reduce health inequalities](#)



- **Health in All Policies (HiAP)** - An approach and resource proposed by Public Health England (PHE) to help local government improve local wellbeing through the improvement of wider determinants of health. Its outcomes are assessed through health impact assessments. It can be implemented at different levels: strategy, programme and process.<sup>58</sup>
  - **Strategic** - focusing on a specific public health issue at a strategic level and identifying policy areas led by particular departments and sectors that impact upon the issue
  - **Programme** - focusing on a key service or programme area that is evidenced to have significant health impacts
  - **Process** - establishing and/or using a particular mechanism or process to enhance cross-departmental and cross-sectoral working, to introduce the approach and lever action for health, wellbeing and health equity.
- At both a national and a local level, government agencies are potential partners for a HiAP approach. Local partnerships with the government departments with responsibility for employment, industry and business issues and local employers have the potential to take a proactive approach to health.
- A number of councils have developed policy on a living wage and sought commitments from local employers. Councils have also committed themselves to being ‘healthy employers’ and encouraged others in their areas to do the same.
- Government departments are potentially key players in a HiAP approach, both in developing local economic strategies through the local services they provide, such as employment and welfare benefits support as well as in their role as employers.
- In addition to employment, both national and local government agencies concerned with housing, education, infrastructure and the built environment among others all have a role to play in HiAP partnerships.  
This PHE [case studies](#)<sup>59</sup> report includes 19 examples to illustrate how Health in All Policies (HiAP) has been put into practice in the U.K. and around the world.
- **The Care Act 2014**<sup>60</sup> actively requires authorities to shape markets towards diversity and resilience in their areas, and the **Social Value Act 2012**<sup>61</sup> requires authorities to ensure broader value and community benefit when procuring services. The emphasis on competition and a strict purchaser/provider split, can be seen as prohibitive and deters local partners from developing new commissioning models and ways of working; however where relationships between local partner organisations are strong, legislation is not a barrier. VCSEs commissioned by public sector authorities should seek to demonstrate their impact; aligning their client outcomes to the requirements of funders such as Public Health Outcomes Framework (PHOF)<sup>62</sup>; local joint strategic needs assessment (JSNAs) and Health and Wellbeing Strategy priorities.

---

<sup>58</sup> [Health in All Policies](#)

<sup>59</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/560593/Health\\_in\\_All\\_Policies\\_implementation\\_examples.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/560593/Health_in_All_Policies_implementation_examples.pdf)

<sup>60</sup> [Care Act 2014](#)

<sup>61</sup> [UK Public Services \(Social Value\) Act 2012](#)

<sup>62</sup> [Public Health Outcomes Framework - PHE](#)

- **Better Care Fund**<sup>63</sup> - encourages integration of health and social care by requiring clinical commissioning groups (CCG) and local authorities to enter into pooled budgets arrangements and agree an integrated spending plan. In 2019-20, £6.4 billion was pooled in the Better Care Fund. The VCSE sector can support and influence. For example, in Shropshire the VCS Assembly has been working closely with their CCG and local authority to ensure the VCSE sector is involved in work locally to develop and implement the Better Care Fund.<sup>64</sup>
- **NHS Third Phase Recovery Response**<sup>65</sup> - outlines the need for greater community engagement, to mitigate the risks associated with relevant protected characteristics and social and economic conditions, and better engage communities that need most support.
- At place level, **integrated care systems (ICS)**<sup>66</sup> will build closer working relationships with the VCSE to reduce health inequalities.
- **Local mental health & wellbeing strategies** seek to engage with employers, local NHS providers, the VCSE sector and other partners to develop plans to ensure improved access to appropriate support and services for people living with mental health and poor wellbeing. They should incorporate local VCSE as contributors and providers. Poor mental health is a significant factor in losing jobs or not gaining access to the workplace.<sup>67</sup>

### The NHS approach to addressing the changing labour market

**NHS People Plan**<sup>68</sup> - focuses on addressing employment gaps within recruitment, volunteering and apprenticeship opportunities in areas of greater deprivation.

The NHS is seeking to address the current employment crisis and the increased demand on health services during the pandemic.

