



Integrated approaches to active welfare and employment policies: summary

United Kingdom

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The national context

The UK has been a pathfinder in respect of employability and activation measures, in terms both of policy measures to reduce dependency on benefits and increase employment, and of changes to organisation and delivery, aimed at “joined up government”. This work is going on within a “Welfare to Work” agenda aimed at actively promoting labour market re-integration for those in receipt of benefit; enhancing co-ordination of policy-making and delivery systems, and developing stream-lined IT systems.

An important element of this agenda is an initiative called “ONE”, which provides a single point of entry for benefit and labour market services for unemployed claimants of working age, and increases the amount of personal contact between claimants and a Personal Adviser. ONE is being piloted in a number of models which include the Department of Social Security, the Employment Service, Local Authorities the private sector and voluntary organisations. A new Government Agency is being created - the Working Age Agency - which will bring together large parts of the Benefits Agency and Employment Service and will take forward the ONE initiative.

The UK benefits system has increasingly come to be dominated by social assistance-type measures, of which the chief benefit is Income Support. Since 1996 Income Support has been replaced in part by Jobseeker’s Allowance, which has become the principal benefit for unemployed people claiming benefit and seeking work. Claimants are required to enter into a Jobseeker’s Agreement and demonstrate that they are actively seeking work. Responsibility for JSA is shared between the Benefits Agency and the Employment Service, which have set up joint structures to administer it. Evaluation indicates that JSA has contributed to a large reduction in the number of benefit claimants. Job search activity has increased, as has the quality of information made available to claimants. The UK macro-economic climate (falling unemployment and increased job opportunities) has, however, to be taken into account in assessing the impact of JSA.

Another key part of the UK context is the trend towards devolution, involving the establishment of the Scottish Parliament and Assemblies in Wales and Northern Ireland. While most responsibilities in the field of social protection continue to remain with the Westminster Parliament, there are nevertheless implications for the co-ordination of both policy-making and delivery.

Activation policies of minimum income recipients

The current Government, elected in 1997, identified poverty and social exclusion as a priority for co-ordinated policy attention. At the heart of this agenda is a commitment to abolish child poverty in 20 years, by reducing unemployment and breaking the transmission of poverty across generations. The agenda emphasises “partnership” as a means to mobilise interventions. The government sees central and local government, the voluntary sector, business communities and individuals as all having key roles to play. An annual Poverty Report is to be produced, examining progress against indicators related to a wide range of measures: unemployment, childhood deprivation; barriers to older people leading fulfilling lives, inequalities in health and poor neighbourhoods.

A key part of the strategy, and an aspect of the “Welfare to Work” agenda, has been a series of “New Deals”, aimed at offering additional support and guidance to enable specific groups among the unemployed to enhance their employability and find jobs. The programme is the responsibility of the Department for Education and Employment, and is overseen by a Task Force which brings together major employers, trades

unions and the voluntary sector. There is no single organisational template; different arrangements have been developed in different localities, although always with the Employment Service as the lead partner.

New Deals are currently in place for the Young Unemployed (18-24), the Long Term Unemployed (25+), Partners of the Unemployed, the Older Unemployed (50+), Lone Parents and the Disabled. Evaluation of the New Deal for Lone Parents - one of the more advanced evaluations - shows that there has been a modest net economic benefit for both the individual lone parent and the economy as a whole. It is estimated that 20% of jobs gained following participation were additional to those that would have been gained anyway. The great majority of participants were positive about the service they had experienced, and particularly about the role of the Personal Adviser. Child care issues were quoted as the major barrier to employment.

The New Deal exemplifies the Government's approach to poverty and social exclusion: unemployment is seen as a root cause, and labour market integration is perceived to be central to the solution.

Coordination: theoretical and institutional perspectives

Coordination as a concept and a practice has had a long history, which has now re-emerged in the context of, especially, a desire for "joined up" government. Features which help to explain this current emphasis in the UK are the need to cope with the increased fragmentation and complexity of delivery arrangements; a desire to focus on outcomes in ways which transcend organisational boundaries; and an interest in promoting bottom-up approaches involving various types of actors and partners.

Geldof and Vranken's distinctions between "levels" of co-ordination - the policy level, service level and individual level - are relevant to the UK's current agenda. The government's approach emphasises the importance of designing policy around shared goals rather than existing structures; establishing partnership in delivery; and ensuring that the experience of individuals is coherent rather than fragmented.

Issues which can be seen as pre-conditions for effective coordination include ensuring consistency between different policy objectives, achieving continuity in how measures work, ensuring that organisational functions such as performance measures support rather than undermine coordination and choosing appropriate criteria.

Coordination: the case study experience

Case studies were conducted in three locations: two in Northern Ireland and one in Great Britain.

