

tackling worklessness

a series of 'how to' guides
for councils and their partners

commissioning employment
and skills services in partnership



1. why have we produced this guide?

Councils have a central role in joining-up employment and skills provision in their areas, and in linking this to a wide range of support to help people from disadvantaged groups and communities into sustainable employment. Developing a strong partnership to inform the commissioning of employment and skills services can help to deliver these ambitions: partners improve their knowledge of the services that are being delivered, align funding and join-up the way that provision interfaces with employers and individuals to create integrated offers of support.

However, the speed at which partnership approaches to commissioning are being developed varies, and forthcoming changes – including those to Department for Work and Pensions (DWP) commissioning and the move to a demand-led system for skills – need to be taken into account over time. Improving commissioning is a long-term agenda.

For example, existing contracts and commissioning arrangements across a range of funders might not be as flexible as they should be.

It is, therefore, important to develop the partnership approach by regularly reviewing the opportunities for joint working and decision making, and encouraging greater transparency of future contracting plans across partner agencies. Nevertheless, those authorities that have taken the steps set out in this guide are reporting real improvements to employment and skills provision in their areas.

2. what is happening to encourage a partnership approach?

The government has taken a number of steps to facilitate greater partnership working in respect of employment and skills provision, including:

- supporting 15 City Strategy Pathfinders to test ways in which local partnerships can add value to mainstream provision

- establishing local area and multi-area agreements (LAAs and MAAs), within which councils set out their ambitions for employment and skills and negotiate flexibilities in the way that services are planned and delivered
- the Learning and Skills Council (LSC) and Jobcentre Plus are participating within local strategic partnerships (LSPs) to support the delivery of LAA targets
- providing local partnerships with opportunities to influence DWP commissioning, initially in respect of flexible New Deal provision
- establishing joint DWP and Department for Innovation, Universities and Skills (DIUS) integrating employment and skills trials to improve links between Jobcentre Plus services and skills provision by introducing skills screening and skills health checks for benefit claimants, co-locating Nextstep and Jobcentre Plus services, and helping people to access support and training at pre- and post-employment stages through skills accounts.

Skills trials are currently taking place in West Midlands, Cambridge, Suffolk and South Hampshire. Announcements are expected in March concerning further trial areas in the north west, Greater London, the east of England and the south east.

3. what steps can be taken by councils?

Employment and skills provision is planned, commissioned and delivered at different geographical levels: national, regional, sub-regional and local. A wide range of funding to support provision is available from the DWP, the Learning and Skills Council, Regional Development Agencies and employers; and some councils have access to working neighbourhoods funds. These funds are, however, subject to different performance management frameworks and lines of accountability.

There are also restrictions placed on the way that data can be shared across agencies. This provides real constraints when developing partnership approaches to commissioning. More joint working can still lead to improvements

though, particularly where partnerships influence regional commissioning, for example by developing strong sub-regional arrangements, and where they use their own funding to wrap services around national mainstream provision.

Experience indicates that the following steps are critical:

A. setting out clear principles for joint working and the roles of partners

The high-level principles and aims of the partnership need to be clearly expressed and agreed if confusion is to be avoided and the required changes in behaviour are to be delivered. In some areas, this has been helped by establishing employment and skills boards (ESBs) with clear terms of reference for them to scrutinise existing plans across the partnership and to develop integrated employment and skills strategies.

case study 1

the Partnership for Urban South Hampshire (PUSH)

PUSH has established an employment and skills board as the principal vehicle to develop a joint investment framework for future provision. The board forms a key part of the partnership's MAA proposals and will utilise the capacity of councils in the sub-region, the Learning and Skills Council, Jobcentre Plus, the South East England Development Agency and community organisations to co-ordinate and align resources and policy and lead the delivery of the employment and skills strategy.



Employment and skills boards are also being used to obtain greater private sector involvement, thereby linking demand and supply in the design of programmes. Some city regions anticipate that their employment and skills boards will ultimately take on statutory responsibilities for the strategic planning of skills provision.

