

EMPLOYMENT ACCESS SERVICES

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Equal



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EXECUTIVE SUMMARY

Background to the Study

1. The primary purpose was to map employment access services provided by intermediaries in Edinburgh, East and Mid Lothian.
2. In addition to the mapping exercise, an analysis of gaps and weaknesses in employment access provision for Edinburgh was carried out.
3. The range of information collected was also used to assess progress on the Joined Up for Jobs (JU4J) framework.

Evolving Policy Around Welfare to Work

4. The government is placing increasing emphasis on progressing working age people not claiming Job Seekers Allowance (JSA) towards employment.
5. Given the buoyancy of the labour market, the favoured approach is 'work first'. This involves getting people into jobs as soon as possible and then working hard to sustain them in employment.
6. The implications of the changes in government thinking on welfare to work are that the revenue streams of intermediaries and providers are likely to be less predictable and the unit costs of delivery may rise.

Edinburgh's Non Employed

7. The employment rate in Edinburgh is nearly 79% - close to the figure for the South East and well above the Scottish average.
8. Between 1997 and 2002, the number of long term unemployed (claiming JSA) in the city has fallen from 3,600 to 800.
9. It is estimated that there are around 33,000-34,000 working age people on benefits other than JSA.

Employment Access Services

10. The total spend in Edinburgh on employment access services is approximately £6 million per annum.
11. Intermediaries deliver a wide range of employment access services, but with relatively low proportions providing benefits calculations, pre-vocational training and guaranteed job interviews or jobs.
12. A wide range of client groups is served, but with relatively few delivering services to older people, ex-care leavers or people with low levels of qualifications.
13. The average intermediary is a relatively small organisation – 72% have fewer than 10 employees.

14. Of the intermediaries surveyed:
- 32% saw overlaps in provision;
 - 52% were aware of opportunities for greater co-ordination;
 - 72% reported gaps in provision.
15. Funders and stakeholders favoured the development of an infrastructure with a smaller number of larger organisations.

Employment Access Provision and the JU4J Framework

16. Although the academies were perceived to be demand-led, this approach was much less embedded in the activities of the intermediaries.
17. Intermediaries see themselves as strongly client centred, but funders are less convinced and would like to see more on:
- referrals between organisations;
 - the development of customised pathways towards jobs;
 - the management and tracking of individuals.
18. The main gaps and weaknesses in provision were in relation to:
- the residents of non SIP areas;
 - services for niche groups;
 - aftercare services.
19. The funders are still at the early stages of aligning their contracting processes, performance measures and other procedures.
20. A great deal of work needs to be done to create a more co-ordinated delivery infrastructure. IT systems can help with this process, but there will also need to be a range of more fundamental changes.

Looking Forward

21. Given the relatively fragmented nature of the intermediary infrastructure there is considerable scope to secure future economies of scale.
22. Specific IT developments will assist in improving the effectiveness of the infrastructure in terms of providing:
- good quality information on the range of employment access services available;
 - a more effective client tracking system;
 - more detailed knowledge on the effectiveness of individual intermediaries and providers.
23. A central conclusion of the study is the need for the JU4J partners to update and implement their Action Plan.

1. THE BACKGROUND TO THE STUDY

Introduction

The study was focused on *employment access services*, but also tried to fulfil a number of purposes on behalf of the partnership around Joined Up for Jobs (JU4J). The intention was to research three key issues:

- mapping employment access services in Edinburgh, East and Mid Lothian;
- analysing and interpreting material collected as part of the mapping exercise, with this report concentrating on Edinburgh;
- looking forward with a view to identifying processes that would allow JU4J to be delivered more effectively.

Mapping

The objective here was to collect some basic information on employment access provision, focusing on:

- organisations which major on the provision of employment access services; and
- other organisations with different primary functions but which provide employability support.

The principal output of the mapping exercise is a database of organisations describing what they provide and other characteristics they possess.

In terms of basic information provision, and as an extension of the mapping exercise, other objectives were to:

- collate data on annual spending on the provision of employment access services in Edinburgh;
- generate an analysis of client statistics provided by Jobcentre Plus.

It proved impossible to fulfil the second of these objectives due to data limitations.

Analysis and Interpretation

Building on the information collected as part of the mapping exercise, two key aspects of the study involved:

- assessing employment access provision in Edinburgh against the benchmark of the JU4J framework;
- carrying out analysis of gaps or shortcomings in employment access provision in Edinburgh.

Looking Forward

The study tries to provide guidance on how employment access services might be provided more effectively, again within the context of the JU4J principles. Issues looked at here include:

- the potential for adding value to these services, in part through achieving economies of scale;
- the potential role of IT in enhancing delivery effectiveness;
- a range of other key issues which emerged from the mapping process and the wider consultations which took place as part of the study.

Research Methods

A range of methods were deployed in an attempt to fulfil the research objectives. These included:

- a telephone survey of intermediary organisations providing employment access services in Edinburgh, and in East and Mid Lothians;
- a telephone survey of around 30 employers known to have recruited unemployed people from organisations providing employment access services;
- 14 focus groups with unemployed individuals, organised through employment access organisations across Edinburgh;
- face to face consultations with a range of key players and stakeholders;
- two workshops with key players and stakeholders to test out preliminary findings of the research and discuss their implications.

Structure of the Report

- Section 1 provides a background to the study;
- Section 2 looks at the current UK policy context;
- Section 3 presents some statistics on Edinburgh's non employed;
- Section 4 evaluates Edinburgh's employment access services against the JU4J principles;
- Section 5 takes a forward look on JU4J.