**National workforce shortages** - proposals include recruiting directly into entry-level clinical roles, apprenticeships and non-clinical roles:

- Mental health - support significant expansion in psychological therapies for children and young people, boosting the number of advanced clinical practitioners, psychiatrists and mental health nurses
- Cancer - developing an advanced clinical practice qualification in oncology, and extending cancer support-worker training
- Advanced clinical practice - multidisciplinary teams
- Expanding shortage specialties
- Increasing undergraduate places - over 5,000 undergraduate places from September 2020 in nursing, midwifery, allied health professions, and dental therapy and hygienist courses
- Developing clinical pharmacists - to provide even more patient-centred care, a sustainable supply of prescribing pharmacists with enhanced clinical and consultation skills.

---

<sup>63</sup> [NHS England » Better Care Fund](#)

<sup>64</sup> [Better Care Fund Engagement | Voluntary & Community Sector Assembly](#)

<sup>65</sup> [https://www.england.nhs.uk/wp-content/uploads/2020/08/C0716\\_Implementing-phase-3-v1.1.pdf](https://www.england.nhs.uk/wp-content/uploads/2020/08/C0716_Implementing-phase-3-v1.1.pdf)

<sup>66</sup> [Designing integrated care systems \(ICSs\) in England](#)

<sup>67</sup> [Thriving at Work: the Stevenson/Farmer review on mental health and employers](#)

<sup>68</sup> [WE ARE THE NHS:](#)

## Local recruitment

- Increasing clinical support workers
- Growing apprenticeships at all levels
- Expanding the primary care workforce - 26,000 additional staff will be funded until 2023/24, recruited by primary care networks, supported by systems and CCGs.

The NHS has worked in partnership with social care during the pandemic so far, to provide support and to share the workforce where possible. This was underpinned by the government's care homes support plan, as well as joint work at national and local level to support staff to return to the health and care sector.

Central government has ring-fenced a £600 million Adult Social Care Infection Control Fund. The primary purpose of this fund is to support adult social care providers, including those with whom the local authority does not have a contract, to reduce the rate of COVID transmission in and between care homes and support wider workforce resilience.

The NHS can play a significant role in local economic recovery and improving social and economic outcomes, including reducing inequalities. ICSs in particular can build on the role of NHS organisations and large social care employers as anchor institutions. To bring those furthest from employment into meaningful employment and to target recruitment, volunteering and apprenticeship opportunities in areas of greater deprivation.

- **Entry points** - ICSs should make better use of routes into NHS careers (including volunteering, apprenticeships and direct-entry clinical roles) as well as supporting recruitment into non-clinical roles. Systems should also make much greater use of secondments and rotational roles across primary and secondary care to improve integration and retention.
- **Expanding recruitment opportunities** - health and social care systems should actively work alongside schools, colleges, universities and local communities to attract a more diverse range of people into health and care careers.
- **Prioritising certain groups** - when recruiting temporary staff, systems, trusts and primary care networks should prioritise the use of bank staff before more expensive agency and locum options and reducing the use of 'off framework' agency shifts during 2020/21.
- **Job reallocation** - health and social care systems should develop workforce sharing agreements locally, to enable rapid deployment of their people across localities where appropriate or where possible. NHS England and NHS Improvement has developed guidelines to make it easier, enabling the sharing of information such as HR records and statutory and mandatory training.

## Additional levers

- **Local Government reorganisation and devolution.** Where health and social care are part of devolution plans, the focus is often on the integration of care and more effective care pathways between the different health bodies in a geographical area.<sup>69</sup> Wider local government reorganisation is an opportunity to look at the whole system approach to local

---

<sup>69</sup> [UNTAPPED POTENTIAL:](#)

<sup>91</sup> [Evaluation of Rotherham Social Prescribing Service 2015/16 - 2016/17](#)

health inequalities and local economic development.

