
Employment Research Institute

BEST PRACTICE IN INTER-AGENCY CO-OPERATION ON EMPLOYABILITY

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**BEST PRACTICE IN INTER-AGENCY CO-OPERATION ON
EMPLOYABILITY
EXECUTIVE SUMMARY**

E1. INTRODUCTION AND METHODOLOGY

E1.1 Introduction

This report presents the findings of research commissioned by the Department for Employment and Learning, Northern Ireland (DELNI) and conducted by the Employment Research Institute (ERI) at Napier University, Edinburgh, with the support of the Business and Management Research Institute at the University of Ulster.

The research aimed to investigate best practice in inter-agency co-operation, both at the strategic level of partnership working between policy actors, and at the operational level, where local professionals work together to implement programmes. By sharing ownership of, and responsibility for, the content and management of employability programmes with local stakeholders, government can help develop and implement policies that are more responsive to local labour market needs, have credibility with communities and clients, and benefit from the 'buy-in' of key agencies and employers.

The research addresses key questions forming part of DELNI's research agenda on 'Inter-agency Co-operation on Improving Employability', namely:

- Where outside Northern Ireland is best practice in improving employability to be found?
- To what extent does best practice depend on inter-agency co-operation?
- What kind of agencies are involved and what are their relative roles and responsibilities?
- What kind of costs and benefits are associated with inter-agency co-operation? How are impacts measured?
- What lessons can be applied by DELNI from existing models of inter-agency co-operation on improving employability?

E1.2 Methodology

The four Phases of the study were:

Phase 1 – a literature and policy review and twelve preliminary interviews with Northern Ireland stakeholders.

Phase 2 – an investigation of inter-agency co-operation in 15 countries, through a unique set of structured surveys of national experts, to identify lessons and analyse approaches from across a range of different policy and labour market contexts, and building upon literature and policy reviews. The selected countries reflected a range of different ‘welfare regime’ classifications and approaches to government-stakeholder partnership working and were: Australia; Belgium; Canada; Denmark; Finland; France; Germany; Republic of Ireland; Italy; The Netherlands; Norway; Spain; Sweden; United Kingdom; United States.

Phase 3 - in-depth case studies including field visits with face-to-face interviews in:

- The United Kingdom (including 6 mini case studies in GB and NI);
- Denmark;
- The Netherlands;
- The Republic of Ireland.

This allowed a detailed comparison of approaches to delivering employability ‘on the ground’ and the importance, costs and benefits associated with different models of interagency co-operation. In each case, lessons for Northern Ireland were identified, and opportunities for (and barriers to) the transfer of good practice discussed.

Phase 4 – synthesis of the findings, and identification of practical lessons that can be applied to the future activities of DELNI and its partners.

E2. BACKGROUND: GREAT BRITAIN AND NORTHERN IRELAND POLICY CONTEXTS

Inter-agency co-operation has been central to the delivery of the New Deal - the main focus for employability and activation policies to help unemployed people into work in Great Britain (GB) and Northern Ireland (NI).

The government's most recent reforms suggest that there are active efforts to refocus welfare to work to target local areas in greatest need, make major programmes and funding streams more flexible and accessible, and reform the content of provision to address the needs of economically inactive groups. This agenda has thrown up a number of policy initiatives, which are dependent on for inter-agency co-operation and joint working, as the clients require intensive support from different specialties. In particular, as employability services are recalibrated to focus on economically inactive groups, there will be an increasing need for joint working between DELNI, the SSA and the Department of Health, Social Services and Public Safety (DHSSPS), as well as with non-government bodies.

Partnership working related to employability programmes is also likely to remain and expand for a number of other reasons: buoyant economic conditions creating high labour demand over a sustained (although not indefinite) period; an ageing population structure; government policy has increasingly linked reductions in poverty to getting and remaining in work; moves towards client-centred – as opposed to programme-based – policies in order to provide better, more tailored, responsive, effective and efficient services means that each client may have a range of required support that often cannot be provided by a single body; moves towards a more 'enabling' rather than 'provider' role for public services usually entails greater partnership (including contracting) working. These result in the key PES client groups being more diverse with more 'further from the labour market' than traditionally and a need for the PES to work with a greater number and range of specialist service providers and hence for more effective and efficient partnership working. Finally, good partnership working by service providers,

and also between them and local communities, appears to improve the effectiveness of getting people into employment in disadvantaged areas.

E3. INTER-AGENCY CO-OPERATION: THEMES FROM A REVIEW OF LITERATURE

E3.1 Introduction

Promoting 'partnership' and inter-agency co-operation between government departments, public agencies, private companies and the third sector has become a staple of strategies to promote social and labour market inclusion in the UK, EU and elsewhere.

E3.2 Definitions

There are a multitude of definitions. The OECD (1990: 18) has defined partnerships as:

"Systems of formalised co-operation, grounded in legally binding arrangements or informal understandings, co-operative working relationships, and mutually adopted plans among a number of institutions. They involve agreements on policy and programme objectives and the sharing of responsibility, resources, risks and benefits over a specified period of time."

E3.3 Benefits of partnership and inter-agency co-operation

The policy literature highlights a number of important potential benefits arising from inter-agency co-operation:

- the development of more flexible and responsive policy solutions
- the facilitating of innovation and evaluation
- the sharing knowledge, expertise and resources
- the pooling of resources and 'bending mainstream spending'
- the development of more coherent services

- improved efficiency and accountability
- capacity building within government agencies and public, private and third sector providers;
- gaining legitimisation and 'buy-in' at the local level.

E3.4 Potential challenges of partnerships

The policy literature notes that there are considerable challenges in achieving effective inter-agency co-operation, including: problems arising from conflicting organisational goals; costs of additional work arising from partnering; organisational constraints (often related to actors working in narrowly defined 'policy silos'); gaps in capacity and organisational resources; and the uneven distribution of decision of power between stakeholders.

These potential benefits and problems have regularly been encountered in the 15 countries that formed the basis of our survey (see below).

E4. KEY FINDINGS ON BEST PRACTICE IN INTER-AGENCY CO-OPERATION

Where outside Northern Ireland is best practice in improving employability to be found?

Our national country reports and case studies highlighted examples of good practice in employability policy in many different contexts. A number of distinctive policy trends can be identified.

Strengthening the Personal Adviser model

Personal Adviser (PA) services (where a PA tailors support for a job seeker to meet their particular needs) are at the centre of many countries' approaches to delivering intensive job search counselling and support. In countries like Australia and the Netherlands these services have been outsourced by the Public Employment Service (PES) to the private sector (see Sections 4.2.1 and 4.2.10 of the main report respectively), with variable results. In countries

such as Belgium (4.2.2) and Canada (4.2.3) these responsibilities are shared between the PES and regional and local authorities. Our case study research also highlighted the importance of PA services within the GB and NI policy contexts, both within the New Deal (2.1.1) and new programmes such as Pathways to Work (7.2). The provision of high quality, consistent PA services has emerged as a key element in client-centred services that help job seekers to identify opportunities and progress towards the labour market.

Early assessment and early intervention

Policy makers in a number of other countries have particularly prioritised early assessment of job seekers, and the routing of the most disadvantaged to employability services almost immediately. These aims define Australia's Jobseeker Classification Instrument (4.2.1), the Dutch 'Kansmeter' tool (5.3), and Denmark's 'employability profiling toolbox' (6.2). These tools appear to have offered benefits, by facilitating early intervention, rather than 'waiting for people to become long-term unemployed', and by identifying and addressing fundamental problems at an early stage.

Paid work placements and getting employers to 'buy-in'

Work and training placements paid at or near the 'rate for the job' are an important part of provision in Belgium (4.2.2), Denmark (4.2.4) and the Netherlands (4.2.10). Case study research in Denmark showed how local authorities have shared ownership of the design and delivery of training with employers, who have offered job guarantees in return (6.4.3). The message appears to be that engaging with employers, sharing ownership of programme development with them, and using them to provide work placements (and potentially interview or even job guarantees) can be an effective route to high quality training and job entry for job seekers.

Responding to regional and local labour market conditions

There has been a recent shift across many countries towards a localisation of employability services, in an attempt to move services closer to communities and make programmes more responsive to local labour market conditions. Both Canada (4.2.3) and Denmark (4.2.4) have devolved the administration of

national employability programmes to regional authorities. Denmark and other countries are moving towards a further localisation of services, which may see local authorities playing a more prominent role. In the Republic of Ireland, Local Employment Service providers – supported by the PES – provide complementary services with a remit to deliver more intensive, one-to-one support for job seekers (8.2). In GB, the Edinburgh Joined Up For Jobs partnership has provided a model for local employability services that specifically seek to tailor their services to local labour demand (7.5).

Joined-up employability services

Faced with increasingly complex and harder to reach client groups, employability stakeholders have come to accept that job search and training services are not alone sufficient to move many job seekers towards work. Many EU and other countries have moved towards a one stop shop or jobcentre model that brings together a range of service providers. At the most basic level, as in the UK (4.2.14) or the Netherlands (4.2.10) this involves the co-location of benefits and employability services. However, Finland's LAFOS centres have brought together a wider range of employability, health and social service providers (4.2.5). In some parts of the United States 'Job Centers' have similarly seen the co-location of job search, lifelong learning, health and welfare services (4.2.15). Working Neighbourhoods centres in GB ensured that job seekers had access to debt counselling, childcare facilities, expert careers advice and English language teaching, alongside standard employability services (7.3). The examples of good practice cited above represent attempts to arrive at multi-dimensional, joined up services that can address all the relevant issues affecting unemployed people's employability.

To what extent does best practice depend on inter-agency co-operation?

Inter-agency co-operation is of central importance to the delivery of good practice on employability, especially where the range of significant issues faced by many clients are too wide to be addressed effectively by a single agency. The number of such clients has risen as unemployment has fallen

and labour demand has risen especially for unemployed people living in disadvantaged areas.

Responding to the range of employability issues facing clients

Where Personal Adviser services have emerged as a key element of employability services, some countries have outsourced these functions to specialists in the private or third sectors – this is the case in the United States (4.2.15), the Netherlands (5.2.2) and Australia (4.2.1). Elsewhere, including in GB and NI (4.2.14), the PES has retained many PA services ‘in house’, but these standard services have often been supplemented through service level agreements with specialist employability providers under the New Deal and other programmes (2.1.1). Similarly, in the Republic of Ireland, PES advice services are complemented by more intensive job search counselling provided by contracted Local Employment Services (4.2.8).

Under Pathways to Work in GB and NI, the crucial Condition Management element of the programme has been developed through flexible partnership arrangements established between PES and public health authorities (7.2). This partnership (which sees health professionals advise and support clients on incapacity benefits) has been central to the development of the programme, with the health service delivering: unique expertise in providing services (case condition management for people with health problems, using cognitive behavioural therapy); sufficient capacity to undertake the management and delivery of major programmes; and the credibility with clients to encourage them to buy-in to the programme. As noted above, other governments have sought to engender inter-department and cross-sector partnership working through co-located services. It is therefore clear that the intensive PA support provided by the best employability programmes has often depended on a mix of both outsourcing and partnership working between the PES and other specialist agencies.

Links to employers

Similarly, the work placement programmes that have emerged as a key element in employability training initiatives are clearly dependent on the co-

operation of employers as well as other actors. By gaining the 'buy-in' of employers, employability service providers have been able to offer clients 'real work' experience and – in some cases – training linked to interview and job guarantees. In the Netherlands, local authorities are heavily involved in subsidising and supporting work placements for clients (4.2.10), whereas in the Republic of Ireland it is third sector organisations that often provide the supported employment experience that best suits more disadvantaged job seekers (9.3). Case study research in Denmark highlighted the role of third sector employability service providers in supporting both employers and clients during the training process; and the importance of employers and employers' sectoral federations in promoting opportunities for job seekers (6.4.3). Finally, the multi-disciplinary, one stop shop approach being tested in many countries clearly depends upon inter-agency co-operation. As noted above joined up employability services have brought together a range of agencies providing joined-up job search, lifelong learning, health and social services.

What kinds of agencies are involved and what are their relative roles and responsibilities?

The examples of good practice cited in the discussion above involve important roles for the public, private and third sectors.

Need for strategic leadership from government

However, experience from elsewhere in the EU demonstrates the value of strategic leadership and support for partnership working from within government. Effective planning partnerships, such as the Danish Regional Employment Councils (6.4.1), have benefited from the strong, but not dominant, role played by the national PES in informing and supporting their work. Countries without strong PES leadership in employability policy – such as Australia (4.2.1), the Netherlands (4.2.10), the US (4.2.15) – have struggled to retain 'institutional learning' and 'intellectual capital' (i.e. the absence of a permanent staff of PES professionals with a prominent role in managing and delivering programmes means that expertise and knowledge

can be lost, and that public purchasers of employability services are at a distance from delivery). In Northern Ireland, there is clearly scope to build upon the progress made by DELNI, which has established itself as a key stakeholder supporting the development of inter-agency ties (2.2), but which would benefit from a more formalised role and responsibilities (and the resources to more proactively support inter-agency activities).

Health and social services

Inter-agency co-operation is most effective when bringing together organisations with a range of expertise, able to adopt a number of different, complementary roles. The specific example of Pathways to Work in GB and NI highlights the value of the work of PES managers in establishing relationships with the strategic partner organisations that are able to add value to employability services (see above and 7.2). LAFOS centres in Finland bring together PES officials with local government health and social service providers, and specialist voluntary sector agencies (4.2.5).

Intermediaries

Evidence from case study research in Denmark (6.4.3) and on the Edinburgh Joined Up For Jobs (7.5) partnership highlights the positive role of intermediaries operating in areas, or in ways, that complement 'standard' PES policies and programmes. Achieving these benefits has been a priority for DELNI in supporting the work of local intermediaries through Targeted Initiatives (TI) and other funding streams (2.1.2). However, experience in Northern Ireland and elsewhere suggests that it is important to clarify the role of these organisations in relation to the PES, so as to avoid duplication, and to ensure that publicly supported intermediary services complement and add value to existing provision. In Northern Ireland, TI-supported Job Assistance Centres have not always been able to demonstrate that they have reached inactive people in a way that complements the services of DELNI's services. It is important that future local employability provision in Northern Ireland learns the lessons of good practice from elsewhere, so that community sector provision is supported only where it can add value to standard PES services.

What kind of costs and benefits are associated with inter-agency co-operation and how are impacts measured?

Both our national surveys and case study research highlighted a number of clear and important benefits associated with inter-agency co-operation. However, such benefits and costs were rarely measured in a rigorous way.

Benefits of flexible and responsive policy solutions

In terms of the content of employability policies, local partnerships facilitate the tailoring of the programme and its delivery to the specific problems and opportunities of local labour markets. In the Danish 'Green Jobhouse' case study (6.4.3) the involvement of the relevant local authority and a community-based provider meant that work placements could be tailored to the needs of local employers. Our British case study on Edinburgh's Joined Up For Jobs similarly demonstrated the value of interventions that are planned at the local level, with the aim of helping job seekers towards meeting the labour demands of key sectors in the local economy (7.5).

Facilitating innovation and evaluation

Arriving at innovative, new ways of addressing job seekers' needs often requires a multi-disciplinary approach and an inter-agency co-operation. The range of on-site services built into the Working Neighbourhoods centre in our Birmingham case study set it apart from standard approaches to 'jobcentre' services, and would not have been possible without the collaboration of a number of public, private and community sector stakeholders (7.3). Similarly, the innovative Condition Management elements of the Pathways to Work programme in GB and NI require expert input from health service bodies (7.2).

Sharing knowledge, expertise and resources

One-stop shop jobcentre models being adopted in a number of countries have allowed the PES and partners to build shared knowledge and increase awareness of each other's expertise and practice. In the Netherlands, Centres for Work and Income have brought together funders supporting different job seeker groups, working alongside PES officials charged with the crucial role

of assessing clients' employability (5.5) – the piloting of 'boundaryless' offices where all agencies share the responsibility for the delivery of employability services marks a further attempt by Dutch policy makers to promote joint learning between agencies. In the United States (4.2.15), multi-agency 'Job Centers' allow job seekers in some states to access guidance and services from professionals working in the education and social work fields, alongside traditional employability provision.

Pooling of resources, synergy and bending mainstream spending

The effective pooling of mainstream funding, resources and expertise to contribute to joined-up local employability services remains a key challenge for funders and service providers in GB and NI. There is evidence that the rigid contractual models applied by the PES in countries such as the UK (4.2.14) and the Netherlands (4.2.10) can undermine attempts to bring resources together and achieve synergy. Elsewhere, successful employer engagement models, whether in Denmark (6.4) or the Netherlands (5.3), have often relied upon government financial support (in the form of wage subsidies or funding for targeted training programmes), while employers have contributed resources in their own ways – by providing training placements, support for job seekers, and access to job opportunities. Our case study in Denmark (6.4.3) particularly demonstrated how sharing ownership of the design and delivery of employability programmes can lead to effective contributions being made by local government (as funder of training and work placements), third sector organisations (supporting job seekers and matching them with employers) and employers (providing placement opportunities and job guarantees).

Developing a coherent service

A key benefit reported from the implementation of one stop shop, jobcentre models in various countries is that job seekers are able to access services in a more coherent way, and that service providers are better able to link with each other. Accessing these benefits has been a priority for policy makers promoting jobcentre models in Belgium (4.2.2), Denmark (4.2.4), Finland (4.2.5), France (4.2.6), the Netherlands (4.2.10) and United States (4.2.15). In

some cases this has meant that benefit administration and employability professionals have come to work more closely together, but some jobcentre models have gone further, linking job search services with guidance on lifelong learning, health and welfare services. In the Netherlands (5.5), the 'boundaryless' offices being piloted in ten demonstration sites seek to promote total task flexibility between different agencies working in employability services (with benefits for staff skills and the client experience) – a model that is an advance on JBOs in Northern Ireland and even the Jobcentre Plus model in GB.

Our case study research also flagged up benefits associated with different agencies agreeing a shared employability measurement tool. Australia's Jobseeker Classification Instrument (4.2.1), Denmark's 'employability profiling toolbox' (6.2) and the Dutch 'Kansmeter' tool (5.3) have ensured that all key agencies share a consistent tool for assessing clients' barriers and progress. Inter-agency co-operation in the Netherlands has also led to gradual progress towards a shared 'digital dossier' system, which key stakeholders hope will eventually allow employability funders and service providers to share client data, improving services and eliminating the need for clients to repeat the same information to different agencies (5.5).

Capacity building

One of the benefits of the New Deal and linked programmes in GB and NI has been the strengthening of capacity among local service providers in the public, private and third sectors (2.1). Pathways to Work partnerships have helped to build capacity and expertise in both the PES and health service bodies, with PES PAs and health specialists learning from each other and about each other's services and skills.

Gaining legitimisation and 'buy-in'

The tapping of 'local knowledge' through the involvement of community-level stakeholders can contribute to the development of approaches that are able to engage disadvantaged communities and address specific, localised problems. One aspect of this, besides general community support, is that involving

respected local people can act as an incentive to (especially younger) people participating and remaining on programmes. In the Republic of Ireland, the community sector has played an important role in providing a trusted source of work placement opportunities for job seekers (8.3). Elsewhere, in countries ranging from Australia (4.2.1) to Germany (4.2.7) local measures to address unemployment have benefited from the support and legitimisation of faith, cultural and women's groups.

It is crucial that employability programmes gain the 'buy-in' of employers – it is employers that have the capacity to provide training opportunities and jobs. In the UK, inter-agency approaches such as Edinburgh's Joined Up For Jobs (7.5) have gained employer buy-in by engaging them at every level of the development and delivery of the sectoral 'Employment Academies' designed to provide customised training for job seekers. Danish case study research similarly demonstrated how sharing ownership of the design and delivery of employability services with employers can encourage them to buy-in and commit to providing training and job opportunities (6.4.3).

Additional costs and problems of inter-agency co-operation

In addition to the clear benefits associated with inter-agency co-operation on employability, there are also costs and problems related to the introduction of different models of multi-agency working. In those countries that have seen a rapid and extensive process of privatisation, such as Australia (4.2.1) and the Netherlands (4.2.10), there have been considerable transaction costs associated with the marketisation of employability services. In terms of the quality of provision, the tailoring and specialisation of services sought as a benefit of contracting out has sometimes been slow to emerge – in highly fragmented and competitive markets such as the Netherlands, employability service providers have sought to standardise their provision in an attempt to achieve efficiencies (5.5). Contractual models that reward service providers on the basis of job entries only (a so-called 'no fix, no pay' approach) can also encourage 'creaming and parking' (targeting the easiest to help for job entry

while placing those most in need in long-term programmes) – this has emerged as a problem in Australia (4.2.1) and Belgium (4.2.2).

There are also important practical costs associated with other forms of inter-agency co-operation. Our case study research in the Republic of Ireland (8.3) and the Netherlands (5.5) highlighted the time and effort required on the part of agencies in order to make partnerships work. ‘Handover costs’, in terms of the time and paperwork, required to transfer clients between agencies has consistently been reported as a problem of inter-agency co-operation. Furthermore, our national expert in Canada pointed to the substantial disruption associated with the refocusing of administrative tasks and reallocation of duties and competencies under recent reforms devolving employability services to the regional level (4.2.3).

Measuring the impacts of inter-agency co-operation

Evidence gathered from national surveys and case study research suggests that there are considerable benefits associated with effective inter-agency co-operation on employability. However, many of our national policy experts acknowledged that there remained limited ‘hard data’ on the outcomes impact of new forms of joint working. National experts in Denmark (4.2.4), France (4.2.6), the Netherlands (4.2.10) and Sweden (4.2.13) reported specific attempts to assess inter-agency working, but these have focused on qualitative ‘process evaluation’, rather than seeking to assess the impact of models of co-operation on the outcomes achieved for and by clients.

However, national policy experts did point to the key enabling role played by inter-agency co-operation in the development and delivery of programmes. It was argued that multi-disciplinary employability services, dealing with a range of barriers to work faced by job seekers, would simply not be deliverable without inter-agency co-operation – it has been a necessary element in moves to improve the scope, range and quality of employability programmes.

What lessons can be applied by DELNI from existing models of inter agency co-operation?

A number of critical success factors can be identified that have contributed to examples of good practice in inter-agency co-operation on employability.

A clear strategic focus

At both strategic, planning and delivery levels, there are benefits associated with formally articulating the aims of inter-agency co-operation, the approach to be adopted, and the roles of different stakeholders. Formalising partnerships, and the presence of an agreed strategy, is a defining feature of effective local and regional co-operation in a number of countries. In Denmark, the Regional Employment Councils work to annual plans agreed with government, outlining targets and priorities and the roles of stakeholders involved in both planning and delivery (4.2.4). Canadian LMDAs have helped national and regional government stakeholders to agree their different roles and shared responsibilities (4.2.3). Among our GB examples, a clearly defined, formalised strategy detailing a service delivery model and different organisations' roles has been important to Edinburgh's Joined Up For Jobs partnership (7.5) and is likely to emerge as a feature of similar local partnerships proposed by the Scottish Executive (7.6).

Strategic leadership and support

The leadership of the PES and other central government agencies can be vital to making inter-agency co-operation work. This leadership may be primarily through present and future control of resources and regulation (casting a 'shadow of the future') and/or through culture and/or acknowledge expertise and leadership. The Danish Regional Employment Councils model (6.4.1) appears to have struck an appropriate balance between government providing a strong 'central line' and framework for employability interventions, and the sharing of 'ownership' of the implementation of programmes with regional actors (in this case trade unions, employers and local authorities). For this, it is important that partnership working be strongly supported across departments within government.

The importance of organisations and people in partnerships

The best examples of inter-agency co-operation bring together professionals with different but complementary resources and expertise. This has been the case with the PES-health service partnerships that have been a key feature of Pathways to Work in GB and NI (7.2), and some of the more effective one stop shop models in the UK (7.3), other EU countries (4.2.5) and USA (4.2.15). Employers are key players in successful partnerships to promote employability – employers have knowledge of the skills needed if job seekers are to succeed in the labour market; and they have the capacity to offer training and work placements for clients, and even interview or job guarantees. Effective work placement programmes, such as those featured in our Copenhagen (6.4.3) and Edinburgh (7.5) case studies have engaged employers by sharing ownership of the design, development and delivery of employability interventions with them. The result has been programmes that provide clients with tailored, job specific training, and in some cases ‘real work experience’, often waged, and supported by employers. These demand-led models are often at the centre of successful, high quality employability programmes, and further developing such initiatives (and other aspects of employer engagement) should be a priority for DELNI. A further issue is the need to explicitly invest in and develop joint working and partnership development and management skills among the full range of operational and policy staff of the partners.

Capacity for co-operation and mutualism

Organisations and individuals involved in partnerships need to have both the authority and the flexibility to engage in mutual decision making. This is perhaps particularly the case for the PES and other key government funders/ stakeholders. Regional Employment Councils in Denmark have provided an example of good practice in the planning of employability services (6.4). These Councils have operated at an appropriate level for labour market policy planning, and have involved government sharing policy responsibility and resource management with local authorities, trade unions and employers, who have been given a clearly defined role in: the planning of programme delivery;

the management of contracting out arrangements; the resourcing of 'additional' services for key target groups; and the content of employability services and tools. In contrast to these partnerships, the model of inter-agency working favoured under New Deal and many other DELNI programmes relies heavily on contractualism. There are benefits associated with rigorous contracting regimes, but a dependence on standardised contractual models can result in excessively rigid governance structures, stifling co-operation, flexibility and innovation.

Organisational complementarity, co-location and co-terminosity

Inter-agency co-operation on the planning of employability interventions requires input from stakeholders with complementary areas of expertise, responsibility and competency. The co-location of employability provision with complementary services has been seen in countries including: Belgium (4.2.2); Canada (4.2.3); France (4.2.6); Norway (4.2.11). Northern Ireland may be able to learn from 'Job Centers' in the US (4.2.15) and LAFOS facilities in Finland (4.2.5) that have co-located complementary education, social and childcare services alongside employability providers. The co-location of services in the Netherlands (6.4) has also opened the way to a number of innovative demonstration projects, which may offer valuable lessons for Northern Ireland, involving:

- the piloting of 'boundaryless' offices, with different employability agencies brought together within one team sharing all administrative and service duties (and therefore learning from each other);
- the testing of a 'single employer service point' dealing with all inquiries from employers and acting as a gateway and broker for work placement and training opportunities for all client groups;
- the development of shared 'digital dossiers' (on-line client records) which can be accessed and updated by all relevant/accredited stakeholders.

Incentives for partners and 'symbiotic inter-dependency'

PES officials will only be able to draw other stakeholders into employability partnerships if they can demonstrate that there will be benefits for all partners (these benefits may include financial leverage, expansion of competencies

and influence, achievement of organisational goals, or the opening of new markets). In order to engage employers, this may involve demonstrating benefits related to the more efficient recruitment of staff, offering incentives in terms of the cost of training or employing clients, or ensuring that employability programme completers are as well or better prepared for specific vacancies than job seekers on the open labour market. Private sector service providers already have a profit incentive from their delivery of employability programmes. The drive for efficiencies in private sector provision has appeared to be counter-productive in some cases, as companies seek to gain savings by standardising provision, or target the more employable job seekers so as to claim job entry rewards – the ‘parking and creaming’ of clients seen in countries such as Australia (4.2.1) and the Netherlands (5.4.2). However, governments are responsible for setting the parameters of private sector activity. The lesson for Northern Ireland and other policy makers would appear to be that contractual arrangements need to reward not just job entry on the basis of a ‘head count’, but provide more sophisticated mechanisms to recognise the progress made with harder to help clients and the long-term benefits associated with sustained employment/progression in work.

The value of action- and outcome-oriented procedures

Effective partnerships are formed out of a need for action, and focus on achieving agreed outcomes. Good practice in inter-agency co-operation has tended to be characterised by partners undertaking joint action to achieve measurable goals as articulated in annual action plans, such as those governing Regional Employment Councils in Denmark (6.4.1) or simply memoranda of understanding, such as in the Pathways to Work (7.2) and Working Neighbourhoods (7.3) pilots in GB. These arrangements have ensured clarity about goals and responsibilities, with senior managers ‘close to’ and well informed about the progress of delivery. Where outcome agreements and the roles of organisations and managers are less clear, activities can become more fragmented and services tend to be less consistent, as in *some* ‘Job Centers’ in the US (4.2.15).

E5. POLICY RECOMMENDATIONS

In conclusion, our review of inter-agency co-operation on employability highlights the extent to which policy makers and key stakeholders have come to depend on partnership-based approaches. This reflects the changing labour market and policy context – governments have been required to develop multi-agency responses to the complex and multi-dimensional problems faced by an increasingly diverse client group and there has been greater recognition of the potential benefits (and costs) of partnership working across the public-private and third sectors. Northern Ireland has made strong progress in developing new partnerships to promote employability. It is for DELNI and partners to consider how best to draw on international lessons to build on existing good practice in this area. A number of potential policy recommendations follow from the findings of our research.

Developing partnerships

- DELNI should continue to provide strong strategic leadership on inter-agency co-operation at national and local level. DELNI should be further supported and resourced to provide a focus for new partnership-based approaches, strategic leadership on inter-agency co-operation, and resources and expertise to support local initiatives.
- DELNI should ensure that staff are equipped to work in partnership and to make partnership working more effective and efficient. It should be noted that different skill sets may be appropriate for the *development* of new partnerships and for the *operation* of those partnerships. Interactive training courses and events should be developed to provide appropriate skills within DELNI and regular joint events should be established with other agencies' staff in order to facilitate the operation of effective partnerships. A specific role for DELNI should involve the delivery of 'training for partnership' – disseminating the skills required to make inter-agency co-operation work between regional and local DELNI staff, labour

market intermediaries, and other public agencies working within the employability policy agenda.

- DELNI should lead the renewal of Northern Ireland's Employability Framework. A renewed framework for Northern Ireland-wide action on employability should reflect the complex barriers faced by inactive people claiming incapacity benefits, the hard to reach long-term unemployed, and people living in areas with high levels of deprivation and unemployment. DELNI and partners should consider adapting the Scottish Executive's recent programme of activity that produced a Scottish Employability Framework. A process of research and consultation should involve DELNI, employers and trade unions, and other interested parties from the public, private and third sectors. There would also be value in including input from employability specialists who have not been engaged in the Northern Ireland policy context, and can view the strengths and weaknesses of current approaches from the outside. Any programme of activities should be tightly focused on achieving an action-oriented framework; the Employability Framework itself should have a clear action plan detailing the roles and responsibilities of different actors, and the preferred model of inter-agency co-operation to be used in developing and delivering services. DELNI should establish the remit and focus for activities, before playing a facilitating role that will allow other stakeholders to fully contribute to the emergence of the Employability Framework. It should be orientated around improving practice and action on the ground rather than becoming a 'discussion forum'.
- DELNI should lead the development of local employability planning partnerships, operating at (the new larger) local authority level, and involving DELNI senior staff and managers working across a range of government employability programmes, and labour market intermediaries and other public agencies involved in the employability policy agenda (such as SSA, health boards, lifelong learning partners, local authorities, employers' representatives and DELNI-supported labour market intermediaries). Local planning partnerships should follow the model

outlined in the recent Scottish Executive Employability Framework (which has seen the Scottish Executive provide relatively limited new funding, mainly to support activities to join up provision and pool resources at the local level). The remit for these local planning partnerships should be to ensure that national programmes are delivered in a way that reflects local labour market needs; encourage partnership working between agencies based on a detailed local employability strategy; and establish mechanisms for resource and practice sharing (for example, the pooling of finance or the development of 'boundaryless' staffing arrangements) around a clear focus and remit, including a clear allocation of responsibilities and resources.

- Local employability planning partnerships should establish a joint strategy aimed at providing a shared strategic focus, promoting joint action, and improving communication and practice sharing. It is important that local employability strategies are not merely statements of general aims, but rather articulate practically and in detail: the strategic approach to be adopted by all partners (in relation to genuinely engaging employers and responding to sector-specific labour demand, addressing the needs of specific hard to reach groups, and targeting disadvantaged areas and communities); the service delivery model and content of services to be used to take forward the agreed strategic approach; and the roles and responsibilities on each partner. Examples of good practice in local employability partnerships from elsewhere should provide the starting point for the development of a local partnership model for Northern Ireland. DELNI should support and inform the development of local employability planning partnerships.
- A longer term objective for local employability planning partnerships should be the effective pooling and local management of resources deployed on employability by DELNI and other partners. The Danish Regional Employment Council model has demonstrated the benefits of devolving some aspects of the planning and monitoring of employability policy and the funding of some locally specific targets and tools to the

local level. Once operational, there may be scope for Northern Ireland's local planning partnerships to follow this route. DELNI and other key funders of employability services should consider allowing local employability planning partnerships to share control of planning some aspects of the content, targets and tools for employability programmes (within the context of clear national frameworks and targets). By sharing ownership of, and responsibility for, the content and management of employability programmes with local stakeholders (including local authorities and, crucially, employers' representatives), government can help develop and implement interventions that are more responsive to local labour market needs, have credibility with communities and clients, and benefit from the 'buy-in' of key agencies and employers.

- A key priority for both a renewed Northern Ireland Employability Strategy and local planning partnerships should be the mainstreaming employability as an objective in policy areas such as economic development, lifelong learning, health, housing, and childcare. DELNI should work with local authorities and other relevant actors to identify opportunities to build employability into a linked policy agenda. Further research may be required on how other governments have gone about challenging the legal and institutional constraints that restrict attempts to link employability to other public policy agendas.

Implementing change

- In the longer term, DELNI and partners should consider how best to extend the 'one stop shop' concept to provide one space where employability, benefits, money advice, learning, health, housing, and childcare services can be accessed. DELNI and local authorities should analyse the potential for establishing shared spaces extending the range of services currently available through DELNI's JBOs or JACs.
- There should continue to be a strong role for local, voluntary sector intermediaries in delivering specialist employability services that

complement existing standard provision delivered by DELNI through JBOs. DELNI should consider continuing its commitment to, and funding for, local intermediaries in areas of high unemployment. However, this must be subject to a clear strategy outlining how these organisations will complement (and not duplicate) existing services and clear delivery of clients into sustainable employment. DELNI should work with local authorities and intermediaries to consider how local agencies can add value by supporting specific areas or providing specialist services for vulnerable client groups. Local employability planning partnerships should articulate the different roles of JBOs and intermediaries, and should ensure that intermediary funding is used to deliver highly specific, clearly defined, specialist and additional services.

- DELNI should review current contracting arrangements for employability programmes. DELNI should test the effectiveness of alternative funding models, building on the kind of flexible funding arrangements piloted under Pathways to Work and Working Neighbourhoods. Pilots testing alternative funding models should be used to investigate whether more flexible contracting models, and/or a looser combination of service level agreement and memoranda of understanding, can reduce bureaucratic 'hand offs' and unnecessary reporting. DELNI should also consider the potential for more sophisticated contracting models that are less focused on rigid outcome data and have the capacity to reward significant 'distance travelled' and sustained job entry and progression.
- DELNI and partners should work towards an agreed client assessment that can be used to refer clients for 'early interventions' as required. DELNI should conduct a review of existing client assessment tools (such as Australia's Jobseeker Classification Instrument, the Dutch 'Kansmeter' tool, and Denmark's 'employability profiling toolbox') and work with partners towards a shared employability assessment model across DELNI-funded, and other, employability projects.

- DELNI should work with partners towards the development of a shared client database or 'digital dossier' to prevent duplication in data gathering and allow access to client data across (appropriate) agencies. DELNI should investigate current client record tools used in other countries and review the legal, organisational, data protection and IT issues involved in moving towards a shared client database system.
- DELNI should lead the development of a detailed, publicly available assessment of employability service providers, based on assessment of performance across a range of qualitative and quantitative criteria. As a first step, DELNI should work with local authorities to establish such a joint assessment tool for employability service providers.
- A framework for evaluating the costs and benefits of partnership working should be set up at an early stage and used to monitor, evaluate and learn from the partnerships.
- A key priority for local employability planning partnerships should be to strengthen employability provision that directly engages employers. Each local employability planning partnership should detail plans for a partnership-based approach to employer engagement. New approaches to employer engagement to be piloted at the local level should include:
 - a renewed Transitional Employment Programme offering wage subsidies and intensive support for clients in return for work placements (and if possible, interview guarantees) with employers - any future Transitional Employment Programme services should target only private sector and large public sector employers, with an emphasis on using subsidised work placements as a route into sustained jobs;
 - a single employer contact point, with all employability providers using one agency charged with linking job seekers to opportunities - DELNI and partners should pilot a single employer contact point in areas of high unemployment with the aim of co-ordinating approaches to employers from DELNI JBOs and other service providers, with contact

point staff able to demonstrate their credibility with employers but also their extensive knowledge of programmes and client groups;

- a coherent, single ‘offer’ to employers, with one agency presenting a consistent but wide-ranging ‘demand-responsive’ model of provision to employers, including ‘Academy’-style tailored, sector-specific training, the job matching services delivered by intermediaries and specialist agencies, any future Transitional Employment Programme services, and supported employment for those further from the labour market;
 - new methods of engaging employers in the development of projects, e.g. they participate in meetings where they feel they can clearly contribute their expertise and views which are fed into policy implementation as well as development.
-
- DELNI should also work towards the development of new employability programmes with employers as a key partner – effective employability programmes have seen employers contribute to the design of programmes and recruitment of clients, provide training and work placements, and offer job and interview guarantees. This requires that DELNI and other employability funders/providers share responsibility and ownership with employers over the design and content of interventions, and support both employers and client during training. DELNI should work with employers, local authorities and training partners to establish ‘Employment Academy’-type interventions, with industry insiders/ employers leading the development of sector-specific training linked to work placements and interview guarantee programmes.

Abbreviations used

ALMP	-	Active Labour Market Programme
ANPE	-	National Employment Agency, France
CCP	-	Capital City Partnership
CE	-	Community Employment, Ireland
CMP	-	Condition Management Programme
CMP	-	Condition Management Programme
CWI	-	Centre for Work and Income
CWI	-	Public Employment Service, Netherlands
DA	-	National Employers Federation, Denmark
DELNI	-	Department for Employment and Learning, NI
DETE	-	Department of Enterprise Trade and Employment
DHSSPS	-	Dept of Health, Social Services and Public Safety, NI
DIVOSA	-	National Rep Body for LA Services, Netherlands
DP	-	Development Partnership
DSFA	-	Department for Social and Family Affairs, Ireland
DSFA	-	Department of Social and Family Affairs
DWP	-	Department for Work and Pensions
ERI	-	Employment Research Institute, Napier University
ESF	-	European Social Fund
EZs	-	Employment Zones
FAS	-	Foras Áiseanna Saothairthe
FE	-	Further Education
GDP	-	Gross Domestic Product
IBEC	-	Irish Business and Employers Confederation
ICT	-	Information and Communication Technology
ICTU	-	Irish Congress of Trade Unions
IRO	-	Individual Reintegration Accounts, Netherlands
IT	-	Information Technologies
JAC	-	Job Assistance Centres
JBO	-	Jobs and Benefits Offices
JU4J	-	Joined Up 4 Jobs
LA	-	Local Authority
LAFOS	-	Labour Force Service Centres, Finland
LAP	-	Local Area Partnership, Ireland
LDSIP	-	Local Development and Social Inclusion Programme
LES	-	Local Employment Service, Ireland
LHSCG	-	Local Health and Social Care Group
LMDA	-	Labour Market Development Agreements
LMI	-	Labour Force Intermediaries
LMO	-	Labour Market Authority
LO	-	Trades Union Congress, Denmark
LSP	-	Local Strategic Partnership, Birmingham
MOU	-	Memorandum of Understanding
NACRO	-	National Assoc for the Care & Resettlement of Offenders
NAV	-	Public Work and Welfare Agency, Norway
NCT	-	North City Training
ND	-	New Deal
NHS	-	National Health Service

NI	-	Northern Ireland
OECD	-	Organisation for Economic Co-operation & Development
PA	-	Personal Advisor, New Deal & Working Neighbourhoods
PEA	-	Pertemps Employment Alliance
PES	-	Public Employment Service
PLANET	-	Partnership Network, Ireland
PPDG	-	Pertemps People Development Group
PtW	-	Pathways to Work
RAPID	-	Revitalising Areas by Planning, Investment, Development
RAR	-	Regional Employment Councils
RIAB	-	Renfrewshire, Inverclyde, Argyll and Bute
RMI	-	Minimum Income, France
SEA	-	Strategic Employment Alliance, Birmingham
SIPE	-	Integrated Services for Employment
SLA	-	Service Level Agreement
SME	-	Small and Medium Sized Enterprise
SSA	-	Social Security Offices
SZW	-	Ministry of Social Affairs and Employment, Netherlands
TEP	-	Transitional Employment Programme
TEP	-	Transitional Employment Programme
TI	-	Targeted Initiatives
UNEDIC	-	Unemployment Insurance System, France
UWV	-	Employees Insurance Agency, Netherlands
WFI	-	Work Focussed Interview
WiN	-	Working in Neighbourhoods Centre
WN	-	Working Neighbourhoods
WW	-	Unemployment Benefit Act, Netherlands
WWB	-	Work and Benefits Act, Netherlands

PART 1. INTRODUCTION AND METHODOLOGY

1.1 INTRODUCTION

This document reports the findings of research, entitled *Best Practice in Inter-Agency Co-operation on Employability*, commissioned by the Department for Employment and Learning, Northern Ireland (DELNI) and conducted by the Employment Research Institute (ERI) at Napier University, Edinburgh, with the support of the Business and Management Research Institute at the University of Ulster.

The research aimed to investigate best practice in inter-agency co-operation, both at the strategic level of partnership working between policy actors, and at the operational level, where local professionals work together to implement strategies. In so doing it considered the strengths and weaknesses of different models of co-operation, contracting and partnership working. It deployed a range of methods, including desk-based literature and policy reviews, surveys of national academic experts, and in-depth interviews and case study research of lessons from four European 'active' welfare states.

The research sought to address a number of key questions forming part of DELNI's research agenda on 'Inter-agency Co-operation on Improving Employability', namely:

- Where outside Northern Ireland is best practice in improving employability to be found?
- To what extent does best practice depend on inter-agency co-operation?
- What kind of agencies are involved and what are their relative roles and responsibilities?
- What kind of costs and benefits are associated with inter-agency co-operation? How are impacts measured?
- What lessons can be applied by DELNI from existing models of inter-agency co-operation on improving employability?

1.2 METHODOLOGY

There were four phases to the research.

Phase One involved a desk-based literature review focusing on models of partnership working and inter-agency co-operation in public services, with particular reference to employability (see Part 3 of this report). The themes emerging from the literature review informed the international survey and case studies phases that followed (see below). They considered both policy development and implementation and identified issues around:

- models and practice in inter-agency co-operation, contracting and partnership working;
- the benefits, problems and limitations associated with different models of inter-agency co-operation;
- the 'critical success factors' facilitating effective inter-agency co-operation.

This initial phase of the study also saw the research team carry out 12 preliminary interviews with Northern Ireland stakeholders at DELNI, Enterprise Ulster and relevant training providers (Part 2 of the report). These initial interviews provided the research team with an insight into current priorities and the policy context, and partnership structures in Northern Ireland.

Phase Two of the research investigated a comparative sample of 15 EU and other countries (including the UK), in order to identify lessons and analyse approaches from across a range of different policy and labour market contexts. The selected countries reflected a range of different 'welfare regime' classifications and approaches to government-stakeholder partnership working. They were: Australia; Belgium; Canada; Denmark; Finland; France; Germany; Republic of Ireland; Italy; Netherlands; Norway; Spain; Sweden; United Kingdom; United States. Postal and e-surveys, with appropriate policy experts in each of the 15 selected states, were used to develop more detailed data around the roles and responsibilities of different actors collaborating on employability policy, structures governing the development and implementation of policy, examples of good practice in promoting transitions

from welfare to work, and methods of evaluating and reporting employability impacts and outcomes (Part 4).

Phase Three involved in-depth case study research in the four EU states:

- The UK (including examples in Great Britain and Northern Ireland);
- Denmark;
- The Netherlands;
- The Republic of Ireland.

In each non-UK state, mini-case study field visits to local and regional employability projects were combined with face-to-face interviews with national government policy officers and representatives of other stakeholders involved in inter-agency co-operative structures. More extensive fieldwork research was undertaken in different areas of the UK, where six mini-case studies of local and regional employability projects were carried out (including two in Northern Ireland). This phase of the research allowed for a detailed comparison of approaches to delivering employability 'on the ground' and the importance, costs and benefits associated with different models of inter-agency co-operation. In each case, lessons for Northern Ireland were identified, and opportunities for (and barriers to) the transfer of good practice discussed (Parts 5-8 of the report).

Phase Four of the research pulled together the findings of the previous three phases, seeking to identify practical lessons that can be applied to the future activities of DELNI and its partners in the field of employability policy. Results from the research were used to develop recommendations for policy, based on learning from key elements in successful models of inter-agency co-operation (Part 9 of the report). A series of conclusions also seek to address the key research questions articulated above.

1.3 REPORT OUTLINE

Following this introduction the report is structured as follows:

- Part 2 discusses the employability policy context in Great Britain and Northern Ireland, including an analysis of issues raised during interviews with key stakeholders in Northern Ireland;
- Part 3 discusses themes from a review of the literature on partnership working and inter-agency co-operation;
- Part 4 presents a review of practice in 15 countries, based on a review of policy literature and survey research with national experts;
- Part 5 reports the findings of case study research in the Netherlands;
- Part 6 reports the findings of case study research in Denmark;
- Part 7 reports the findings of case study research in Great Britain and Northern Ireland;
- Part 8 reports the findings of case study research in the Republic of Ireland;
- Part 9 discusses conclusions and implications for policy in Northern Ireland, highlighting critical success factors in effective inter-agency co-operation.

PART 2. BACKGROUND: GREAT BRITAIN AND NORTHERN IRELAND POLICY CONTEXTS

2.1 KEY POLICIES AND PARTNERSHIPS ON EMPLOYABILITY

2.1.1 The New Deal and progress towards a 'single gateway'

The New Deal programmes provide the main focus for employability policies designed to help unemployed people into work in Great Britain and Northern Ireland. The New Deal for Young People was the first of these programmes to be established, followed by the New Deal for Long-term Unemployed People aged over 25 (or 'New Deal 25+') and for those aged over 50, lone parents, the partners of the unemployed and disabled people, with the latter programme set to rapidly expand as the government refocuses its welfare to work strategy on those claiming incapacity benefits.

Inter-agency co-operation has been central to the delivery of the New Deal. A choice of provision, and the availability of a range of service to meet individual client needs has always been part of the New Deal ethos. Accordingly, while Jobcentre Plus and DELNI staff have retained a crucial management and service delivery role (especially in providing Personal Adviser support), a range of other public, private and third sector agencies have been contracted to deliver specialist services. In Great Britain the model of co-operation is firmly contractual, with Jobcentre Plus awarding delivery contracts to individuals providers based on a process of competitive tendering. This has ensured that the government's targets and strategic priorities have been pursued at the local level, but the perceived rigidity of the New Deal funding regime and management structures has led some critics (and indeed delivery agencies) to complain that there is little scope to innovate or collaborate.

As noted below (2.3.2), Northern Ireland policy makers have sought to promote a more partnership-based approach, where a single contract for the delivery of a range of New Deal services in each local authority area is awarded to a consortia of providers. There is apparent evidence that this

approach has been helpful in reducing transaction costs and achieving economies of scale. These are important benefits given the relatively small local authority areas that provide the 'delivery unit' structure for the New Deal in Northern Ireland, a geographical configuration that has in itself raised some problems around the limited service capacity within smaller areas.