2. EVOLVING POLICY AROUND WELFARE TO WORK

Introduction

This section considers policy developments around Welfare to Work, very largely driven by a UK political agenda. However, the implications of these changes for JU4J are considered.

Main Direction of Policy

For a number of years now there has been a strong emphasis on tackling unemployment and social exclusion by moving people towards employment. Government has justified this on the grounds that:

- employment has grown strongly for a number of years;
- the proportion of working age people in work now stands at record levels, close to 75%;
- the number of unfilled vacancies across the economy has grown.

All of these phenomena are clearly visible within the context of the Edinburgh and Lothians' economies.

Whether or not as the result of government policy directly, there have been very significant declines in the number of unemployed on Job Seekers Allowance (JSA). We note later the statistics on this for Edinburgh. Within this the number of long term unemployed has been very significantly reduced, although there are measurement problems here. For example, when unemployed people return to claim JSA if they have failed to find work after a programme, the unemployment duration counter is set to zero. Many government interventions have promoted the re-employment of this group using approaches such as the minimum wage and tax credits, and most of the mainstream programmes such as the New Deals and the Employment Zones are targeted at people on JSA. As we have already indicated, this is now a relatively small group of Edinburgh's non-employed.

Because of the success in reducing unemployment among those on JSA, the government's emphasis has now switched to the larger group of non-employed people who are effectively inactive and are primarily on Income Support and Incapacity Benefit. There are just under 5 million such people at the UK level. The government's thinking appears to be similar for this group.

- The labour market is buoyant.
- Employment continues to expand.
- Many employers are unable to fill their vacancies.

The opportunities are there for the non-employed – the issue is attacking effectively the specific barriers they confront.

The emerging view is that policy will develop in three broad directions:

- bringing non-JSA clients into eligibility for the various Welfare to Work programmes and focusing within this on getting better at supporting the hardest to help. The Department for Work and Pensions (DWP) is focusing new ideas and special programmes on the 30 most depressed labour market areas in the UK. None of these is in Edinburgh and Lothians, with North Lanarkshire the closest in terms of location.
- trying to develop '*work first*' solutions for these more disadvantaged clients, through things such as supported employment and measures to facilitate employment retention. There is a recognition that the non-JSA client group is very diverse and that within this there will be:
 - people who are keen to progress into and through the labour market under the right circumstances; and
 - people with significant barriers in relation to substance abuse, mental health problems, etc.

The government appears to be intent on redoubling efforts for groups such as ex-offenders and disabled people.

- placing greater emphasis on supporting career progression once the unemployed are brought back into employment, as part of the *workforce development* agenda.

There are number of other supporting measures on their way:

- a new central childcare unit with a budget of £1.5 billion has been announced;
- new tax credits are to be introduced in April 2003 and these are likely to impact significantly where the financing of childcare and the situation in relation to benefits for disabled people are serious barriers;
- some changes have been signalled around housing benefit, although it is not clear how radical these are. They appear to point principally in the direction of improving administration and customer interface.

There does not appear to be a consensus or clarity on how to progress the non-JSA client group into sustainable employment. There are two schools of thought on this:

- improve the interventions to date which have failed to assist significant proportions of these clients – principally the New Deals. There is thinking here around a more intensive, holistic support package. This might well help

progress the hardest to help who remain longer term unemployed among Edinburgh's JSA clients, and a proportion of those on non JSA;

- push the 'work first' concept for people 'pressed up against the labour market', letting the strength of employer demand draw people into work, but with suitable supports where necessary.

These are not necessarily mutually exclusive interventions.

One critical issue is that it seems to be now clear that within the life of the current Parliament, there are no plans for compulsory participation of non-JSA clients in Welfare to Work programmes, beyond attending a work-focused interview. This places the emphasis on coming forward with interventions to attract non-JSA clients back into work. The difficulty is that we have very little knowledge of what these might entail. Attempts to date – such as the use of the Regenerate organisation to find clients for Glasgow Works and the Glasgow Full Employment Area Initiative – include more intensive and informal outreach activities. A preliminary evaluation of Regenerate's work in Glasgow suggests that their approach reaches clients not otherwise engaged, but it is not a cheap process. The Full Employment Area Initiative is still at the early stages. The Treasury announced in late October its intention to have mobile neighbourhood Jobcentre teams going into very high unemployment communities, although how effective these will be remains to be seen!

The key finding on what 'turns people on' to looking for work from a position of longer term unemployment in the non-JSA group is generally that people come forward 'when they are ready'. Largely based on research on lone parents, this is heavily influenced by the age of children and their stage in the schooling system.

Delivery Structure

Jobcentre Plus is at the heart of the government's effort on Welfare to Work with the following key features:

- the combination of benefit and employability responsibilities;
- massive upgrading of IT systems;
- new premises;
- the probable deployment of the Personal Advisor approach;
- stronger links to local employers;

Currently there is a strong focus on internal restructuring – getting Jobcentre Plus right.

An uncertainty is the balance of Jobcentre Plus effort in terms of being:

- a deliverer of services; or
- a purchaser of services.