- **Employment support through social prescribing.** The introduction of primary care networks has enabled the inclusion of social prescribing link workers in primary care network (PCN) teams, thus giving workless people with disabilities and health issues access to health and wellbeing condition management, specialist and employability support. The [evaluation of a 2014 social prescribing pilot in Rotherham](#)<sup>91</sup> indicates that, in many cases, patients would not have been aware of their entitlement to the employment related benefits and other welfare benefits, or how to claim them, without the services, support and advocacy received through social prescribing.
- **Apprenticeships**<sup>70</sup> - are paid jobs that incorporate on and off the job training. Apprentices have the same rights as other employees and are entitled to be paid at least at the apprentice rate of the national minimum wage. Local public organisations and large employers will pay the apprenticeship levy, and look to local people to take up apprentice roles. The VCSE can contribute through their understanding of local employment needs.
- **Active Labour Market Policy (ALMP)**<sup>71</sup> - an approach to addressing worklessness through:
  - job brokerage, with the aim of making the matching process between vacancies and job seekers more efficient
  - labour market training, in order to upgrade and adapt the skills of job applicants
  - direct job creation, which may take the form of either public-sector employment or subsidisation of charity or private-sector work.

## **2.2 Enablers that have worked well to date for VCSE involvement**

- **European Social Fund (ESF)** - a €3.5 billion programme, administered by the Department for Work and Pensions (DWP), is the main funding stream supporting the creation of jobs, helping people into better jobs and ensuring fairer job opportunities for E.U. citizens. The **European Regional Development Fund** is worth around €3.6 billion and is aimed at enterprises (including social enterprises) and infrastructure investment. Local ESF projects across England are helping people to improve their employability, gain new skills, move towards and into work, or provide other positive outcomes. Delivery has changed since March 2020 when COVID restrictions were introduced. 20 percent of the ESF is ring-fenced for promoting social inclusion, an area in which many voluntary organisations have considerable expertise. These [case studies](#)<sup>72</sup> showcase how local systems have worked together.

European funding will be 'run down' over the lifecycle of current grants, replaced by U.K based funding, of which the Shared Prosperity Fund is an example.

- **Community Led Local Development (CLLD)** - is a European investment priority under the social inclusion theme, as a way of delivering E.U. funding. CLLD is a model of development which mobilises all the key players in a local area in a collaborative partnership to increase employment and overcome disadvantages.<sup>73</sup> VCSE organisations are already involved in

---

<sup>70</sup> [Apprenticeships and skills policy in England - House of Commons Library](#)

<sup>71</sup> [Active labour market policy in the UK: At a \(local\) crossroads? - Michael Orton, Anne E Green, 2019](#)

<sup>72</sup> [European Social Fund 2014 to 2020 programme: case study booklet 2020](#)

<sup>73</sup> [Supplementary Guidance for Community Led Local Development within European Regional Development Fund and European Social Fund 20](#)

partnerships which deliver, or could be adapted to, this model. And many of the ESF priorities correspond to what the sector is already trying to achieve in tackling inequalities in employment and skills.

- **The National Lottery Community Fund**<sup>74</sup> makes funding more accessible for VCSE organisations than many other funding sources. Alongside this approach, small community grants are useful for VCSE projects that engage excluded people on a pathway to employment.
- **Building Better Opportunities (BBO)**. Using BBO, the National Lottery Community Fund match-funded from the European Social Fund (ESF) 2014-2020 to invest in local projects tackling the root causes of poverty, promoting social inclusion and driving local jobs and growth. The BBO web pages include examples of successful projects.<sup>75</sup>
- **Health and wellbeing boards (HWBs)** have a duty to encourage integrated working between health and social care commissioners and commissioners of health-related services. Their strategy towards local social care delivery is often a significant source of localised employment. The HWB must include a representative of each relevant CCG and local Healthwatch, as well as local authority representatives. Many invite VCSE representation at board level to influence local strategies. Mature HWBs are bringing oversight and coherence to a wide range of local partnership arrangements and are enabling collaboration with other HWBs, such as across an ICS area. These advanced HWBs are supporting system change at scale, using larger footprints to work on wider problems such as tackling variation across the system, or embedded issues such as unemployment or poverty, by pooling resources and sharing outcomes.<sup>76</sup>

## **2.3 Challenging the enablers: what research shows is not working so well to date**

### **Supporting the health and social care workforce**

The challenge for local systems in health and social care is the recruitment and retention of social care staff, and providing good jobs. Skills for Care<sup>77</sup> found that:

- The estimated turnover rate of directly employed staff working in the adult social care sector was 30.4%, equivalent to approximately 430,000 leavers over the year. However, most of these leavers don't leave the sector. Around 66% of jobs were recruited from other roles within the sector.
- It is estimated that 7.3% of roles in adult social care were vacant in 2019/20, equal to approximately 112,000 vacancies at any one time.
- Around a quarter of the workforce (24%) were on a zero-hours contract (375,000 jobs). Almost half (42%) of the domiciliary care workforce were on zero-hours contracts. This proportion was even higher for care workers in domiciliary care services (56%).
- The average number of sickness days was 4.7 in 2019/20, which equates to approximately 6.72 million days lost to sickness over the 12-month period.

---

<sup>74</sup> [The National Lottery Community Fund: Home](#)

<sup>75</sup> <https://www.tnlcommunityfund.org.uk/funding/programmes/building-better-opportunities#section-1>

<sup>76</sup> [What a difference a place makes The growing impact of health and wellbeing boards](#)

<sup>77</sup> [The state of the adult social care sector and workforce in England](#)

- 82% of the adult social care workforce are female, the average age of the workforce is 44 years and 27% of workers are aged 55 and above.
- The majority (84%) of the adult social care workforce were British, 7% (113,000 jobs) had an E.U. nationality and 9% (134,000 jobs) a non-E.U. nationality.
- Since the introduction of the mandatory national living wage (NLW), care worker pay in the independent sector has increased at a higher rate than previous years. Care worker real-term median pay has increased by 12% since September 2012.

The VCSE sector is engaged as both not-for-profit provider organisations and as a wider community driver in advocating for changes to social care systems and the status of employees. NHS and care institutions have made it clear that there is a greater role for the VCSE as a co-producing partner<sup>78</sup> and how closer working will be vital as local systems recover from the pandemic. Integrated Care Systems can work with the VCSE sector to rebuild local services and reset the way health and care are planned, commissioned and delivered.<sup>79</sup>

### **Active Labour Market Policy (ALMP)**

ALMP is based on long-standing distinctions between those in and out of work, and seeks to move the latter to the former, i.e. the welfare to work approach<sup>80</sup>. However Universal Credit (UC) structures take a different approach. Consequently, the aim of Jobcentre Plus is no longer simply to move people from welfare into work, but also to move those in work (and receiving UC) to a position where they no longer need that benefit. In practice, a common example is part-time workers being expected to work full-time in order to increase their income from work.

A study around welfare conditionality concluded that much of the mandatory job search, training and employment support offered by Jobcentre Plus and external providers was found to be too generic, of poor quality, and largely ineffective in enabling people to enter and sustain paid work. The same study also found that:

- Flexibilities or ‘easements’ designed to remove or reduce barriers to good work attached to an individual’s benefit claim in recognition of particular circumstances such as illness are not currently being routinely implemented, which could suggest a rather blunt ‘one-size-fits-all’ approach.
- The provision of appropriate and meaningful support, rather than sanction, is pivotal in triggering and sustaining paid employment, but it is the latter rather than the former that is more evident.<sup>81</sup>
- Employers could contribute to development of ideas around where efforts might be best made, with more sophisticated local labour market analysis than the present approach of ALMP providers, which is largely just chasing individual vacancies. Analysis could focus on demand for labour at local area level and where this might be best suited to opportunities for unemployed and marginalised groups.
- Local authorities could prioritise the creation of jobs that have health-protective elements. Skilled jobs and access to training and progression can bring more health-protective elements including better pay.