In terms of the day-to-day delivery of services for job seekers, both Great Britain and Northern Ireland are moving towards the implementation of a 'single work focused gateway'. This process is near completion in Great Britain following the amalgamation of the Employment Service and the Benefits Agency within a single working-age agency, Jobcentre Plus. In Northern Ireland, there has been considerable progress in joining up benefits and employability services through the establishment of joint Jobs and Benefits Offices (JBOs). In the immediate term there are no plans to amalgamate the administration and management of these two linked agendas, which remain the remits of separate government bodies – DELNI and the Social Security Agency (SSA). Nevertheless, as employability services are recalibrated to increasingly focus on economically inactive groups (especially those on Incapacity Benefits), there will be an increasing need to intensify joint working between DELNI and the SSA.

2.1.2 Local employability services and inter-agency co-operation

Jobcentre Plus and DELNI lead the delivery of employability services in Great Britain and Northern Ireland respectively. However, at the local level, there are a plethora of services and service providers seeking to add value to the work of these Public Employment Service (PES) agencies. Great Britain's major cities have a long tradition of not-for-profit service providers acting as labour market intermediaries. In many cases, Jobcentre Plus has been able to develop effective working relationships with these organisations, which often operate in the voluntary/charitable sector, but can be supported by local authorities and other government funding streams. By establishing effective communication lines, PES officers and local providers have been able to refer clients to each other's specialist services, and share information and practice.

By providing specialist support (such as structured, pre-vocational employability training or counselling for vulnerable groups), or operating in communities with poor links to 'official' public services, local intermediaries can complement the work of the PES.

Local labour market intermediaries are less well established in Northern Ireland, and DELNI is interested in supporting the development of community level services. This is to be welcomed, but there are important lessons from the Great Britain experience that should be kept in mind. Local community services are most effective where they complement, rather than duplicate, PES provision. There are examples of local intermediaries adding value by providing specialist support or demand-led interventions (Edinburgh's 'Joined Up For Jobs' is a case of good practice, see 7.5 in this report). But there are also cases of duplication, unnecessary competition for resources, lack of economies of scale and fragmentation. This is particularly the case in cities where there is a plethora of local service providers (for example, it is estimated that there are at least 300 agencies involved in employability work in the city of Glasgow). The lesson would appear to be that local employability providers can add value, but that there needs to be a framework for joint working with PES services, and a clear understanding of how and where local providers can complement existing provision.

2.1.3 The emerging policy agenda and inter-agency co-operation

The New Deal and linked services have played an important role in reducing long-term unemployment. Nevertheless, the government's most recent reforms suggest that there has been an acceptance among policy makers that the 'standard' New Deal employability model may have reached its 'logical conclusion'. There are active efforts to refocus welfare to work to target local areas in greatest need, make major programmes and funding streams more flexible and accessible, and reform the content of provision to address the needs of economically inactive groups. This agenda has thrown up a number of policy initiatives which are again dependent on inter-agency co-operation to deliver the intensive support required by disadvantaged clients.

Pathways to Work is being piloted in areas characterised by relatively high levels of claimants on Incapacity Benefit (and its income-based equivalent, Income Support), prior to the programme's national rollout. The UK government has described Pathways to Work as offering 'a new intervention regime to activate peoples' aspirations to return to work' (DWP 2004a, 16) – the first step in a process of activating the incapacity benefits regime in order to 'focus on what people are capable of doing'. In both Great Britain and Northern Ireland (where the programme is being piloted in Ballymoney, Lurgan and Magherafelt – see 7.2 in this report) PES managers have established partnerships with specialist employability providers and, crucially, health service organisations to deliver Pathways to Work. As noted elsewhere in this report, the flexible governance and funding structures that seem to characterise the relationship between the PES and public health providers reflect an understanding of the need for innovation and co-operation in addressing the multiple forms of disadvantage often faced by Incapacity Benefit clients.

Employment Zones (EZs) continue to operate in 13 areas in Great Britain, reflecting the government's commitment to tackle area-based concentrations of long-term unemployment and inactivity. EZs contract with private and third sector employability stakeholders to deliver intensive job search and other services, with EZs themselves usually led by a private training provider. The similarly themed **Working Neighbourhoods** initiative ran from 2004-06 in 12 local communities (see 7.3 in this report), provided intensive employability services and early access to the New Deal (and therefore requiring close co-operation between Working Neighbourhoods Lead Partners and New Deal PAs within Jobcentre Plus). The Working Neighbourhoods model involved a less contractual approach, with lead organisations given considerable freedom to build partnerships with a range of community and public sector providers, in an effort to develop a holistic suite of services for job seekers. As with Pathways to Work, the financial flexibility and shared decision making within Working Neighbourhoods would appear to mark a shift towards a more partnership-oriented model of organisation.

While the Working Neighbourhoods pilot has not been continued, the underlying ideas remain present in the UK government's welfare reform plans. The DWP's 2006 Green Paper on welfare reform highlights the need for new city-wide consortia to tackle concentrations of economic inactivity in urban areas. The DWP has suggested that these consortia are likely to involve local authorities, employers, learning and skills councils, regional development agencies, primary care trusts and Jobcentre Plus, building on existing local partnerships, and with the authority to contract with a range of public, private and third sector organisations to deliver targeted, local services.

2.1.4 The wider economic and policy context

In addition to the policy trends discussed above, changes in the importance of partnership working may partly be linked to several more general economic and policy factors, a few of which are considered here. First, current buoyant economic conditions have created high labour demand over a sustained period, which, with relatively low unemployment, partly results in the key PES client groups being more diverse with more 'further from the labour market' than traditionally. Therefore key clients need more specialist support across a range of employability factors. For example, rather than providing job search support to someone who is basically 'job ready' as may often have been the case when unemployment levels were high a decade or two ago, services must now increasingly try to get people with multiple employability barriers into work (e.g. a chaotic life style, drugs or lack of relevant qualifications). Second, significant potential labour supply changes due to an ageing population structure are expected in the relatively near future (only partly 'compensated for' by high in-migration) and these are likely to result in the long-term need to bring in or retain people in the labour market people who would previously have left (e.g. older workers) or who are long-term unemployed or inactive etc. The population structure of Northern Ireland is only slightly less old than in mainland Great Britain, but the trend is similar. Together these labour demand and supply factors result in the need for the PES to work with a greater number and range of specialist service providers

and hence for more effective and efficient partnership working. Several policy trends also suggest the need for greater partnership working.

Third, government policy has increasingly linked reductions in poverty to getting and remaining in work (e.g. for families with children and those able to work) rather than having people remain on Benefits for long periods. This again brings in clients groups with relatively low levels of employability and multiple barriers to work to active PES services, where before many would not have generally been expected to have re-entered or entered to work. Fourth, a move towards client-centred – as opposed to programme-based – policies in order to provide better, more tailored and responsive (from the client's perspective especially) and more effective and efficient services means that each client may have a range of required support than often cannot be provided by a single body. Fifth, the general move over the last two decades towards a more 'enabling' rather than 'provider' role for public services usually entails greater partnership (including contracting) working. Most of these, except perhaps the first factor, are fairly likely to continue in the near to medium term future.

2.2 THE NORTHERN IRELAND POLICY CONTEXT

2.2.1 Employability services in Northern Ireland

Northern Ireland's inter-agency co-operation arrangements in many ways mirror systems and practices elsewhere in the UK. However, there remain a number of specific Northern Ireland issues and approaches. DELNI has demonstrated a consistent interest in the development of effective inter-agency co-operation, for example through the establishment of a consortia-led approach to delivering the New Deal and other more recent initiatives that seek to engender partnership working at the local level. As noted below (2.3), inter-agency co-operation on the delivery of services has been central to DELNI's approach – DELNI has contracted with Further Education institutions and Training Organisations in particular to deliver Northern Ireland-specific

programmes ranging from Bridge to Employment and Training for Work to the Jobskills initiative for young people.

Recent attempts to strengthen services at the community level (through Targeted Initiatives), along with the challenges associated with the rollout of Pathways to Work, have required DELNI to review and develop new approaches to local partnerships and inter-agency co-operation. The outcomes achieved by Targeted Initiatives remain subject to evaluation at the time of writing, but the local approaches piloted under this policy have demonstrated a strong degree of innovation and encouraged new approaches to partnership working.

2.2.2 Findings from interviews with Northern Ireland stakeholders

In order to build on the policy review presented above, preliminary in-depth interviews were undertaken with key stakeholders at DELNI and partner organisations such as North City Training and Enterprise Ulster. DELNI representatives included managers and policy officers involved in general employment services; disability advisory services; New Deal; Pathways to Work and Incapacity Benefit strategies; EU programmes; and partnership and research specialists within the Department.

DELNI and inter-agency co-operation

Interviewees noted that DELNI has relied upon a range of co-operative structures to pursue its policy goals and implement programmes, including:

- New Deal – based on DELNI contracting with partnership-based consortia of public, private and third sector providers in local authority areas across Northern Ireland;
- Bridge to Employment – delivered through contracts with FE and other training providers, and involving employers in the provision of training placements;
- Jobskills – providing vocational training for young people through contracts with Training Organisations and the FE sector;

- Training for Work – providing basic employability training for non-New Deal eligible people with severe barriers, delivered through contracts with Training Organisations and the FE sector;
- Targeted Initiatives – providing a range of area-based interventions designed to add value to standard DELNI provision, including Transitional Employment programmes and local Job Assistance Centres, and delivered through partnerships of training providers and community organisations, with (in some cases) local organisations also involved in oversight through employer and stakeholder forums (such as the Greater Shankill/West Belfast Employment Services Board).

In addition to these contractual relationships with delivery providers, DELNI is active as a recipient of, and match funder for, EU programme funding. Accordingly, DELNI has played a major role in co-ordinating and supporting activities co-funded by EU programmes such as Equal, PEACE II and Building Sustainable Communities. Beyond these major programmes, DELNI works closely on an informal basis with employers (who are essential to ensure work and training opportunities for DELNI clients).

Recent reforms have also seen two additional important advances in inter-agency co-operation (moving in the direction of Jobcentre Plus in Great Britain). The joint delivery of DELNI and Social Security Agency (SSA) services through 25 unified Jobs and Benefits Offices (JBOs) has required increasingly close co-operation between the two agencies. DELNI and SSA are also working together to ensure the effective rollout of Pathways to Work, the UK government's key programme designed to improve the employability of Incapacity Benefit claimants. Crucially, this programme has also involved the formation of new funding, strategic and delivery partnerships with Health Boards covering three pilot local authority areas. The challenges associated with this ambitious process of partnership formation are discussed below.

Interviews with DELNI policy officers demonstrated a clear acknowledgement of, and support for, the rationale for inter-agency co-operation. Partnership working was seen as providing the opportunity to expand the reach, range

and variety of employability provision. DELNI sees its work as facilitating the delivery of client-centred – as opposed to *programme-based* – approaches, with interventions tailored to the individual's needs. The expertise of public and third sector bodies specialising (for example) in services for ex-offenders and people with substance abuse problems was viewed as essential to ensuring that programmes such as the New Deal are able to deliver appropriately tailored interventions. DELNI has therefore prioritised building effective working relationships with specialist organisations (such as NIACRO, which supports ex-offenders).

However, a number of DELNI representatives drew attention to the need for a more consistent approach to inter-agency co-operation. One external stakeholder also noted that the overarching framework provided by 'Focus for Work' had not been built upon, while it was suggested that DELNI was expected to develop new co-operative strategies across departments and policy areas without the allocation of additional resources to 'make partnership work'. While there was an acceptance that effective partnership working can produce synergies, it was argued that if 'operational' partnerships were to have an impact, then new resources would inevitably be required. In more general terms, there was a consensus that the formalisation of structures and strategies linking DELNI with other agencies would be valuable. Policy officers noted the need to "make partnerships work better for DELNI" (i.e. by making programmes more effective, efficient and responsive). DELNI's objective in engaging in inter-agency co-operation is to improve the reach, range and quality of its services for job seekers, and it is important that these strategic and organisational objectives are shared and/or complemented by the strategies of partners. It should be noted that from the researchers' view, additional resources may mean better training for all staff involved in making partnerships more effective and efficient, rather than (or possibly as well as) greater quantities of resources.

Inter-agency co-operation and the New Deal

DELNI has been particularly committed to promoting a partnership-based approach to the delivery of the UK's main employability programme for the unemployed – the New Deal. In Great Britain, the vast majority of local delivery areas have adopted a basic 'Individual Contract' model of New Deal delivery (where Jobcentre Plus leads the delivery of the New Deal, but contracts with one or more providers in order deliver services). However, in Northern Ireland, the 'Consortia' approach – rarely deployed in Great Britain – has been adopted from the outset of the programme (under this model, DELNI has a single contract with a lead organisation representing a consortium which leads the implementation process and delivers the majority of New Deal provision).

There are clear benefits associated with the Consortia approach – representatives of DELNI and Enterprise Ulster agreed that by devolving day-to-day management to Consortia, DELNI was better able to focus on strategic policy development (rather than financial micro-management). DELNI representatives also reiterated the close relationship between JBO managers and staff and New Deal Consortium lead partners. Lead partners – which include local authorities, FE institutions and specialist training providers – are charged with administering and monitoring resources and provision, and (in the words of one Lead Partner representative) "promoting a shared ethos across the Consortium". It was suggested that the Consortia model was effective for Northern Ireland, preventing unnecessary competition and promoting resource-sharing in small areas where a lack of delivery capacity would limit the value of any attempt to impose competitive tendering for individual contracts.

DELNI policy officers and New Deal providers agreed that the Consortia approach had also allowed for the development of services that could cover a wide range of client needs – the involvement of local authorities, specialist private and third sector bodies was seen as facilitating a client-centred approach, where individuals' complex needs could be met through a

combination of interventions. There were, however, some concerns regarding the potential for DELNI JBO staff (in particular New Deal PAs) and New Deal Lead Partner teams to offer duplicate services for clients.

Interviews with key stakeholders also raised the more general issue of the fragmentation of New Deal provision brought about by the programme's delivery through local authority areas in Northern Ireland. A number of representatives of DELNI agreed that the delivery of New Deal at local authority level had produced an 'unwieldy' programme, with more than 160 providers operating across 26 different areas. Beyond the obvious additional costs involved in "26 Lead Partner fees", it was noted that smaller local authority areas sometimes struggled to access the service capacity to put together a full suite of provision. While DELNI officers and New Deal providers were confident that capacity issues had not significantly impacted on the quality of services, there may be implications around the ability of some areas to address the full range of client needs.

A number of interviewees also noted that – despite local authorities providing the delivery unit area model for New Deal – the anticipated engagement with local authorities in programme delivery had sometimes not materialised. Once again, the limited resources and administrative capacity of some smaller local authorities was seen as restricting their ability to actively participate in the delivery of New Deal. The anticipated local authority reorganisation process in Northern Ireland should produce welcome economies of scale. In addition, given the relatively small geographical size of Northern Ireland, an issue not fully discussed in the interviews was that there may be unrealised scope for economies of scale to provide more cost effective and higher quality specialist services (and possibly a greater degree of competition between service providers where appropriate).

Inter-agency co-operation within government

Members of DELNI's Employment Services and Partnership teams have acknowledged the relatively limited progress made in joining up employability-related activities across some government departments (a priority for the

Taskforce on Employability and Long-term Unemployment). Despite important recent progress, further work is also required to foster partnership working between the SSA and DELNI. The two agencies work together in single Jobs and Benefits Offices (JBOs) in 25 of 35 DELNI delivery areas in Northern Ireland. However, there is a sense that policy makers' increasing focus on 'inactive' client groups will require more intensive co-operation between the two agencies. Interviews with DELNI stakeholders also flagged up the need to streamline information gathering and sharing procedures, so that clients are not asked to provide duplicate information to SSA and DELNI staff during different 'benefits' and 'employability' interviews.

The continuing roll out of Pathways to Work will particularly require closer collaboration between the SSA and DELNI. But effective inter-agency co-operation between DELNI and the Department of Health, Social Services and Public Safety (DHSSPS) is equally important if Pathways to Work is to be a success. The Condition Management Programme (CMP), which forms a crucial and highly innovative element of Pathways to Work, is delivered by Health Service professionals contracted to the Programme using DELNI funding. There is some evidence that DELNI managers initially struggled to navigate the Health Service's complex multi-tier organisation, and that "finding the right people to engage with" was problematic – similarly problems were encountered by PES managers in Great Britain. Initial attempts to engage managers within local areas produced useful delivery level contacts, but did not necessarily result in gaining the required strategic level commitment to the programme. Links developed since with DHSSPS management have resulted in the formalisation of partnership working and the rapid development and recent rollout of the Pathways CMP.

Added value through community engagement

Northern Ireland lacks a strong tradition of locally-based, non-governmental labour market intermediaries. Encouraging the development of such community-level provision, to complement DELNI's services, was identified as a priority by the Taskforce on Employability and Long-term Unemployment. DELNI's support for local labour market intermediaries (LMIs) and Targeted

Initiatives (TIs) has sought to advance this agenda, and a number of respondents noted the added value that these community-based interventions can provide. TIs have involved a range of different partnership-based approaches, including the establishment of local stakeholder and employer forums, the development of innovative training programmes for hard to reach groups, and the deployment of local Job Assistance Centres (JACs) to provide community-level job search, mentoring and support services.

The ability of JACs to engage people from areas and client groups that have proved difficult for JBO services to reach was acknowledged by members of the DELNI employment services team. For those delivering employment services, there was also clear value in working through such local intermediaries, which had “credibility within and across communities”. However, it was also suggested that, to be effective, TI projects such as JACs must continue to complement rather than replicate the services available through JBOs. To this end, DELNI has funded JACs on the basis that no more than 30% of users will be drawn from the JSA roll, following concerns that the Centres were initially serving the same client group as JBOs.

There was an acknowledgement that the TI approach could foster innovation, with the Transitional Employment Programme (TEP) particularly cited as an example of potential interest (see 7.4 in this report). The TEP initiative – which provides extended paid work placements for disadvantaged job seekers – is currently under evaluation, and may emerge as a relatively expensive policy solution, given its reliance on waged training activities. But given the barriers faced by the TEP client group – all of whom have been unable to progress through New Deal or other interventions – there was a willingness among DELNI policy officers to consider the potential value of alternative approaches. In more general terms, those involved in the delivery of New Deal suggested that the existing, standard programme model may have “done its job”, and that new approaches would have to be considered to address the needs of an increasingly complex and disadvantaged client group.

Finally, DELNI policy officers noted that initiatives developed through EU programmes such as ESF Equal and Building Sustainable Communities had added value to national programmes, by targeting additional resources on groups ranging from ex-offenders to women returners and 'Status 0' young people (young people not in education or training). The scope for experimentation provided by these funding streams was welcomed, but some interviewees expressed concern that programme activities were not sufficiently focused on 'hard' job outcomes. DELNI EU project managers pointed to the ESF Equal 'Development Partnership' (DP) model as an example of good practice in inter-agency co-operation, suggesting that DPs were able to accommodate organisations with a broader range of resources and expertise than is found within many standard delivery models.

Engaging employers

Engaging employers – in order to access training, work placement or job opportunities for clients – is a major challenge for all stakeholders involved in the design and delivery of employability services. Interviews with key Northern Ireland stakeholders demonstrated the importance of, and difficulties associated with, engaging employers. For example, DELNI's development of work placement opportunities for disabled job seekers has depended heavily on the provision of wage subsidies through the Employment Support initiative (which operates similarly to the Department for Work and Pensions' (DWP) WorkStep programme). There are, of course, differences between the size of the private sector in Northern Ireland and Great Britain, and hence the ability to engage with private sector employers.

There was again an awareness among DELNI policy officers that new approaches to engaging with employers are likely to be required as the Pathways to Work programme is rolled out. Pathways will engage clients with a wider and more complex range of barriers to work, many of whom are likely to require a degree of support from employers after they are placed into work (i.e. sustainability in employment is likely to become a bigger issue for support agencies). DELNI's Pathways team is in the process of exploring the development of sector specific training options, which may involve employers

providing work placement opportunities. The programme itself contains a Work Preparation element, which assists clients in the development of basic employability skills, and New Deal provision is available to participants with longer-term skills needs. However, a concerted effort to gain the support of employers, and inform them about the programme and its client group, will be needed as Pathways to Work continues to expand.

2.3 CONCLUSIONS AND ISSUES FOR NORTHERN IRELAND

DELNI has made substantial progress in recent years in building new partnerships within and across government levels and with local bodies and communities. However, a number of issues emerged from a review of inter-agency co-operation in Great Britain and Northern Ireland and our preliminary interviews with key stakeholders, raising questions that helped to inform the case study research that makes up the remainder of this report.

Operational relationships – how are partnerships organised?

- *Reliance on contractual relationships*. DELNI, like Jobcentre Plus in Great Britain, bases its operational-level relationships on contract tenders to provide specific services. This approach offers benefits in terms of clarifying and formalising the responsibilities of delivery stakeholders and rewarding successful practice, but it has also been argued that an over-reliance on contractualism can undermine partnership working, limit opportunities for pooling resources and stifle innovation. It is important that policy makers therefore seek out lessons that can be learned from other forms of contractual models and different approaches to inter-agency co-operation.
- *Devolution to local contract consortia*. Northern Ireland's New Deal is based on a Consortia model that has seen the devolution of day-to-day programme management to Consortium Lead Partners, freeing DELNI officers to concentrate on strategic management but also potentially creating a sense of 'distance' between DELNI and its New Deal clients. When considering future plans for the delivery of programmes such as New Deal, there may be value in reviewing evidence from elsewhere

regarding the effectiveness of such devolved 'contracted out' approaches, compared with more centralised programme management by PES officers.

- *Service capacity and accessibility.* The Consortia model has also arguably helped providers in smaller local authority areas to develop a consistent programme with a range of options while reducing transaction costs and needless competition in these areas, where there is often limited service capacity. However, there remain some problems related to service capacity and accessibility. DELNI needs to continue to consider how to help rationalise services and maximise capacity, so that job seekers in more remote communities are able to access the fullest possible range of employability services. This is also linked to efficiency and effectiveness, where economies of scale may permit more specialised and efficient services, but the effectiveness services must be maintained.
- *Flexible funding and management structures.* Contracting out can have particularly negative impacts on partnership working when applied within rigid funding regimes that constrain partners' activities and require close management, monitoring and reporting. The pilot models for programmes like Working Neighbourhoods and Pathways to Work have tested more flexible funding and management structures, and there may be value in considering how the positive lessons (and problems) associated with this approach can inform future models for managing inter-agency contracting.

Delivery – improving the performance and impact of partnerships

- *Inter-agency co-operation among a wider range of partners.* In general, inter-agency co-operation in both Great Britain and Northern Ireland has enabled Jobcentre Plus and DELNI respectively to improve the range, reach and diversity of their services. However, policy makers' increasing focus on the needs of harder to reach groups (such as those eligible for Pathways to Work) will require increasingly close collaboration between DELNI and SSA staff. Pathways to Work will also require close collaboration between DELNI and Health Service officials/professionals – Northern Ireland stakeholders will need to continue to consider how best to join up health, social security and employability policies. The research

presented in Parts 5-8 of this report discusses factors that have contributed to success/failure of complex multi-agency approaches in Northern Ireland and elsewhere.

- *Focus on sustainable job opportunities.* At the local level, DELNI has been active in supporting community initiatives that have the potential to reach areas and client groups that traditional standard services cannot. For example, the Transitional Employment Programme model piloted by Targeted Initiatives has demonstrated that there can be benefits in engaging employers through wage subsidy training schemes, while community organisations have played an important facilitating role in some areas. However, the programme has also highlighted the need to ensure that partnerships with community organisations do not detract from focusing on clear 'hard outcomes', such as the business of placing clients with major public or private sector employers that are more likely to be able to provide access to sustainable job opportunities.
- *Adequate resources, including partnership training.* DELNI needs to consider the most effective mechanisms for resourcing and supporting partnership working. Partnership specialists within DELNI will need additional resources, as well as clearly defined responsibilities and authority if they are to make a full contribution to the partnership process across a range of policy areas. These resources will include training (including time for staff in front line services to fully participate etc.) as well as staff to enable and support partnerships.
- *Strategic leadership and support for partnership-based approaches.* At the strategic level, there is a need for consistent leadership, resourcing and support for partnership-based approaches to employability. There may be benefits in the formalisation of a DELNI-led employability strategy that articulates clear aims and priorities for inter-agency co-operation. The research presented in Parts 5-8 of this report discusses the potential development and impact of such strategic frameworks (for example, Section 7.6 of this report discusses the development of the Scottish Executive's Employability Framework).

PART 3. PARTNERSHIP AND INTER-AGENCY CO-OPERATION: THEMES FROM A REVIEW OF THE LITERATURE

3.1 INTRODUCTION

Promoting 'partnership' and inter-agency co-operation between government departments, public agencies, private companies and the third sector has become a staple of strategies to promote social and labour market inclusion in Northern Ireland (PIU, 2005), Great Britain (DWP, 2004) and the EU (CEC, 2003). Area-based strategies to tackle social and labour market exclusion have particularly seen the promotion of partnership approaches – for the government, 'renewal relies on local communities', and non-public bodies have a leading role to play in promoting employability, regeneration and inclusion (SEU, 2001; McQuaid and Lindsay, 2002, 2005).¹ Inter-agency co-operation is seen as the appropriate policy model to promote and achieve these goals.

Different types of partnerships will be appropriate in different circumstances, and a key strategic issue is to identify and choose an appropriate type. Some of the main dimensions of partnership are: a) what the partnership is seeking to do, i.e. its purpose and whether it is strategic or project driven; b) who is involved, i.e. the key actors and the structure of their relationship in the partnership; c) when i.e. the timing or stage of development of the partnership process and changing relationships and activities over time; d) where, i.e. the spatial dimension; e) how the activities are carried out, i.e. the implementation mechanisms (see McQuaid, 2000).

This part of the report considers a number of conceptual and policy issues surrounding intra- and inter-agency co-operation and partnership working. It is based on a review of relevant policy documents and academic literature in

¹ "Employability is .. the combination of factors and processes which enable people to progress towards or get employment, stay in employment and move on in the workplace" (Health Dept. and Scottish Executive Employability Framework, 2006).

employability, social inclusion and regeneration policy. Following this introduction the discussion paper briefly addresses:

- definitions of 'partnership';
- potential benefits associated with partnerships/inter-agency co-operation;
- limitations and problems with partnerships/inter-agency co-operation;
- critical success factors in effective partnerships;
- key issues for the case study research.

3.2 DEFINITIONS OF PARTNERSHIP

The term 'partnership' covers widely differing concepts and practices and is used to describe a wide variety of types of relationship in a myriad of circumstances and locations (McQuaid, 2000). The OECD (1990: 18) has defined partnerships as:

“Systems of formalised co-operation, grounded in legally binding arrangements or informal understandings, co-operative working relationships, and mutually adopted plans among a number of institutions. They involve agreements on policy and programme objectives and the sharing of responsibility, resources, risks and benefits over a specified period of time.”

Reviewing a number of existing definitions, Hutchinson and Campbell (1998) suggest that there is consensus around a number of defining features:

- partnerships bring together a coalition of interests drawn from more than one sector to generate agreement;
- partnerships have common aims and a strategy to achieve them;
- partnerships share risks, resources and skills;
- partnerships achieve mutual benefit and synergy.

Partnership remains a varied and ambiguous concept. In the Great Britain and Northern Ireland context, the debate has been further complicated by government's application of the language of partnership to programmes and relationships that in fact involve the allocation of resources on the basis of

competitive tendering and contracts to provide services. Government departments and funders are required to fulfil the dual role of acting as strategic partners, working with other public agencies and stakeholders to shape the general framework for local policy implementation, while also acting as a funder, contracting out services through some of the same stakeholders. While New Deal providers tend to be referred to as 'partners' the differential financial power, and control of resources and policy direction that characterises these providers' relationships with the Public Employment Service (PES) – DELNI in Northern Ireland and Jobcentre Plus in Great Britain – raises questions about models of partnership and inter-agency co-operation, and the potential benefits and problems associated with different approaches. Nevertheless, previous analyses of various models of partnership working and inter-agency co-operation generally point to a number of benefits and limitations associated with such processes. It is to these issues that we now turn.

3.3 BENEFITS OF PARTNERSHIP AND INTER-AGENCY CO-OPERATION

Partnership-based approaches to dealing with social and labour market exclusion have become increasingly popular among policy makers. A review of the literature suggests that there are a number of benefits associated with inter-agency co-operation (McQuaid, 1994, 2000; Hutchinson and Campbell, 1998; Knox, 2002; Dowling et al., 2004; McQuaid et al., 2005)².

Flexible and responsive policy solutions

Perhaps the most regularly deployed argument in favour of partnership-based approaches is that the problem of social and labour market exclusion is complex and multi-dimensional, requiring a range of inputs from stakeholders. The individual barriers (e.g. lack of skills), personal circumstances (e.g. caring responsibilities) and socio-economic context (e.g. living in an area of multiple deprivation and low job opportunities) faced by people with low employability

² A full bibliography is provided in Appendix A.

are often inter-related, over-lapping and mutually reinforcing. Hence policy solutions aimed at one factor, or part of the support system, are unlikely to be fully successful due to the counteracting impacts of other factors. Partnerships between key actors or service providers are therefore essential in order to tackle the various causes as well as the symptoms of low employability. In terms of labour market policies, local partnerships arguably facilitate the tailoring of the programme and its delivery to the specific problems and opportunities of local labour markets.

Facilitating innovation and evaluation

Partnerships arguably have greater scope to test new and innovative approaches – the fact that stakeholders come together from a range of different policy perspectives can, in itself, produce greater dynamism through the sharing of ideas, expertise and practice. Effective partnership working therefore challenges existing approaches by bringing to bear experience from other sectors and organisations, and developing new ways of working.

Sharing knowledge, expertise and resources

A defining feature of any inter-agency partnership is the manner in which skills, knowledge and expertise are shared in order to maximise the appropriateness, quality and efficiency of provision. By engaging with private and third sector providers with expertise in specific areas of service provision, or with experience in engaging particularly disadvantaged client groups, public agencies can expand the reach, diversity and quality of their services.

Pooling of resources, synergy and 'bending the spend'

At the most basic level, partnership-based approaches can increase the total level of resources brought to bear on problems, by increasing the number of budget-holding organisations involved in delivering solutions. Synergy may also be achieved through combining complementary resources from different organisations and from them operating in more appropriate ways compared to their normal organisational approach. However, it is in targeting or altering mainstream expenditure on specific shared goals ('bending the spend') and

achieving synergies, and so maximising the impact of resources, that partnerships are seen as potentially having greatest impact.

Developing a coherent service

Partnership working at the strategic level can ensure that policy initiatives in major areas of government activity are 'aligned'. The drive to achieve coherent local and regional frameworks linking regeneration and employability policies has been a major theme of recent reforms in Great Britain and Northern Ireland. The integration of policies under shared strategic priorities can ensure that – for example – supply-side and demand-side labour market strategies complement each other, and that supply-side interventions are informed by the needs of employers, communities and local labour markets.

Improving efficiency and accountability

One of the key benefits associated with effective inter-agency co-operation is that it can lead to more efficient policy delivery, by eliminating the duplication of effort and improving communications. Within partnerships, inter-agency bodies have the capacity to be more democratic – at best they can open up decision making processes and gain the input and buy-in of organisations representing a broad range of constituencies and interests. However, there are often concerns that it is not clear 'who is in charge' (see below).

Capacity building

Examples of best practice in regeneration projects in England have demonstrated that local partnerships can build community capacity and engender a sense of community ownership. For the voluntary sector, inter-agency co-operation (particularly with government) offers new opportunities to have a practical impact on the policy agenda, enabling organisations to fulfil the key objectives of representing the community and giving voice to the concerns of disadvantaged groups. Becoming 'delivery partners' can also help these organisations to access much needed long-term and stable funding.

Gaining legitimisation and 'buy-in'

The tapping of 'local knowledge' through the involvement of community-level stakeholders can contribute to the development of approaches that are able to engage disadvantaged communities and address specific, localised problems. Engaging community-level stakeholders can also result in the legitimisation of, and mobilisation of local support for, new policy goals. At a basic level, the involvement of local people may help the recruitment and retention of 'hard to reach' individuals etc. At the planning level, where lead agencies are willing to cede and share decision making, budgets and responsibilities with partners, they can engender a sense of shared ownership, helping to legitimise their policy aims.

3.4 PARTNERSHIP AND INTER-AGENCY CO-OPERATION: POTENTIAL PROBLEMS AND LIMITATIONS

The benefits discussed above are achievable where effective structures for inter-agency co-operation and/or partnership working are in place. However, there are considerable challenges in achieving these positive outcomes related to: a lack of clear and/or consistent goals; resource costs; impacts on other services; and differences in approaches between partners.

Conflict over goals and objectives

A lack of clear, specific aims or goals is often cited as a major cause of the failure of partnerships. Many partnerships have agreed broad aims, but their detailed goals may be unclear or the partners may have differing understandings of what the goals mean. This can rapidly lead to misunderstanding, lack of co-ordination, and possible conflict between the partners. This could be accentuated if some partners had undeclared or 'hidden' agendas. At the strategic level, conflicting priorities and 'turf wars' can undermine attempts at developing collaborative approaches.

Resources costs

There are considerable resources costs, for instance in terms of staff time in meetings and discussions and making agreements, and in delays to decisions

due to consultation with partners. It may be difficult to close an inefficient or unsuccessful partnership, or even one whose objective has been achieved if all partners do not agree, as this may 'sour' relations elsewhere.

Accountability

There can also be problems of accountability as no single partner feels fully accountable for the actions of the partnership due to the split between responsibility and control (e.g. no single body takes full responsibility for problems or for ensuring that overall the policy is effective and efficient). It may not be clear 'who is in charge'. If each partner 'claims' the full success of the partnership (e.g. in terms of jobs created) but only considers its own costs then this may distort decisions then efficiency and value for money will be difficult to measure. The opportunity or direct costs of staff time in participating in the partnership also needs to be accounted for. The full social costs of the partnership need to be aggregated and compared with the full social benefits, rather than each partner focusing upon its own costs and benefits.

Impacts upon other services

Partnerships (especially those with stand alone implementation units) may be seen as an alternative to re-aligning mainstream services to deal with the issues. But the scale of, and integration between, mainstream services may be far more significant, especially in the long-term. Conversely, partnerships may draw resources from other mainstream services or confuse the services in the minds of users, so reducing their effectiveness (i.e. there may be a significant opportunity cost).

Organisational difficulties

Organisational difficulties inhibiting successful co-ordination of programmes and approaches, and overcoming the specialist concerns of disparate organisations is a key implementation problem faced by public agencies working together. Within this context, barriers to effective partnership working include: organisational (these include differing missions, professional orientations, structures and processes of agencies); legal/technical (statutes or regulations set down by higher authority, and the technological capacity

and practice of the organisation); and political (the external political environment but also internal bureaucratic politics). At the strategic level, government departments and agencies have arguably traditionally operated in narrowly focused 'policy silos'. Breaking out of these silos, to develop multi-policy inter-agency solutions can be difficult due to institutional arrangements that regulate the use of funding and deployment of staff. There is also a danger that strategic-level partnerships can be drawn into the minutiae of process, rather than focusing on implementation and direction.

Capacity gaps

There can be problems when government seeks to engage different sectors in delivering on employability, if key stakeholders lack the professional, organisational or financial capacity to contribute. There have been problems where governments have sought to outsource provision before sufficient private or voluntary sector capacity is available. In many localities a lack of 'community capacity' (i.e. of the local people in the community) consistently undermines the ability of local stakeholders to engage in partnerships. Where local partnership structures are weak, a considerable commitment of time, effort and resources is likely to be required in order to build capacity. As noted above, even with such a commitment, building trust may prove difficult in disadvantaged communities where public service providers can be viewed with suspicion. Preparation of local communities to participate effectively in partnerships (and others, such as local employers) often needs a clear strategy that is adequately resourced (and includes practical aspects such as being prepared in advance to deliver quick 'wins' without waiting for the usual long timescale of public sector decision making).

Differences in philosophy among partners

Finally, there may be significant differences in philosophy between the partners, such as in the degree to which they feel the market can solve problems around employability or the legitimate role of different stakeholders. There may be problems in combining public and private management practices and philosophies within one partnership organisation, while the extent to which formal contracting is a sound basis for inter-agency co-

operation has been debated. Contractualism offers benefits associated with accountability and clarity in responsibilities and reward structures. However, where stakeholders are required to be both actors within a purchaser-provider contract and strategic partners there may be a confusion of roles and incentives. It has also been suggested that the strict obligations associated with contractual relations (and even Service Level Agreements in the public sector) can stifle some innovation. More generally, an integrated 'policy culture' shared by agencies and groups involved in delivery is important if partnerships are to be effective. Where policy culture becomes fragmented – for example due to conflicting priorities over financial resources or tensions over the differential power of partners to 'drive the agenda' – partnerships can quickly disintegrate.

Power relations

The handling of differences in the relative power of different bodies in a partnership is important to its success. The presence of unequal power should not imply that all partners should necessarily have equal power. Some may have greater legitimate claim, due for instance to their greater involvement in the area, or have greater political legitimacy in the case of elected bodies. Although there are different types of power, greatest power generally rests with those controlling resources. They are likely to dominate those in the local area who may have a considerable understanding of what is relevant and effective, albeit from a local rather than macro-perspective, and whose feeling of 'ownership' can be crucial to the initiative's success. At different stages of a partnership there will be different balances of power between actors. To illustrate, in the early stages when an initiative is being developed, all those 'around the table' will have potentially large influence as their involvement will often be considered important for getting the initiative started. However, the environment within which the key funders operate is very influential (for instance, in ruling certain approaches out of discussion). When the initiative is agreed, then the views of the main funders are likely to become relatively more important, i.e. there may be a shift from the influential power of some actors (such as local voluntary groups).

3.5 KEY SUCCESS FACTORS IN INTER-AGENCY CO-OPERATION

The above discussion highlights some of the advantages, problems and issues around partnership working and other approaches to inter-agency co-operation. The literature also identifies lessons from successful partnerships and inter-agency initiatives. Reviewing this literature, a number of recurring features can be identified. An investigation of these themes and the issues around the benefits and limitations of inter-agency working discussed above provided the basis for the research discussed in the remainder of this report.

A clear strategic focus

Successful models of inter-agency co-operation tend to be governed by a detailed, clearly defined strategy and a commitment to shared objectives and clear targets. It is also important that there is consensus around the problem that needs to be addressed, and the necessity of an inter-agency approach.

Strategic leadership and support

It is essential that there is clear strategic leadership and support for partnership within each partner organisation. Staff on the ground must be confident of such support and be able to 'speak for the organisation' at main partnership meetings. This requires confidence in, and support for, staff from senior management and decision makers to allow staff to make the partnership work effectively and efficiently. There must be a genuine willingness to make the partnership work, which may help to counteract the 'natural' tendencies to retreat into 'policy silos' based on professional discipline or organisational structure.

The importance of organisations and people in partnerships

Effective delivery partnerships need: the right mix of skills and expertise; certainty within each partner organisation regarding roles and responsibilities; continuity of approaches and membership in order to maintain 'trust and certainty'; and a recognised and legitimate role for all partners, with no one actor dominating. It is important that *only* appropriate stakeholders with the power, skills or resources to add value to the partnership are included.

Capacity for co-operation and mutualism

Effective inter-agency co-operation operates through strong and established networks of communication and joint working. It is essential that organisations and individual representatives involved in partnerships have both the authority and institutional flexibility to engage in mutual decision-making and resource sharing. Training staff to effectively and efficiently participate in partnerships is essential, for those involved in either the development or implementation of partnerships. Specific practical training should be provided to all staff involved (preferably jointly involving staff from the relevant partners so they can develop a common vocabulary and understanding and agreements on how to operate).

Organisational complementarity, co-location and coterminosity

The engagement of organisations that complement each other's resources and expertise is important to maximising the benefits of partnership working. At a practical level, there are benefits associated with the individuals represented within partnerships holding similar levels of budgetary and policy responsibility, and (where possible) operating within coterminous – or at least similar and consistent – geographical boundaries. Co-location for the delivery of services may also be beneficial in many cases.

Incentives for partners and 'symbiotic inter-dependency'

If partnerships are to be effective, actors must believe that there are benefits for their own organisation set against the costs of involvement (benefits could include financial leverage, expansion of competencies and influence, achievement of organisational goals, or the opening of new markets). The presence of common or complementary goals is important, as is the degree of symbiotic inter-dependency – the extent to which benefits for one partner agency produce mutually beneficial outcomes for others, with these outcomes dependent on inter-agency working.³

³ This contrasts with competitive inter-dependency, where the action of one actor interferes with another actor's ability to take action or achieve his goals, potentially generating conflict.

The value of action- and outcome-oriented procedures

Effective partnerships focus on outcomes rather than merely evidence of activity. Outcome-oriented partnerships are characterised by: an emphasis on the quality as well as the quantity of outcomes; responsiveness and clear decision making procedures, with management close to service provision; and a consistent approach to reviewing results, with measurable goals clearly defined and evaluated at regular, appropriate intervals.

PART 4. INTER-AGENCY CO-OPERATION: A REVIEW OF PRACTICE IN 15 COUNTRIES

4.1 INTRODUCTION AND METHODOLOGY

This part of the report describes the results of research on inter-agency co-operation in 15 countries. The research involved, first, a literature and policy review, focusing on the main aims and themes for employability policy in each country, and approaches to delivering policies through inter-agency co-operation. Clearly the comments on each country are of a general nature. Emerging issues were then followed up through a series of e-surveys undertaken with national academic/policy experts in each country. These surveys particularly addressed perceived strengths and weaknesses in national approaches to inter-agency co-operation, examples of good practice, and opportunities for, and barriers to, transferring practice to other countries, specifically Northern Ireland.

Countries were selected to reflect a diverse range of approaches to employability and models of partnership and/or inter-agency co-operation. Accordingly, in terms of often-used analytical framework of 'welfare regimes' (Esping-Andersen, 1990), the countries represented welfare models typically characterised as 'Liberal/Anglo-Saxon' (e.g. UK); 'Corporatist/ continental European' (e.g. Germany); 'Social-democratic/Scandinavian' (e.g. Sweden); and 'Residual/southern European' (e.g. Spain). In total, 15 countries were represented in the research: Australia; Belgium; Canada; Denmark; Finland; France; Germany; Republic of Ireland; Italy; Netherlands; Norway; Spain; Sweden; United Kingdom; United States.

The 2006 update of the OECD Job Strategy (OECD, 2006) divides countries into four main groups according to their labour market policies. Group 1 includes mainly English speaking countries (but also Japan, South Korea and Switzerland) where there is weaker job protection, less generous unemployment benefits and relatively small differences between what workers take home and what it costs employers to employ them (tax wedge). These

countries have been successful over the last decade in reducing their unemployment rate and have relatively high employment rates. In our sample these may include: UK, US, Australia and Canada. The second 'North European' group is also successful in having low jobless and high employment rates. Although taxes and unemployment benefits are high and it is relatively hard to dismiss workers (e.g. Sweden, The Netherlands, Denmark, Finland, Norway, Ireland), they also have loosely regulated and dynamic product markets and, importantly, strong labour market policies to get people into work. The third 'Continental and Southern Europe' group have quite low employment and high unemployment rates but high benefits and relatively strong worker security against dismissal (France, Germany, Belgium, Italy, Spain). The fourth 'Eastern Europe' group has relatively high unemployment and low employment rates, low benefits, and weak active labour market policies (this grouping includes countries such as the Czech Republic and Poland, not part of our study).

The discussion below provides a brief description of findings from each country on models of inter-agency co-operation and the benefits, problems and limitations reported by national experts (4.2). We then analyse common themes and trends in joint-working on employability, and identify critical success factors explaining the effectiveness of certain models of inter-agency co-operation, drawing broad lessons for Northern Ireland (4.3).

4.2 COUNTRY REPORTS

4.2.1 Australia

The Working Nation programme introduced in 1994 began the process of contracting out employment services to private organisations and community groups. Under these reforms, the management of intensive assistance programmes would be open to competition. Under the new Job Network (1998), all employment services including case management, job matching and the delivery of labour market programmes are contracted out, mainly to private and third sector organisations, but also to other public bodies.

Employability services are therefore subject to competitive tendering, with the Department of Employment and Workplace Relations contracting with more than 200 individual agencies. Contracts are administered through 19 labour market regions and 137 local employment service areas.

In terms of policy content, 'case management' (Personal Adviser) approaches have been prioritised in Australia, with the long-term unemployed in particular being offered tailored services and intensive job search counselling. A standardised 'Jobseeker Classification Instrument' is used to allocate clients to Level A and B groups (i.e. easier and more difficult to help), with contractors receiving greater rewards for assisting the latter group. Job search, confidence-building and basic pre-vocational programmes make up a substantial proportion of Australian employability services.

Successive Australian governments have argued that the process of marketisation has produced service improvements through competition and more tailored, personalised services. Our national expert pointed to data suggesting that following a gradual reduction in long-term unemployment up to 2000, the impact of the reform process appears to have levelled off. Furthermore, evaluations have pointed to problems relating to very high transaction costs; 'creaming and parking' (targeting the easiest to help while neglecting the most in need), so that results for the most disadvantaged areas and client groups have been poor. Recent reforms have sought to address these problems by awarding 'rollover' contracts to high-performing contractors; introducing a 'star ratings' measuring the performance of contractors; and strengthening central government regulation. These changes appear to have had some positive impacts, particularly in improving sustained (13 weeks) job entry rates.

While the marketisation of services has opened up the delivery of employability to a range of private and third sector providers, including charitable organisations such as the Salvation Army, there have been problems associated with rapid privatisation at the expense of PES administrative capacity. There are a number of lessons for Northern Ireland:

- The marketisation of employability services in Australia has resulted in a strong emphasis on bilateral contracting between government and delivery agencies. Competition for contracts has severely limited scope for inter-agency co-operation.
- While there can be, and have been, some performance benefits associated with the wholesale contracting out of services, considerable problems have emerged in Australia in relation to:
 - high transaction costs and demanding contract administration;
 - continuing problems of 'parking and creaming', and the use of standardised (rather than tailored) models to maximise efficiencies;
 - a perceived lack of accountability and day-to-day oversight and management, due to the *de facto* elimination of the PES.

4.2.2 Belgium

A number of key employability functions, including elements of training and client assessment, have been devolved to regional authorities in Belgium. PES services are administered through the three federal regions (Wallonia; Flanders; Brussels-Capital region). Local PES offices in these areas deliver job matching and counselling services, and administer training services for the unemployed (approximately one-third of training services are out-sourced to other providers). At the planning level, a series of Territorial Employment Treaties have included social partners and regional and national government in establishing priorities and targets. Employability programmes using subsidised work placements (a key element of the Belgian approach to employability) are funded by central government, but have been designed to reflect regional labour market priorities.

In terms of delivery, attempts to ensure greater decision making at the local level have been coupled with moves to encourage greater co-operation between policy makers. Co-operation with employers (as well as training providers) is essential given the important role of waged work placements (especially in training young people), which can last for up to 3 years. Like many other EU countries, Belgium is also moving towards a 'jobcentre' model

– in Flanders, the PES, government social security agency and training providers have been brought together under local ‘employment shops’.

