The Local Governance of Social Cohesion:

UNITED KINGDOM Country Analysis

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Introduction

This report is the UK part of the Seventh Framework European Commission programme: Local Worlds of Social Cohesion (LOCALISE). LOCALISE is focused on the organisational challenges of integrating social and employment policy, partly in response to the radical changes in the local governance of social cohesion across many Member States of the European Union. The programme brings together six European countries[1] and develops a common theoretical and methodological approach that guides the research in each of the work packages[2].

This report is a comparative analysis of three UK case studies: Edinburgh, Cardiff and Newcastle. Each case explores the levels and types of integration of employment policy at local level. The focus is on three types of integration, those between: various policy areas (such as employment, training, health, housing, childcare and social assistance); different political and administrative levels (national, regional, and local); and various stakeholders (public, private and third sector organisations[3]). These three types of integration (discussed in Figure 2 below) and the theoretical background and hypothesis underpinning this report are explained in more detail in Appendix 1.

The report describes and compares the forms, approaches and modes of integration in each case study. It also aims to identify barriers to, and enablers of, integration at local level during policy development and implementation. The report is divided into six sections. The first section compares the political, institutional and socio-economic context in Edinburgh (Scotland), Cardiff (Wales) and Newcastle (England). The research methods are explained in Section 2. Sections 3, 4, and 5 compare each of the integration levels (multi-level, multi-dimensional, and multi-stakeholder) across the three cities. Finally Section 6 presents the conclusions of the report.

1. Context

This section compares firstly the political and institutional context in Cardiff, Edinburgh and Newcastle. It then focuses on their socio-economic characteristics, and ends by looking at employability provision and activation policies in each city.

The term 'national' will be used to refer to the devolved administrations in Scotland and Wales and to the English-only components of UK government, while the UK will refer to cross-UK (or cross-Great Britain) policies.

1.1 Political and institutional

Employment policy is a UK government reserved matter (i.e. it is the responsibility of the UK government and not the devolved administrations). The Department for Work and Pensions (DWP) (including Job Centre Plus) is responsible for welfare and pension policy (DWP nd a), the public employment service responsible for income protection (income transfers) and activation (employment services) across the UK. The provision of services for the short-term unemployed is the responsibility of Jobcentre Plus, which, as well as directly providing some services for this group, contracts out services (such as training and placements or specialist provision) to other organisations. Services for the long-term unemployed are largely contracted out by the DWP to private, public or third sector providers.

The UK has three devolved administrations: the Scottish government, the Welsh government and the Northern Ireland Executive. Each administration has devolved responsibilities for a number of policy areas. This study focuses on Scotland, Wales and England. Some of the devolved policy areas directly relevant to this study are: education and skills, housing, health (and social work), social welfare, economic development, transport, and local government. Policies on devolved issues are set up by each of the administrations. In Scotland, legislative powers are conferred and legally defined by the 'reserved power' model, while in Wales they are defined by legislative competences. Devolved administrations are financed mainly by the UK Government through a block grant via the Departmental Expenditure Limit in a 3-year calculation over an inherited budget. They can raise Self-financed Expenditure through borrowing, and through non-domestic rates and council tax in Scotland; nevertheless the UK treasury can decide to adapt the Departmental Expenditure Limit accordingly. Reforms to the constitutional settlement for Wales are currently being reviewed. Some stakeholders mentioned that these planned reforms would give the Welsh Government more control in legislative and fiscal matters, and according to some this would provide a more cohesive and rounded settlement.

In Scotland, regional councils were abolished in 1996, which created the current 32 local authorities (a single tier system of council areas). Wales is organised into 22 local authorities (again a single tier system of unitary authorities). England is organised into 9 regions under which there is a mixture of single tier (unitary) and two tier authorities[4]. See Appendix 2 for

a map of UK regions and local authorities. Regional institutions or bodies in England, such as the Regional Development Agency, were mostly abolished in 2010 by the Coalition Government elected that year. Local authorities have many powers in a range of issues and are responsible for providing front-line services such as social services, economic development, housing, etc. There are local government Acts that set out the relation between central and local government: in Scotland the relationship is based on the Scottish Government's Concordat[5] and the Local Government in Scotland Act 2003; The Welsh Local Government Association (WLGA) represents the interests of local government and is the link between central and local government. In Scotland some services, such as health, are still organised using the old regional boundaries (but while police and fire services used to be organised on old regional boundaries they were merged into single Scottish services in 2013).

1.2 Socio-economic

This section presents an overview of the labour market in the three case areas, compared to the average for Great Britain. The tables for the statistics cited are presented in Appendix 3. According to the ONS Annual Population Survey, the population of Newcastle was 292,200, for Cardiff 341,100, and for Edinburgh 486,100 (Table 12) (2010 figures). The percentage of the population aged 16 to 64 in these cities was around 69 or 70 per cent of the total, which is up to 5 percentage points higher than the average for Great Britain. The economic activity rate for Great Britain in 2012 (76.5 per cent) was only slightly higher than Edinburgh's (76.1 per cent), but considerably higher than in Cardiff (72.1 per cent) and Newcastle (70.1 per cent). Edinburgh had the highest employment rate (71.6 per cent), while Newcastle had the highest unemployment rate (10.3 per cent) (Table 12 and Figure 1).

The proportion of economically inactive in 2012 (Table 13) was highest in Newcastle (29.9 per cent). The reasons most mentioned for inactivity were taking part in education (greater percentages in Newcastle and Cardiff), followed by those looking after family/home and the long-term sick (for which the proportions were higher in Great Britain and Edinburgh compared to Newcastle and Cardiff). In terms of wanting a job, Edinburgh had the highest proportion of inactive people who do not want a job (85.3 per cent compared to 76.1 in Great Britain).

Edinburgh had the lowest percentage of total claimants and claimants of out-of-work benefits; this is the case for all benefits except 'bereaved' (Table 14). It is interesting that although Newcastle's unemployment and inactivity rates are higher than Cardiff's, the percentage of people claiming benefits in Cardiff is slightly higher than in Newcastle (or Great Britain), with the exception of lone parents and disabled (both of which can be considered inactivity benefits). This could be due to Newcastle having a higher percentage of inactivity due to education and retirement. Newcastle in July 2012 had, in general, the

highest proportion of people receiving Jobseekers Allowance (in all age group but 18-24), followed by Newcastle, Great Britain and Edinburgh (Table 15).

Figure 1 - Population and Labour Market Information by City
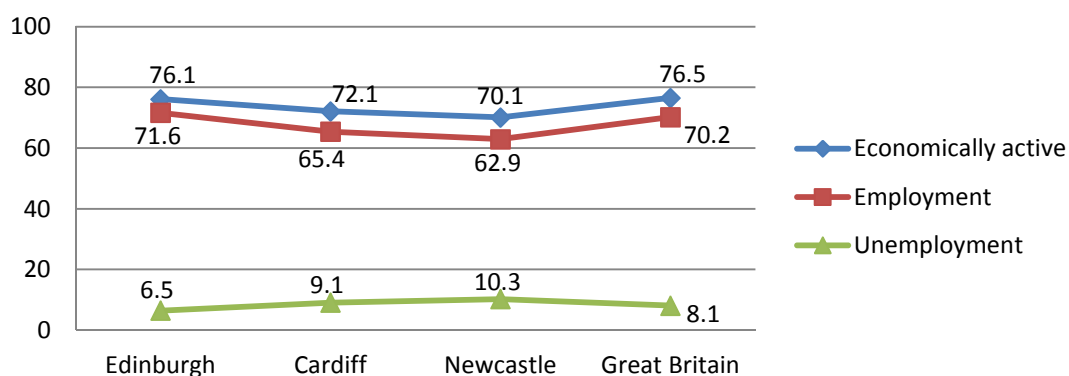
Source: ONS annual population survey

Edinburgh had the highest percentage of people in professional occupations and associated professional and technical occupations. Newcastle and Cardiff had a higher percentage of sales and customer service occupations. Newcastle had more people in elementary and skills trades occupation, while Cardiff had slightly more in caring, leisure and other service occupations, and slightly more managers, directors and senior officials than Edinburgh and Newcastle (Table 16). Compared to Great Britain, Edinburgh had more people qualified at all levels, and around 20% more people qualified at NVQ4 level and above (Table 17).

1.3 Activation policies and employability provision

From the 1990s, active labour market policies[6] have increased in the UK, and these have usually been consistent with Work-First approaches (Sol and Hoogtanders 2005; Lindsay et al. 2007). Active labour market policies aim to get unemployed people back into work through providing pre-employment services, advice and support, and by making benefits conditional on improving employability and seeking work (OECD 2002). The Labour administration (1997-2010) arguably favoured labour market deregulation and limited state interventions over the traditional neo-Keynesian approach, which promote demand-side intervention in order to achieve economic growth (Taylor-Gooby et al. 2004). For those claiming benefits capable of undertaking some form of work, activation meant greater support, and compulsion through the threat of sanctions, to find employment (Lindsay and Dutton 2012). The New Deal programmes introduced in 1998 were at the heart of the welfare-to-work agenda. Activation programmes were coupled with programmes that sought to make work a more financially appealing option than unemployment and welfare payments. In 2002 the Benefits Agency and the Employment Service were amalgamated into the local Jobcentre Plus offices and the regional benefit processing centres (Contact Centres and Benefit Delivery Centres).

The current UK Coalition Government's welfare policies have continued, and in some cases accelerated or expanded, some of the previous administration's welfare policies, and have introduced major new reforms. A number of 'Get Britain Working' measures[7] or welfare-to-work programmes have been established, the majority of which are supply-side measures, with several demand-side interventions such as wage subsidies and incentive payments. All of those receiving income transfers are required to attend Work Focused Interviews with Jobcentre Plus. Those in receipt of out-of-work benefits (Jobseeker's Allowance and Employment Support Allowance) are required to attend Jobcentre Plus at regular intervals and take part in welfare-to-work activities. Jobcentre Plus and the individual formalise a Jobseeker's Agreement: the individual receives direct Jobcentre Plus services, such as job search advice and support, and will also be referred to a number of initiatives provided by external organisations. After a period of time a number of benefit claimants are mandatorily referred to the Work Programme[8]. Other benefit claimants can voluntarily be referred but once taking part they would not be able to abandon it (DWP, nd b).

Although employment policy is a UK Government reserved matter, local government funds employability provision in each of the cities studied. The local authority delivers some of these services; others are contracted out through grants, negotiation or competitive tender to the public, private and third sector. Employment provision is also funded through other bodies such as the Scottish and Welsh Governments, through European funding, and through other organisations such as the Big Lottery. There are, in each of the cities in the devolved administrations, Scottish and Wales national programmes. The Scottish Government also funds skills policies partly through Skills Development Scotland[9], while in Wales and England this is funded by the Funding Skills Agency[10].

National UK employment provision tends to be mandatory, and increasingly non-compliance can result in benefit sanctions. In some cases benefit recipients can access initiatives on a voluntary basis, but in most cases actions will be mandatory. There are different types of activation initiatives: for the short-term unemployed these are work-first services mostly focused on placements, job search support and vocational training; while for the long-term unemployed, programmes can include other support. In the current payment-by-sustained-job-outcome Work Programme, providers – through the 'black-box' approach[11] - have total discretion over services. It could be argued that the Work Programme's financial model[12] signals a departure (started to an extent with previous programmes) from work-first approaches, towards an 'employment-first' approach[13]. On the other hand, an individual's participation in local and national devolved provision is voluntary and seems to focus on tackling barriers to employment, although there is an increased focus on job outcomes and employability in a number of policy areas, e.g. skills. As shown in Figure 3 in Appendix 1, national employment provision combines elements, although it tends to be more coercive than voluntary and it is skewed towards employment assistance rather than human capital investment, while local and national devolved provision is voluntary and tends to revolve

more around human capital investment and counselling. Appendix 4 shows the typical path of an unemployed individual in each of the cities.

Strategy and target groups

Improving the quality of employment is seen as a route out of poverty and as a way to increase people's wellbeing, and there was recognition that to achieve this, a number of people require intensive and multiple support, with 'quick fixes' and 'short-termism' unable to achieve sustainable outcomes. The perception, not shared by all, was that national employment strategy is focused on getting people off benefits while local strategy tends to look at getting people into employment, thus taking a more holistic approach towards the individual.

Youth unemployment is a priority nationally and in the three case studies, with specific initiatives targeted to young people, such as apprenticeships. Aside from young people, there is a tendency to have generic strategies although approaches are refined in relation to specific demographic groups. National initiatives can be categorised to some extent into the following target groups: young people, those with disabilities, short-term unemployed and the long-term unemployed (including those with disabilities or ill-health). Within Jobcentre Plus offices there are disability and lone parent advisors, but there is not a specific package of provision for specific groups. The Work Programme does not seem to have specific packages of provision for different groups, other than differential payments-by-results to providers depending on the type of benefit the individual claims (although the prime contractors of the Work Programme may segment types of clients). Type of benefit could therefore influence service provision, although it was stressed that grouping people in this manner does not seem pragmatic or suitable for identifying how far away people are from the labour market. There seems to be a move by national and local initiatives and providers away from 'pigeon-holing' individuals in terms of what they need according to some characteristics, towards a stated better practice of looking at people's barriers to employment and the distance from the labour market.

Service providers refer to individuals using their services as customers, clients, claimants, service users or beneficiaries. It is argued that the level of compulsion on individuals using provision determines the most adequate label. Service users will be used in this report, as it is more neutral with regard to the choice that individuals have on using services.

2. Research methods

This section explains the reasoning behind the selection of Edinburgh, Cardiff and Newcastle as case studies; the sample selection; and data collection and analysis procedures. Appendix 5 has more detail on the research methodology for the entire work package, and Appendix 6 shows the framework for research and analysis.

2.1 Case studies selection

Case studies were selected following the analysis conducted for LOCALISE Work Package 3 by CETRO (German partners in this consortium). Work Package 3 ranked NUTS-II[14] regions within the six nation-states according to the level of social inequality in order to identify best, average and under-performing regions. This classification was based on three variables[15].

Following the classification produced it was decided to select two 'regions' with devolved administrations (Wales – code UKL – and Scotland – code UKM) and one region in England (North East England – code UKC). Choosing cities within each of the national regions in Great Britain was thought important in order to ascertain the impact of devolution and of different institutional arrangements on the three types of integration. Within these three regions three cities were chosen representing the regions' classification of very strong, average and under-performing: Edinburgh, Cardiff and Newcastle, respectively (Table 1). Edinburgh and Cardiff are the capital cities of the devolved administration of Scotland and Wales, and Newcastle is an important city within England. These three cities were chosen as they have similar population and similar percentage of people aged 16 to 64 (Table 12 in Appendix 3).

Table 1 – UK city selection based on work package 3 NUTSII classification

Cities chosen	Regional classification/ Economic health	Compared to the National UK average (2008)		
		Regional labour market participation	Regional unemployment rate	Regional GDP
Edinburgh	UKM25 Very strong	Above	Below	Above
Cardiff	UKL22 Average	Equal or less	Equal or higher	Above
Newcastle	UKC22 Under-performing	Equal or less	Equal or higher	Equal or less

2.2 Participants

Participants were selected in order to meet the agreed parameters (Appendix 5). Contact was made by selecting possible organisations that meet the criteria, and in only a few instances snowballing was used in selecting the sample. Contact by email with senior staff was followed, if necessary, by phone calls. The Edinburgh case study was the first to be conducted, followed by Cardiff and finally Newcastle: data collection spanned from April 2012 to January 2013[16]. Some organisations in Cardiff and Newcastle were selected to reflect Edinburgh's selection and in some cases Edinburgh case study's participants provided

names of similar stakeholders in the other cities. Interest in the project was high and only on a few occasions did the stakeholders approached not respond to our request. The target was to interview between 15 to 20 stakeholders per city. Table 2 shows the number of organisations that participated, and interviews conducted, by city. All the stakeholders interviewed hold senior posts within the organisation, but due to anonymity assurances their role will not be disclosed.

