Evaluation of co-designed programmes for boosting productivity: a follow-up of selected UK Futures Programme projects

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PIN - Productivity Projects Fund

Small Project Report

Evaluation of co-designed programmes for boosting productivity: a follow-up of selected UK Futures Programme projects

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About PIN

The Productivity Insights Network was established in January 2018 and is funded by the Economic and Social Research Council. As a multi-disciplinary network of social science researchers engaged with public, private, and third sector partners, our aim is to change the tone of the productivity debate in theory and practice. It is led by the University of Sheffield, with co-investigators at Cambridge Econometrics, Cardiff University, Durham University, University of Sunderland, SQW, University of Cambridge, University of Essex, University of Glasgow and the University of Leeds. The support of the funder is acknowledged. The views expressed in this report are those of the authors and do not necessarily represent those of the funders.

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Abbreviations

BEIS	Department for Business
BIS	Department for Business Innovation and Skills
DWP	Department for Work and Pension
HPW	High performance working
IDBR	Inter-Departmental Business Register
LAI	Local Anchor Institution
LWF	Living Wage Foundation
NCTA	National Coastal Tourism Academy
R&D	Research & Development
RH	Retail and Hospitality
SME	Small medium sized enterprise
TWF	Timewise Foundation
UKCES	UK Commission for Employment and Skills
UKFP	UK Futures Programme

1. Introduction

This research seeks to advance understanding on tackling the ‘productivity puzzle’ through changing work and employment practices. It does this by conducting follow-up research with selected business and government co-investment projects focused on engaging (mainly small) businesses in low productivity sectors/ regions run by the UK Commission for Employment and Skills (UKCES) from 2014 up to 2016 under the ‘UK Futures Programme’ (UKFP). The projects tested a series of ‘hooks’ proposed and developed by business and intermediaries to engage businesses in the productivity debate and test different means of tackling low productivity. The closure of the UKCES in 2016 meant no longer-term evaluation was conducted on the Programme. This research is an opportunity for the Productivity Insights Network (PIN) to gain early insights from a previously existing series of trials which engaged business to tackle known barriers to performance and productivity.

1.1. The UKCES and UKFP

The **UKCES** was a government-funded, industry-led Non Departmental Public Body that advised on skills and employment issues from 2008 to 2016. As the ‘productivity puzzle’ came to the fore following the financial crash of 2008, its research programme increasingly focused on the contribution of skills to productivity and particularly the role of leadership and management.

In April 2014, the UKCES launched the **UKFP** to trial innovative ideas with industry to test ‘what works’ in addressing workforce development and productivity problems. Over two years, the UKCES invested £4.4 million in 32 projects. Projects ranged from a medium-sized family firm developing management capabilities through its local supply chain to the development of sector-wide learning hubs and programmes to support innovation and productivity (UKCES, 2016a).

The overall objectives of the UKFP were to:

- Support collaborative approaches to workforce development issues amongst employers and, where applicable, wider social partners
- Encourage innovative approaches to addressing workforce development issues
- Identify ways to address new or persistent market or system failures which act as a brake on UK workforce competitiveness

Identify ‘what works’ when addressing market failures in relation to workforce development, for adoption in policy development and wider business practice. (Mackay et al, 2016)

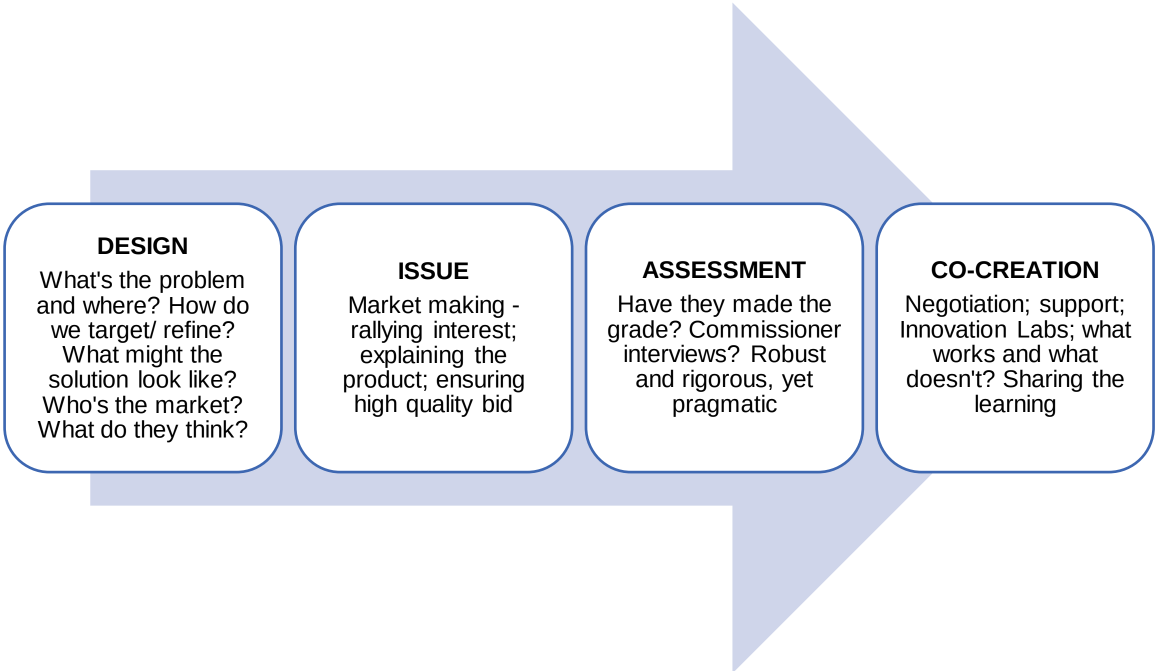
Five ‘Productivity Challenges’ were set by UKCES, each focused on a specific skills problem hampering productivity and growth which had been identified in the evidence and informed by UKCES Commissioners. The five challenges were:

- Addressing skill deficiencies in the offsite construction sector;
- Management and Leadership in supply chains and networked organisations;
- Progression pathways in retail and hospitality;

- Skills for innovation in manufacturing;
- Developing leadership and entrepreneurship skills in small firms through anchor institutions.

The UKCES adopted a specific process for each Challenge, illustrated in Figure 1.

Figure 1: Overview of UKFP process



Source: adapted from UKCES

Based on existing evidence and Commissioners' expertise, the UKCES first identified a workplace skills and productivity challenge and then market tested the nature of the challenge and feasibility of the UKFP approach with employers and intermediaries. A call for proposals was issued and a market making stage followed which encouraged project development and applications which would fit the criteria. The criteria were:

- potential for impact – given the short term nature of the projects and the depth of the issues being explored, how likely was the activity to impact on the Challenge, demonstrated through a Logic Chain and Theory of Change;
- innovation – was the project innovative, either transformative or applying a model in a different way or in a new context;
- strong employer leadership and engagement;
- appropriate balance of private and public contributions;
- willingness to use the UKFP to test and share learning.

The successful projects received co-funding and co-creation support to nurture learning, collaboration and innovation within and across the projects through a dedicated UKCES 'Relationship Manager', supported by UKCES researchers. The Relationship Manager was expected to be in at least fortnightly contact with the project and more if required. They were also facilitated relationships and connections between projects and, where possible, support engagement with policy makers and influencers.