Belgium’s largely regionalised structures provide a relatively coherent model of employability provision, with limited but gradually increasing use of outsourcing, and strong co-operative frameworks involving social partners. A number of key themes emerge from an analysis of the Belgian approach:

- The Belgian approach acknowledges the value of engaging employers/social partners to facilitate extensive work placement opportunities, which are particularly valuable for young people. In more general terms, there is a commitment to ensuring close integration of PES services with vocational training. However, concerns have been raised that job seekers undertaking training are not subject to sufficient case management (or compulsion), resulting in high levels of absenteeism.
- The relatively centralised (at regional level) functions of the PES have ensured the coherence of services, but may have also stifled incentives to improve performance – familiar problems of client ‘creaming and parking’ have been noted in the regional PES’s treatment of the most disadvantaged, with more able and more recent job seekers targeted.

4.2.3 Canada

The introduction of labour market development agreements (LMDAs) in Canada in the late 1990’s has led to an increase in collaboration between levels of government and other partners. LMDAs have seen varying degrees of devolution to provinces, ranging from ‘co-management’ of employability services with the federal government to ‘full devolution’, which has seen Canada’s major provinces (covering 80% of the population) take total responsibility for employability programmes (deploying federal government resources and applying national benefit regulations). Planning of programmes (which often have a strong emphasis on work-based training) is carried out by joint federal-provincial committees. In terms of delivery, provincial government departments tend to lead a process that also involves, where appropriate, local authorities and third sector organisations. Services for the claimants of

income-based benefits have traditionally been delivered separately by provincial government authorities. However, recent moves to encourage the co-location of federal and provincial employment agencies has resulted in the gradual integration of job matching and adviser services for the insured and uninsured unemployed.

National and regional governments have viewed the LMDA process as a success in encouraging local partnership and buy-in, by devolving programme design and planning. Our national expert agreed that there had been benefits associated with this 'collaborative federalism' in "fostering an informal co-operative culture at the local level". The increased partnership working engendered by the LMDA process has helped to produce joint programmes for claimants of both insurance-based and income-based benefits. A concern for our national policy expert and others is the extent to which co-located services are able to cope with the different needs and demands of these client groups (many claimants of income-based benefits are very long-term unemployed and face severe barriers to work).

A number of key themes emerge from an analysis of the Canadian approach:

- The co-location of federal and provincial employment services has simplified the system, delivered efficiencies, and built capacity at the provincial level (with federal government expertise transferred to local offices). There remain challenges around building a consistent service that can address the needs of those some distance from the labour market and more able clients in need of immediate job matching services – a problem to some extent paralleled in DELNI's need to reach out to clients in receipt of Incapacity Benefits who face multiple barriers to work, while providing employment services for more job ready clients.
- Despite centralised regulations on benefit eligibility and administration, the federal government in Canada has been willing to devolve resources and programme planning responsibility to the regional level, with benefits in facilitating partner engagement and the development of services reflecting local labour markets. 'Full devolution' has been limited to those provinces with the administrative capacity to deliver major programmes.

4.2.4 Denmark

The main targets groups for, and general focus of, programmes for unemployed people on contributions-based benefits are set by national government. However, 14 regional employment councils have considerable power in: overseeing the performance of the PES; influencing the specific content and targeting of employability programmes; and managing contracting out arrangements. These councils include the PES but also have representation from local authorities, employer representatives and trade unions. Local authorities manage employability programmes for unemployed people receiving income-based benefits. Reforms planned for 2007 will merge these two systems through the establishment of 91 one stop shop 'jobcentres' housing PES and local authorities' staff together. The powers of the Regional Employment Councils will largely be reclaimed by central government, but employer and trade union organisations will retain an advisory role.

The delivery of employability services is shared between the PES (which provides basic assessment, job matching and some activation/training services); contracted service providers (providing employability and training interventions); and local authorities (providing job matching, training and work placement services for people receiving income-based benefits). Much of training and employability provision is delivered through the public sector by the PES or educational institutions. A gradually emerging private market accounts for one-third of employability services for the insured unemployed. Key themes emerging from a review of Danish policy include:

- Denmark, like Northern Ireland, has moved towards a one-stop shop 'jobcentre' approach. The aim is to gain benefits in sharing practice and client information, while providing clients with a single point for receiving employability services.
- Regional partnership structures have successfully engaged employers, local authorities and trade unions in the planning of employability services. National government has gained the 'buy-in' of these partners by sharing decision-making power on the contracting out of services, the content of programmes, and target groups. There have been benefits in informing

innovative practice, while programmes have gained additional credibility with employers as a result of the input of employer and trade unions.

4.2.5 Finland

The Finnish Ministry of Labour leads the planning of employability strategies – a five-year National Employment Programme has been developed in co-operation with the Ministries for Social Affairs, Education, Health and Trade. The Ministry of Labour funds the PES, which leads the delivery of employability services. A ‘one stop shop’ service has been introduced for the long-term unemployed (Labour Force Service Centres or LAFOS) at a local level. The initiative has been implemented under the Ministry of Labour, but representatives from Ministry of Labour, Ministry of Social Affairs and Health, the government Social Insurance Institution and the Association of Finnish Local and Regional authorities work as a management group on the Programme at national level. Delivery involves joint working between representatives from municipalities (social work and healthcare professionals), PES, the Social Insurance Institution (state), third sector organisations, and employers. Additional training provision and specialist services are provided on a contractual basis by educational institutions and third sector organisations. The national informant noted that co-operation between municipalities and the state is strong in the co-ordination of the LAFOS.

Despite initial tensions, LAFOS centres have produced benefits in relation to sharing practice and expertise and providing a more joined up service for clients. The LAFOS pilots have also encouraged an expanded role for local authorities, the voluntary sector and social partners in the planning of employability services, with benefits in terms of gaining local buy-in. Key themes emerging from a review of Finnish policy include:

- The co-location of employability service providers initially led to some tensions between different bodies. However, conflict appeared to decline as these bodies became more familiar with each other’s work practices, and there have been benefits in terms of sharing expertise and learning.

- The physical proximity of various bodies involved in the delivery of employment services has fostered greater co-operation through a combination of informal contact and local joint management arrangements, producing a more joined up approach to clients.

4.2.6 France

Our national expert noted “employability policies in France are characterised by the dispersal of responsibilities, and the multiplicity of structures”. Institutions responsible for the delivery of services to job seekers include the Ministry of Labour and its regional representatives, the National Employment Agency (ANPE) and the unemployment insurance system (UNEDIC). ANPE is responsible for registering the unemployed, developing personal action plans, job matching, and directing them either towards sub-contracted service providers delivering specialist measures or ‘co-contractors’, which have responsibility for delivering services for job seeker groups (targeting specific groups such as professionals, low-skilled young people and the disabled). Regional and local (‘department’) offices of the Ministry of Labour are responsible for regulating job seekers’ benefit claims (including applying sanctions) and managing active labour market programmes. Local authorities also play a role at their respective levels: Regional Councils are responsible for vocational training, and thus may offer specific training programmes to the unemployed; the Departmental Councils are in charge of implementing the Minimum Income (RMI) and linked reintegration measures.

Our national expert pointed to a number of initiatives to promote partnership working, including the establishment of ‘job centres’, with co-location producing more coherent and simplified services for job seekers. Experimental sub-contracting of services for hard to reach groups to the private sector has also produced some encouraging results. However, progress towards partnership-based approaches has been limited by the complexity of the bureaucratic structures in France: the rollout of combined job centres has taken considerable time, and has had little impact on simplifying organisational structures; progress towards creating a joined up

service for job seekers has also been limited by incompatibilities between client assessment and progress measuring tools. Key themes include:

- French policy makers, like those in other countries, have sought to encourage joint working and co-location between key agencies. The introduction of inter-agency job centres has had some positive impacts, for example in encouraging more emphasis on job seeker profiling and early referral to employability interventions.
- The plethora of agencies involved in delivery, combined with a reluctance in central government to devolve decision making and budget responsibility to the local level, has limited progress in the development of inter-agency co-operation.

4.2.7 Germany

The main legal and policy authority for employability policy for the unemployed receiving contributions-based benefits lies with the national government and its Federal Agency of Labour (the PES), which leads the funding and implementation of employability services. Local authorities, in co-operation with the national government and the Federal Agency, lead the delivery of the 'basic' (income-based) unemployment benefit and linked employability programmes. The regional governments or 'Länder' support the delivery of employability strategies through partnerships established with the national government – Länder have the freedom to develop their own employability interventions, which often focus on labour market-specific training, and are often co-funded by the European Social Fund. At the local level there are also private-public partnerships (so-called *Beschäftigungsgesellschaften*) offering job search and supported job opportunities, often delivered through inter-agency structures involving a wide range of actors including employers, trade unions, and vocational training institutions. A long-standing role for the private sector in delivering training has been balanced by strategic oversight responsibilities for both employers and trade unions. As Konle-Seidl (2005: 187) notes:

The co-operation between the government branches and the Agencies of Labour automatically involves a co-operation between government and 'social partners' because the 'social partners' are co-administrating the Federal and Regional Agencies of Labour. The German state has made use of private providers for training and job-creation schemes for more than three decades, however this outsourcing has not been on an outcome-funded, contractual basis but rather on a discretionary, delegatory basis.

Local partnerships to address employment issues have also emerged from the bottom-up – Birkholzer and Lorenz (2005) cite several examples of local partnerships composed of works councils and church, cultural, youth and women's organisations that operate as non-profit associations, and seek to address unemployment, housing and environmental concerns. However, our national expert was generally circumspect regarding the value of German inter-agency structures, suggesting that the complexity of local, regional and national governance structures militated against partnership working, with elaborate formal inter-agency agreements often having little impact in terms of effective implementation. Key issues emerging from the German case include:

- In spite of limited central government involvement in creating local partnerships, there appears to be a vigorous and healthy system of co-operation in the delivery of local employment services involving various local church, public and private bodies.
- Formal employability provision is dominated by the PES, with additional services (not always effectively joined up with national programmes) delivered through Länder, local authority and community-led partnerships.

4.2.8 Republic of Ireland

Ireland has a long history of partnerships in the planning of economic policy – current social partnership advisory structures have grown from the establishment National Economic and Social Council (NESC) in 1973. Formal social partnership agreements tend to address the broader context for employment policy. The NESC 'Social Partnership Group on Labour Market

Issues' and the National Economic and Social Forum (NESF), established in 1993, provide mechanism for social partners to contribute to discussions on employability and social exclusion policy.

In terms of delivery, FÁS (Foras Áiseanna Saothairthe) – the Irish Training and Employment Authority – is responsible for the day-to-day operation and administration of employability programmes. FÁS works closely with the Department of Social and Family Affairs (DSFA), which is responsible for the administration of the 'live register' of unemployed people claiming benefits, and refers clients to the agency at set unemployment duration thresholds. FÁS contracts to deliver job placement and careers guidance services, Jobs Clubs, and, through 'FÁS JobsIreland', deploys ICT to link job seekers with employers and training opportunities. It also administers a range of standardised training services for those in and out of work, such as 'specific (sectoral) skills training', 'standards-based apprenticeships' and 'bridging-foundation training', which provides additional help for groups needing support before progressing to formalised training.

However, the need for flexibility, in terms of the location, timing, format and content of training services, has informed a drive to establish partnerships with other stakeholders, such as Community Training Centres (which deliver services for school leavers including psychometric testing, counselling, mentoring, coaching and advocacy), Specialist Training Providers and local employability providers. There is considerable interest in identifying the most effective strategies for putting together the 'highly-trained, multi-disciplinary, cross-functional teams' required to deliver effective employability services. Partnership working is also important to a number of major national-level employability programmes administered by FÁS, such as *Community Employment*, Ireland's largest employability project, which provides temporary work experience and training for the long-term unemployed. Local third sector organisations have been important to the organisation of the programme on the ground, while engaging employers has been vital to the provision of subsidised work placements, which usually last for 12 months. Finally, area-based approaches to promoting employability are also supported under the

Local Development and Social Inclusion Programme (LDSIP), and there are a number of other European Social Fund-supported projects that use partnerships involving national government/FÁS, local authorities and third sector organisations to target specific areas or groups.

Key themes emerging from the Irish case include:

- Strong social partnership structures have helped to deliver employer and trade union buy-in in a number of employment policy areas. Although social partnership input on employability policy has been relatively recent, there is scope to increase advisory roles for employers and trade unions, with potential benefits for the targeting and 'selling' of programmes.
- The Irish PES, FÁS, plays a key role in both funding and contracting for employability programmes. Contractual relationships with a range of local providers, often operating in the third sector, have expanded the scope and range of employability services. However, a substantial increase in the number of bodies involved in employability provision in recent years has created a 'crowded organisational landscape' (NESF, 2004), and there have been difficulties linking the activities of different government stakeholders (for example, the European Commission (2004) has highlighted problems faced by Ireland in joining up health and social services to employability provision).
- The use of wage subsidies has facilitated the engagement of private sector and social economy employers to provide long-term in-work training placements for disadvantaged job seekers. However, it has proved more difficult to engage local authorities and major public sector employers, partly due to concern over the displacement mainstream jobs.

4.2.9 Italy

Recent moves towards active labour policies and the personalisation of employment policies have emerged alongside an increasing recognition of the autonomy of the local regions in Italy. The regions have been given new responsibilities for the planning and co-ordination of local employment measures, and there has been an increasing recognition of the contribution of

the private sector. According to our national expert the general direction of these trends has resulted in “more client-centred services and citizens’ active involvement in the designing and realising of policies”. If we look at the reforms to the Italian programme of social assistance there is some evidence of the effects of the redesign of employment services, and the greater integration of social assistance, health care, education, training and employability provision. In terms of delivery, PES services are decentralised, delivered through Italy’s 103 local authorities (‘provinces’). Local PES organisations provide job search and job matching services, while often outsourcing specialist placement, counselling and client assessment functions to private or third sector providers. Italy’s 21 regional authorities are charged with co-ordinating supply-side and demand-side interventions and managing vocational training provision.

Key themes emerging from the Italian case include:

- The principle of subsidiarity is important in Italian policy making, and there has been recognition that greater local flexibility in the delivery of employment services should be accompanied by a shift away from a centralised system of welfare provision.
- Multi-level governance structures and what can be called a “plurality of actors approach” has resulted in different and varying roles for the national government, regions, provinces, municipalities, citizens associations and local communities in the planning and delivery of employability policies. The PES retains a key role in shaping the planning and delivery of services at the local level, but other actors (especially third sector organisations) have traditionally played an important role, and the current government has sought to encourage greater private sector inputs.

4.2.10 The Netherlands

A series of reforms since 1998 has seen the Netherlands move towards a more marketised and decentralised system of employability service provision. Having initially played an important role in directly delivering employability services, the ‘activation’ elements of the PES organisation were privatised in

2002. The new PES (known as CWI) is restricted to delivering basic job matching services and assessing the employability of clients. The main funders of employability services are the government's Administrative Agency for Employees' Insurance (UWV), which is responsible for the activation of unemployed people receiving contributions-based benefits, and local authorities, responsible for those on income-based benefits. Following initial assessment, clients are grouped into 'A' and 'B' routes – the former, considered job ready, receive basic PES job matching and employability services for 6-12 months prior to becoming eligible for compulsory activation programmes; the latter are immediately directed towards UWV or local authority-managed programmes.

UWV managers are required to purchase all employability services in the private sector. Local authorities can deploy their resources in the private and public sectors. The rapid introduction of quasi-markets has produced a highly fragmented service infrastructure, with more than 700 companies sharing the delivery of services. As a result, economies of scale have been difficult to achieve and concerns have been raised over transaction costs. In terms of the organisation of services, the Netherlands has moved towards a one stop shop approach. Recently established Centres for Work and Income have co-located PES/CWI, UWV and local authorities' staff in a single service point. A range of measures – including the amalgamation of ICT systems and joint training exercises – have sought to encourage partnership working between the three organisations. However, while CWI and UWV share similar management systems (both are organised through six regional directorates), coterminosity is limited between these organisations and the Netherlands' 456 local authorities. This has produced some problems in ensuring effective CWI-municipality joint working in the 129 Centres for Work and Income.

In terms of the content of policy, vocational training and the extensive use of wage subsidy placements (especially for income-based benefits claimants) have tended to dominate Dutch employability strategies. However, the government is explicitly pursuing a 'Work First' agenda, encouraging

immediate, compulsory job search activities for the unemployed, and shorter programmes that are more focused on motivation and early job entry.

Key themes emerging from the Netherlands' experience include:

- The rapid marketisation of employability services normally delivered by the PES has generated some problems, particularly in relation to the fragmentation of services and the growth of transaction costs.
- Like many other countries, the Netherlands has shifted from a 'duration threshold' approach to employability services to a system based on an early assessment of need. The development of a robust employability assessment tool, and its use in directing people towards early interventions if necessary, has added value in the delivery of services.
- In bringing together providers and funders within unified Centres for Work and Income, the Netherlands has sought to pool the expertise and resources of the PES, UWV and local authorities. Practical measures to promote information pooling (via ICT systems) and the sharing of practice have been important to the success of this one stop shop approach.

4.2.11 Norway

In Norway, prior to reforms enacted in 2005, the administration of employability policies was organised through a tripartite structure constituted by the national PES, the National Social Insurance Service, and Social Services departments of local authorities (municipalities). The PES led in designing and delivering employability policies, and had considerable autonomy in adjusting programmes to meet the needs of particular client groups. The PES was overseen by a national Directorate of Labour, while programmes and services were delivered through 162 local employment centres. These centres, and local offices of the National Social Insurance Service, delivered employability and benefits services for the insured unemployed, while the uninsured, in receipt of income-based benefits, were the responsibility of Norway's 431 local authorities.

Recent years have seen an intensification of collaboration between state bodies and local authorities. In 2005 a major reform was launched aiming at establishing the new Public Work and Welfare Agency (NAV), merging the PES, the National Social Insurance Service and part of local authorities' social services at the local level. While this involves a full integration of the previously separated state services, the reforms allow for varying degrees of integration of the municipal social services. As a minimum, it is required that the administration of local economic social assistance is included in this national-local integration.

In Norway the majority of activation programmes are implemented by public bodies (state and municipal). Increasingly, however, NGO's offer schemes for hard-to reach groups. This development was encouraged by the centre-conservative coalition government (2002-2005). National funding for NGO-programmes has also been continued by the present centre-left government. While private (for-profit) agencies remain marginal in this field, the PES has traditionally used local companies in the form of, for example, sheltered work shops. Albeit increasingly organised as share (-owned) companies, the municipalities are often the sole share owner of these companies.

- Recent government initiatives have sought to encourage the involvement of the private and (especially) voluntary sectors as these groups may be better placed to deliver programmes seeking to help the most disadvantaged to make gradual progress towards labour market participation.
- A new state financed programmed, to be administered by the new one-stop agency, will further integrate social assistance recipients with the insured, both in terms of benefits and in terms of activation.
- A recent realisation of the multiple barriers to work confronting most long-term recipients of social assistance has resulted in a stronger focus on early assessment and a widening of both the content of activation programmes and the aims of activation (to include both education, rehabilitation on the content side, and improved human and social capital in addition to labour market integration with regard to the aims of the interventions

4.2.12 Spain

The devolution of powers, including those relating to employability, has allowed for greater adaptability to local needs and the development of regional models of action in Spain. However, it has also created contradictions between local and national provision and, in some areas, led to the overlapping of responsibilities.

The main national framework for action on employability is provided by the National Employment System, composed primarily of a National PES and the PES services of the Autonomous Regions. At the strategic level two structures provide scope for partnership working on policy development: the Sectoral Conference for Social Affairs, which is the general instrument for collaboration, co-ordination between central government and the Autonomous Regions in the field of employment policy; and the General Council of the National Employment System, a consultative body with institutional representation from each of the Autonomous Regions, central government, and the main employers' organisations and trade unions. Formal collaboration between the national and regional levels of PES provision (see below) involves the agreement of a joint annual workplan, which is then approved by the Sectoral Conference on Employment Affairs and implemented at the regional level. The recent introduction of Regional Employment Pacts (which include employers and trade unions) has further sought to clarify the roles and responsibilities of the different PES organisations and other actors, and provide a strategic focus for services.

The National PES leads the development of, and regulates and monitors 'national' employability programmes. However, an alternative service structure is provided by devolved regional PES organisations in some of Spain's 'Autonomous Regions'. The PES services of the Autonomous Regions are charged with delivering job matching and employability services, managed at the regional level. In both cases, tripartite social partnership boards are involved in advising on, but not directly managing, PES priorities.

In terms of content, many of Spain's key policies on employability focus on job matching and pre-vocational preparation. The Integrated Services for Employment (SIPE) initiative seeks to provide a coherent suite of job search, advice and interview skills services. These services are directly delivered by the National PES or by contracted on a *non-profit basis* 'associated bodies' (entirely in the public and not-for-profit sectors). Regional PES organisations in Autonomous Communities also contract out elements of their provision for job seekers, but in a narrower range of service areas (focusing mainly on job search counselling and support for those considering self-employment). PES organisations (both National and Autonomous Communities) also directly deliver some vocational training, but regularly contract out these services to: specialist 'Collaboration Centres' in the FE sector; employer or trade union led Social Economy organisations; and public or private sector training providers.

Our national expert noted that the expansion of the role of 'external actors', in an attempt to improve the quality and efficiency of provision, has changed the shape of employability services in Spain, but suggested that the plethora of bodies now involved in employability had led to confusion and fragmentation.

The idea was that their involvement would enable the highest possible degree of specialisation and ensure that providers were as close as possible to the sources of employment. However, it appears that instead of the provision of a more specialised service that is closer to its beneficiaries, what is actually happening is that measures are being implemented from a very local perspective, with little co-ordination with the other players involved in managing employment policy (thus risking fragmentation), as well as a pronounced lack of specialisation, resulting in an inefficient service.

Key themes emerging from the Spanish experience include:

- The inclusion of external actors has enabled the PES to access expertise on the needs of employers and specialist services. There are some examples of good practice, especially in the use of FE-type 'workshops' to provide a supported vocational training environment. However, like many

other EU countries, Spain is increasingly focusing on short interventions with a strong job search element to activate unemployed people.

- There is some evidence that tripartite structures that advise on employability strategies have added value (especially at the regional level) by focusing programmes more on the specific conditions within local labour markets, and ensuring greater buy-in and co-operation from trade unions and employers.
- Co-ordination between central and regional governments, and their respective partner organisations, is poor and information sharing (on clients, outcomes, programmes, and their performance) is weak. There is a plethora of employability providers, funders and frameworks for action, undermining the coherence of services and leading to duplication and confusion over accountability. At the most basic level, the existence of two – sometimes parallel, sometimes overlapping – PES structures has proved unhelpful. While strong regional governance structures are necessary to have responsive local services, the parallel PES operating at regional level has resulted in duplication of services, inconsistencies, and a lack of clarity on roles, responsibilities and leadership.

4.2.13 Sweden

The dominant force in the design and delivery of Swedish labour market policy has been the state and the National Labour Market Board (which sets the overall direction, focus and budget for policy and answers to the Ministry of Industry, Employment and Communications). Social partnership structures have involved employer organisations, trade unions and local authorities in the National Board and in regional boards, which oversee the operations of 325 PES offices. Despite these partnership-based oversight structures, the management of employability policy remains relatively centralised.

The PES has traditionally dominated the delivery of employability services. Increasingly, however, new actors have come to play a role in the delivery of active labour market policies. Sweden's 290 local authorities (municipalities) are increasingly involved in the provision of services to job seekers. In spite of

the development of the role of local municipalities in the provision of services to the unemployed, inter-agency co-operation between the state and the local authorities has been limited. There have been tensions between the local municipalities and the national PES over how to direct resources to the unemployed. Our national expert has described the problem in terms of differing priorities: “municipalities have claimed that the PES mainly focus on ‘their’ groups and their targets and fail to consider the unemployed persons that are on social assistance” (i.e. income-based benefits). The PES has claimed that these people are not job-ready and have instead primarily focused on getting more able people into the regular labour market’. The highly centralised nature of the provision of services to the unemployed means that there are limited opportunities for non-public authorities to participate in the delivery of services, although a small but growing voluntary sector is active in the delivery of specialist services.

Key themes emerging from an analysis of Swedish policy include:

- The limited opportunities for co-operation in the delivery of employability programmes in Sweden may be traced to the highly centralised administration of employability and welfare services – a characteristic of a number of Scandinavian welfare states.
- There has been a move to decentralise elements of employability provision to local municipalities to provide an approach that is more tailored to local needs. Despite some progress in this area, Sweden faces the problem encountered in a number of other countries which have traditionally split the delivery of services to clients on contributions-based and income-based benefits – that efforts to bring services together to produce a more coherent one stop approach involve complex new partnerships between national, regional and local stakeholders. While promoting inter-agency co-operation to produce a more accessible range of services for all client groups is a priority for the Swedish government, there clearly remain challenges associated with gaining the buy-in of local government and other necessary stakeholders.

4.2.14 United Kingdom

In terms of structures for the delivery of national policies on employability the PES, Jobcentre Plus (DELNI in Northern Ireland) remains a dominant force. New Deal 'partnerships' deliver the main employability programme in Great Britain and Northern Ireland. However, while partnership has been promoted as a guiding principle under the New Deal, control over vital elements within the process of decision-making and policy implementation has largely been retained by the agencies of government. In most areas of Great Britain, Jobcentre Plus contracts with a range of 'delivery partners' in the public, private and third sectors through a process of competitive tendering. In Northern Ireland, a single contract is agreed between DELNI and local authority-level, multi-agency consortia. In both models, the design of interventions is largely determined by PES management, although there is some local flexibility in the targeting and content of the programme. PES staff continue to play an important role in registering benefits claims, job matching, and providing job search and counselling services. Key themes include:

- The UK model favours competitive tendering and contractualism in the organisation of many employability services. While there are benefits in terms of ensuring accountability and value for money, this model can limit information sharing and joint decision-making. There may be benefits in comparing the UK approach with more partnership-oriented models.
- While the PES partners/contracts with a range of providers to deliver employability services, the role of both local authorities and employers is relatively under-developed compared to many other countries. There may be value in comparing the benefits of the UK's PES-led approach with partnership models elsewhere that seek to include employers, for example, in the planning of services and delivery of employability training.
- In both Great Britain and Northern Ireland unemployment duration governs access to many employability programmes (although there are also a range of 'early entry' mechanisms for disadvantaged job seekers). While this approach has ensured that resources are concentrated in combating long-term unemployment, there may be value in considering the approach adopted in many other countries, where an initial

employability assessment carried out by the PES governs the timing and content of employability interventions offered to clients. This 'profiling' approach seeks to address important barriers to work before waiting for clients to become long-term unemployed.

4.2.15 United States

There is extensive devolution of responsibility for welfare to a state level and by states to sub-state local level. In the US, employability and other policies vary considerably by state. Our national expert provided the following description of US policy and governance structures, where relevant focusing on one exemplar state, Wisconsin.

National workforce legislation in the US (Workforce Investment Act 1998) required that a range of services be delivered through 'One Stops'. These One Stops are, in general, held in single physical locations with a range of support, training, connection and service providers sharing space and, in theory, coordinating services. Key partners in these One Stops include:

- local Workforce Investment Boards (which are the local conduits for federal resources focused on disadvantaged adults);
- the state unemployment insurance system;
- the local employment service (federally funded labour activities, principally providing job posting and labour market analysis);
- the vocational rehabilitation system (state and federally funded services to help disabled workers connect with the labour market).

There is considerable local autonomy on the design and delivery of these services. While One Stops are common to all states, they are quite uneven in terms of the functional integration of services, and in the sustainability and effectiveness of partnerships. This inconsistency is apparent even *within* states. Our national expert noted the example of services in Wisconsin:

Some Job Centers (as the One Stops are known in Wisconsin) provide little more than co-location of services. Other Job Centers provide seamless and high quality services where clients cannot discern

program barriers and where staff co-ordinate on the provision of services to both job seekers and employers. The uneven nature of the system is the (perhaps unsurprising) result of integration which is federally mandated, but locally controlled.

Given this context, there is no coherent PES structure in the US. There is federal funding to support job matching services, but each state fulfils this service mandate in a slightly different way. Funding for these services has always been relatively limited, and recent cuts have forced states to seek new efficiencies. The somewhat better-resourced Workforce Investment Act program is also federally funded. States distribute this funding through Workforce Development Boards (regionally defined agencies with mandated boards including public partners and business leaders, also known as Workforce Investment Boards). These Workforce Development Boards fund programmes for disadvantaged job seekers. The federal Department of Labor also provides irregular grants for innovation and collaboration at the local and regional level.

In terms of delivery, Workforce Development Boards work in each state, contracting with local providers (mainly non-profit training providers) and supporting (and sometimes managing) One Stops. Boards can also use resources to fund training for individuals, often through “individual training accounts” which provide low-skilled workers and job seekers with a voucher for training at certified providers. It should be noted that many Boards severely restrict spending on these training activities. Local service providers play an important role in delivery. In some cases, these agencies have strong connections to specific ethnic groups or areas. Our national expert noted the benefits delivered by these agencies in terms of their credibility with, and ability to reach out to, disadvantaged communities, but also the uneven quality and consistency of services. The current federal government has also sought to encourage faith and community-based organisations to move into training and employability services – an example of the continuing shift in the resources from public provision to private sector non-profit organisations.

A reduction of the presence of the state in the provision of welfare and labour market initiatives is usually associated with an increased role for non-governmental, non-profit making and private organisations. While this shift in the balance of provision may be indicative of a general trend toward increasing contractualism and the use of the market to provide certain welfare services (Sol and Westerveld, 2005: 78), the US system also builds on a historical legacy of a clearly and narrowly defined role of the state that has encouraged non-governmental welfare providers:

The mix of public and private reflects, in part, the historically significant role of the independent sector. Private religious and secular organisations have long occupied an important place in social provision. Historical and contemporary accounts trace the functional importance of private provision in a variety of areas, among them, social assistance, child welfare, health, education, and employment services. These accounts suggest a formative role for non-profit organisations in the shaping of the American welfare state, a state that incorporated, rather than supplanted, their participation (Sol and Westerveld, 2005: 79).

Our national expert suggested that inter-agency One Stops have improved the coherence of services for clients – “integration of services leads to substantially easier access and navigation of disparate services”. Job Centers allow clients to receive advice and job search support, access childcare, discuss benefits or housing issues with appropriate specialists, and investigate education and training opportunities. The co-location of a range of services within a single, community-based site can also raise awareness of employability provision, and allow professionals to more effectively reach out to disadvantaged communities. There have also been benefits in sharing practice and information, including the standardisation of employability assessment tools.

A number of key themes emerge from the above review of the US case:

- All states in the US have sought to move towards an integrated One Stops approach (co-location of services by different providers). In some states, this has delivered benefits in terms of information sharing, joint working and promoting innovative practice. However, the devolved nature of employability policy making means that there is little consistency in the rationale, resourcing or quality of services. The devolved nature of the management and funding of Centers means that there is a lack of accountability (due to a lack of agreed national standards or objectives against which to compare performance). The lack of 'management capacity' and leadership within Centers can also mean that progress in implementing change is slow.
- Within local Job Centers there is a similarly inconsistent approach. While the co-location of different agencies is helpful, Centers do not have integrated budgets, management or responsibilities. Joint working is based on (sometimes vague) memoranda of understanding on roles and responsibilities, with activities led by committee-type management teams. In some cases effective partnerships have emerged from this approach; in others different organisations have committed to little real collaboration.
- The use of extensively decentralised employment services has allowed for considerable local flexibility to apply national and state funding in a way that reflects unique local circumstances, but has also built instability and a lack of consistent leadership into the US system. At the most basic level, the inconsistency, instability and paucity of funding has placed considerable stress on the system, with innovative practice lost as Centers in many states struggle to maintain basic services.

4.3 CONCLUSIONS AND ISSUES FOR NORTHERN IRELAND

4.3.1 Key success factors in inter-agency co-operation

There are significant variations in the extent and nature of inter-agency co-operation in the national survey countries. There also appears to be significant variation both in the type of co-operation that occurs and in the type of organisations between which that co-operation takes place. Nevertheless,

irrespective of the type of co-operation or organisation, the core feature of inter-agency co-operation remains the use of some arrangement, either formally contracted or informal, to ensure that two or more partners work together to achieve some commonly agreed goal. The ties that bind partners may be either formal and institutionalised, as we see in the German example, or more *ad-hoc* and loose as has occurred in the US system, where the simple physical proximity of different employability services to one another was in some cases sufficient to create partnerships.

The success factors that we describe in the following section, predominantly arise from our reading on alternative forms of welfare and employability provision in Europe, North America and Australia. Much of the literature on inter-agency co-operation emphasises questions of partnership structure, strategy and internal regulations. Although this provides a useful overview to the question of partnership, it is perhaps lacking in specific examples of how successful partnerships have emerged. In this respect our approach is consistent with the view of Coupar and Stevens (1998, p.145) who state that partnership “is not so much about institutions or methods, as about attitudes and culture. It is a question of building mutual trust, of recognising differences and finding common ground...”.

There are a number of key success factors common to the most effective examples of inter-agency co-operation from our international review:

- **A clear strategic focus** – the countries reporting effective inter-agency co-operation have established partnerships with a clearly defined remit and aims, where there is a consensus that multi-agency responses are necessary and will add value. The one stop shop model which has emerged in various forms reflects a recognition by governments and their partners that multi-agency interventions are required to deal with the multiple barriers to work faced by job seekers – this is particularly the case where governments are attempting to engage with groups previously considered economically inactive (e.g. the UK; the Netherlands; Finland). Similarly, the most effective regional planning and governance structures

are clear about both their strategic remit (with government often ceding or sharing a degree of decision making power, budgets and policy responsibility) and their practical role in gaining the buy-in of stakeholders such as employers, trade unions and local authorities (e.g. Denmark).

- **Capacity for co-operation and mutualism** – a defining characteristic of successful partnerships tends to be the ability, authority and willingness of government and other stakeholders to share resources and co-operate. In the best cases, this has led to progress towards joined up services within one stop shops (e.g. Canada; the UK; Finland; the Netherlands) or training programmes in which employers provide placements in the private (e.g. Belgium; Denmark) and community sector (e.g. Ireland). The factors limiting progress in these areas can relate to dominance of state institutions/PES in management and budget-holding (e.g. the UK) or even delivery (e.g. Sweden); or, conversely, the lack of sufficient capacity and resources to build stable and cohesive partnerships (e.g. the US).
- **Partnerships with a strong central PES function** – virtually all the countries surveyed were moving towards a more diverse system of governance in employability services. However, many countries have sought to include new actors in delivery while retaining a strong leadership role for the PES (e.g. the UK; Ireland) while elsewhere PES services continue to dominate (e.g. Finland; Sweden). The inclusion of a broader range of actors has delivered a number of benefits, but those countries where the PES has been all but privatised (e.g. Australia; the Netherlands) or where there is no national framework for employability services (e.g. the US) have arguably struggled to ensure the quality and consistency of provision.
- **A gradual approach to marketisation** – the outsourcing of services tends to have been more effective where a gradual process of marketisation has occurred. Many European countries have introduced new forms of contracting, but have retained a strong role for public agencies in planning, management and delivery (e.g. Germany; Italy; France). In Australia and the Netherlands the outsourcing of virtually all PES functions has created a vibrant market, but also contributed to the fragmentation of services and inconsistencies across and within areas.

Similar problems characterise the US system, with its localised delivery and extensive outsourcing to the voluntary and non-profit sector. Rapid outsourcing without ensuring that there is sufficient capacity in the market can lead to gaps in provision, inconsistencies in local services and a lack of specialisation, as service providers strive to achieve economies of scale (e.g. the Netherlands). A number of countries have also struggled to contain the transaction costs associated with fragmented employability service markets (e.g. Denmark; the Netherlands), while experience suggests that robust regulation is required if the practices of ‘creaming’ and ‘parking’ (selecting the best clients while ignoring the less able) are to be avoided (e.g. Australia).

- **The co-location of services** – Some of the most effective and visible examples of successful partnerships appeared to emerge through the co-location of different agency staff in the same location. Finnish Labour Force Service Centres (LAFOS) encouraged closer working between different agencies through the co-location of different agencies. Initial results appear to indicate that this co-location would encourage staff of different agencies to develop closer and common working practices. Similarly there is evidence of the benefits of co-location in the US system where job center staff have described how co-location with other agencies “helped welfare recipients address barriers to employment by facilitating easier access to other services such as housing assistance and employment and training programmes” (GAO, 2003: 14). Elsewhere, governments have encouraged the co-location of local social services with PES provision in ‘one stop shops’ (e.g. Canada; Denmark; the Netherlands; Norway). There are important benefits due to the elimination of duplication, better communication between agencies, and the accessibility of a range of services involving social work, housing, health and other professionals.
- **Developing a single gateway** – despite the emergence of one stop shops, the dislocation of employability services for those claiming insurance/contributions-based benefits and income-based social assistance clients, with local authorities (rather than the national government/PES) responsible for the latter group, has continued to cause

problems in many countries (e.g. the Netherlands; Denmark; Sweden; Finland). These countries' governments have realised that inter-agency approaches will be required to improve the employability of the harder to help social assistance client group, just as policy makers elsewhere have adopted new partnership-based approaches to engaging 'economically inactive' claimants of incapacity benefits (e.g. Canada; the UK).

- **'Opening up' PES services and including the right actors** – Our survey of alternative welfare systems reasserts the view that the extent of inter-agency co-operation, including the extent of non-state organisations involved in the delivery of welfare, is contingent upon the willingness of the state, or otherwise, to include private sector participation in the delivery of welfare. In welfare systems where the state has traditionally sought to deliver labour market policies from the centre through state mechanisms such as public employment and benefit distribution offices, there has been less incentive to form partnerships (e.g. Sweden; Finland; France). Conversely, in countries where the state has decentralised welfare services and invited private and non-governmental bodies to participate in the provision of labour market programmes, there is far greater openness to the use of partnerships in the delivery of welfare. Although it does not follow that the liberalisation of welfare provision creates good partnerships, it is apparent that it does create an environment where partnerships are more likely to occur. For example, the extensive role of community actors/the third sector in countries like Ireland, Italy and the US has clearly delivered benefits.
- **Building on community ties** – Within the national survey countries, we frequently find that the pattern of inter-agency co-operation is closely aligned with pre-existing patterns of cultural, historic or local groupings. In the emergence of inter-agency co-operation in Spain, particular emphasis was placed on the role of the individual's familial, cultural and historic ties to the locality. These ties were considered to be a necessary pre-condition to the emergence of partnerships (Estivill, 2001: 167) as they provided an existing structure of relationships and resources that could be exploited. In Germany, momentum for local measures to address unemployment and housing issues has come from pre-existing local church, cultural, youth

and women's organisations. In Ireland, local partnerships have emerged that bring together business, trade unions, community groups and state agencies to address problems of deprivation, of which unemployment is one aspect. In the Spanish, German and Irish examples cited here, the emergence of partnership has required the involvement of community groups with a clear stake in identifying solutions to local problems.

- **Organisational complementarity** – effective partnerships require agencies with complementary remits, expertise and skills. In some cases, contracting out has produced a wider range of specialist provision (e.g. the UK), while elsewhere the emphasis has been on including other public sector policy actors and local authorities (e.g. Finland; Norway; Sweden); employers (e.g. Belgium; Denmark); or community organisations (e.g. Ireland; the US). Inter-agency working has proved most problematic where there is duplication in delivery and parallel/competing structures in planning employability policy (e.g. France; Spain); or where the weakness of PES structures and the dominance of outsourcing has led to a competitive free-for-all in the market for employability services (e.g. Australia; and to some extent the Netherlands; the UK; and the US).
- **Incentives for partners and inter-dependency** – Individuals and organisations involved in the formation of partnerships may have a range of motives. Three reasons have traditionally been cited as rationale for co-ordinated approaches: to address problems with multiple and interrelated causes; to generate economies of scale; to reduce policy fragmentation (Serrano, 2003: 1). However these rationale are traditionally cited by political and policy actors in national governments from where considerations of efficiency and policy fragmentation may carry more weight than at a local level. If we turn to the motives of individuals at a local level involved in the formation of partnerships, there is very little discussion on the importance of efficiency or policy fragmentation. Instead there is greater concern with the issues that affect the emergence of local partnerships. These issues include the extent to which: individuals are afforded decision making powers; individuals acting at a local level can operate free of national state control; individuals are motivated by seeking to improve their environment individuals can use the partnership to

influence their own organisation and; the formation of partnerships is likely to produce those improvements.

- **Taking action to promote co-operation and build trust** – Where we seek examples of inter-agency co-operation functioning effectively in national survey countries, we also see a degree of trust between partners. In cases where partnerships have been beset by problems with internal conflict, we find weakened trust between partners. For example, under the decentralised US system of labour market programmes, individual ‘one-stop shop’ employment offices have staff whose primary responsibility is to develop and establish good relationships with local employers (<http://www.workforceessentials.com/aboutus.htm>). In the case of a one stop shop in Clarksville, Tennessee, the active creation of ties with local employers created greater awareness of the role of the centre and fostered improved trust between the partnership organisations (GAO, 2003). In situations where individuals have not actively sought measures to improve understanding between partners, we see problems emanating from a lack of understanding and trust. Greater co-operation between local municipalities and agencies in Sweden appears to have been frustrated by tensions between local municipalities and the national PES.

4.3.2 Potential for and limitations of policy transfer

Those seeking to institute greater inter-agency co-operation in employability services have also described a wide range of other factors, both limiting and facilitating partnerships, which may hold lessons for the development of inter-agency co-operation in Great Britain and Northern Ireland.

1. *The issue of conflicting goals.* One obstacle to greater co-ordination in the delivery of active labour market policies in the national survey countries was the presence of different programme goals and philosophies within agencies that were seeking greater co-ordination. One theme within many of the survey countries was conflict between agencies responsible for the distribution of unemployment benefits and public employment agencies. This conflict could often be traced to differing underlying approaches to the treatment of

unemployment. Social insurance agencies appear in some cases to view the job-seeker as a benefit claimant and therefore seek to reduce the time they spend on benefits, through ensuring that job-seekers re-enter the labour market as soon as possible (or leave the particular Benefits for some other reason, such as a withdrawal from the labour force). Public agencies charged with brokerage and training roles have traditionally placed greater emphasis on seeking to ensure that the job-seeker has the opportunity to participate in active labour market programmes and gain sustainable employment. Participation in an active labour programme may increase the period that the individual remains unemployed, but may improve their employment prospects over the long-term. Tension between these two approaches has constrained the extent of inter-agency co-operation. One approach to overcoming this problem has been to create opportunities for staff to understand the work of differing agencies. This was evident in Minnesota, USA where 'staff periodically participate in centre-wide meetings where they make presentations to one another about their programmes services and role at the centre. Officials reported that cross training results increased referrals across partner programmes' (GAO, 2003: 40).

2. *Issues with co-location.* Several practical issues are identifiable that may act to undermine greater inter-agency co-operation. Although we identified the co-location of services as one potential source of inter-agency co-operation, agencies may have long-term lease on buildings or offices. Furthermore, the co-location of services may require changes to existing office requirements if more agency employees are to work from the same location.

3. *Lack of harmony in working practices.* Although these elements of improved inter-agency co-operation pose questions that are unique to specific locations, there are cases of working practices that may help overcome barriers to inter-agency co-operation. Some co-located public employment agencies have sought to create a more harmonised appearance to job-seekers through common or consistent client handling processes, sharing of information (rather than asking for the same information repeatedly), common logos and name tags etc.

4. *Range and number of programmes.* The experience of some public employment services has also demonstrated that an increased number of employability programmes and services offered by the public employment service may increase the amount of co-operation. More services offered through the partnership increases co-dependency and opportunities for partnership working.

5. *Duplication.* A significant obstacle to inter-agency co-operation in some of the public employment services surveyed has been the duplication of systems for dealing with job-seekers. Where assessment, social insurance and training providers maintain separate systems for processing job-seekers there is greater complexity and less opportunity for partnerships as we see in the French system. Where processes for handling job-seekers are streamlined to form a consolidated case management system, there is greater overlap and co-ordination between bodies dealing with job-seekers. Under the US system, 'case files for economic support, case management, job placement, and childcare services are shared on a networked computer system that staff from these four programs can access. Staff from these programs collectively develop an action plan for their customers and share an electronic calendar for scheduling customers' appointments and workshops' (GAO, 2003: 46). Where there have been confidentiality issues with sharing of job-seekers information across differing agencies, certain data has been restricted.

6. *Work Cultures.* A widely recognised difficulty in bringing together organisations with distinct work cultures has been resistance of some agency staff to a perceived loss of autonomy. This perception stems from a belief that co-operation on a shared programme of employability provision must invariably lead to some dilution of decision making or compromise with other partners. Within public employment agencies that have experienced greater decentralisation, there are far greater opportunities for partnerships and therefore more likelihood that voluntary or enforced forms of co-operation will produce a sense of loss of control. A number of differing approaches have been adopted in an attempt to counter this effect. Public employment service

employees may be given sufficient autonomy so as to ensure that their roles are not undermined by co-operation with other agencies. Those involved in partnerships ought to have clear goals and a sense of common purpose and ownership. Experiments in greater inter-agency co-operation in Italy, Spain, Finland and the US have occasionally been undermined by difficulties in achieving a sense of common purpose among agency staff. This sense of common purpose may be undermined by the maintenance of separate bureaucratic structures in partnerships that reinforce separateness. Spanish attempts to foster improved partnerships have been relatively successful by building on existing groupings within the community. However this has engendered a sense of competition with other partnerships from different regions. Therefore an indication of a successful partnership may be in the extent to which it seeks threats to its own continuation.

PART 5. THE NETHERLANDS: INTER-AGENCY CO-OPERATION AND THE MARKETISATION OF EMPLOYABILITY SERVICES

5.1 INTRODUCTION AND METHODOLOGY

The Netherlands provides a striking case study of the impact of rapid institutional reform and marketisation in the field of employability policy. The Dutch experience is particularly valuable to discussions of inter-agency co-operation for a number of reasons including: the rapid expansion of private sector involvement in the delivery of employability services; and, in terms of policy, the increasingly aggressive 'Work First' approach to dealing with job seekers that has in part flowed from these institutional changes.

As a result of these changes, there has been a shift towards the introduction of a purchaser/provider split in employability provision, while the PES has been reduced to a 'front office' registration and administration service (known as CWI). The key funders of employability provision – the government's Administrative Agency for Employees' Insurance (UWV) and the local authorities – spend substantial employability budgets within a fiercely competitive and fragmented private sector market. Meanwhile, the Ministry of Social Affairs and Employment (SZW) – the government department that leads the development of labour market policy – has sought to encourage closer joint working between key stakeholders through the establishment of one-stop-shop jobcentres, known as 'Centres for Work and Income'.

The reform and expansion of Dutch employability services has coincided with strong labour market conditions. In 2004 the Dutch unemployment rate was approximately 5%, compared with the EU15 average of 17%. The Netherlands' employment rate (73%) and economic activity rate (77%) are also well above EU15 averages (65% and 71% respectively in 2004). The sustained economic recovery experienced by the Netherlands during and since the 1990s has led to considerable interest in the causes of this 'employment miracle' (Nickell and van Ours 2000), and the impact of employability policies on the Dutch labour market.

This part of the report discusses changes to the governance of employability in the Netherlands, assessing recent attempts to engender inter-agency co-operation, and the impact of the rapid introduction of a marketplace for employability services. The methodology for the research involved:

- a review of relevant policy and research literature;
- survey research with a Dutch academic expert on employability policy;
- in-depth, face-to-face interviews with national-level policy stakeholders:
 - the national government Ministry of Social Affairs and Employment;
 - the national office of the PES (CWI);
 - DIVOSA – the national representative body for local authority social services departments, responsible for funding and managing employability services for recipients of income-based benefits;
 - the national office of the Administrative Agency for Employees' Insurance (UWV) – the government agency responsible for funding and managing employability services for recipients of contributions-based benefits.
- in-depth, face-to-face interviews with local and regional-level policy stakeholders involved in 'South West Netherlands' region and its main city of Rotterdam representing:
 - the regional management of CWI;
 - the regional management of the UWV;
 - the Municipality of Rotterdam local authority;
 - a major, Rotterdam-based private sector service provider.
- an additional stakeholder interview with CWI local management in the Alphen aan den Rijn area of the western Netherlands (which is currently piloting a number of innovative approaches to information sharing and partnership working).