Table 2 – Number of organisation and interviews classified by type of organisation and sector

		Edinburgh		Cardiff		Newcastle	
		Org	Int	Org	Int	Org	Int
Government	National devolved government	1	1	1	1	-	-
	Local government Economic Development	1	1	-	-	1	1
	Local government Adult Services	-	-	1	1	1	1
	Local government Education Department	-	-	1	2	-	-
	Local government Children's Services	-	-	-	-	1	1
	Local government Housing and Welfare	-	-	-	-	1	1
Public Agencies	Public Employment Service	1	2	1	1	1	1
	National Agencies	-	-	1	1	1	2
	National Devolved Agencies	1	1	-	-	-	-
	Regional Agencies	-	-	-	-	1	1
	Local Agencies	1	1	-	-	-	-
Service Provider	Private sector providers	2	3	2	3	2	2
	Public sector providers	1	1	2	3	1	2
	Third sector providers	5	8	4	4	4	6
Federations & experts	Third sector federations	-	-	1	1	2	3
	Chambers of Commerce	-	-	-	-	-	-
	Employer's federations	-	-	1	1	2	3
	Trade Unions federation	-	-	1	1	1	1
	Experts	3	3	1	1	-	-
	Total	*16*	*21*	*17*	*20*	*19*	*25*

Org = organisation that participate / Int = interviews conducted

2.3 Data collection and analysis

Information and findings presented in this case study came from analysing available strategic and official documents, and from semi-structured interviews. Interviews were face to face and lasted between 45 minutes and two hours: longer interviews were conducted in Edinburgh as it was the first case study. All the interviews but four (two in Edinburgh, and one in Cardiff and Newcastle) were recorded and transcribed or partly transcribed. Interviews in Edinburgh were analysed using NVivo[17], while thematic analysis (Braun and Clarke 2006) was used for the Cardiff and Newcastle interviews (it followed codes developed through NVivo and the framework for research - Appendix 6). The analysis was underpinned by the theoretical background (Appendix 1). Quotes have not been attributed in any way due to confidentiality.

2.4 Limitations

The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders (more details in Appendix 5).

The data collected was based on the participants' knowledge, experience and opinions on these issues. Care was taken to interview a wide range of actors within each case study to account for different opinions and experiences. Nevertheless the scope and timing of the study makes it a partial and time-constrained perspective, which does not analyse in depth many issues and side-lines others and which, by the nature of the area of study, will be superseded relatively quickly by events. Nevertheless some of the findings presented would not be time bound.

3. Multi-level integration

This section describes the degree and type of multi-level integration (Appendix 1) in each of the three cities during policy development and implementation. It explores barriers to and enablers of integration, and presents good practice examples.

Summary

Local strategies to deal with worklessness are different in each of the case studies and local policy was said to be very much constrained by national UK policy and funding. There seems to be a general a lack of coordination between territorial levels during policy development with national UK policies unable to be tailored fully to local needs. Integration seems to occur around particular issues, specific initiatives and at specific times. Even when collaboration and co-production take place, it can be limited in some cases due to bureaucracy, lack of discretion or inflexible funding streams.

3.1 Policy development

There are a number of national and local actors involved in policy development at local levels. Since employment policy is centralised, national UK policy is implemented locally via Jobcentre Plus and though DWP contracts with public, private and third sector organisations. These services are usually designed centrally (UK government) with limited local discretion, albeit with a few exceptions.

Local authorities have a number of responsibilities, amongst which are reducing poverty and social exclusion. Local councils plan and deliver or contract out employability interventions, usually through Economic Development departments. Although the three cities believe that dealing with unemployment is key to tackling poverty and social exclusion and to encouraging economic growth, local planning is different in each of them. Edinburgh's employment strategy seems to be more coherent, compared with Newcastle and Cardiff, due in part to two organisations that have a strategy development role and aim to achieve an Integrated Employability Service based on a 'skills pipeline' (Good Practice 8).

Local policy in the three cities was said to be very much constrained by national UK policy and funding. If national UK and local level policies at best align themselves, it is due to the local level adapting its strategy, initiatives and target groups to national policy, in order to avoid duplication. This fragmentation and disconnection creates confusion, duplication and inefficiencies, and gaps in provision are often apparent during policy implementation.

> *"The notion had always been that we locally will wrap around whatever was available nationally, so fill the gaps. So the menu at national level changed significantly so the wrap around has changed significantly … I don't think we control all the levers sufficiently for us to call it a genuinely [local] employment strategy."*

This lack of coordination is even more acute in devolved administrations which have responsibility for policy areas highly interlinked with employment policy, such as education

and skills. This duality of governance (centralised and devolved) has created a situation in which Work Programme service users are unable to access provision, including skills provision, funded by the devolved administrations (with some exceptions in Wales). Pragmatism (achieving additionality and avoiding duplication of funding) was cited for this decision of the devolved administrations, although different approaches to activation and contractualisation (which influences instruments and pace of interventions) and political affiliations were also mentioned:

> *"The* [UK] *government chose to award the contracts for the Work Programme to private sector providers and some public bodies don't feel that they want to provide programmes that would help people get jobs and therefore a profit being made by private sector providers."*

Centralisation was said to result in one size fits all policies that are unable to be tailored to local needs. Local authorities in Scotland seem to enjoy greater level of decentralisation party linked to an explicit agreement ('Concordat') between the Scottish Government and local authorities, while at the same time local policy tends to align with overall national Scottish targets through the Single Outcome Agreements (agreed outcomes that local authorities seek to achieve and that are in line with Scottish Government priorities) and the national Economic Strategy[18]. At the same time, local boundaries seem too restrictive for some initiatives that affect, and are affected by, a greater territorial level than local authorities, for example travel to work areas. Newcastle and Wales were looking at developing strategies at a level higher than local authorities through institutions or around strategies.

Although there does not seem to be many examples of integration during policy development, when it occurs it is around particular issues where there is not national UK established policy, for example, around employer support. The Job Match initiative in Cardiff is an example of this integration (Good Practice 1).

Good Practice 1 – The Job Match Initiative (multi-level integration during policy development)

The Job Match Initiative[19] brings together Jobcentre Plus, the Education Department in Cardiff Council, and employers, to match the skills needs of employers to skills frameworks. The skills framework is part of the Welsh Baccalaureate. If an individual's skill set matches the employer's skills needs, employers will guarantee an interview to a young person. This initiative has already been tried in Oxfordshire in England.

"The idea there is that if you take a skills agenda and eventually match it to what employers' skills demands are, and the two come together and the young person can produce evidence against the employers' skills set, then they will be guaranteed an interview for a job, and so that is the sort of plan out there."

Table 3 presents a summary of barriers to, and enablers of, multi-level integration during policy development.

Table 3 – Barriers to and enablers of multi-level integration during policy development

	Edinburgh	Cardiff	Newcastle
Enablers	- Flexible funding (coordination or co-production)	- Flexible funding (coordination or co-production) - Issues or initiatives where national UK policy is not set	
Barriers	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Different political affiliations		
	- Different priorities in activation (work first vs. human capital)	- Little discretion for local authorities - Different priorities in activation (work first vs. human capital) - Lack of structures / guidelines to coordinate Welsh Government initiatives with local council strategies - policies planned by those holding resources around resources	- Different philosophy (outcome vs. needs) - Abolition of Regional Development Agency - Different approaches - Local boundaries

3.2 Policy implementation

Multi-level integration during policy implementation is in most instances alignment. Local authorities offer their own employability services, and in most cases these are not integrated with the national offer but are complementary to it (also a finding from Lindsay and McQuaid 2008). There are multiple boards or cross-partner groups through which this alignment of policies during implementation is achieved in the three cities. These groups involve key partners in multi-level governance such as Jobcentre Plus, the City Council, skills funding agencies, etc. However, there are examples of confusion and difficulties as a result of strategies not being coordinated during development and also during implementation. Coordination and local flexibility in national policies was stressed as extremely important because although some characteristics of unemployment are similar for individuals, the context could be, and in many cases is, different.

Actors involved in policy development are also present in implementation, and there seems to be more coordination achieved at this operational level. In some instances organisations at different levels (such as Jobcentre Plus, local government, and other providers) coordinate around projects (for example when finances allow it through pooling money together to provide or contract out services), at specific times (when big developments are taking place), or around specific initiatives such as employer engagement. In some cases this coordination avoids duplication and achieves complementarity, while in others creates service provision. The Employment Offer developed in Edinburgh is a good example of multi-level cooperation at operational level around a particular issue (Good Practice 2).

Good Practice 2 – The Employer Offer (multi-level integration during policy implementation)

The Edinburgh Employer Engagement subgroup, part of the Joined Up For Jobs Strategy Group, is presented as a step towards the aim of bringing forward the employer engagement strategy across Edinburgh and bringing it under what is called the 'Employer Offer', delivered through Joined Up For Jobs. The employer engagement strategy ensures that where stakeholders[20] can work together they will do, avoiding duplication. When partners work with an employer they are aware of other organisations' offers across Edinburgh and they represent the partnership, so employers get the same offer across the city via a first point of contact. The Employer Offer happened at some points, for example, when Primark opened in Edinburgh, Amazon relocated to Waverley Gate, and as a result of recruitment in relation to home care. Partners in the group include Jobcentre Plus, Capital City Partnership and City of Edinburgh Council. As part of this employer offer there is an online directory of all the services for employers provided by organisations on the Joined Up For Jobs Directory

One interesting and unusual example of coordination of different policy levels is Newcastle Futures. It is a 'hybrid' that brings together Jobcentre Plus and Newcastle City Council (Good Practice 3). Although it could be an example of integration or co-production, the reality of limited discretion by Jobcentre Plus creates more a form of limited cooperation between these two bodies.

Good Practice 3 – Newcastle Futures (multi-level integration during policy implementation)

Newcastle Futures is an interesting example of multi-level policy coordination. It was set up by the council around 2007 as a strategy to deal with worklessness, through a not-for-profit business. It is very much a delivery organisation, although there are some indications that it could develop a more strategic role. It is a 'hybrid', with Newcastle City Council and by Jobcentre Plus aligning resources to work jointly. It combines council policy and Jobcentre Plus national UK policy on employment. Jobcentre Plus systems do not allow for flexible support, but Newcastle Futures permits more flexibility in the delivery of services and ways of client engagement, and it introduces innovation, for example through engaging with services users via social media.

There seems to be an increase in working together between different levels of policy, but in some cases even when this multi-level coordination takes place collaboration seems to still be limited by bureaucracy, lack of discretion, and inflexible funding streams. The UK Government has recently given more flexibility to Jobcentre Plus districts through the Flexible Support Fund[21]. Cooperation, and in some cases even co-production, with other agencies could be possible at implementation level through this flexible funding stream.

> *"Jobcentre Plus is an organisation, they have their own drivers, and … Jobcentre Plus district managers will sit with us and agree with us one thing and mean it. And sometimes that just changes, and they said 'I am really sorry but we can't do that anymore', that is part of the difficulties of working, or trying to align national drivers and local drivers."*

Lack of multi-level governance coordination during implementation in the devolved administrations, translated in disjointed services for individuals:

"There is still some tension between national provision through Jobcentre Plus or DWP [the Department for Work and Pensions] *programmes and the more local provision, so our integration or lack of it with Work Programme providers locally for example is a challenge."*

Table 4 presents a summary of barriers to, and enablers of, multi-level integration during policy implementation.

Table 4 – Barriers to and enablers of multi-level integration during policy implementation

	Edinburgh	Cardiff	Newcastle
Enablers	- Boards, cross-partner groups, etc. (alignment with some complementarity) - Project and practical needs (collaboration within limits) - Formalised systems for collaboration - Similar priorities (co-production) - Interest in specific initiatives: leadership, relationships, interest (cooperation) - Flexible funding (coordination or co-production)	- Similar priorities (co-production) - Project and practical needs (collaboration within limits) - Boards or groups (alignment) - Institutional creations (limited cooperation) - Flexible funding (coordination or co-production)	
Barriers	- Centralisation - Rigid funding streams - Bureaucracy - Limited discretion from national employment service operating locally - Different priorities (activation, targets, etc.)		- Little discretion from national employment service operating locally

4. Multi-dimensional integration

This section describes the degree and type of multi-dimensional integration (Appendix 1) in each of the three cities during policy development and implementation. It explores barriers to and enablers of integration, and presents good practice examples.

Summary

There seems to be a lack of coordination between departments at national and local level, with 'silos' being a result of policy fields' different priorities and aims, boundaries, and streamed funding. Coordination amongst different policy fields differ in strength and convergence towards employability in some instances seems to be the result of employability focused contracts. Budget reductions or efficiency savings were seen as bringing opportunities and threats to integration. During implementation there are some good examples of coordination due to tactical operational needs and facilitated by a number of factors.

4.1 Policy development

Multi-dimensional coordination is seen as important to create efficiencies and synergies, and to ensure coherence between policy areas (McQuaid and Lindsay 2005). Policies are developed at national UK or devolved national level through the various ministries. There seems to be a lack of coordination between departments at national level. Lack of coordination within central government has been recognised since the 1970s (NAO 2013) and according to some authors, fragmentation has increased due to further departmentalisation and boardisation of policy (Wilks 2007).

Local government has a number of statutory responsibilities regarding public services and develops policy accordingly. Centralisation could inhibit integration between policy fields, due to lack of local level powers.

> *"You can get partners sitting in a room talking to each other about what they would like to do, when the reality is that they have got no resources to do anything, because the power lies elsewhere".*

Nevertheless decentralisation, which in some instances has taken or currently takes place, was not seen as a forthright solution, because cultural and structural factors (such as lack of leadership and authority vacuums) and lack of resources inhibit coordination. The three cities had strategies at local level regarding employment, education and skills, housing, and economic development. There are partnerships and/or boards that bring departments and partners together and focus on specific areas such as health, housing, employability etc. in Newcastle, Cardiff, and Edinburgh. Partnership governance in Newcastle especially seems to have weakened since 2010 as a result of the abolition of the Local Strategic Partnerships (which were similar to Community Planning Partnership in Scotland and Local Service Boards in Wales).

However, the join-up of services 'in practice' is not as effective as expected, and when those links happen they seem to be a result of *particular projects*, due to *operational and tactical needs*, to *the existence of historical relationships*, or due to *leadership* taking coordination forward.

> *"Integration happens more in spite rather than because of the system"*.

'Siloisation' was said to be a result of *policy fields' different priorities and aims*, sometimes just due to *boundaries*, and also encouraged by *narrow streamed funding* which is both defused and centralised at the same time and which discourages partnership working. Departmental budgets were said to increase the possibility of protectionism and the planning of services around budgets rather than individuals' needs and the need for coordination. Therefore a solution mentioned could be central budgets. Although even when funding is non-ring-fenced, such is the case for local governments in Scotland, allowing *"for a more cohesive policy to be developed"*, budgets are still allocated on a departmental basis.

In some cases multi-dimensional integration in local government is sought *through mergers and transfers* or by *bringing contracts together* between different departments such as in Edinburgh, by *bringing multiple partners around a common objective* as in Newcastle around the City Deal, or by *creating boards and groups* as mentioned above. *Changes in administration* affect integration due to rescheduling and terminating programmes and initiatives from the previous administration, and in some cases creating new ones.

It was stressed that a solution to siloisation could be the development of shared objectives, or to a lesser extent a shared framework. This would mean that interventions would follow a path with a common direction, even if interventions were from different policy areas and intervened at different points on that path. This shared objective could create alignment, collaboration or co-production of services towards a recognised shared outcome. This could also be achieved by having a core focus, such as an initiative, programme or policy, around which other policies areas coordinate. However, lack of intelligence on service users and on successful paths to a better situation can be a barrier to achieve this. This resonates with Edinburgh's development of a shared 'employability' framework within which diverse policy areas incorporate (Good Practice 4).