However, establishing effective learning and skills boards takes time, and they need to fit with existing structures. In a number of areas, the main public sector agencies have proceeded to develop protocols setting out how they will work together more closely.

The starting point for all partners is greater transparency – sharing information on their commissioning plans, contract requirements and performance management frameworks. But there is a need to progress beyond the sharing of information and to allow greater involvement of partners in the design of future programmes and in decisions over the award of contracts.

case study 2

Birmingham City Council

Birmingham City Council, the Learning and Skills Council and Jobcentre Plus have developed the Birmingham Worklessness Protocol, which assigns lead co-ordination roles and provides a commitment from the council, Jobcentre Plus and the Learning and Skills Council to an agreed set of actions and joint working based on developing an integrated employment and skills system.

The protocol underpins their partnership work and contains clear ambitions to reduce duplication and to jointly deliver a seamless employment and skills support service. Services are being commissioned strategically with all proposed new contracts passing through a joint committee so as to avoid duplication and to ensure a focus on the needs of the key priority neighbourhoods and client groups.

Commissioned funds through this process have included £57 million of Working Neighbourhoods Funding and £24 million European Regional Development Fund (ERDF) funding.

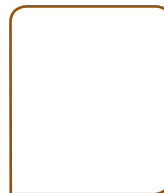
B. developing processes to jointly review commissioned programmes and to identify future opportunities

It is important to recognise that a lot of provision will already have been commissioned and contracted within an area prior to the development of closer partnership working. These programmes may also be subject to EU and other procurement rules and match funding requirements. This limits the scope for immediate influence on the way services are provided.

Even where employment and skills provision has been commissioned and contracted, steps can be taken to ensure greater flexibility moving forwards. In particular, agencies can work together to build greater flexibility into future contracts with providers, for example by agreeing clauses allowing for joint reviews of performance and the sharing of performance information, or including requirements for providers to be responsive to requests for joint working arrangements in the way that services are delivered.

Partnerships can also identify a forward programme of commissioning opportunities which will be subject to the protocols or strategic reviews outlined in the previous section.

New support services may be required to help the system operate more effectively, including improved referral processes, software and IT support, or joint training for front-line staff. Considering these issues as a partnership can ensure systems becoming more compatible over time and deliver real improvements in service quality, especially when combined with a broader drive towards integrated service delivery.



case study 3

the Olympic Games

An integration model is emerging in the five East London boroughs that will host the 2012 Olympic Games. These boroughs (Hackney, Tower Hamlets, Newham, Greenwich and Waltham Forest) have some of the worst labour market performance in the country. They have developed a key operating principle of Single Points of Access (SPAs).

SPAs offer an integrated, customer-facing service with outreach, diagnostics and referral to training or employment. The SPAs are co-located in places where other services such as children's centres, libraries, GP practices, housing services, neighbourhood offices and extended schools are available to harder-to-help population groups.

Although some of these design features are seen elsewhere in the country, the SPAs are remarkable in their scale and extent. In the first nine months of 2008, the five borough programmes reached and engaged about 9,000 clients and provided employment support services to about 4,500 of these.

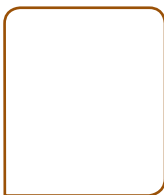
As part of the SPA initiative, advisers employed by different agencies and operating across a wide range of community-based venues are now able to track client progress, make referrals for training and identify the training support that is currently on offer following the joint procurement of a customised, web-based IT support system.

Reporting tools allow real-time monitoring and evaluation of progress by management and funders. They are useful in assessing where additional capacity needs to be procured within employment and where skills systems need to be increased in order to cope with demand.



C. aligning funding streams and involving each other in decision-making

A useful approach, developed in many of the City Strategies areas, has been to identify how programmes impact on different stages of the customer journey towards sustainable employment, to seek to align the funding of these stages and wrap locally-commissioned provision around the mainstream offer, and to involve partners in the decision-making about the award of contracts, for example by sitting on panels approving bids to deliver programmes.



case study 4

Manchester City Council

The council reviewed its economic development procurement processes in 2007 to take forward a commitment that commissioning of employment-related activities under programmes such as the Working Neighbourhood Fund should be aligned with Jobcentre Plus and Learning and Skills Council mainstream provision.

