

Local Employment Strategies: Learning from Local Examples

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In the policy realm of welfare-to-work, the 'new localism' being demanded by local areas and being supported (to some degree) by Government is generating a wave of smart and creative local thinking about the strategic priorities for welfare to work, and how to achieve them.

Local employment, skills and inclusion partnerships – some working as subgroups of the Local Strategic Partnership, and others led by the Economic Development or Regeneration Department of local councils – are making the leap from programme development to strategy development, in an effort to answer the long-term demands of local labour markets. With a mature welfare to work landscape and the increased focus on addressing economic inactivity locally, many local authorities are recognising:

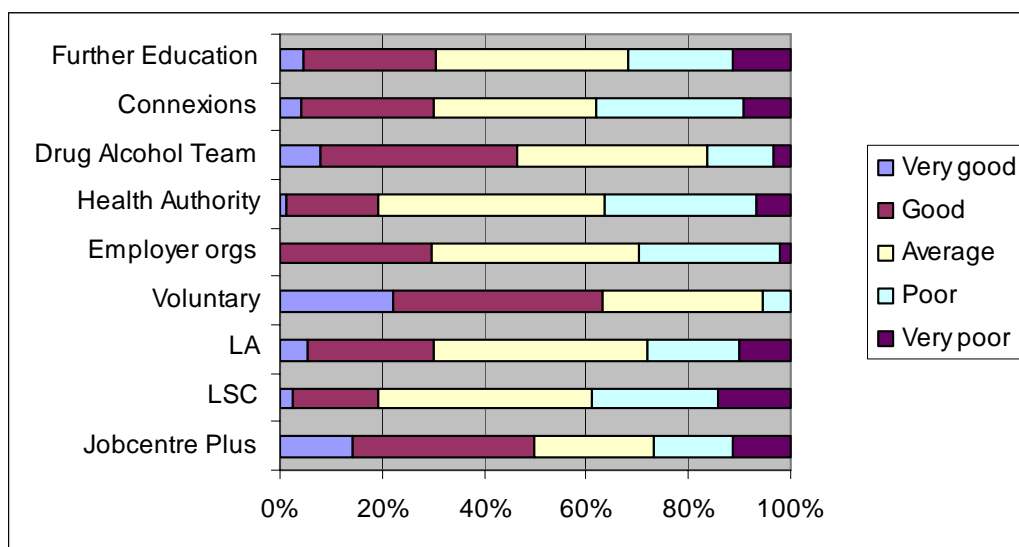
1. there is a relationship between national and local targets, particularly the 80% full employment aspiration set by the Government,
2. there is an urgent need to address concentrations of worklessness in local areas,
3. that supply-side and demand-side measures must be tailored to fit local labour markets (one size doesn't fit all!),
4. that joining up works, needs to occur locally, and still may not be the standard in many local areas,
5. that public sector reform is driving the planning and delivery of local public services,
6. that we need to know 'what works' locally, rather than nationally, and
7. that the patchwork of local initiatives and programmes needs an overarching strategic direction.

Thinking strategically?

While partnership – or the idea that providers of employability services should work together to achieve outcomes -- is no longer a new idea, there are still local areas where partners have not yet come together to make joint decisions, and in many cases, the critical partners have yet to come to the table.

In a survey carried out by Inclusion at last year's Local Works! Conference, strategic and delivery partners were asked how well organisations are perceived to work in partnership locally.

How well do organisations work in partnership?



The results show that the critical actors, the Local Authority, Jobcentre Plus, and the learning community, still have some distance to go before they are considered good at partnership working. What would not have been the case three or four years ago, is that Jobcentre Plus is increasingly perceived to be a visible and active local partner. Local Authorities are slowly beginning to acknowledge the expertise Jobcentre Plus can bring to strategic decision-making, and Jobcentre Plus is taking more opportunities to make use of partnership activities.