<sup>78</sup> [The future of health and social care – conclusions from the Joint VCSE Review](#)

<sup>79</sup> [How health and care systems can work better with VCSE partners](#)

<sup>80</sup> [Welfare-to-work](#)

<sup>81</sup> [http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/05/40414\\_Overview-HR4.pdf](http://www.welfareconditionality.ac.uk/wp-content/uploads/2018/05/40414_Overview-HR4.pdf)

- Active labour market policies can also help those most at risk from health-adverse conditions (those at the lower end of the social gradient) to attain work that protects their health.<sup>82</sup>

### **Economic development - focus on productivity**

Economists consider productivity an important headline statistic to gauge economic performance. Higher productivity may make it possible for a region's workers to enjoy more consumption for the same amount of work; or to reduce their work hours without sacrificing consumption. Of course, there are many other factors besides consumption and the number of work hours which affect people's wellbeing, such as the quality of work, their access to good public services, the state of the natural environment and the strength of their social ties. Productivity statistics do not speak directly to these. In practice, high-productivity regions also tend to perform well along many other economic and social indicators, making them more desirable places to work and live generally. However, the high costs of living offer a potentially unattractive choice: to live in the dynamic south-east and grapple with high housing costs that drag down living standards, or move somewhere more affordable that offers worse career prospects.<sup>83</sup>

Growth, although an important economic objective for the government, does not free up resources directly in the way that integrating health and social care, or supporting people into employment can. LEPs' collaboration efforts are often more focused on commercial and digital economies to attract private investment rather than wider inclusive economies. And, where inclusive economy is mentioned, for example in the West of England Local Industrial Strategy, the focus is often on targeting skills programmes in deprived neighbourhoods, without consideration to overlap with the local health and social care systems.

### **Local Enterprise Partnerships focus**

LEPs don't have clear accountability to local people, local businesses or to the central government. They have discretion in how their membership is composed. Although they seek to represent the locality and influence government agencies such as the Education and Skills Funding Agency, they often do so by prioritising stakeholders with high economic growth potential or intellectual stake in growth policy (employers, universities and think-tanks). There is also the potential for conflicting priorities between business representatives (who may be more interested in innovation, enterprise development and skills) and the public sector (interested in housing and infrastructure and addressing inequalities).

The mis-alignment with other administrative boundaries (health and first-tier local authority areas) mean there is still a high reliance on local authorities particularly to push growth in their areas.<sup>84</sup>

There is likely benefit from considering the VCSE social economy offer directly within a LEP, where that VCSE offer can:

- abide by LEP's aim for economic growth and demonstrate the value of growing the social economy (and address potential conflicts of interest with private businesses over the share of markets)

<sup>82</sup> [Promoting good quality jobs to reduce health inequalities](#)

<sup>83</sup> [https://industrialstrategy council.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review\\_1.pdf](https://industrialstrategy council.org/sites/default/files/attachments/UK%20Regional%20Productivity%20Differences%20-%20An%20Evidence%20Review_1.pdf)

<sup>84</sup> <https://lgiu.org/wp-content/uploads/2013/04/Local-Enterprise-Partnerships-an-LGIU-essential-guide1.pdf>

- seek to influence a change in mentality - a 'wellbeing economy or inclusive growth featured in local industrial strategies'.<sup>85</sup>

### **VCSE role in developing the local economy**

In its 2016 report, '[Taking Care](#)', the Cooperative movement stated that the Social Value Act is not being used to its full potential, as:

- procurement is biased towards large-scale providers
- demonstrating economic or social value is challenging.

The Act also requires local authorities to provide best practice on the application of the Social Value Act and provide funding and support to consortia of smaller organisations to compete collectively for contracts for care services.

However, in the 2016 [Keep it local report](#);

- local authorities report that they have practical concerns about whether the VCSE has the capacity and expertise to 'step up' and get more involved in local service delivery
- local authorities also have a pressing need to reshape service delivery to achieve savings, but little time and capacity to trial new approaches
- commissioning and procurement functions within local authorities are often disconnected and seen as two different disciplines: the former about innovation, solutions and outcomes; the latter about rules, processes and finance
- social value has proved difficult to integrate into contracts
- local authorities are risk-averse and struggle to cede power and work closely in partnership with the community.

### **Apprenticeship take-up**

Greater support for both employers and potential apprentices to scale up at pace is needed.

Research has shown that without additional support, many employers overlook opportunities to hire apprentices. This is often due to a lack of internal capacity and the time required to establish an apprenticeship, as a consequence of the complexity of the system.<sup>86</sup> VCSE organisations have a role to play as employers and as enablers of the apprenticeship 'ideal' within local communities.