The best guess at this stage is that Jobcentre Plus will preside over a 'mixed economy' of provision with both private and voluntary sectors playing a greater role in delivery. Outreach services have already been launched for lone parents and clients from minority ethnic groups, all delivered by local organisations on behalf of Jobcentre Plus. However, there are still programme-based services within Jobcentre Plus and no sign that core business services (i.e. around employability and benefits advice) will be outsourced. The outcome of these processes will help dictate the appropriate scale and shape of Edinburgh's network of intermediaries and academies.

In terms of government thinking on delivery structures, an important influence is the success of Employment Zones and Action Teams which have worked:

- to deliver services to very disadvantaged groups;
- in a fashion highly customised to the needs of the individual.

These are seen as key operating principles, and should be borne in mind in assessing and developing Edinburgh's network of employment access services.

Another key current issue is the impact of competition between providers on service quality and effectiveness. Employment Zones are being asked to develop multiple provider pilots in their next phase.

More generally the Basic Skills Agency and the Learning and Skills Councils are beginning to look more closely at:

- output related formulae;
- enhanced management information systems.

The goal here is more effective performance from the FE and training provider sectors for the funding released. As part of this process LSCs and RDAs are required to produce Frameworks for Regional Employment and Skills Action. The focus is expected to be on business needs and skills development. In broad terms the emphasis is much more on the labour market value from skills interventions – all consistent with the 'work first' approach.

The development of basic skills is clearly seen as important. The plan is to integrate the delivery of these supports with other assistance. Traditional literacy and numeracy courses, for example, are perceived not to engage with the clients who need them most.

Policy Instruments

There is a broad awareness that the New Deals need to be reconfigured if the hardest to help are to be progressed. Programmes explicitly designed for these groups, such as Step Up and Progress2Work, are clear manifestations of this view.

Although there is a widespread acceptance of the need to give a higher degree of flexibility to frontline staff delivering New Deal there are two views on how this might be done.

- Combine all the New Deals under a single programme, giving Personal Advisors a single pot of money from which to draw down support for their clients.
- Develop more specialised New Deals, for example a New Deal for the Hardest to Help, although this is unlikely as the landscape of initiatives is already cluttered.

It is clear that Employment Zones are set to expand with the Select Committee recommending that this expansion catered for the 30 core ‘worst’ areas of the country. Within this, Zones will be expanded to include lone parents and those who fail to find a sustained outcome from the New Deal programmes, although from which New Deals is not yet clear. The links between Welfare to Work and workforce development are being explored through the Employment Retention and Advancement pilot, sponsored by the Cabinet Office and being set up in Brighton. Other pilots will be developed in areas where Jobcentre Plus has already been rolled out.

Additional provision for non-JSA clients has yet to be confirmed. Enhanced resourcing available to Jobcentre Plus caters only for the work-focused interviews, but the presumption is that non-JSA clients will have equal access to existing programmes. At this stage it looks as though no new programmes will be announced for non-JSA clients, but there is a recognition that existing programmes will need to provide much more flexible assistance – which is the direction in which the programmes are moving anyway.

In England, Work Based Learning for Adults (the equivalent for Training for Work in Scotland) will continue to be delivered by Jobcentre Plus. Training for Work in Scotland is currently under review, although it is uncertain as to what direction the review process is likely to take.

Overview

In broad terms, the various developments discussed here present a major challenge for local provider infrastructures.

- On the one hand, support is becoming shorter (implying smaller payments), with flexible delivery of more specialised provision (implying greater uncertainty, where contracts are ‘call off’ with no guarantees on the volumes of delivery).
- On the other hand, there is an expectation of a much closer working relationship with employers (implying higher levels of marketing activity and smaller numbers of clients per unit of delivery).

These have largely negative implications for the revenue streams and cost structures of intermediary and provider organisations. The management of risk is also likely to become a much more important issue for intermediaries and providers.

3. EDINBURGH'S NON EMPLOYED

Introduction

The appropriate level and type of employment access service delivery needs to be driven by the size and nature of the client group and also clearly by the funding available to tackle the barriers to employment they confront. It was envisaged that the study would analyse data on the non employed in Edinburgh to help serve as a benchmark against which to assess provision. Data difficulties precluded a proper analysis of these issues.

Employment, Unemployment and Non Employment

Edinburgh's 'labour market' has become increasingly tight. This is well illustrated by the fact that employment rates are now very high by most benchmarks. Employment rates for the period June 2001 to May 2002 were:

- 73.3% in Scotland (including Edinburgh);
- 78.9% in Edinburgh;
- 80.2% in the South East.

The percentage for Edinburgh equates to around 240,000 residents of the city employed.

These figures suggest that there is a limit to how much more can be squeezed out of Edinburgh's labour supply – and it is important to keep this in mind. Bearing in mind that at the UK level around 17% of the working age, non employed population are in full time education, it is hard to see how Edinburgh's employment rate can go much higher than 83%.

The other side of this coin is that the claimant count of the unemployed has fallen dramatically. Between 1997 and 2002, the number of registered unemployed fell from:

- 12,900 to 6,700 in total; and
- 3,600 to 800 looking specifically at the long term unemployed (12 months plus).

The following table shows the detail of this for different age groups and lengths of unemployment. The striking statistic is that there are now around only 750 unemployed for 12 months or more in Edinburgh's claimant count.

Table 1: Edinburgh JSA Unemployed by Age and Duration, June-August 1997 and 2002

	June – August 1997				June – August 2002			
	Less than 6 months	6-12 months	12–24 months	2 years plus	Less than 6 months	6-12 months	12-24 months	2 years plus
Below 25	2,407	621	353	149	1,461	160	20	0
25-49	3,893	1,361	1,186	1,265	2,866	741	365	127
50+	810	255	237	434	553	159	105	144

Source: Claimant Count by Age and Duration (NOMIS)

Note: Edinburgh is defined as the City of Edinburgh unitary authority area.