Distinguishing strategic partnerships from operational ones is one of the primary challenges facing local partners. The DWP Partnership Strategy defines a strategic partnership as –‘a group of organisations which anticipate the needs of local areas or industries and set the frameworks for local labour market strategy.’ Many local areas would concur. Welfare-to-work delivery occurs within the context of the local labour market, therefore the success of policies increasingly depends on the ability of local organisations (i.e. The Local Authority, Jobcentre Plus and FE colleges) to work together to develop a strategy that is designed to meet long term labour market needs.

Since the welfare-to-work movement began, highly centralised policy and operational structures from DWP and Jobcentre Plus have left local partners to take national frameworks and develop local programmatic responses that achieve short term outcomes, usually based on the life of individual funding streams such as ESF. However, developments at all levels of government, i.e. the European Employment Strategy, the introduction of BOND, the National Partnership Accord, Local Public Service Agreements, Local Area Agreements, and in the case of Scotland, the Executive’s Employability Framework, all reflect the importance of local strategic thinking, rather than isolated programme development, to achieve local objectives.

Essential strategy elements

Just as we have learned from a wealth of evidence what works in welfare to work programme design, we can also examine best practice in local strategy development.

The most successful employment, skills and inclusion strategies:

1. Are led by local government and are designed and delivered by effective local partnerships (rather than regional partnerships)
2. are based on frequently monitored and analysed labour market intelligence
3. include a 'vision' for the direction of the local economy (demand side)
4. include a range of individually tailored labour market interventions linked to excellent learning provision and expert in-work support (supply-side measures)
5. have identified target groups and measurable targets
6. include an agreed set of partnership actions (a local accord)
7. include a method for reporting, evaluation and amendment

Policy can learn from local examples

Spotlight: Edinburgh

Local strategy work needs to involve frontline practitioner knowledge from the outset, and proceed grounded in a realistic understanding of delivery capability. Feedback mechanisms from delivery back into strategy developers are essential for making strategy adjustments so that local labour market demands are met. Experience and learning from successful outcomes and unexpected results should in turn influence policy design.

Local authorities in the process of developing local strategies, as well as central government policymakers, have several good practice examples from which to draw lessons: Kent County Council, Liverpool City, Rotherham MBC, Knowsley MBC, and the City of Edinburgh have all developed overarching employment and skills strategies that tie together programme initiatives and

Joined Up For Jobs is Edinburgh's Employability Framework – a local strategy for welfare to work developed by the City of Edinburgh Council, Jobcentre Plus, Scottish Enterprise Edinburgh and Lothian, and the Capital City Partnership (the social inclusion partnership for Edinburgh), which co-ordinates it. Launched in February 2002 it seeks to create a pattern of provision in the city which is 'Demand-led, Client-centred and Joined-up' (Capital City Partnership 2002).

Demand-led. The strategy maintains that provision in the city should be built around knowledge of employer needs and their actual vacancies. This needs to happen not just at the job-entry end of the spectrum but also to permeate right back to the start of the pathway. The best example in Edinburgh of this approach is the creation of employer-led, sectoral Employment Academies.

Client-centred. All barriers facing individuals need to be addressed in an holistic way. In the strategy this means making sure there are real pathways from exclusion to sustainable employment. To ensure we do focus on exclusion, it also means that we respond to the needs of specific excluded target groups: disabled (physical, mental and those suffering mental illness, homeless people, recovering addicts, ethnic minorities, refugees, care leavers, ex-offenders, lone parents, and NEET school-leavers. The strategy aspires that for each there will be clear and reliable pathways from referral into employability programmes to work.

Joined Up. Perhaps the greatest challenge is to ensure that the service providers in the city work together so that:

- the best possible support is given to each individual, drawing on a range of organisations;
- co-ordination ensures that each organisation has a clear role;
- structures are provided to support co-operation and funding incentives
- the system generates enough 'management information' to guide its development – this means intelligence on what is happening across the city for beneficiaries and target groups.