Northern Ireland has historically had high unemployment, although over the past decade levels have been falling and the labour market has been expanding. Coordination activities in the case study sites have centred on reforming the delivery of Jobseeker's Allowance underpinned by closer working by the Social Security Agency and Training and Employment Agency. The aims of the reforms have been to create a "one-stop" service for JSA claimants and to create more active support in job search and labour market integration. A "Shared Vision Document" set out the formal commitment of the two Agencies to coordination, and a change programme has overseen changes in process design, office accommodation, IT systems, personnel, legislation and funding. Two pilot / demonstration projects have been set up, which were the sites for the two case studies.

At both sites, the revised processes have involved substantial reorganisation, with SSA staff being relocated to Job Centres. Staff perceptions of the handling of the change process and of the revised procedures

themselves have been mostly positive, but mixed. Difficulties have included: lack of knowledge among Job centre staff of benefits other than JSA; insufficient training to deal with this shortcoming; failings within the IT system; reservations among SSA staff about moving to the unscreened Job Centre environment; some concerns that staff were implicitly colluding with clients who were not complying with their Jobseeker's Agreement, because of the work involved in reporting them. Staff had also been concerned in the early stages at having to implement the systems against a background of staff shortages. Regular meetings between managers from the two Agencies, and job swaps and job shadowing were thought to have been important in establishing good working arrangements, although more senior managers were more likely to give a positive picture of the effects of these measures.

Client satisfaction appeared to be high, being generally very satisfied with the treatment they received from staff and with the physical environment. Clients had however found staff to be less well informed about benefits other than JSA. Employers generally had a poor impression of the Job centre service, although this pre-dated the changed procedures. The unemployment / labour market outcomes appear however to have been striking. The pilot areas experienced a dramatic fall in JSA live caseload, particularly among the long term unemployed and postal signers. There was no evidence of sudden increase in employment levels or claims for Incapacity Benefit, suggesting that those leaving JSA are most likely to have been working while claiming.

In Great Britain, the case study site was a town which has relatively low unemployment, although there is a core of unemployed who have considerable problems including low literacy levels, disability and substance abuse. The site studied is a pilot area for ONE, an integrated benefit and labour market service for unemployed people of working age which provides a single point of access and is geared to finding sustainable employment. Security (fraud deterrence and detection) and value for money also remain important objectives. The ONE service has been awarded to a private sector contractor, and is delivered from three Job Centres. The Benefits Agency, local authorities and the voluntary sector are also involved, and have been included in the service design process and in ongoing consultation and feedback. Well-developed reporting structures and a system of regular meetings are in place which bring together the private sector contractors with the Employment Service managers and partners in other institutions.

In the delivery of the service, particular attention is being paid to "hard to place" clients, especially people with disabilities and parents with young children. Their needs have been taken into account in the layout and design of the building. Staff perceptions are that most of those helped into employment would have done so without assistance, but that there is an emerging "underclass" who lack the motivation and skills to find and retain work. A general weakness in the arrangements appears to be failure to involve and co-operate with local employers.

Conclusions

There is no single, unambiguous definition of "coordination". Nor is it easy to identify the impacts and consequences of coordination from other elements of policy and delivery design. Experience in Northern Ireland and Great Britain indicates that activation and coordination measures may be significantly influenced by other factors such as the macro-economic climate and the extent of working while claiming that exists prior to such measures being introduced. On the other hand, tighter conditionality rules for benefit eligibility, combined with the enforcement of more active job search, have clearly led to marked movement off the claimant register.

In terms of the experience of implementing co-ordination, the following issues appear important:

- **Financing:** the need for budget arrangements to reflect “joined up” organisational structures and yet still provide for clear accountability; for the budget to be sufficient to meet the full human resource and ongoing training costs of coordination measures; for capital costs to be planned for; and for service deliverers to have clear incentives which motivate them to achieve any savings which coordination makes possible,
- **Measuring performance:** the traditional performance measures of the organisations that come together may not be easily or fully compatible with each other, and may not fully reflect the intended outcomes of the new arrangements,
- **Information Technology:** all case studies revealed substantial limitations in the IT systems that supported staff in their day-to-day jobs, with two systems having to be operated alongside each other in a less than integrated manner,
- **Involving end users:** the Great Britain case study showed good practice in involving and consulting customers via voluntary groups; there may however still be a tendency for staff to regard clients as objects for attention rather than subjects for active engagement,
- **Staff skills and interests:** social security and employment agency staff have distinct skills which are complementary, and together support the Welfare to Work agenda. There are however barriers to be overcome in realising the potential for synergy. Terms and conditions tend to vary between Agencies, as does dress code, and staff tend to retain prime loyalty to their “home” organisation. Arrangements which foster face to face and informal contact, such as job shadowing, appear to be important in creating positive attitudes which in turn can support coordination.

The issues above point to the size of the transaction costs in achieving effective coordination: to put in place the required new physical arrangements, to facilitate the transition process and to support and reinforce the new arrangements.

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