The number of working age people on benefits other than JSA is much more substantial. Jobcentre Plus have indicated that, in broad terms, there are:

- approximately 33,000-34,000 in total;
- around 5,000 lone parents, a relatively low proportion compared to other localities – a significant point as this is the group where reasonably good proportions can be moved into employment;
- around 28,000 on invalidity and incapacity benefits.

There is very little evidence on the specific barriers confronted by unemployed people in the non-JSA categories. It is clear that there is very little out-movement from these groups of the non employed, which would also indicate that programmes deployed to promote the transition from welfare to work may find it difficult to deliver significant benefits. The sketchy evidence available to date suggests that people in these benefit categories move towards employment when they are ready, for whatever reasons. There is also a significant issue around the ability to attract non-JSA clients into programmes and projects as there is very little likelihood of programme participation becoming mandatory in the current parliament.

Geographical Distribution of Unemployment

In the absence of a geographical breakdown of the non employed irrespective of benefit status, the following table shows the residential distribution of people claiming JSA, based on ward data. The table shows:

- the consistent tendency for the numbers unemployed to fall right across the city;
- although some wards have relatively high numbers, and probably also rates of unemployment, the table does not present a picture of highly concentrated unemployment in neighbourhood terms.

However, if the table were to include the non JSA clients a different geographical pattern of disadvantage and demand for services may well emerge. Having said this, it is estimated that around 60% of Edinburgh's non employed reside outwith SIP areas.

Table 2: Claimant Count by Ward, Edinburgh, July-September 1997 and 2002

	1997	2002
Muirhouse	417	271
South Hailes	468	258
Harbour	457	247
North Hailes	313	244
Holyrood	368	219
Granton	278	214
St Giles	421	202
Haymarket	390	198
Dalry	319	183
Sighthill	264	174
Fort	281	165
Craigmillar	303	163
Tollcross	315	159
Lochend	245	154
Inch	348	154
Pilton	281	149
Lorne	356	148
Kaimes	293	135
Broughton	322	134
Calton	285	130
Niddrie	247	129
Firrhill	187	120
Gilmerton	226	106
Milton	146	105
Shandon	202	103
Portobello	194	102
Links	176	100
Inverleith	162	96
Stenhouse	162	91
Trinity	146	91

New Town	189	89
Moat	168	87
Queensferry	163	87
Stockbridge	179	85
Merchiston	215	81
Telford	146	81
Kirkliston	130	79
Mountcastle	116	78
Craigentinny	133	76
Willowbrae	111	70
Dean	125	69
Marchmont	191	69
South West Corstorphine	118	68
Murrayfield	115	66
Parkgrove	146	65
Alnwickhill	143	65
Sciennes	161	64
Morningside	154	63
Prestonfield	143	62
Fairmilehead	114	60
Mayfield	116	59
Newhaven	113	54
North East Corstorphine	120	53
Longstone	113	53
Colinton	106	51
South East Corstorphine	100	49
Baberton	121	46
Balerno	108	43
Cramond	77	43
Braidburn	116	43
Blackhall	69	34
North West Corstorphine	80	30
Total	12,771	6,767

Source: Claimant Count by Age and Duration (NOMIS)

4. EMPLOYMENT ACCESS SERVICES

Introduction

A wide range of interests were interviewed or otherwise involved in discussions as part of the mapping exercise. This section draws upon that information to describe the provision of employment access services in Edinburgh.

Overall Spend

We report below the total spend on employment access services by the various funders in the city. Some of the figures are difficult to break down. In particular, the Jobcentre Plus monies include the cost of services delivered by a range of providers, including the vocational training providers as opposed to intermediaries delivering employment access services. Some proportion of the vocational training provision will include employment access services. The figures for Scottish Enterprise Edinburgh and Lothian are an underestimate as they exclude employment access services delivered as part of the provision around mainstream programmes. Our best estimate is that annual spend on employment access services is around £6 million.

Table 3: Estimated Current Annual Spend on Employment Access Services, 2002/2003

Funder	Expenditure
Jobcentre Plus	£3,893,000
Scottish Enterprise Edinburgh and Lothian	£284,000
City of Edinburgh Council	£345,000
Social Inclusion Partnerships*	£1,775,000
Total	£6,297,000

Note: * includes West Edinburgh

Characteristics of Assisted Organisations

The great majority of organisations interviewed as part of the mapping exercise fell into the category of *intermediaries*, i.e. organisations well connected to particular client groups defined by area (e.g. Social Inclusion Partnership areas) or client group (e.g. homelessness). Some of these organisations also have direct contacts built up over a number of years with employers. Within the model developing in the Edinburgh context, the various *academies* are seen as the organisations with the most effective bridges into the employing community. In a sense, the organisational framework which sits within JU4J is a supply chain with:

- the intermediaries closer to the non-employed clients, providing services to raise their employability – and in some cases directly placing these clients in employment; but
- the academies operating close to the employing community, acting as organisations to which intermediaries can pass clients for final grooming or more effective placement within the labour market.

Below we look at some characteristics of the intermediaries surveyed.