To achieve these objectives JU4J has developed:

1. the Employment Academies as a means of working directly with employers; pioneering co-ordinating agencies to work with the most disadvantaged target groups;
2. the use of Information Technology to support joined up working; and
3. a dedicated quarterly magazine, Working Capital.

Current work also includes creating models of integration of Jobcentre Plus services with local intermediaries; linking employability programmes in prisons with services for prison-leavers on release; and integrating money advice with employability services.

Before presenting policy conclusions, readers will want to know whether the strategy is effective. The partnership has grappled with the question of how to test whether outcomes across the city have been significantly improved. An emphasis on evaluation is only part of the solution, since all evaluation frameworks are applicable to individual programmes. Although some attempt to deal with additionality and displacement has been made, the task here is to isolate effects at the level of the local labour market. To do so will require both a sophisticated set of data about beneficiaries; some capacity to relate that data to changes in labour market statistics; and a set of indicators for the performance of local labour markets. Needless to say, although we aim high, this has yet to be achieved.

City of Edinburgh: local labour market profile

	2000	2002	2005
Employment rate	73.3%	77.7%	75.3%
Unemployment rate	5.3%	4.4%	5.5%
Inactivity	22.6%	18.7%	20.3%
IB claimant count	21,800	22,100	21,900

Confidence in the effectiveness of the strategy is therefore founded mostly on survey evidence. A 2004 survey by Working Capital of readers working for provider organisations including Jobcentre Plus reported that 57% agreed that JU4J has made a difference in getting people into work, and 60% thought that it had improved co-operation between organisations.

More recently the Employment Research Institute has carried out substantial research which concludes that "the strategy has achieved considerable success in

better co-ordinating provision, and engaging a range of partner organisations, including employers. The strategy's particular strength appears to lie in its capacity to provide an overarching framework for action on employability, informing and focusing the activities of intermediaries based in disadvantaged areas of the city, specialist agencies and demand-led service providers".(Employment Research Institute 2005)

On the basis of the experience with JU4J, a range of policy conclusions have been drawn, in the first place about how to design and implement a local strategy for welfare to work. The salient points about JU4J are:

- it is specific to Edinburgh's needs, and locally-generated;
- it covers the welfare to work agenda, not all local economic development;
- the co-ordinating body is the Capital City Partnership, a partnership organisation of which all the other key partners are members
- the strategy belongs to policy-makers and funders; not providers]

It is believed that all of these are factors in effectiveness, which can be recommended for similar strategies in other cities. In addition of course the content is important. The overall vision, encapsulated in the phrase 'demand-led, client-centred, joined-up' makes sense, while clearly posing a challenge to all partners. Furthermore the implementation has to be effective, offering mechanisms for translating strategy into action. This in turn requires proper engagement with providers, who know what will and will not work.

Through the development of the strategy, key stakeholders and providers have had a chance to consider what helps and what hinders the design and implementation of such a strategy.

What helps

- local leadership on the issues of social inclusion and employability
- local discretion on design and funding of programmes
- committed and skilled individuals
- appropriate joint targets
- good intelligence
- partnership structures which relate to policy and funding agents and providers

What hinders

- discontinuous funding and 'pilot-itis' – a constant stream of short-term funding opportunities
- constant organisational changes, and the consequent changes of personnel
- a contracting culture which creates competition not co-ordination
- centrally-determined targets

Conclusions

Recalling that all delivery is local; and that excluded groups need support from a range of agencies, the following conclusions can be drawn from Edinburgh's experience with Joined Up For Jobs:

1. Local strategies need local implementation plans
2. The strategic partners have to create joined-up funding, allowing providers to concentrate core task, avoiding discontinuities and uncertainties of funding
3. The strategy needs to be properly informed both by labour market intelligence and also by beneficiary data, 'management information'.
4. Governments' policies should endorse the need for local strategies, identify the barriers to joint working, and address them.

Additional information can be found on the Joined Up For Jobs (JU4J) website at joinedupforjobs.org.uk

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