### **Social economy / inclusive growth**

There are two ways of thinking about inclusive growth: connecting people to jobs, or changing the economy. In addition to potential roles in creating more diverse and hence resilient economies, other contributions will include:

- employability support and direct job creation for the most disadvantaged
- providing affordable childcare, housing or transport
- stimulating entrepreneurship, productivity increases and innovation
- brokering economic opportunities between local places and the private and public sectors
- circulating local money and underpinning thriving communities

---

<sup>85</sup> [Using economic development to improve health and reduce health inequalities](#)

<sup>86</sup> [GUARANTEERING THE RIGHT START](#)



- influencing wider business behaviour to be more responsible and inclusive by illustrating ways of incentivising and behaving (e.g. lower pay differentials).

It is therefore important to move away from a simplistic 'market failure' view of the 'third sector'. Rather, we should see the social economy both as part of a plural and inclusive economy, as well as having radical and transformatory potential to enable new possibilities, and ways of thinking about society, democracy and economics.

The U.K. has many relevant examples which, if better recognised and increased, could help realise more inclusive and sustainable economies; requiring consideration of social economy organisations within 'mainstream' economic strategies, or procurement opportunities, for example, those arising from city growth strategies.<sup>87</sup>

### **VCSE employability market fragmentation**

After conducting a search of the main VCSE organisations that are in the market of employment, employment training and assistance around employability, it has become apparent that:

- a) at a national level, the market tends to be dominated by larger, private sector organisations commissioned to undertake government contracts and;
- b) at a local level, the market can be quite fragmented. With organisations looking at specialisms, help and guidance around barriers to employment may focus on specific areas, such as hearing impairment, sight loss, disability, mental health, ex-service personnel etc.

Therefore, even if funding is directed towards the VCSE to meet growing demand, the VCSE may need support to mobilise and organise around a broader theme of service delivery, for example a range of services that address deprivation & take a whole-person approach in a particular area.<sup>88</sup>

---

<sup>87</sup> [The social economy is missing in strategies to create more inclusive growth](#)

<sup>88</sup> <https://lgiu.org/wp-content/uploads/2013/04/Local-Enterprise-Partnerships-an-LGIU-essential-guide1.pdf>

### 3. Best Practice and Case Studies

---

#### **Employment advisers in GP surgeries**

Seeks to provide advice at the point of care and an immediate referral route for healthcare professionals through the pilot Pathways Advisory Service and the use of employment advisers in GP surgeries. People visiting a surgery or medical centre can be referred to an advice session with a Jobcentre Plus adviser by their GP or they can ask for an advice session themselves from the employment adviser in the surgery.

[Link PHE: Improving Health and Work](#)

#### **The Inclusive Economy Partnership**

The Inclusive Economy Partnership was conceived to find new ways to solve the most pressing social problems facing the U.K. It was set up in recognition of a simple truth: there are some challenges that can't be solved by the government, by civil society, or businesses alone. There are challenges in which all three have a stake. So, what if we bring their strengths together and create a new model for solving these problems? The approach is being brought to bear in three areas: transition to work for young people; mental health; and financial inclusion.

[Link Gov.uk Inclusive Economy Partnership](#)

#### **The Place Board model - divesting local strategic leadership in health and wellbeing boards**

**Bradford HWB** has become the 'senior strategic partnership' for the city, focused on tackling the wider determinants of health and coordinating the work of the other strategic partnerships.

- One of the challenges facing such ambitious strategic planning is managing the web of cross-cutting themes. Bradford HWB has developed a logic model which has been adopted by all the strategic partnerships that it oversees
- The model allows partners to understand the impact of actions taken in one area on another and to monitor actions and progress
- For example, action on skills and employability helps address workforce needs of the care sector.

[Bradford Council](#)

## North East Lincolnshire (NEL) Place Board

The NEL Place Board took on the role of the HWB in June 2019 to become the strategic leadership board for place – the forum through which all organisations and partnerships will work together and invest for better community outcomes.

A place-based wellbeing framework with five key outcomes, including health and wellbeing, was put out for consultation to serve as the Joint Health and Wellbeing Strategy. The Place Board's priorities were:

- targeted support for families who come into contact with many services;
- improving skills, employability and employment aspirations for local people.