Services Delivered

The table below summarises the employment access services provided by the intermediaries. Some of the services where the incidence of delivery is relatively low reflect the fact that more conventional providers of vocational training are not included as intermediaries. However, it is interesting to note the relatively low prevalence of services such as:

- benefits calculations;
- prevocational training;
- facilitating guaranteed job interviews.

All of these might be considered as important services particularly for a more disadvantaged client group.

Table 4: Type of Services Provided to Clients by Organisations (%)

Initial client assessment	77
Help with job search	74
Help with CVs and application forms	72
Careers advice and guidance	67
Confidence building and personal development	64
Aftercare support once client is in a job	62
Unpaid work placements and tasters	54
Basic IT training	44
Basic skills training (literacy and numeracy)	39
Job skills training	33
Setting up guaranteed job interviews	21
Benefits calculations	18
Paid work placements	18
Accredited vocational training	18
Pre-vocational training	15
Setting up guaranteed jobs after programme	13
Other services	36

Client Groups Served

A wide range of client groups are covered by the employment access services provided by the intermediaries. Young people, typically defined as aged 16-19, and the long term unemployed are catered for by significant proportions of the organisations interviewed. Among the more striking findings is the limited focus on employment access services for the over 50s. Additionally, the bulk of the organisations are focusing their efforts on a city-wide basis rather than simply on SIPs.

Table 5: Main Client Groups of Intermediaries in Edinburgh (%)

Young people	41
Long term unemployed or non employed	36
People with mental health difficulties	28
Women	23
Ethnic minorities	23
Lone parents	21
People with learning difficulties	21
Drug/alcohol misusers	18
Ex-offenders	18
People with physical ill health / disability	15
Residents of SIP areas	13
Homeless people	10
Over 50s	5
Ex- care leavers	3
Those with low level of qualifications	3

Table 6 looks at one critical characteristic of the intermediaries interviewed – their scale, proxied in terms of number of employees. It is evident that there are:

- a large number of these organisations for a city the size of Edinburgh; and
- following on from this the average scale tends to be small – with nearly three quarters having fewer than 10 employees.

The scale factor is even starker than this as a number of these organisations are not primarily focused on employment access services and may have only one or two members of staff with this specialty. This raises issues about the capacity of these organisations to deliver effectively, and certainly limits their ability to provide specialist employability services such as aftercare.

Table 6: Number of Employees of Edinburgh Intermediaries

No. of Employees	%
0-4	19
5-9	53
10-14	14
15+	14

Issues Around Provision

In relation to provision there are a number of potential issues:

- ***overlapping*** provision which may represent a misuse of resources and create a confusing picture to potential clients;
- significant ***gaps*** in provision with serious consequences from clients who would benefit from the services not currently available;
- ***weakly coordinated*** provision making it difficult for clients to move between a range of services to enhance their employability.

The survey of intermediaries revealed that:

- 32% were conscious of overlaps in provision;
- 52% saw opportunities for greater coordination;
- 72% reported gaps in provision.

Other key players in the city, including funders, tend to be more aware of the overlaps than the gaps, but shared the views on the scope for a more coordinated approach.

Overlaps

On overlaps, problems were perceived to be greatest:

- in SIP areas, a problem because Edinburgh has a lot of area based initiatives for a city of its size. It was argued that intermediaries and funding are too concentrated in SIP areas leading to heavy competition for clients;
- for 'key workers', with the same client sometimes having a number of different key workers;
- for ICT training;
- between services provided by training providers and employment access originations.

One consequence of overlapping provision is that 15% of intermediaries claimed they had difficulty filling their places.

However, some of those consulted felt that a degree of overlap is necessary:

- to avoid leaving gaps;
- because the needs of clients overlap.

Gaps

The table below summarises the feedback from the intermediaries on gaps in employment access services. It is clear from this that there are issues about quality and availability, although the main gap seems to be the absence of necessary services.

In more specific terms the gaps most frequently mentioned include:

- aftercare;
- employment access services in non SIP areas such as central Edinburgh and Leith;
- services for niche groups (homeless women, care leavers, etc).

Discussions with funders tend to confirm the above findings, although there is less perception of service gaps, except on the area-based issue.

Table 7: Gaps in Employment Access Services (%)

Services not there	44
Other gaps	19
Services there – but poor quality	15
Services there – but long waiting lists	8
Services there but hard to get to	3
No gaps	28

Opportunities for Co-ordination

Around half of the intermediaries interviewed identified potential for co-ordination. The need for greater coordination was also stressed by funders and stakeholders. Over half of the employers recruiting unemployed people interviewed as part of the study do not perceive that there is a co-ordinated approach to helping unemployed people find and keep jobs.

The survey of intermediaries suggested that most are involved in cross referral of clients, although funders generally were sceptical about the volume of cross referral. Almost half of the intermediaries claimed that they had also been involved in joint funding bids with other organisations although some saw this as a time consuming and onerous task. On the issue of referral a difficulty is that only just over half share information on the clients with the organisation to which they refer. This makes it difficult to build upon previous service delivery and can also be frustrating for the

client as they go through similar diagnostic processes with more than one organisation.

Discussions with intermediaries and others highlighted a number of broad opportunities for co-ordination, including:

- information sharing;
- client referral and progression;
- clearer delineation of tasks.

Some more specific suggestions for enhanced coordination included:

- case conferences between agencies/providers to discuss clients;
- co-ordinated guidance provision;
- greater co-ordination of agencies in SIP areas;
- greater involvement of intermediaries in the community planning process;
- co-ordination between community organisations and Jobcentre Plus;
- closer working with the health board and trusts;
- greater co-ordination between disability support services;
- co-ordination between education and training providers to ensure progression in projects/courses;
- more effective joint working between intermediaries and academies.