> *"We are hoping to influence these services to recognise employability as an important part of their holistic plan for their client, but we also need to make sure that* [employability] *services are accessible, flexible and relevant enough to be ready and to be available when that happens."*

> *"Some people would be very far from the end aim but as long as the direction is right, interventions will be aimed towards the end objective"*.

Good Practice 4 – The Skills and Employability Pipeline (multi-dimensional integration during policy development)

The skills pipeline in Edinburgh is a five-stage pipeline which represents a client's journey from initial engagement, where they might have a number of substantial barriers, to the final stage of in-work after care (see figure below).

Source: *the City of Edinburgh, Integrated Employability Service Commissioning Strategy 2012-2015 (21 June 2011) Consultation Draft, The City of Edinburgh Council*

The strategy across the city is to use the pipeline as a way of analysing the position of different service providers along it. The Hub Contract is trying to help service users to navigate that pipeline, making sure that the client is in the best place for them at the right time. The idea is that agencies would then refer the client back to the Hub, where the client would be case managed onto the next stage of the pipeline.

"[The pipeline is a] *kind of Maslow hierarchy you know, you need to get stage 1 sorted because these are fundamental things, I mean so for example if someone has a drug habit and a very chaotic lifestyle, you are not going to be able to expect him to go straight into college to do a skills development programme without getting some of the other stuff sorted first, so there is a kind of progression if you like. So it is based on that."*

There seems to be a tendency at local level, and recently at national level, to create case management organisations (similar to one stop shops) that are vehicles for multi-dimensional coordination. Coordination is achieved by linking to other organisations in different fields, or by brining in-house services from different policy areas.

Policy fields
Coordination amongst different policy fields differs in strength. Although policy strategies in some cases have an employment subset on them, the level of development of the subset varies. The coordination of the various policy fields explored in the study (as explained in Appendix 1) is detailed below:

Health and childcare seem to have weaker links with employment, and their strategy and funding seems to lack an employment perspective. Childcare can be a barrier to enter or sustain employment in some circumstances and therefore coordination between these two areas would be beneficial (in Cardiff childcare was not mentioned as a barrier[22]). It is not only supply and affordability of childcare that is an issue; also crucial is when the supply is available, and childcare provision does not seem to have adapted to changes on the 'traditional' hours/days of employment (also found by McQuaid et al. 2010). Also highlighted was lack of knowledge and cultural barriers to childcare use. In Edinburgh the link with childcare was somehow stronger due to *previous initiatives* (such as the Working for Families Fund and links employability areas links to childcare partnerships).

Employment and skills seems to be more closely linked to employment than other policy areas. One reason for this is that most of the funding from the Skills Funding Agency has to be linked to economic and employment goals. However there are areas where employment and skills are unconnected, which creates a number of problems: (1) lack of knowledge of future skills needs, and a lack of 'selling' those careers opportunities; (2) the mismatch between the skills needed in the economy and those being offered by providers (in many cases, courses are offered based on demand rather than need); (3) a missing-link between the skills needed in the economy and the need for entry-jobs was mentioned, which could be addressed by low level training with a progression route into those high-level professions; (4) lack of a funding model that recognises the effectiveness of training providers in terms of employment; (5) lack of focus on employability skills and not enough focus on accessibility of skills provision; (6) lack of commitment to training by businesses, according to stakeholders as a result of the a lack of incentives and within-sector coordination. These issues seem to be more of a problem in Newcastle, where high-level skills shortages affect economic growth. In Edinburgh and Newcastle there were concerns regarding the lack of soft employability skills (such as team work and communication skills) at the younger end of the age scale. Performance management information and steering of providers were mentioned as solutions to lack of coordination.

The positive contribution that business and employers should make to the skills and education agenda was highlighted. In Cardiff, a skills framework has been developed which brings education and skills and employment closer together (Good Practice 5).

Good Practice 5 – Skills Framework (multi-dimensional integration during policy development)

The Welsh Baccalaureate[23] is an overarching qualification into which young people put their normal exams, like GCSEs or A levels. On top of that, a range of core activities, such as Essential Skills Wales[24] and the wider key skills[25], have to be included and passed. There are talks between the Education Department in Cardiff City Council and Jobcentre Plus to make sure that those skills frameworks can be matched to the needs of employers, through a process[26] that has already been tried in Oxfordshire.

Recent developments to link training providers' funding to employment outcomes (or job outcome achievement payments) at national UK and Scottish level appear to be a

mechanism to encourage integration of employment and skills. It was highlighted however that short-termism in the skills strategy, which in some cases was said to occur, would be unable to deliver the aims of achieving a high-skill and knowledge economy:

> *"The bar is being raised in skills, and for people to be able to participate in that economy more investment, and a different pace, is needed"*

Centralism in the skills strategy in England and Wales[27] was said to be detached from local labour markets' needs, and seemed to encourage overcrowding and lack of local coherence in skills supply. Regional institutions, such as the Regional Development Agency in Newcastle before its abolition, seemed to have provided some limited coordination between employment and skills. The North East Local Enterprise Partnership is expected to have some coordinating role in skills and employability, and perhaps a task of simplifying the skills arena. Nevertheless it was mentioned that in many cases even when decentralisation occurs, there is a lack of ownership and leadership to take policy forward. This was said to be perhaps a result of past top-down culture in policy, or due to lack of clarity on responsibilities and accountability.

Housing and employment coordination seemed weak in Edinburgh and Cardiff. In Newcastle on the contrary, the link is well developed. It was initiated by Newcastle Futures which placed employability workers with Your Homes Newcastle (Good Practice 6). In this case both policies integrate in a practical way in terms of focusing on employability of council tenants.

Good Practice 6 – Your Homes Newcastle (multi-dimensional integration during policy development)

Your Homes Newcastle is an Arms-Length Management Organisation responsible for managing council homes on behalf of Newcastle City Council. It has developed an employability strategy for their tenants. The Skills to Work strategy looks at *"how to harness the best approaches out there, and add value to that from what works best for us".* From this strategy, an employability manager position was created, and when the Future Jobs Funds was stopped, they set up a budget of around £172,500 which funds the manager and a number of apprenticeships (around 30 hours a week for 6 months). Around half of apprentices get a job with them or with a third party organisation. Currently work experience and progression routes (of up to a year in white and blue collar posts) are being brought into this. The process has been given more structure (application process and screening). The training, apprenticeship, work shadowing and the Skills to Work strategy which is relatively new (this year is the end of our first year of apprenticeship) is continually evolving. Although the work experience and work shadowing are open to everyone, there is a priority given to tenants. Your Homes Newcastle has started encouraging partners to take their apprentices or to take apprenticeships because *"no one single agency can resolve the issue of unemployment in Newcastle".*

There seems to be a lack of strategy in the three cities with regard to the link between employment and the level of housing benefits (national UK policy) and the housing offer (amount, location and affordability). Housing factors affect the possibility of entering and/or

sustaining employment. This lack of coordination is to some degree a result of centralisation of policy areas, and also siloisation and lack of strategic thinking.

Economic development was not a policy area considered at the beginning of this study, but stakeholders mentioned it as fundamental when considering employment policy:

> *"The real thing we need is a strategy for creating jobs in a lot of areas – it's relatively easy to work with people, to provide them with additional skills and employability … but* [if] *there aren't enough jobs for people to get into them – that work becomes redundant in a sense."*

It was said that coordination between economic development and employment policy was weak in the three cities. This is apparent for example by: the lack of policies to support small and micro businesses, which were considered vital for employment and economic growth; a lack of emphasis on enterprise and entrepreneurship in the curriculum and careers services; and the lack of a link between opportunities brought into the city and opportunities for those unemployed to benefit from them. The latter relates to a lack of coordination between opportunities and skills development training and support, and to poor careers advice and information.

In Wales the lack of economic development strategy was said to be a result of the disappearance of the Welsh Development Agency. The Welsh Government has been keen to develop procurement as part of its employment policy, by influencing through it the creation of work experience, training opportunities, apprenticeships, and increase training through a training bond.

Transport arose in the interviews as an important policy area which seems to be weakly linked to employment policy. Transport issues mentioned that affect employability were availability and affordability (in Newcastle and Cardiff). In Cardiff there is a proposal to have an integrated Metro as part of the City Regions.

Local government departments have experienced in most cases a *reduction of budgets* and/or a need to make *efficiency savings*. In some cases this seemed to be an opportunity for policy departments to work in a more integrated way, however it also seems to have repercussions on the level of service provision and the groups that would be the recipients of these services: i.e. less, and more targeted, provision. Economic necessity could push all departments towards performance output, which in turn could result in increased coherence and shared aims (employability seen as a key aim) therefore driving forward multi-dimensional integration. At the same time is was pointed out that cuts or efficiency savings will mostly come from central services or back office roles, which could mean that structures needed for coordination would not be in place.

As a result of *contractualisation* and *outcome-based payments* with a focus on employability by national and local government strategies, there appears to be a convergence towards employability objectives. For example, this has occurred slightly in social care, and more in learning and adult education.

Table 5 presents a summary of barriers to, and enablers of, multi-dimensional integration during policy development.

Table 5 – Barriers to and enablers of multi-dimensional integration during policy development

	Edinburgh	Cardiff	Newcastle
Enablers	- Cross-department partnerships (alignment: avoid duplication) - Arms-length council organisation (alignment) - Outcome-based contracts (convergence or integration) - Creation of case management organisation (alignment/collaboration)	- Cross-department boards - Embedding employability aspect in housing organisation (integration) - Outcome-based contracts (convergence or integration) - Coordination around projects - Central budgets and a stronger role of value for money projects - National actions e.g. around procurement	- Lack of resources - Around an issue: with help of historical relationship; due to leadership; or pressing need (cooperation)
Barriers	- Duality of centralisation & devolution: employment & skills - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims, ethos and funding streams with narrow outcomes - Culture and lack of leadership = e.g. stream funding - Lack of client's information - Lack of labour market information	- Siloisation: Boundaries between departments, rules and etiquette - Lack of detail about tackling specific issues - Separate budgets - Historical silo managing - Lack of focus around which policy areas coordinate - Lack of resources/structures to enable coordination	- Stream-funding - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims and funding - Lack of understanding of successful paths - Changes in administration - Lack of performance outputs

4.2 Policy implementation

The need to integrate and to avoid 'silo' cultures was seen as necessary to have effective policies. Stakeholders seem to agree that bespoke approaches to service delivery with flexibility and consistency in the coordination and wrap-around of welfare services is a model to aspire to. Partnerships and/or boards that bring departments and partners together during policy development also have an overview of policy implementation. A cross-partner panel in Edinburgh helps to align policies and avoid duplication within the council, by looking at bids and tenders across departments.

At implementation level there are some good examples of coordination due to *tactical operational needs* and facilitated by *relationships*, *funding streams*, and/or *contractual arrangements*. In many cases, this coordination is unsystematic and ad-hoc because policy and funding dimensions are not being effectively joined up. This lack of strategy and funding coordination means that gaps in provision occur and initiatives are less effective as a result. Gaps in provision are sometimes filled by various funding streams such as the Big Lottery funding etc., and it was mentioned that national UK policies are being subsidised by local services; a situation that it was said causes fatigue in the system and a distorted picture.

Implementation was seen to be improving due to a shared understanding that moving individuals towards employment requires an assessment of their individual barriers, and that to achieve sustainability it is necessary to deal with those barriers along the way, including links with employers, and client and employer post-employment support. Links with employers for example are seen as vital by Cardiff Council Education Department (Good Practice 7), which builds on the development of the Skills Framework (Good Practice 5).

Good Practice 7 – Employer Guarantee (multi-dimensional integration during policy implementation

Cardiff Council Education Department is working with a number of schools in Cardiff, in order to better integrate education and employment. It aims to create links between employers and schools in order to increase young people's information about business in Cardiff, increase the chances of work experience, etc. Building links with employers is vital to this initiative, and a trial with one employer involves a guarantee to recruit a specific number of young people a year, directly from school. This business guarantees an absolute minimum a year (in this trial, currently 4 young people a year) and depending on how the business performs this figure could increase.

"If we could multiply [the employer guarantee] *up with a couple hundred other companies in Cardiff, then we are thinking that it will generate a lot of interest for young people."*

There is also a level of convergence of services from different policy areas towards employability (or employment policy) as a result of *outcome-based contracts* requiring services to focus on participation on the labour market, whether the outcome sought is employment or a step on the path towards employment (this was also found by Osborne et al. 2012). This is the case in Edinburgh via the Hub Contract and the Employability and Skills pipeline part of the Hub Contract (Good Practice 8), in Newcastle as a result of Newcastle Futures, and in Cardiff through some Welsh programmes such as Communities First.

Good Practice 8 – The Hub Contract (multi-dimensional integration during policy development)

Edinburgh's employability and skills strategy will be implemented via the Hub Contract. The Hub Contract is a substantial contract to a consortium to deliver a client focused service and to link to non-employment services that are working with the same client (money advice, housing services, etc.). It has been described as a framework for integration, trying to join up provision and break down protectionism amongst providers, and aiming to provide rounded holistic support. It was put in place on the 1st of May 2012 and is not geographically restricted.

The Hub contract will be able to offer a platform for other services to join-in, with four physical locations in North Edinburgh, East Edinburgh, West Edinburgh and South Edinburgh. Community education teams, community literacy and numeracy workers, will also be based at the hubs. The aim is that it will become a kind of operating method which will provide a rounded holistic support.

Operationally it works on a case management basis, where advisers take responsibility for the client. There has been work carried out both at organisational level but also at strategy level with the aim of providing advisers with as much information about current provision as possible.

Lack of resources was said to be a barrier to coordination, and the need for organisations to justify themselves through narrow outcomes encourages silo mentalities and approaches. Also lack of leadership, communication and openness to accept others' ideas seemed a barrier to coordination. Data sharing was mentioned as very important to encourage coordination and efficiency.

> *"We could help more people if there was better sharing of information from central government, particularly from DWP* (Department for Work and Pensions)*: information when they provided benefits of some kind and we provide support like the social fund, crisis loans... we could make better use of that public money to help more people"*

Table 6 presents a summary of barriers to, and enablers of, multi-dimensional integration during policy implementation.

Table 6 – Barriers to and enablers of multi-dimensional integration during policy implementation

	Edinburgh	Cardiff	Newcastle
Enablers	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing need (cooperation or in some cases co-production) - Cross-partners panel for bids, tenders and grant agreements (alignment) - Contractual agreements (convergence or cooperation) - Case management organisations (alignment or cooperation)	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing needs (cooperation or in some cases co-production) - Contractual agreements (cooperation) - Case management organisations (cooperation)	- Recognition of the need for coordination - Funding
Barriers	- Lack of awareness - Lack of resources & competition - Lack of data sharing		- Lack of strategic planning and funding - Narrow outcomes - Lack of coordination at national UK level affect coordination at local level - Lack of data sharing - Lack of leadership, communication and openness

5. Multi-stakeholder integration

This section describes the degree and type of multi-stakeholder integration (Appendix 1) in each of the three cities during policy development and implementation. It explores barriers to and enablers of integration, and presents good practice examples.

Summary

There are some examples of policy development which aim to encourage multi-stakeholder coordination, but not many where stakeholders come together to develop policy. Different ethos and drivers, lack of awareness and trust and a lack of sharing and tracking (of clients transferring between providers) were mentioned as important to coordination. Collaboration between service providers happens at an operational level often in an informal way and as a result of practical needs, initiatives, contracts, and tenders. Competition and lack of resources can discourage coordination and in some cases innovation.