Following this introduction, section 2 considers the background to the development of Dutch employability policies. Section 3 discusses key employability policies for the unemployed. Section 4 examines the role, form and extent of inter-agency co-operation on employability, and issues around the functioning of the Netherlands' market for employability services. Section

5 focuses on the findings of case study research on partnership working in the city of Rotterdam and wider South West Netherlands region. Finally, Section 6 discusses conclusions and implications for policy.

5.2 BACKGROUND TO THE NETHERLANDS' EMPLOYABILITY POLICIES

5.2.1 Development of employability governance and services

The Netherlands' labour market policy institutions have experienced a process of rapid and almost constant reform since the 1980s. Tripartite institutions that gave social partners an important role in the administration of social insurance (contributions-based) unemployment benefits, and latterly the management of the PES, have been dissolved. A process of marketisation starting in the 1990s saw insurance fund organisations and local authorities (dealing with contributions-based and income-based benefit claimants respectively) required to purchase employability services in a new market, which was initially dominated by the PES as a key national provider. The rapid growth of private employability provision, partly fuelled by the outsourcing of PES functions, has led to the emergence of a 'pluriform reintegration market' (i.e. with provision and contracting arrangements taking multiple forms).

The government's determination to establish a more consistent approach to the delivery of benefits and services saw the rapid amalgamation of the Netherlands' five 'UVI' social insurance agencies within a new centralised institution for the administration of contributions-based benefits and services – the Administrative Agency for Employees' Insurance (UWV). The 2002 'SUWI' Act (meaning 'implementation structure for work and income') established the UWV – functioning under the control of the Ministry of Social Affairs and Employment – as the single management body for employability provision for the *insured* unemployed. Local authorities remained in charge of benefits and services for the *uninsured* unemployed, claiming income-based benefits. A reform to funding mechanisms granting each municipality a greater degree of

autonomy over the delivery of employability services, but also total financial responsibility for income-based benefits.⁴

A series of reforms has also resulted in the privatisation of those areas of PES activity involving the delivery of intensive employability services. The role of the PES (known as CWI) is now largely limited to gatekeeping – registering clients, determining their ‘distance’ from the labour market, and providing services for the least disadvantaged in the form of information on vacancies and support in making job applications (in the latter case providing these services directly). The UWV and local authorities are the main funders/purchasers of employability services, while the government has insisted that 70% services purchased by the UWV (and, until recently, the majority of those purchased by local authorities) are delivered by private sector organisations. This process of privatisation and marketisation has led to the emergence of a plethora of private sector providers – approximately 700 companies have registered to provide reintegration services, two thirds of which are small organisations, employing fewer than ten employees (a privatised service delivery wing of the PES, a for-profit company named ‘Kliq’, was initially also a key provider, but recently ceased trading).

5.2.2 Roles and responsibilities in employability provision

The Dutch government’s reforms to the governance of employability services, culminating in the ‘SUWI’ Act, have established a clear purchaser/provider split in employability services. At the same time, joint ‘Centres for Work and Income’ have been established, bringing together staff from the PES/CWI, and the two funder/purchaser organisations: the UWV and local authorities. The aim is to establish a ‘job chain’ in which a number of key stakeholder organisations are required to work towards a ‘comprehensive approach’ to the delivery of employability services for the unemployed.

⁴ Under the 2004 Social Assistance Act, local authorities are provided with block grants to cover the cost of income-based benefits for the unemployed. Any savings made from this budget can be redeployed in other areas, but any overspend – for example, due to a failure to meet targets on reintegrating unemployed people – is solely the responsibility of the local authority, and must be met from other local authority budgets. Eligibility and payment rates for benefits are set by central government and cannot be altered by local authorities.

- CWI core staff assist claimants of both contributions-based and income-based benefits to complete claims, which are then forwarded to the UWV and relevant local authorities respectively for administration. The other initial key role for CWI staff involves the assessment of clients' employability (see Box 5.1 below).
- Those clients assessed as job-ready are assisted by CWI staff with CV building and job matching activities. Clients failing to make a successful transition in 6-12 months (depending on duration thresholds applied to different client groups) then become the responsibility of employability or 'reintegration' programme funders (either the UWV or the relevant local authority). All clients assessed by CWI officers as not being job ready at the start of the process are immediately referred to UWV or the relevant local authority for 'reintegration' services.
- UWV and local authorities' caseworkers (also located in Centres for Work and Income) then work with clients to identify and purchase appropriate employability services, usually referring clients to training provision or work placements. As noted above, all UWV-funded services must be purchased from private contractors. Local authorities have always had more latitude, and since 2006 can buy services in the public or private sector, or deliver their own interventions. Local authorities are also able to refer clients to their own 'subsidised job' placements, which *cannot* be funded through normal activation/employability budgets.

5.3 KEY POLICIES TO PROMOTE EMPLOYABILITY

At the most basic level, client assessment and job matching services are delivered through the CWI agency, based at Centres for Work and Income. Since January 2006 CWI staff have also been able to deliver short (approximately 6-12 weeks) structured job search and motivational courses for job seekers. It should be noted, however, that one-to-one work with job seekers *can* be fairly limited after the initial assessment phase. Formal reviews are carried out only every three months, but CWI offices have discretion to impose more regular client interview regimes.

Box 5.1 Assessing clients' employability in the Netherlands

The 'Kansmeter' employability assessment tool is used by CWI (i.e. PES) staff to measure distance from the labour market. Structured questionnaires and then interviews explore issues related to personal barriers, education and work history, skills and job search methods and preferences. The established 'STARR' interviewing method is deployed, with CWI officers assisted by the use of a checklist and a decision-making matrix. A web-based 'chance explorer' tool provides statistical data on vacancies and job entry success rates by occupations, and estimates most effective search channels. A workbook tool retains clients' job search profiles, CV, and an action plan. Clients' progress is reviewed every three months. Clients were previously assigned into four different 'phase' groupings. Phase One clients – considered job ready on the basis of an assessment of skills, qualifications and work record – were retained by the CWI, which then offered job search support and job matching services. Clients assessed as falling into Phases Two, Three and Four were directed towards UWV and municipality-funded reintegration/employability services (with interventions lasting up to two years). The CWI's assessment tool has since been simplified into a dichotomous 'A and B Routes' model. This change has resulted in far fewer people being referred for UWV/municipality reintegration services, with more retained as CWI clients and directed towards job search and other activities designed to provide the 'fastest track to work' (Rudolph and Konle Seidl 2005). A CWI respondent estimated that whereas approximately 30% of clients were considered 'Phase One job ready' under the previous model, 70% were now being assessed as capable of some work, and therefore directed towards immediate job search activities through 'Route A'.

The main programmes supported by the UWV are defined in annual performance agreements established with the national government (SZW). There remains a strong focus on work-oriented training, but 'Work First' interventions, requiring new clients to immediately undertake short motivational programmes and intensive job search activities, are growing in importance. The Unemployment Benefits Act (or 'WW') requires that clients

be offered an appropriate intervention before one year of unemployment. A range of education, training and in-work support options are available, with providers required to place clients into work for a minimum of six months in order to claim a successful outcome.

The 2004 Work and Benefits Act (or 'WWB') requires local authorities to provide a set income and 'reintegration' opportunities for social assistance clients. Individual 'Agenda for the Future' performance standards agreed with the national government set annual targets for client engagement and job outcomes. The national government provides local authorities with 'activation' budgets split into two elements: a wage subsidy element which funds paid work placements, often within the municipality itself (these programmes account for the majority of spending); and funding for other reintegration programmes that seek to improve clients' employability.

The Dutch government has noted that the WWB Act "leaves the municipality free as to how it gives shape to its reintegration policy and how it wants to deploy its reintegration tools" (Ministry of Economic Affairs 2004: 9). The aim is to encourage the development of 'tailor-made approaches'. In terms of content, there has been a strong focus on 'Work First' measures directed at new clients. Key stakeholders interviewed for this research were aware of the potential 'deterrent effect' of 'Work First' – one interviewee estimated that approximately 10% of new claims were dropped after initial work and job search requirements were explained to clients. However, local authorities have also continued to use one or two-year wage subsidy programmes, often combined with training provision, depending on individual clients' needs (Ministry of Economic Affairs 2004). Recent reforms have also allowed local authorities to take more direct action to 'create' their own temporary work placements, known as 'Return Jobs', for up to two years.

As noted above, recent reforms have granted local authorities total responsibility over their benefits budgets – if municipalities are to avoid overspend, and potentially make savings, they need to encourage quick job entries. As a result, imposing immediate activity on clients, shorter-term work-

focused interventions, and eliminating fraud have become key priorities. As a result, concerns have been raised regarding the diminution of training within the Dutch model in favour of 'Work First' (OECD 2006). A government representative accepted that some local authorities in particular "have gone from an 'over-training' to an 'under-training approach'" – where once there was a danger of people becoming trapped in long-term training schemes, now the concern is that providers are entirely focused on job entry, so that clients' fundamental skills gaps may be left unresolved.

5.4 THE ROLE OF INTER-AGENCY CO-OPERATION

5.4.1 Forms of inter-agency co-operation

The Ministry of Social Affairs and Employment (SZW) leads policy development on employability. A national Council for Work and Income – with representation from trade unions, employer associations and local authorities – advises the SZW on the general direction of policy. The Council has a particular responsibility for promoting the effectiveness and transparency of the market for employability services, managing a 'Reintegration Services Monitor', listing approved service providers. A National Client Council has also been established, which consults with the CWI and UWV, and submits reports on clients' experiences of services to the SZW. Both these national consultative bodies, and the multi-agency 'labour market platforms' that operate at the regional level, have very limited powers.

At the regional level, both the CWI and the UWV have coterminous management structures, based on six regional areas. In addition, 458 local authorities provide municipality-level services, although some of these authorities have combined their employability/social services functions. However, it is local, joint 'Centres for Work and Income' that have provided the focal point for inter-agency co-operation on employability since 2002. There are 131 Centres for Work and Income. All unemployed people are required to attend Centres to register for benefits and undertake initial assessment activities. Each Centre brings together core staff from the CWI

(PES equivalent) with administrators and caseworkers from the UWV and relevant local authorities (which fund and manage employability services).

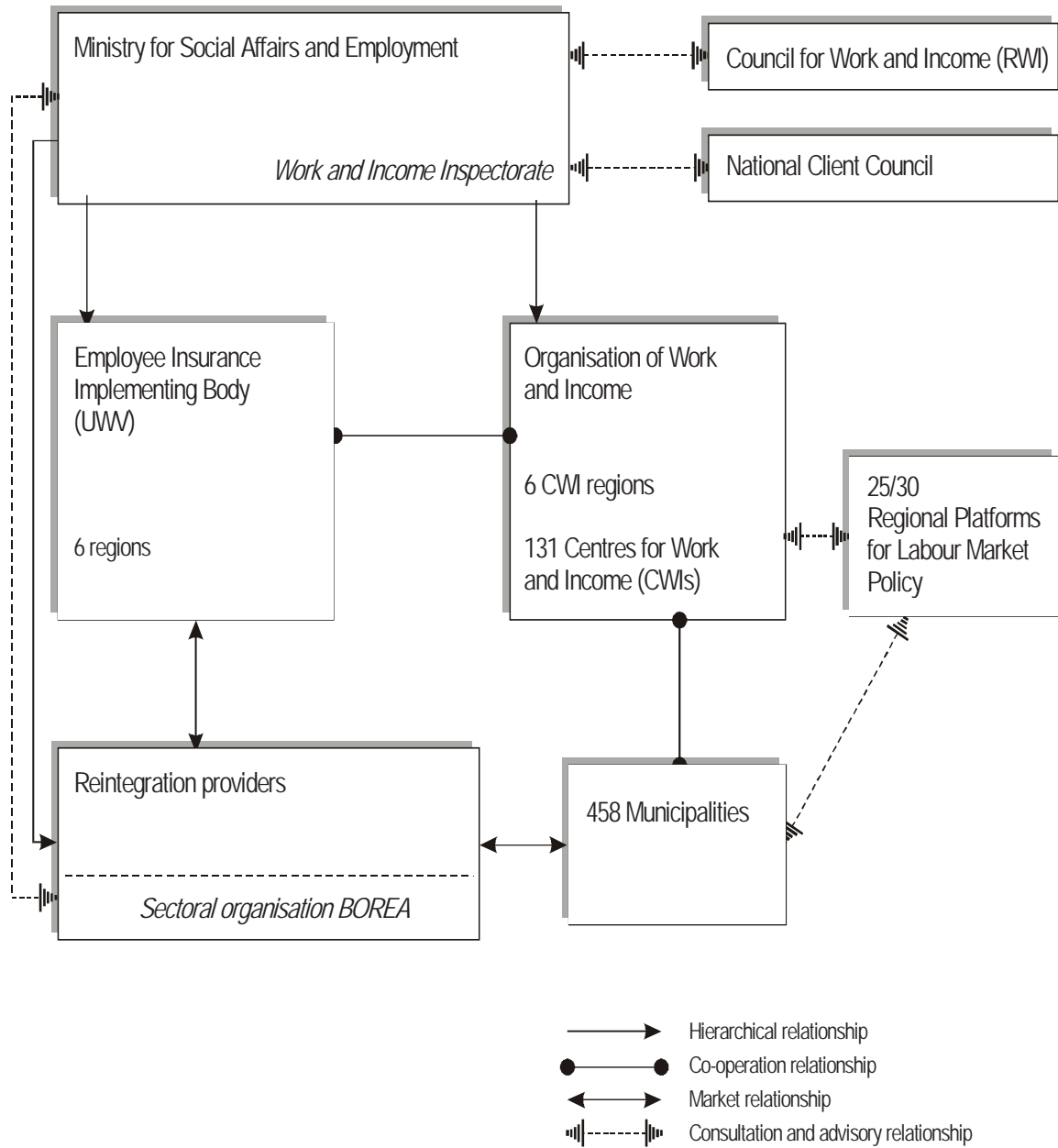
There appear to be further opportunities to build on this model. National stakeholders pointed to the example of ten Centres for Work and Income where 'demonstration projects' are testing an 'offices without boundaries' approach. In these offices, CWI, UWV and municipality staff are working together as a combined unit, sharing the totality of the Centres' work between all three organisations. Clients receive support from a personal adviser (or '*re-integratiecoach*') who may be a member of any of the different organisations. Figure 5.1 summarises the Dutch model of inter-agency co-operation.

5.4.2 Contracting out and the market for employability services

As noted above, the 2002 'SUWI' reform completed a process of liberalisation and marketisation in the delivery of employability services. The UWV is required to outsource all of its employability services, 70% of which must be purchased from private sector providers. The market is highly fragmented. In 2004, there were more than 600 approved providers, 232 of which were engaged in some form of service delivery. Of these only 47 held contracts with the UWV, with the remainder delivering services for local authorities. There is evidence of rationalisation in the UWV-funded service market, with the ten largest providers delivering 75% of services (OECD 2006). Contractors are paid an average of €4000-5000 per client for services, with a substantial proportion of the fee linked to the achievement of job outcomes.

In many areas, national government and UWV officers have sought to encourage a more individualised approach to the purchasing of employability services for job seekers. Individual Reintegration Accounts have been introduced allowing the client, with the advice and consent of a UWV adviser, to purchase a range of short, tailored training modules. This modular approach has been designed to encourage greater flexibility and choice, and to discourage the use of standardised 'one size fits all' training programmes. Approximately 75% of UWV clients had access to IROs in 2005.

Figure 5.1 Structure of inter-agency co-operation in the Netherlands



(Source: adapted from Struyven and Steurs 2003)

A similar modular purchasing model – the ‘Personal Reintegration Budget’ – has begun to be introduced by some local authorities for recipients of income-based benefits. In more general terms, local authorities have greater autonomy in how they choose to contract with providers. However, the relative lack of capacity and expertise in tendering among local authorities means that most have adopted fairly standardised approaches. Indeed, national government-funded ‘expertise centres’ have been established in order to assist local authorities to access standardised contracting and service delivery models. This may undermine the drive for tailored, locally responsive solutions that is a priority for both local authorities and national government.

5.5 EVIDENCE FROM THE CASE STUDY RESEARCH

5.5.1 Delivering employability in Rotterdam and beyond

Rotterdam is the Netherlands’ second largest city, with a population of 600,000. It is one of the most productive seaports in Europe, and major Dutch companies such as Shell and Unilever are based in the city. However, there are pockets of high unemployment – in 2005, the unemployment rate was 11%, compared to the Netherlands average of 6%. The research team carried out a number of interviews with stakeholders involved in the management and delivery of employability services in the Rotterdam and South West Netherlands area (the CWI/UWV administrative region covering Rotterdam and surrounding municipalities), including representatives of the CWI, UWV and Municipality of Rotterdam. Where relevant, the analysis below also draws upon interviews with other national and regional stakeholders.

5.5.2 Benefits and limitations of inter-agency co-operation

Local flexibility and responsiveness

Key stakeholders interviewed for the research were committed to the Centres for Work and Income approach, and strongly advocated the continued co-location and integration of services. National government officials pointed to

the benefits for clients in being able to access both benefits and job search advice from expert organisations within the same building, and argued that closer joint working between national agencies (CWI and UWV) and municipalities would allow all stakeholders to more effectively tap into local knowledge. A Rotterdam municipality representative suggested that local authorities – as a key employer and service provider – combined an awareness of the local labour market with access to a range of policy levers (the Municipality of Rotterdam is considering how best to link social services for the unemployed with area-based economic development). The same municipality representative argued that, in general terms, the increasing role of local authorities in funding and delivering employability services had led to a more locally responsive model of employability services.

Government ministers have expressed hope that the outsourcing of employability services will contribute to the development of a more individually responsive and specialist service for job seekers. Both government officials and local stakeholders acknowledged that some progress has been made in developing a wider range of interventions, and a national government interviewee remained optimistic that a more flexible and ‘modular’ approach to purchasing employability services for job seekers would soon emerge.

Both the UWV and the municipalities tend to be moving away from purchasing ‘head to tail’ trajectories, one integral trajectory for clients. Now they tend to be more active in case management. They have their own case managers who purchase different parts of trajectories. The UWV is also moving towards a more voucher-type system, the Individual Reintegration Account.

Ministry of Social Affairs and Employment representative

The introduction of Individual Reintegration Accounts (in Dutch abbreviated as IROs) was welcomed by both UWV and CWI officers. IROs were seen as empowering the client and promoting choice – UWV officers appeared to be genuinely committed to the idea of the client selecting his or her own ‘reintegration trajectory’ (albeit informed by the advice of UWV advisers and

within the parameters of available employability services). A private sector service provider based in Rotterdam acknowledged the value of the IRO approach, in terms of providing the client with a sense of ownership and choice, and in “encouraging openness and creativity on the part of both the client and the adviser”. However, the same provider argued that additional resources would be required to make the system work.

Gradual progress is being made by many local authorities towards the introduction of similar Personal Reintegration Budgets for recipients of income-based benefits. A national policy expert surveyed for this research noted that developments in the municipality-funded sector have been slower – “the use of this instrument in the activation of social assistance clients takes place on a far more modest scale”. As a Rotterdam local authority representative accepted, further work is required to ensure that these individual budgets are available to all clients who might benefit.

We have a better system now, but not perfect, because the real user, the customer, is still not really involved in the process, involved in the decision making. We want to work on that.

Local authority representative, Rotterdam

Nevertheless, there were concerns that the innovation and specialist provision that are often seen as key benefits of the introduction of competition have yet to appear. National government representatives argued that there were some indications of an increasing flexibility in service options, but there was disappointment among regional stakeholders at the lack of innovation in much of current practice. Our national expert also pointed to the largely similar content of services: “In general, activation is still standardised. High levels of competition between providers and insecurity as to whether future contracts will be won have been mentioned as reasons for this”. Local authority and CWI representatives went further, suggesting that private companies, seeking rationalisation and economies of scale, had increasingly standardised their approaches, resulting in ‘one size fits all’ services.

With flexibility, the results have not been overwhelming so far. It's a disappointment that the development of a free market with new products and new approaches has been very limited. The companies grow towards one approach rather than diverse approaches. The bids are repetitive and not innovative.

Local authority representative, Rotterdam

The same local authority representative explained that the Municipality of Rotterdam is experimenting with limited 'open tender' processes, inviting service providers to bid for funding to develop new services, rather than inviting tenders to run pre-designed provision. The aim is to encourage innovation among delivery partners.

Both CWI and local authorities' representatives suggested that the short-term funding of municipality-led employability services militated against the long-term partnership building that can produce innovative practice. Local authorities are granted one-year funding settlements from central government, which in itself limits the scope for long-term programme planning. Furthermore, with local authorities responsible for financing employability services and benefits for the uninsured unemployed, there is a strong incentive both to minimise spending on provision (which has resulted in substantial underspends in many municipality areas), and to promote 'quick wins' through short-term programmes targeting the more able. A national representative of local authority professionals acknowledged that these processes had produced a "culture of caution" in employability services.

Sharing knowledge, expertise and resources

All local and regional stakeholders involved valued the combination of responsibilities and expertise brought together within the new Centres for Work and Income. UWV officers acknowledged the expertise in job matching offered by CWI staff, which they saw as complementing UWV knowledge in managing and tendering employability services. Both of these organisations in turn acknowledged the expertise of the local authorities in addressing the

needs of the 'hardest to reach' clients. A common theme related to the need for trust between the UWV and local authorities (and their service providers), and the CWI staff who are responsible for assessing the employability of clients and identifying barriers to work at the outset of the process.

The co-location of the different organisations in Centres for Work and Income has apparently helped to foster improved joint working and communication, and a better understanding of each agency's procedures and roles. Respondents representing the CWI, UWV and local authorities agreed that co-location and the establishment of clear communication structures had helped to build trust between the different organisations, and engender some progress on joint decision making. While the UWV and local authorities, as funders of employability services, have the final decision as to which training options individuals should be referred to, CWI managers noted the increasing influence of their staff in informing these decisions.

For individual clients, we advise UWV and local authorities on the clients. We have an advisory role and can suggest interventions, what is needed. There can be tensions, especially where interventions cost more, but this is rare.

CWI representative, South West Netherlands

Nevertheless, CWI managers acknowledged that they were not yet 'equal partners' in deciding clients' future trajectories, and other partners were less convinced of their influence. Local authority representatives in particular suggested that CWI officers had relatively little genuine influence in directing clients towards particular trajectories. In more general terms, there was some evidence of previous scepticism regarding the value of the CWI's employability assessment role. Our national expert highlighted evidence of concerns from other agencies regarding the quality of information and advice on client trajectories produced by the CWI's screening activities (see also OECD 2006). Some key stakeholders confirmed these concerns, but there was also a sense that recent reforms (including the introduction of the 'Routes

A and B' assessment model) have produced a more effective client assessment procedure.

In relation to the market for employability services, stakeholders agreed that the contractualism that defines the Dutch model can limit opportunities for exchanging information, ideas and practice between funders and providers. UWV managers saw the role of private service providers as to deliver on the basis of agreed contracts, rather than contribute to discussions on the content or focus of employability programmes.

There is certainly no partnership. It's a contractual relationship. We have discussions, and companies make presentations about what they can offer. We then work with clients, advising them on their options.

UWV representative, South West Netherlands

Nevertheless, a Rotterdam-based private sector provider suggested that there remains scope for delivery agents to influence the content of programmes. This agency's representatives cited examples of changes to the content and structure of services (sometimes in mid-programme) that have resulted from discussions between the provider and purchaser. While it was accepted that the purchaser (UWV or local authorities) have the final decision, it was suggested that service providers have a role in reporting 'what works' and informing the continuing development of services.

Improving efficiency and accountability

The Centres for Work and Income approach was viewed as contributing to more efficient service delivery. Improved communication and information sharing was seen as reducing errors, misunderstandings and paperwork at the operational level. CWI and UWV officers acknowledged these benefits on the 'office floor', although one local CWI manager operating in the western Netherlands area reported working with partners to try to reduce the number of management meetings resulting from the integration of services: "I have around ten meetings per month, usually with most of the same people. We are working to rationalise this; to cover more issues under single meetings".

The coterminosity of the regional management structures of the CWI and UWV (which share six regional areas) also appears to have contributed to the more effective management of the integration of these two organisations' services at the local level.

Turning to the operation of the market for employability services, local, regional and national stakeholders agreed that it was 'too early to tell' whether marketisation had produced the desired efficiencies. All the relevant stakeholders acknowledged serious problems around transaction costs. The Municipality of Rotterdam has sought to reduce the number of staff working on administration, rationalise its contracting arrangements and develop ICT-based tender-application systems in order to minimise costs. Nevertheless, it was accepted that – given the range of interventions required to meet clients' needs – transaction costs and bureaucracy remain difficult to control.

Despite these problems, national government interviewees shared the view that setting clear budgets and targets for private providers – with obvious consequences for those failing to deliver – had the potential to improve accountability and performance delivery. There was a consensus that the introduction of a purchaser-provider split had improved accountability and strengthened control over the content of interventions. A Rotterdam local authority official welcomed the clarity and organisational discipline that had followed the introduction of market mechanisms.

The benefits are that we have more control, we are more able to steer the companies involved. In the old way, we worked together with local actors, which could cause problems – co-operation can be difficult if you have different aims and goals. With tendering, you're the boss, you can outline exactly what you want.

Local authority representative, Rotterdam

The same interviewee argued that the previous non-contractual model of service provision had at times produced ineffective interventions – projects that were governed by 'their own logic', and failed to reflect clients' needs.

These projects sometimes reversed normal economic principles. The projects dictated themselves what they offered, they didn't respond to what the municipality wanted, or what people needed.

Local authority representative, Rotterdam

With many of these interventions based within local authority and other public sector institutions, bureaucratic inflexibility and 'political' sensitivities could limit the ability of managers to weed out failing programmes.

Developing a coherent service

All key stakeholder organisations highlighted the value of Centres for Work and Income in presenting unemployed clients with a 'one-stop-shop' service. An important aim is to eliminate the need for clients to provide the same information to different agencies. The CWI and partner agencies are also working towards the development of shared ICT systems holding client data – gradual progress has been made in piloting a 'digital dossier' system. Although there remain considerable barriers related to client confidentiality and the merging of organisations' ICT networks, a CWI officer was optimistic about the prospects for improved data sharing.

We are trying to improve data sharing through on-line portfolios and file sharing with information on clients' needs, background, motivation, problems. We are hoping that this will enable better sharing and discussion between the organisations. We hope that in the future there will be only one portfolio.

CWI representative, South West Netherlands

It is hoped that the Centres for Work and Income will also result in a consistent approach to employer engagement. Centres for Work and Income in Rotterdam are currently piloting a 'single employer service point', with CWI, UWV and local authority staff forming one team to approach employers and match job seekers to vacancies. However, both SZW and CWI officials noted that many local authorities elsewhere continue to make their own approaches

to recruiting employers, risking the kind of 'employer fatigue' and duplication of effort that Centres for Work and Income were established to try to avoid.

Municipality representatives acknowledged this problem, but expressed concern that the straightforward 'offer' made to employers by the CWI was not an appropriate tool for matching their more disadvantaged clients to opportunities. Some municipality clients face complex barriers, and it was suggested that more intensive work with, and support for, employers is required to facilitate successful transitions. Given the important budgetary implications of a failure to successfully place clients, local authorities felt that they had a right to pursue their own strategies for engaging with employers.

Capacity building

National and regional stakeholders highlighted the value delivered by Centres for Work and Income in relation to shared learning and capacity building. For local authorities, there may be gains in working more closely with each other, and with the CWI and other partners. The Netherlands' 131 Centres for Work and Income bring a number of local authorities within one building, potentially combining their administrative strengths. In addition, local authorities are increasingly seeking to combine their social services units in an attempt to build administrative capacity, a trend that has been encouraged by joint working in Centres.

For one senior CWI manager, measures to build professional capacity among local authorities were necessary. It was suggested that the rapid switch to a market-based approach in which virtually all employability services have been outsourced to the private sector has left local authorities with few professionals with direct experience of dealing with clients' problems (and limited experience in the purchasing and managing of privately provided services to address clients' problems): "There was no competency on their side in working with clients". Only a strong and continuing role for the CWI would ensure that the necessary 'intellectual capital' – expertise in dealing with clients' problems – was retained and spread across organisations.

A Rotterdam-based local authority officer to some extent conceded this point, accepting that many municipalities' staff had a background in benefits processing rather than client activation – these staff are in the process of shifting “from thinking about providing income to thinking about work”. A national local authorities' representative similarly suggested that, in moving towards a more modular approach to buying tailored services through 'Personal Reintegration Budgets', municipality officers are gaining a wider knowledge of the range of issues faced by clients and potential solutions.

Instead of buying a whole trajectory, municipalities buy-individual elements and have much more of a process management role, involving discussions with a number of different providers.

National representative, DIVOSA

In conclusion, inter-agency co-operation in South West Netherlands reflects both the progress the country has made in building more coherent service infrastructures, and the problems encountered in combining rapid processes of marketisation and institutional reform. Centres for Work and Income have begun to deliver benefits in terms of: improved communications between agencies; and joined up, one stop services for clients. That said, interviews with key stakeholders suggested that there remains work to do in building trust and an understanding of each other's roles, while the 'handover bureaucracy' and transaction costs associated with the Netherlands' 'pluriform reintegration market' remain considerable.

5.6 CONCLUSIONS AND ISSUES FOR NORTHERN IRELAND

5.6.1 Key success factors in Dutch inter-agency co-operation

In the Netherlands, institutional reform, combined with the market-oriented restructuring of programme delivery, has produced new forms of inter-agency co-operation, but also problems related to governance and service provision. There are a number of factors contributing to the successful elements of the Dutch model, and lessons, both positive and negative, for Northern Ireland.

- **A single gateway** – Centres for Work and Income arguably represent the most successful element of measures to promote inter-agency co-operation in the Netherlands. Co-location has been important here – housing key stakeholder organisations in the same building has led to better and easier communication and a reduction of paperwork.
- **Taking action to promote co-operation** – crucially, all the stakeholders have used co-location as a springboard for further, structured activities promoting partnership. CWI and UWV staff have undertaken job shadowing and task sharing activities, promoting a better understanding of each others roles and responsibilities. With ten Centres piloting a ‘boundaryless’ approach, there is more scope for agencies to share responsibilities and work tasks. Rotterdam-based respondents also referred to the value of quarterly training events, focusing on exchanging information and practice – “these study days bring all the organisations together, sharing information and building confidence and trust”.
- **Organisational complementarity and coterminosity** – national officials representing the CWI and UWV noted that their coterminous regional management structures have helped foster more efficient joint decision-making. Both organisations also noted the added bureaucracy and administration involved in dealing with numerous local authorities within their regional boundaries. All stakeholders acknowledged a degree of complementarity in the roles and expertise of each other’s organisations. Despite seeing many of its functions privatised in recent years, the PES (CWI) has been able to demonstrate its crucial importance as a focal point for employers and job seekers within Centres.
- **Supporting a competitive reintegration market** – despite the clear problems associated with the Netherlands’ market-oriented delivery mechanisms, there have been benefits in terms of accountability and targeting investment on ‘what works’. National government has sought to support the contracting process by providing regional ‘expertise centres’, which have helped to build capacity and knowledge within local authorities in relation to outsourcing services and managing contracts.

5.6.2 Potential for and limitations of policy transfer

In some of the success factors discussed above, and some of the problems associated with the Dutch model, there are important lessons for Northern Ireland. The standard 'Centres for Work and Income' approach is similar to the Jobs and Benefits Offices (JBOs) model established in Northern Ireland since 2002-3. As with any major administrative reform, building effective partnerships through Centres for Work and Income has been at times difficult – a recent evaluation suggested that there remains work to do to improve co-operation, especially between the PES/CWI and local authorities. Our national expert also pointed to concerns that the partnership process has focused too much on structures and not enough on organisational and management issues – there is a continuing need to reform work processes, client handling arrangements and IT systems.

However, the measures undertaken by key stakeholders to maximise the benefits of co-location – joint training, and regular job shadowing and task sharing – are an example of good practice. Managers within different organisations have ensured that exercises in joint working have practical benefits in terms of providing learning on policy, and sharing knowledge and practice. The 'boundaryless' offices being piloted in ten demonstration sites seek to promote total task flexibility (with benefits for staff skills and the client experience) – a model that is an advance on JBOs and even the Jobcentre Plus model in Great Britain.

The *attempt* by Dutch stakeholders to develop a single employer contact model, despite its limited success, also holds valuable lessons. The complaint of some local authorities, that the PES is unable to link more disadvantaged clients with employers, will be familiar to employability professionals in Great Britain and Northern Ireland. It is important that employability providers attempt to develop a single 'offer' to employers, in order to avoid duplication of effort and fatigue among recruiters faced with multiple requests for training or job placements. But this offer must include services to support the transition of

more disadvantaged clients, as well as measures to match the job ready to appropriate opportunities.

The outsourcing of some employability services (such as elements of the delivery of the New Deal) has been an important strategy for policy makers in Great Britain and Northern Ireland in recent years. Despite concerns over transaction costs, there have been benefits in including the private and voluntary sectors (as well as other public bodies) in delivery. The Netherlands has gone much further, so that all but the most basic of services are delivered through the private sector. There appear to have been some benefits in terms of accountability and the control of programme content. But expected improvements in quality, choice and specialist provision have been less apparent. There are lessons for Northern Ireland regarding the dangers of rushing towards the wholesale privatisation of services where there is not clear evidence of sufficient capacity and expertise in the private market.

The market for employability services in Great Britain and Northern Ireland also benefits from greater central control, whereas in the Netherlands the combination of multiple purchasers (the UWV and hundreds of local authorities) and a highly fragmented provider market has led to increases in the bureaucracy around 'client handover' and high transaction costs. The value of having one 'principal' involved in contracting and managing employment services – Jobcentre Plus and DELNI respectively in Great Britain and Northern Ireland – is clear (see also OECD, 2006). Any attempt to increase 'contestability' and broaden the role of the market in the delivery of employability services in Northern Ireland should occur only within the parameters of a strong continuing role for DELNI in managing the contractual process and providing a primary point of contact for clients.

Despite the problems associated with the Dutch market-based model, there are clear benefits associated with the support systems (such as 'expertise centres') developed by the government as a means of building capacity and expertise within local authorities. Where smaller organisations are required to engage in contracting (whether as purchaser or provider) the existence of

central support units providing advice and guidance may be of considerable value. Nevertheless, the problems of limited organisational capacity and professional expertise reported by some smaller local authorities in the Netherlands acts as a reminder that policy makers should not devolve competencies to the local level unless there is evidence that local stakeholders will be able to cope with additional responsibilities.

Turning to lessons from the Netherlands in terms of policy content, accurately assessing clients' employability at the outset of the process is a key priority within the Dutch model. As in Denmark (see Part 6), there is a sophisticated model for client assessment, which is used to direct at-risk clients towards employability services *before* they become long-term unemployed. This 'profiling' model has the advantage of identifying and addressing fundamental problems early, rather than relying on rigidly applied unemployment duration thresholds (which to some extent remain a characteristic of systems in Great Britain and Northern Ireland). The operation of such profiling models in the Netherlands and elsewhere have added value to the targeting of employability services. The development of assessment tools and procedures that are accepted by all stakeholders – a situation which, after some problems, the Netherlands is moving towards – is a crucial element in this process.

The rapid expansion of private sector delivery did not immediately bring the sought personalised approach to services in the Netherlands, but the government's introduction of Individual Reintegration Accounts (IROs) has had some impact. By giving the individual ownership of his/her own budget for employability services, IROs have encouraged clients to 'buy-in' to the process, and have led to a more tailored, individualised approach to purchasing interventions. The genuine enthusiasm of CWI and UWV officers for the sense of client empowerment and choice provided by IROs suggests that this new approach has delivered added value. Given the UK government's commitment to providing increasing individual choice from a menu of support (DWP 2006) there may be important lessons from this emerging element of the Dutch model.

Finally, the drive towards a 'Work First' approach is arguably the most striking element of recent policy development in the Netherlands. As noted above, there are concerns that this shift has resulted in the diminution of necessary, longer-term training options, and that immediate work-focused activity risks deterring clients from claiming assistance. Although there is insufficient evidence on the impact of 'Work First', a model of early intervention and activity, if used appropriately and in combination with longer term training interventions where required, may have some value. Policy makers in Great Britain and Northern Ireland will no doubt await with interest the results of forthcoming evaluations of the Dutch 'Work First' model.

PART 6. DENMARK: INTER-AGENCY CO-OPERATION IN A 'BEST CASE' EMPLOYABILITY MODEL

6.1 INTRODUCTION AND METHODOLOGY

Denmark has consistently been highlighted as a key 'active' welfare state in Europe, with successive governments overseeing a series of reforms to convert the country's once largely passive welfare state into a leading exponent of welfare to work strategies. Interest has been focused on the Danish experience for a number of reasons: the rapid development and extensive scale of employability programmes targeted at the unemployed; the apparent (partial) contribution of these programmes to Denmark's relatively strong labour market performance; and the role of national, regional and local stakeholders in a system that combines strong leadership from central government, social partnership-based regional planning and diverse forms of inter-agency co-operation at the local level.

This case study traces the recent development of employability policies in Denmark, and considers the operation and impact of inter-agency co-operation in the development and delivery of these programmes. The methodology for the research reported below involved:

- a review of relevant policy and research literature;
- survey research with a Danish academic expert on employability policy;
- in-depth, face-to-face interviews with national-level policy stakeholders:
 - the national government Labour Market Authority (LMA);
 - the national Trades Union Congress (LO);
 - the national employers' federation (DA);
- in-depth, face-to-face interviews with regional-level policy stakeholders involved in 'Greater Copenhagen' RAR representing: the regional *Arbejdsformidlingen* (AF) or Public Employment Service (PES); the regional-level LO; and the regional-level DA;
- stakeholder interviews and case study visits focusing on local partnerships in Copenhagen between a municipality funder, a community-level employability provider, and employers offering training opportunities.

Following this introduction, Section 6.2 discusses key employability policies for the unemployed, while Section 6.3 examines the role, form and extent of inter-agency co-operation on employability. Section 6.4 focuses on the findings of case study research on the operation of two local employability initiatives: first, the Greater Copenhagen Regional Employment Council (involved in the planning of interventions across the Copenhagen city region); and secondly, the 'Green Jobhouse' local employability project targeting disadvantaged job seekers in inner city Copenhagen. Finally, Section 6.5 discusses conclusions and implications for policy, particularly focusing on lessons for Northern Ireland and opportunities for policy transfer.

6.2 KEY POLICIES TO PROMOTE EMPLOYABILITY

Denmark's employability policies have focused on a number of different approaches to re-integrating unemployed people. Key measures include:

- 'individual guidance': involving the agreement of individual action plans for each unemployed person as a precondition for the following measures;
- 'education and training': delivered through vocational training or traditional further education institutions, and by far the most used measure for the insured unemployed;
- 'job training': mostly used for insured clients and involving subsidised work placements for at least six months with a public or (far less likely) private employer;
- '*individual* job training': designed to improve the basic personal skills, motivation and job-readiness, and targeted at more disadvantaged clients, most often delivered through supported 'employment projects' run by local authorities;
- 'jobs on special terms and conditions': flexible work placement initiatives targeted at (uninsured) unemployed people with a reduced capacity to work due to mental or physical disability.

A new labour market reform took effect in 2003, which saw a change in emphasis away from long-term skills upgrading as a target for employability policy, towards an emphasis on job search guidance and quick entry into (subsidised or unsubsidised) work. This 'More People at Work' reform sought to simplify and reform employability interventions based on a number of guiding principles:

- there should be a 'one string system' (so that insured and uninsured unemployed people receive similar services and opportunities);
- more direct routes into work should be emphasised;
- the role of external service providers should be expanded;
- interventions and 'tools' should be simplified;
- 'making work pay' should be a priority.

As a result, interventions have increasingly focused on job search and placement activities (delivered directly by PES and local authorities staff or through structured programmes delivered by external agencies). PES staff work with clients using a standardised CV-building tool to ensure that a CV has been completed within one month of registration, with all clients' details entered into a national CV bank that is available to employers on-line. LMA and PES interviewees also noted the value of the tool in immediately concentrating the minds of both client and adviser on work as a goal.

An 'employability profiling toolbox' is used immediately upon registration to assess clients' abilities. The toolbox enables advisers to assess clients' employability with reference to previous work experience and skills, qualifications, and a range of other criteria. Clients are then allocated to one of five groups. Group One (or 'full match') means that clients are considered to need only job search assistance; Group Five (or 'no match') implies that client faces severe problems requiring immediate intervention – such clients may be immediately referred to local authorities' basic employability provision or other relevant services. For clients not assessed as in need of immediate assistance, interventions are compulsory after six months (for those aged under 30 or over 60; and those experiencing a second spell of unemployment within one year); and after twelve months for other clients.

6.3 THE ROLE OF INTER-AGENCY CO-OPERATION

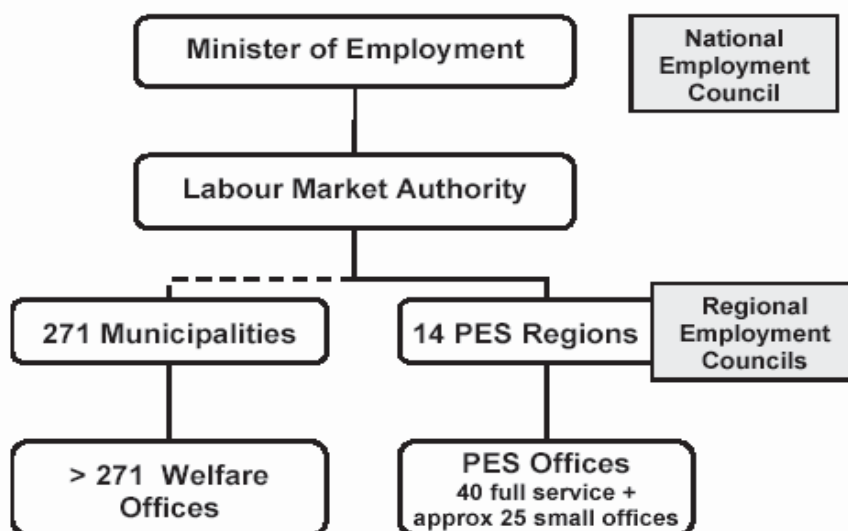
6.3.1 Forms of inter-agency co-operation

In terms of inter-agency co-operation at the strategic level, a National Employment Council – with representatives of the Ministry for Employment and government LMA, the main trade union confederation (LO), the national employers' federation (DA) and local authorities – has an advisory role covering the entire unemployed client group.

At the regional level, since 1994, fourteen Regional Employment Councils (RARs) have been responsible for the formulation of annual employment action plans. These plans are agreed between the RAR and the national government/LMA, and must adhere to broad guidelines set by government. However, RARs have some latitude in terms of setting 'tools and targets' for the PES. PES offices are responsible for providing basic job search services and referring clients to approved contracted employability providers. Their client group is formed from the insured unemployed and (since the late 1990s) the uninsured unemployed considered 'job ready'.

At the local level, 271 local authorities ('municipalities'), mainly through their social services departments, lead the delivery of employability services for the uninsured unemployed. As noted above, local authorities have more recently been asked to focus on the hardest to help job seekers – they have been obliged to refer their most able clients to the PES. Multipartite Local Co-ordination Committees (drawing representation from trade unions, employers and local community organisations) have advised local authorities on the implementation of employability policies. These committees lack the power of RARs to influence the use of budgets and target additional services. Figure 6.1 illustrates Denmark's framework for inter-agency co-operation on employability.

Figure 6.1 Denmark's labour market policy structures, 2006



Source: Denmark National Labour Market Authority

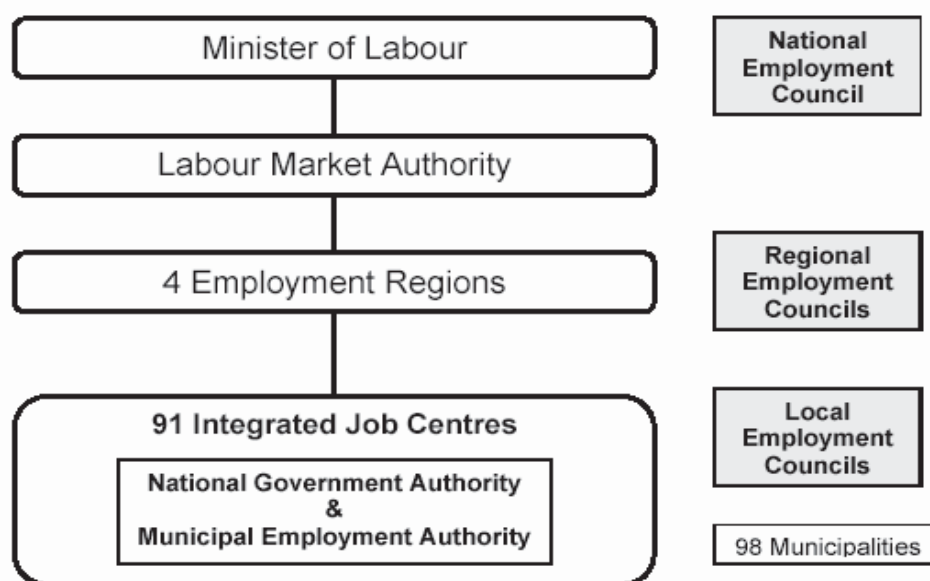
Contractual relationships govern the delivery of employability services by external providers. There are 159 recognised employability service providers nationally, 104 of which are private companies, with the remainder trade union organisations and further education and training institutions. Since the 2003 'More People Into Work' reform, PES managers and their RAR partners have been encouraged to contract with a broader range of providers.

6.3.2 Proposed institutional reforms from 2007

A reorganisation of the local authority structure in Denmark – which will reduce the number of municipalities to 99 – will be implemented in 2007. It will have important consequences for employability policies and partnerships. The existing PES/RAR structure will be wound-up. Regional PES and local municipality-led employability service centres will be amalgamated in local authority-level one-stop-shop 'jobcentres'. There will be 91 such centres (a small number of local authorities have chosen to combine their services within one centre) housing staff from the PES and local authority social service departments. In fourteen pilot areas all services (for both insured and uninsured job seekers) will be provided by local authorities.

The RAR structure will be abolished, with four new 'state-region'-level Employment Councils charged with ensuring secure cohesion between the national and regional employment policy. Local Employment Councils – covering each of the 91 integrated jobcentre areas – will advise on local employability strategies. However, despite similar interest groups being represented in these new local and 'super-region' level bodies, the decision-making authority and influence enjoyed by RARs will be lost. Targeting and resourcing of employability services will be the remit of PES and local authorities managers, based on annual performance agreements reached with the government/LMA. Figure 6.2 illustrates the new framework for inter-agency co-operation to be introduced from 2007.

Figure 6.2 Reforms to Denmark's labour market policy structures, 2007



Source: Denmark National Labour Market Authority

6.4 EVIDENCE FROM THE CASE STUDY RESEARCH

Case study research undertaken with Danish stakeholders focused on two examples of inter-agency co-operation on employability: the operation of the Regional Employment Council or RAR in one region (in this case Greater

Copenhagen) in planning interventions for unemployed people receiving contributions-based insurance benefits; and the activities of a community-based employability provider (the 'Green Jobhouse' in Copenhagen) working mainly with claimants of income-based social assistance benefits.