[LGA source](#)

## Bath and North East Somerset neighbourhood development

Through its Health and Wellbeing Strategy, the health and wellbeing board has developed a multi-faceted approach (embedding health in all policies) with a clear strategic framework and two clear priorities:

- Creating healthy and sustainable places and,
- Improving skills and employment - Health and wellbeing have been included as a cross-cutting theme in the Economic Strategy.

In its work to tackle the wider determinants of health, the Bath and North East Somerset HWB is looking at how partners can develop an asset-based approach to neighbourhood development, recognising the important contribution of communities to improving health and wellbeing. It has adopted a **'statement of commitment' setting out principles for working in an asset-based way**, and is supporting the local VCSE to develop

- a 'compassionate communities' project aimed at increasing community resilience
- The HWB also supports the 'three conversations' model which aims to establish a different relationship between workers and individuals based on building strengths and making links with communities.

[LGA Source](#)

## 'Marmot cities'

A network of local authorities in England (Stoke, Newcastle, Gateshead, Bristol, Somerset, Coventry, Manchester) is working in-depth to develop a 'Marmot' approach to tackling health inequalities, based on the publication Fair Society, Healthy Lives (The Marmot Review) in 2010.

This is in partnership with the Institute of Health Equity and academic institutions<sup>89</sup>.

### Example<sup>90</sup>

#### Coventry - a Marmot City since 2013

Aim. To reduce health inequalities through working together with partners to develop initiatives that would address the six Marmot policy objectives.

The city and region are explicitly pursuing inclusive growth that will benefit those who face barriers to employment and who may be further disadvantaged by the growth of high-skill jobs and the loss of manufacturing and trade jobs.

- This was reflected in the 2016 Marmot Action Plan to highlight the links between health inequalities and economic performance and to support partnership working. Some of the steering group members have played a major role in drawing in funding for delivering inclusive growth programmes. **Nevertheless, there is evidence that local partnerships and models that share accountability between organisations have laid the groundwork for sustained change in delivery models where funding is available**
- The council has also sought to promote a Workplace Wellbeing Charter to encourage employers to provide health and wellbeing support to staff. This has been influential at a regional level and has been taken up by several partner organisations.

Partners from different parts of Coventry City Council, NHS Coventry and Rugby Clinical Commissioning Group, West Midlands Police, West Midlands Fire Service and Voluntary Action Coventry have worked together to embed the Marmot principles into the core functions of the council and its partners. This means that the impact on health, equality and social value is considered in everything that these organisations do.

[Link](#)

#### Swindon Borough Council - Multi-sectoral weight management strategy

Aim. To reduce levels of obesity and increase physical activity in Swindon.

Summary. Swindon has adopted a Health in All Policies approach to its healthy weight strategy by bringing together multi-sectoral partners, including: planning, transport, Housing; Localities; Adult, community and family learning/ routes to employment; the Learning disability services; the Healthy schools' programme and Public Health. Swindon CCG, local NHS providers, and local VCSE organisations have also partnered in its development.

Results: programmes to tackle obesity involve a range of stakeholders: community healthy cookery programmes: these are commissioned by public health, and delivered by adult and family learning, working with the housing department to target priority groups; the learning disability service and

<sup>89</sup> <http://www.instituteofhealthequity.org/>

<sup>90</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/560593/Health\\_in\\_All\\_Policies\\_implementation\\_examples.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/560593/Health_in_All_Policies_implementation_examples.pdf)

other local providers. Weight management programmes for adults and children, which are promoted by the housing department and other local providers to their clients.

[Link](#)

### **Talent Match programme**

There is evidence of more positive development of active labour market policies; in particular, around employer involvement and local activity. This is illustrated by the example of Talent Match (TM), which embodies these points, potentially leading to an ‘active local labour markets approach’.

TM is a National Lottery Fund strategic employability initiative, with voluntary sector organisations as lead partners. The National Lottery is responsible for distributing funds raised by the National Lottery to organisations in the U.K. to improve communities. TM was launched in 2014 for a five-year term with an investment of £108 million. The overall aim was to develop holistic approaches to combating worklessness amongst young people who are long-term not in education, employment or training (NEET).