A ‘real-time’ independent evaluation was commissioned and evaluators worked alongside the UKCES team in designing and developing ‘Innovation Labs’, where projects on a Challenge came together to share insight, address common problems and hear from external thinkers and stimulants, in a model of public policy innovation. Two Innovation Labs per Challenge were held, one toward the beginning, primarily to facilitate relationship building and one toward the end primarily to inform the evaluation. In these respects, the UKFP approach was different from ‘traditional’ project design and evaluation approaches (as discussed further below).

A short-term evaluation was published prior to the closure of the UKFP in summer 2016 (Thom et al, 2016), which identified success factors and barriers and implications for policy and for business. The evaluation was too early to assess sustainability.

UKFP can be considered uniquely innovative in combining the following elements:

- Co-funding between government and businesses/intermediaries in addressing workplace productivity through skills and organisational practices;
- Testing ‘hooks’ (i.e. different methods for) engaging employers in improving productivity (broadly defined). Importantly, each challenge was focused and marketed on a widely recognised area of business concern rather than use of the terms ‘productivity’ or ‘workplace practice’;
- The Programme took a Research and Development (R&D) approach to devising and testing skills solutions. Innovation was sought and a degree of risk tolerated to enable greater learning about ‘what works’ and how to apply that learning.
- The focus on management practices within the projects and in the short-term / formative evaluation findings;
- The co-ordinated approach to project management, monitoring and evaluation, which fostered ‘continuous learning’ to establish what works and what does not, was original in this field;
- Co-creation – building on a partnership approach to bid development and project delivery, the use of ‘Innovation Labs’ to share learning across related projects and draw out evaluative insights with support of UKCES Relationship Managers, providing ‘critical friend’ support.

The establishment of the PIN and the availability of research funding provides a unique opportunity to conduct longer-term evaluation of selected UKFP projects to explore:

- sustainability of the networks/ products which the projects developed;
- the productivity impact on participating businesses, as assessed by the extent to which businesses had adopted practices which could improve their productivity – the ‘potential for impact’ sought in the application for UKFP co-funding.

1.2. About this longer-term evaluation

1.2.1 Aim

This aim of this research project is to *advance understanding of addressing productivity issues in the workplace by conducting follow up research with a selection of the UKFP projects* most suited to PIN objectives and current policy agenda.

The UKFP projects selected for this research focus on engaging businesses (particularly small businesses) in low productivity sectors or regions. They are from the following challenges:

- ‘Pay and progression in Retail and Hospitality’ (RH), co-funded with the Department for Work and Pensions (DWP)
- ‘Developing Leadership and entrepreneurship skills in small firms through local anchor institutions’ (LAIs), targeted at low productivity regions.

Further details are provided in Section 2.

The evidence gathered is intended to help inform local/national policy makers and business by identifying:

- *What ‘hooks’ (i.e. methods)* are effective in engaging business in productivity, *how* and *why*;
- What *interventions* enhanced productivity/associated practices;
- The *sustainability* of different approaches;
- *How* to conduct trials on ‘what works’ in improving workplace productivity.

1.2.2 Methodology

The project adopted a three-stage methodology:

Qualitative follow up phone interviews

Ten projects were followed up out of eleven that were approached. All seven project leads in the ‘RH’ challenge and four (from eight) in the ‘LAI’ challenge were selected for first stage interviews to represent a mix of lead anchor institutions (e.g. Universities, Chambers). All seven interviews were achieved in the RH challenge, and three in the Anchors challenge. These initial interviews lasted 30-60 minutes and focused on: (a) the nature of the project; (b) what happened after the end of funding; (c) the impact on local/ sectoral businesses and employees; (d) relationships developed/ enhanced through the project; (e) reflections on the UKFP approach and whether lessons from it have been applied in future activities.

From these, a sub-set of five projects was selected for more detailed case studies, based on willingness of lead partner to provide contacts and likely ability to contact beneficiaries after two years with no contact.

Case Studies

The aim of the case studies was to provide deeper insight into what works. Because the projects selected for case studies were so varied in their approach and who they worked with it was necessary to be both flexible in who was interviewed and to tailor interviews to reflect their involvement and the intervention. Overall 13 interviews were achieved. In the case of one employer-led project from the RH challenge, the focus was on internal managers and users and the implementation of the tool developed, whether it was still in use and how embedded it was. In another employer-led project which was developing a toolkit for broader business use, business partners and beneficiaries were the focus of interviews to explore relationships, use of the developed tool and business impact. In the case of the two LAI case studies which delivered management development opportunities to small businesses, it was important to interview selected beneficiary employers to gain their perspective on the training and impact on their firm. We also conducted an interview with a Local Enterprise Partnership to understand their reasons for providing funding for continuation of the one of LAI projects.

Partners

The research also involved discussions with Be the Business and the Department for Work and Pensions (DWP) as project partners with ongoing interests in useful learning for testing and trials of future investment with business to enhance productivity. DWP was a co-funder of the RH challenge, the issue of engaging employers in discussion on raising pay and progression opportunities for low paid staff remains a particular focus for DWP as Universal Credit is rolled out, but is also a cross government issue. Be the Business is a government-funded, industry-led body leading the debate on enhancing management and leadership to improve productivity. The method of UKFP could provide useful learning for how to test and trial future investments with business.

1.3. Report structure and reporting conventions

Section details more about the UKFP projects selected for this longer-term evaluation, based on information published at the time of the closure of the UKCES. The material drawn upon is publicly available and as it was intended to promote and share good practice amongst businesses; hence the information in these sources was not anonymised. Therefore, while reporting on existing public information, section 2 is not anonymised. Section 3 however, reports on the findings of this research which are anonymised. This section provides an analysis of what worked in sustaining activities and impact. Section 4 draws out lessons for policy aiming to enhance workplace productivity.

2. UKFP projects followed up in this research

This section presents further background on the two challenges under review and the 10 projects successfully followed up in the research (see Table 1), as context for the research. It is based on publicly available information (UKCES 2016a), UKCES 2016b) and UKCES 2016c) and describes the project progress up to the point when UKFP funding ended in 2016.

Table 1: Details of projects participating in the study

Challenge	Name of project	Lead Organisation
Retail and Hospitality (section 2.1)	Experts Grow	Fifteen, Cornwall
	Fast Track – Addressing Employee Pay and Progression in Coastal Tourism SMEs	National Coastal Tourism Academy
	Living Wage in Retail: Developing a Good Jobs Strategy for the UK	Living Wage Foundation
	Testing pay and progression models in Hospitality	People 1st
	London Designer Outlet Skills Academy	Realm
	May my Future Application	Rocco Forte
	Building flexible careers pathways for retail	The Timewise Foundation
Local Anchor Institutions (section 2.2)	Captured	Newcastle University
	The Leadership Forge	Teesside University
	The Leadership Projects	St Helens Chamber Ltd

2.1 Pay and progression in retail and hospitality challenge

2.1.1 Background to the challenge

In October 2014, UKCES issued the prospectus for the RH challenge. Co-funded with DWP, the challenge was described as:

> *'Retail and hospitality are two of the most important sectors of the economy, between them providing 6.9m jobs, which is 20% of all jobs. What's more both sectors are set to grow, providing new opportunities at all levels from the shop floor to senior management. However, they have traditionally seen high rates of labour turnover, requiring significant outlay on recruitment and induction training for new staff at the expense of development training and progression for existing staff. This in turn can lead to undue pressures on remaining staff and lost sales. Employers in these industries are aware of the issues. Surveys of retail employers show that over a third (38%) believe that their staff do not have a long-term commitment to the business. Key reasons cited are complications arising from the benefits trap, low wages and a lack of progression opportunities. Retail and hospitality are both extremely price competitive, which in turn naturally leads to business models that focus on cost minimisation. The workforce in these sectors are typically employed part-time (38% in wholesale and retail) and are therefore likely to have very low pay; while the seasonal nature of some work can seriously limit opportunities for progression. Government is changing the benefit system and rolling out Universal Credit to substantially improve incentives to earn*

more, remove current hours restrictions and replace out of work benefits including tax credits on which £21 billion is spent per year. Research suggests changing practices to help low earners progress at work can lead to improved customer service, better decision making abilities, reduced turnover, better morale and increased customer spending. We know that organisations adopting good working practices are likely to be more productive, more profitable, experience lower labour turnover and benefit from reduced absenteeism.' (UKCES, UK Futures Programme Competition brief: Progression Pathways in Retail and Hospitality. 2014)

Proposals were invited from employers or employer representative bodies in the hospitality and retail sectors with the expectation of improving productivity through lower staff turnover. Examples of activities to support this included re-designing job roles; the implementation and testing of 'progression pathways' or of 'high performance working' (HPW) practices with low paid workers, and SME led collaborative approaches to progression, such as through 'sharing' of staff or arranging progression pathways between firms to keep staff in the same industry.

Seven projects were funded and managed by UKCES between April 2015 and June 2016 with varying end dates (with a UKCES/DWP investment of £1.2 million and co-investment of £1.1 million [including cash and in kind contributions]). Two of these projects were originally planned to complete later between August and November 2016 but had their end dates were brought forward due to the announcement of the closure of UKCES. Another project was extended to allow time for an initial evaluation to take place and was managed by DWP.

The logic chain for the Challenge is shown in Figure 2.

Figure 2: Logic chain for Pay and Progression in Retail and Hospitality Challenge

Rationale and context

- Dependency on in work benefits by those who 'could do more'
- People trapped in low pay/low skilled jobs
- Businesses experiencing high staff turnover and associated costs, low staff morale, high levels of skill gaps, impacting on quality of product or service and on business specific measures of success. There is a low demand for skills in the workplace

Inputs

- DWP funding
- UKES funding
- Employer contributions
- Collaborations of employers with local partners

Activities

For example, testing of:

- Redesign of role profiles
- Development of toolkit for best workplace practices
- Staff engagement and consultation
- Training for staff and managers.
- Development and clarification of career pathways

Outputs

- Tested toolkits for business
- Training modules and methods tested and developed
- Changes to work organisation which have potential to attract more pay (staff working more hours or changes to job roles)
- Changes to recruitment and retention practices
- Employee engagement mechanisms in place
- Clear progression pathways in place

Outcomes

- Improved individual motivation
- Improved skills
- Reduced staff turnover and costs
- Reduced skill gaps
- Improved quality of work Improved high performing work practices

Impacts

- Increased pay
- Reduced dependency on in work benefits
- Clearer, sustained in-work progression pathways
- Enhanced demand for skills in a higher value added context
- Improved quality of product or service impacting on business bottom line
- Enhanced business collaboration on people issues

Source: Mackay et al. (2016)

2.1.2 The projects

Four of the projects were focused on the hospitality sector and three on retail. The activities, objectives and lead organisations were varied and as the follow up interviews revealed, there was also varying degrees of continuation of the projects.

The first hospitality sector project, led by **Fifteen Cornwall,** worked with local businesses to enable advancement within the sector through new professional development opportunities. A toolkit (http://www.hospitalityskills.net/) was developed, in partnership with other businesses, based on five principles:

- A strong culture drives performance and requires effective leadership and staff engagement;
- Well-designed standards, underpinning operations and which empower staff;
- Learning and development, enabling staff to grow;
- Offering clear progression routes with job enrichment and pay uplift. Progression could be vertical or horizontal (moving into different roles, or expanded skills to enhance experience and progression opportunities); and
- Performance measurement of what matters.

Through business networks it was hoped to promote sharing of staff and accelerate promotion opportunities to keep talented people in the sector. A local college was also engaged and the toolkit was launched with 18 employers using the toolkit by the time funding had ended. 'Climbing the Ladder' (UKCES, 2016b), the project report aimed at employers, also reported that 269 low wage employees had been trained and were achieving lasting wage increases, and at one establishment, employee engagement had increased by 13% in departments where new training opportunities, progression and pay scaling had been introduced.

The second place-based hospitality project, the **National Coastal Tourism Academy** worked with hotels in Bournemouth to trial new recruitment methods, staff induction processes and management training to test the impact on skills, customer service and, ultimately, 'the bottom line'. Again, sharing staff and enabling progression across business was a goal. '*Climbing the Ladder*' reported that 300 low entry staff had been engaged in masterclasses from 43 businesses and 43 delegates participated in bite sized management training workshops.

The third project in the sector was led by an intermediary, **People 1st**, and involved four major national employers, each testing different aspects of recruitment and progression of low paid staff to contribute to a sector-wide human capital model. Analytical tools, behavioural and career coaching and multi-skilling of roles were some of the models used to assess and develop the aptitude and skills of the workforce to identify where people, especially apprentices, have what it takes to step up to the next level.

The fourth hospitality project was led by one business, **Rocco Forte**, aiming to address a sector need and develop an 'app' to support training and progression for staff who may have access to a smartphone but not a PC and allow flexibility to conduct training when it suited them. By the time funding ended, the project had developed a career map, competency framework and online learning modules. 39 coaches had been trained at two businesses and the app tested with 43 testers.

In the retail industry, **Living Wage Foundation (LWF)** worked in partnership with leading retailers to develop a 'Good Jobs' toolkit, drawing on the 'Good Jobs Strategy' work of Professor Zeynep Ton at the Massachusetts Institute of Technology. Redesigning job roles and rethinking the approach to staffing shops was at the core of this approach. The toolkit was launched and '*Climbing the Ladder'* reported that 650 employees at one of the businesses had chosen to increase their working week by 9.2 hours, equating to additional earnings of around £4,500 per year.

The **Timewise Foundation (TWF)** worked with Pets at Home to provide clearer routes and opportunities for promotion for part-time and flexible working colleagues, particularly women, through redesigning job roles. Initial research found that the ratio of men moving off the shop floor into assistant manager roles was double that of women. Flexibility to achieve a work-life balance at a higher level, rather than ambition, was a major barrier for women. Guidance was produced to support organisational culture change to support the new opportunities, with 400 store managers and 40 Area Managers trained in, for example, new types of flexible working for management roles and how to integrate a flexible cohort of managers to store resourcing. Eight candidates had been recruited into new flexible management rolls, as reported in '*Climbing the Ladder*' and the business was confident of a deeper impact in the business.

A more general guidance document, based on this and wider Timewise experience and research, was published later identifying a five step process for flexible job redesign in retail management roles: establishing a business case; exploring the capacity to drive change (assessment of where the business is in approach to flexible working management roles); identify which job design options support your business; set up a pilot and measure impact; roll out the changes and measure benefits (Timewise, 2017).

The final project in this challenge tested joint training activities in the setting of a large shopping centre, the London Designer Outlet shopping centre managed by **Realm**. An onsite skills academy was set up with training provided free of charge, with employees usually attending in their own time. Of 38 students around two-fifths had had an increase in their position or responsibilities since training.

Thus, **overall** the projects covered a range of innovative packages, focused on talent retention and progression opportunities, with job design critical in three (LWF, TWF, 15) and intentions to find ways to share staff or allow easier progression in three (15, NCTA, Realm). At a practical level, most projects developed toolkits and delivered training by the end of the funding, but implementation was relatively contained and some of the more ambitious and innovative elements proved problematic - particularity cross-organisational career pathways.

