

BUILDING
ON NEW DEAL

SKILLS AND
THE FUTURE
OF WELFARE-
TO-WORK

ETHNIC
MINORITIES AND
EMPLOYMENT

PROCURING
SUSTAINABLE
EMPLOYMENT

ESTABLISHING A
FRAMEWORK FOR
VOCATIONAL
REHABILITATION

IMPROVING THE
LIFE CHANCES OF
DISABLED PEOPLE

NDDP – BEYOND
APRIL 2006



WorkDirections®



Policy and Practice

Policy and Practice

WorkDirections is engaged in active policy development as part of our commitment to improve the services delivered to those excluded from the labour market. Our international operational experience and sustained high-quality approach provide evidence for our written papers, as well as our involvement in conferences, seminars and networks. Through sharing our innovations, best practice and identifying constraints on delivery, we offer these contributions to the shaping of future policy.

The last year has seen a policy focus on improving support available to those most disadvantaged in the labour market. This has been evident in a shift of emphasis in mainstream programmes – through, for example, the development of Building on New Deal, and the inclusion of lone parents in Employment Zone programmes. Certain client groups have also been put under the policy spotlight, most notably people claiming incapacity benefits. The variable labour market success experienced by those from some ethnic minorities and people with no qualifications also highlights the need for more creative solutions. However, underpinning all these issues, and integral to the development of more effective solutions, is the way in which employment services are procured.

This booklet outlines and summarises existing and forthcoming papers produced by WorkDirections, some of which have been co-authored with external experts. These address the key issues identified above, providing detailed analysis and policy solutions that are grounded in an understanding of operational reality. Each one reflects the approach that is essential to all our operations – the provision of an individually-focused, integrated and holistic service for clients, in order to support them in achieving the goal of sustainable employment.

Contact details are listed at the back of this booklet should you want full copies of any of the papers listed, or more information about the work we do.

Achieving More for Unemployed People

PAPERS CURRENTLY AVAILABLE:

Building on New Deal

Consultation response to the Department for Work and Pensions



The paper responds to the outline for future New Deal developments. This initial contribution groups comments, ideas and recommendations within four key themes. Underpinning the document are the lessons learned from the success of our individually-focused holistic and empowering approach. The importance of extending provision to those in work, in order to support the career progression of those placed through welfare-to-work programmes, is emphasised. These aspirations are set against the need for a streamlined service that sits within good contract design and informed contract management.

Flexibility and focus on the individual

- The importance of a holistic and empowering approach
- The vital role of creative and intelligent advisors
- The necessity for more support for those on incapacity benefits

Contracting and procurement

- Contracts of sufficient length encompassing a critical mass of clients
- The importance of comparison based on hard, accessible, accurate and transparent performance data

Localisation

- The delivery of 'localisation' at the level of the individual
- The avoidance of unnecessary bureaucracy
- The importance of continuing to develop better programmes through learning from best practice

Retention and advancement

- Extending provision to those in work in order to support career progression
- Understanding the value of skills development in the workplace
- The need to involve employers in the development of in-work support.



FORTHCOMING PAPERS:

Skills and the Future of Welfare-to-Work

Jane Mansour

Economic inactivity rates for people with no qualifications have significantly increased in the last 20 years. In some parts of the UK only one in three people with no qualifications are in work. Jobs have polarised over the last two decades, with the disappearance of middling jobs that traditionally provided career stepping stones. In addition, forecasts suggest unskilled work opportunities are likely to diminish over time.

Concurrently, Government increasingly emphasises improving productivity and cross-departmental involvement in the developing skills agenda.

This paper asks what the implications are for the future of welfare-to-work and considers how a work-first approach can continue to meet the needs of job seekers, low-skilled and low-paid workers, and employers.

Progressive approaches

Policy language has changed over the last year with both the Prime Minister and the Chancellor referring to the need for the New Deal to develop into a programme for work and skills, providing not just jobs, but careers. This paper examines how both pre-employment and in-work interventions can meet this need. This includes both a more creative approach to skills acquisition,

and structural changes to identify and better support those with a history of moving between work and benefits.

Work-first *plus*

The OECD has noted skills-first approaches for unemployed adults, promoting formal courses over on-the-job training, have little significant impact. This paper evaluates how work-first approaches meet the changing needs of the labour market. Ideas explored include retention and advancement services to those who have moved from welfare into work; concurrent skills solutions to sit alongside work-first approaches; and holistic services within city-wide programmes.