Scope for Rationalisation

Perhaps unsurprisingly, relatively few of the intermediaries felt there was much scope for rationalisation of employment access services. A number argued that overlapping provision was necessary and that cutting this out raised the danger of creating more gaps. However, a number of the funders and stakeholders interviewed favoured the development of an infrastructure with a smaller number of larger organisations.

Barriers to More Co-ordinated Delivery

On the basis of the surveys of intermediaries the main barriers to a more co-ordinated delivery process included:

- territorialism;
- lack of awareness;
- lack of communication;
- competition for funding;
- limited time and resources on the part of intermediaries;
- varied objectives across intermediaries;
- different working cultures.

The importance of time and resource constraints is underlined by recalling the small average size of the organisations providing employment access services.

5. EMPLOYMENT ACCESS PROVISION AND THE JU4J FRAMEWORK

Introduction

This section considers the range of research evidence collected to assess the effectiveness of employment access provision within the context of the JU4J principles. Before considering the evidence on each of the key principles, we discuss the general awareness of JU4J.

General Awareness

Funders and other key players see a clear strategic shape:

- academies – close to the labour market;
- intermediaries – linking more effectively with ‘social’ projects to ‘recruit’ people and source support services;
- intermediaries – managing the flow of people into academies or jobs.

However, intermediaries and other employment access organisations have partial – and varied – understanding of JU4J. Around three quarters had heard of JU4J but many of these had a relatively limited sense of what was involved.

Awareness among employers who recruit unemployed people is more limited, with around only a third reporting that they had heard of JU4J.

Demand Led

The academies are clearly work focused – and often employer driven. The perception is that they work hard to:

- choose appropriate people; and
- prepare them to employer specifications.

It is appreciated, however, that it will be difficult to maintain this approach as the numbers going through the academies ramp up.

The demand-led principle is much less embedded among intermediaries. They are highly focused on customising services to individual client need, where the client is the non employed individual, but:

- 38% do not customise employment access services to employer needs; and
- 36% say their services are not influenced by labour market opportunities.

However, it could be argued that many intermediaries are preparing people for steps towards as opposed to a direct move into employment.

A more direct test of the demand-led nature of the provision is summarised in Table 8 where we describe employer feedback on the different recruitment mechanisms. This averages employer satisfaction (based on a scale of 1 to 5, where 5 is very satisfied) over number of indicators.

- In broad terms, the intermediaries are rated highly by the employers.
- Jobcentres edge out with academies and intermediaries on volume issues.
- Intermediaries score particularly strongly on aftercare.

The sample size here is relatively small and the results may reflect a long run relationship between intermediaries and a small number of employers. The results are nonetheless interesting as they show quite marked patterns of employer satisfaction across different aspects of the employment access process.

Table 8: Average Satisfaction of Employers with Different Recruiters

Satisfaction with Recruitment Processes	Academies	Jobcentre Plus	Intermediaries
Supplying people with skills that you need	3.4	2.4	3.6
Supplying people with the right attitudes and motivation for your business	3.3	2.4	3.7
Supplying sufficient numbers of people to make it worthwhile participating	2.9	3.2	3.1
Offering support to you after point of recruitment	3.1	1.7	3.7
Offering support to your recruits after point of recruitment	3.1	1.5	3.5
Overall level of satisfaction	3.1	2.6	3.7
<i>Number of Employers Interviewed</i>	<i>10</i>	<i>18</i>	<i>15</i>

Client Centred

Intermediaries claim that they are very strong in this area, with virtually all arguing that their services are customised to the needs of the individual client.

Funders are less certain about aspects of this and argue that they see limited evidence of:

- referral to other organisations better able to meet client needs;
- development of ‘pathways’ towards jobs for individuals;
- effective management and tracking of individuals at different points in their development and progress towards jobs.

Focus groups with the unemployed tended to back up the views of intermediaries. Relative to ‘schemes’ that they had been involved in the past and their general experience of Jobcentres they felt that:

- intermediaries and academies provided better quality experiences;
- intermediaries were valued particularly because they provided:
 - one to one support, tailored to individuals,
 - an environment more sensitive to the needs of the unemployed.

The pattern of responses here is, however, very similar to what would be expected in a range of localities around Scotland, and cannot be attributed directly to specific features of Edinburgh's employment access infrastructure. This raises interesting issues as to what measurable changes the JU4J partners would expect to see from a more coherent delivery infrastructure.

Targeting the Excluded

There was by no means a consensus around the view that the infrastructure for delivering employment access services is effectively targeting the excluded.

- Intermediaries identify gaps in provision for specific excluded groups, and also highlight problems of excluded, non SIP residents. The types of groups mentioned include people with mental health problems, recovering drug users, young and low achieving males and 2nd/3rd generation unemployed.
- Funders are also sceptical about the effectiveness of the focus on the excluded, pointing to a high percentage of non-JSA people who are not residents in SIPs, yet the SIPs have substantial employment access funds.
- A significant proportion of employers interviewed are not convinced that the excluded are being targeted effectively.

In the light of these concerns it will be important to collate more detailed information on the client base for employment access services and how this is changing over time.

Aligned Funding For Intermediaries

It is early days in the process of delivering JU4J, a process which this study is designed to help progress. In discussions with funders and stakeholders a preliminary assessment of progress towards a more concerted approach suggested the following.