2.2 Developing leadership and entrepreneurship skills in small firms through anchor institutions challenge

2.2.1 Background to the challenge

In March 2015 the ‘Local Anchor Institution’ (LAI) challenge was launched to address management and leadership deficiencies, and barriers to development, in small firms: A report on leadership and management skills in small and medium-sized enterprises (SMEs) (Hayton, 2015) noted that the skills that are most strongly associated with good management practice and small firm performance are entrepreneurship skills and leadership skills. Here leadership skills are defined as motivating and influencing others and delegating work and entrepreneurship skills as identifying customer needs, technical or market opportunities, and pursuing opportunities. Hayton (2015) argued that these skills have the greatest positive impact on staff management practices which then lead to greater turnover, growth or productivity.

The UKFP LAI challenge was focused on Scotland, Wales, Northern Ireland, South West England, North West England, North East England, and Yorkshire and the Humber as they had the lowest levels of productivity at time of analysis. Small firms were defined as those employing fewer than 50 people. Crucially, the challenge tested the role of LAIs in reaching small businesses their local area. LAIs could include: universities, business schools, banks, Chambers of Commerce, Local Enterprise Partnerships (LEPs) in England and Regional Skills Partnerships in Wales. This was in response to a growing body of evidence concerning the potential for organisations like this to use their expertise or resource to play a more proactive role in their local economy to help it to grow and prosper.

UKCES selected eight projects to co-invest in, which ran from August 2015 to June 2016; (the timing for most projects was curtailed due to the closure of UKCES). The type of anchor institution varied. Four were universities; two were business support organisations, one was a skills development organisation and one was a local authority.

The research questions set by the Challenge are set out in the following box:

Research questions for the 'developing leadership and entrepreneurship skills in small firms through anchor institutions' challenge

Skills questions: Improving Leadership and Entrepreneurship

- What does a good Leadership and Entrepreneurship programme look like for small firms? Does it encompass management, leadership or entrepreneurship? Does it include softer personal development? What language do firms respond to?
- What duration of training is effective – maximise learning, minimising drop-out and facilitating engagement?
- What works in building employer networks that strengthen skills provision and raise aspirations in the community and which include small firms?
- How can employer networks facilitate the delivery of effective solutions to raise entrepreneurship and leadership skills?

Engagement: How to engage small business?

- What are the best methods (channels or routes) for an AI to engage with small firms? Do AIs have the capability to do this? How can they use other small firms or other organisations (and which type of organisations: other businesses, in the same sector or other? Chambers, councils, education providers, banks, others to engage hard-to-reach firms?
- What messages engage small firms?> Is it the messenger or the message? Is it the business case/bottom line?
- What works in enabling small firms to engage with Leadership and Entrepreneurship? What are the barriers that small firms face in engaging with Leadership and Entrepreneurship development? How does the project mitigate those barriers?
- To what extent does the local factor influence participation? How can localism foster/harness participation?
- To what extent do local factors influence participation? How can localism foster/harness participation?

Anchor Institutions: How can LAIs support local small businesses?

- How can AIs raise the aspirations of small firms when it comes to Leadership and Entrepreneurship skills? What works in strengthening the relationship between anchor institutions and the local business community/small firms?
- What wider benefits can an AO bring to the project?
- What benefits do they stand to gain from playing such a role?

Source: from Thom, McLeod and Hope (2016.)

2.2.2 The projects

This section describes the three projects interviewed for this study, two led by Universities, one by a Chamber. Originally four projects were selected, to provide a mix of different type of anchor institution, but we were unable to attain interviews with all the projects selected.

In **Teesside**, the **University** wanted to challenge the low value attributed to leadership by local small businesses by developing a community of experiential and shared learning via workshops, coaching, site visits to large employers and peer learning sessions. The Leadership Forge development course comprised overnight residential; site visits; coaching and Action Learning Sets. An alumni network was intended to help attract SMEs to the course. By the end of the funding period, 19 people had been on the course and the University was advertising for a new cohort to start later in 2016 to be financially self-sustaining.

Newcastle University Business School's Captured project aimed to engage large regional employers in the North East in providing support to micro and small businesses by releasing senior managers to provide 1:1 support to micro and small business owners as part of a structured programme of three workshops to develop their management skills. 41 small firms had participated, supported by 18 large employers by the end of UKCES funding period. The project has been sustained until the time of this research in late 2018 by carrying forward underspent resources: initially a contribution from the Local Enterprise Partnership and Higher Education Innovation Fund and Newcastle Business School's own funds.

The **Chamber of Commerce in St Helens** wanted to address the issue of SMEs lacking time to invest in their own skills and knowledge of management and leadership and subsequent lack of take up of existing support. By drawing on medium-sized firms - more likely to take up opportunities to develop their leadership skills – the project gave small firms the opportunity to be mentored by medium sized firms in their area who have gone through a growth curve themselves and can relate to small firms' issues. A series of leadership and management seminars (modules included resilience, business diagnostics, emotional intelligence, having difficult conversations, etc.) was designed to enhance management and entrepreneurial skills of micro firms which wanted to grow. By the end of funding, 17 small firms had been engaged, including in a project to trial small firm involvement in local economic development planning.

Overall, across all eight projects in the LAI challenge, in addition to the variation in type of anchor institution, there was also variation in target audience (by sector); the duration and intensity of training programmes and in engagement mechanisms. Anchor Institutions working in partnership with other local organisations, mentoring by other firms and some form of fairly basic management training was evident throughout. Clearly, all the projects were still at an early stage in implementation at the end of funding.

The next section goes on to consider what has happened since, based on interviews conducted for this research.

3. What worked? An assessment of UKFP two years on

This section presents an analytical assessment of what worked, based around the four research questions:

- The *sustainability* of different approaches;
- *What 'hooks'* are effective in engaging business in productivity, *how* and *why*;
- What *interventions* enhanced productivity/associated practices;
- *How* to conduct trials on 'what works' in improving workplace productivity.

The analysis is presented by using codes for the projects interviewed. Projects which begin 'RH' were in the Retail and Hospitality challenge and those beginning 'LAI' were in the Local Anchor Institution challenge.

3.1. Sustainability of approaches

This question is at the heart of this longer-term evaluation. Nine of the ten projects for which interviews were conducted reported the products/services developed by UKFP were still available and being marketed to a greater or lesser extent. In one case where that is not the case, the learning has morphed into other programmes, with a 'pick and mix' approach being taken to apply what works to other initiatives. In the final project, the intermediary was no longer in operation. The reasons for these varying positions are complex. This section considers factors associated with the sustainability of the product or relationships developed through UKFP and of the impact on organisations (employers or intermediaries) leading the project.

3.1.1 Compatible funding sources

Continuance of, and availability of funding streams is vital for services to remain in place and actively available. There is evidence of some projects being self-sustaining (funded by employers, investing in the value they see from the project), at least for a while, and for others, access to other public, and sometimes private, funding streams has enabled the products to still be in use and/or development. Critical to this availability of other funding streams is the alignment of objectives of the product and the funding and the eligibility of the lead organisation to bid.

Projects could be self-sustaining to some degree where businesses recognised the value and were willing to invest in the product. . Three of the products were initially self-sustaining without additional, external sources of funding. In RH1, a business is continuing to fund and develop a product because of its use and value within their own firm and it aligns with growth ambitions.