Making work *work*

Job quality is important for ensuring significant health and social benefits. The paper explores the relationship between skills, social capital and work, and outlines the policy implications of understanding and measuring job quality.

Demanding more

The UK has some of the most productive, high-skill, high-innovation businesses in the world, and some of the least productive which are caught in the low-skill equilibrium. The author suggests ways to engage employers in the productivity and skills debate and, crucially, in the development of effective solutions.



Achieving More for Unemployed People

FORTHCOMING PAPERS:

Ethnic Minorities and Employment

Rachel Smithies, Jane Mansour, Gurbux Singh and Richard Johnson

This paper consolidates and critiques existing information on ethnic minorities and the labour market, before developing practical suggestions for future policy directions.

Economic backdrop

A review of the issues as they pertain to economic inequality, this assessment sits within the context of changing labour market needs – including the impacts of globalisation, changing skills requirements and an ageing population. The paper examines the implications of an increasing labour market role for ethnic minorities, particularly within the context of the 80% employment aspiration set by the Government in DWP's five year strategy.

Interventions to date

A critical analysis of the effectiveness of interventions designed to increase levels of ethnic minority employment is provided. Key questions include how life has changed for those furthest from the labour market and the degree to which 'opportunity for all' has been the experience of those from ethnic minorities. This will include an evaluation of the impact of mainstream programmes and of localising delivery, as well as identifying those not engaging either at institutional or programme level.

Policy directions

The paper develops policy ideas in the following areas:

Engagement

- What stops people from accessing mainstream services? Are the solutions to develop parallel services or to reassess methods of access?
- How do we improve information asymmetry and access to those currently disengaged?
- What are the implications for delivery?

Localisation

- Can generalist services be responsive to specific needs?
- Localisation at the level of the individual – what does this mean in practice in terms of existing programmes?
- Transcending geography - mobility and work

Integrated Solutions

- Building on New Deal *Plus* – a truly integrated service to improve employability.

Procuring Sustainable Employment

Jane Mansour, William Smith, Richard Johnson and Andrew Wilson

The private and voluntary sectors have been involved in delivering outsourced employment services for decades.

However, since 1997, there has been a clear change in direction with these sectors now responsible for the delivery of a substantial amount of integrated services. Partnership with Jobcentre Plus underpins the delivery structures of outsourced provision.

Procurement practice determines, to a large extent, the success of programme delivery. This paper proposes a model designed to improve programme performance set in the context of current UK thinking and informed by our experience of the UK, Australia and other parts of Europe.

Design

This paper proposes a contracting model that increases flexibility in order to encourage provider innovation, and maximise opportunities to tailor services to the individuals accessing them.

In addition to considering procurement parameters including the level and density of competition and contract size and length, the paper also questions how procurement models can facilitate the integration of services in order to avoid fragmentation and duplication which affects much of current delivery. Through this the purchaser's twin objectives of value for money and service delivery effectiveness can be secured.

The value of competitive dialogue in designing procurement processes is also considered.

Funding

Funding structures sit at the heart of the procurement model. They need to be designed to drive outcomes rather than process. They must also impel positive behaviours and avoid creating perverse incentives. This paper proposes a new funding model designed to reward and incentivise providers for working with those furthest from the labour market.

Management

The contract management relationship is fundamental to success. Ways in which better partnership procurement can be managed through building greater transparency are identified, with monitoring and reporting built into the normal monthly operational requirements. The authors also evaluate how well the Australian Job Network model of contract rollover and removal would work in the UK context.

Procurement practice determines, to a large extent, the success of programme delivery

People on Incapacity Benefits

PAPERS CURRENTLY AVAILABLE:

Establishing a Framework for Vocational Rehabilitation

Consultation response to the Department for Work and Pensions



This paper contends that the use of an active and holistic approach at both strategic and operational levels, in which health and employment services are delivered concurrently, is essential for an effective response to improve employment outcomes for those with ill-health and/or a disability.

A client-group or barrier-led approach is counter productive. Working with individuals to achieve their goals provides a more effective solution-orientated focus. Health is just one of a number of issues which need to be addressed during the transition to employment, necessitating a concurrent, holistic approach. GPs and other health and employment services need to be effectively integrated in order to ensure the greatest benefit for the client.

'Incapacity' as a condition can fluctuate and transform, so programmes need to be responsive both structurally and operationally. Activity, tied into an ongoing assessment of need, is central to the WorkDirections approach. Employment-related in focus, activity needs to occur alongside, and be integrated with, rehabilitation provision.