5.1 Policy development

Lack of cohesion, coordination or cooperation between providers, to provide a smooth journey for service users, means that in some cases the journey is slower and less effective. There are nevertheless examples of coordination due to funding or strong local relations.

> *"There are good examples of coordination in specific areas, for particular groups in society … particularly when funding, either coming through Europe or national lottery, has been dependent or conditional on bringing stakeholders together".*

There are also some examples in the three cities of policy development, either at local or national level, which aim to encourage multi-stakeholder coordination, but not many where stakeholders come together to develop policy. Forums that bring together stakeholders seem more about opportunities to exchange information and make connections rather than influencing or creating policy. These policy strategies to encourage integration are usually developed around *contractual arrangements* initiated by local or national government, such as the Hub Contract in Edinburgh, Newcastle Futures in Newcastle, and Welsh programmes such as Communities First in Cardiff. In some cases, such as in Edinburgh, stakeholders are organised around a skills and employability pipeline framework, while in others they are organised around a project with service delivery objectives. Not all the provision in the area is brought into these arrangements but in some cases, as in Edinburgh, there is an effort to create an *awareness* of local provision amongst all stakeholders in the area as a way to encourage coordination.

In Edinburgh and Newcastle there was a feeling that the third sector was not being considered fully in policy development and strategic implementation, while in Cardiff the third sector seemed to be more represented than the private sector. In Cardiff, the Wales Social Partners Unit was created by the Welsh Government to improve coordination between the social partners (employer organisations and unions) and the government (Good Practice 9).

Good Practice 9 – Wales Social Partners Unit (multi-stakeholder integration during policy development)

> The Wales Social Partners Unit is an example of good practice in Wales. It brings together unions and businesses. It is chaired by the Welsh Government First Minister, and aims to *"improve the engagement of the business representative bodies in Wales and the Wales TUC (the social partners) with the Welsh Government and the National Assembly for Wales"[28]*. According to a stakeholder it is capable of playing an important role in times of crisis or emergency responses, such as Pro-Act and Re-Act[29] policies, but the aim would be to establish a relationship of long-term policy development even if difficulties are recognised, such as the government having its own priorities.
>
> *"It is very much a European project that has been experimented in Wales. I think in Germany it has been used to an extent … it is a test of how good it works."*

The *number of funding actors* at different levels creates a situation where strategic stakeholder coordination is difficult. Due to funding being disjointed, duplication and ineffective use of resources could occur. Rationalisation of provision with fewer agencies and more coordination were seen as desirable, although at the same time it was recognised that having a variety of organisations, rather than mono-cultures, is beneficial to encourage engagement, specialisms and different ways of working.

> *"In all this the client has been to some extent lost in the process, by not having a coherent system, for example around young people and learning".*

Contractual models can influence integration of stakeholders, with some discouraging and other encouraging coordination. National UK initiatives such as the Flexible New Deal from the previous administration and the Work Programme from the current administration are contracted to single prime provider organisations which are expected to have a supply chain of subcontractors. This expected coordination of service providers by the prime did not happen to the extent expected in the Flexible New Deal. The Work Programme has some novel features, and due to lack of published information is difficult to assess the level of coordination between providers at strategic level. However the recent Department for Work and Pensions evaluation report (Newton et al. 2012) hinted at the low use of 'paid-for spot providers', either as a result of low participant numbers with specialist needs or due to providers minimising external cost. Reports from different stakeholders nevertheless mentioned a lack of strategic planning in the Work Programme. Newcastle seems to be innovative in the sense that there is a regional Work Programme Board, perhaps unique in England. Stakeholders stated nevertheless that the board is not resourced adequately, has narrow confines and very little influence on the practicalities of the Work Programme.

Specific issues, such as employer engagement (Good Practice 2) bring stakeholders together at strategic level. Although factors such as *different ethos and drivers* can discourage coordination, therefore building trust and increasing awareness was said to be very important. In a time of *scarce resources* coordination could suffer due to stakeholder wanting to keep service users.

Lack of data sharing seems to be one of the important barriers to coordination, which could create duplication and inefficiencies. Data sharing and data tracking were mentioned as vital in order to wrap services around individual needs, and in order to develop a clear understanding of what methods work in assisting individuals at any stage. The latter would help to develop common understandings and will aid integration. In Edinburgh, the Caselink management information system is a good example of data sharing and tracking (Good Practice 10).

> *"It is not one size fits all, and I agree with that, but equally you know there may be only four or five sizes that fit 99 per cent of the people."*

Good Practice 10 – Caselink Management Information System (multi-stakeholder integration during policy development)

Caselink in Edinburgh is a tool developed at strategic level to make the tracking of a client easy for organisations, by sharing data via a web-based management information system. Caselink is a management information system, but also a client management system. The system aims to allow services to wrap around the individual, making services seamless and easy to access, not only for the service user but also for organisations that refer service users and/or get referrals. Data can also be aggregated and disaggregated by project, area, etc. to know how many people are achieving outcomes and to ascertain service performance. The system could also be a step towards rationalising the provision landscape.

"[Caselink] will begin to tell us along a pipeline, what is the level of provision we have in each stage of the pipeline, what we need, where are the gaps, and at what stage provision starts to work, how quickly it starts to work … I think we don't interrogate [the data] enough."

Table 7 presents a summary of barriers to, and enablers of, multi-stakeholder integration during policy development.

Table 7 – Barriers to and enablers of multi-stakeholder integration during policy development

		Edinburgh	Cardiff	Newcastle
Enablers		- Formal structures: partnerships of stakeholders (awareness) - Contracts or bids (cooperation or potential co-production) - Specific issues	- Contracts or bids (cooperation or co-potential production) - Institutional structures (co-production)	- Funding (contracts or bids) - Strong local relations
Barriers		- Multiple funding actors - Overcrowding of providers landscape - Lack of data sharing - Lack common understandings and lack of evidence-based information - Different ethos and drivers: therefore need for trust and awareness		- Multiple funding actors - Lack of data sharing - Lack common understanding - Scarce resources and increase focus on meeting targets

5.2 Policy implementation

Proper integration at implementation level requires strategic planning, and although this is recognised as difficult it was also mentioned as vital. Collaboration during implementation

seems to happen often in an *informal way* and a*s a necessity* if programmes are to be successful: for example where a provider is offering drug treatment services, and needs childcare or housing solutions. Some of these services would be funded by the provider seeking them, some would be available already, and some others would be negotiated. There are a number of examples of coordination, around practical needs, initiatives, contracts, and tenders between service providers in all three cities. Increasing collaboration seems to be taking place between employers and service providers, including education and training institutions (e.g. moves towards university techno-colleges, Good Practice 7). This collaboration seems to be in part fuelled by the increase in *outcome-based contracts*, where service providers have to achieve job outcomes and coordination with employers is therefore crucial.

Coordination of stakeholders is sought by the creation of *case management organisations* through contractual arrangement, as mentioned previously. It is an attempt to coordinate a number of providers via cooperation or alignment, but not the entire local provision. Case management was also mentioned as a way of supporting people in their journey, building trust, seamless services and continuation of support. In Newcastle and Edinburgh both Newcastle Futures and the Hub Contract act as case management organisations, with a service provision model in the first case base in the individual at the centre and in the second based in the skills and employability pipeline (Good Practice 8 and 4).

> *"Normally you have an individual which is receiving support from a number of agencies … and in each, there is a case manager (key worker, case worker, social worker, etc.). The idea would be to have one case worker that deals with an individual's needs and refers to, or puts in place, other support for this individual. So there is only one point of contact."*

It is interesting that *contractualisation* is being used to achieve coordination of providers and/or policies.

> *"It seems … that you will get far more actual on-the-ground integration from a contractual arrangement that from another 10 years' worth of encouraging collaboration, and part of that was about reducing the actual and most cases in my view the perceived conflicts around the outcomes payments and transferring people over and all that kind of stuff."*

Overcrowding (i.e. too many organisations providing services to different beneficiaries) was mentioned as a barrier to coordination, creating confusion and duplication. This has been linked to disjoint funding that overlaps and duplicates. A solution could be rationalisation of provision; nevertheless, a fine balance was stressed as necessary, as having a variety of organisations is also beneficial to encourage engagement, specialism and different ways of working. Some national initiatives due to their scope and size could be seen as an attempt to rationalise provision and encourage coordination through case management by prime providers. The Work Programme could be an example of this, although it has been highlighted that in previous programmes prime contractors did not build a supply chain and therefore did not coordinate with local providers. The danger of this could be the creation of a 'mono-culture' or hyper-primes in the delivery of national employability services. While

Work Programme contractors outsourced some of the provision, providers and others stressed that there is no sufficient subcontracting (Newton et al. 2012); this was said to be leading in some cases to the reduction of local provision. At the same time it was stressed that other events have also influenced the decrease in funding for the third sector locally, such as the abolition of the Working Neighbourhood Fund, other regeneration funding, and change towards outcome-based funding. This type of coordination nevertheless is likely to develop more into a principal-agent relationship than coordination or co-production of services between equal partners. For one stakeholder, even local case management organisations (such as the Hub Contract or Newcastle Futures) were seen as too generalist, and there was concerns of 'one size fits all' approaches developing.

At the same time that contractualisation can create coordination, it can also deliver the opposite. *Fewer in quantity and bigger in size contracts* appear to be a barrier to coordination as there is less chance for organisations to collaborate. This trend in contracts is also a barrier to participation for small and in some cases medium size organisations. Consortia could be a solution, but the need for resources and the timescales for tendering make participation difficult. Local government policies in some cases are contracted via grant payments or negotiations rather than tendering. There seems to be a tendency nevertheless to tendering contracts more often, which is an issue for local small organisations that often do not have the resources to tender, or on some occasions the opportunity is not worth the resources. This situation could affect the variety and specialisation of provision at local level. At the same time it could be argued that this would rationalise the providers' landscape and therefore solve overcrowding, which was seen to make coordination difficult.

Lack of money, *competition*, and the increasing use of *outcome-based contracts* could discourage coordination, referrals, and partnership working. Organisations could also become conservative, with fewer tendencies to innovation. Initiatives to encourage integration are seen as necessary but not without tensions, as most providers will be in competition with each other most of the time. For example the Employer Engagement Group in Cardiff is not delivering the expected results due to the amount of interested parties and the competition amongst them.

> *"People are not so keen to share things because they have been pushed into competing with each other, if there is less money people are less likely to work cooperatively and collaborate".*

> *"The rhetoric of partnership can be there but the way the market operates is competitive".*

The Hub Contract for example could not function as a proper coordination model if outcome-based funding is based on job entries, as this would most likely lead to providers' protectionism. Therefore it is not just about aligning service providers along an employability pipeline framework, but making sure *"that the overall contractual provision is joined up and working effectively"*. It was stressed that in a pipeline framework some

providers would not achieve job outcomes. Longer funding provides continuity for small third sector organisations and more sense for those commissioning (Hudson et al. 2010), while short-term funding could discourage integration, and could compromise the effectiveness of interventions. The Work Programme funding period (up to seven years) could be seen as an attempt to tackle short-termism in funding.

It was mentioned that *lack of understanding* between sectors and stakeholders leads to a lack of trust, which stands in the way of coordination. Services' remits (for example between mental health and substance abuse), and lack of leadership were also mentioned as barriers to coordination. Data sharing seems to be one of the important barriers to integration between stakeholders.

Lack of awareness was highlighted as a barrier to coordination, and in many cases coordination efforts start by raising awareness of services available. In Edinburgh an online directory has been created. It aims to increase awareness of the local offer amongst providers, providing more effective support, and supporting coordination (Good Practice 11). A similar directory with all the services for employers provided by organisations on the Joined Up For Jobs Directory has been developed as part of the Employer Offer (Good Practice 2).

Good Practice 11 – Online Directory (multi-stakeholder integration during policy implementation)

The online directory[30] has data on the services, programmes and organisations in Edinburgh that provide support to people seeking work. The aim is to try to make sure that advisers have as much information about current provision as possible. Most providers are included and the directory has various search functions to try to get to the right provider for the client that any organisation is working with at the time. The directory has a number of search options, with data on the services, programmes and organisations in Edinburgh

Table 17 presents a summary of barriers to, and enablers of, multi-stakeholder integration during policy development.

Table 8 – Barriers to and enablers of multi-stakeholder integration during policy implementation

		Edinburgh	Cardiff	Newcastle
Enablers		- Practical needs (cooperation and alignment) - Creation of case management organisation (cooperation or alignment)	- Practical needs (cooperation and alignment) - Projects or issues to rally around - Creation of case management organisation (cooperation)	- Lack of funding and competition
Barriers		- Lack of funding and competition - Job outcome-based funding in some cases - Lack of data sharing - Short-term funding	- Lack of leadership - Competition - Number of providers - Lack of understanding - Limited number of contracts	- Lack of funding and competition - Lack of data sharing - Number of providers

6. Discussion and Conclusions

While the governance of employment policy, which is centralised at national UK level, needs to balance effectiveness and efficiency in supporting activation, it currently appears to somewhat hinder multi-level coordination during both policy development and implementation. There is very limited local level discretion, except in instances allowed by national UK government (e.g. Youth Contract support for 16 and 17 year olds NEETs, Flexible Support Fund). Alignment of policies and initiatives takes place often through a bottom up approach, even when partners come together in boards or partnerships, by local strategies and initiatives wrapping around national policy: alignment either avoids duplication, achieves complementarity, or both. Co-production or integration seems difficult due to funding and instruments rigidities, the lack of local level influence, and different priorities in terms of policy aims and instruments.

Local government presents a picture of multiple partnership groups and cross-departmental boards, across policy areas, policy levels and bringing a number of stakeholders together. Nevertheless these partnerships do not seem to have the expected effects in practice, where policy is fragmented. Perhaps this is due to the fact that although partners and actors come together there are still structural barriers to integration, and perhaps there is also a lack of vision, leadership or share objective.

Different priorities and funding rigidities seem to keep policy areas working in 'silos'. National and local government has adopted New Public Management characteristics in the governance of public services. In some cases it would seem that, if not properly planned to avoid unintended consequences, competition and performance management (central to New Public Management) could discourage coordination between policy areas and service providers; thus creating fragmentation, even if convergence is observed. At the same time examples can be observed where contractualisation encourages collaboration and co-production between policy fields and service providers: in some cases as one-off project-based integration, in others as a framework for service delivery around shared understandings and common objective/s. Case management is a way to coordinate policy areas and/or providers. Coordination based on case management or frameworks for service delivery can achieve seamless services and continuation of support, potentially increasing effectiveness and reducing service users' disengagement. Nevertheless the creation of mono-cultures should be avoided, according to stakeholders.

Local contexts play a role in the level of alignment or cooperation between policy levels, fields and stakeholders. This happens through local government institutional creations (e.g. Newcastle Future, Edinburgh's Capital City Partnership), informal relations which bring actors together, past initiatives and experiences (Working for Families Fund in Scotland, Your Homes Newcastle) and the use of power by local and devolved administrations on issues indirectly related to employment policy. For example, in the devolved

administrations, lack of multi-level coordination is even more acute, as devolved skills policies can either coordinate or not with national employment policy. The Work Programme is a case in point, where devolved administrations have used devolved powers in a way that has created a policy environment for the Work Programme quite different compared to England. It was said that politics play a role in multi-level coordination, as having different administrations (different aims and priorities) at various levels could be a barrier to coordination. Changes in administrations can also hinder coordination. Local context also influence the level of coordination between policy areas, with some areas such as Newcastle having greater integration between employment and housing, Edinburgh between childcare and employment, and Cardiff between employment and education.