In LAI1, a management learning and development programme was initially maintained and entirely funded by participating businesses, although the course itself was trimmed to focus on the areas which had been most effective. However, when a funding stream came available, it was applied for and was successfully obtained. Whilst the offer then expanded again, and it is still core business for the intermediary, there was some disappointment that the self-sustained model had not been able to continue. Project

RH2 was also funded by the private sector lead for some period following the end of the UKFP programme, but not at the time of interview. The private sector lead had provided a skills development facility for staff within businesses in a specific locality. The businesses concerned did not have to pay, the cost was borne by the lead. However, after a year, the project manager left and was not replaced, so there was no one to run the facility. The private sector lead intended to restart the facility in 2019.

External sources must have compatible goals with the project- RH2 also illustrates the importance of securing a compatible funding source, as the project had failed to secure funding from a local authority partner, in part because their objectives were not aligned. The local authority wanted to get 'unemployable people into work' but this was not the purpose of the private investment, which was to enhance opportunities for those in employment. LAI2 was able to apply for alternative funding sources immediately and since UKCES co-funding ended, 18 cohorts have gone through the programme. The alternative funding sources were aligned with the goals of the product and the applying organisation qualified for these funds.

Intermediaries with compatible goals and supported by other income streams can sustain products beyond funding in a variety of ways. Two projects led by self-funded intermediaries had continued with the direction of travel forged by the UKFP project, with the end product/toolkit embedded in on-going activity. Whilst RH3 embedded their tool in another organisation with a broader business reach, RH4 established further pilots with different businesses and developed the product using alternative funding from a private source with aligned goals. Thus, the tool is in continuous use and development, with additional opportunities for dissemination and sharing best practice.

Websites can be a tangible product but need continual promotion and maintenance. RH5, an employer-led project, had a tangible product available on a website, promoted by the employer lead via various mechanisms, although traffic to the site was low. They had recently been successful in attracting other complementary funding streams, in part due to the foundation laid by the UKFP project. However, In RH6, led by a quasi-governmental body, materials developed during UKFP remained accessible on a website, but it was not promoted and funding was not allocated, or applied for, for further activity replicating the UKFP intervention (rather funding had been obtained for other projects to support the tourism industry in the wider area).

3.1.2 Investing resources into relationships

Another theme to emerge from the research is the importance the funding had on relationships, giving time and impetus to encourage businesses and intermediaries to work together to develop solutions. Without this funding, and in an environment where every participant is 'time poor', the removal of funding often meant relationships were not maintained.

Complex problems require time and trust to address them. An employer engaged with RH5 reported that whilst there was some evidence of maintained relationships, this was less than if support had been available beyond the funding period. It was felt the project 'ended abruptly'. This mattered because opportunities for developing complex ideas further – such as structured staff sharing and progression schemes - did not ensue. These issues require time and trust to tackle collaboratively.

Relationships with pilot employers may not survive the funding period and cast doubt on extent of 'changed behaviour'. In both RH3 and RH4, intermediaries had developed a tool kit with employers but were no longer working with the employers who had piloted the tool. This was in part because the intermediary lacked the resource to maintain relationships. This raised questions about how deeply the tool was embedded within custom and practice within the pilot employer, in part due to a known turnover of staff within these businesses, a theme to which we will return.

But funding can help maintain relationships Conversely, LAI2 had sourced continuous funding had also been able to maintain a Steering Group for the project. The same businesses remained committed to supporting the project from its own and other resources and the project has been integrated into business as usual for the intermediary.

3.1.3 Staffing continuity

Staff turnover or stability proved to be very influential in the sustainability of products and relationships. Three groups of people are important for sustained activity:

- Strategic (Project Champion) and Operational (Project Manager) leads;
- Project Pioneers who may have been involved in the design of the product, or at least have received training and understand the wider importance and purpose of the product within businesses;
- Managers, at all levels, need to understand the project and set the right procedural and cultural context for its implementation.

Although we were able to interview strategic contacts across all projects, we did not find any projects where all of the above roles were still occupied by the same people.

Anchor Institutions demonstrated some overall stability of staff. This is perhaps unsurprising since their continuity is what marks them out as 'anchors' in their community. Project Champions were still in place in all three interviewed and Project Managers in place in LAI1 and LAI2. Project Managers supported the continuation of the activity, Project Champions could embed learning, proactively pursue or react to new opportunities and maintain a profile for the product/offer within the organisation.

Project Champions and Project Managers played important, complementary roles in non-anchor institutions too. In all of the Retail and Hospitality projects where there was evidence of sustainability of the UKFP product , there was continuation of a Project Champion (employer or intermediary, evidenced in RH1, RH4 and RH5). These projects also demonstrated that where there was a strong Project Champion, they can maintain the vision, embed learning and wait for the right funding opportunities to come along, although they were not able to commit the resource of a Project Manager. Projects which lost a project manager when funding ended also lost significant momentum, or ended completely; the individual responsible for organising and arranging activities was no longer available (RH6 and RH2) and there was not a strong Project Champion in evidence.

Project Pioneer and senior manager churn plays a particularly important role in hampering sustained activity. The Retail and Hospitality sectors are known for high levels of staff turnover. Improving retention was a rationale for the UKFP challenge and a 'hook' for businesses to engage. Therefore, it is not surprising to find that within participating businesses there was staff turnover and that this seemed to impact on the continuity of use of a product within a participating/beneficiary business. Staff turnover in participating businesses was evident across all the Retail and Hospitality projects.

A product may still be in use, but implementation hit 'bumps in the road' due to turnover of Project pioneers and senior managers. In RH1 although Project Champions and Project Managers remained in place, this was not their only or principal role, and so had limited time to commit to on-going promotion of the product When Project Pioneers and senior managers left, new staff had to be trained and new management bought into the idea. The company is now positive about continuing and expanding use since a senior manager announced at a recent awayday that it would be used by all branches to support staff development and growth, but it is clear that the loss of Project Pioneers and Senior Managers had impacted on momentum.

Where the Project Pioneer and/or Senior Managers remain in place, there can be significant changes and benefits in the firms. One Project Pioneer interviewed in RH5, regularly referred to the UKFP tool and was able to identify specific business practices which had been developed (e.g. on performance management) as a consequence of use of the tool. The business had grown and although difficult to attribute to the specific toolkit, the practices the business had developed had empowered staff to take bolder decisions, even leading to a new establishment being opened. Turnover and employment had grown, and the employer was concerned that this would not be reflected in measures of productivity, but was a mark of success for them.

3.1.4 Internal Goal Alignment

The UKFP intended to invest in organisations which could attempt innovative ways to reach employers because they had a different type of relationship with business. This research suggests that whilst this is possible**, for a sustained change, the intermediary organisation needs to take the opportunity to embed this objective in their own strategies**.

In RH6, workforce development was not a primary objective of the intermediary, thus when UKFP funding ended, and a specifically recruited Project Manager left, there were no internal drivers to continue. In contrast, LAI2 reported 'Enterprise' had become more important across the organisation, thus time invested in the project was compatible with organisational objectives.

3.2 What works in engaging businesses?

Fundamentally, the two UKFP Challenges tested whether employers in the retail and hospitality sectors could be engaged with issues concerning pay and progression through tackling retention and tested whether local anchor institutions could encourage small firms to partake in developing leadership and entrepreneurial skills where they had not previously done so.