6.4.1 Case Study 1: Greater Copenhagen Regional Employment Council

The Greater Copenhagen RAR – one of fourteen RAR regions in Denmark – covers 16 local municipality areas. The remit of the RAR is to agree the funding, content and targets for employability measures for insured clients in the region. Funding for interventions is provided by the national government (through the National Labour Market Authority), with the RAR agreeing a national plan and funding package with government on an annual basis.

The RAR has a key planning and intelligence role, commissioning research and undertaking consultation on labour market needs, evaluating the performance of the PES and other employability providers against agreed targets, and overseeing the contracting out of employability services. As noted above, the content of employability interventions is largely defined by guidance from central government, as is the mandatory targeting of programmes at young people, the long-term unemployed and other key client groups. However, RARs have some flexibility (negotiable with the government/LMA) on 'tools and targets' – the Greater Copenhagen RAR has been able to target resources at client groups (such as minority ethnic groups) and focus on specific types or areas of provision.

Membership is drawn from regional PES managers (the PES also provides the secretariat function for the RAR). Regional trade union organisations (the main LO confederation and three other confederation bodies), the employers' federation (DA) and other employer representatives, and local authorities make up the main body of the RAR (with seven members each representing these three groupings). Representatives of all these groups (and regional PES management) were interviewed for the case study. Additional members

from organisations addressing the needs of disabled workers have recently joined some regional councils, including the Greater Copenhagen RAR.

6.4.2 Benefits and limitations of inter-agency co-operation

Local flexibility and responsiveness

One of the main advantages associated with Denmark's regional structures appears to have been that – within clear, centrally defined parameters – key stakeholders were able to discuss and agree targeted local responses. In the Greater Copenhagen RAR area, regional stakeholders have been able to influence the targeting of resources in a number of ways. Responding to research on the needs of minority ethnic and immigrant job seekers, local strategies have increasingly focused on ensuring that these groups have access to formal and informal support networks, and that Danish language training is available. The degree of freedom afforded to RARs in selecting 'tools and targets' has also led to the piloting of 'early intervention' initiatives in local areas of high unemployment (where job seekers are offered, and in some cases are required to participate in, employability services within four months of becoming unemployed).

In more general terms, national-level stakeholders noted the added innovation and local responsiveness that had flowed from the 'regionalisation' of employability policy. A national LO (trade union) representative spoke of the "new energy and new ideas" generated by the RAR approach. Government (PES and LMA) officials acknowledged that regional stakeholders would have valued even greater latitude to change the focus and content of policy, a statement confirmed by interviews with those involved in the Greater Copenhagen RAR.

The national policy framework is still very strong, and this can be frustrating. We [the RAR] can see what needs to be done to produce an effective labour market policy in our own region. We can influence targets, but not as freely as we would like.

RAR representative, LO (trade unions' organisation)

These frustrations were acknowledged by a senior PES official required to provide the secretariat function for the RAR. For this respondent, an important role for PES was to raise awareness of the extent and limitations of the freedoms afforded to RAR, while navigating member organisations' attempts to promote their own agendas.

Some of the regional partners find the [government's national policy] framework to be tight and constraining. They feel that they are not totally free to act, that they are limited. Our role is to inform the RAR about what they can do, and what they cannot do. But the RAR partners are political organisations and they feel that they must be heard, even if they know what they can and cannot influence.

RAR representative, PES

Sharing knowledge, expertise and resources

Stakeholders noted the value of regional structures in bringing together employers' representatives (with knowledge of demand-side issues and skills needs), trade unions (with their authority as workers' representatives and playing a key role in the administration of unemployment benefits) and local authorities (as the key agency administering both benefits and employability services for uninsured unemployed people). It was suggested that these three key groups, working and negotiating with the PES and national LMA, had arrived at effective local policy solutions.

For regional PES management involved in the Greater Copenhagen RAR, the regionalisation of employability services had been a major "step in the right direction", producing service structures that reflected the reality of city-region level labour markets.

There are many regional labour market differences. This has produced a regional body with knowledge of regional matters.

RAR representative, PES

Improving efficiency and accountability

Most stakeholders involved in RAR decision-making considered the partnership process to be user-friendly, efficient and action-oriented. Concerns that such structures could increase bureaucracy and slow the responsiveness of programme development were dismissed by employers' (DA) and trade union (LO) organisations. Indeed, a national LO representative argued that *without* strong partnership structures bureaucracy would increase, due to the need for additional bilateral negotiations and service level agreements. A colleague working within the Greater Copenhagen LO thought that decision-making could be time-consuming under the RAR system, but also noted that – as trust and respect had grown between partners – so had the effectiveness and efficiency of the partnership process.

Perhaps understandably, PES officials – charged with providing the secretariat function for the RARs and ultimately responsible for managing employability services for many job seekers – were more critical of the potential for increased bureaucracy. A PES official accepted that “decision-making processes can be long... we can take a lot of time convincing employers about the value of policies”, but suggested that the RAR model had allowed partners to arrive at a “modus vivendi”. There also remained a belief that the RAR’s bureaucratic procedures were a price worth paying for the practical support of employers and trade unions: “we know that they will help us to implement the policy”.

Developing a coherent service

The development of consistent, joined up approaches on employability was seen as an important benefit of the RAR process. RARs have representation from local authorities and the PES (the two key players in the day-to-day management of employability services) and have helped to facilitate the transfer of knowledge and practice between the two ‘strands’ of employability provision. Indeed, PES clients are regularly directed towards local authority-led employability services or placed within municipality-based work experience programmes. The continuing development of joint working

between the PES and local authorities was seen as a key benefit of the local jobcentre model to be introduced in Denmark from 2007.

Capacity building

RARs have apparently proved an effective model for transferring knowledge and expertise between key stakeholders involved in labour market policy. The decisions of RARs have been informed by the concerns of trade unions' members, the experience of employers recruiting in the labour market, and the practical expertise of the PES and local authorities. There was a strong consensus that a process of mutual learning and capacity building has resulted. Member organisations appear to view RARs as strong, internally consistent organisations, with clearly defined and understood responsibilities (in terms of the funding, targeting and oversight of employability services). There was confidence that the 'right people are around the table' under the current model, enabling the Council to 'get things done'

A recurring theme in interviews with stakeholders related to retaining what has been termed elsewhere in this report as 'intellectual capital'. Regional PES, LO and DA representatives involved in the Greater Copenhagen RAR highlighted the importance of "securing knowledge" during processes of reform and change. With employability services in Denmark facing considerable institutional change, a key priority was to retain the expert knowledge of specialists with experience of delivering specific services or assisting particular client groups.

Gaining legitimisation and local 'buy-in'

A number of stakeholders noted the value of RAR structures in gaining the support of key interest groups, with trade unions and employers being the most obvious examples. The involvement of these stakeholders in unemployment policies has had a number of advantages – for example, engaging employers (who are crucial to the successful operation of work placement/wage subsidy programmes) has proved easier given the credibility afforded by the involvement of DA representatives.

It is important that we gain the support of the employer and trade union organisations. It means that we can go to employers and say, "look, we have their support on this". It adds credibility.

RAR representative, PES

In conclusion, respondents highlighted the way in which RAR structures have given employers and other partners a genuine stake and real responsibility for the development and success of employability services. There was a consensus that this shared sense of responsibility was one among a number of critical success factors that had helped to make the Greater Copenhagen RAR work. These appear to include: the inclusion of the 'right' organisations, with the capacity, influence, expertise and resources to affect change; the development of clear responsibilities, *ceded* from government and backed by partial control over, and responsibility for resources; and complementary aims and objectives, which are reflected in mutually agreed partnership priorities.

6.4.3 Case Study 2: The 'Green Jobhouse' Job Guarantee Project

The Green Jobhouse operates in the Kongens Enghave area of Copenhagen (one of the city's most disadvantaged and ethnically diverse communities, with a population of 15,000). The project was established in 2001 by the local authority with the support of residents' groups, with the aim of addressing localised high levels of long-term unemployment.

The project relies upon three key mechanisms:

- a funding and support partnership between the Green Jobhouse and the local authority (through which the project is funded in return for delivering services in line with the Municipality's employability strategy);
- information networks linking local community service providers with the Green Jobhouse, through which the project is able to recruit clients;
- close partnerships with employers, who – with the support of Green Jobhouse staff – provide training placements for a maximum of ten weeks, linked to a job guarantee for successful completers.

Green Jobhouse staff recruit and provide pre-vocational support for long-term unemployed clients from the local community. Crucially, Green Jobhouse staff also work with employers and employers' organisation to establish job guarantee training placements for clients. Support staff assist employers to develop a detailed, occupation-specific training plan for each client, and monitor and support the client and employer during the training period. Employers receive a training subsidy from the local authority.

During financial year 2004-2005 the project placed 181 long-term unemployed clients, with 92 entering work (a 51% success rate). All but two of those making a successful transition to work remained in employment at the time of the research (a 98% sustainability rate). While the project does not specifically target minority ethnic/immigrant job seekers, they make up a large proportion of its clients – in the local community 18% of the total population and 40% of the unemployed are from minority ethnic groups.

For the case study research, interviews were conducted with the Green Jobhouse project co-ordinator and a mentor working with clients, and representatives of two participating employers: a large, family-owned scaffolding firm (which has recruited nine people through the project); and a major taxi company/drivers' training centre (which, together with another similar institution, has recruited 64 people through the project).

6.4.4 Benefits and limitations of inter-agency co-operation

Local flexibility and responsiveness

A key benefit of local partnerships that seek to draw employers into the provision of training places relates to their capacity to respond to local labour market conditions and reflect employers' priorities. Green Jobhouse staff and managers have considerable knowledge of the local labour market in Copenhagen, and an analysis of growth sectors with recruitment problems in entry level positions has partially informed the project's targeting of employers. The employers interviewed for the case study confirmed that their

organisations – and indeed their sectors – had been experiencing labour shortages due to the increasing tightening of the Copenhagen labour market.

Sharing knowledge, expertise and resources

The local partnership at the heart of this case study gathered together a range of stakeholders with important resources and expertise to offer. The Green Jobhouse is able to provide access to trainees and expert support during the recruitment, planning and training elements of the process. The employers have brought a key resource to the project – job opportunities, and the commitment to offer a job guarantee to successful trainees. In some cases, employers have also been able to provide considerable training expertise.

Capacity building

The engagement of employers, and the facilitation of their capacity to provide training for disadvantaged job seekers is another important benefit of this local project. Employers have the final decision on who is recruited to the project, having attended ‘information sessions’ with candidates and Green Jobhouse support workers (which are specifically designed by project staff to create a more open and relaxed atmosphere than would normally be encountered at a job interview). Employers are also responsible for the delivery of training.

However, they are fully supported in designing and delivering training appropriate for disadvantaged job seekers, and regular visits from Green Jobhouse staff ensure that training plans are being followed and that any assistance or further support required by employers is provided. Green Jobhouse staff have therefore regularly mediated when problems have arisen between employers and trainees. Members of the project team also noted a further benefit for employers, in helping them to consider and define skills requirements for their entry-level positions.

Gaining legitimisation and local ‘buy-in’

By establishing strong, community level partnerships Green Jobhouse staff have been able to establish the organisation’s credibility and gain the buy-in of other local stakeholders. Green Jobhouse staff noted that the vast majority

of programme recruits were not referred through 'official channels', such as PES or local authority employability services. Rather, local community, health and childcare centres have been persuaded to encourage potential participants.

We work through groups and networks in the poorest areas with high unemployment to identify what training the unemployed need and what jobs they want. This informs what employers we will approach.

Project co-ordinator, Green Jobhouse

On the other hand, the strong partnerships forged with employers have added to the credibility and legitimacy of the programme among the potential client group. By building trust with employers and then securing job guarantees for course completers, the project has gained a reputation as a source of 'real work'-focused training with real job prospects upon completion. For Green Jobhouse staff – and clearly for project participants – “the job guarantee is the most important element of the process”. It is a key motivation for project participants and a focus of trust between trainees, employers and the Green Jobhouse. For Green Jobhouse staff: “The Job Guarantee is a guarantee to employers – it guarantees motivated and committed trainees”.

In conclusion, there are a number of factors contributing to the relative success of the Green Jobhouse approach. Engaging employers, through a process of partnership that shares authority and decision-making, appears to have been a crucial element in the success of the Green Jobhouse model.

We give employers ownership of the training process. Because employers [in partnership with Green Jobhouse staff] develop the job profile and training plan, we can say to them “you are the ones deciding what is needed in the training, you are the ones selecting the people, we will help you plan the training and provide the people – all you need to provide is the job guarantee”.

Project co-ordinator, Green Jobhouse

Finally, trust is, of course, essential to effective partnership working, and there appear to have been strong relationships of trust between the Green Jobhouse and participating employers. The Green Jobhouse provided background information and client assessments, which helped to inform employers' decisions on the recruitment of trainees. Clearly, it was crucial for employers to be able to trust the advice provided, and this trust appears to have been in place – one employer specifically commended the Green Jobhouse for “their honesty and directness” which helped to “link the right people with our opportunities”.

6.5 CONCLUSIONS AND ISSUES FOR NORTHERN IRELAND

6.5.1 Key success factors in Danish inter-agency co-operation

The Danish system – as a model for delivering employability and an approach to promoting partnership – is regularly cited as a ‘best case’ example among EU states. There appear to be considerable strengths associated with Denmark’s regional, partnership-based approach to planning employability policy. Local partnerships such as that described in Case Study 2, above, also appear to have provided effective mechanisms for the implementation of innovative, targeted projects. It will therefore be useful to briefly consider key success factors contributing to the effectiveness of the Danish model and lessons for the Northern Ireland policy context.

- **A single gateway** – like Northern Ireland, Denmark is moving towards a model of employability service provision that emphasises a one-stop, single gateway, jobcentre approach. There is clarity in roles and responsibilities, with the PES retaining a strong role in initial client assessment and counselling. Crucially, the profiling toolkit used by the PES to assess client employability at the outset of the process has been accepted by other delivery partners.
- **Local flexibility through partnership** – RARs have provided effective regional policy planning mechanisms, which have allowed policies and programmes to be adapted to labour market circumstances within the

boundaries of a coherent national policy framework. The inclusion of local authorities, trade unions and employers in *decision-making* has apparently generated new ideas and contributed to innovative practice.

- **Partnerships include the ‘right’ people and organisations** – “the right mix” has been achieved in the membership of the RARs. Only relevant stakeholders with the ability to affect change in policy (PES; local authorities) or labour market relations (employers; trade unions) are represented. These organisations bring a mix of knowledge, expertise and experience to the decision making process, which has in turn helped to engender trust between the different stakeholders.
- **Government ceding and sharing responsibility** – perhaps crucially, RAR structures have given employers and other partners a clearly defined role in, and responsibility for: the planning of programme delivery; the management of contracting out arrangements; the resourcing of ‘additional’ services for key target groups; and the content of employability services and tools. National government has therefore ceded responsibility to, and shared authority with, regional stakeholders. As a result, RAR partners feel that they have a genuine stake in, and responsibility for, the development and success of employability services. The coherence of employability policy has been ensured by the presence of senior PES managers in RARs and the strong ‘central line’ on policy – non-negotiable outcome targets and key client groups are defined by central government, which sets the general parameters for programmes.
- **Gaining legitimisation and ‘buy-in’ through partnership** – the presence of partners on RARs, and their *responsibility* for employability services, has added to the legitimacy and credibility of policy, which in turn helps to generate commitment and buy-in. For example, the role of municipalities and employer representatives within RARs has added to the credibility of interventions in the eyes of local authority departments and other employers (both crucial providers of the work placement opportunities that make up an important element of Danish programmes).
- **Getting employers on board** – The value of encouraging employers to share in the ‘ownership’ of employability services is reinforced by Green Jobhouse model. The success of this local partnership appears to have

been built on strong relationships of trust between the service provider and employers – a sense of trust reflected in joint decision-making on the content of training and selection of trainees, and in employers' commitment to providing job guarantees.

- **The value of job guarantees** – Promoting joint ownership of the process with employers from the outset of the training process appears to have been a key factor explaining the relative effectiveness of Green Jobhouse project. Crucially, employers were willing to commit to offering a job guarantee to successful completers. Job guarantee models have been shown to be highly successful in delivering job entry outcomes, and in building trust between employers/training providers and clients.

6.5.2 Potential for and limitations of policy transfer

The Danish model demonstrates that inter-agency co-operation can work where there is a clear, well-defined focus for activities, and where partners are granted the authority, responsibility and resources to act. This can be delivered within a strong central government policy framework, ensuring that policy makers' objectives are addressed by partnerships. Where partners (selected on merit due to the expertise, knowledge or resources that they can bring to bear) feel that they have a genuine stake and real responsibility for the development and success of employability services, there can be important benefits in terms of improving policy and practice and gaining the 'buy-in' of key stakeholders (including employers).

Northern Ireland lacks the levels of co-operation between social partners and coherence between national, local and regional agencies that marks the Danish system. It has been suggested that any attempt to replicate Denmark's local partnership-based approach in Great Britain and Northern Ireland will require a significant devolution of power to local authorities and an opening out of the policy process to include community sector, voluntary and trade union organisations. But these sectors may be constrained by limited capacity from engaging fully in expanded partnership processes. The trade union movement in particular is gradually recovering from years of declining

membership, while local authorities do not have the same statutory responsibility for job seekers that their Danish counterparts share with national government.

Nevertheless, a consistent message from the Danish experience relates to the need for central government to share decision-making, responsibility and authority with local structures. By sharing responsibility (for example, over budget management and/or some elements of programme targeting), policy makers can give local partnerships a clear focus for action. More importantly, key stakeholders are much more likely to 'buy-into' partnership processes that have clear aims, responsibilities and (if possible) control over some resources. By gaining the commitment of key stakeholders in this way, the potential benefits discussed above in relation to the sharing of expertise, additional resources, and influence and credibility, will be more accessible. The benefits of actively engaging employers in both planning and delivery are particularly relevant to the Danish case, and this is an area in which some elements of our own policies on employability have been weak.

At a practical level, the local job guarantee model described above is similar to local schemes piloted in a number of other countries, including Northern Ireland. The local authority's deep involvement in supporting the programme financially is again unlikely to be replicable in Northern Ireland. However, community level employability services (often linked to local authority services) in Northern Ireland are growing in strength. There may be scope for further experimentation with work placement and job guarantee models funded by DELNI and/or a range of other stakeholders. The practical lessons from the Green Jobhouse relate to: the value of granting employers a degree of ownership in the selection of trainees and design and delivery of training; the need to support both employer and trainee throughout the process; and the importance of targeting employers in growth areas (and preferably in the private sector) that are able to offer sustainable opportunities for job seekers.

There may be benefits for Northern Ireland policy makers in sharing 'ownership' of employability service planning with other stakeholders (with

local authorities, employer representative bodies and possibly voluntary organisations being the obvious candidates). Existing partnerships (such as New Deal Consortia) tend to focus on local stakeholders tendering for, and then delivering, pre-defined government training programmes. Regional structures that give employers and others a voice in how programmes are developed, targeted and delivered may generate innovative practice and encourage 'buy-in' among employers and communities. It should again be emphasised that any new partnerships should have a clear aim and focus, and include only those organisations able to make a practical contribution to the achievement of partnerships' (and therefore ministers') policy objectives. Similarly, local partnerships that offer employers a sense of 'ownership' of the training process may provide an effective model for engaging recruiting organisations, with benefits for the quality and credibility of interventions.

PART 7. GREAT BRITAIN AND NORTHERN IRELAND: CASE STUDIES OF GOOD PRACTICE IN INTER-AGENCY CO-OPERATION

7.1 INTRODUCTION AND METHODOLOGY

The general policy context for employability strategies in Great Britain and Northern Ireland is described in Part 2 of this report. In this part of the report we describe the results of case study research undertaken to identify good practice in inter-agency co-operation on employability. The methodology for the Great Britain and Northern Ireland case studies mirrored that of the research undertaken in Denmark, the Netherlands and the Republic of Ireland. In each case, an initial review of policy was supplemented by case study visits and a series of in-depth interviews with key stakeholders.

Case studies were selected to cover a range of countries, target groups and policy objectives. Accordingly, the research focused first on the development of co-operative networks to deliver the Pathways to Work programme, comparing stakeholders' recent experiences in Northern Ireland with a long-running Scottish pilot area (7.2). The following case studies focused on local partnerships developed to deliver the UK government's Working Neighbourhoods (7.3) and DELNI's Transitional Employment Programme (7.4) initiatives, and a leading local employability partnership operating in one Scottish local authority area (7.5). A final case study focused on more strategic partnership working, examining inter-agency co-operation in the development of the Scottish Executive's strategy on employability, 'Workforce Plus: an Employability Framework for Scotland', launched in June 2006.

The case study reports below describe the background to each project and the methodology used in the research. We then discuss the role and form of inter-agency co-operation in each case and the benefits, problems and limitations of co-operation. Finally, this part of the report concludes by attempting to draw lessons for Northern Ireland from these diverse cases, in terms of factors facilitating effective inter-agency co-operation on employability (7.7).

7.2 PATHWAYS TO WORK, SCOTLAND AND NORTHERN IRELAND

7.2.1 Background and methodology

Pathways to Work (PtW) has been developed to provide support to (mainly new) claimants of incapacity benefits to make progress towards the labour market. It was initially piloted in Great Britain in three pilot areas from October 2003. In 2004, pilots were extended to another seven areas. In 2005, DELNI announced the development of its own PtW pilots to operate in three local authority areas: Ballymoney; Lurgan; and Magherafelt. The national rollout of the initiative is ongoing, and PtW will cover one-third of Great Britain and Northern Ireland by the end of 2006.

The content of PtW services include:

- an initial screening interview, followed by five compulsory work-focused interviews with Jobcentre Plus/DELNI Personal Advisers (PAs);⁵
- a one year 'Return to Work Credit' paid at £40 per week tax free for all those entering full-time work;
- access to PA Discretionary Fund payments;
- access to specialist 'Choices' training options (e.g. 'work preparation programmes' that provide basic employability skills and preparation for the workplace, delivered in partnership with training providers and employers);
- the Condition Management Programme (CMP) – a 6-13 week intervention designed to enable clients to cope with the three main moderate medical conditions experienced by Incapacity Benefit claimants (mental health, cardio-respiratory, and musculo-skeletal conditions). The CMP is not designed to replace care received through standard health interventions; rather it uses 'cognitive behaviour therapy' and related techniques to challenge negative perceptions and behaviours and empower clients to take positive steps towards coping with their condition.

⁵ WFIs involve clients attending at an agreed place and time, and answering questions regarding their employment history, future aspirations, job seeking, and the extent to which their medical condition restricts their ability to obtain employment (Social Security Statutory Regulations, 2003). Clients are also required to work with PAs and produce an 'Action Plan'. If a client does not attend a WFI without good cause then the client may have their benefit reduced by 20%.

The case study research focused on the preliminary partnership process that led to the development of structures for PtW in Northern Ireland, and the development and delivery of the initiative in one Scottish pilot area – “Renfrewshire, Inverclyde, Argyll and Bute” (RIAB). In each area the case study research involved a review of relevant policy and research documents provided by key stakeholders. In addition, in Northern Ireland, in-depth interviews were conducted with:

- two senior managers within the DELNI Preparation for Work Team involved in the development and management of PtW;
- a senior psychologist at DELNI involved in the development of the Condition Management Programme;
- a DELNI Personal Adviser working with clients in one of the pilot areas;
- a senior manager within the Primary and Community Care Directorate at the Northern Ireland Department for Health, Social Services and Public Security (DHSSPS), charged with leading the strategic development of new programmes;
- a senior manager at a Local Health and Social Care Group (LHSCG), leading the delivery of the Condition Management Programme within PtW in one of the pilot areas;
- a senior manager at the Northern Ireland Social Security Agency.

In the Scottish/RIAB area, in-depth interviews were conducted with:

- a senior ‘Incapacity Benefit Innovations Unit’ manager at Jobcentre Plus (who led the agency’s involvement in the Pathways to Work pilot);
- a local Jobcentre Operations Manager involved in the development and delivery of PtW;
- the Project Director who led the NHS’s involvement in the Pathways to Work pilot development in the RIAB area;
- an NHS Mental Health Project Manager responsible for managing all NHS staff involved in the delivery of PtW;
- a Rehabilitation Co-ordinator involved in the delivery of PtW.

7.2.2 Benefits and limitations of inter-agency co-operation

Role of inter-agency co-operation

Jobcentre Plus and DELNI fund and lead the delivery of PtW in Scotland and Northern Ireland respectively. These organisations also provide Personal Adviser (PA) services. Pathways to Work PAs deal with initial client registration and assessment (using a bespoke assessment tool), and refer clients to various 'Choices' employability service options, contracted out to a range of private and third sector employability providers. In Northern Ireland, a crucial additional partnership exists between DELNI and the Social Security Agency, which ensures that clients are referred to PtW, that their benefits are paid, and that a 'Personal Capability Assessment' is conducted to identify new claimants ability to work.

Crucially, however, the Condition Management Programme (CMP), arguably the most innovative feature of PtW, is delivered through public health service bodies in both Scotland and Northern Ireland. In Scotland, the relevant NHS Board acted as the budget holder and commissioning body for the CMP, while delivery was the responsibility of the local Primary Care Trust, which employed the staff delivering the programme. In Northern Ireland, at the strategic level, DELNI has partnered with the Department of Health, Social Services and Public Safety (DHSSPS), transferring resources to the Department for the purpose of establishing CMP services. Senior DHSSPS managers noted that the Department deals with strategic and policy issues, not with the commissioning of services (the responsibility of Health and Social Care Boards) or their delivery (the responsibility of local Healthcare Trusts and, operating at the same level, Local Health and Social Care Groups (LHSCGs). In this case, LHSCGs, answering to Board-level managers, were charged with the implementation of the CMP.

The perhaps more complex organisational structures in Northern Ireland may have contributed to initial problems in identifying key budget holders and decision makers within the health sector. DELNI managers described how initial engagement with LHSCGs was positive, but that a lack of contacts at

Health Board level may have resulted in delays in more practical progress towards the rollout of PtW. Health service representatives suggested that DELNI managers, operating within a Department that has both a policy development and a delivery function, perhaps assumed that DHSSPS managers had more direct control over the delivery of services, than is the reality. A DHSSPS manager noted that multi-level partnership working (establishing links at Department, Board and LHSCG level) was required to make PtW work.

We [DHSSPS] don't deliver. Nor do we employ the people who deliver. The Boards even have another step to take before they can get to the people who are going deliver the CMP. The Trusts employ these people. We have had to make clear to DELNI that this is the case.

Senior Manager, DHSSPS

Health service professionals in Northern Ireland also noted that the PtW programme was one among many initiatives being implemented at the local level. A local manager suggested that PtW accounted for “about 10% of management time” within LHSCGs. It was suggested that, in the wake of major healthcare initiatives, PtW had struggled to establish itself as a key priority for some local health service managers.

It's a key welfare to work initiative, and I have no doubt about the knock-on health benefits. But when placed alongside major health policy initiatives being taken forward at the moment, it slips down a bit.

Senior Manager, DHSSPS

An LHSCG manager argued that DELNI officials were correct to target co-operation with LHSCGs first – “it's the right level at which to organise Pathways to Work” – but accepted that internal health service reorganisation, the initial lack of a single lead body driving the health service's contribution, and competing policy priorities meant that there had been some delay in developing the CMP.

In Scotland, the formation of a functioning Pathways to Work partnership appears to have been more easily achieved, partly down to the appointment of dedicated senior managers by the NHS earlier in the process. In both cases, these problems have largely been resolved. In Northern Ireland, the establishment of a joint DELNI-Social Security Agency-DHSSPS committee framework has helped to ensure more effective communication between the key agencies. The allocation of programme leadership responsibilities to one of Northern Ireland's four Health Boards also appears to have sharpened the focus of PtW activities within the health service. In Scotland, initial organisational problems were less severe, and Jobcentre Plus was quickly able to establish a strong working relationship with an appropriate manager at NHS Trust level, who played a vital role in assisting the agency to "navigate" NHS administrative and management structures.

Local flexibility and responsiveness

PtW clearly represents an example of innovative practice. The inclusion of health professionals in the delivery of services has been crucial to delivering the individually responsive services required by inactive clients. The Condition Management Programme (CMP), delivered by health professionals in both Scotland and Northern Ireland, marks a particularly innovative approach to linking health and employability. The CMP involves a series of interventions with clients attending the programme on a voluntary basis. Both individual and group work techniques are used, but all clients receive one-to-one counselling from a dedicated Allied Health Professional (AHP) therapist.

Partnership working can challenge the accepted approaches of all the professional groups involved. CMP leaders in both countries acknowledged that some health professionals had been concerned by the different ethos associated with a programme that focuses on helping people cope with health problems in a work setting, rather than eradicating the health problem first. These concerns appear to have been allayed by the absence of compulsion in this element of PtW, and the quality of provision that CMP teams have been able to develop and deliver.

Sharing knowledge, expertise and resources

The PtW process brings together the expertise of a number of agencies. In both study areas, key agencies have specifically sought to undertake joint-working exercises to share practice and knowledge. With Jobcentre Plus PAs playing a crucial role in assessing and referring clients for the CMP, building trust between these staff and NHS professionals has been particularly important. In a continuing attempt to share knowledge and expertise, NHS staff delivering the CMP have worked alongside Jobcentre Plus advisers during initial interview and assessment meetings with clients. NHS managers suggested that this has had benefits in terms of improving communication between CMP staff and Jobcentre Plus PAs; better informing PAs about the content of the CMP; and gaining the confidence of clients.

The expertise of health service professionals in designing and delivering the CMP was acknowledged by all involved. One Scotland-based health professional pointed to the particular value of basing the CMP within the NHS, with its wealth of professional expertise.

We have great strength in depth. On our team we have people who specialise in drug and alcohol addiction; acute mental healthcare; mental health rehab; community physical healthcare; physiotherapists; occupational therapists; learning disability specialists. We've got a great pool of knowledge, but we also don't worry about referring into other statutory health services if we need to.

Rehabilitation Co-ordinator (NHS), Pathways to Work, Scotland

Improving efficiency and accountability

The PtW approach represented a new way of working for Jobcentre Plus in the Scottish pilot area. The agency has sometimes been criticised for the perceived micro-management of resources and an over-emphasis on rewarding short-term outcomes. The contractualism that governs Jobcentre Plus's relationships with its service providers has also been seen as limiting the flexibility and responsiveness of services, due to time and resources

required for contract management, and the need for bureaucratic ‘hand offs’ (formal referral procedures transferring responsibility for clients/services between agencies). A senior Jobcentre Plus manager involved in the development of PtW in the RIAB area suggested that there had been a clear attempt to move beyond this model.

We realised the need for a different kind of approach. We developed a model that was more informal and client-centred; we tried to cut out ‘hand offs’ and referrals so that the client received a seamless service. We have tried to develop a more informal process of referral between agencies, rather than depending on lots of paperwork and ‘hand offs’.

Senior Manager, IB Innovations Unit, Jobcentre Plus, Scotland

It appears that bureaucratic structures within health services have been more of a brake on the progress of the Pathways programme than any managerialism normally attributed to Jobcentre Plus/DELNI. Senior Jobcentre Plus and DELNI managers spoke of the time associated with “multiple committee clearing” within the health service, a frustration shared by a senior NHS manager in Scotland.

In the Scottish case study area, both NHS and Jobcentre Plus respondents pointed to the innovative funding structures piloted under PtW as contributing to the flexibility and efficiency of the programme. NHS managers have been able to guarantee professionals delivering the CMP the same, or better, pay and conditions as under standard health service contracts, eliminating potential difficulties in recruiting staff. In more general terms, Jobcentre Plus has allowed CMP managers considerable autonomy in managing their own budgets – a freedom that has allowed NHS managers to move staff between roles, address staffing and service gaps without delay, and quickly and effectively modify programme content to meet clients’ needs. NHS managers in Scotland commended the “great deal of trust and flexibility in budgeting” shown by Jobcentre Plus. In Northern Ireland, LHSCG, DHSSPS and DELNI officials also described a “very smooth” process of budget planning and resource transfer.

Gaining legitimisation and local 'buy-in'

DELNI and Jobcentre Plus have made substantial progress in engaging health service professionals in the development of the PtW approach. The flexibility and trust demonstrated by Jobcentre Plus and DELNI appear to have contributed to the sense of commitment and generated buy-in among health service managers, while clinical practitioners involved in delivery have been convinced by the quality and flexibility of the CMP model developed by health professionals in partnership with Jobcentre Plus/DELNI management.

The PtW model also appears to offer positive lessons with regards to gaining the buy-in of clients. Previous attempts to 'activate' claimants of Incapacity Benefit have generated hostility among many, who have seen compulsory activities as an attempt to drive them into work at all costs. Both DELNI/Jobcentre Plus and health professionals in Northern Ireland and Scotland suggested that the involvement of health service staff in the CMP has helped to legitimise this element of the programme. The presence of health service staff has reassured clients that the CMP is a credible service with the capacity (and aim) to positively impact upon their health.

Emerging issues

The two Pathways to Work pilots discussed above are at different stages of development. In Northern Ireland, PtW has been operational only since late 2005, with the CMP element of Pathways providing services since early 2006. At the time of the research, relatively few clients had been recruited to CMP interventions in the largely rural areas that the pilots are targeting in Northern Ireland. In the 'RIAB' pilot area in Scotland, PtW has had much longer to establish itself, among a larger client group, and several hundred clients have benefited from PA services provided by Jobcentre Plus and the CMP delivered by NHS staff.

Despite the different levels of development in the two study areas, there are common lessons regarding partnership formation. It is crucial that lead agencies engage other bodies with the expertise and resources to add value

to partnerships. In both study areas, employment service managers acknowledged the expertise and credibility that health service professionals have brought to the CMP element of the PtW. The large-scale capacity associated with the health service has also provided benefits. The health service is uniquely well placed in terms of its ability to recruit/transfer large numbers of professional staff, link PtW clients with other forms of provision, and provide administrative and organisational support (which, in the Scottish case study area, was credited with helping to contain overhead costs).

The experience of programme leaders in both study areas, but particularly in Northern Ireland, highlighted the need to gain buy-in from senior managers at both delivery and strategic level early in the process. While local providers were initially receptive, and are now delivering the programme, there was a need to engage budget holders and decision makers at the strategic level in order to provide impetus to the health service's contribution to PtW. In Scotland, appropriate senior NHS managers were identified more quickly, and they played a vital role in gaining buy-in from other managers at regional Board and local Trust level, organising NHS input during the development phase, and driving forward delivery of the CMP.

Once established, relationships between Jobcentre Plus/DELNI and the health service appear to have been productive in both countries. The innovative, partnership-based approach pioneered by PtW – underlined by flexible programme content, and devolved management structures and funding arrangements – has helped to build trust and allowed health service managers the time and autonomy required to develop new approaches. It is likely that, with the wider rollout of the programme, more structured funding arrangements and outcome targets will need to be agreed between Jobcentre Plus/DELNI and service providers. But there may be important benefits if PtW is able to retain current management structures that have emphasised local autonomy and flexibility, and partnership working between key agencies.

7.3 WORKING NEIGHBOURHOODS, BIRMINGHAM

7.3.1 Background and Methodology

The Working Neighbourhoods (WN) pilot programme was established in 2004. The purpose of the programme is to provide intensive employment advice to people who are not in work and who live in areas affected by high levels of 'worklessness'.⁶ The Aston area of Birmingham was one of 12 national sites selected as part of the Working Neighbourhoods pilot scheme⁷. WN pilot areas have levels of unemployment up to three times the national average. WN areas have higher rates of sickness and disability, higher rates of lone parenthood, low rates of home ownership and low educational achievement rates. Each site has approximately 6000 residents. Support offered under WN includes:

- Weekly signing at weeks 7-13 and accelerated access to New Deal/Employment Zone programmes after three months for all residents claiming Job Seekers Allowance
- More frequent work-focussed interviews (WFI's) for people claiming Income Support and all partners of customers in receipt of designated benefits.
- More help for new Incapacity Benefit claimants to ensure that employment opportunities are regularly discussed.
- A flexible, discretionary fund for each neighbourhood to allow personal advisors in co-operation with local Strategic partners to tackle the substantial and varied barriers that prevent residents in these neighbourhoods from returning to work.
- Retention payments, in the form of lump sum rewards, to those who move into and remaining in work after previously receiving benefits.

(Source: Jobcentre Plus, 2006)

⁶ Distinct from the 'unemployed', worklessness includes those of working age who are not in work, full-time education or training and not actively seeking work.

⁷ Other sites chosen to participate in the scheme were located in Glasgow, Newcastle, Swansea, London and Sheffield

Participation in the WN pilot is mandatory for some job-seekers. Those who claim Jobseeker's Allowance must take part in the WN pilot or risk having their benefits reduced. Those within the WN pilot areas who claim Income Support and Incapacity Benefit are only required to attend work-focused interviews. For all other job-seekers in the WN pilot areas participation is voluntary (DWP, 2006).

WN in Aston is led by Pertemps Employment Alliance, part of the private sector Pertemps People Development Group (PPDG). The WiN (Working Neighbourhoods) Centre was founded by Pertemps Employment Alliance (PEA) in 2004. The centre is effectively the employment office through which PEA delivers the Working Neighbourhoods scheme in the pilot area of Aston. The area lies in the north west of Birmingham between the city centre to the south and Spaghetti junction to the north. The centre is open plan and covers a floor space of 17,500 square foot. On the ground floor there is an area where personal job advisers provide employment advice to job-seekers, a cafeteria, a kitchen, a children's play area, a Learn Direct centre, a reception area, a job search area, an internet access area, two private rooms and an area for staff of the Employment Zone. In the cafeteria area, an after-school and homework club operates for parents of children who are using the Centres facilities. In the basement of the centre there are facilities for basketball, fitness classes, changing rooms, showers and a pool table. Many of the people that work in the building as employment advisors, job search advisors, kitchen staff and crèche workers live in the local area. The centre has a young, informal feel to it.

The WiN Centre represents a new breed of employment centre. These centres have been referred to as 'one-stop shops'. They recognise that some people experience multiple barriers to employment and that those people need more than simply a basic job-brokerage facility where new employment opportunities are advertised. The staff of the WiN Centre described how some of the people that came to the centre have experienced problems with debt, long-term unemployment, criminality, ill-health, language barriers, childcare and low levels of education. Those people who experience these problems

are more likely to experience problems securing employment, more likely to be on a low income and as a consequence more likely to live in poor, deprived neighbourhoods. It is in these neighbourhoods that the culture of worklessness affects generations of people. Therefore in areas that have experienced deprivation and a culture of worklessness, unemployment is not simply an issue of market mismatch, but of complex social, economic and cultural issues. The location of the WiN Centre in an area that has experienced deprivation reflects the need for one-stop shops to become integrated into deprived communities. By offering a broad range of services that seek to address some of the issues that prevent people from starting or returning to work, there may be more likelihood that some people may begin to address the effects of unemployment.

For example, debt was highlighted by WiN Centre managers as an important barrier to securing employment. Many of the people who sought help from the Centre had difficulty accessing mainstream banking and credit facilities. One effect of this was a dependence on door-step lenders who charged high interest rates. User of the WiN Centre would describe how staying on benefits was a preferable alternative to seeking employment because this would alert the lenders who would then force re-payment. As part of an approach to tackling debt issues, the Centre provided a debt councillor and Credit Union facilities. The debt worker is seconded from a local voluntary organisation called Birmingham Settlement. The WiN Centre funds the full-time salary and management costs of the debt worker. The Credit Union was introduced into the WiN Centre so as to address some of the problems that were created by a dependency on door-step lenders. The Credit Union offers saving and loan facilities. Loans are made available based on the saving record of the individual, rather than their previous credit history.

The case study research focussed on the formation of the partnership to deliver the Aston Working Neighbourhoods scheme. Interviews were conducted with senior managers within PPDG. Interviews were also conducted with employees of PPDG who had responsibility for the day-to-day management of the WN programme in the Aston area of Birmingham.

7.3.2 Benefits and limitations of inter-agency co-operation

Role of inter-agency co-operation

At a strategic level, the delivery of the Aston WN pilot involved partnership between Pertemps Employment Alliance, Jobcentre Plus, Birmingham Alliance, the Local Strategic Partnership, the Birmingham Strategic Employment Alliance and the local authority. Pertemps Employment Alliance (PEA) was established in 2000 to deliver the Birmingham Employment Zone. PEA was awarded the contract to deliver the Working Neighbourhoods pilot that commenced in April 2004. PEA is part of the Pertemps People Development Group, a privately owned Employment Agency. PEA operate within the Birmingham Local Strategic Partnership (LSP) which, in the words of the PEA senior management respondent, 'provides the overall framework for our activities'. PEA operates within a sub-committee of the LSP. The Birmingham LSP was established in 2001 and brings together 'public agencies and representatives of the business, community and voluntary sector to achieve more joined up action, particularly in relation to Neighbourhood Renewal and tackling deprivation' (Birmingham LSP, 2006). Although the respondent from PPDG stated that they have enjoyed 'good support' from the LSP, this could not guarantee success at a local level: "These strategic partnerships are too slow moving to be of practical value in developing services on the ground. We did our own consultation and relied on our own networks and credibility". These networks were established through the experience of PPDG in delivering the Birmingham Employment Zone.

PEA is also represented on the Birmingham Strategic Employment Alliance (SEA). This Alliance was formed by Birmingham Council, Pertemps, the Employment Service, the Benefits Agency and the Learning and Skills Council to oversee reductions in unemployment rates in Birmingham. The senior management respondent within PPDG noted that although partners added value through renewing alliances and sharing information, PEA already had credibility with partners at a local level though the delivery of Employment Zones and Action Teams. In addition to partnerships with the LSP and the SEA, PPDG was also beginning to work closely with the Local Authority in the

delivery of New Deal for Communities. Pertemps have responsibility for the provision of job brokerage services to the Sandwell area of West Midlands.

In terms of delivery, PPDG works closely with Jobcentre Plus. This relationship is important because Jobcentre Plus, under the provisions of Working Neighbourhoods, refer clients to PPDG. For certain categories of benefit claimants in particular post code districts, there is a compulsory referral. Jobcentre Plus have a role in informing local people whose cases have been referred to PPDG of the role of Working Neighbourhoods and the WiN Centre. Jobcentre Plus are effectively the 'gatekeepers' (PPDG senior management respondent) to the services provided by PPDG. In the view of the PPDG respondent it is critical that information that passes between PPDG and Jobcentre Plus is accurate.

Local flexibility and responsiveness

Perhaps the most striking example of partnership working in the Aston WN pilot has been the integration of PPDG with local community groups. The following section tries to understand why this partnership occurred and its purpose within the broader aims of the Aston WN pilot. Prior to their work with the Aston WN pilot, Pertemps Employment Alliance were contractors in the delivery of 3 Action Teams and an Employment Zone in Middlesbrough, Redcar and Cleveland. A DWP (2005) assessment of WN noted:

EZ contractors, who have experience of working in the local area seem to have fared better in delivering the pilots as they already have established networks and contacts and an understanding of the area. WN contractors that are new to local areas and local people appear to have been much slower in getting off the ground.

During an interview with employees of PPDG the importance of having prior experience in the delivery of welfare policy in deprived and marginalised communities was emphasised. In the view of the interviewees, this experience gave them 'credibility' both with contractors and with those at whom the programme is targeted. Within deprived communities there may be

considerable scepticism concerning the role of public employment services. Additionally those who have not worked for a long period of time may be suspicious of public agencies or lacking in the confidence that may allow others to access employment services.

Pertemps in Aston has sought to closely involve local community groups to better identify those most in need of employment advice. During an interview with senior PPDG managers, considerable emphasis was placed on the involvement of the PPDG with local community groups. Several examples of local community groups with which PPDG had been involved were given. These included: Aston football and boxing clubs, local homeless charities, a musicians forum and the provision of rent-free space for community groups.

Developing a coherent service

The multiple-barriers to employment experienced by some within the WN districts require the provision of an employment service that can act as more than a simple job brokerage service. Unemployment may be an outcome of inadequate childcare, low educational attainment, low skills levels or severe debt problems. If some of these barriers to employment can be addressed coherently in a single location then this may increase the likelihood that an individual can move more rapidly into employment. Linkages between PPDG and a range of different service providers enable the provision of services in the WiN centre that address barriers to employment in a coherent manner.

PPDG have a relationship with Jobcentre Plus who, in the view of the respondent, has been a 'close partner'. Trust between PPDG and the Jobcentre Plus is important because there needs to be close sharing of information about clients. Jobcentre Plus also have a role in making job-seekers aware of the services available at the WiN Centre. Jobcentre Plus staff have also occasionally been located in the WiN Centre.

Within the WiN centre there are several examples of partnerships with other public sector organisations that improve the range of services that PPDG, through the WiN centre, are able to offer as part of the WN pilot. Through

forming partnerships with LearnDirect, Birmingham Settlement (debt advice), Birmingham Credit Union Development Agency, Street UK (a charitable loans provider), ESOL (Language tutors for people to learn English), and Community Education and Training Academy (a local organisation that has delivered specialist learning services for hard to reach groups), PPDG are able to contract out all but the core functions of job counseling and job brokerage. This ensures that they are able to exploit local knowledge, increase the range of services on offer, and deepen the centre's relevance to target groups.

Capacity building

There is some evidence that the use of partnerships in the delivery of the WiN pilot may have contributed to the growth of individual partner's expertise, resources and knowledge. Interviewees from PPDG acknowledge that without the co-operation of local partners in the delivery of the WiN pilot, it would have been considerably more difficult to reach those individuals at whom the WN scheme was targeted. Individuals who are the focus of the WN pilot are in some instances at the greatest distance from the labour market and from traditional employment support services. By creating partnerships with local community groups, PPDG were able to exploit those groups understanding of, and connections to, marginalised individuals. In the view of a senior manager within PPDG, *'Partners add value to our services – they have expertise in specific areas such as immigrants and black, minority and ethnic groups'*. It is possible to see here how the broader capacity of PPDG to provide intensive employment support services to highly marginalised members of the pilot area has been improved by creating partnerships with organisations who have pre-existing ties to those at whom services are targeted. From the perspective of PPDG, creating partnerships with local community groups increases the likelihood that PPDG can access those who are remote from the labour market. A senior manager within PPDG described how,

They (partnerships with local community groups) add to our credibility in the community. We are aware that we are a predominantly white

organisation – by partnering with community organisations, and working in the community, we have established a presence and credibility

For community groups, partnerships perhaps increase the likelihood that severely disadvantaged members of their community may receive intensive forms of support to help them to become economically active, thus reducing levels of poverty and marginalisation within their communities.

Gaining legitimisation and local buy-in

In the view of interviewees from PPDG, linkages with local partners were necessary to ensure that the work of the organisation had credibility in the local community. The PPDG respondent described how Pertemps Employment Alliance were a predominantly white organisation operating in an area with a high proportion of individuals from ethnic minorities. This difference in ethnic composition between Pertemps and the WN target area was perceived as a potential obstacle in the delivery of services as it was felt that Pertemps could perhaps lack credibility in the area. In addition there were concerns that many within the Aston area who were long-term unemployed would be unfamiliar and perhaps intimidated by the process of WFI's in an office environment.

Part of the approach to overcoming these obstacles was through the use of partnerships with a range of service providers that could address some of the multiple barriers to employment experienced by job-seekers. Those partnerships located in the WiN centre as discussed above were predominantly related to the provision of services to address multiple barriers to employment. PPDG had also developed partnerships with local groups not located within the WiN centre. These local groups included community groups, youth groups and sports groups.