Funding is important as a barrier to or enabler of coordination between policy level, policy fields and stakeholders. Departmental-based funding and narrow outcomes encourages silo working between levels and policy fields. Multiple and disjointed funding streams create duplication and overcrowding of the provision landscape, and although rationalisation seems desirable, the threat of creating mono-cultures has to be taken into account, as it would affect service user engagement, and specialist provision availability. Fewer and bigger in size contracts seem to encourage rationalisation of the provision landscape, and perhaps coordination, but this could be creating 'hyper-primes' and a situation where competition is reduced, which seems to go against New Public Management principles. It was also said that, at a time of scarce resources and when outcomes are focused primarily in job-outcomes, competition seem to hinder coordination.

On the ground there are many instances of cooperation and co-production as a result of tactical operational needs and specific initiatives, but lack of strategic and funding coordination means that gaps in provision occur and initiatives are less effective as a result. The current reduction in budgets and/or a need to make efficiency savings in some cases seems an opportunity for policy departments to work in a more integrated way, however it also seems to have repercussions on the level of service provision and the groups that would be the recipients of these services: i.e. less and more targeted provision.

Issues such as lack of data sharing and lack of service user data (evidence based data on what works) are barriers to coordination. Lack of trust, openness and past experiences also contribute to disconnect between level, policy fields and stakeholders.

The report presents a number of good practices in integration at each of the levels during policy development and implementation; there will be many more examples that have not been covered here. The report also presents a number of common barriers to integration and a number of factors that seem to enable integration (Appendix 7). The study did not find vast differences between the three cities. Local context and devolution arrangements did influence the level of integration. The report argues that lack of cohesion, coordination or cooperation between policy level, fields, and providers, results in inefficiencies, duplication, and lost opportunities.

Table 9 describes local multi-level, multi-dimensional and multi-stakeholder integration types in employment policy. This is based on Table 11 in Appendix 1, which shows expected coordination types at each level according to governance types. Table 9 shows similarities in the three cities which tend to display New Public Management characteristics in the governance of public services.

Table 9 – Local multi-level, multi-dimensional and multi-stakeholder integration types in employment policy

Coordination level		Governance Type		
		Edinburgh (mostly NPM, NPG)	**Cardiff (mostly NPM, PA, NPG)**	**Newcastle (mostly NPM)**
Multi-level	Policy development	Centralised / Devolved	Centralised / Limited Devolved	Centralised
	Policy implementation	Centralised / Alignment and Limited Coordination	Centralised/ Alignment-Limited Coordination	Centralised/ Alignment and Limited Cooperation
Multi-dimensio	Policy development	Fragmented / Cooperation and Alignment	Fragmented / Alignment and Cooperation	Fragmented / Alignment
	Policy implementation	Fragmented / Cooperation and Convergence	Fragmented	Fragmented / Cooperation
Multi-stakehold	Policy development	Contractual (local pipeline)	Contractual	Contractual (local collaboration)
	Policy implementation	Contractual (cooperation / alignment)	Contractual	Contractual (cooperation)

Appendixes

Appendix 1 – Theoretical Background

This report identifies and compares methods and practices of integration in local governance, bringing out the barriers to, and enablers of, integration and presenting good practice examples in achieving integration. Specifically it focuses on the integration of various policy areas, different political and administrative levels, and various stakeholders (Figure 2) during policy development and implementation.

Figure 2 – An integrated approach towards social cohesion.
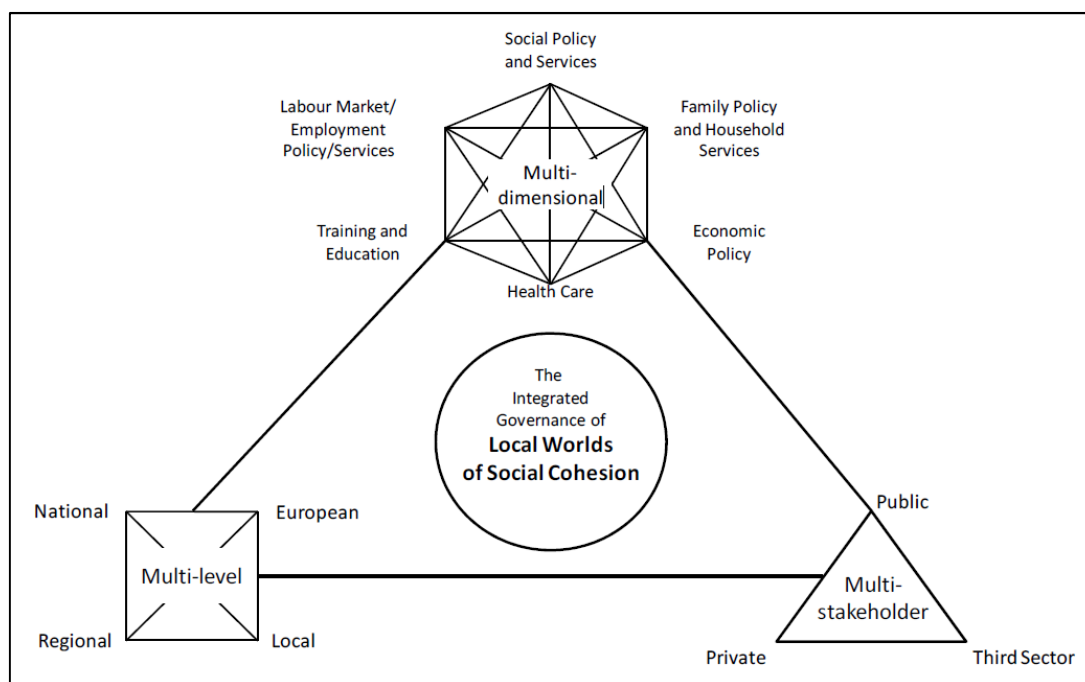
Source: Local Worlds of Social Cohesion. The Local Dimension of Integrated Social and Employment Policy. LOCALISE project proposal 2010.

The study is underpinned by a range of theoretical propositions (Fuertes 2012). These are briefly presented below:

- Employment policies, including active and passive labour market policies, are a common tool that governments use to increase employment and the participation in the labour market of economically inactive individuals.
- As a result of a number of challenges to welfare regimes, such as economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004), it has been argued that a new paradigm in the approach towards social policies is emerging. This 'activation approach' seems to go beyond the increase of active labour market policies, although this is contested by some scholars who use both concepts interchangeably.

- Due to the characteristics of these changes in activation, it has been argued that to be effective, activation policies have to be joined-up and tailored to the individual's needs (McQuaid and Lindsay 2005). This requires the integration of previously separated policy fields, of different stakeholders, and of various political levels with local government playing an increasingly important role.
- The principles of New Public Management have been adopted to different degrees and in diverse forms, by governments across Europe. New Public Management is often linked to activation policies, but it has been argued that new approaches and governance methods are necessary in the governance of activation, such as in New Public Governance.
- It is the theoretical proposition that: (a) integration of relevant social policy fields is of benefit to the effectiveness of activation policies; and (b) that some aspects of New Public Management may inhibit such integration.

Governance of public policies

Countries across Europe have dealt with the challenge of social cohesion through different state traditions and various modes of public governance. Governance is defined as "public and private interactions taken to solve societal problems and create social opportunities, including the formulation and application of principles guiding those interactions and care for institutions that enable them" (Kooiman and Bavinck 2005 in Ehrler 2012:327). In order to cope with societal and economic changes and challenges, "reforming governance has become part and parcel of the strategies that governments" develop (van Berkel and Borghi 2007:277). In this report the focus is on the development and implementation of operational policy (the organisation and management of policy-making and policy delivery), although as a number of authors have mentioned, formal policy (that is the substance of social policies) and operational policy are interlinked to various degrees and affect each other (van Berkel and Borghi 2007).

Through time, public sector governance has changed as a result of pragmatism (Osborne 2010), ideology, or both. These changes have been categorised by a number of scholars into 'ideal' types: each type with specific characteristics regarding its core claim and most common coordination mechanisms (Denhardt and Denhardt 2000, Osborne 2010, Martin 2010, Pollitt and Bouckaert 2011). It is recognised that governance modes are seldom found as ideal types as they tend to display a hybridisations with mixed delivery models (van Berkel and Borghi 2007, van Berkel et al. 2012b, Saikku and Karjalainen 2012). In many cases these mixed delivery models produce tensions and contradictions. Governance approaches are not only diverse but dynamic (van Berkel et al. 2012a), with changes in the design happening over time. Three of these ideal types are described in Table 10 below.

In *Public Administration* the role of government is that of 'rowing' by designing and implementing policies. It has been characterised as a governance mode that focuses on administering a set of rules and guidelines, with a split between politics and administration

within public administrations, and where public bureaucracy had a key role in making and administering policy but with limited discretion. Universality is the core claim of service delivery. Coordination between actors is mainly based on a system of fixed rules and statutes with legislation as the primary source of rationality. Bureaucratic organisations use top-down authority with agencies and there is central regulation of service users.

In the late 1970s and 1980s, Public Administration was criticised as inefficient and unresponsive to service users, gradually leading to the rise of *New Public Management*. One argument was that the state should be an enabler rather than provider of services, hence the role of government was seen as 'steering' rather than as a provider of services, with an emphasis on control and evaluation of inputs and outputs through performance management. Regulation by statute, standards and process requirements are largely replaced by competition, market incentives or performance management. This is combined with administrative decentralisation and wide discretion in order to act 'entrepreneurially' to meet the organisation's goals. The introduction of market-type mechanisms, private-sector management techniques and entrepreneurial leadership has been, and is, justified in many European countries as a way to increase choice, create innovation, and deliver improved efficiency and value for money (McQuaid and Scherrer 2009, Davies 2010). Although marketisation in public services is often used, it encompasses differences from conventional markets as the state remains involved in the financing of services, providers are not necessarily private and consumers are not always involved in purchasing (van Berkel et al. 2012b) – as a result Le Grand (1991) refers to such public service markets as quasi-markets. Although most European countries have adopted many of the principles of New Public Management, approaches to both policy development and policy implementation vary (Pollitt et al. 2007, Ehrler 2012).

It has been argued that, as a result of the realisation that New Public Management had had some unintended consequences and was not delivering the expected outcomes, and due to changing socio-economic conditions, the governance of labour market policies is changing towards the adoption of a new mode of governance inspired by partnership working and synonymous with *New Public Governance* or *network governance* (Osborne 2009). It is influenced by partnership working and characterised by a highly decentralised and more flexible form of management, and is thought by some to be more appropriate for the coordination of multi-actor or multi-dimension systems. The role of government is seen as that of 'serving' by negotiating and brokering interests and shared values among actors. Instead of fixed organizational roles and boundaries, the notions of joint action, co-production or cooperation play a major role, with leadership shared internally and externally within collaborative structures. Discretion is given to those administering policy but it is constrained and explicitly accountable. In this model the beneficiaries and other stakeholders[31] may have a greater involvement in the development and implementation of the policies or programmes.

Table 10 – Governance typology according to core claims and coordination mechanism

Key elements	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Core claim	Public sector ethos. To provide public services from the cradle to the grave.	To make government more efficient and 'consumer-responsive' by injecting business-like methods.	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation.
Coordination and control mechanism	Hierarchy	Market-type mechanisms; performance indicators; targets; competitive contracts; quasi-markets.	Networks or partnerships between stakeholders
Source of rationality	Rule of law	Competition	Trust/Mutuality

Source: own depiction based on Considine and Lewis, 2003, Osborne 2009, Martin 2010, Pollitt and Bouckaert 2011, and Künzel 2012.

According to Saikku and Karjalainen (2012:300), the need for New Public Governance is the result of activation policies which have transformed the paradigm of the welfare state "from a purely sector-based 'silo' to a multi-sector, joined-up service delivery with its respective governance" and which requires new modes of governance in the more operational sense (van Berkel and Borghi 2007).

Following from the literature above, it is expected that coordination at each of the levels that the study looks at (multi-level, multi-dimensional and multi-stakeholder) would be different according to governance types as illustrated in Table 11 below. This assumption is tested through the analysis of empirical data collected.

Table 11 – Characteristics of coordination by governance typology

Coordination	Governance Types		
	Public Administration	New Public Management	New Public Governance/ Network Governance
Multi-level	Centralised	Devolved	Decentralised
Multi-dimensional	Coordinated	Fragmented	Co-production
Multi-stakeholder	Hierarchical	Contractual	Collaborative

Source: authors' depiction partly based on Künzel 2012

Labour market policy: towards activation

'Traditional' welfare regimes are experiencing a number of challenges: economic globalisation, demographic changes, labour market changes, processes of differentiation and personalisation, and reduced government expenditure (van Berkel and Moller 2002, Taylor-Gooby et al. 2004). As a result of these pressures, the governance of social policies is changing (e.g. by changing the support given to people who are at risk of unemployment or other inactivity, tightening entitlements, or 'transferring' responsibilities). There is discussion of a new era in labour market policy: one where active labour market policies (focused on active labour market inclusion of disadvantaged groups) are increasingly linked

to previously passive measures (social protection and income transfers) and where incentives (sanctions and rewards) to take part in active labour market policies are increased[32]. According to Van Berkel and Borghi (2007:278) activation has five distinct characteristics: redefinition of social issues as lack of participation rather than lack of income; a greater emphasis on individual responsibilities and obligations; enlarged target groups; integration of income protection and labour market activation programmes; and individualisation of social interventions. Nevertheless some scholars equate activation to active labour market policies. As a result of this shift towards activation, it has been said that the governance of labour market policies requires the following:

a) The integration of different policy fields in order to deal more effectively with employability issues that affect disadvantaged groups; and as a result the need for integration of different service providers. This has had an impact on organisational infrastructure and relationships between social services.

b) The greater use of conditionality such as the need to take part in active policies in order to receive passive policies (welfare payments).

c) The increased role for the local level in order to target policies to local specificities.

Therefore it would seem that activation desires integration of different political territorial levels (multi-level), across a number of policy fields (multi-dimensional), and between several actors (multi-stakeholders). This need for integration affects how policies and services are developed and delivered, and therefore is changing the governance of labour market policies. Partnerships, coordination and integration, which will be discussed in the following section, seem central to the effective governance of activation policies.

Activation policies have been classified according to the objectives they try to achieve, often in a one-dimensional approach (i.e. more support or less support). Nevertheless Aurich (2011) proposes a two-dimensional framework to analyse the governance of activation. The two dimensions are: a) *Incentive reinforcement*: enabling individuals to become employed; b) *Incentive construction*: influencing individual action. The first dimension can vary from Human Capital Investment to Employment Assistance, while the second dimension can vary from coercion in one extreme to voluntary action in the other. Labour market policies are then categorised according to their position within the governing activation framework (Figure 3).

According to Bonoli (2010) employment assistance aims to remove obstacle to employment and facilitate (re-)entry into the labour market using tools such as placement services, job subsidies, counselling and job search programmes. Occupation aims to keep jobless people occupied; limiting human capital depletion during unemployment using job creation schemes in the public sector and/or non employment-related training programmes. Human Capital Investment is about improving the chances of finding employment by up skilling jobless people through basic education and/or vocational training. Aurich (2012) adds Counselling to the links of active labour market types.

Figure 3 – Active Labour Market Policy Types

	Types of ALMPs			
Incentive Construction	**Incentive reinforcement**			
	Coercive Human Capital Investment	*Coercive* Counseling	*Coercive* Occupation	*Coercive* Employment Assistance
	Voluntary Human Capital Investment	*Voluntary* Counseling	*Voluntary* Occupation	*Voluntary* Employment Assistance
	Alimentation			

Source: Aurich 2012 (based on Bonoli 2010 and Aurich 2011).

Within this framework, active support (human capital investment; occupation; employment assistance and counselling) could be geared more towards a life-first approach (in which human capital is the priority) or a work-first approach (in which work participation is the priority). Within the work-first approach there are also differences or departures from the basic job outcome (i.e. moving into a job) to a more sustainable outcome, in which being able to remain in 'sustainable' employment for a long period is the priority (we can call this 'employment-first', especially when career progression is also included).