The evidence from the pilots themselves might be described as mixed. While all projects did meet engagement targets they set themselves, this was not always easy and required significant resource and a reliance on personal relations and existing networks. Given the innovative nature of the projects, and the timing, most businesses in the retail and hospitality challenge were already engaged with the issue of staff retention and understood the importance of engaging and valuing employees. That was the intention and the purpose was then to further disseminate this and encourage wider ‘best practice’. Conversely, the Local Anchor Institutions challenge was focused on small firms which had not tended to engage in formal leadership skills development; thus the ‘starting point’ of the target audience here was very different.

Considering then the findings from this research, there are a number of factors that ‘hooked’ businesses in, or in fact, deterred them:

3.2.1 Mutual benefits espoused by peers

Whilst all the projects included employer leadership, those which seemed to engage other employers most effectively where those were there was a clear call for working together for mutual benefit, whether on the basis of a local area or wider region and where there was a clear Project Champion. Business leaders taking on this role is a powerful motivator for other businesses to engage. However, as discussed in section 3.1.1, the extent of resource they can commit to this is limited.

Businesses which have a naturally occurring pre-existing relationship have been seen to work together in the UKFP. These relationships may be through location and a vested interest in the economic health of the local area (RH5, RH6, LAI2) or a mutual dependency in a supply relationship (RH2, RH5).

Projects steered by peer leadership groups provide ‘peer pressure’ to drive a project forward (evidenced in RH3 and LAI2). The larger the group, and the more the group can derive benefits from its participation, the stronger the influence and more sustained it is likely to be. In LAI2, the act of mentoring a smaller business encouraged greater self-reflection of their own performance or business management practices and helped to keep the larger businesses engaged in the project.

Mutual benefits can extend to supporting staff moving on and up. In two other projects, RH2 and RH6 which were focused on clusters of small firms, staff trained were known to have progressed with employers other than the original beneficiaries. This had been the intention of these projects, for the benefit of the individual and for the sector to retain talented staff. But in both cases, the activity has ceased and there has been no follow up or evaluation of progress.

3.2.2 Using the right hooks

'Productivity' does not engage business. The notion of 'productivity' and productivity metrics do not engage businesses; rather they could deter them. UKCES recognised this and did not use the term in employer marketing activities. As the programme focused on contributors toward productivity - staff retention and leadership development - it was intended to have the longer term impact by changes in custom and practice associated with drivers of productivity, which were of interest to employers. This research has borne this out with respondents expressing concern that productivity measures do not define growth to them (e.g. a business in RH5 which had expanded turnover and staff, but would not have improved productivity measures).

One-size does not fit all. Unsurprisingly, there is no single hook or engagement mechanism which is right or wrong. Some will work for some businesses and not for others. For example, it was the case that 'leadership and management skills' may be off-putting to small business owners, as it may be seen as a judgement on their capability rather than an opportunity to objectively assess and develop their business proposition. In that sense, the de-personalised and more neutral 'productivity' may be better or, more usual terms like 'business growth'. Similarly, small businesses could respond well to support from large businesses, very different to them, and also from small or medium sized businesses, more like them.

3.2.3 Mitigating risks

There is a role for Government to support businesses taking risks in engaging. Training and staff development has often been reported as being seen as a cost, rather than as an investment by businesses (Stanfield et al. 2010). This research suggests this is still the case and is evidenced to some degree in all projects. Businesses may be better placed to influence each other than government bodies, but there are risks in doing this, such as the time to commit to relationship building and project delivery; the cost of investing in staff; the risk of sharing sensitive information in a competitive environment. Government can mitigate against these risks, and that role has been important to prompt action seen in UKFP - action which decreased in almost all cases, after the co-funding was removed.

3.2.4 Continuity of support

Developing new practices needs time and on-going support. As outlined in section 3.1.2, projects did not make as much progress as originally hoped because it was difficult to sustain relationships without the support of a facilitator or motivation of funding. In LAI2, a Steering Group continued where there was on-going public funding; in RH5, without funding, this was not the case, even though the employers recognised the potential value. This makes a further point of the importance of continuing public support to enable relationships to mature sufficiently to build the trust required for the significant changes required to impact upon deep-seated productivity challenges.

3.2.5 Policy stability

Policy change disrupts business planning and training activity. During the course of the projects, two significant policy developments occurred: the announcement of the introduction of National Living Wage and of the Apprenticeship Levy. For some business involved, this was a distraction to their engagement in the project. In RH7, focused on improvements to Apprenticeship retention and success, the project was usurped by the levy introduction, as businesses had to rethink their approach. In one business in RH5, training was suspended for a while as changes to Vocational Qualifications and Apprenticeships cast doubt on whether the training they were providing would remain in existence. These changes are significant for businesses who must adapt their planning to accommodate.

Having more initiatives is not necessarily good. The research also found that businesses were confused about which initiatives to get involved in where there may be many in the same geography, with similar goals. They do not know 'which horse to back' and it may lead to 'fatigue'. Noting that initiatives like this only work 'if industry is behind it' it points to a need for greater local co-ordination of funding opportunities.

These wider factors have been seen to impact on employer participation in the UKFP.

3.3 What works in improving business practices?

Productivity was always the ultimate objective of the UKFP challenges but is a lagging indicator and projects were asked to develop logic chains and identify the 'potential for impact' of their projects. All projects interviewed could point to examples of businesses which had changed practices, whether adoption of greater employee engagement measures, redesigned job roles, improved business leadership and management. There was also evidence of business growth, partly attributed to these practices.

However, because of the variability in activity and lack of ongoing evaluation, it is difficult to say that certain activities were more likely to impact on workplace productivity than others (e.g. training course content or specific toolkit design, etc.). One case study project provided copies of annual evaluation reports prepared for funders but these tended to focus more on intermediate impacts. However, at the request of one their funders unique identifiers (VAT registration, Company House Number) were collected to allow potential tracking through the Inter-departmental business register as this was requirement of the Department for Business, Energy and Industrial Strategy (BEIS), but many of businesses were at early stage of their development so were below the VAT threshold or were not incorporated (LAI2). Additionally, there would not seem to be a single effective solution because the range of problems addressed, the context and the starting positions of businesses are so varied. This reflects the innovative nature of the programme, where solutions were co-designed specifically to enhance engagement. This model does present difficulties in how this is scaled on a significant basis, but in addition to what might be considered contextual factors discussed in 3.1 and 3.2, there are also a number of operational success factors.

- **Building relationships between businesses**, whether through overnight residentials as part of a training package (e.g. LAI1), mentoring arrangements (e.g. LAI2, LAI3), working together on steering groups (LAI2, RH5), and other opportunities to get to know each other, which were evident across all projects.

- **Allowing business leaders to take time out and reflect on performance through an objective lens**. In LAI3, businesses were able to capitalise on the opportunity for self-reflection, advice and input at a particular time where that was needed for them and enabled them to become aware of other opportunities and support available (e.g. through local business advisory bodies). The project could be said to have come along at the right time for them and allowed them to make further improvements.
- **Bite-sized programmes** that cater to the needs of businesses, particularly small business that do not want to be drawn away from the business for long periods (RH5, RH6, LAI1, LAI2, LAI3)
- **Employers benefitted from mixing with businesses from other sectors**, and from businesses with different starting points who could contribute different expertise. For example, in LAI3 they were able to share in the delivery of a programme whereby one supported social media learning, another finance and so on, in accordance with their expertise and experience.
- At a very practical level, **a place-based approach enables these success factors to come together**. It is easier for employers to interact, to establish relationships, to share learning and experience. They know which local organisations can support them or know of them, or can easily be directed to them, this can help with trust.
- **Clear communication with employees was as important as engaging managers**. This finding from the short-term evaluation was reinforced in this research. In RH1, employees were reportedly disappointed that training did not lead to automatic promotion. This was due to a misunderstanding of the purpose of the intervention, but it could have a demotivating effect and add to retention problems. In the emphasis on engaging managers, it is equally vital to be clear with employees.