This resulted in the development of an Economic Development Services Framework which takes the form of contractual arrangements with a number of providers who bid against specified lots (outline service specifications) based on priorities identified in the City Strategy.

Once approved into the framework, contractors can be directly commissioned or engage in mini-competitions set up by the council for larger or less specialised requirements. Contracts last for four years from April 2008, with a clause for reviewing output prices in March 2010.

www.idea.gov.uk/idk/core/page.do?pageId=9436303

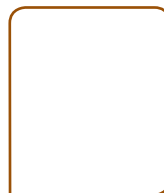
D. include mechanisms for local neighbourhoods or priority groups to influence services and link employment and skills to other strategies

Links between the commissioning processes for employment and skills and other service areas (such as housing, children's services and childcare, and advice services including debt and benefits) can help to realise opportunities for co-location and wrap a wide variety of additional support around core services.

The earlier steps identified in this guide in relation to sharing information, reviewing the opportunities for flexibility in commissioning and contracting arrangements, and taking joint decisions, apply within the local authority and local strategic partnership as well as between them and the mainstream employment and skills agencies.

Finally, there is also a need to ensure that local priority groups and neighbourhoods can influence how services are designed and delivered. Provisions in the commissioning process include:

- involving representatives from these groups on employment and skills boards or setting out their role in the partnership protocols
- reviewing contracts with providers to ensure that they consult with the local communities that they are serving
- linking future commissioning plans to priorities that are identified in local neighbourhood plans and strategies
- ensuring that commissioning and contracting procedures are compliant with national and local third sector compacts.



top tips

establish clear protocols or terms of reference which set out how partners will share information about their commissioned and mainstream programmes, and how they will involve each other in commissioning decisions. Involve representatives from priority groups and communities, such as families with children living in poverty, and disadvantaged neighbourhoods

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pull together existing information concerning the programmes that have been commissioned, and which providers are doing what and for whom. Consider mapping these as a customer journey and pinpointing where additional resources are required. Identify opportunities to review contract terms to facilitate more joint working and integration of services on the ground. Draw up a forward plan of commissioning opportunities and agree the priorities which you will jointly pursue

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consider where duplications can be avoided and added value obtained by working more closely together, for example in respect of IT systems, and/or training for frontline staff

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as you move forward, look to increase the extent to which you are making decisions jointly and the amount of funding that is influenced by the partnership

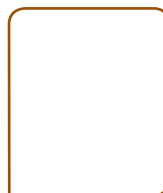
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review progress and refresh your working arrangements in the light of experience and new opportunities.

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4. links and resources

- details of Flexible New Deal Commissioning can be found on the DWP website:
www.dwp.gov.uk/supplyingdwp/what_we_buy/fnd.asp
- IES trials information is available from DIUS and the Learning and Skills Council:
interactive.dius.gov.uk/workskills/improving_the_system_part5.php
- Partnership for Urban South Hampshire Multi-Area Agreement:
www.push.gov.uk/Publications_and_Documents/Publications/maa.aspx
- further information on the development of the Birmingham Worklessness Protocol and how it has been used is available from the IDEA website:
www.idea.gov.uk/idk/core/page.do?pageId=9381766
- a copy of the protocol itself is available from Birmingham City Council:
www.birmingham.gov.uk/Media?MEDIA_ID=272376
- information on the development of Single Points of Access in the East London City Strategy Pathfinder:
www.idea.gov.uk/idk/core/page.do?pageId=8941094 (London Borough of Waltham Forest)
- www.idea.gov.uk/idk/core/page.do?pageId=9421976 (London Borough of Hackney)
- Manchester City Council Economic Development Procurement:
www.idea.gov.uk/idk/core/page.do?pageId=9436303



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INVESTOR IN PEOPLE

©IDeA – March 2009

ISBN 978-0-7488-9273-0

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Text printed on 100 per cent recycled paper.
Printed using vegetable-based inks.

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L09-229

Produced by Liberata Design and Print Studio



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