- There is limited progress around aligning the performance measures used by the key funders.
- Appropriately, there is growing use of output-related funding, but still some confusion over how to measure outputs to promote the development and use of pathways to employment.
- For many intermediaries it is still financially advantageous to hold clients in the organisations rather than progress them towards jobs via referral to other organisations.

There have been significant positive developments, however.

- The contracting process is now more generally seen as a way to create more effective and sustainable delivery, particularly manifest in the way SIP funds are now being deployed on relation to employment access services.
- West Edinburgh Action has developed 'Project 100' which gives both a funding incentive and an outcome to local organisations referring clients.
- Bringing Working Links into North Edinburgh is an imaginative and brave decision – but probably good for the area and potentially also for the city as a whole.

Consultations with funders revealed a growing awareness of the need for a more co-ordinated approach to funding employment access services across the city. A strong base has been built for future joint action.

Gaps/Weaknesses in Provision Relative to Client Barriers

The unemployed in focus groups highlight deficiencies such as:

- finding appropriate work placements;
- accessing jobs not advertised;
- the quality of guidance on possible career pathways;
- the quality of guidance on qualifications and other requirements of specific jobs;
- good quality benefits checks in non threatening environments;
- the need for more help with the cost of childcare.

Earlier we noted how intermediaries highlighted as gaps and weaknesses:

- the needs of non SIP areas;
- aftercare services;
- services for niche groups.

The lack of mention of money advice and childcare services is surprising and may reflect a shortcoming in the knowledge of intermediaries in relation to the wider barriers faced by their clients.

The interviews with employers experienced in recruiting unemployed people emphasise the need for more work on:

- developing core work behaviours, plus customer services skills;
- proving aftercare services.

Again as we noted at an earlier stage in the report, funders tend to be more concerned with the issue of overlapping services rather than gaps, but they clearly recognised the needs of residents of non SIP areas.

Co-ordinated Delivery

In terms of the more practical issue of co-ordinating the delivery of the range of employment access services available to the city's non employed there are a series of issues that need to be addressed.

- There is uncertainty among some intermediaries about who provides what. This is in part due to the limited resources with which many work due to their small scale.
- Although not specifically part of our brief, we suspect there will be difficulties also for New Deal Personal Advisors and similar frontline staff – particularly in deciding on the quality and appropriateness of specific provision for their clients. The large number of players in Edinburgh makes this a problem.
- There is a lack of good quality performance information, particularly on the outputs and outcomes delivered by the various providers. This makes it tough for funders to make smart decisions.
- IT can provide basic information – but the technology alone does not solve the problems of knowing and sharing information on quality and effectiveness. The ideal is to work towards an IT system shared by the funders.
- Although not explicitly on the JU4J agenda, there is a need to build up knowledge of what works and for whom. This is a major issue as we move into the non-JSA client groups where our knowledge of effectiveness is limited.
- Labour Market Intelligence (LMI) systems remain to be developed, although this is firmly on the agenda of the partner organisations. It will be important to build on the work of Future Skills Scotland. Any local LMI system needs to be finely tuned to add value. The LMI system developed in Fife is a good model.

6. LOOKING FORWARD

Introduction

This final section picks up on a number of other issues the study was required to address and makes various general points on the way forward.

Potential Economies of Scale

In relation to delivering employment access services there are potential scale economies around:

- spreading core management costs over larger client throughput;
- the capacity to recruit specialist staff (e.g. employer link workers);
- the capacity to develop and maintain enhanced systems (e.g. client tracking, financial management).

A number of these economies are less about saving money and more to do with providing more effective services for non employed clients.

Some of these economies can be secured through:

- services shared between a range of providers;
- importation of common systems, with external support to set up and maintain these.

It may well require guidance and facilitation support from funders to promote the development of shared services, and funders are also in a strong position to drive down the requirement for common systems (e.g. around tracking clients).

The report has already commented on the large number of intermediaries and their relatively small average size. Increasing the scale of the average supplier can be achieved in a range of ways:

- expansion of the area of delivery (e.g. Worktrack working within and beyond Craigmillar) and/or the type of client group;
- bringing in larger players who already have sophisticated systems and specialist services (e.g. Working Links, Wise Group);
- joint venturing or mergers between local players to achieve greater scale and effectiveness;
- joint venturing between larger Scotland-wide players and local intermediaries.

In discussions with funders we did not detect either a strategic perspective or a worked out tactical position on these various options.

Value Add Potential of IT Developments

We were able to gain only a limited perspective on the potential for IT as a mechanism for enhancing the effectiveness of the delivery of employment access services. To take this forward would require the testing of more specific propositions on what an IT system might look like and the pros and cons of different designs.

In broad terms, on the basis of the consultations, there are three broad functions a web based or other IT system might serve.

- The simplest design would involve holding a single source of information on the range of employment access service providers, with this updated on a regular basis. This would allow any one provider to identify organisations who might supply services needed by their clients, or with whom they may develop a more co-ordinated approach. The information collected as part of this study will form the basis of such a system. There is certainly an interest in this type of development as 82% of intermediaries interviewed as part of the study said they would use such a system.
- Turning to the question of process, a database which would allow the tracking of clients as they move through different employment access services would be extremely valuable. This is a much more complicated undertaking, not least because the base information would be difficult to source. The best way to develop such a system would probably be to build on existing databases, principally the one being introduced into Jobcentre Plus.
- Building on the previous suggestion there needs to be a much more systematic approach to ascertaining and logging the outputs and outcomes of the various employment access service providers. A system is needed which will allow the funders to build up knowledge of what works for whom.