3.4 The role and effectiveness of the UKFP methodology

The research explored the perception of the role of UKCES as described in section 1.1. In retrospect, what did project managers think of the value gained from the unique and relatively time-intensive approach of UKFP?

A positive but contained impact within lead organisations? Most respondents were supportive of role of the UKCES Relationship Managers, who acted as ‘critical friends’ for the projects; the clarity of guidance of the application and management processes; the support available through those processes; the flexibility of the programme in allowing the opportunity to try out new engagement or learning mechanisms. The hands-on role of the Relationship Managers helped to mitigate risk and embed learning in the project, particularly with Project Managers. However, the influence of the Relationship Manager did not seem to extend beyond the Project Manager or influence wider organisational learning within the lead organisation.

Testing and learning was new and challenging. Although aspects of the testing and learning expected of the projects were found challenging and sometimes cumbersome, projects did appreciate the opportunity to consider these issues and recognised the value of doing so.

Bringing projects together and facilitating access to external speakers was well received. Innovation Labs were also well received, although most felt that time spent sharing information on projects was not well used and external speakers, experts and challengers were preferred as this stimulated their thinking. The opportunity to meet others though was appreciated and some met after projects ended. Two projects remained in contact as they recognised that their toolkits were mutually supportive and aimed at complementary problems.

The approach to evaluation was proportionate but may not satisfy some audiences. The approach to evaluating the UKFP was proportionate to the public investment and the co-funding and co-design nature of the programme. Though projects were encouraged to collect baseline data and follow up with beneficiary employers, it was not a requirement. The real-time evaluation also fitted with the test and learn approach. Respondents welcomed the difference in approach to European Union funding and the requirement for baseline data and other data which was largely felt to be box ticking rather than the reflective learning approach. Whilst respondents may have been positive about this, there is a lack of rigorous data to draw on for the evaluation – either now or at the time of the short-term evaluation. There is a balance to be struck between flexibility and rigour, taking into account the scale of project activity. Whilst rigour may deter employers from participating, evaluating impact or demonstrating and sharing progress is more difficult without a baseline.

Generally, UKFP added value through engaging with projects which would not have happened otherwise, or to time or depth. Respondents were also asked whether the project would have happened anyway without UKCES co-funding. All reported that the projects would not have happened, though some reported forward additionality (the project happened sooner than would have been the case) or was enhanced in scope or scale. Sharing with other projects would not have happened as introductions were made through the UKFP, although these were not usually sustained across projects (distance being the main factor which deterred on-going communications and sharing between projects which did initially meet outside UKFP).

Learning may have been taken forward as people moved roles. Although we cannot demonstrate this through the research, it is also possible that learning from engagement with the project, may have been taken through to future roles, whether this is by beneficiary employers, participating employers, Project Managers or even UKCES staff.

4. Lessons learnt and implications for policy

This section draws on lessons learnt from the study for policy development in engaging businesses in business improvement, identifies evidence gaps and concludes with some overall recommendations.

4.1. Lessons learnt

4.1.1 Realistic expectations and resourcing

Many of the UKFP projects in this study reported that they were too ambitious in what they hoped to achieve or had understated the difficulties they may face, seeking to do too much in the timeframe (e.g. RH1 and RH4).

Bidders to a Challenge Fund may be inclined to do be ambitious to draw attention to their bid, but it is important to be realistic about the likelihood of fully addressing deep-seated market failures. Businesses do not change quickly. It takes more time than often government (or businesses) expect and more than annual government funding cycles allow. A longer term follow-up of businesses included in the evaluation of Business Links that had agreed to tracked using the Inter-Departmental Business Register (IDBR) found that meaningful performance improvements occurred at least three years after assistance (Drews and Hart, 2015). Whilst it is important to therefore have realistic expectations of what might be achieved, there are examples in this study where positive momentum was lost when funding ended, and which might have been maintained, or improved, with longer-term investment in building relationships, trust and experience.

4.1.2 The importance of place

Most of the projects participating in this study had a place focus, either because of the nature of the challenge (Local Anchor Institutions) or how the projects had defined themselves (Retail and Hospitality). This made bringing employers together easier, and this face to face interaction was important for learning and relationship building. These groupings did not need to be in the same sector. By engaging with businesses from other sectors, employers learnt their problems were not unique and actually this generated significant inter-sectoral learning in a place that was convenient and in a consistent economic, social and political context.

Indeed, the sustained activity witnessed in the Local Anchor Institutions projects demonstrates that such firmly rooted, well established, trusted organisations, with access to alternative funding mechanisms, can play a positive role in engaging businesses, developing and maintaining partnerships and sustaining activity.

Some of the area based approaches which have sought to connect larger businesses with smaller, can claim to have enhanced business networks in the region and enabled larger business to better understand a potential local supply chain (LAI2). Wider benefits are more likely to have emerged for locally operating UKFP projects. Some of the micro- and small businesses went on to engage in further local projects or to get involved in sector-focused organisations locally (LAI3).

Additionally, the risk of deterring employers from engaging in productivity-related initiatives when there are perceived to be are too many competing opportunities, might be mitigated by better co-ordination of initiatives at a local level. In a context where national policy churn creates uncertainty in business planning, confusion of initiatives at a local level adds another layer of complexity. This might be more easily managed in a setting of devolved accountability and funding.

4.1.3 Serendipitous timing

Some of the sustained activity can be attributed to the timing of the opportunity. Businesses which engaged were usually considering (albeit not necessarily proactively) this type of activity anyway, therefore the development or engagement opportunity came at the right time and was marketed in the right place. This is difficult to replicate in policy design, unless combined with the use of local anchor institutions and other intermediary and employer Project Champions.

4.1.4 Working with the right organisations

The UKFP was willing to take some risks in seeking out innovative solutions to challenges. However, perhaps one of the key lessons of this longer-term evaluation is the importance of working with organisations whose objectives are consistent with the programme or who embed those objectives during the course of the co-funding. Goal alignment has been shown to enhance the possibility of sustainability by continuity of staffing, ability to more easily engage with complementary funding streams and better fit to existing activity. Anchor Institutions with workforce development as a core activity, intermediaries focused on business practice and workforce development and employers which are already engaged and enthused and with a platform from which to grow, are all more likely to be able to demonstrate sustained activity. This could be a criterion for bid assessment and could be assessed at that stage.

4.1.5 Impact evaluation

The balance of respecting reluctance to share data with a need to understand the difference made by the intervention is a difficult balancing act. If government is co-funding to mitigate risk and share learning, then this needs to be an expected part of the deal. However, businesses should feel they are adequately compensated, or supported, in providing this data.

However, there is also a need for a balance between hard data and reflective approaches and policy experimentation. UKFP enabled the opportunity to learn and reflect and not necessarily be driven by achieving target numbers. Arguably this approach offered more learning than traditional governmental approaches to evaluation and greater opportunities for building networks. The challenge is to combine both these approaches to maximise learning and demonstrate value for public and private investment.

4.2 Evidence Gaps

The longer-term evaluation has revealed a number of evidence gaps, some arising from the limitations of the evaluation itself. These include:

Difficulty of attribution: The scale of UKFP, evidence of firms' engagement in other projects and activities and the gap of two years between funding and this follow up research all make assessments of impact and of attribution difficult.