We view our involvement in the community to be of paramount importance to the success of the project, complementing rather than competing with the work of the local groups. Our outreach workers play a crucial role in the development of partnerships, selling the benefits of

WiN. This approach has encouraged positive activities that have developed local children, whilst providing an invaluable link with parents in order to raise awareness of the WiN pilot programme.

These partnerships appear to be slightly different to partnerships with the services that are located in the WiN centre. Community based services are a softer approach to gaining recognition and legitimacy for the WiN pilot in the Aston area. These partnerships are also a method for allowing PPDG to adapt the services they provide by allowing these community groups to suggest improvements. A senior manager within PPDG described how, *'there have been examples of changes made to our approach due to advice, input from local partners'*. Local community partners are sought who *'can deliver added value'* (PPDG senior manager). PPDG does not seek to impose targets on local community partners. Rather it seeks partners who broadly reflect the aims of PPDG. This focus on softer outcomes was described by a senior manager within PPDG:

PPDG identifies partners on the basis of who can deliver added value. The task is too huge for any one organisation – need the right mix of people and expertise. Our work with local delivery organisations is based on a series of discussions where we establish shared understanding. We do not seek to impose rigorous targets of outputs – more concerned that organisations act in line with our shared beliefs and values than undertake activity for activity's sake.

Emerging issues

The Aston Working Neighbourhoods pilot ought to be understood as part of the continuation of moves to decentralise and liberalise welfare services. It represents a realisation that unemployment and a culture of worklessness require a multi-agency approach. Unemployment is not viewed solely as the outcome of macro-economic circumstances but as being indicative of the presence of social, cultural and economic barriers to employment at a local level. Although the Working Neighbourhoods pilots are now finished, the WN

pilot has been included here because it is representative of a recent trend within UK welfare policy towards the provision of specialised employment support services. In recognition of the multiple barriers to employment experienced by the recipients of these specialized services, partnerships are viewed as a means of incorporating a wide range of services to form part of a more holistic approach to the treatment of unemployment.

In spite of the limited data available for the Aston WN pilot, there are some grounds for optimism from the WN pilot. Across the two year period slightly more than 40% of all those who registered with the WiN Centre secured employment. Encouragingly, many of those who attended the Win Centre did so voluntarily. The Centre also appears to have had some success in encouraging good job retention rates amongst those in receipt of Lone Parent benefits, with job retention rates of above 60% for JSA claimants amongst those who secured employment. However a purely quantitative assessment of the WiN Centre is too narrow a measure of the work of the centre. Employees of PPDG in the WiN Centre appear dedicated and enthusiastic. They have a clear belief in the value of what they do and appear driven and committed to improving the employment prospects of the centres users. Many of those who work within the centre are themselves from the local community, having been recruited for their 'ability to communicate and interact with clients (which) was considered more important than academic qualifications' (PPDG, 2006).

The following discussion seeks to provide an overview of factors that were critical to the formation of partnerships in the delivery of the WN pilot.

Developing Links with the Local Community. The methods employed by PPDG to develop and strengthen ties to the community made considerable use of the Flexible Discretionary Fund component of the Working Neighbourhoods pilot. This fund provided £1 million pounds per year for WN contractors to develop 'community focussed initiatives or to help individual customers with the expectation that the majority of it will be spent on community based projects' (ODPM, 2006).

The forms of partnership that we see in the Aston WN pilot are widespread and include informal links between PPDG and small local community groups and formalised partnerships with the Local Strategic Partnership. The former partnerships ought to be viewed as part of a broader strategy of seeking credibility and acceptance within communities that contain high proportions of people affected by a culture of worklessness, and are in part attributable to the use of Flexible Discretionary Funds disseminated through local community groups.

The partnerships with local community groups developed by PPDG are informal and loose. PPDG do not appear to prescribe specific outcomes for partners, preferring instead to choose partners who have contact with highly marginalised individuals who are distant from the labour market. These informal, loose partnerships are made possible by the presence of a Flexible Discretionary Fund that allows personal advisors, in co-operation with local partners, to make decisions at a local level as to the most appropriate means of tackling barriers to work. PPDG appear to have used this fund to develop a network of local community groups who have contact with individuals at whom the WN pilot is targeted. These forms of partnership are distinct from the more formally constituted arrangements that are evident in the relationships between government departments and agencies as is evident in centralised welfare states. The development of informal partnership arrangements recognises that certain groups and individuals may not respond to a traditional partnership structure involving desk-based meetings and structured protocols for interaction.

Therefore the use of localised informal funding arrangements may be a valuable tool for creating partnerships where fragmented communities lack ties to employment service providers. Flexible funding arrangements may be a valuable tool for creating buy-in to employment support services whilst creating credibility for, and awareness of, the service provider. Critically however, those employment service providers that possessed pre-existing ties to individuals at a distance from the labour market appeared to enjoy more success in delivering specialised employment services. A Department of

Work and Pensions assessment of the WN pilots nationally, noted that those contractors, including PPDG, who had prior experience of managing Actions Teams and Employment Zones, '*seem to have fared better in delivering the pilots as they already have established networks and contacts and an understanding of the area. WNP contractors that are new to local areas and local people appear to have been much slower in getting off the ground*' (DWP Evaluation, 2005). Therefore the combined use of pre-existing ties to community groups and flexible funding arrangements to build community buy-in, may offer a means of incorporating individuals who are at a distance from the labour market into a tailored employment support process.

The Co-location of Services. Perhaps the most readily applicable lesson evident from the WN pilot case study was the positive benefits associated with the co-location of a wide range of services in a single location. Although certain forms of partnerships formed to deliver the WN pilot were the outcome of strategic level arrangements with local public bodies, the most striking examples of joint-working were evident where there occurred a co-location of services. The design of the WiN centre allowed a range of services to be made available that sought to address the multi-barriers to employment experienced by some within the locality. In this way, an individual could access debt advice, language classes, the internet, job vacancies, childcare and restaurant facilities and a job advisor in the same accessible, central location within walking distance of their home.

The provision of these services represents recognition that some individuals experience multiple-barriers to employment. Poor health, low levels of education and skills and language difficulties are issues that require a multi-agency approach. As such, inter-agency co-operation in these situations allows the job advisor to develop a broader understanding of the progression, or otherwise, of the individual towards the labour market.

7.4 TRANSITIONAL EMPLOYMENT PROGRAMME, BELFAST

7.4.1 Background and methodology

Supported as part of DELNI's 'Targeted Initiatives' scheme, the 'Job Direct' Transitional Employment Programme (TEP) has operated in the Greater Shankill area of Belfast since 2003. The programme involves clients voluntarily signing up to participate in a 50 week employment placement, with participating employers receiving a wage subsidy, and programme participants therefore receiving a 'rate for the job' wage (based on a 30 hour working week). Programme participants receive continuing counselling and support from a Support Worker based at the lead delivery organisation (in this case North City Training), other partners and employers during the placement period. Specialist 'essential skills' training is also available.

TEP shares the aims of the 'StepUp' project in Great Britain, targeting clients who have not entered work despite their participation in the New Deal (as well as lone parents, the disabled, and other disadvantaged groups) and seeking to assist them into work through supported waged work placements. Two pilot TEP initiatives were established in Belfast (in West Belfast and the Greater Shankill) in 2003, processing 388 participants between them at the time of the research (May 2006). The Greater Shankill TEP reports a job entry rate of approximately 40% (this is in line with the average for other TEP areas, and compares favourably with success rates reported by the mandatory StepUp).

The case study research involved a review of evaluation and policy literature, and interviews with key stakeholders, including: two senior members of the DELNI employment services team (the funder); the Director and two employees at North City Training (the lead partner); representatives of three community organisations involved in the TEP as both delivery consortium members and employers providing placement opportunities; and one trainee participating in a TEP work placement.

7.4.2 Benefits and limitations of inter-agency co-operation

Role of inter-agency co-operation

Respondents noted that the development of the TEP partnership was greatly facilitated by the history of long-standing formal and informal co-operation between community-based organisations in the Greater Shankill area. Accordingly, NCT managers suggested that they had had access to a 'ready made' partnership, with community organisations able to recruit and inform residents regarding the TEP, provide support for participants and legitimacy for the programme, and in some cases offer employment placements. TEP lead partner representatives noted the important role played here by community sector partners, but also suggested that future programmes should seek to more directly target public and private sector work placement opportunities. It was suggested that, while the support provided to placement participants by voluntary and community organisations was invaluable, the instability of funding to these organisations limited the sustainability of placements after the TEP subsidy had run out (one of the initial aims of the programme was that employers providing placements could be persuaded to retain participants in unsubsidised jobs).

Employers have necessarily been key partners in the TEP, by providing work experience placements for clients. NCT representatives described the substantial problems in engaging employers given the relatively 'low employer base' in the Greater Shankill area (where many employers are also small enterprises). Despite the presence of over-arching local strategic bodies such as the Employment Services Board and Employers' Forum, NCT staff largely depended on their own networking with employers to identify placement opportunities. The expertise of individual NCT staff members in building trust with employers would appear to have been crucial.

Local flexibility and responsiveness

There were a number of positives associated with basing the TEP within a local training provider with strong links to community organisations and local employers. The lead partner, and therefore the programme, reflected the

challenges faced by both employers and job seekers in the Greater Shankill area. Aware of the geographical parochialism that characterises some unemployed people's job seeking in areas such as the Shankill, NCT staff worked to develop opportunities within local employers or in other areas of the city that were accessible for Shankill residents. NCT's strong existing relationships with employers and community organisations provided a starting point for identifying potential placements. However, NCT staff's local knowledge meant that they were also aware of the scepticism with which many local employers viewed 'training schemes'. As a result, extensive engagement work was undertaken by dedicated employer liaison staff in an attempt to establish a "fresh database" of participating employers. NCT's partnership working with other local community-level organisations also resulted in voluntary sector work placements (which, although playing perhaps too dominant a role in the programme, provided appropriate, supported training opportunities for some more vulnerable clients).

Sharing knowledge, expertise and resources

Local stakeholders welcomed the flexible approach to resourcing the TEP adopted by DELNI, with management of the programme devolved to NCT, supported by a steering committee. The capacity and resources of local voluntary and community organisations to supervise placements was an essential element of the TEP (of course, the same could be said of the private sector employers engaged by NCT). Partnership working with community organisations meant that the TEP was able to tap into the expertise of workers with experience of dealing with specific vulnerable groups (for example, staff at one TEP partner, the Shankill Women's Centre, were able to offer additional advice to programme participants carrying out placements within the Centre on issues ranging from accessing health and education services to locating childcare, as well as providing intensive support for these women returners). Representatives of the same organisation noted that, given their history of successful partnership working with NCT, they were content to refer clients back to the lead partner for advice on job search and tax-benefit issues (areas where it was perceived the lead partner had specific expertise).

Gaining legitimisation and local 'buy-in'

Clearly a key theme of the TEP approach relates to gaining 'buy-in' at the local level, and legitimising the programme through engagement with local stakeholders. At the individual level, a number of partners pointed to the expertise of NCT support workers in building credibility and trust with individual clients, gaining clients' commitment to the TEP process. For NCT representatives, the TEP model itself was important in gaining the buy-in of clients – the combination of high quality support services and long-term placements providing 'real work for a real wage' was seen as offering an attractive incentive for participants, while the emphasis on voluntary participation rather than compulsion enabled support workers to build relationships with clients. Finally, by committing substantial resources in the form of a wage subsidy the TEP has been able to gain the 'buy-in' of employers – as one stakeholder noted, "they see that you are committed and they take the programme more seriously".

Capacity building

At a practical level, the wage subsidy element of the TEP enabled a number of smaller employers with limited financial and organisational capacity to participate in the programme. The TEP partnership itself was also instrumental in facilitating engagement with these employers. For example, the inclusion of a local enterprise partner (Townsend Enterprise Park) in the TEP steering committee led to its further involvement as a placement provider and in supporting a number of its tenant enterprises to become involved in offering placements. Townsend Enterprise Park representatives pointed to the importance of the TEP model's screening processes, carried out by NCT, which sought to ensure that trainees were ready to participate in placements – by accurately assessing and reporting the barriers faced by clients. NCT's screening process reduced the sense of risk experienced by employers and helped to build trust. It was again noted that, without NCT's support, SMEs with limited organisational and training capacity would have struggled to fully participate in the programme.

Emerging issues

The Greater Shankill TEP demonstrates the value of building upon long-standing partnerships, which can provide credibility within disadvantaged communities, access to local knowledge, and (crucially in the case of a work placement programme) links with local employers. The inclusion of a broad range of community sector partners also enabled the TEP to tap into different organisations' expertise in supporting both disadvantaged client groups and participating employers (particularly important given the programme's aim to place job seekers within SMEs with limited organisational and management capacity). In terms of content, the combination of expert Support Worker services and waged work placements helped to ensure the credibility of the programme with job seekers and employers alike. However, an over-reliance on local community sector partners as a source of work placements appears to have generated some problems. The reluctance of some job seekers to travel beyond their local community may have limited opportunities to place clients with a wider range of employers, but all partners acknowledged the need for future wage subsidy programmes to concentrate on partnership-building with private sector employers and the need to reach agreements with the key public agencies that employ many of Northern Ireland's workers.

7.5 JOINED UP FOR JOBS, EDINBURGH

7.5.1 Background and methodology

Joined Up For Jobs (JU4J) is Edinburgh's employability agreement – a joint strategy to promote access to employment across the city.⁸ The strategy and linked activities are co-ordinated by a partnership of: the Capital City Partnership (CCP), Edinburgh's lead partnership on social inclusion and community planning issues; Scottish Enterprise Edinburgh and Lothian (the Local Enterprise Company, with a remit to promote business and skills

⁸ Further information is at: www.joinedupforjobs.org.uk/

development, which includes the 'Careers Scotland' advisory service); Jobcentre Plus; and the City of Edinburgh Council (the local authority).

JU4J is supported by the city's area-based partnerships (formerly known as Social Inclusion Partnerships), which are co-funded through the Capital City Partnership. Through the strategy, partners work together to co-ordinate employability provision so that it focuses on the needs of target groups with particular barriers to work, while helping employers with their skills and workforce needs. JU4J seeks to inform the work of local area-based labour market intermediaries and specialist agencies addressing the needs of hard to reach client groups ranging from ex-offenders to the disabled; from women returners and minority ethnic groups to disadvantaged young people (key JU4J partners have financially supported the work of these organisations). JU4J has also seen the establishment of seven sectoral Employment Academies (initially funded by Scottish Enterprise Edinburgh and Lothian, Jobcentre Plus, local authorities, the Scottish Executive and other agencies) which tailor training to the needs of their industries, and which aim to match unemployed people to training and employment opportunities.

The case study research involved a review of strategy, research and policy documents. In-depth interviews were conducted with senior policy officials at Jobcentre Plus, Capital City Partnership, Careers Scotland, Scottish Enterprise Edinburgh and Lothian and the City of Edinburgh Council. The case study also drew on the findings of a recent study conducted by the research team on JU4J, which included interviews with representatives of key stakeholders and delivery agencies, and research with participating employers and job seekers.

7.5.2 Benefits and limitations of inter-agency co-operation

Role of inter-agency co-operation

Edinburgh's JU4J strategy represents a comprehensive attempt to bring together employability services and inform the work of key stakeholders through a joined up, client-centred and demand-led approach. The

partnership has been cited in the Scottish Executive's Employability Framework (see 7.6 below) as an example of good practice. Partnership working is crucial both to strategic planning towards joined up services (involving Jobcentre Plus, Scottish Enterprise and key local stakeholders) and in the delivery of provision.

At the strategic level, JU4J has created a joint strategy and framework for action that has gained the buy-in of all major funders and policy actors. The JU4J partnership has also enabled these funders/organisations to build relationships at the local level. For Jobcentre Plus, the partnership has helped to formalise, focus and strengthen relationships with a range of delivery agencies and strategic partners.

Joined Up For Jobs has been helpful in building one-to-one relationships with local intermediaries. We would still have had these relationships, but Joined Up For Jobs has definitely helped. It's made it easier to establish co-operation... having a solid structure helps to establish these links.

Senior Manager, Jobcentre Plus

JU4J offers a model of good practice in engaging employers in partnership. Individual agencies working in disadvantaged local communities have been able to build effective relationships with employers on a one to one basis. The time afforded to these agencies to grow and establish themselves, and the success of certain innovative approaches to improving the employability of clients, has allowed for the development of strong relationships of trust with employers. Most importantly, Edinburgh's Employment Academies – operating in sectors such as retail, hospitality and healthcare – have established strong working relationships with employers. The Academies, headed by professionals with experience of managing in each sector, have persuaded employers to contribute to the development of tailored, sector-specific training; provide work experience placements; and offer job interview guarantees to successful course completers. The results have been impressive – by the end of 2005 nearly 1000 participants had undergone

some form of Academies training, with the majority progressing into work. In some cases, such as the Healthcare Academy (co-funded and managed by the NHS), more than three quarters of participants have entered employment.

Local flexibility and responsiveness

The JU4J partnership appears to have contributed to a more responsive employability service environment. Both area-based and specialist providers complement the standard services provided by Jobcentre Plus. The flexibility of operation afforded to these local providers (many of which operate in the not-for-profit sector) has allowed for experimentation in the delivery of basic pre-employability services, many of which focus on confidence building and personal support. As noted above, the over-arching strategic framework provided by JU4J has also allowed partners to *attempt* to build a consistent suite of services involving area-based approaches, specialist services for particularly disadvantaged groups, and demand-responsive, sector-specific 'Academies' training. Awareness of other services and inter-agency referral practices appear to be relatively strong, although all delivery partners have agreed on the need to improve client tracking and information sharing on programmes and policies.

A local authority representative noted that the development of a city-wide strategy had also helped to overcome 'localism', where community-level stakeholders had previously taken a more insular and protective view of their own areas and client groups. However, JU4J partners noted that the partnership would be required to be increasingly outward looking. There was some frustration that JU4J had not led to more joint working across local authorities, while all partners acknowledged that the 'Edinburgh travel to work area' extended far beyond the city. Local authority representatives highlighted recent progress on partnership working between the City of Edinburgh and neighbouring local authorities, particularly with regard to developing a consistent approach to partnering with Jobcentre Plus. Jobcentre Plus managers also acknowledged the complexities and bureaucracy involved in establishing partnership relations with different local authorities.

Our borders are different... which is an issue. We have to deal with five local authorities separately. In theory, it would be helpful to be able to build relationships with all local authorities through one process. It would be more efficient. At the moment we are completing partnership accords with five different local authorities, so it's five times the work.

Senior Manager, Jobcentre Plus

Sharing knowledge, expertise and resources

The JU4J partnership and strategy provide a link between national and local policy, and employability, economic development and regeneration agendas. The partnership itself was seen by local authority stakeholders as “a vital conduit for communication”, allowing partners to share good practice and discuss problems. The partnership has also helped to ensure that the city can provide job seekers with an improved choice of services, and that agencies are aware of the services that are available. As well as bringing together sector-specific training bodies with key national employability and careers guidance providers such as Jobcentre Plus and Careers Scotland, referral routes and funding programmes have been established with specialists in assisting job seekers with a range of problems, including ex-offenders, people with drug problems and young people leaving looked-after care.

Developing a coherent service

The JU4J strategy has provided greater focus on specific target groups and areas of high unemployment. JU4J partners have specifically sought to develop additional services that are complementary to those provided by Jobcentre Plus. As a local authority representative noted:

We have tried to pitch JU4J at people further from the labour market. We were aware that with agencies like Jobcentre Plus and Scottish Enterprise helping people nearer the labour market, it was crowded at that end of the market. The aim is to avoid duplication and to take action where there are real gaps.

Senior Policy Officer, City of Edinburgh Council

There remain problems related to sharing of client data (reflecting both concerns over client confidentiality and some local organisations' tendency to see themselves as 'owning' certain client groups) and the duplication of services, particularly in relation to matching job seekers with work placements or job opportunities. The need to develop a consistent 'single offer' to employers was acknowledged by a number of partners involved in JU4J. However, key stakeholders suggested that the formalised structure and strategy offered by JU4J had provided the foundation for the emergence of shared aims and approaches, and consistent and complementary services.

Gaining legitimisation and local 'buy-in'

The inclusion of locally-based, not-for-profit organisations as key delivery partners in JU4J has enabled employability services to reach communities and client groups that face severe disadvantage, and which national agencies have struggled to engage. A Jobcentre Plus manager noted that working with local intermediaries had enabled the agency to "gain credibility" in areas of high unemployment. At the same time, the funding and support provided by Capital City Partnership and the local authority (and to a lesser extent the Local Enterprise Company and Jobcentre Plus) for local activities in line with the aims of JU4J appear to have generated credibility for the strategy at the local level. Delivery agencies have acknowledged that the key strategic partners leading JU4J have committed time and resources to support the work of delivery agencies in carrying through the strategy's aims.

Nationally managed bodies such as Jobcentre Plus and Scottish Enterprise emphasised their commitment to working in partnership, but also their obligation to reflect their own organisational priorities and remit. One stakeholder noted the "very robust framework" that governed the ability of Local Enterprise Companies such as Scottish Enterprise Edinburgh and Lothian to engage in partnership and/or fund initiatives, with many key decisions on funding priorities made at senior (national) management level, limiting the freedom of local managers to act.

Emerging issues

Edinburgh's JU4J partnership provides an example of good practice in locally developed approaches to inter-agency co-operation. The success of the partnership has been based on the development of a series of clearly articulated and detailed aims, and the commitment of key local stakeholders (especially the local authority and social inclusion body, the Capital City Partnership). Specific attempts to develop specialist services complementing Jobcentre Plus's standardised provision have proved valuable, while the demand-led sectoral Academies approach pioneered by the city has also been successful. The challenge for JU4J stakeholders is to continue to work towards a coherent suite of complementary services that avoids duplication and delivers joined up provision for job seekers and employers. Local partners would also benefit from a more flexible approach to funding and partnering from national agencies such as Jobcentre Plus.

7.6 DEVELOPING AN EMPLOYABILITY FRAMEWORK FOR SCOTLAND

7.6.1 Background and methodology

In 2004, the Scottish Executive established a process designed to produce an 'Employability Framework' and Action Plan. 'Workforce Plus: an Employability Framework for Scotland' was launched in June 2006.⁹ The aim of the project was to establish mechanisms to increase the chances of continued employment for vulnerable and disadvantaged groups throughout Scotland. The Employability Framework that emerged from this process particularly prioritises improving co-operation and efficiency in local employability services, and ensuring that employability is mainstreamed through a range of Scottish Executive policy areas. The Framework was developed in collaboration with five expert workstream groups focusing on:

- barriers faced by workless client groups;
- employer engagement and employment demand;

⁹ <http://www.scotland.gov.uk/Topics/Business-Industry/Employability/Intro>

- employability interventions;
- problems related to low paid, low skilled work;
- barriers of young people not in education, employment and training.

The case study research involved a review of the Framework and research and policy documents produced by each workstream group.¹⁰ In-depth interviews were conducted with two senior civil servants at the Scottish Executive responsible for managing the Employability Framework's development. A further three interviews were undertaken with representatives of a Scottish Executive department, a private consultancy firm, and a third sector/social economy organisation involved in two individual workstreams (those focusing on 'workless client groups' and 'employability interventions').

7.6.2 Benefits and limitations of inter-agency co-operation

Role of inter-agency co-operation

Inter-agency co-operation was vital to the development of the Employability Framework. The process was led by the 'Transitions to Work Team' within the Scottish Executive's 'Enterprise, Transport and Lifelong Learning Department', working closely with the 'Development Department', which oversees community regeneration activities. The Scottish Executive then established the five short-life workstream groups, with chairs appointed from outside the Executive, which planned their own work and drafted initial conclusions. Groups had 15-20 members, drawn from: the Scottish Executive; Jobcentre Plus; other key government agencies; local government; employers/employer representatives; private sector service providers and research consultancies; voluntary organisations and educational institutions.

The expertise of group members, in some cases combined with commissioned research, informed discussions over a series of 4-5 monthly meetings. The Scottish Executive provided the secretariat function for each group. These core groups were each advised by a wider reference group,

¹⁰ Workstream reports: www.scotland.gov.uk/Topics/Business-Industry/Employability/Workstreams

while senior civil servants from the Scottish Executive, workstream chairs, and other interested parties joined a steering group charged with managing the process and bringing together the evidence and the conclusions from each workstream within a coherent final framework.

The Employability Framework calls for improved partnership working, 'raising the bar' on achieving outcomes for job seekers, but also articulates a number of valuable, practical, more specific aims in relation to the need to:

- progress towards shared client assessment and monitoring systems;
- take action to build capacity and skills within local service providers;
- develop a single approach to employers, offering employers "coherent access to the range of support available" (Scottish Executive, 2006: 23) – a 'single employer contact point' pilot will be developed in early course;
- move towards a coherent 'Local Employability Service' model rather than the current "competitive free-for-all" (Scottish Executive, 2006: 17).

In terms of implementation, the Scottish Executive has called for the establishment of local 'Workforce Plus Partnerships' in seven local authorities characterised by particularly high rates of worklessness, which will provide the focus for funding and new activity. The Executive has allocated a total of £11.2 million to these areas during 2006-07 and 2007-08. A National Partnership body, headed by the Scottish Executive, will support local actions and promote action within the Scottish Executive to mainstream employability as a goal within competency areas such as: education; childcare; health; regeneration; economic development; homelessness; justice; and public procurement.

Developing flexible and responsive policy solutions

Scottish Executive and external representatives suggested that the breadth of expertise included within the workstream process had informed a wide-ranging discussion of policy options, which it is hoped will, in turn, inform innovative and responsive policy solutions in the target areas. Partnership working can produce innovative policy by generating new ideas and challenging the assumptions of those involved, and these benefits appear to

have been present during the development of the Employability Framework. Respondents involved in the 'employability interventions' workstream noted the value of drawing expert membership from a wide range of sources, including professionals from outside Scotland, who it was suggested "didn't have the same 'baggage'" or loyalty to particular policy agendas as some other stakeholders.

Sharing knowledge, expertise and resources

The Scottish Executive's approach was based around the idea that expertise from academic, policy and service professionals should inform the work of each group. The 'employability interventions' chair encouraged the use of workshop-based discussions to reap the maximum benefit from all workstream experts, which proved more effective than longer, 'round table' discussions. The breadth and quality of the membership of workstream groups was again highlighted as a strength by both group members and Scottish Executive representatives. A member of the 'workless clients' workstream suggested that voluntary organisations with unrivalled expertise in the problems of particular groups (such as job seekers with mental health problems) had provided particularly informative and forceful contributions.

Workstream members commended the performance of Scottish Executive officials, who facilitated activities, in ensuring that specialist organisations were able to contribute without getting drawn into representing only their own narrow interests. A member of the 'workless clients' workstream described the groups' shared progress towards a common understanding of the Employability Framework's broader objectives.

We made good progress once we had got over the resistance of some groups who were representing their own client group. We had to convince them that the needs of their client group were not getting lost, but that we were trying to draw out commonalities between the groups, as well some of the distinctive problems.

Workstream Member, Scottish Employability Framework

In more general terms, workstream participants acknowledged that Scottish Executive professionals provided an effective secretariat and made valuable contributions to discussions, but without seeking to control the debate. A workstream member noted that Scottish Executive officials nonetheless provided an important sense of focus.

The Executive contributed, but was in a listening mode. They listened; they didn't apply pressure. But they helped set the context – they made it clear that it was about improving performance; they made it clear that we should focus on what we can achieve, what we can do in Scotland, and not wander into policy areas where we have limited control.

Workstream Member, Scottish Employability Framework

Gaining legitimisation and local 'buy-in'

The Framework, and the funding and proposed actions that accompany it, challenge local stakeholders to 'raise the bar' and improve performance by developing more responsive and joined up services. Scottish Executive and workstream respondents noted the importance of having "all the key players around the table", which it is hoped will give legitimacy to the actions required to improve the coherence of employability services. As one workstream member noted:

A lot of specialist organisations offer superb services, but they offer them whether people need them or not. There is scope for re-organisation, for bringing specialists together within better organised service units.

Workstream Member, Scottish Employability Framework

This workstream member and other key stakeholders hoped that, given that these conclusions had been reached by representatives of government, local authorities, community and voluntary organisations together, there would be greater acceptance of the need for change in the organisation of services.

Including, and gaining the 'buy-in' of, employers was also a priority for the Employability Framework process. Accordingly, representative organisations, Sector Skills Councils and individual employers were prominent in the development phase. Some stakeholders raised the concern that, with the establishment of a specific 'employment demand' workstream, employer engagement issues were in danger of being 'siphoned off' rather than mainstreamed through all aspects of the employability agenda. However, the final Framework reflects a strong interest in developing demand-led interventions, characterised by providers delivering 'what employers want'.

Emerging issues

The development of the Scottish Employability Framework is the first step in a process that has the potential to positively impact on the coherence and performance of services in Scotland. The Scottish Executive included a broad range of actors, each bringing specific experience and expertise to the process. The Executive was also in 'listening mode' – rather than seeking to impose its own views, it allowed these actors a strong degree of autonomy (within agreed parameters) to pursue the issues affecting their area of expertise. The result has been a Framework for action that accurately identifies a number of key issues that need to be addressed in improving employability provision. Service professionals and job seekers will particularly benefit from proposed actions on aligning local funding streams, developing shared client assessment and tracking, and piloting a single employer contact point. However, the Employability Framework has struggled to deal with some of the 'tough' issues. In particular, it fails to address how national agencies like Scottish Enterprise and Jobcentre Plus, which control large budgets and major programmes but struggle to compromise due to institutional structures and organisational priorities, can be persuaded to align their funding and services to more effectively respond to the needs of local labour markets.

7.7 CONCLUSIONS AND ISSUES FOR NORTHERN IRELAND

7.7.1 Key success factors in inter-agency co-operation

The case studies discussed above deal with a range of different client groups and policy issues, drawing from experiences in England, Northern Ireland and Scotland. Despite the diversity of these examples of good practice, a number of key themes can be identified in relation to the development of inter-agency approaches to employability.

- **A clear strategic focus** – the most effective models of inter-agency co-operation appear to be characterised by a clear policy focus and agreement between partners on the need for action, and the necessity of partnership-based approaches. For example, in the case of Pathways to Work (PtW), Jobcentre Plus and DELNI are clear that their shift in focus to address the needs of those claiming incapacity benefits requires new approaches, and the expertise of health service partners. At the local and national level, there can be benefits in formally articulating the rationale and objectives of inter-agency co-operation. Edinburgh's Joined Up For Jobs partnership has developed a detailed strategy that clarifies how the partnership (and the activities it supports) will complement standard public employment services through a range of specialist provision, area-based initiatives and sectoral, demand-led training.
- **Partnerships include the 'right' people and organisations** – many of the partnerships discussed above have been characterised by a broad, but valuable, mix of expertise and experience. At the core of the Pathways to Work initiatives in Scotland and Northern Ireland is a partnership between PES officers, expert in managing employability programmes and delivering Personal Adviser services, and health professionals with experience in providing condition management care. This partnership has ensured the development of high quality services, while the inclusion of health service providers has added to the programme's credibility with clients. Initiatives such as Working Neighbourhoods in Birmingham and

the Greater Shankill TEP demonstrate the value of including community organisations in partnership working, with benefits in terms of legitimisation and local buy-in, and practical value in 'reaching out' to communities and employers.

- **Getting employers on board** – the partnerships at the centre of projects such as the Greater Shankill TEP and Edinburgh's Joined Up For Jobs have recognised the value of gaining the commitment of employers. Edinburgh's Employment Academies model is particularly innovative, linking specialist training providers with employers who have been persuaded to provide work placements and interview guarantees. DELNI's funding of waged placements within participating companies enabled the TEP to offer clients 'real work' experience, while incentivising employers to provide these opportunities. The greater sustainability and job entry achieved through TEP subsidised placements in the private sector point to the importance of targeting wage subsidy programmes at employers in the mainstream labour market.
- **Capacity for co-operation and mutualism** – Pathways to Work pilots have been distinguished by the flexibility that DELNI and Jobcentre Plus have demonstrated in partnering with health service organisations. A rigid commitment to complex contractual or service level agreements may have restricted the ability of health service managers to plan and develop the Condition Management element of Pathways, but DELNI/Jobcentre Plus have instead engendered trust by sharing responsibility for the programme development and establishing relatively flexible funding mechanisms. Similar flexible funding arrangements helped to promote partnership working under Working Neighbourhoods, Birmingham. In more general terms, however, key national funding agencies such as Jobcentre Plus have sometimes struggled to share decision making or pool resources with other partners, due to institutional constraints and highly structured financial management (reflected in the findings of the Joined Up For Jobs and Scottish Employability Framework case studies).
- **Incentives for partners and inter-dependency** – effective models of inter-agency co-operation in Great Britain and Northern Ireland have been able to demonstrate benefits for *all* partners. Local initiatives that have

worked closely in partnership with employers (such as the Greater Shankill TEP or Edinburgh's Joined Up For Jobs) have offered clear incentives in the form of wage subsidies or access to job candidates who have completed sector-specific training. These benefits would not otherwise be available to employers, just as the added value provided by employers – in the form of work placements, on-the-job training and interview guarantees – would not be available through standard employability interventions delivered by service providers alone.

7.7.2 Potential for and limitations of policy transfer

Some of the initiatives discussed above, or similar programmes, have been established in Northern Ireland for some time. However, there remains value in reviewing lessons for future policy from existing practice in Northern Ireland and discussing the transferability of Scottish and English policies.

Pathways to Work (PtW) is being piloted in both Great Britain and Northern Ireland. Policy makers await with interest results from the Pathways pilots. However, the partnerships that have developed and delivered the programme are innovative in their form and approach and, if successful, may provide an effective model for future interventions. Resources have been transferred to health providers based on memoranda of understanding that allow considerable flexibility in recruitment, resource allocation and programme management. There are potential benefits in such an approach – it has generated buy-in among health service partners who have valued the freedom to develop and manage the Condition Management element of the programme (working closely in partnership with DELNI/Jobcentre Plus managers and staff); and it devolves and shares programme leadership with experts who have appropriate knowledge, rather than seeking to micro-manage a complex inter-agency project from the top-down. As PtW is rolled out in Northern Ireland more formalised contractual mechanisms may be put in place, but it is important that PES and health service officers maintain a partnership-based approach, and where possible DELNI should seek to curtail reporting and management requirements, and avoid over-bureaucratic

financial reward structures. The positive experience of partnership working reported by Pathways stakeholders may also offer lessons for future programmes seeking to link employability with other policy agendas.

PtW also highlights the more general benefits in seeking to link employability with other areas of public policy. Health service organisations have proved to be valuable partners, contributing expertise, experience in managing large projects, and the administrative and human resource capacity associated with major public organisations. The same economies of scale and range of expertise would be difficult to locate outside the public sector. Policy makers in Scotland and elsewhere are considering how best to 'mainstream employability' in other policy areas (for example, by linking employability provision to childcare, health, housing and lifelong learning agendas). There may be value in Northern Ireland policy officers reviewing practice in this area. In the more immediate term, public health service organisations are likely to remain a key partner in the roll out of Pathways to Work and related initiatives – while there may be benefits associated with the inclusion of private health providers in terms of expanding capacity, a central role for health service professionals is essential to guarantee high quality services.

Examples such as the Greater Shankill TEP and Edinburgh's Joined Up For Jobs demonstrate the value of innovative approaches to engaging employers. The use of wage subsidies to gain employer buy-in and facilitate supported work placements (i.e. an Intermediate Labour Market -type approach) has proved effective in a number of areas. The results in Belfast have been mixed, but waged work placements may still offer an effective route into sustainable employment, particularly if focused on private sector employers or major public organisations, which are more likely to be able to provide long-term job opportunities. Joined Up For Jobs, rather than relying on wage subsidies, has gained employer buy-in through the development of sectoral training Academies, where employers have contributed to the design of provision, provided short work experience placements, and offered interview guarantees for programme completers. There may be value in national and local policy

makers considering the scope for the introduction of a similar model, particularly in sectors and areas reporting labour and skills shortages.

Finally, in terms of strategic and planning partnerships, there is some evidence of added value resulting from the development of clear and detailed joint strategies on employability (which must be backed up by a commitment to action among key stakeholders). Edinburgh's Joined Up For Jobs has produced a detailed strategy and 'service delivery model' articulating the aims and approach of the partnership. The strategy produced by the partnership has provided a sense of focus, while formal partnership groups and dissemination tools (including an e-newsletter and quarterly magazine) have improved communication. Such formal strategies and structures are of little value without a broader commitment to sharing resources and working together, but in Edinburgh's case Joined Up For Jobs has provided a focus for coherent action and a tool for sharing practice. There may be value in local stakeholders in Northern Ireland considering how best to formalise their own joint working on employability, drawing on existing examples of good practice.

Similarly, in relation to national strategies, it is hoped that the Scottish Executive's Employability Framework will add value by articulating the Scottish Executive's priorities in relation to employability, providing a focal point and context for local policy action. There has again been concern that the formal strategy must be backed by action, and the Scottish Executive has remitted the development of community-level partnerships and pledged additional resources to promote progress locally, while itself committing to 'mainstreaming employability' as an objective in policy areas where it has competencies, such as childcare, healthcare, regeneration and lifelong learning. The Framework is arguably less clear about how to more effectively engage employers and national funders such as Jobcentre Plus in flexible local partnership working, but the Scottish Executive has nevertheless made a valuable contribution by considering how it can best complement and add value to existing strategies on employability.

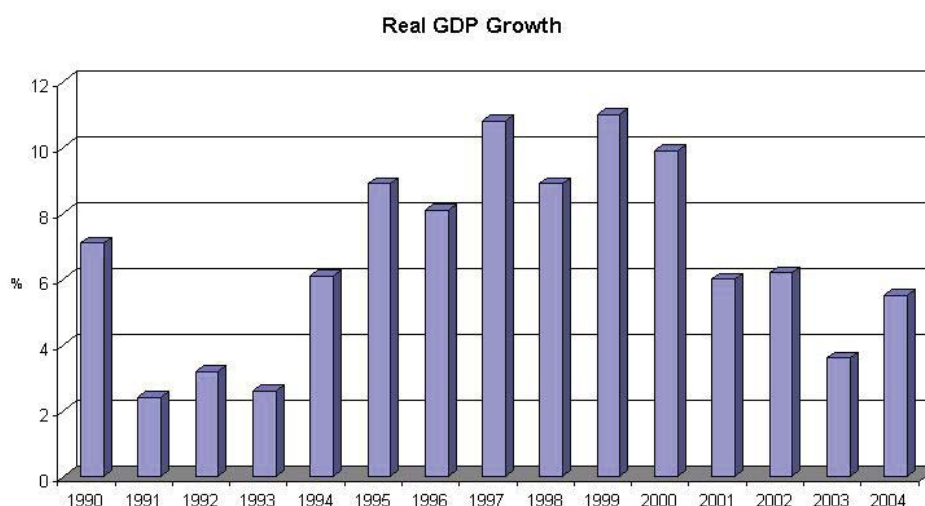
Northern Ireland policy makers have previously supported the development of national strategies on employability, but there may be value in revisiting the country's national framework for policy action, with particular reference to improving local partnership working and mainstreaming employability in public services. There may also be value in considering whether Northern Ireland would benefit from a similarly innovative process of strategy development, replicating the Scottish Executive's approach, which saw the inclusion of actors from outside Scotland alongside a broad range of domestic policy experts, who were together able to develop ideas within a general agenda agreed with Executive policy officers.

PART 8. IRELAND: SOCIAL AND CIVIL PARTNERSHIP AND INTER-AGENCY CO-OPERATION ON EMPLOYABILITY

8.1 INTRODUCTION AND METHODOLOGY

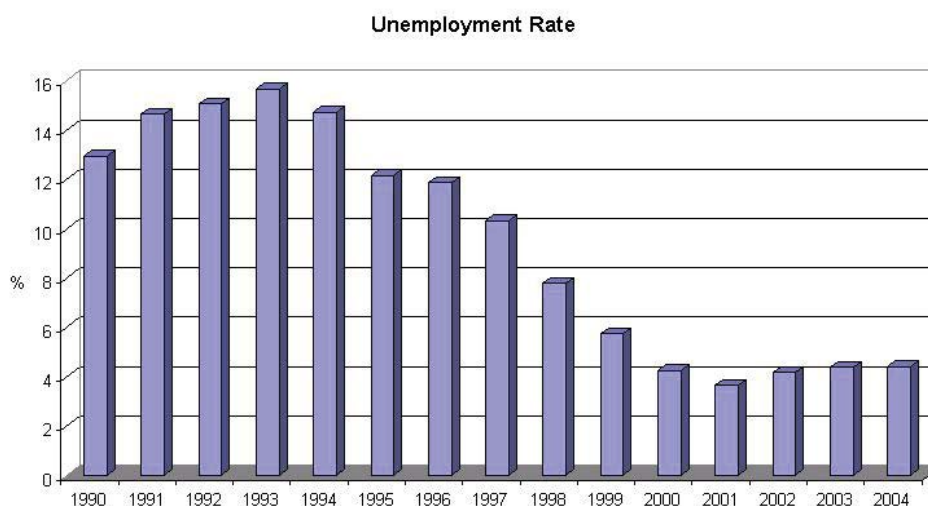
This section of the report describes some characteristics of the Irish economy and the outcome of research conducted in Ireland on best practice in inter-agency co-operation on employability. The Irish economic recovery throughout the 1990's has been well documented, but it is worth reiterating some of the key indicators of economic success as there are clear implications for both active labour market policies and partnership arrangements. Throughout the 1990's the Irish economy grew rapidly at a rate far exceeding that of its European neighbours. In the period between 1993 and 1998 the Irish economy grew at annual rates in excess of 8% as indicated in graph 8.1.

Graph 8.1: Real GDP Growth in Ireland, 1990-2004



Economic growth also had a positive impact upon the unemployment rate. Unemployment rates declined from almost 18% in 1987 to almost 8% in 1998 to slightly more than 4% in 2003. However the decline in unemployment rates lagged considerably behind the growth of the economy.

Graph 8.2: Irish Unemployment Rates, 1990 – 2004.



As is evident from graph 8.2, there has been a general improvement in the unemployment rate since 1990. However unemployment rates in Ireland have been insulated from the huge economic growth to some extent by in-migration and an increase in female participation in the workforce. These two factors mean that, to some extent, the Irish economy has absorbed labour not from the pool of job-seekers but from a pool of workers who were not previously part of the Irish labour market.

The case study describes the outcome of research carried out in Ireland into forms of active labour market policies in Ireland and interaction between departments, agencies and community bodies on the delivery of those policies. The methodology for the Irish case study involved, a review of relevant policy and research literature, in depth face-to-face interviews with employees of FÁS (the national training and employment authority), the Department for Social and Family Affairs (DSFA) (the welfare administration office), the Northside Partnership (a partnership with responsibility for Community Employment programmes) and individuals involved in the management of a specific Community Employment programme.

8.2 KEY POLICIES TO PROMOTE EMPLOYABILITY

What are the implications of recent changes to the Irish economy for inter-agency co-operation in the delivery of employability programmes? In spite of an overall fall in unemployment rates and a substantial increase in national wealth in the previous two decades, there has remained a group of young (15-25) and older (45>) workers who, through a limited education and skills set, have been unable to participate in the improvement of social and economic conditions in their country. As far back as 1990, an Irish government advisory body, the National Economic and Social Council, noted that the problems faced by the unemployed required a multi-agency approach rather than the existing (sic) departmentalised approach:

'Currently, social policies and services operate on a 'functional' or 'departmental' basis (health, social welfare, and others) without any coherent attempt to integrate services at local levels. Clearly, many low income communities are affected by the services, and receive resources from a range of state agencies...Evidence suggests that concerted, intensive programmes in small areas, containing elements of housing and environmental improvement, as well as retraining and employment schemes and 'outreach' health and educational projects, can have an impact over and above the separate effects of individual programmes' (NESC, 1990: 74).

The reasons for the economic difficulties experienced by Ireland in the 1980's and early 1990's when there was high unemployment and low GDP growth are less significant to this case study than the reaction to economic crisis and the subsequent effects on the development of partnership and employment policy. At a time of deep economic difficulty, Irish social partners came together in 1986 to address the problems of economic stagnation, rising taxes and high debt. The Program for National Recovery which ran from 1987 to 1990, involved centralised wage bargaining between employers, trade unions, farming interests, and government on wage levels in the private and public

sector (O'Donnell, 1998). The agreement also sought to ensure 'ongoing dialogue between government and the social partners on key economic and social policy issues' (O'Donnell, 1998: 11). The following decade saw the continuation of this partnership approach to the evolution of social and economic policy.

To provide some context to the Irish approach to labour market programmes, it is useful to situate Irish expenditure on labour market programmes in the context of OECD countries expenditure. In 2003, Ireland spent 2.2% of its GDP on labour market programmes. 1.14% of that figure was composed of active labour market programmes. At the same time, UK expenditure on labour market programmes was 0.74% of GDP. Half of that figure was composed of active labour market policies. These levels of expenditure are considerably below that of the social democratic welfare regimes where expenditure on active and passive labour market programmes may be as high as 4.62% as occurs in Denmark. Amongst OECD countries, Ireland occupies a position of relatively greater expenditure on labour market programmes.

The number of people participating in active labour market programmes (ALMP) in Ireland in the period 1998 to 2004 has remained fairly high and steady. Indeed the number of people on ALMP in the period 1999 to 2002 was always at least as high as the number of unemployed. In years 1998, 2003 and 2004 the ratio of total number of ALMP participants to unemployed people was always at least 0.80. As of December 2003, there were 67,201 persons on ALMPs (National Employment Action Plan, 2004).

In an attempt to address the problems of poverty, unemployment and social exclusion, the Irish government has sought in recent years to involve local communities to a greater extent in addressing these problems. In the previous decade, over a hundred local partnerships have emerged that bring together business, trade unions, community groups and state agencies at a local level to address problems of deprivation. These partnerships are described by Walsh as being based on three key innovations: the establishment of local multi-agency structures for planning and co-ordination, the involvement of

local communities and social groups in decision-making; the promotion of local development and employment initiatives (Walsh J., 2001: 111).

Although several Irish government department and semi-state agencies have an involvement in employability policy, the responsibility for welfare administration and training for the unemployed falls primarily to FÁS (Foras Áiseanna Saothair) and the Department of Social and Family Affairs (DSFA). FÁS is the Irish training and employment authority and has responsibility for the provision of training for the unemployed and the management of a register of job vacancies. FÁS is accountable to the Department for Enterprise Trade and Employment. The DSFA has responsibility for the administration and management of welfare payments and schemes. The service is delivered through 10 regional offices. Although the DSFA and FÁS are separate, they have close formal and informal links. Although FÁS and the DSFA are primarily responsible for issues relating to employability, the multiple barriers to employment experienced by some unemployed individuals requires the involvement of other government departments.

The Department of Taoiseach has close links with FÁS and the Department of Enterprise Trade and Employment (DETE). Major contemporary political issues such as lone parent families and the uptake of disability related benefits are addressed by both the Taoiseach's office, FÁS and DETE. Furthermore the Department of Justice, Equality and Law Reform through the Probation and Welfare service and FÁS co-operate in the provision of employment services to ex-offenders. The Department of Health and Children co-operates with FÁS and the DSFA in the delivery of programmes to address health barriers to unemployment. The Department of Rural and Gaeltacht Affairs has responsibility for local development and the management of the RAPID (Revitalising Areas by Planning, Investment, Development) programmes that target disadvantaged areas in conjunction with DSFA/FAS.