With the development of a close working relationship between the key funders through JU4J, the potential exists to develop more powerful and effective IT based systems.

Key Issues Emerging From the Study

1. It was clear from our consultations that the main funders are fully agreed on the broad strategic thrust for JU4J. There was also a fair measure of agreement on some of the more immediate actions that might need to take place. However, it seems to us a lot more thinking needs to go into the *tactics of implementation*.

2. Although the funders are much more joined up, the Edinburgh employment access service scene still seems confused. We sense that:

- there are too many players;
- the connections between players are limited;
- there are too many brands and labels; clarity of language sends important messages.

3. The development of the academies has been innovative and clearly makes a great deal of sense in a tight labour market which offers the scope to get employers much more engaged. Again looking from the outside in, there appear to be some problems:

- there is a lot of diversity inside the academies brand. This is ok, but it will be important to learn from the different models, and a bit of quality control may be needed, possibly setting a minimum standard;
- for some of the academies, numbers will need to ramp up soon. In a number of instances the PR has been launched far too far in advance of the product;
- for the ones that are moving forward there will need to be a clear appreciation that delivery effectiveness will be hard to maintain on the move from pilot to more mainstream delivery;
- within the academy 'stable' there seems to be a clear sense of ownership of individual academies by specific funders. This is fine as rivalrous behaviour can promote innovation and drive effectiveness – but rivalry should not degenerate into competition.

4. There is little evidence that the JU4J process is being monitored effectively. Systems will need to be put in place which deal with a range of issues such as:

- referral processes between different organisations within the infrastructure;
- who is being reached – and not reached – in the non JSA client group;
- client tracking pre and post-job entry.

5. There will need to be an evaluation of JU4J not too far down the line. This should look at:

- the effectiveness of academy delivery to employers;
- the effectiveness of intermediary, provider and other delivery to academies;
- the effectiveness of key processes (e.g. aftercare for employers and clients);
- the contribution of individual organisations within infrastructure.

Developing an Action Plan

On the basis of the issues emerging from the research programme, it is clear to us that the JU4J Action Plan needs to be reviewed to deliver some key requirements. Our view is that all of the broad actions discussed below need to be taken forward simultaneously.

Implement a Monitoring and Evaluation Framework

- Agree measures of success expected from the implementation of the JU4J strategy.
- Establish associated targets and milestones.
- Agree the timescale for achieving targets and milestones.
- Develop and implement a common or shared client tracking system.
- Design an effective process for analysing and presenting progress – and lack of it.

Construct a Review Process for the Infrastructure of Intermediaries and Providers

- Instigate a process to develop a shared view and actions on individual providers and intermediaries.
- Come to an agreement on what the provider and intermediary infrastructure should be like (say) 3 years down the line.
- Decide on the tactics required to achieve this goal.

Develop the Academies

- Agree some common principles to which all academies should adhere – establish and secure the quality of the brand.
- Develop a shared approach to raising volumes in the academies, while maintaining quality.

Introduce a More Concerted Approach to Funding

- Establish a greater mutual awareness of each funder's required outputs and outcomes.
- Negotiate a closer alignment of these outputs and outcomes where possible.
- Create a collective process for deciding what you want, and for deploying the funding to get it.

ANNEX: LIST OF CONSULTEES

One to One Consultations

Mark Crawford	Edinburgh Retail Academy
Christine Docherty	NEAR
Graeme Findlay	Hotel and Tourism Academy
Lesley Forsyth	The Pool Charitable Trust
Alan Howie	NEAR
Nick Langan	Healthcare Academy
Ian McConnachie	Deal Me Into Retail
Steven McGavin	West Edinburgh Community Planning Partnership
Greg McMahan	Edinwork
Clare McVeigh	Scottish Enterprise Edinburgh and Lothian
Susan Milne	South Edinburgh Partnership
Andrew Penker	Caledonian Hotel
Jim Rafferty	Capital City Partnership
Allan Robertson	Jobcentre Plus
Brian Robertson	Deal Me In
Graham Rowan	Craigmillar Partnership
Pete Selman	Scottish Enterprise Edinburgh and Lothian
Ken Wardrop	City of Edinburgh Council

Workshop Participants

Alex Colgan	Action for Employment
Peter Conway	Kier Scotland
Jan Ferguson	Brenda House
Heather Gordon	Worktrack (South Edinburgh Partnership)
Jon Gray	Access to Industry
Chris Hewitt	Edinburgh Cyrenians
Nick Langan	Scottish Enterprise Edinburgh and Lothian
Anne Lovering	Edinburgh Chamber of Commerce
Marian Macdonald	The Engine Shed
Ian McAvoy	Scottish Enterprise Edinburgh and Lothian
Christine Morgan	Turning Point Scotland
Joanne Nethercott	The Pool Charitable Trust
Celia Ogilvie	Lead Scotland
Alastair Paul	Careers Scotland
Alan Penman	Lothian University Hospitals NHS Trust

Mark Phillips

Jim Rafferty

Lynne Ritchie

Allan Robertson

Sheila Russell

Philomena Watson

Apex Scotland

Moving On (Edinburgh) Ltd

Lothian Primary Care Trust

Jobcentre Plus

Lothian Management Centre

Telford College