The financial consequences of a vocational rehabilitation approach require a review of the current contracting processes and need to be set against a detailed cost-benefit analysis.

'Incapacity' can fluctuate and transform, so programmes need to be responsive both structurally and operationally

Improving the Life Chances of Disabled People

Consultation response to the Strategy Unit



This contribution outlines approaches perceived essential to the successful implementation of policy intervention in this area. The Strategy Unit report identifies a number of key transition points in the lives of disabled people. The focus in this paper is on access to employment, specifically: the use of interventions and the importance of making these early; the process of transitioning to work and the use of incentives; and the broader role of employers.

Within these sections, the following proposals are developed:

Integrated services and approach at both strategic and delivery levels

Disabled people are currently let down by a fragmented, poorly coordinated approach that often conveys conflicting messages about the value and possibility of returning to work.

A holistic approach to the individual's social exclusion

Addressing employment barriers without meeting clinical need – or vice versa – is likely to be ineffective in achieving lasting and sustainable change for the individual. Creating a sequence of 'barriers' which can only be tackled in turn unnecessarily maintains a status of incapacity and weakens the effect of any one intervention.

Involving the private and voluntary sectors in policy development and design

Consultation is one method of widening participation in the development process; just as important are involving providers in the design and delivery of pilots.

Quality of the procurement process

Contracting processes need be designed and delivered in a manner which encourages rather than stifles innovation.

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People on Incapacity Benefits

FORTHCOMING POSITION PAPER:

NDDP - Beyond April 2006

Jane Mansour

Incapacity Benefit claimants face a number of changes over the next few years – to the benefit itself, to levels of conditionality and to job-broking services. The latter are currently provided through the New Deal for Disabled People (NDDP) contracts which end in April 2006. Jobcentre Plus is consulting on how best to deliver these services for the next two years, by which time the national rollout of Pathways to Work may have begun.

In order to ensure those Incapacity Benefit claimants who want to work receive a better, more wide-reaching and holistic service, there need to be a number of radical changes to the approach taken to service delivery for this client group.

This paper outlines how the job-broking service can be adapted to work better for clients, both on its own and as part of a Pathways programme. Its arguments are contextualised within the changes in the client group, especially the increase in claims from those with mental health conditions, women and young people.

Analysis is grouped in four key areas:

Access and engagement

NDDP providers are currently contracted to provide services to under a quarter of those wanting to move into work. However, in some Pathways areas, the numbers

accessing NDDP provision has increased five-fold. The paper evaluates how employment provision, client identification and referral processes can be designed in order to ensure that all those wanting to work are given appropriate support to do so.

Understanding better delivery

We outline the benefits of a fully integrated health and employment model, utilising best practice lessons taken from a number of UK case studies including the WorkDirections NDDP programme in Birmingham.

Ensuring quality

Sustainable outcomes are key – the paper assesses how best these can be achieved. This includes changes to the benefit structure to remove systemic disincentives to work, alongside examining how programme interventions can best support this goal.

Procuring better provision

Indications are that post-April 2006 there will be fewer, larger new contracts. The relationship between Jobcentre Plus and private and voluntary sector providers is examined, along with the correlation between cost, quality and performance. A new funding model designed to incentivise working with those clients furthest from the labour market is also proposed.

There need to be a number of radical changes to the approach taken to service delivery for this client group

Ingeus and WorkDirections UK

WorkDirections UK is part of the Australian-owned Ingeus group of companies which provides effective, accountable services in welfare-to-work and workforce participation. The group now delivers related services through subsidiaries in the UK, Australia and France.

Launched in the UK in November 2002, the largest part of WorkDirections UK's business is helping socially excluded and disadvantaged individuals to find suitable and sustainable employment. Our welfare-to-work operations support people who have become long-term unemployed, as well as single parents, and those who have been separated from the labour market as a result of health issues.

In less than three years WorkDirections UK has become one of the largest and most respected providers working with Jobcentre Plus.

WorkDirections delivers Private Sector Led New Deal services in both Central

and West London, as well as Employment Zones in Nottingham, Birmingham, Brent, Haringey and Southwark. In addition, services for people on incapacity benefits are provided through our New Deal for Disabled People programme in Birmingham and the Incapacity Benefit Outreach Project in South London.

WorkDirections employs over 250 staff. To date 20,000 clients have accessed services.

WorkDirections recognises the potential of every individual and seeks to empower each one so that they can build a better future through suitable, long-lasting employment.

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