TM operates not through central (national) control, but through 21 local TM partnerships. The geographical level matches Local Enterprise Partnership (LEP) areas in England.

TM does not take a strict work-first approach but adopts a **person-centred model including involvement of young people in the co-production of design and delivery activities and their participation on TM partnership boards**. TM has a ‘**test and learn**’ philosophy which enables local partnerships to abandon approaches that are not working and to implement alternatives. It also enables approaches sensitive to local circumstances, rather than a predetermined nationwide approach. This contrasts with the more rigid contractual basis of many programmes and payment-by-results models.

[The National Lottery Community Fund](#)

### **Business support of apprenticeship take-up**

The Institute of Public Policy Research has helped to create the **London Progression Collaboration (LPC)** which provides strategic and practical business support to encourage and facilitate apprenticeship creation, particularly amongst SMEs that do not have the HR resource required to investigate and undertake the apprenticeships creation process.

As well as work to build SMEs interest in apprenticeships, the LPC support includes help to undertake workforce planning and identify suitable apprenticeship standards, find a training provider that meets their needs and support to access the online Apprenticeship Service for the first time. We recommend that the government provides additional funding to local areas to roll out the LPC model, which is ideally placed to support businesses to access the incentives recommended and therefore increase apprenticeship creation.

[Link IPPR](#)

### **Liverpool Life Rooms - integrating VCSE, NHS and local authority services**

[Mersey Care NHS Trust](#) invested in restoring a public library that hosts other co-located services (life rooms):

- An employment and enterprise hub to help Mersey Care service users get back to work, through volunteering opportunities and further education
- Information for local people about physical and mental wellbeing, advice on money, housing and community services, including sessions with Liverpool City Council and other agencies
- A library for health and wellbeing, learning, literature and poetry
- A children's and schools' library area
- Mersey Care Recovery College classrooms for people who want to come to a wide range of courses and workshops (recovery college weblink)
- Meeting spaces for community groups
- A free IT and media suite for everyone to use
- Interview areas for private one-to-one conversations enabling confidential support
- An open area that is usable for art exhibitions and cultural activities for everyone.

### **West Midlands Combined Authority - embedding employability programmes within primary care**

Employment specialists are based in GP surgeries and other health and community settings across the region. They work with primary and community health teams to integrate employment support and health services and identify suitable jobs for people. They launched the trial in June 2018, as an estimated 125,000 people in the West Midlands were out of work with a disability or health issue, most of which were due to a mental health problem or a musculoskeletal condition such as back pain.

[Link C&WLEP](#)

### **Liverpool City Region (LCR) Wealth and Wellbeing Programme - establishing the well-being economy**

This developed employment support and placed wellbeing into economic planning. Over 18 months, the programme invited people to talk about health and wellbeing in or out of work, about the effect of poor health on the economy in the region and the effect of the economy on health.

[Engagement doc](#) & [PHE launch](#)

### **Community Catalysts - economic development of the social care sector through micro-enterprises**

Community Catalysts works across the U.K. through local partners such as Councils for Voluntary Services (CVS) to provide bespoke, hands-on support for local people to establish social care micro-enterprises. These help people in need of care to “stay living at home, make a new skill or make friends, lead a healthy life or enjoy a leisure activity.”

Services are almost always co-designed by those that need them, such as older and disabled people. While the failure rate for micro-enterprises nationally is approximately 80% within the first year, Community Catalysts claim that only 3% of the enterprises they help to establish have folded by the end of their two-year programme.

It estimates that the total expected costs for a local authority over this time are £135,000, followed by light-touch, low-cost legacy support. In rural Somerset, with the enthusiastic support of the local authority, Community Catalysts has spent two years supporting 133 new social care enterprises and advising a further 38. Between them, these ventures support 180 local jobs and provide 2,220 hours of care to 600 older people a week. For a one-off cost of the Somerset catalyst programme of £135,000, Community Catalysts estimates that it is delivering direct savings to Somerset County Council of £400,000 a year.

[LINK Community Catalysts](#) [LINK New Economics](#)