It could be argued that effective activation will need a relatively longer perspective in labour market participation, if sustainability of outcomes is an aim. Some types of active policies deliver a greater number of job outcomes in the short-term but have less long-term sustainability. Therefore activation seems more suited to high support initiatives which are either life-first or 'employment-first' approaches, both of which will likely require multi-dimensional and multi-stakeholder integration.

Integration of activation friendly policies

It has been argued that the aim of integration in activation is to be able to tackle multiple problems that individuals face, through achieving joined-up and seamless services. Partnership theory can be used to describe the benefits that could be achieved through multi-level, multi-dimensional and multi-stakeholder integration and the barriers that can be encountered. Partnerships according McQuaid (2000, 2009) and Lindsay and McQuaid (2008) can (but will not necessarily): deliver coherent, flexible and responsive services; facilitate innovation and the sharing of knowledge, expertise and resources, improving efficiency and synergy, avoiding duplication, and increasing accountability; and encourage capacity building and legitimisation. A number of limitations to partnerships are also highlighted by these authors, such as differences in philosophy amongst partners, institutional and policy rigidities, imbalance of resources and power, conflict over goals and objectives, lack of accountability, and lack participation and therefore legitimacy issues. Powell and Dowling (2006) compile a number of partnership models found in the literature that can function alongside each other: in terms of what they do, partnerships can be

facilitating, coordinating or implementing; in terms of the relation between partners they can be principal-agent relationships, inter-organisational negotiation, and systemic coordination; in terms of the intention or achievements they can be synergy (resource or policy), transformation (unidirectional or mutual) or budget enlargement.

The focus of this study is on integration, and partnerships are one way to achieve this integration. There seems to be no clear definition of integration, but it is commonly studied as an outcome, a process or both. It can be tentatively defined as a state of increased coherence. In this study integration is considered to be a dynamic process which refers to the development from a state of (relative) isolation to a condition of integration. In this case the study is concerned with the variables, which are likely to enhance or inhibit integration[33]. The strength of integration can range from shallow to deep[34]. A state of *fragmentation* can be defined as when policy levels, dimensions or stakeholders do not relate to each other and work in a state of isolation. *Convergence* can be defined as policy levels, fields or actors conducting similar strategies or actions in relation to an aspect/s although with very little integration (e.g. the need for different departments to consider environmental guidelines in their operations, which is therefore a convergence towards an environmental objective). *Alignment* requires policy levels, fields or actors to conduct their actions or strategies with consideration of other levels', fields' or actors' actions or strategies, in some cases this would require some adjustment. *Cooperation* implies a higher level of integration as levels, fields or actors work together towards an objective or common purpose. The *co-production* concept has been developed mainly to mean the involvement of service users in delivery of service. In this study co-production refers to the situation in which levels, fields or stakeholders produce strategy or deliver policies together. *Integration* would mean the highest level of coherence between levels, fields or stakeholders: a situation or process which goes beyond a one-off or project specific co-production or cooperation, towards a more sustained cohesion of shared objectives, understandings, processes and/or outcomes (e.g. when a housing provider offers employability support to unemployed tenants as part of their day-to-day operation).

Within the same type of integration strength there could be a number of differences: a) regarding the aims of integration, for example alignment could aim at making sure that policies do not interfere with each other, or could seek some complementarity; b) with regard to integration instruments, for example integration can be achieved by bringing different units together in networks or partnerships, by creating new units or bridging agencies, or by merging agencies; c) regarding the approaches to integration, for example cooperation can be imposed by top down rules in public administration, or through contractual requirements in new public management.

Appendix 2 – Maps

United Kingdom
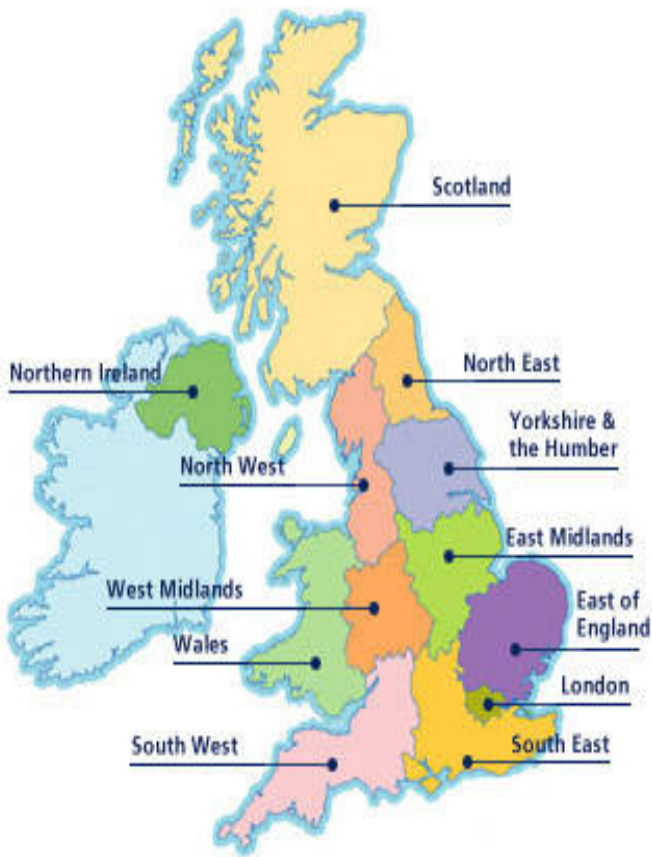
Edinburgh (Scotland)

Newcastle (North East England)

Cardiff (Wales)

Appendix 3 – Socio-Economic and Labour Market Statistics

This appendix presents the data mentioned in Section 1.2.

Table 12 – Population and percentage of 16-64 years-old (2010); percentage of economically active, employed and unemployed (April 2011 – March 2012); and job density by City

	2010		**Apr 2011-Mar 2012**			
	POPULATION	16-64	Economically active rate [1]	Employment rate[1]	Unemployment rate[2]	Job density[3]
Edinburgh	486,100	70.8	76.1	71.6	6.5	0.96
Cardiff	341,100	69.0	72.1	65.4	9.1	0.89
Newcastle	292,200	70.1	70.1	62.9	10.3	0.91
Great Britain	60,462,600	64.8	76.5	70.2	8.1	0.77

Source: ONS annual population survey; [3]
Notes: [1] percentage of people aged 16-64; [2] percentage of 16-64 economically active; [3] density figures represent the ratio of total jobs (includes employees, self-employed, government-supported trainees and HM Forces) to population aged 16-64.

Table 13 – Economic Inactivity (% of 16-64 years-old), reason for inactivity and desire for a job (% or economically inactive)

		April 2011 – March 2012			
		Edinburgh	Cardiff	Newcastle	Great Britain
	Total	23.9	27.9	29.9	23.5
Reasons for inactivity	Student	34.3	38.9	39.3	24.8
	looking after family/home	22.0	20.7	22.3	25.1
	temporary sick		4.9		1.9
	long-term sick	21.0	18.1	19.3	22.2
	discouraged				0.9
	retired	14.4	10.1	11.2	16.7
	other	6.8	7.3	4.1	8.4
	wants a job	14.7	23.5	23.4	23.9
	does not want a job	85.3	76.5	76.6	76.1

Source: ONS annual population survey

Table 14 – Benefit claimant (% of 16-64 resident population) by type

		February 2012			
		Edinburgh	Cardiff	Newcastle	Great Britain
	Total claimants	12.4	16.7	16.5	15.0
Type of benefits	Job seekers	3.5	4.8	4.7	4.1
	ESA and incapacity benefits	6.0	7.2	7.1	6.5
	Lone parents	1.0	1.7	1.8	1.5
	Carers	0.7	1.3	1.1	1.2
	Others on income related benefits	0.3	0.5	0.4	0.4
	Disabled	0.8	0.9	1.1	1.1
	Bereaved	0.2	0.1	0.2	0.2
	Key out-of-work benefits†	10.7	14.3	14.1	12.5
	JSA claimants per unfilled jobcentre vacancy[1]	3.1	5.7	4.7	4.4

Source: DWP benefit claimants - working age client group; [1] Source: Jobcentre Plus vacancies - summary analysis

Note: Key out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

Table 15 – Jobseekers Allowance benefit claimants (% of age group resident population) by length of time claiming benefits

Age	Time length	July 2012			
		Edinburgh	Cardiff	Newcastle	Great Britain
16-64	Total	3.3	4.5	4.7	3.8
	Up to 6 months	1.9	2.4	2.3	2.0
	Over 6 and up to 12 months	0.7	0.9	1.1	0.8
	over 12 months	0.8	1.2	1.2	1.0
18-24	Total	4.9	5.8	5.2	7.5
	Up to 6 months	3.4	3.5	3.0	4.6
	Over 6 and up to 12 months	0.9	1.3	1.4	1.6
	over 12 months	0.6	1.0	0.8	1.2
25-49	Total	3.4	5.0	5.4	4.0
	Up to 6 months	1.8	2.6	2.6	2.0
	Over 6 and up to 12 months	0.7	1.0	1.3	0.8
	over 12 months	0.9	1.4	1.6	1.2
50-64	Total	2.2	2.7	3.1	2.2
	Up to 6 months	1.1	1.2	1.3	1.0
	Over 6 and up to 12 months	0.4	0.5	0.7	0.4
	over 12 months	0.7	1.0	1.1	0.8

Source: ONS claimant count - age duration with proportions

Table 16 – Employment by occupation (% of 16+ years-old in employment)

Occupations	April 2011- March 2012			
	Edinburgh	Cardiff	Newcastle	Great Britain
Managers, directors and senior officials	7.6	8.8	7.4	10.0
Professional occupations	25.4	25.0	22.3	19.2
Associate professional & technical	19.5	14.3	9.7	14.0
Administrative & secretarial	10.6	10.5	11.6	11.1
Skilled trades occupations	7.5	6.7	10.6	10.8
Caring, leisure and Other Service occupations	8.3	9.8	9.1	9.1
Sales and customer service occupations	8.6	11.3	10.8	8.1
Process plant & machine operatives	3.4	4.4	6.5	6.4
Elementary occupations	8.8	8.7	12.1	10.9
Total	99.7	99.5	100.1	99.6

Source: ONS annual population survey

**Table 17 – Level of qualification (% of 16-64 population) by case study city**

	January 2011- Dec 2011			
	Edinburgh	Cardiff	Newcastle	Great Britain
NVQ4 and above	51.2	38.9	32.8	32.9
NVQ3 and above	69.9	58.5	57.3	52.7
NVQ2 and above	80.9	74.7	70.7	69.7
NVQ1 and above	87.1	84.7	81.7	82.7
Other qualifications	4.6	5.5	5.1	6.7
No qualifications	8.3	9.8	13.2	10.6

Source: ONS annual population survey

Appendix 4 – Typical Journey of an Unemployed Individual through Local Provision

These graphs show in a basic manner the typical journey of a 25-64 year-old unemployed individual in receipt of Jobseeker's Allowance in Edinburgh, Cardiff and Newcastle. They show national and local provision. Red arrows signify mandatory paths to service provision which is generally national UK programmes; arrows with spots mean possible support given or sought by mandatory service providers for clients; while arrows with forward slashes meant non-mandatory paths to accessing service provision, either local, national devolved and national UK provision;
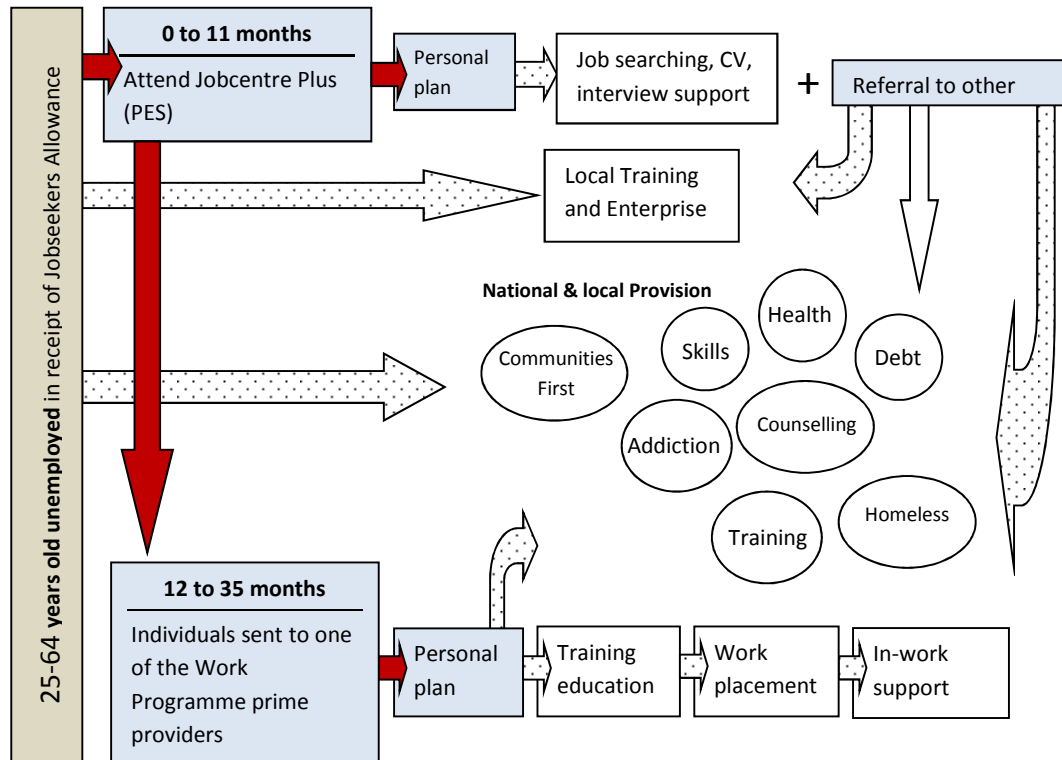
Edinburgh
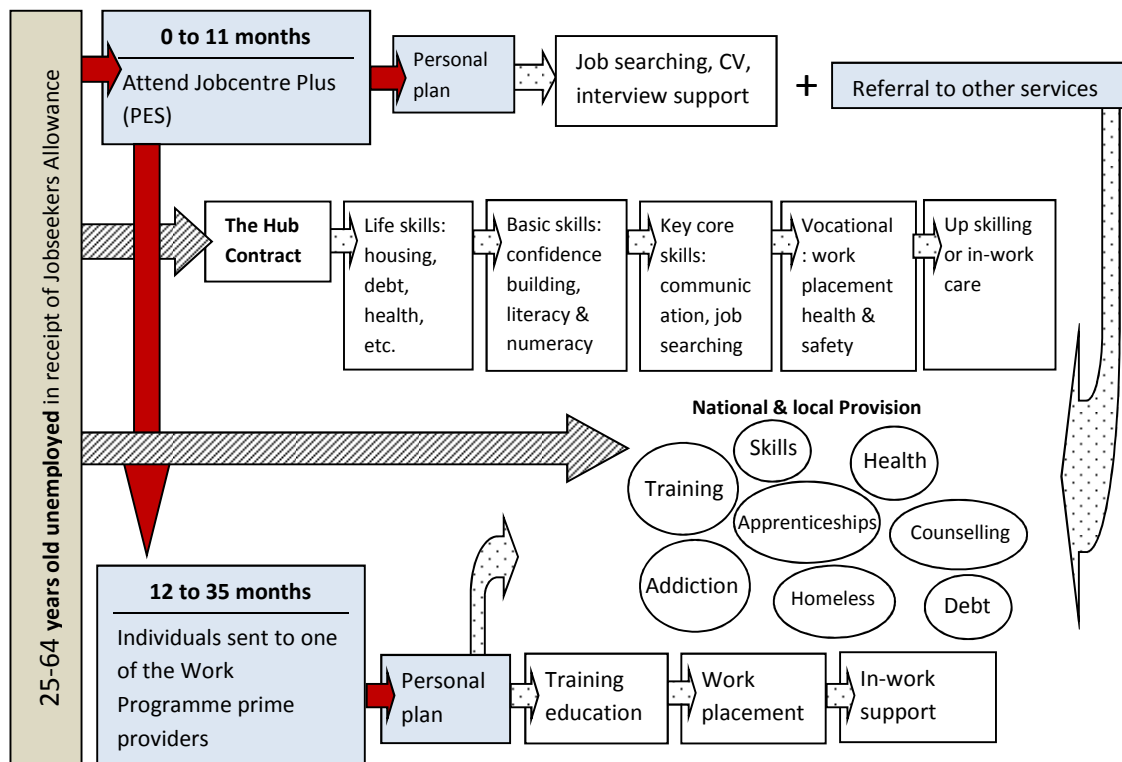
Newcastle
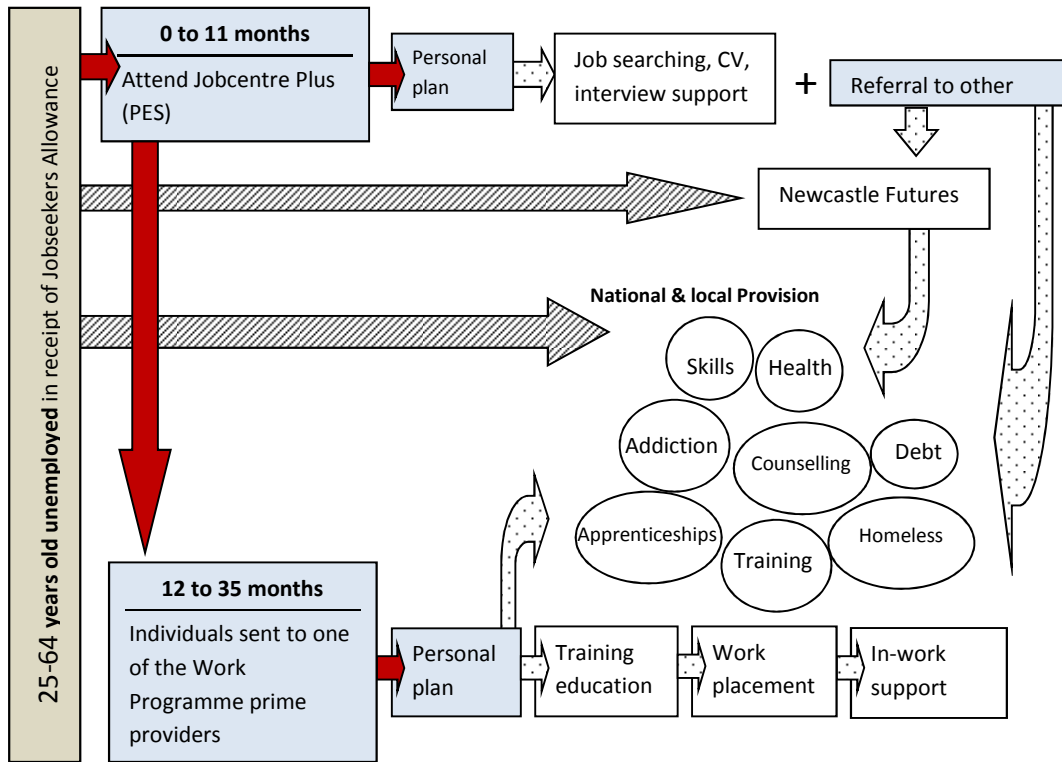
Cardiff