The employee voice: Although evidence was gathered from employers about impact on individuals, we were unable to secure interviews with employees who had benefitted from training activities or workplace practice changes brought about through the UKFP. In part, this was due to the resources available for this evaluation, access and often high levels of staff turnover in the businesses.

4.3 Policy Recommendations

Five key points emerge for policy development:

1) There remains a role for Government to tackle market failures as business are unable to do so without support. Even relatively small-scale investment could be focused on triggers which engage business; risk mitigation and 'compensating' business for the risks they take in participation; and on evaluation and dissemination.
2) Multiple short-term projects do not necessarily allow for major changes to become embedded behaviour. Government support should account for the length of time it takes to tackle these issues and allow longer funding periods for embedding, dissemination and longer-term evaluation.
3) Equally, businesses need broader policy stability and certainty to facilitate their involvement in programmes like this and in implementing change.
4) At a national level, it may be that cost-benefit assessments which consider business burden are under-estimating the burden or some of the effects, e.g. through supply chains, or the uncertainty that policy change brings about;
5) At a local level, there should be a streamlining of initiatives to prevent confusion and to enable a pooling of resources and effort.

While there is evidence of sustained activity from UKFP, there is also evidence of activity curtailed or suspended for lack of any follow up investment, leading to a loss of skills, experience and momentum (as is the case with other short-term funding for projects).

It might be possible to bring these factors together in a series of rolling pilots operating at a local level, with organisations with aligned goals, access to complementary funding and conditional support of a Project Manager and relationship facilitation where there is a strong Project Champion.

At a local level, a number of the factors which led to success or otherwise of UKFP come together – a trusted Project Champion (in a respected intermediary or employer) with a resourced Project Manager to allow for development and implementation - could over-ride some of the difficulties of high staff turnover and capitalise on the benefits of face-to-face interaction, shared learning and relationship development.

A rolling programme of reflective learning pilots, working with organisations with clearly aligned goals, could be regularly reviewed progress against a logic chain – demonstrating the potential for impact on workplace productivity – and depending on progress, funding continued or ended.

This research has provided the opportunity to consider these lessons in shaping productivity initiatives and broader policy developments such as the Shared Prosperity Fund, as principals of programme management could apply more broadly.

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Appendix: UK Futures Programme – Longer term evaluation -Topic Guide

A. The project

1. Do you recall the project? *If YES, go to Q3, If NO go to Q2*.

2. Is there someone else you can suggest we can contact who might know more about the project? (e.g. someone with relevant workforce development responsibilities within the organisation?) *Ask for contact details, as appropriate; otherwise thank and end here.*

3. Please describe the project – who was involved? What did it entail? What were the objectives?

4. What was your role within the project at the time?

5. What is your current role? Does it entail any on-going developments pertinent to the UK Futures Programme project/ related issues? (*Ensure that the respondent can contribute further*)

B. What happened next?

Since the employer brochure was written:

6. What has happened since the end of the funding in summer 2016 to the <u>product/service</u> developed?

	a) Reformed and under continuous development
	b) Still in existence in same form/embedded in another organisation
	c) Still available but not actively managed
	d) Progressed initially but no longer in existence
	e) Did not progress after funding ceased
	f) Other (describe)

If answer is ‘a)’ to ‘d)’ or ‘f)’ go to Q7; if ‘e)’ go to Q9:

7. How did employer engagement/use of the product/service develop?
   - What role was played by the lead organisation in this?
   - What role was played by partner organisations/intermediaries/anchors?
   - What role was played by employers/business leaders?
   - What role was played by employees/representatives?
   - What was role played by funders? Who?

8. Do you have any quantitative measures of progress/ development/ success of the product/ service?

9. Is/Was the product/service effective – did it deliver what you hoped it would? Why? How?

10. What do you think contributed to success/failure of the product/service?
    - Product/service design? *(e.g. methods of learning for individuals' toolkits for employers)*
    - Was the testing of the product/service effective?
    - Was the market ready/mature? Was product suitable?
    - Was it appropriately priced?

11. Promotion/marketing – what methods, messages and messengers were used and how appropriate are/were they? How has the success of the product/service been demonstrated?

C. Impact on local/sectoral businesses and individual employees

12. What impact has the project/ product/ service had on local/sectoral businesses?
    - How are/did businesses responding to the product/service?
    - How is impact measured?

13. What impact has the project/ product/ service had on individual employees?
    - How are/did individual employees responding to the product/service?
    - How is impact measured?

14. Would this product/service have been developed, in this way, without the UK Futures Programme? Did it build on a previous project/ existing activity? *(this is to find out about additionality)*

D. Relationships developed/ enhanced through the project

15. Since the employer brochure was written, what has happened to the relationships developed through the project? Why is this? (*e.g. key individuals moving on, organisations ceasing to exist, etc.*)

16. Have additional opportunities and relationships come about as a result of publicity from the brochure and as a result of activities undertaken by partners/ stakeholders?

17. Are partners more aware and taking action with the issues addressed by the initial UK Futures project (i.e. low pay, progression and retention in the case of retail and hospitality/ role of Anchor Institutions and their potential, entrepreneurship and leadership in small firms*)* currently than formerly?)
    How has awareness with these issues been heightened? (*this is looking for specific concrete examples)*

18. Have any other products or services intended to improve business performance through skills been developed by these/ other partners? (*locally/ nationally/ sectorally*)
    - If yes, what are these?
    - Do they share same goals concerning workplace productivity?
    - What has happened to them?
    - Do you have any information about their success (or otherwise)?

19. Would these partnerships have developed anyway, without the initial UK Futures Programme funding?

20. Do you know if other organisations have adopted or adapted your approach/ product/ service? (*collect details so we can follow up, as applicable*)

E. Reflections on UK Futures Programme approach

21. Does anything stand out to you from the way the co-investment with UK Futures Programme was managed? For example:
    - ➢ Application process (were you involved?)*(included interviews with UKCES Commissioners*)
    - ➢ Relationship Manager *(fortnightly contact, supportive and critical friend approach*)
    - ➢ Reporting arrangements (*quarterly, continual reflection*)
    - ➢ Testing products/services and learning from this approach *(all projects were required to test what was innovative about their programme in some way, whether that was learning methods, means of engaging employers etc, and to reflect on this as they progressed)*;
    - ➢ Innovation Labs (*two held in London for each of the Challenges with different speakers and activities*)
    - ➢ Evaluation (*either their own project level or programme level*)

22. Was the support (monetary and/ or practical) from the UK Futures Programme useful or not? What contribution do you think it make to the success/failure of the product/service?

23. What if anything would you do differently? What have you learnt from UK Futures Programme or subsequent programmes?

24. What, if anything, would you suggest doing differently in future initiatives to attempt to raise productivity?
    - more or different support to that provided by the UK Futures Programme?
    - scaling /timing/ nature of resources?
    - project management?
    - approach to product/service development?
    - engagement of employers?
    - engagement of partners?
    - measuring success of product/service implementation?
    - reporting/sharing findings?
    - seeking funding or means of sustaining the product/service?

25. What lessons have you applied from the UK Futures Programme in subsequent programmes/ projects/ provision of services to raise productivity?

F. Next steps

26. We will also be selecting a small number of projects to develop case studies. This will involve interviews with partners/ employers/ employees who have been involved and/or benefitted from the project. If this project is selected, would you be able to help facilitate access to those individuals?

27. Do you have any documentation regarding the project/ developments from it that you would be willing to share with us?