8.3 EVIDENCE FROM THE CASE STUDY RESEARCH

8.3.1 The role of inter-agency co-operation

There is some evidence that the political culture in Ireland has incorporated elements of a consensus based approach to social and economic policy formation. This approach was, as we described in section 8.2, evident in the wage bargaining process established in 1986 to address severe economic difficulties. Since that time the role of partnership and co-operation in the formation of social and economic policy has been expanded to include other elements of Irish society. Murphy (2004) argues that the Irish model of social partnership has come to accommodate employers (Irish Business and Employers Confederation – IBEC), trade unions (Irish Congress of Trade Unions – ICTU), representatives from the farming community, and voluntary and community organisations. 56 working groups have been established to provide these groups with a formal channel through which to express their views whilst cementing these groups into a broader structure of social partnership.

Our research on the role of inter-agency co-operation in Ireland provided some evidence to support the view that there is a culture of social partnership in the organisation of employment policy in Ireland. The board of FAS, who are appointed by the Minister for Enterprise, Trade and Employment, reflect this social partnership approach. The board consists of trade union, employer, employee, DSFA and youth representatives. There is also representation from other government departments including Education and Science and Finance. In the view of the FÁS interviewee the momentum for this partnership is the National Partnership Approach. Furthermore the interviewee from the DSFA also sat on the Board of FAS.

8.3.2 Benefits and limitations of inter-agency co-operation

Local flexibility and responsiveness

Previously we have discussed the role of social partnership in the formation of social and economic policy. One effect of the involvement of various interests in state structures has been the decentralisation of decision making in the field of employment and welfare policy. One aspect of this decentralisation has been the organisational reform within government so as to allow 'decentralised policy implementation in a manner that would permit civic associations a role in the process at the local level' (Murphy, 2004: 3).

The organisation of employment services in Ireland are sufficiently decentralised so as to ensure that localized employment issues can be addressed at a local level. To deliver employment and training services FÁS have contracts with a range of training providers. Although FÁS are a training agency, 'only a minority of FÁS trainees are trained directly by FÁS' (FÁS, 2006). This decentralised provision of training services allows for greater flexibility and diversity in the range of courses offered. Courses are intended 'to be closer to a working, rather than a school, environment' (FÁS, 2006). Consequently there is a need for close co-operation between training providers and those who manage employment programmes (principally the Community Employment scheme). A network of Community Training Centres and Specialist Training Providers for Persons with Disabilities are contracted to provide Local Training Initiatives. The FÁS respondents described how FÁS provide '*a range of contractual arrangements with private providers to meet needs that can't be provided within FÁS. It gives flexibility*'.

This flexibility and responsiveness was evident in a series of interviews with individuals who managed Community Employment (CE) programmes. One of these programmes involved the creation of work opportunities in a childcare scheme. Those who were registered on the CE scheme also had to complete a certified course in childcare. To provide this training the agency with responsibility for the management of CE participants established links with a

local college to provide the certified training. In the following transcript excerpt from an interview with agency employees, the interviewee describes the establishment of ties with the college:

'Community Employment training is in college. We have a very close relationship with local colleges. We approached a local college and explained what CE was and explained what people need, and the college decided to run courses for CE participants. If we feel that they are not running the courses that we would like them to, we approach them. For anyone on CE, their training is free. The relationship with the college is a formal arrangement. Their funding comes through the Department of Education and Science' (Agency interviewee with responsibility for CE participants)

These formal partnership arrangements are a demonstration of the benefits of local flexibility and responsiveness, but also demonstrate the capacity of these individuals to make these decisions locally in response to local issues, such as the need to provide certified childcare training. The capacity of these individuals to make these decisions is effectively permitted in an environment where decision making is decentralised.

Sharing knowledge, expertise and resources

There is strong evidence that the inter-agency linkages between FÁS and the DSFA represent a benefit in terms of the sharing of knowledge, expertise and resources in the delivery of employment, training and welfare services. Although FÁS and the DSFA are separate arms of government, their roles are closely linked. Decisions made by the DSFA on a person's entitlement to specific benefits are effected by their uptake of training programmes provided by FAS. If a person on the Live Register of unemployment declines a training place or fails to complete a period of training without good cause, then there may be implications for that person's entitlement to benefits. Linkages between FÁS and the DSFA have been formalised by the Memorandum of Understanding and Framework for Co-operation. This Memorandum of Understanding (MOU) states that,

'Social Welfare Services and FÁS acknowledge the close liaison and co-operation that has traditionally existed between them at central, regional and local levels in the provision of a range of services and supports to the unemployed (and) to employers. In recognition of the common elements in their respective missions they commit to working closely together to harmonise their endeavours and to increase the effectiveness of their services for unemployed people and other socially excluded groups' (Memorandum of Understanding: 4)

The MOU provides for a structured series of interactions between FÁS and the DSFA. Under the MOU there is a 'framework for co-operation' which provides for the 'continuance, enhancement and expansion of the existing administrative and operational arrangements' between FÁS and DSFA. There also exist protocols for co-operation which include procedures for common approaches to the National Employment Action Plan, the long-term unemployed, persons with disabilities, vocational training and data and information exchange. There is also an agreement for the use of common IT systems so that the DSFA and FÁS have common methods for 'viewing and recording their interactions with customers where it is agreed by both organisations that data should be shared' (Memorandum of Understanding, 2006: 16). The issue of data sharing was discussed with DSFA and FÁS interviewees. DSFA require information from FÁS to make decisions on an individual's continued entitlement to benefits. To disallow a person of their benefits requires detailed information from FÁS so that the DSFA can make a decision on disallowance. However in the view of a DSFA representative,

'There has been a reluctance to exchange information. The exchange of information largely comes on a code basis. Why that person has been assigned a code is not clear. And trying to find out the reason behind a code can give cause for frustration'.

These 'codes' provide anonymous information as to why an individual in receipt of unemployment benefit may not have undertaken or completed a

training course. Occasionally the reason for an individual's failure to complete a training course may be due to personal circumstances; something which FÁS are reluctant to share with DSFA. A respondent from FÁS described how,

'Most of the information we share is electronic information, codes e.g. non-attendance at interview, refusal of an offer, declined intervention, person dropped out, person suspended. We share basic information of name and address, education, work history. There is a reluctance to share information on personal problems; addiction. We have a common register, so it is common up to a certain point: name; address; education; training details; work record; payments; that is all shared there is no problem'.

In spite of these difficulties, there remains strong support from within DSFA and FÁS for the continuation of these arrangements for the sharing of information in spite of the difficulties described above.

Developing a coherent service

The MOU recognises that 'there are common elements' in the missions of FÁS and the DSFA. The respondents from the DSFA and FÁS recognised that a coherent employment and welfare service required both formal structured interactions through the MOU in addition to the development of informal, personal ties between individuals within both organisations. A respondent within FÁS described how contacts with DSFA were developed by face-to-face contacts with DSFA representatives;

'We meet, we talk. Personal contact, names and faces. There is a great understanding of our internal IT systems, our own internal processes that we go through. There have been examples with pilot initiatives of one letter being sent with their (DSFA) name and our name. Joint interviews have taken place with FÁS and DSFA both interviewing a client. Sometimes a client has been funded through mutual co-operation. There is a range of sharing'.

These views were reflected by DSFA representatives who placed particular emphasis on the use of personal contacts with FÁS counterparts as a means of developing a coherent service. Formal structured inter-departmental co-operation through the MOU was viewed as a context within which those personal contacts could develop:

'Personal contact is very important. Things like the MOU are just a context to encouraging personal contact. The tri-partite meeting is the same. I couldn't overemphasise it really. Is almost irrelevant what the topic of the meeting is, it's the fact of the meeting that is critical. You have to have structure in your organisational approach, but then you need to subvert that by having personal contact'.

In addition to the use of joint interviews performed by the DSFA and FAS, there has also been a move within the DSFA to adopt a more active approach to social welfare administration, distinct from the passive distribution of benefits. This approach has been introduced through the use of Facilitators. These Facilitators are part of the Employment Support Service within the DSFA and their role is to support and encourage the unemployed back into work by informing them of job and training opportunities and encouraging local voluntary and community groups to provide employment and training opportunities. Although there are currently less than 40 Facilitators of a total DSFA staff of 4300, their presence is indicative of a shift towards the activation of welfare payments through greater inter-agency co-operation. In the following interview excerpt, a senior manager within the DSFA describes a shift towards a more inter-agency and activated approach to the administration of welfare payments:

'For people of working age we have the ambition of maximising their progression into employment. So in addition to benefit administration we also wish to see people progress into employment. So to see this ambition realised we have a small number of people whose job it is to facilitate people in taking up these options. Facilitators would work with

FAS, with community organisations, with other statutory agencies like the education committees, and they will support projects that draw these agencies together to deliver services to particular groups – lone parents, disabled, long-term unemployed’.

In addition to the use of personal ties, there is also a broader structure of inter-departmental co-operation beyond the MOU. FÁS is situated within a broader network of ties through which policy relating to employment issues emerges and issues are addressed. FÁS work closely with their parent department, the Department for Enterprise, Trade and Employment (DETE). The DETE have responsibility for setting policy that is pursued by FAS. In addition, the budget for FÁS comes through the DETE. In the view of an interviewee from FAS, the DETE *‘influence policy formation significantly’*. However the day-to-day running of FÁS is left to the FÁS executive. FÁS is situated within a broader network of ties that link it to the DSFA, the Department for Justice, Equality and Law Reform and the Health Boards. In the following transcript excerpt, an employee of FÁS describes the structure of ties between FÁS and other departments:

We often meet on a tri-partite basis with DETE, DSFA and FAS. We will rotate chairs, rotate locations and the support staff. That is very much on a partnership basis. We also work closely with the Department of the Taoiseach. They would sometimes knock heads together with various government departments and agencies. They are currently looking at the issue of lone parents and FÁS are very involved with that. We also work closely with the Department of Justice, Equality and Law Reform. They have issues with equality, social inclusion and childcare issues. We work closely with the Probation and Welfare service, which is part of the department for Justice, the Probation Service in respect of ex-prisoners. FÁS are looking at developing protocol for them. We work with the Health Board. We have multi agency teams in place. For example, the High Support process where we deal with those who are not yet ready to progress into employment.

There appear to be two principle methods by which a coherent service is developed: personal contacts and formal arrangements for co-operation. Personal contacts are exploited to deliver training and welfare services to the unemployed. These ties allow individuals from different departments to create a combined departmental approach to address the multiple barriers to employment experienced by some individuals. In the view of a DSFA representative, *'the other service providers won't be strangers; the players will know each other, its not cold calling'*. However these personal contacts occur within formalised structured arrangements for establishing inter-departmental co-operation. The MOU and tri-partite meetings seek to establish protocols for interaction and greater information sharing.

Improving efficiency and accountability

Agencies and departments involved in the delivery of training and employment services have a need to be accountable both to their parent departments and to those clients in receipt of their services. Additionally their use of public funds to deliver employment programmes carries with it a need to ensure that those funds deliver progression into employment for those who participate in employment programmes.

Closer co-operation between agencies and departments involved in the delivery of employment appears to have contributed to closer control by FÁS over the Local Partnerships responsible for managing Community Employment (CE) programmes. In the view of a respondent from a Local Area Partnership responsible for managing a CE programme, there has previously been criticism of CE programmes because there was a perception that some CE programmes were not producing job-ready individuals. However the shift to greater inter-agency co-operation between FÁS and the Local Area Partnership's has allowed closer monitoring of proposed CE programmes.

'We have to be very accountable on a monthly basis. A plan has to be done for why a particular person wants training. It's not training for the sake of training. There has to be progression. There is an allocated budget for a person to do training. In the past CE, schemes have got

quite a bad name because they have been looked on as a comfort area for people. That has all changed; it has to be very focussed. And it has to be spent with progression in mind. That has come about over the past couple of years’.

Our discussions with FÁS appeared to support the view that closer working arrangements between CE programme managers in Local Area Partnerships and FÁS had made these programmes more accountable and efficient. In the view of a FÁS interviewee there was a need to *‘ensure there is no duplication, look after contracts and agreed targets and ensure the greater complementarity of services’.*

There also appears to have been a recognition that the development of an employment activation role for the DSFA through the use of Facilitators requires co-operation so as to avoid inefficiencies that may arise through the duplication of services with FÁS. A FÁS interviewee recognised that there was, in addition to their both being arms of the Irish government and sharing *‘common objectives’*, the provision of employment activation services by the DSFA gave rise to *‘very significant overlap in our objectives whilst having different remits’.*

8.3.3 The case of the Community Employment Programme

Inter-agency co-operation and Community Employment

Research into inter-agency co-operation in Ireland also included a study of the most significant employment scheme in Ireland; Community Employment. This section of the report seeks to use data on this scheme to provide linkages with aspects of inter-agency co-operation described below.

Community Employment accounts for approximately 20,000 places for job-seekers. The purpose of community employment is to provide unemployed and disabled people with an opportunity to participate in work within their communities on a temporary basis. Community work helps individuals to re-enter the workforce by giving them the opportunity to improve their skills. Job-

seekers may choose either part-time integration or a part-time job. Under the former option a person may qualify for up to a year if they are over 25, unemployed or disabled (this is not a comprehensive list of those who qualify). Local organisations and groups are responsible for planning and managing Community Employment projects. The participant will be provided with work for an average of 39 hours in a 2 week period. The participant is paid weekly by the sponsor. In some situations the participant is entitled to retain some benefit payments. The second option under the Community Employment programme is the part-time job option. This option is aimed at those over 35 years of age in receipt of unemployment benefit and the disabled. The participant can work for up to 3 years in recognition of the fact that older job-seekers may have been unemployed for longer periods than their younger counterparts.

Our study of Community Employment took place in a childcare centre on the outskirts of Dublin. The area has considerably higher unemployment rates than the national average. The childcare centre was situated in the local primary school. The centre accommodated approximately 40 children ranging from 2 months to 5 years. The centre employed 4 full-time staff and 6 staff on Community Employment (CE). Staff on CE work approximately 20 hours per week and also attend a training course at a local college. The training course is to enable the CE staff to complete a certified qualification in childcare. The training takes two and half years to complete. In the view of a respondent from the childcare scheme, it was normal for people who have completed their time on CE and their training to move into full-time employment within the centre. All of the non-CE full-time staff in the centre had previously come through a CE scheme. However, it was stressed that for those coming through the CE scheme,

'No one is ever guaranteed a job. In terms of the individual, they have to look for a job as well. It's not just down to us to find a job. They have to be seen to be job seeking. They would meet a mediator while they are in the project. They do interview skills and learn how to do application forms. That is what they would do as they are coming to the

end of their training. Nobody is ever guaranteed employment after doing CE'.

In the management of CE programme, there appears to be an important vertical relationship between CE projects, the local area partnership and FAS. Interviews were conducted with representatives from each strata of this relationship. The childcare centre manager had responsibility for the 6 CE staff on a day-to-day basis. The centre manager was in turn answerable to the Local Area Partnership (LAP). The LAP representative maintained a close contact with the manager of the childcare partnership. The LAP also had contact every 3 to 4 months with the CE staff to monitor their progress. The LAP also produced standard assessment forms for the centre manager to complete on the progress of the CE staff. The LAP representative had close ties with other LAP representatives through an umbrella network called the Partnership Network (PLANET) and with the local FÁS office. The Chief Executive of the LAP worked closely with PLANET, an independent representative body for the 38 partnership companies in Ireland. Their role is to organise 'structured opportunities for our members to learn from and share with others, and lobby policy makers on critical issues' (PLANET, 2006). There was also frequent contact between the LAP and working groups which provided contact with trade union representatives, FÁS and the Local Employment Service. In the view of the LAP representative, '*we network all the time and it could be on specific issues or it could be just a formal meeting that is planned six times a year*'.

The critical relationship in the management of the CE programmes took place between the LAP and FAS. Funding for the CE participants came through FAS. The LAP representative had to submit a training, work and budget plan for approval to FAS. If approved, FÁS made a direct payment to the training provider of 500 Euros for the costs of training the CE participant. Previous criticism of the CE scheme as offering a comfortable alternative to work for some had led to more rigorous procedures for ensuring that individuals enter the labour market once their training is complete.

The close ties between the LAP and the local FÁS office appear to encourage greater accountability as discussed in section 8.5.4. The considerable cost to the Irish tax payer of the Community Employment scheme, and the high number of individuals passing through it, requires that approval for CE schemes made by FÁS are done so on the basis of ensuring that participants are more likely to enter employment post-training than would have occurred had they not participated in a CE scheme. Close partnership working between FÁS and the LAP may therefore contribute to improved communication between these bodies regarding changes in the expected outcomes of the CE scheme.

Greater financial accountability is also provided by partnership between the LAP and the DSFA. CE participants have a duty to declare their income prior to starting a programme of training. This declaration is necessary because CE participants receive a payment from their sponsors (their employer) and may still be entitled to receive benefits up to a certain level. In addition, CE participants are entitled to retain all secondary benefits. Although this arrangement is designed to lessen the financial impact of starting on a CE scheme and thereby increase the likelihood that an individual remains on the on the scheme, there is also a requirement to ensure transparency in the information that is provided by the potential CE participant on their income. To ensure that the information provided by the potential CE participant is accurate there is a close link between the LAP and the department responsible for the payment of benefits, the DSFA. Information passed between the LAP and the DSFA relates to the duration of an individuals benefit claim, how much they receive and what benefits they are in receipt of:

'We link closely with the DSFA. So if someone is coming in on a CE scheme and they are not telling us the whole truth, we link with DSFA and FÁS so the CE participant must put their cards on the table because issues like supplementary benefits have to be checked. We have to work with the DSFA and we have a very close relationship with them in the area. Networking from that point of view works really well on a local basis. DSFA have a local office. A fair proportion of a

person's benefit will be stopped because with the money they receive from FÁS plus the money they receive from their Lone Parent Family Allowance, the two of them put together have to come to a certain level. And if they come over 350 euros, it will be stopped. Some people will say they are in receipt of a payment for 3 children, but the DSFA will tell us that it's only for 2 children. One child had perhaps gone over 16. DSFA give us all the information we need'.

A further demonstration of the benefits of close partnership working between FÁS and the LAP in the delivery of the CE scheme is evident in the opportunities for improved local flexibility and responsiveness. To address criticism that the CE scheme had become, in the words of the LAP representative, a 'comfort area' for some, greater focus had been placed on ensuring a progression to full-time employment. As part of this move, the training the CE participants in the childcare centre received was required to be to a certified standard thereby improving the likelihood that those who held this qualification would progress into employment. FÁS is not involved in the direct provision of training, rather it has contracts with training providers. FÁS staff emphasised the opportunities for greater flexibility that are provided by contractual arrangements with training providers. This flexibility was demonstrated by the ability of the LAP respondent to arrange training with a local college for CE participants in the childcare scheme.

In addition to agreements between FÁS and the training providers, CE participants have access to a mediator from the Local Employment Service (LES). The LES are located in the same offices as the local LAP, but have been a part of FÁS since 2000. The LES provide information on training, education and employment. They also provide links to state and voluntary services for training, education and job information, in addition to one-to-one employment advice for the unemployed. The LES have a contract with FÁS to provide support and advice to CE participants. In the view of the respondent from FÁS, the LES:

'...operate on contract to FÁS to deliver more intensive mediation and guidance services to people who are more distant to the labour market. FÁS coordinate the dual strand of employment services of which FÁS employment services is one wing. The other wing is the Local Employment Service. Trying to ensure there is no duplication, looking after contract and agreed targets and ensuring the 'greater complementarity of services'

The role of the LES mediator with CE participants was described by the manager of the childcare centre:

'They would meet a mediator while they are in the project. They do interview skills and learn how to do application forms. That is what they would do as they are coming to the end of their training'.

With reference to the role of inter-agency co-operation in the delivery of employment and training activities in Ireland, the structure of ties between FAS, the Local Area Partnership, the Local Employment Service and the Community Employment provider ensures flexibility, accountability and the development of a coherent service.

8.4 CONCLUSIONS AND ISSUES FOR NORTHERN IRELAND

8.4.1 Key success factors in Irish inter-agency co-operation

The Irish experience of inter-agency co-operation provides several examples of good practice in the development of inter-agency co-operation. The following section seeks to identify some of the reasons for the spread of partnership and co-operation as a method of delivering public employment services by the Irish state.

- **A consensus approach** – The use of consensus and co-operation as an aspect of Irish political culture has a historic precedent. The early

programmes for national recovery provided some evidence to suggest that important elements within Irish political life such as the trade unions and employer federations would co-operate in the evolution of social and economic policy. The effects of this consensus approach continue to be evident in the diverse composition of the FÁS and Local Area Partnership Boards. A FÁS interviewee described how the *'political dispensation in Ireland is one that seeks out consensus. Our governments are not ideological. They seek agreement, consultation. They feel it works, it turned the economy around. So everyone has to let go at some point'*.

- **The importance of personal contacts** – The importance of social networks is clear from a senior manager within the DSFA describe how although formal arrangements such as the Memorandum of Understanding were necessary to provide a context for discussions, it was also necessary to *'subvert that by having personal contact'*. The benefits of that personal contact were also described by those with responsibility for managing a CE programme: *'Informal ties are very important. There is a lot of exchange of information. It's not always possible to capture everything formally at meetings. A lot of stuff can be picked up on the ground and addressed before they become an issue'*. Equally these personal contacts can also impede co-operation as an interviewee from FÁS described: *'Co-operation is driven by the characteristics of the individuals locally and can also depend on the characteristics of the people in the region. Some get on, some don't'*. Formal arrangements are necessary to ensure that inter-agency co-operation may continue in the absence of personal relationships.
- **The role of formal arrangements** – There are extensive formal structures and arrangements for ensuring that individuals from departments with responsibility for employment and welfare are regularly in contact with one another. The Memorandum of Understanding can perhaps be understood as falling short of the establishment of formal legislative ties between FÁS and the DSFA, providing instead for flexible protocols between the two organisations. It appears that formal contacts between departments are beneficial in terms of avoiding duplication of services and creating joint arrangements to deliver services to those who

face multiple barriers to employment and ensuring an element of accountability.

- **Devolved decision making** – Our research appears to show that those charged with delivering policy on the ground, appear to have sufficient autonomy so as to ensure that national policies are able to reflect local needs. This was particularly evident in a Local Area Partnership that was situated in an area of high unemployment and social deprivation. Unemployment in this area was more than four times the national average, and national employment and training policies had, in the view of the respondents, to reflect these local circumstances. The devolved structure of training administration whereby Local Area Partnerships held contracts with FÁS rather than being a part of the central bureaucracy, allowed ad-hoc decision making at a local level.

8.4.2 Potential for and limitations of policy transfer

Inter-agency co-operation in Ireland occurs through a mixture of formalised co-operative arrangements, economic and community interest based representation at a senior level, 'centralised supervision and co-ordination' (Murphy, 2004: 3) and ad-hoc personalised contacts. Although it is problematic to speak of Irish civil and political society as being homogenous, there is some evidence that a culture of consensus indicated by a willingness to accommodate divergent interests in the formation of social and economic policy has created an environment wherein the concepts of co-operation and partnership are at least familiar practices.

Furthermore there is a sense within FÁS and the DSFA that the training and benefits system needs to change to reflect changes within Irish society. Increases in the number of payments under the Lone Parent benefit and an increasing number of people claiming disability related benefits have placed the work of the DSFA and FÁS in the political spotlight. Measures to address these issues have a strong active labour market flavour and are therefore broadly aligned with a general European trend to making the uptake of benefit

increasingly conditional on the claimant undertaking certain actions likely to reduce their period in unemployment.

The separation of responsibility for the payment of welfare and the administration of training programmes requires formal and informal channels through which information on the management of individual cases can flow. However this separation may also encourage a tendency to seek institutional responses to problems in the relationship between the departments and agencies responsible for the administration of training, employment and welfare payments. A tendency to see institutional solutions to problems may have created a culture whereby the use of inter-departmental meetings are frequent, with their outcomes not always clear. Our discussions with representatives from FÁS and the DSFA supported this view.

'People spend time going to meeting, to meeting, to meeting, writing development plans, but we need to look at all these structures and see if we are really making the difference we could make. Ultimately bodies don't let go of their remit. And everyone looks after their own budget and their own patch'.

There is a question here on the value of seeking greater inter-agency co-operation between two distinct organisations. There are clear benefits to the development of closer inter-agency working relationships. Some of the benefits are outlined above. However, the act of seeking greater co-operation requires an investment in the preparation of structures for arranging greater co-operation. Where the emphasis on that preparation becomes the focus, as appears to have occasionally occurred, then greater inter-agency co-operation increasingly becomes an end in itself rather than a means to improve the delivery of employment and welfare services. Institutional responses to issues may also have the effect of affirming departmental boundaries with participants at meetings occasionally seeking to protect the structure and funding of their own departments.

PART 9. CONCLUSIONS AND IMPLICATIONS FOR POLICY

9.1 BEST PRACTICE IN INTER-AGENCY CO-OPERATION

There are a number of general and specific lessons from the above discussion for the Northern Ireland policy context. Perhaps the most striking initial finding relates to the ubiquity of inter-agency co-operation on employability. Across and beyond the EU, policy makers are turning to new forms of partnership and seeking to include a wider range of stakeholders in the design, planning and delivery of employability interventions. This shift in approach reflects an acceptance that, in order for employability interventions to address the complex and multi-dimensional problems faced by unemployed and inactive people, multi-agency approaches are required. The development of inter-agency co-operation on employability has been intensified as governments are faced with declining 'general'/frictional unemployment, so that the focus has shifted to long-term unemployed and inactive groups. As governments refocus their welfare to work strategies on those claiming long-term income-based benefits in many European countries (see Section 4.2) and incapacity benefits in Great Britain and Northern Ireland (see 7.2), they have also 'opened up' employability services to a wider range of stakeholders, in an attempt to extend their quality and reach, and to access specialist knowledge and expertise.

The benefits of inter-agency approaches, and some of the problems encountered by stakeholders are discussed in detail in the preceding chapters, in addition to the success factors that appear to facilitate effective partnerships. In the discussion below we return to research questions posed at the outset of the research process, to arrive at conclusions from the research and to highlight examples of good practice for Northern Ireland. In the following sections we then discuss opportunities for policy transfer and, finally, offer a series of recommendations for policy action.

9.1.1 Key findings on best practice in inter-agency cooperation

Where outside Northern Ireland is best practice in improving employability to be found?

The national country reports and case studies discussed above highlight examples of good practice in employability policy in many different contexts. It is worth noting, however, that a number of common approaches have emerged to address common problems. Active employability programmes have grown in number and importance since the 1990s, as countries in the EU and beyond grappled with high and long-term unemployment. Recent years have seen a second wave of reform to employability policies, as policy makers have sought to address the changing character of the problem of worklessness, and particularly:

- the fall in general unemployment in many countries, which has contrasted with the continuing experience of labour market exclusion among the most severely disadvantaged;
- the increasing concentration of long-term unemployment within disadvantaged communities and areas;
- the perceived need to shift the focus of policies onto those previously considered 'economically inactive' (in Great Britain and Northern Ireland this has led to a particular focus on recipients of incapacity benefits).

These factors have driven a re-engineering of employability policies in many countries, with new responses developed to provide individually tailored and more intensive support for job seekers from harder to reach groups. A number of distinctive policy trends can be identified.

Strengthening the Personal Adviser model

Personal Adviser (PA) services are at the centre of many countries' approaches to delivering intensive job search counselling and support. In countries like Australia and the Netherlands these services have been outsourced by the Public Employment Service (PES) to the private sector (see Sections 4.2.1 and 4.2.10 respectively), with variable results. In countries

such as Belgium (4.2.2) and Canada (4.2.3) these responsibilities are shared between the PES and regional and local authorities. Our case study research also highlighted the importance of PA services within the Great Britain and Northern Ireland policy contexts, both within the New Deal (2.1.1) and new programmes such as Pathways to Work (7.2). The provision of high quality, consistent PA services has emerged as a key element in client-centred services that help job seekers to identify opportunities and progress towards the labour market.

Early assessment and early intervention

A relatively rigid adherence to 'duration thresholds' (where people become eligible for programmes after certain periods of unemployment) is a striking characteristic of employability provision in Great Britain and Northern Ireland. However, policy makers in a number of other countries have particularly prioritised early assessment of job seekers, and the routing of the most disadvantaged to employability services almost immediately. These aims define Australia's Jobseeker Classification Instrument (4.2.1), the Dutch 'Kansmeter' tool (5.3), and Denmark's 'employability profiling toolbox' (6.2). These tools appear to have offered benefits, by facilitating early intervention, rather than 'waiting for people to become long-term unemployed', and by identifying and addressing fundamental problems at an early stage.

Paid work placements and getting employers to 'buy-in'

A review of employability policies across countries reveals the importance of work placements with employers within many models. Work and training placements paid at or near the 'rate for the job' are an important part of provision in Belgium (4.2.2), Denmark (4.2.4) and the Netherlands (4.2.10). The Republic of Ireland has developed a substantial work placement programme in the community sector in a deliberate attempt to avoid any displacement of private and public sector employment (9.3). Northern Ireland's own Targeted Initiative experiment with a similar Transitional Employment model was perhaps over-reliant on community sector placements, undermining the programme's impact in terms of delivering sustained employment (7.4). Nevertheless, this programme did achieve some

positive, high quality outcomes for job seekers. The 'Employment Academies' model developed by Edinburgh's 'Joined Up For Jobs' partnership – which has work placements and sectoral training as a key feature of provision – has also demonstrated impressive results (7.5). This model has also successfully engaged employers in the design and delivery of sector-specific training, with employers often offering course completers a job interview guarantee. Our case study research in Denmark showed how local authorities have provided wage subsidies to employers and again shared ownership of the design and delivery of training, with employers offering a job guarantee in return (6.4.3). The message appears to be that engaging with employers, sharing ownership of programme development with them, and using them to provide work placements (and potentially interview or even job guarantees) can be an effective route to high quality training for job seekers. Encouraging employers to 'buy-in' to employability programmes also ensures that provision more accurately reflects employers' needs and adds to their credibility.

Responding to regional and local labour market conditions

In countries such as France (4.2.6), Finland (4.2.5), the Netherlands (4.2.10) and Norway (4.2.11), among others, local authorities play an important role in the funding and management of employability services (usually for those receiving income-based benefits). However, beyond the historic role of local authorities in administering benefits and services for the uninsured unemployed under some systems, there has been a recent shift across many countries towards a localisation of employability services, in an attempt to move services closer to communities and make programmes more responsive to local labour market conditions. Both Canada (4.2.3) and Denmark (4.2.4) have devolved the administration of national employability programmes to regional authorities. Denmark in particular has developed highly effective Regional Employment Council mechanisms that bring together the PES, local authorities, employers and trade unions to oversee the development of programmes and tailor tools and targets. Denmark and other countries are moving towards a further localisation of services, which may see local authorities playing a more prominent role. In the Republic of Ireland, Local Employment Service providers – supported by the PES – provide

complementary services with a remit to deliver more intensive, one-to-one support for job seekers. Our British case studies highlighted policy makers' increasing interest in targeting local areas of high unemployment – more intensive support directed towards disadvantaged communities is a feature of Working Neighbourhoods in Birmingham (7.3). Also in Great Britain, the Edinburgh Joined Up For Jobs partnership has provided a model for local employability services that specifically seek to tailor their services to local labour demand (7.5). Individuals' employability is affected by the extent and nature of local labour demand – those initiatives that seek to tailor employability services accordingly are likely to be more effective at matching local job seekers with local employers.

Joined-up employability services

A final aspect of good practice emerging from our review of employability provision relates to policy makers' and service providers' understanding of employability itself. Faced with an increasingly complex and harder to reach client group, employability stakeholders have come to accept that job search and training services are not sufficient to move many job seekers towards work. The most disadvantaged job seekers can face problems related to issues ranging from educational attainment to caring responsibilities; from health or substance abuse problems to debt and housing issues. Many EU and other countries have moved towards a one stop shop or jobcentre model that brings together a range of service providers. At the most basic level, as in the UK (4.2.14) or the Netherlands (4.2.10) this involves the co-location of benefits and employability services. However, Finland's LAFOS centres have brought together a wider range of employability, health and social service providers (4.2.5). In some parts of the United States 'Job Centers' have similarly seen the co-location of job search, lifelong learning, health and welfare services (4.2.15) – although the considerable variation across US states should also be acknowledged. Finally, our UK case studies demonstrated a shift towards more sophisticated employability provision addressing the multi-dimensional barriers to work faced by job seekers. Working Neighbourhoods centres ensured that job seekers had access to debt counselling, (limited) childcare facilities, expert careers advice and

English language teaching, alongside standard employability services (7.3). Pathways to Work pilots, currently operating in Great Britain and Northern Ireland, represents an important acknowledgement of the need to bring together health and employability services if those who want to work but are claiming incapacity benefits are to be helped. The combination of health service expertise to provide Condition Management services with PA and other services provided by the PES represents the first attempt to establish a consistent approach to assisting this group. Job seekers' barriers to work are complex and multi-dimensional. The examples of good practice cited above represent attempts to arrive at multi-dimensional, joined up services that can address all the relevant issues affecting unemployed people's employability.

To what extent does best practice depend on inter-agency co-operation?

Inter-agency co-operation is of central importance to the delivery of good practice on employability. As noted above, emerging employability services have recognised the multi-dimensional nature of the barriers to work faced by unemployed and inactive people. Accordingly, there is also an acknowledgement that the PES – or any other single public agency – is not capable of addressing all of these barriers. Where PA services have emerged as a key element of employability services, some countries have outsourced these functions to specialists in the private or third sectors – this is the case in the United States (4.2.15), the Netherlands (5.2.2) and Australia (4.2.1). Elsewhere, including in Great Britain and Northern Ireland (4.2.14), the PES has retained many PA services 'in house', but these standard services have often been supplemented through service level agreements with specialist employability providers under the New Deal and other programmes (2.1.1). Similarly, in the Republic of Ireland, PES advice services are complemented by more intensive job search counselling provided by contracted Local Employment Services (4.2.8). Under Pathways to Work in Great Britain and Northern Ireland, the crucial Condition Management element of the programme (which sees health professionals advise and support clients on incapacity benefits) has been developed through flexible partnership arrangements established between PES and public health authorities (7.2). It

is therefore clear that the intensive PA support provided by the best employability programmes has often depended on a mix of both outsourcing and partnership working between the PES and other specialist agencies.

Similarly, the work placement programmes that have emerged as a key element in employability training initiatives are clearly dependent on the co-operation of employers as well as other actors. By gaining the 'buy-in' of employers, employability service providers have been able to offer clients 'real work' experience and – in some cases – training linked to interview and job guarantees. Making these placement programmes work often requires collaboration between the PES and a range of other actors. In the Netherlands, local authorities are heavily involved in subsidising and supporting work placements for clients (4.2.10), whereas in the Republic of Ireland it is third sector organisations that often provide the supported employment experience that best suits more disadvantaged job seekers (9.3). Our case study research in Denmark highlighted the role of third sector employability service providers in supporting both employers and clients during the training process; and the importance of employers and employers' sectoral federations in promoting opportunities for job seekers (6.4.3). In Great Britain, Edinburgh's Joined Up For Jobs partnership has depended on co-operation between employers (who have been full partners in the design and management of training, and have provided both work placements and interview guarantees), public sector funders (including the PES and the relevant local authority and social inclusion partners), and third sector organisations charged with recruiting and supporting job seekers (7.5).

As noted above, the Danish model for the regional planning of employability services has provided a particularly effective model of inter-agency co-operation, involving the PES, local authorities, trade unions and employers working together (6.4). This partnership has ensured that local employability policies are informed by the knowledge of labour market 'insiders', and that work placement and training programmes have the legitimacy of social partners' support. Although these regional structures reflect some particular features of the Danish model that are not present in many other systems

(such as the central role of trade unions), there are general lessons regarding the importance of government ceding and sharing authority, decision making power and resources to other partners. By sharing 'ownership' of programme development and planning with local and regional partners, the Danish government has arrived at a more inclusive and locally responsive form of employability policy.

Finally, the multi-disciplinary, one stop shop approach being tested in many countries clearly depends upon inter-agency co-operation. As noted above 'jobcentres' in countries as diverse as Finland (4.2.5) and the United States (4.2.15) have brought together a range of agencies providing joined-up job search, lifelong learning, health and social services. Among our UK case studies, the range of services provided for job seekers under Working Neighbourhoods in Birmingham (7.3) required agreements between the lead provider (a private training company working under contract to the PES) and debt advice agencies, education and careers specialists, childcare providers and community groups.

In the cases of good practice discussed above, effective inter-agency co-operation has been a defining feature. Co-operation has taken a number of forms, including the contracting out of PES services; the agreement of memoranda of understanding and service level agreements between government agencies and other public, private and third sector bodies; the ceding and sharing of policy development responsibilities with social partners; and simply the co-location of different agencies to facilitate joint working. What is clear is that, although contracting out has been an effective means of improving the range and scope of employability services in some cases, it is not a panacea for the problems of developing the multi-dimensional interventions required by disadvantaged job seekers. Our Netherlands case study research noted that contractual models can be helpful in refocusing the work of service providers on delivering positive outcomes, while allowing funders to 'stop doing what doesn't work' (5.5). The experience of contracting out in Great Britain and Northern Ireland has been that it can also buy-in the expertise of specialist providers, although there remain concerns regarding

the variable quality of some outsourced services (2.1). These concerns have been more common in countries that have rapidly privatised a wider range of employability services, such as Australia (4.2.1). Similarly, despite some of the benefits noted in our case study research, the specialisation and choice that was promised in the run up to the privatisation of Dutch employability services has been slow to materialise. Rather, in many cases, a highly competitive and fragmented market in the Netherlands has led private employability providers to seek efficiencies through the standardisation of supposedly tailored programmes for different groups (5.4). Our British case study research also highlighted the benefits of different approaches – the more flexible funding arrangements established between the PES and service providers leading elements of Pathways to Work (7.2) and Working Neighbourhoods (7.3) allowed for greater autonomy and creativity in the development of provision. At the strategic level, there is an increasing awareness of the benefits of more flexible funding mechanisms – the Scottish Executive’s Employability Framework has argued for collaborative local Employability Partnerships to help overcome the ‘competitive free-for-all’ that has sometimes characterised contractual relations in UK employability services (7.6). Northern Ireland policy makers will want to consider how they can provide an appropriate strategic framework for inter-agency co-operation and how a combination of contracting and other forms of collaboration can provide flexible and responsive policy solutions at the local level.

What kind of agencies are involved and what are their relative roles and responsibilities?

The examples of good practice cited in the discussion above involve important roles for the public, private and third sectors. In some cases, private and third sector providers have been able to offer specialist services that lie outside the normal expertise of the PES. However, experience from elsewhere in the EU demonstrates the value of strategic leadership and support for partnership working from within government. Effective planning partnerships, such as the Danish Regional Employment Councils (6.4.1), have benefited from the strong, but not dominant, role played by the national PES in informing and

supporting their work. The Scottish Executive has similarly supported key stakeholders' work towards the development of a national Employability Framework, with the Executive itself establishing the Framework's broad agenda before adopting a 'listening role' and then working with partners on options for the implementation of the emerging strategy (7.6).

In Northern Ireland, there is clearly scope to build upon the progress made by DELNI's Partnership Unit, which has established itself as a key stakeholder supporting the development of inter-agency ties (2.2), but which would benefit from a more formalised role and responsibilities (and the resources to more proactively support inter-agency activities). For example, spreading good practice and training staff to effectively and efficiently participate in partnerships could emerge as a future role for dedicated partnership staff within DELNI. Given the central role of inter-agency co-operation to the delivery of employability services, specific, practical training should be provided to all staff involved (preferably jointly involving staff from the relevant partners so they can develop a common vocabulary and understanding).

Programmes like the New Deal have also highlighted the central role of the PES – DELNI in Northern Ireland and Jobcentre Plus in Great Britain – in building and supporting multi-agency approaches, as funder and programme manager (and therefore as a focus for accountability and leadership). In both Great Britain and Northern Ireland, the PES has also been a provider of key services, such as the Personal Adviser (PA) provision that is a lynchpin of the New Deal approach (2.1.1). It is important that a strong management and delivery role for the PES remain a characteristic of the Northern Ireland approach to employability. Countries without strong PES leadership in employability policy – such as Australia (4.2.1), the Netherlands (4.2.10), the US (4.2.15) – have struggled to retain 'institutional learning' and 'intellectual capital' (i.e. the absence of a permanent staff of PES professionals with a prominent role in managing and delivering programmes means that expertise and knowledge can be lost, and that public purchasers of employability services are at a distance from delivery). These concerns have been

expressed regarding moves to devolve and localise employability services in the Netherlands (5.4.1) and Denmark (6.3.1).

Inter-agency co-operation is most effective when bringing together organisations with a range of expertise, able to adopt a number of different, complementary roles. The specific example of Pathways to Work in Great Britain and Northern Ireland highlights the value of the work of PES managers in establishing relationships with the strategic partner organisations that are able to add value to employability services (7.2). The partnerships established between DELNI/Jobcentre Plus and health service organisations have been central to the development of the programme, with the health service delivering: unique expertise in providing services (case condition management for people with health problems); sufficient capacity to undertake the management and delivery of major programmes; and the credibility with clients to encourage them to buy-in to the programme. As noted above, other governments have sought to engender inter-department and cross-sector partnership working through co-located services. LAFOS centres in Finland bring together PES officials with local government health and social service providers, and specialist voluntary sector agencies (4.2.5).

The need for innovative solutions based in high unemployment areas has informed new approaches in Northern Ireland, where Targeted Initiatives have sought to 'reach out' to disadvantaged communities through partnerships with voluntary organisations (2.2.1), and Great Britain, where pilots such as Working Neighbourhoods have relied upon new forms of co-operation between the PES, private training providers and a range of community stakeholders (7.3). Both Working Neighbourhoods and Pathways to Work (7.2) have also required the PES (and lead delivery agents) to embrace more flexible administrative and funding structures, which have produced more responsive, tailored programmes.

More generally, local intermediaries (often operating in the third sector) can also make an important contribution to employability programmes by providing: specialist expertise (for example, targeted at minority or 'hard to

reach' groups); 'local knowledge' and expertise in the local labour market; and legitimacy and credibility, encouraging buy-in from employers, communities or client groups (2.1.2). National and regional governments seeking to tap these benefits have supported a strong role for the voluntary and non-profit sectors in delivering employability in countries such as Australia (4.2.1), Ireland (4.2.8), Italy (4.2.9), the UK (4.2.14) and the United States (4.2.15).

Evidence from case study research in Denmark (6.4.3) and on the Edinburgh Joined Up For Jobs (7.5) partnership highlights the positive role of intermediaries operating in areas, or in ways, that complement 'standard' PES policies and programmes. Achieving these benefits has been a priority for DELNI in supporting the work of local intermediaries through Targeted Initiatives (TI) and other funding streams (2.1.2). However, experience in Northern Ireland and elsewhere suggests that it is important to clarify the role of these organisations in relation to the PES, so as to avoid duplication, and to ensure that publicly supported intermediary services complement and add value to existing provision. In Northern Ireland, TI-supported Job Assistance Centres have not always been able to demonstrate that they have reached inactive people in a way that complement the services of DELNI's services. It is important that future local employability provision in Northern Ireland learns the lessons of good practice from elsewhere, so that community sector provision is supported only where it can add value to standard PES services.

It is crucial that the agencies involved in inter-agency co-operation can bring *practical* benefits to the table. Best practice in inter-agency co-operation on employability has flowed from the engagement of a range of public, private and third sector actors united by an ability to deliver real added value, whether because of specialist expertise and credibility with the client group, as with Pathways to Work (7.1); or by more effectively linking job seekers with work placements or job opportunities, as with local and regional employer-engagement models in Denmark (6.4). In Northern Ireland, TI projects have engaged with community organisations and employers in supporting local programmes through, for example, Employment Services Board arrangements. But our case study research suggested that there have been

relatively few practical benefits for those delivering programmes such as the TI-supported Transitional Employment Programme on the ground (7.4). A key lesson from Denmark and other countries is that local employability partnerships must have a clear remit, the resources and authority to engender change, and membership drawn from actors who can ‘make a difference’. It is important that future partnership arrangements in Northern Ireland reflect similar principles.

What kind of costs and benefits are associated with inter-agency co-operation and how are impacts measured?

Both our national surveys and case study research highlighted a number of clear and important benefits associated with inter-agency co-operation.

Flexible and responsive policy solutions

Policy makers are increasingly faced with the challenge of unemployment that is concentrated in disadvantaged communities and among ‘hard to help’ client groups. Given the complex and multi-dimensional problems faced by job seekers, a range of inputs from different stakeholders is required. In seeking locally responsive solutions to labour market exclusion France (4.2.6), Finland (4.2.5), the Netherlands (4.2.10) and Norway (4.2.11), among others, have retained a strong role for local authorities in the funding (and sometimes delivery) of employability services. In Canada (4.2.3), Denmark (4.2.4), Germany (4.2.7) and Spain (4.2.12) regional bodies or governments have played a role in supporting employability programmes in partnership with, or sometimes parallel to, national government initiatives. The ‘regionalisation’ Danish employability policy has demonstrated how programmes can be more effectively tailored to the needs of the local labour market when government shares ‘ownership’ and responsibility for the development of interventions with regional partners such as employers, trade unions and local authorities.

In terms of the content of employability policies, local partnerships facilitate the tailoring of the programme and its delivery to the specific problems and opportunities of local labour markets. In the Danish ‘Green Jobhouse’ case

study (6.4.3) the involvement of the relevant local authority and a community-based provider meant that work placements could be tailored to the needs of local employers. Our British case study on Edinburgh's Joined Up For Jobs similarly demonstrated the value of interventions that are planned at the local level, with the aim of helping job seekers towards meeting the labour demands of key sectors in the local economy (7.5).

Facilitating innovation and evaluation

Arriving at innovative, new ways of addressing job seekers' needs often requires a multi-disciplinary approach and so inter-agency co-operation. The range of on-site services built into the Working Neighbourhoods centre in our Birmingham case study set it apart from standard approaches to 'jobcentre' services, and would not have been possible without the collaboration of a number of public, private and community sector stakeholders (7.3). Similarly, the innovative Condition Management elements of the Pathways to Work programme in Great Britain and Northern Ireland require expert input from health service bodies (7.2). In these cases, a relaxation of standard contractual arrangements appears to have helped to foster innovation, while stakeholders from both pilot programmes reported involvement in previous initiatives where rigid contractual relationships had undermined partnership working. Elsewhere, in countries such as Denmark (6.4) and the Netherlands (5.2) the specialisation sought from the contracting out of employability services to the private sector has been slow to arrive. However, our case study research in the Netherlands found local and national policy makers testing a number of approaches to encourage innovative and flexible approaches. The modular, 'Individual Reintegration Account' (IRO) approach to funding employability services adopted by the Dutch government seeks to empower clients and to ensure that private providers respond to the individual's choice of services. Meanwhile, in our case study area, one local authority is developing innovative 'open tendering' arrangements (where providers suggest services that they are able to deliver and which meet the needs of job seekers) as a means of overcoming the 'culture of caution' that can pervade market-driven systems.

Sharing knowledge, expertise and resources

One stop shop jobcentre models being adopted in a number of countries have allowed the PES and partners to build shared knowledge and increase awareness of each other's expertise and practice. In the Netherlands, Centres for Work and Income have brought together funders supporting different job seeker groups, working alongside PES officials charged with the crucial role of assessing clients' employability (5.5) – the piloting of 'boundaryless' offices where all agencies share the responsibility for the delivery of employability services marks a further attempt by Dutch policy makers to promote joint learning between agencies. In the United States (4.2.15), multi-agency 'Job Centers' allow job seekers in some states to access guidance and services from professionals working in the education and social work fields, alongside traditional employability provision.