Appendix 5 – Research Methodology

For the individual case studies, 'description' was chosen as the general analytical strategy due to the different political, institutional, and socio-economic contexts in each country. Nevertheless, these descriptions aim to identify casual links to be analysed (Yin 2003). A research framework was developed with a clear description of the information that needed to be collected, but with enough flexibility to allow each partner to develop interview schedules appropriate to their context. A template for writing the case, which followed the themes and subthemes of the research framework, was established.

The specific analytical technique used to produce the comparative case studies national report was explanation building: 1) having initial (although very tentative) propositions; 2) comparing the findings of an initial (descriptive) case against such propositions; 3) revision those propositions; 4) comparing these revisions with the finding of more cases; 5) and finally producing a cross-case analysis. This iterative mode of analysis has potential problems, which are even more acute in comparative and international analysis. One of them is drifting from the original aim. To minimise drifts from the original topic and initial tentative theoretical propositions, as well as to keep everyone on the same path of explanation building, a first meeting to develop the theoretical and research framework took place before the first case study was conducted, and a second meeting was arranged after the first case study was finished. This meeting had the purpose of: discussing the results from the first case study; revising the propositions; building common understanding and propositions for the next two case studies; and developing the aim, framework and template for the cross-case comparison, as well as for the international comparison. A third meeting took place in which the cross-case and international templates were discussed (by this time two case studies per country were completed). In this meeting the templates for analysis and report were reviewed and agreed.

This coming-together on research aims, frameworks, and strategies for analysis and reporting had to also allow enough flexibility for adaptation to the country and local context, to guard against one of the common weaknesses of comparative and international analysis: rigidity and imposition of concepts and understandings to different settings.

Research Framework

The study does not look at integration success (either of the process or the outcomes); it looks at the achievement (and the strength) of integration, and identifies the barriers and enablers of integration during policy development and implementation amongst different political levels, policy dimensions, and stakeholders.

In order to achieve the aims of the study, a research framework was developed with a clear description of the information that needed to be collected (Appendix 5). It had enough flexibility to allow each partner to develop interview schedules appropriate to their context.

Open-ended questions about the existence of integration (or coordination) were asked to participants who had experience and an overview of the situation at local level. The questionnaire was divided into different sections which separated questions on policy development and policy implementation. Questions in each section were classified as focused on goals, actors or instruments. These questions explored the existence of multi-level, multi-dimensional, and multi-stakeholder integration. The data collected was based on participants' knowledge, experience and opinion on these issues. Care was taken to interview a wide range of actors within each case study to make sure different opinions and experiences were gathered. This knowledge-based primary data was explored and complemented by the analysis of documents (policy and strategic documents, annual reports, academic papers, etc.). The objective of the exploratory research framework was to build a picture of local practices and identify barriers to, and enablers of, integration. Elements that were expected to be either barriers or enablers of integration are presented below. These were part of the study's theoretical framework and questions in the research framework aimed to understand the role of these and explore the role of other factors at the local level.

Possible barriers/enablers of integration
- Governance types
- Local context: institutions; past experiences; control and power; informal relations
- Type of activation
- Funding
- Area characteristics: socio-economic & size
- Organisational issues: culture & trust
- Target group: characteristics & size
- Data sharing

Appendix 6 – Framework for Research and Analysis

Introduction

Explain aims of research, etc.

Background information

Ask about interviewee's role, area of work, length in post etc. This will help with the research questions below.

I - Integration

1. Does an overarching 'integrated' strategy between employment and other social policy areas exist   for supporting disadvantaged groups locally? Is this the case for long-term unemployed (LTU), youth unemployment (YU) and X (the third group chosen)?

> What things are integrated: policies (which ones?), people (who?), resources (which ones), service delivery, programmes)?
> How does this integration work in practice?
  (e.g. a) Alignment; b) Co-commissioning; c) Resource pooling; d) Seeding; e) co-production)
> What are the aims of this integration? Which aim is most important?
> At what level is this integrated strategy set (national, regional, local)?
> Who contributes or controls significant resources (which type: e.g. staff, finances)?
> Are there any barriers to this integrated strategy?
> What are the results of this integration?
> Has there been any change in the past years towards a more integrated approach to dealing with LTU, YU and X? What has changed (policies, target groups, etc.)? Why has this happen?
> What political level influences this strategy (National, Regional, Local)? How? Since when? How has done this? Would this integration occured anyway?

2. For which vulnerable groups does an 'integration' strategy exist at the local level?

> What are the most important target groups? Why?
> How is this decided? By who? What is the influence of (national, regional, local)?
> What is the scale of the strategy: in time and territory (geographical area covered)?

II – Policy Development

Goals

3. Which are the main policies for LTU, YU and X at the local level? At which level are these policies decided (Europe, national, regional, local)?

> What are these policies trying to achieve (what is their aim)? How? Where is this aim coming from (European, National, Regional, Local level)?
> Is there a shared thinking on the best way to deal with LTU, YU and X? What is it? Do you share this? (*e.g. a) Work- first; b) Human capital; c) Social assistance*)
> What are the main outcomes that policies have in these three target groups?
  e.g. a) Attain employment; Increased b) chances for permanent employment; c) employability; d) financial security; c) Enhanced life situation
> Which outcome is most important? What is the balance between them?
> Are there any outcomes missing? How would these be achieved (services, benefits)?

Actors

4. Which actors are important in terms of policy development for Long Term Unemployed (LTU), Youth Unemployed (YU) and X (the third group chosen) at the local level?

> Are those important and influential at national level?

> What is their role in the development process? Explain the process of developing policy.

> Which actors initiate action *(e.g. leadership or co-leadership)*?

> Which actors are missing and why?

> Which actors control resources (finances, staff) and what are the implications of this?

> Are beneficiaries involved in policy development? Why and how?

5. Are you able to influence policy development? At what level (national, regional, local)? How?

> How much can the local level influence policy development? Why? How is this done?

> For your organisation what level would be more useful to influence? Why?

Instruments/tools

6. Are there any formal coordination structures for developing policy at local level? Which are these?

> What is their aim? Are these permanent or have a time frame?

> What levels they bring together (national, regional, local)? Do they included various departments (which ones)? Do they include different actors (which ones)?

> How were these created? What has influenced their creation (influence of National or European level)? Why?

> Do you take part on those? What are the main positive and negatives effects achieved?

> Are there any barriers to coordination? What are those (finances, conflict, leadership)? How are they resolved?

> What are the successes of coordination (enablers of cooperation)? Explain.

> Could cooperation between these actors (and with external actors) be improved? How?

> Have there been any changes to coordination structures? What has changed and why (influence of National, Regional, Local level)? What are the results?

7. What are the power relations between actors at local level?

> What is the balance of power vertically (national, regional, local), horizontally (various departments and policy fields), multi-agency (amongst various agencies/actors)?

> How are decisions taken? *(e.g. Top-down; Bargaining; Best argument decides)* give an example.

> What influences decisions? Who has most influence on which decisions? Who sets the rules and how? Is this an effective approach? Why?

> What influence has the National level on decisions? Why?

> What role, power or influence do beneficiaries (and/or their representatives) have?

8. Do informal exchanges play a role in policy development at local level? Explain and give example

> What form does this takes (explain)? ask for an example

> Do you take part? What are the main positive and negatives effects achieved?

9. Do policies for LTU, YU and X tackle the problems those groups faced? How? If everything was at your disposal and there were no barriers, how will your ideal policy for LTU, YU and X look like? (key elements: aims, content, target, outcomes, governance)

> What specific problems/issues would you want to overcome?

> Why would that be the ideal?

> What percentage of the ideal exits in reality (what key elements)?

> Why do the other elements do not exist (lack of political commitment, resources, etc.)?

III – Policy Implementation

Actors

10. Which local actors are important in terms of implementing policies for the LTU, YU and X?
IF 'IMPLEMENTATION AND STRATEGY' OR 'IMPLEMENTATION AND SERVICE DELIVERY' ARE THE SAME GO TO 'SECTION IV - DELIVERY'

> How able is the local level to take part in and influence implementation? Why and how?

> Why are they important? What is their role?

> Are beneficiaries involved in implementation? Why and how?

Instruments

11. How are policies implemented at the local level?

> Are there any formal structures for coordination in implementation? Which are those? How were they created? Are they permanent?

> How are decisions taken? Who sets the rules? Is this an effective approach? Why?
  e.g. a) Top-down; b) Bargaining; c) Best argument

> Are there any barriers to effective and efficient policy implementation? Could cooperation between these actors (and with external actors) be improved? How?

IV - Service delivery

Goals

12. Can you describe what local service delivery for LTU, YU, and X consists of?

> What is the main aim of service delivery for these three groups?
  (e.g. a) Work- first; b) Human capital; c) Social assistance)

> What has influenced this aim (influence National, Regional, Local)

13. At which level (national, regional, local) is local service delivery planned and decided?

> How is this done?

> How able is your organisation to influence service delivery? At what level (National, Regional, Local)? How? What level would be more useful to influence?

> How able is the local level to influence service delivery? Why? Is it effective?

> Has this change over time? Why (National, Regional, Local level)?
  Why? What are the consequences of changes?

Actors

14. Which actors are involved in local service delivery for the LTU, YU and X?

> How are they selected? Ask to describe and give an example.
  e.g. a) Tendering process (what are the relevant criteria for selection?); b) Direct selection (by who?) c) Trust and mutual agreements (how?); d) Other (describe etc.)

> Why is selection done this way, what is the rationale behind it? Who controls the selection?

> How is the financing organised? *(e.g. a) Structural financing; b) Lump-sum; c) Outcome-oriented)*

> How does the way projects are funded affect programme development, delivery and outcomes? Are there any integration contracts for service delivery? How do they work?

Instruments/tools

15. How are services for LTU, YU and X organised at local level? Does service delivery require coordination between actors?

> Are there any formal structures? Explain. Are these permanent or have a time frame?

> What levels they bring together (European, national, regional, local)? Do they included various departments (which ones)? Do they include different actors (which ones)?

> What is the aim of coordination? How does coordination work in practice? Example
  (e.g. a) Alignment; b) Resource pooling; c) Co-commissioning; d) Seeding; e) Co-production)

> How were these structures created? What has influenced their creation (National, Regional, Local level)? Why?

> Who is responsible for coordination? Who controls or influences it?

> Do you take part on these? What are the main positive and negatives effects achieved?

> Are there any barriers to coordination? *(targets; sense of ownership; lack of structures; lack of*

political commitment, leadership, resources; privacy regulations; etc.) How are they resolved?

> What are the successes of coordination (enablers of cooperation)? explain.

> Could coordination between these actors (and with external actors) be improved? How?

> Have there been any changes to coordination structures? What has changed? Why has this happen (influence of National, Regional, Local)? What are the results?

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16. What are the power relations between actors at local level?

> What is the balance of power vertically (national, regional, local), horizontally (various departments and policy fields), multi-agency (amongst various agencies/actors)

> Who has most influence (and power) on which decisions? Why? Who controls resources?

> How are decisions taken? *(e.g. Top-down; Bargaining; Best argument decides)* Give an example. Who sets the rules and how? Is this an effective approach? Why?

> What influence has the National level on decisions? Why?

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17. Does local coordination affect service development, delivery and outcomes and how has integration improved service development, delivery and outcomes? Examples

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18. Do local actors have discretion on the services they deliver? ask for an example

e.g. *a) Rigid process; b) Rigid outcomes; c) Discretion or rigidity in both*

> In the case of relative autonomy in delivery: how are decisions taken? Who takes them?

> Do organisations have sufficient resources (financial, staff, etc.) to provide the necessary services? Who controls the resources?

> Are beneficiaries able to influence service delivery?

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19. Do local services for LTU, YU and X tackle the problems those groups faced? Explain, give example

(e.g. creaming and parking; fragmented services; services do not meet needs or heterogeneous needs; rigidity to respond to local or individual issues; focus on wrong targets; etc.)

> Are street-level bureaucrats (case workers) able to deal with the needs of these groups?

(e.g. professional and policy silos; lack of share of information; lack of coordination; etc.)

> What are case worker's priorities (by importance) when dealing with these groups?

(e.g. place the client in work; whatever s/he thinks necessary for the beneficiary; will discussed with the beneficiary the adequate steps; will not interfere much; etc.)

> How is data between organisations coordinated? *(e.g. conferences; direct exchanges; formal reporting; common databank; boundary spanning role; etc.)*

> What are the main effects that this service has on the target groups?

(improved life situation, financial security, employability, chances for permanent employment; etc.)

> What kind of services and benefits are missing?

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20. Are policy aims for LTU, YU and X being met through local service delivery? If everything was at your disposal and there were not any barriers, what would your ideal local service delivery look like? (key elements: aims, content, target, outcomes, governance)

> Why would that be the ideal?

> What percentage of the ideal exits in reality (what key elements)? Why the other elements do not exist (lack of political commitment, resources, etc.)?

V - Monitoring and Evaluation

21. What mechanisms ensure the delivery of policy and services? And who controls them?

e.g. *a) Trust; b) Directives and guidelines; c) Benchmarking*

> Who decides on the mechanisms? How are those mechanisms set up?

> What do they measure? What is the rationale behind them? What are the indicators? How are these collected and when?

> How do these measures relate to the aims of the policy?

> How do performance measures influence the work with vulnerable groups?

> Are those measures and monitoring instruments useful?

> When have these monitoring and evaluation mechanism been introduced?

> Have those changed? Why?

> What are the results of the evaluations (in terms of policy impacts, organisation, efficiency, effectiveness, beneficiaries, etc.)

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22. How are clients' actions monitored?

> Who decides on them? How are those mechanisms set up?

> What do they measure? What are the indicators? How are these collected?

> How do performance measures influence the work with vulnerable groups?

> Are those measures and monitoring instruments useful?

> Have those changed? Why?

Appendix 7 – Barriers To and Enablers Of Integration

Table 18 – Barriers to integration

		Edinburgh	Cardiff	Newcastle
Multi-level	Policy development	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Different priorities in activation (work first vs. human capital) - Different political affiliations	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Little discretion for local authorities - Different priorities in activation (work first vs. human capital) - Different political affiliations - Lack of structures / guidelines to coordinate Welsh Government initiatives with local council strategies - Policies planned by those holding resources around resources	- Centralisation: lack of resources, lack of local influence - Little discretion from national employment service operating locally - Different philosophy (outcome vs. needs) - Abolition of Regional Development Agency - Different political affiliations - Different approaches - Local boundaries
	Policy implementation	- Centralisation - Rigid funding streams - Bureaucracy - Limited discretion from national employment service operating locally - Different priorities (activation, targets, etc.)		- Little discretion from national employment service operating locally
Multi-dimensional	Policy development	- Duality of centralisation & devolution: employment & skills - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims, ethos and funding streams with narrow outcomes - Culture and lack of leadership = e.g. stream funding	- Siloisation: Boundaries between departments, rules and etiquette - Lack of detail about tackling specific issues - Separate budgets - Historical silo managing. - Lack of focus around which policy areas coordinate - Lack of resources/structures to enable coordination	- Stream-funding - Lack of employment perspective / lack of strategic link - Siloisation: different priorities, aims and funding - Lack of understanding of successful paths - Changes in administration - Lack of performance outputs

		Edinburgh	Cardiff	Newcastle
		- Lack of client's information - Lack of labour market information		
	Policy implementation	- Lack of awareness - Lack of resources & competition - Lack of data sharing		- Lack of strategic planning and funding - Narrow outcomes - Lack of coordination at national UK level affect coordination at local level - Lack of data sharing - Lack of leadership, communication and openness
Multi-stakeholder	Policy development	- Multiple funding actors - Overcrowding of providers landscape - Lack of data sharing - Lack common understandings and lack of evidence-based information - Different ethos and drivers: therefore need for trust and awareness		- Multiple funding actors - Lack of data sharing - Lack common understanding - Scarce resources and increase focus on meeting targets
	Policy implementation	- Lack of funding and competition - Job outcome-based funding in some cases - Lack of data sharing - Short-term funding	- Lack of leadership - Competition - Number of providers - Lack of understanding - Limited number of contracts	- Lack of funding and competition - Lack of data sharing - Number of providers

Table 19 – Enablers of integration

		Edinburgh	Cardiff	Newcastle
Multi-level	Policy development	- Flexible funding (coordination or co-production)	- Flexible funding (coordination or co-production) - Issues or initiatives where national UK policy is not set	
	Policy implementation	- Boards, cross-partner groups, etc. (alignment with some complementarity) - Project and practical needs (collaboration within limits)	- Similar priorities (co-production) - Project and practical needs (collaboration within limits) - Boards or groups (alignment)	

		- Formalised systems for collaboration - Similar priorities (co-production) - Interest in specific initiatives: leadership, relationships, interest (cooperation) - Flexible funding (coordination or co-production)	- Institutional creations (limited cooperation) - Flexible funding (coordination or co-production)	
Multi-dimensional	Policy development	- Cross-department partnerships (alignment: avoid duplication) - Arms-length council organisation (alignment) - Outcome-based contracts (convergence or integration) - Creation of case management organisation (alignment/collaboration)	- Cross-department boards - Embedding employability aspect in housing organisation (integration) - Outcome-based contracts (convergence or integration) - Coordination around projects - Central budgets and a stronger role of value for money projects - National actions e.g. around procurement	- Lack of resources - Around an issue: with help of historical relationship; due to leadership; or pressing need (cooperation)
	Policy implementation	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing need (cooperation or in some cases co-production) - Cross-partners panel for bids, tenders and grant agreements (alignment) - Contractual agreements (convergence or cooperation) - Case management organisations (alignment or cooperation)	- Operational or tactical needs: with help of historical relationship; funding; due to leadership; or pressing needs (cooperation or in some cases co-production) - Contractual agreements (cooperation) - Case management organisations (cooperation)	- Recognition of the need for coordination - Funding
Multi-stakeholder	Policy development	- Formal structures: partnerships of stakeholders (awareness) - Contracts or bids (cooperation or potential co-production) - Specific issues	- Contracts or bids (cooperation or co- potential production) - Institutional structures (co-production)	- Funding (contracts or bids) - Strong local relations
	Policy implementation	- Practical needs (cooperation and alignment) - Creation of case management organisation (cooperation or alignment)	- Practical needs (cooperation and alignment) - Projects or issues to rally around - Creation of case management organisation (cooperation)	- Lack of funding and competition

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Acknowledgements

Table 20 – Organisations that participate in the study

	Organisation
Edinburgh	Scottish Government Employability Team
	City of Edinburgh Council Economic Development
	City of Edinburgh Council, Economic Development
	Jobcentre Plus Scotland
	Jobcentre Plus District
	Skills Development Scotland
	Capital City Partnership
	Poverty Alliance
	Scottish Urban Regeneration Forum
	Working Links
	Ingeus UK (2 interviews)
	One Parent Families Scotland
	Hub contract – Stevenson College
	Women Onto Work (2 interviews)
	The Wise Group
	Prince's Trust (3 interviews)
	East of Scotland European Partnership
Cardiff	Adult Services Cardiff City Council
	Education Department Cardiff City Council (2 interviews)
	Local Training and Enterprise, Communities Department Cardiff City Council (2 interviews)
	Families First
	Welsh Local Government Association
	Jobcentre Plus
	LANTRA sector skills council for the environmental and land based industries
	Working Links (2 interviews)
	Rehab Jobfit
	The Mentor Ring
	Huggard
	Cardiff Mind
	People Can

	Children In Wales
	Cardiff Third Sector Council (C3SC)
	Federation of Small Businesses
	Trade Union Congress
Newcastle	Newcastle City Council Employability, Skills & Progression in Children's Services
	Newcastle City Council Economic Development
	Newcastle City Council Adult Learning
	Newcastle City Council Housing and Welfare
	Jobcentre Plus
	Newcastle Futures (2 interviews)
	Skills Funding Agency (2 interviews)
	North Eastern Local Enterprise Partnership (LEP)
	Federation of Small Businesses (FSB)
	North East Chamber of Commerce (2 interviews)
	Trades Union Council
	Voluntary organisations' network north east (Vonne)
	Your Homes Newcastle (2 interviews)
	The Wise Group
	Cyrenians
	New skills Consulting
	Newcastle City Learning (2 interviews)
	Newcastle Council for Voluntary Service (2 interviews)
	Avanta

Table 21 – National Stakeholder Committee members

Name	Position/Organisation
Eamonn Davern	International Public Employment Services, DWP International Unit
John Philpott	Self-employed (previously Chief Economist, Chartered Institute of Personnel Development)
Matthew Creagh	Policy officer youth unemployment and skills, Trades Union Congress
Martin McDermott	Head of Youth Transitions Team, Employability and Skills Division, Scottish Government
Ramzi Suleiman	Public Services and Partnerships National Council for Voluntary Organisations

Notes

[1] France (CED at Bordeaux), Germany (CETRO at Oldenburg), Italy (PAM at Milan), Poland (ISUW at Warsa), Sweden (SCORE at Stockholm), and the United Kingdom (Employment Research Institute at Edinburgh Napier University).

[2] LOCALISE's research agenda is organised according to eight complementary work packages. Work package 1: project management. Work package 2: will classify the countries in our sample according to the national governance of social cohesion. Work package 3: identify best-performing, average and under-performing regions according to different socio-economic indicators. Work package 4: analyse the inter-organisational dimension of the local governance of social cohesion. Work package 5: usage of European programmes and resources by local actors. Work package 6: address the impact of individualised modes of interventions on the relation between the state and its citizens. Work package 7: will explore the outcomes of different inter-organisational patterns of integrating employment and social policy on social inclusion, labour market participation and well-being of the most vulnerable groups. Work Package 8: dissemination.

[3] The concept of third sector organisations in this paper includes voluntary, charitable, non-for-profit organisations.

[4] In areas covered by two tiers, the upper tier will usually be known as the county or shire council and the lower tier as the district, borough or city council. Unitary authorities may have adopted any of these names (HM Revenue & Customs website [accessed 08/02/2013] http://www.hmrc.gov.uk/manuals/ctmanual/ctm40860.htm).

[5] The Concordat was agreed in November 2007, which set out the terms of a new working relationship between the Scottish Government and local government based on a number of key tenets with regard to strategy, funding, and processes (Scottish Government website [accessed 3 April 2012] http://www.scotland.gov.uk/Resource/Doc/923/0054147.pdf).

[6] Active labour market policies refer to a range of policies aimed at improving the access of the unemployed to the labour market and jobs, job-related skills and the functioning of the labour market (Martin and Grubb 2001).

[7] Get Britain Working measures or welfare to work programmes for those currently unemployed consist of a number of initiatives, some of which are compulsory for some benefit recipients groups depending on the Department for Work and Pensions conditions and the Jobseeker's Agreement with Jobcentre Plus (gov.uk website: Moving from benefits to work, [accessed 12/01/13] https://www.gov.uk/moving-from-benefits-to-work/overview).

[8] Individuals mandatorily referred to the Work Programme are the long-term unemployed aged 25 or over claiming JSA unemployed for 12 months, or those age 18-24 unemployed for 9 months; individuals receiving JSA and who are seriously disadvantaged, including those that have recently received IB, can be required to take part in the Work Programme after 3 months; and individuals receiving ESA in the Work Related Activity Group when close to being fit for work. Other groups (e.g. ex-offenders) may also be included with specific conditions (e.g. shorter periods before joining the Work Programme) - DWP, nd b.

[9] Skills Development Scotland is a non-departmental public body which implements Scottish Government skills policy. It was launched in April 2008 and brought together the careers, skills, training and funding services of Careers Scotland, Scottish University for Industry (learndirect scotland) and the skills functions of Scottish Enterprise and Highlands & Islands Enterprise.

[10] The Skills Funding Agency's (part of the Department for Business, Innovation and Skills) task is to implement the Department for Business, Innovation and Skills policy, by funding skills provision (SFA website [accessed 10/02/13] http://skillsfundingagency.bis.gov.uk/aboutus/).

[11] The Department for Work and Pensions has placed very few procedural requirements on prime contractors delivering the Work Programme, except for a minimum service delivery standard, which according to Newton et al (2012) were in many cases vague and vary in terms of being universally applied to all clients or to a specified minimum number of participants.

[12] Work Programme primes receive an attachment fee for every client, a job-outcome payment 26 or 13 weeks after entry into work, and then sustainment payments during the next 52 weeks of employment.

[13] In an employment-first model sustainable employment, with long-term career progression or maintenance, would be the aim, which for some service users would require dealing with barriers to maintaining and progressing in employment.

[14] The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU. NUTS 1: major socio-economic regions; NUTS 2: basic regions for the application of regional policies; NUTS 3: small regions for specific diagnoses (Eurostat website [accessed 6 April 2013] http://epp.eurostat.ec.europa.eu/portal/page/portal/nuts_nomenclature/introduction).

[15] The three variables used are: The labour force participation rates (in % of the annual average population (from 15 to 64 years, 2008); The total unemployment rate (in % of the labour force, 2008); The regional gross domestic product (purchasing power parities per inhabitant, 2008).

[16] Edinburgh case study was conducted from April to August 2012; Cardiff was conducted from October to December 2012; and Newcastle was conducted from October 2012 to January 2013.

[17] NVivo is a qualitative data analysis (QDA) computer software package, designed for analysing qualitative rich text-based and/or multimedia information.

[18] http://www.scotland.gov.uk/Topics/Economy/EconomicStrategy

[19] [accessed 18 November 2012] http://wales.gov.uk/topics/educationandskills/skillsandtraining/skillspeoplesuccess/workforcedev/?lang=en

[20] Jobcentre Plus, Capital City Partnership, City of Edinburgh Council.

[21] The funding has two aspects, both focused on engaging and employment: (a) Funding to overcome individual barriers; (b) Funding gaps in or niches areas of service provision that mainstream funding does not cover, for example supporting a wide range of approaches to engage with customers.

[22] Perhaps due to the high use of informal childcare, or as a result of sourcing part-time and flexible working to fit around childcare

[23] [accessed 18 November 2012] http://www.wjec.co.uk/?level=112; http://www.welshbaccalaureate.org.uk/eng/wbq-home-2010/wbq_2010_home.htm

[24] Essential Skills Wales is the new suite of skills qualifications which will replace a number of other previous ones … will be implemented from the 1st of September 2010 … currently consisting of three different skills qualifications [accessed 18 November 2012] http://wales.gov.uk/topics/educationandskills/qualificationsinwales/qualificationtypesinwales/essentialskillswales/?lang=en

[25] [accessed 18 November 2012] http://www.wjec.co.uk/index.php?subject=30&level=110

[26] [accessed 18 November 2012] http://wales.gov.uk/topics/educationandskills/skillsandtraining/skillspeoplesuccess/workforcedev/?lang=en

[27] Skill planning and the funding in England and Wales is done at national UK level by the Skills Funding Agency. Therefore local or regional flexibility is very limited, which was reported not being the case when the Learning and Skills Council was in place.

[28] Welsh Social Partners Unit website [accessed 28 March 2013] http://www.wspu.co.uk/about_us.html

[29] Welsh Government website [accessed 19 December 2012] http://www.assemblywales.org/11-005.pdf http://wales.gov.uk/topics/educationandskills/allsectorpolicies/europeansocialfund/projects/proact/?lang=en

[30] Joined Up For Jobs online directory: http://www.joinedupforjobs.org.uk/jobseekers-search.html

[31] This approach may be more consistent with Sen's Capability Approach when the beneficiaries/ clients of a programme are given greater input into the policy development and implementation (Sen 2009, Bonvin and Moachehon, 2008).

[32] It can also be argued that in some ways (in some countries) we are moving back to earlier (pre-1980) situations when the level of e.g. those on passive, incapacity benefits were much lower before the rapid increase in the 1980s and 1990s.

[33] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/what-is-integration/

[34] United Nations University website [accessed 05/03/13] - http://ocw.unu.edu/programme-for-comparative-regional-integration-studies/introducing-regional-integration/different-forms-of-integration/