There can also be benefits associated with sharing knowledge and expertise during the planning of employability services. In Denmark, employers and trade unions have made a valuable contribution to the planning of tools and targets within employability policies at the regional level (6.4.1). Our case study research saw national and regional government officials acknowledge the value of the input of employers' representatives and trade unions – these organisations have direct knowledge of the reality 'on the ground' in local labour markets.

Finally, effective employability and training programmes have often tapped into the expertise of different public, private or third sector organisations. Nationally-funded initiatives that have engaged local third sector organisations in their delivery, such as the Transitional Employment Programme in Northern Ireland (7.4) and the Community Employment Programme in the Republic of Ireland (8.3), have been able to tap into the 'local knowledge', credibility and expertise of the community sector. In Great Britain and Northern Ireland, Pathways to Work partnerships have brought together the expertise of PES officers providing PA services, specialist employability providers and (crucially) health service professionals skilled in delivering Condition Management services (7.2). Without inter-agency co-operation, PES agencies

funding Pathways to Work would not have been able to bring together the combination of skills required to address the complex needs of claimants of incapacity benefits.

Pooling of resources, synergy and 'bending the spend'

The effective pooling of mainstream funding, resources and expertise to contribute to joined up local employability services remains a key challenge for funders and service providers in Great Britain and Northern Ireland. The Scottish Executive has prioritised encouraging resource pooling at the local level through area-based employability partnerships (7.6). However, there is evidence that the rigid contractual models applied by the PES in countries such as the UK and the Netherlands can undermine attempts to bring resources together and achieve synergy. There is a need for government to acknowledge that PES resources can sometimes be most effectively deployed through flexible financial support for projects that buy-in the expertise and capacity of other agencies. The flexible funding arrangements established under Pathways to Work pilots has seen the PES in Great Britain and Northern Ireland bring its financial resources to the table, but the staff expertise and administrative capacity contributed by health service bodies has been as important to the successful development of the Condition Management element of the programme (7.2).

Similarly, successful employer engagement models, whether in Denmark (6.4) or the Netherlands (5.3), have often relied upon government financial support (in the form of wage subsidies or funding for targeted training programmes), while employers have contributed resources in their own ways – by providing training placements, support for job seekers, and access to job opportunities. Our case study research in Denmark (6.4.3) particularly demonstrated how sharing ownership of the design and delivery of employability programmes can lead to effective contributions being made by local government (as funder of training and work placements), third sector organisations (supporting job seekers and matching them with employers) and employers (providing placement opportunities and job guarantees).

Developing a coherent service

A key benefit reported from the implementation of one stop shop, jobcentre models in various countries is that job seekers are able to access services in a more coherent way, and that service providers are better able to link with each other. Accessing these benefits has been a priority for policy makers promoting jobcentre models in Belgium (4.2.2), Denmark (4.2.4), Finland (4.2.5), France (4.2.6), the Netherlands (4.2.10) and United States (4.2.15), among others. In some cases this has meant that benefit administration and employability professionals have come to work more closely together, but some jobcentre models have gone further, linking job search services with guidance on lifelong learning, health and welfare services. The development of a single site model addressing the full range of job seekers' barriers to work was also a key success of Working Neighbourhoods pilots in Great Britain – Working Neighbourhoods centres provided debt counselling, childcare facilities, expert careers advice and English language training alongside standard employability services (7.3).

Our case study research also flagged up other benefits in terms of improvements to the consistency of services that have flowed from inter-agency co-operation. For example, agreeing a shared employability measurement tool has helped to build a coherent approach to assessing and 'routing' clients in Denmark (6.3), and has been particularly important in countries where there is a fragmented market for employability services such as the Netherlands and Australia. Australia's Jobseeker Classification Instrument (4.2.1) and the Dutch 'Kansmeter' tool (5.3) have ensured that all key agencies share a consistent tool for assessing clients' barriers and progress. Inter-agency co-operation in the Netherlands has also led to gradual progress towards a shared 'digital dossier' system, which key stakeholders hope will eventually allow employability funders and service providers to share client data, improving services and eliminating the need for clients to repeat the same information to different agencies (5.5). This should avoid clients being continually re-assessed as they move between agencies, allow clear measures of progress for funders, agencies and clients, and identify revolving

door clients who move around schemes without achieving sustainable employment.

Also in the Netherlands, the 'boundaryless' offices being piloted in ten demonstration sites seek to promote total task flexibility between different agencies working in employability services (with benefits for staff skills and the client experience) – a model that is an advance on JBOs in Northern Ireland and even the Jobcentre Plus model in Great Britain. The attempt by Dutch stakeholders to develop a single employer contact model, despite its limited success, also holds valuable lessons. By co-operating on the marketing of employability services through one contact point, local stakeholders in the Netherlands are working towards a more coherent approach to engaging with employers, which has the potential to eliminate unnecessary competition between agencies working with job seekers.

Improving efficiency and accountability

There can be additional costs linked to inter-agency co-operation in relation to the time and resources required to facilitate partnership working, and the administration and transaction costs associated with contracting. As we have noted above, our case study research on the Pathways to Work (7.2) and Working Neighbourhoods (7.3) pilots highlighted how more flexible funding mechanisms can reduce bureaucracy and lead to faster development of services. The shift to a one stop shop service model also appears to offer benefits – the co-location of services in jobcentres can facilitate improved communication and reduce errors, misunderstandings and paperwork (5.5).

Capacity building

One of the benefits of the New Deal and linked programmes in Great Britain and Northern Ireland has been the strengthening of capacity among local service providers in the public, private and third sectors (2.1). In the Republic of Ireland, PES funding of Local Employment Services has similarly led to a strengthening of complementary services in the community sector at the local level (8.2). There is also evidence that the co-location of employability services in jobcentres can help to build capacity and expertise in all partner

organisations – this has been the experience in the Netherlands (5.5). In Great Britain and Northern Ireland, Pathways to Work partnerships have helped to build capacity and expertise in both the PES and health service bodies, with PES PAs and health specialists learning from each other and about each other's services and skills.

Gaining legitimisation and 'buy-in'

The tapping of 'local knowledge' through the involvement of community-level stakeholders can contribute to the development of approaches that are able to engage disadvantaged communities and address specific, localised problems. In our Northern Ireland case study research, the partnership between DELNI and a consortium of community-based providers imbued the Transitional Employment Programme with credibility at the local level (7.4). In the Republic of Ireland, the community sector has similarly played an important role in providing a trusted source of work placement opportunities for job seekers (8.3). In both cases, there are concerns about the sustainability of subsidised placements in the community sector, but for some disadvantaged job seekers community-based placements may be a useful first step towards a return to work. Elsewhere, in countries ranging from Australia (4.2.1) to Germany (4.2.7) local measures to address unemployment have benefited from the support and legitimisation of faith, cultural and women's groups.

It is crucial that employability programmes gain the 'buy-in' of employers – it is employers that have the capacity to provide training opportunities and jobs. In the UK, inter-agency approaches such as Edinburgh's Joined Up For Jobs (7.5) have gained employer buy-in by engaging them at every level of the development and delivery of the sectoral 'Employment Academies' designed to provide customised training for job seekers. Our Danish case study research similarly demonstrated how sharing ownership of the design and delivery of employability services with employers can encourage them to buy-in and commit to providing training and job opportunities (6.4.3). Also in Denmark, at a more strategic level, Regional Employment Councils have given employers and other partners a clearly defined role in, and responsibility for: the planning of programme delivery; the management of contracting out

arrangements; the resourcing of 'additional' services for key target groups; and the content of employability services and tools (6.4.1). National government has therefore ceded responsibility to, and shared authority and ownership with, employers. As a result, employers feel that they have a genuine stake in, and responsibility for, the development and success of employability services. Meanwhile, the direct involvement of employers' organisations in the planning of employability services has added credibility to the Danish model and has encouraged individual companies to buy-in, by offering training and work experience opportunities for job seekers.

Additional costs and problems of inter-agency co-operation

There are clear benefits associated with inter-agency co-operation on employability. But there are also costs and problems related to the introduction of different models of multi-agency working.

In those countries that have seen a rapid and extensive process of privatisation, such as Australia (4.2.1) and the Netherlands (4.2.10), there have been considerable transaction costs associated with the marketisation of employability services. In particular, the fragmentation of the employability services market in the Netherlands, and the lack of experience of some local authorities in managing contractual processes, has led to consistent problems around high transaction costs (5.5). Similar problems were reported by our national experts in Denmark (4.2.4) and France (4.2.6).

In terms of the quality of provision, we have noted above that the tailoring and specialisation of services sought as a benefit of contracting out has sometimes been slow to emerge – in highly fragmented and competitive markets such as the Netherlands, employability service providers have sought to standardise their provision in an attempt to achieve efficiencies (5.5). Contractual models that reward service providers on the basis of job entries only (a so-called 'no fix, no pay' approach) can also encourage 'creaming and parking' (targeting the easiest to help for job entry while placing those most in need in long-term programmes) – this has emerged as a problem in Australia

(4.2.1), Belgium (4.2.2) and the Netherlands (4.2.10). Finally, where employability provision is both devolved and privatised, as in the United States (4.2.15), there are inevitable problems around inconsistencies in the quality, scope and reach of services.

As we have suggested above, the almost total outsourcing of PES services in Australia (4.2.1) and the Netherlands (4.2.10) also raises questions about the impact of a loss of institutional learning and intellectual capital (i.e. the expertise that can allow local authorities and the PES to make the right decisions about what job seekers' and employers' need in terms of employability services). With public agencies largely reduced to the role of financing services and having little direct contact with job seekers or employers, there is a danger that learning about 'what works' will be lost, and funders will become isolated from the reality of delivering services 'on the ground'.

There are important practical costs associated with other forms of inter-agency co-operation. Our case study research in the Republic of Ireland (8.3) and the Netherlands (5.5) highlighted the time and effort required on the part of agencies in order to make partnerships work. 'Handover costs', in terms of the time and paperwork, required to transfer clients between agencies has consistently been reported as a problem of inter-agency co-operation. Furthermore, our national expert in Canada pointed to the substantial disruption associated with the refocusing of administrative tasks and reallocation of duties and competencies under recent reforms devolving employability services to the regional level (4.2.3). Similar concerns over the administrative dislocation associated with inter-agency co-operation were raised by our national expert in the Netherlands (4.2.10).

"One of the problems that often accompanies reforms [involving inter-agency co-operation] is that they require many changes in the organisations involved in co-operation: in their management; in their primary processes; in daily routines; in dealing with clients, colleagues and partners; in diagnosing the situation of clients... an important part of

the success or failure of systemic changes depends on their implementation by managers and workers.”

Measuring the impacts of inter-agency co-operation

The discussion above, and the evidence gathered from national surveys and case study research, suggests that there are considerable benefits associated with effective inter-agency co-operation on employability. However, many of our national policy experts acknowledged that there remained limited ‘hard data’ on the outcomes impact of new forms of joint working. In countries such as Canada (4.2.3), Spain (4.2.12) and Italy (4.2.9) the assessment of inter-agency initiatives tends to have fallen under the broader evaluation of employability programmes. Our national experts in Denmark (4.2.4), France (4.2.6), the Netherlands (4.2.10) and Sweden (4.2.13) reported specific attempts to assess inter-agency working, but these have focused on qualitative ‘process evaluation’, rather than seeking to evaluate the impact of models of co-operation on the outcomes achieved for and by clients.

There are considerable problems in seeking to identify the specific impacts of any one model of co-operation, or indeed even one set of policies to promote employability and labour market inclusion. Nickell and Van Ours (2000: 219), referring to Dutch and UK labour market policies, note the problems associated with comparing the impact of different ‘configurations of institutions’:

“First, there is no empirical basis to disentangle the separate contribution of each policy change. Second, some policy changes are time consuming and therefore time lags may be substantial... Third, policy changes are complementary. The effect of one policy depends on whether or not a different policy is implemented as well. A change of institutions in the labour market is a package deal.”

Our national policy experts regularly raised the same problems. Furthermore, it was noted that active employability policies are relatively new in many countries and have been pursued from the outset through inter-agency approaches. In many countries there is no 'policy off' control comparator where employability programmes have not deployed inter-agency co-operation. However, national policy experts did point to the key enabling role played by inter-agency co-operation in the development and delivery of programmes. It was noted that multi-disciplinary employability services, dealing with a range of barriers to work faced by job seekers, would simply not be deliverable without inter-agency co-operation – it has been a necessary element in moves to improve the scope, range and quality of employability programmes.

What lessons can be applied by DELNI from existing models of inter-agency co-operation?

The above discussion highlights a number of factors facilitating good practice. There are, of course, practical barriers that will limit the transferability of some elements of practice to the Northern Ireland policy context.

For example, in our policy recommendations, below, we suggest that consideration should be given to the transferability of the kind of Regional Employment Council model that has proved successful in Denmark and elsewhere. But it is important to acknowledge the limited administrative capacity at the local level in Northern Ireland, with area-based policies (and even labour market programmes like the New Deal) often based within relatively small local authority areas. (Local government reform may eventually provide for larger local geographies with greater capacity to implement major programmes.)

The development of the local partnership structures discussed below may also be limited by the institutional barriers that prevent major funders and managers of employability such as DELNI (and Jobcentre Plus in Great Britain) from sharing and ceding responsibility, decision making and budgets

to the local level (this is difficult under the centralised management structures of PES organisations in the UK, but has been crucial to inter-agency co-operation elsewhere). It is, however, within DELNI's power to review its contracting arrangements, and there may be value in: considering the use of more flexible contracts (that allow partnerships of stakeholders to develop innovative provision based on local needs); developing more sophisticated payment structures, that acknowledge gains made with more disadvantaged clients (which may fall short of entry into work) and reward the delivery of *sustained* employment and progression in work.

There will also be benefits associated with a move towards a more extensive local one stop shop model, allowing clients to access services delivered by, for example, housing, health, childcare and/or debt management professionals. Evidence from the case study research also highlights the value of developing a 'single employer contact point' making a range of 'offers' to employers. Clearly, any shift towards these more integrated services will need strong leadership from DELNI, and sufficient resources and commitment from other public sector stakeholders. There are also practical issues around engaging employers more fully in the design and delivery of employability programmes. As suggested above, gaining employer buy-in will require funders and service providers to share decision making on the design and content of, and target group for, work placement programmes. This may require the establishment of more flexible funding mechanisms and new initiatives to support demand-led 'academy'-type training, in which employers play a central role. The establishment of such innovative approaches is likely to require new investment from DELNI and other funders.

At a more basic and practical level, there would be immediate benefits associated with relevant employability providers agreeing to a) a shared client employability assessment tool (which may facilitate the referral of disadvantaged clients to early interventions); b) a shared monitoring/client progress database. There are again likely to be substantial organisational and other barriers to progress in this area (including concerns over data protection issues) but DELNI should continue to work with partners to develop and pilot

ICT-based client database tools. Clearly, shared access to client data under any future system should be limited to specific relevant agencies, with the permission of the clients in question.

In more general terms, a number of critical success factors can be identified that have contributed to examples of good practice in inter-agency co-operation on employability.

A clear strategic focus

At both strategic, planning and delivery levels, there are benefits associated with formally articulating the aims of inter-agency co-operation, the approach to be adopted, and the roles of different stakeholders. A formal strategy is of little value without a shared commitment to actioning its agreed priorities. But it can provide a focus for inter-agency co-operation, by articulating what partners are trying to achieve and how these aims are best achieved through partnership. Formalising partnerships and the presence of an agreed strategy has been a defining feature of effective local and regional co-operation in a number of countries. In Denmark, Regional Employment Councils work to annual plans agreed with government outlining targets and priorities and the roles of stakeholders involved in both planning and delivery (4.2.4). In Canada, LMDAs have helped national and regional government stakeholders to agree their different roles and shared responsibilities (4.2.3). Among our UK examples, a clearly defined, formalised strategy detailing a service delivery model and different organisations' roles has been important to Edinburgh's Joined Up For Jobs partnership (7.5) and is likely to emerge as a feature of similar local partnerships proposed by the Scottish Executive (7.6).

Strategic leadership and support

As we have seen above, the leadership of the PES and other central government agencies can be vital to making inter-agency co-operation work. The Danish Regional Employment Councils model (6.4.1) appears to have struck an appropriate balance between government providing a strong 'central line' and framework for employability interventions, and the sharing of

'ownership' of the implementation of programmes with regional actors (in this case trade unions, employers and local authorities).

Within the UK there are examples of good practice in providing a strategic framework for local partnership action. At the national level, the Scottish Executive has worked with an extensive group of public, private and third sector partners to arrive at an 'Employability Framework' that will inform the development of local partnerships to promote employability (7.6). At the local level in Scotland, Edinburgh's Joined Up For Jobs partnership provides a clearly articulated strategy for local action, detailing the roles and responsibilities of partners in service delivery, the outcomes sought in relation to sectors and client groups, and the strategic approach informing programmes. Both the national Employability Framework and Joined Up For Jobs (as an example of good practice at the local level) are not strategies for their own sake. They are clear and highly detailed policy documents that have helped clarify the roles of different agencies and provided a focus for policy action and resource allocation. There would be benefits in Northern Ireland renewing its own employability strategy, with a strong focus on the detailed actions required of different agencies. DELNI's Partnership Unit – in collaboration with partners – should play a leadership role in considering what the key aims and objectives of a future employability strategy should be, and the roles, responsibilities and degree of ownership of different partner groups.

The importance of organisations and people in partnerships

As we have noted elsewhere, the best examples of inter-agency co-operation bring together professionals with different but complementary resources and expertise. This has been the case with the PES-health service partnerships that have been a key feature of Pathways to Work in Great Britain and Northern Ireland (7.2), and some of the more effective one stop shop models in the UK (7.3), other EU countries (4.2.5) and United States (4.2.15). Where community, voluntary and non-profit organisations can complement and add value to established services there can also be benefits for job seekers, as in Australia (4.2.1) and the Republic of Ireland (4.2.8). However, it is essential that partnerships between government and community organisations result in

services that complement rather than duplicate standard PES provision. As noted in Sections 2.2 and 7.4, it is not clear that Northern Ireland's TI-supported partnerships with community organisations have achieved this. It is important that future partnerships result in services that add value to those delivered through Jobs and Benefits Offices, and involve partners who can demonstrate an ability to reach out to employers or clients in a way that DELNI would not otherwise be able to do.

Employers are key players in successful partnerships to promote employability – employers have knowledge of the skills needed if job seekers are to succeed in the labour market; and they have the capacity to offer training and work placements for clients, and even interview or job guarantees. Effective work placement programmes, such as those featured in our Copenhagen (6.4.3) and Edinburgh (7.5) case studies have engaged employers by sharing ownership of the design, development and delivery of employability interventions with them. The result has been programmes that provide clients with tailored, job specific training, and in some cases 'real work experience', often waged, and supported by employers. These demand-led models are often at the centre of successful, high quality employability programmes, and further developing such initiatives (and other aspects of employer engagement) should be a priority for DELNI.

Capacity for co-operation and mutualism

Organisations and individuals involved in partnerships need to have both the authority and the flexibility to engage in mutual decision making. This is perhaps particularly the case for the PES and other key government funders/ stakeholders. The above discussion highlights a number of examples of government ceding and sharing authority, responsibility and budgets, often by devolving some policy decisions to local or regional partnerships. Regional governance and policy structures in countries such as Canada (4.2.3), Denmark (4.2.4), Italy (4.2.9) and Spain (4.2.12) have sought (with varying degrees of success) to devolve elements of employability policy planning to an appropriate 'labour market' level. There is value in this approach – employability programmes are most effective when they are planned and

delivered through structures that reflect the realities of labour market geography. There may be a need for Northern Ireland policy makers to reconsider the local governance of employability in this context – one of the weaknesses of the Northern Ireland system appears to be the reliance on local authority areas as units of delivery. This has resulted in some problems in achieving sufficient service capacity and economies of scale in the delivery of programmes such as New Deal and Pathways to Work (2.2.1).

Regional Employment Councils in Denmark have provided an example of good practice in the planning of regional employability services (6.4). These Councils have operated at an appropriate level for labour market policy planning, and have involved government sharing policy responsibility and resource management with local authorities, trade unions and employers, who have been given a clearly defined role in: the planning of programme delivery; the management of contracting out arrangements; the resourcing of 'additional' services for key target groups; and the content of employability services and tools. The presence of senior PES managers in Councils, and the strong 'central line' on key government policies that must be implemented in all areas, has ensured that local initiatives are consistent with national priorities but are responsive to local labour market conditions. The inclusive nature of these regional structures has also legitimised policy, ensuring the buy-in of employers and trade unions.

In contrast to these partnerships, the model of inter-agency working favoured under New Deal and many other DELNI programmes relies heavily on contractualism. There are benefits associated with rigorous contracting regimes – they ensure that programmes focus on policy makers' aims (as defined in binding contractual agreements); they allow contractors to be held to account; and they enable funders to identify and 'stop doing' things that don't work. These benefits have also been noted by programme funders in other countries, including Australia (4.2.1) and the Netherlands (5.5).

However, a dependence on standardised contractual models can result in excessively rigid governance structures, stifling co-operation, flexibility and

innovation. In Great Britain, case study research highlighted that Jobcentre Plus's more flexible model of resourcing and managing pilots like Pathways to Work (7.2) and Working Neighbourhoods (7.3) has been welcomed by partner organisations. In these cases (as with Pathways to Work in Northern Ireland) the PES has rejected the micro-management of budgets and short-term output targets, in favour of a more partnership-based approach, sharing responsibility for programme development with key stakeholders and allowing a degree of flexibility in the use of funds. The extension of programmes like Pathways to Work may require formalised contracting arrangements, but the development of more flexible financial systems and devolved budgeting should continue to be a priority for DELNI and Jobcentre Plus. More flexible approaches to financial management will be essential to gain the buy-in of delivery partners (and to engender the innovation) required to develop the responsive, multi-agency solutions to the complex problems faced by the harder-to-help job seekers that make up an increasing proportion of the unemployed/inactive client group in both Great Britain and Northern Ireland.

In more general terms, the emergence of markets for contracted out employability services has been common to many countries, and in a number of cases has delivered benefits in terms of the tailoring of services. However, evidence from the Netherlands (5.4.1) and the US (4.2.15) points to the importance of moves towards marketisation being gradual and carefully planned. Contracting out is only justified where there is evidence of sufficient capacity and expertise within the private and/or non-profit sector to add value to existing services. There is also a need for PES managers and partners to consider how best to structure contracting out so as to avoid fragmentation (and the resulting inconsistencies in services and high transaction costs) and maintain the quality of services.

A number of countries have sought to ensure that contracting out delivers high quality services by 'individualising' funding streams or developing agreed quality frameworks. There is a danger that contracting out can lead to the standardisation of services (as contractors try to gain economies of scale) rather than the tailored, specialist provision sought by funders. Denmark's

shift towards a modular system (5.4.2) – with clients and PAs ‘buying’ a range of services from different providers rather than a single, standardised programme of activity – may offer useful lessons for future policy in Northern Ireland. Similarly, the agreement of service provider quality measures and ratings has helped to promote more consistent quality in provision and spread good practice in countries such as Australia (4.2.1) and the Netherlands (5.5).

Organisational complementarity, co-location and coterminosity

Inter-agency co-operation on the planning of employability interventions requires input from stakeholders with complementary areas of expertise, responsibility and competency. Inter-agency planning has tended to prove most difficult in countries such as France (4.2.6) and Spain (4.2.12) where multi-level governance has produced overlapping responsibilities on employability for local, regional and national government. The division in many European countries between services for ‘insured’ job seekers (usually dealt with primarily by the PES and insurance fund bodies) and ‘uninsured’ claimants of income-based benefits (the responsibility of local authorities) has also sometimes acted as a barrier to partnership working – despite the complementary expertise of PES and local authority officers, ‘turf wars’ have limited the effectiveness of inter-agency working in countries such as Sweden (4.2.13). Elsewhere, with the PES taking a clear lead in the employability elements of service provision, the input of public bodies with complementary expertise in areas such as healthcare has clearly added value – this has been the case with Pathways to Work pilots in Great Britain and Northern Ireland (7.2).

The co-location of benefits and employability services in Jobs and Benefits Offices (JBOs) has seen Northern Ireland move towards a ‘one stop shop’ model of provision (2.2). The same trend towards co-location, and in some cases amalgamation, is apparent in many other countries, including: Belgium (4.2.2); Canada (4.2.3); France (4.2.6); Norway (4.2.11). Some of these have sought to build upon the co-location of jobs and benefits services in order to offer an even wider range of assistance for clients. Northern Ireland may be able to learn from Job Centers in the US (4.2.15) and LAFOS facilities in

Finland (4.2.5) that have co-located complementary education, social and childcare services alongside employability providers. The co-location of services in the Netherlands (6.4) has also opened the way to a number of innovative demonstration projects, which may offer valuable lessons for Northern Ireland, involving:

- the piloting of 'boundaryless' offices, with different employability agencies brought together within one team sharing all administrative and service duties (and therefore learning from each other);
- the testing of a 'single employer service point' dealing with all inquiries from employers and acting as a gateway and broker for work placement and training opportunities for all client groups;
- the development of shared 'digital dossiers' (on-line client records which can be accessed and updated by all relevant/accredited stakeholders).

One stop shop models appear to work best where there is strong leadership from the PES – where this is absent (for example, in the US) the co-location of services can fail to produce genuine co-operation due to a lack of leadership and co-ordination, and there can be inconsistencies in access to local services (4.2.15). However, where there is a strong PES role (for example in the assessment of clients) practical measures to build trust and share knowledge are required. For example, in the Netherlands, extensive, regular joint training and information sharing sessions have helped PES and employability funders/providers to develop a fuller understanding of each other's roles and methods under the 'Centres for Work and Income' model (5.5). Under the Pathways to Work pilot in Great Britain, PES and health service professionals have similarly undertaken structured joint learning activities, culminating in the placement of health service staff within Jobcentre Plus offices to contribute to the initial assessment and routing of clients interested in the Condition Management element of the programme (7.2). This has produced positive results in terms of sharing practice and building trust between professionals.

Finally, coterminosity can be difficult to achieve when large public organisations are partnering together, but evidence from the Netherlands (5.4)

and Denmark (6.3) suggests that similar regional management structures can help with joint decision making. Where there is limited coterminosity (for example, between local authorities/health authorities and the PES in the UK) there may be value in all the relevant stakeholders considering the most effective geographical level for strategic partnership working and policy planning. New governance structures may be required to facilitate partnership working at an appropriate 'labour market' level, but there will be opportunities arising from the reform of public administration in Northern Ireland to develop co-operative structures reflecting local and regional economies.

Incentives for partners and 'symbiotic inter-dependency'

PES officials will only be able to draw other stakeholders into employability partnerships if they can demonstrate that there will be benefits for all partners (these benefits may include financial leverage, expansion of competencies and influence, achievement of organisational goals, or the opening of new markets). In order to engage employers, this may involve demonstrating benefits related to the more efficient recruitment of staff, offering incentives in terms of the cost of training or employing clients, or ensuring that employability programme completers are as well or better prepared for specific vacancies than job seekers on the open labour market.

Engaging employers as active partners in employability services is a key priority for DELNI. Recent experiments with wage subsidy programmes, such as the Transitional Employment Programme (TEP) piloted under Targeted Initiatives (7.4) mirror the extensive use of waged work placements in countries such as Belgium, Denmark, the Netherlands, and the Republic of Ireland (4.2). Such work placement programmes have proved valuable, but a lesson from the TEP experience is that wage subsidy programmes need to target large employers in the public and private sectors that are able to provide sustainable job opportunities. DELNI and partners should consider how best to engage with employers on this agenda. The model adopted by Edinburgh's Joined Up For Jobs partnership has seen sectoral training academies, led by 'business insiders', providing tailored pre-placement training and then encouraging employers to offer work experience placements

linked to interview guarantees. Employers were encouraged to contribute to the design of sector-specific training, which has added to the credibility of the programme and encouraged buy-in from both employers and clients (7.5). Where major employers have bought into the programme, and there are substantial numbers of accessible opportunities, the results have been impressive (e.g. Edinburgh's NHS Academy reports client job entry rates of more than 75%).

Similarly, the Danish case study research discussed above (6.4.3) highlights the value of giving employers shared 'ownership' of the design and delivery of training programmes. Employers involved in the Copenhagen-based project were encouraged to contribute to the design and delivery of training and the recruitment of trainees. In return for this level of shared ownership (and a training subsidy paid by the local authority) employers have been required, and have been willing, to provide job guarantees for programme completers. Sharing ownership and resources has therefore enabled delivery managers to positively challenge employers to engage with training programmes and work with disadvantaged clients. Finding new ways to both challenge and support employers will be crucial to the success of future employability programmes in Great Britain and Northern Ireland, as government seeks to recalibrate welfare to work to address the needs of an increasingly complex and potentially 'harder to help' client group.

In more general terms, the manner in which the PES (DELNI in Northern Ireland) structures its relationships with other stakeholders will inevitably impact on the quality of partnership working. The aim should be to work with organisations with common or complementary goals, and to build inter-agency structures characterised by 'symbiotic inter-dependency' – where one actor's action contributes to another actor's actions or goal achievement. There is therefore a need for employability policy leaders (especially DELNI in the Northern Ireland context) to work with other stakeholders to identify mutual benefits associated with 'mainstreaming employability' across a range of policy contexts. In Scotland, the Scottish Executive has committed to undertaking such a mainstreaming exercise across its departments, as part of

the implementation of its own Employability Framework (7.6). The example of Pathways to Work (7.2) – where the priorities of health service organisations (and the interests of specific groups of health professionals in developing their area of influence and expertise) has coincided with the aims of the PES in addressing the needs of inactive clients – has demonstrated how complementary and inter-dependent priorities can lead to innovative partnership working.

Finally, private sector service providers are already incentivised by their aim to extract profit from their delivery of employability programmes. The drive for efficiencies in private sector provision has been counter-productive in some cases, as companies seek to gain savings by standardising provision, or target the more employable job seekers so as to claim job entry rewards – the ‘parking and creaming’ of clients seen in countries such as Australia (4.2.1) and the Netherlands (5.4.2). However, governments are responsible for setting the parameters of private sector activity. The lesson for Northern Ireland and other policy makers would appear to be that contractual arrangements need to reward not just job entry on the basis of a ‘head count’, but provide more sophisticated mechanisms to recognise the progress made with harder to help clients and the long-term benefits associated with sustained employment/progression in work.

The value of action- and outcome-oriented procedures

Effective partnerships are formed out of a need for action, and focus on achieving agreed outcomes. Good practice in inter-agency co-operation has tended to be characterised by partners undertaking joint action to achieve measurable goals as articulated in annual action plans, such as those governing Regional Employment Councils in Denmark (6.4.1) or simply memoranda of understanding, such as in the Pathways to Work (7.2) and Working Neighbourhoods (7.3) pilots in Great Britain. These arrangements have ensured clarity about goals and responsibilities, with senior managers ‘close to’ and well informed about the progress of delivery. Where outcome agreements and the roles of organisations and managers are less clear,

activities can become more fragmented and services tend to be less consistent, as in *some* Job Centers in the US (4.2.15).

At a practical level, inter-agency co-operation has sometimes focused on the agreement of shared ways of working and dealing with clients, facilitating a 'one stop', seamless service and ensuring that agencies do not duplicate each other's activities in gathering information or providing individuals with services. For example, the early assessment and referral of 'at risk' groups has become a priority in many countries, and shared assessment and client monitoring systems have therefore emerged as a focus for inter-agency co-operation. The routing of clients following initial assessment using an established client employability framework has emerged as an important element of services in Australia (4.2), Denmark (6.2) and the Netherlands (5.3). Such routing of at risk groups to early interventions can help combat long-term unemployment, but it is important that all partners have been consulted on, and trust, the assessment tool and its application – a problem in the Netherlands. Nevertheless, there would undoubtedly be value in Northern Ireland stakeholders collaborating on the development of shared client assessment systems that can route the most disadvantaged clients towards early, tailored interventions, rather than waiting for clients to become long-term unemployed.

9.1.2 Potential benefits and limitations of policy transfer

The above discussion highlights a number of factors facilitating good practice. There are, of course, practical barriers that will limit the transferability of some elements of practice to the Northern Ireland policy context.

For example, in our policy recommendations, below, we suggest that consideration should be given to the transferability of the kind of Regional Employment Council model that has proved successful in Denmark and elsewhere. But it is important to acknowledge the limited administrative capacity at the local level in Northern Ireland, with area-based policies (and even labour market programmes like the New Deal) often based within relatively small local authority areas. (Local government reform may

eventually provide for larger local geographies with greater capacity to implement major programmes.)

The development of the local partnership structures discussed below may also be limited by the institutional barriers that prevent major funders and managers of employability such as DELNI (and Jobcentre Plus in Great Britain) from sharing and ceding responsibility, decision making and budgets to the local level (this is difficult under the centralised management structures of PES organisations in the UK, but has been crucial to inter-agency co-operation elsewhere). It is, however, within DELNI's power to review its contracting arrangements, and there may be value in: considering the use of more flexible contracts (that allow partnerships of stakeholders to develop innovative provision based on local needs); developing more sophisticated payment structures, that acknowledge gains made with more disadvantaged clients (which may fall short of entry into work) and reward the delivery of *sustained* employment and progression in work.

There will also be benefits associated with a move towards a more extensive local one stop shop model, allowing clients to access services delivered by, for example, housing, health, childcare and/or debt management professionals. Evidence from the case study research also highlights the value of developing a 'single employer contact point' making a range of 'offers' to employers. Clearly, any shift towards these more integrated services will need strong leadership from DELNI, and sufficient resources and commitment from other public sector stakeholders. There are also practical issues around engaging employers more fully in the design and delivery of employability programmes. As suggested above, gaining employer buy-in will require funders and service providers to share decision making on the design and content of, and target group for, work placement programmes. This may require the establishment of more flexible funding mechanisms and new initiatives to support demand-led 'academy'-type training, in which employers play a central role. The establishment of such innovative approaches is likely to require new investment from DELNI and other funders.

At a more basic and practical level, there would be immediate benefits associated with relevant employability providers agreeing to a) a shared client employability assessment tool (which may facilitate the referral of disadvantaged clients to early interventions); b) a shared monitoring/client progress database. There are again likely to be substantial organisational and other barriers to progress in this area (including concerns over data protection issues) but DELNI should continue to work with partners to develop and pilot ICT-based client database tools. Clearly, shared access to client data under any future system should be limited to specific relevant agencies, with the permission of the clients in question.

9.2 POLICY RECOMMENDATIONS

In conclusion, our review of inter-agency co-operation on employability highlights the extent to which policy makers and key stakeholders have come to depend on partnership-based approaches. This reflects the changing labour market and policy context – governments have been required to develop multi-agency responses to the complex and multi-dimensional problems faced by an increasingly diverse client group and there has been greater recognition of the potential benefits (and costs) of partnership working across the public-private and third sectors. Northern Ireland has made strong progress in developing new partnerships to promote employability. It is for DELNI and partners to consider how best to draw on international lessons to build on existing good practice in this area. A number of potential policy recommendations follow from the findings of our research.

Developing partnerships

- DELNI should continue to provide strong strategic leadership on inter-agency co-operation at national and local level. DELNI should be further supported and resourced to provide a focus for new partnership-based approaches, strategic leadership on inter-agency co-operation, and resources and expertise to support local initiatives.

- DELNI should ensure that staff are equipped to work in partnership and to make partnership working more effective and efficient. It should be noted that different skill sets may be appropriate for the *development* of new partnerships and for the *operation* of those partnerships. Interactive training courses and events should be developed to provide appropriate skills within DELNI and regular joint events should be established with other agencies' staff in order to facilitate the operation of effective partnerships. A specific role for DELNI should involve the delivery of 'training for partnership' – disseminating the skills required to make inter-agency co-operation work between regional and local DELNI staff, labour market intermediaries, and other public agencies working within the employability policy agenda.
- DELNI should lead the renewal of Northern Ireland's Employability Framework. A renewed framework for Northern Ireland-wide action on employability should reflect the complex barriers faced by inactive people claiming incapacity benefits, the hard to reach long-term unemployed, and people living in areas with high levels of deprivation and unemployment. DELNI and partners should consider adapting the Scottish Executive's recent programme of activity that produced a Scottish Employability Framework. A process of research and consultation should involve DELNI, employers and trade unions, and other interested parties from the public, private and third sectors. There would also be value in including input from employability specialists who have not been engaged in the Northern Ireland policy context, and can view the strengths and weaknesses of current approaches from the outside. Any programme of activities should be tightly focused on achieving an action-oriented framework; the Employability Framework itself should have a clear action plan detailing the roles and responsibilities of different actors, and the preferred model of inter-agency co-operation to be used in developing and delivering services. DELNI should establish the remit and focus for activities, before playing a facilitating role that will allow other stakeholders to fully contribute to the emergence of the Employability Framework. It

should be orientated around improving practice and action on the ground rather than becoming a 'discussion forum'.

- DELNI should lead the development of local employability planning partnerships, operating at (the new larger) local authority level, and involving DELNI senior staff and managers working across a range of government employability programmes, and labour market intermediaries and other public agencies involved in the employability policy agenda (such as SSA, health boards, lifelong learning partners, local authorities, employers' representatives and DELNI-supported labour market intermediaries). Local planning partnerships should follow the model outlined in the recent Scottish Executive Employability Framework (which has seen the Scottish Executive provide relatively limited new funding, mainly to support activities to join up provision and pool resources at the local level). The remit for these local planning partnerships should be to ensure that national programmes are delivered in a way that reflects local labour market needs; encourage partnership working between agencies based on a detailed local employability strategy; and establish mechanisms for resource and practice sharing (for example, the pooling of finance or the development of 'boundaryless' staffing arrangements) around a clear focus and remit, including a clear allocation of responsibilities and resources.
- Local employability planning partnerships should establish a joint strategy aimed at providing a shared strategic focus, promoting joint action, and improving communication and practice sharing. It is important that local employability strategies are not merely statements of general aims, but rather articulate practically and in detail: the strategic approach to be adopted by all partners (in relation to genuinely engaging employers and responding to sector-specific labour demand, addressing the needs of specific hard to reach groups, and targeting disadvantaged areas and communities); the service delivery model and content of services to be used to take forward the agreed strategic approach; and the roles and responsibilities on each partner. Examples of good practice in local

employability partnerships from elsewhere should provide the starting point for the development of a local partnership model for Northern Ireland. DELNI should support and inform the development of local employability planning partnerships.

- A longer term objective for local employability planning partnerships should be the effective pooling and local management of resources deployed on employability by DELNI and other partners. The Danish Regional Employment Council model has demonstrated the benefits of devolving some aspects of the planning and monitoring of employability policy and the funding of some locally specific targets and tools to the local level. Once operational, there may be scope for Northern Ireland's local planning partnerships to follow this route. DELNI and other key funders of employability services should consider allowing local employability planning partnerships to share control of planning some aspects of the content, targets and tools for employability programmes (within the context of clear national frameworks and targets). By sharing ownership of, and responsibility for, the content and management of employability programmes with local stakeholders (including local authorities and, crucially, employers' representatives), government can help develop and implement interventions that are more responsive to local labour market needs, have credibility with communities and clients, and benefit from the 'buy-in' of key agencies and employers.
- A key priority for both a renewed Northern Ireland Employability Strategy and local planning partnerships should be the mainstreaming employability as an objective in policy areas such as economic development, lifelong learning, health, housing, and childcare. DELNI should work with local authorities and other relevant actors to identify opportunities to build employability into a linked policy agenda. Further research may be required on how other governments have gone about challenging the legal and institutional constraints that restrict attempts to link employability to other public policy agendas.

Implementing change

- In the longer term, DELNI and partners should consider how best to extend the 'one stop shop' concept to provide one space where employability, benefits, money advice, learning, health, housing, and childcare services can be accessed. DELNI and local authorities should analyse the potential for establishing shared spaces extending the range of services currently available through DELNI's JBOs or JACs.
- There should continue to be a strong role for local, voluntary sector intermediaries in delivering specialist employability services that complement existing standard provision delivered by DELNI through JBOs. DELNI should consider continuing its commitment to, and funding for, local intermediaries in areas of high unemployment. However, this must be subject to a clear strategy outlining how these organisations will complement (and not duplicate) existing services and clear delivery of clients into sustainable employment. DELNI should work with local authorities and intermediaries to consider how local agencies can add value by supporting specific areas or providing specialist services for vulnerable client groups. Local employability planning partnerships should articulate the different roles of JBOs and intermediaries, and should ensure that intermediary funding is used to deliver highly specific, clearly defined, specialist and additional services.
- DELNI should review current contracting arrangements for employability programmes. DELNI should test the effectiveness of alternative funding models, building on the kind of flexible funding arrangements piloted under Pathways to Work and Working Neighbourhoods. Pilots testing alternative funding models should be used to investigate whether more flexible contracting models, and/or a looser combination of service level agreement and memoranda of understanding, can reduce bureaucratic 'hand offs' and unnecessary reporting. DELNI should also consider the potential for more sophisticated contracting models that are less focused

on rigid outcome data and have the capacity to reward significant 'distance travelled' and sustained job entry and progression.

- DELNI and partners should work towards an agreed client assessment that can be used to refer clients for 'early interventions' as required. DELNI should conduct a review of existing client assessment tools (such as Australia's Jobseeker Classification Instrument, the Dutch 'Kansmeter' tool, and Denmark's 'employability profiling toolbox') and work with partners towards a shared employability assessment model across DELNI-funded, and other, employability projects.
- DELNI should work with partners towards the development of a shared client database or 'digital dossier' to prevent duplication in data gathering and allow access to client data across (appropriate) agencies. DELNI should investigate current client record tools used in other countries and review the legal, organisational, data protection and IT issues involved in moving towards a shared client database system.
- DELNI should lead the development of a detailed, publicly available assessment of employability service providers, based on assessment of performance across a range of qualitative and quantitative criteria. As a first step, DELNI should work with local authorities to establish such a joint assessment tool for employability service providers.
- A framework for evaluating the costs and benefits of partnership working should be set up at an early stage and used to monitor, evaluate and learn from the partnerships.
- A key priority for local employability planning partnerships should be to strengthen employability provision that directly engages employers. Each local employability planning partnership should detail plans for a partnership-based approach to employer engagement. New approaches to employer engagement to be piloted at the local level should include:

- a renewed Transitional Employment Programme offering wage subsidies and intensive support for clients in return for work placements (and if possible, interview guarantees) with employers - any future Transitional Employment Programme services should target only private sector and large public sector employers, with an emphasis on using subsidised work placements as a route into sustained jobs;
 - a single employer contact point, with all employability providers using one agency charged with linking job seekers to opportunities - DELNI and partners should pilot a single employer contact point in areas of high unemployment with the aim of co-ordinating approaches to employers from DELNI JBOs and other service providers, with contact point staff able to demonstrate their credibility with employers but also their extensive knowledge of programmes and client groups;
 - a coherent, single ‘offer’ to employers, with one agency presenting a consistent but wide-ranging ‘demand-responsive’ model of provision to employers, including ‘Academy’-style tailored, sector-specific training, the job matching services delivered by intermediaries and specialist agencies, any future Transitional Employment Programme services, and supported employment for those further from the labour market;
 - new methods of engaging employers in the development of projects, e.g. they participate in meetings where they feel they can clearly contribute their expertise and views which are fed into policy implementation as well as development.
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- DELNI should also work towards the development of new employability programmes with employers as a key partner – effective employability programmes have seen employers contribute to the design of programmes and recruitment of clients, provide training and work placements, and offer job and interview guarantees. This requires that DELNI and other employability funders/providers share responsibility and ownership with employers over the design and content of interventions, and support both employers and client during training. DELNI should work with employers, local authorities and training partners to establish ‘Employment Academy’-type interventions, with industry insiders/

employers leading the development of sector-specific training linked to work placements and interview guarantee programmes.

APPENDIX 1 Participating Organisations and Individuals

We wish to thank all of these organisations for contributing to the research.

Northern Ireland stakeholders

Cresco Trust Ltd, Londonderry
DELNI Disability Advisory Service
DELNI Employment Services Team
DELNI European Unit
DELNI Partnership Unit
DELNI Pathways to Work
DELNI Preparation for Work Team
DELNI Research and Evaluation Team
Enterprise Ulster
North City Training, Belfast

Denmark case study

Danish Employers' Confederation, Greater Copenhagen
Danish Employers' Confederation, National Office
Danish National Labour Market Authority
Green Jobhouse project, Copenhagen
Kobenhavns Taxiforeskole Training School
Public Employment Service, Greater Copenhagen
Trades Union Congress, Greater Copenhagen
Trades Union Congress, National Office
University of Copenhagen

Netherlands case study

Agens Training Agency
CWI (Public Employment Service) Alphen aan den Rijn
CWI National Office
CWI South West Netherlands
DIVOSA National Office
Ministry of Social Affairs and Employment

Municipality of Rotterdam

Utrecht University

UWV (Administration Agency for Employees Insurance) National Office

UWV South West Netherlands

Republic of Ireland case study

Community Employment Scheme

Department of Social and Family Affairs

Foras Áiseanna Saothairthe

Local Area Partnership, North Dublin

United Kingdom case studies

Capital City Partnership, Edinburgh

Careers Scotland Edinburgh and Lothian

City of Edinburgh Council

Community Enterprise in Strathclyde

DELNI Pathways to Work Team, Lurgan JBO

DELNI Preparation for Work Team, Northern Ireland

Department for Health, Social Services and Public Security, Primary and
Community Care Directorate, Northern Ireland

Jobcentre Plus Scotland: Incapacity Benefit Innovation Unit

Jobcentre Plus, Renfrewshire, Inverclyde, Argyll and Bute

Local Health and Social Care Group, Craigavon and Banbridge

NHS Argyll and Clyde IB Reform Pilot

North City Training, Belfast

Pertemps People Development Group, Birmingham

Rocket Science Ltd, Edinburgh

Scottish Enterprise Edinburgh and Lothian

Scottish Executive, Development Department

Scottish Executive, Enterprise, Lifelong Learning and Transport Department

Shankill Women's Centre, Belfast

Social Security Agency, Northern Ireland

Townsend Business Park, Belfast

National Experts

Country	Expert	Institution
Australia	Dr Mark Considine	Centre for Public Policy, Melbourne University
Belgium	Dr Marjolein Geens	Department of Social Research, Vrije Universiteit Brussels
Canada	Dr Thomas Klassen	Department of Political Science, York University Ontario
Denmark	Dr Mikkel Mailand	Employment Relations Research Centre, Copenhagen University
Finland	Dr Vappu Karjalainen	National Research and Development Centre for Welfare and Health, Helsinki
France	Dr Christine Erhel	MATISSE, University of Paris
Germany	Dr Milena Buchs	School of Sociology and Social Policy, University of Southampton
Ireland	Ciaran Sheils	Foras Aiseeanna Saothair
Italy	Dr Vando Borghi	Department of Sociology, University of Bologna
Netherlands	Dr Rik Van Berkel	Faculty of Social Sciences, Utrecht University
Norway	Dr Ivar Lodemel	Research Group for Inclusive Social Welfare Policies, Oslo University College
Spain	Jorge Torrents	Department of Law and Social Security, Complutense University Madrid
Sweden	Dr Hakan Johansson	School of Health Sciences and Social Work Växjö University
UK	Colin Lindsay	Employment Research Institute, Napier University, Edinburgh
United States	Dr Laura Dresser	Center on Wisconsin Strategy, University of Wisconsin, Madison

Appendix 2 Key references on inter-agency co-operation and partnerships

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