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# WHAT WORKS: DELIVERING PUBLIC EMPLOYMENT SERVICES

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# THIS PRESENTATION

- The UK experience of Public Employment Service reform
- Some lessons from research and practice in other countries – Australia, US, Ireland, mainland Europe
- Draws on work we've done researching and evaluating what works...
- Contact me for more on evidence, examples – [tony.wilson@learningandwork.org.uk](mailto:tony.wilson@learningandwork.org.uk)

# WHAT WORKS? KEY FEATURES OF PUBLIC EMPLOYMENT SERVICES

## Outcome-focused employment services

Employment support, job matching, brokerage

## Personalised and targeted

Core entitlements, with differentiated support based on need

## Focused on activation

More than just the unemployed – supporting parents, those with health conditions, other groups

## 'One stop' service integration

With social assistance, skills support, benefit payments, social services

## Employer-facing services

Account managed, solution-focused recruitment services and workplace support

- Increasingly **digital** – online and data-driven
- A **mixed economy** – ideas, innovation, good practices are dispersed, no-one can do it all

# THE UK EXPERIENCE – JOBCENTRE PLUS AND ‘ACTIVE’ SUPPORT

- Created in 2002 – full integration of employment services, activation, benefit payments
- Part of central government – single, national model
- Delivered through local offices, with centralised telephone contact centres and benefit processing centres
- Claim making, management and monitoring of activation increasingly digital/ online
- Requirement for ‘jobseekers’ (including lone parents) to attend fortnightly, and many of those on health-related benefits to attend 3-4 times a year
- Personalised, adviser-led support for those with higher needs and longer claims

# NEAR CONSTANT REFORM... (THIS MAY SOUND FAMILIAR!)

New Deal

Health Led Trials

NDY|P, ND25+, NDLP, NDM, NDP...

Employment Retention  
and Advancement

Flexible New Deal

Over-50s Outreach

JRRP

Employment Zones

POEM

(PEZs, SPEZs, MPEZs...)

Jobsearch Support for Newly Unemployed Professionals

Mandatory Work Activity

Work and Health Programme

Work Choice

City Strategy Pathfinders

Fair Cities

Six Month Offer

Routes into Work

Community Action Programme

New Deal for Disabled People

Progress2Work/ LinkUP

Pathways to Work

Work Programme

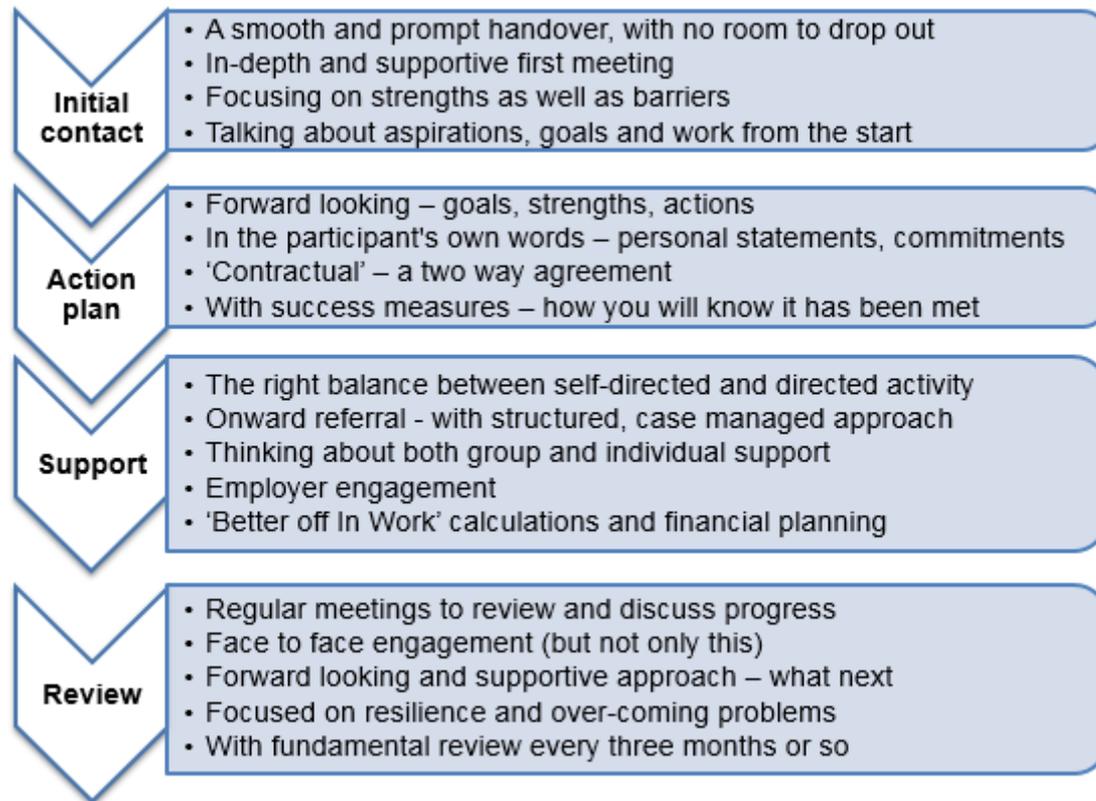
Action Teams for Jobs

Youth Obligation

Future Jobs Fund

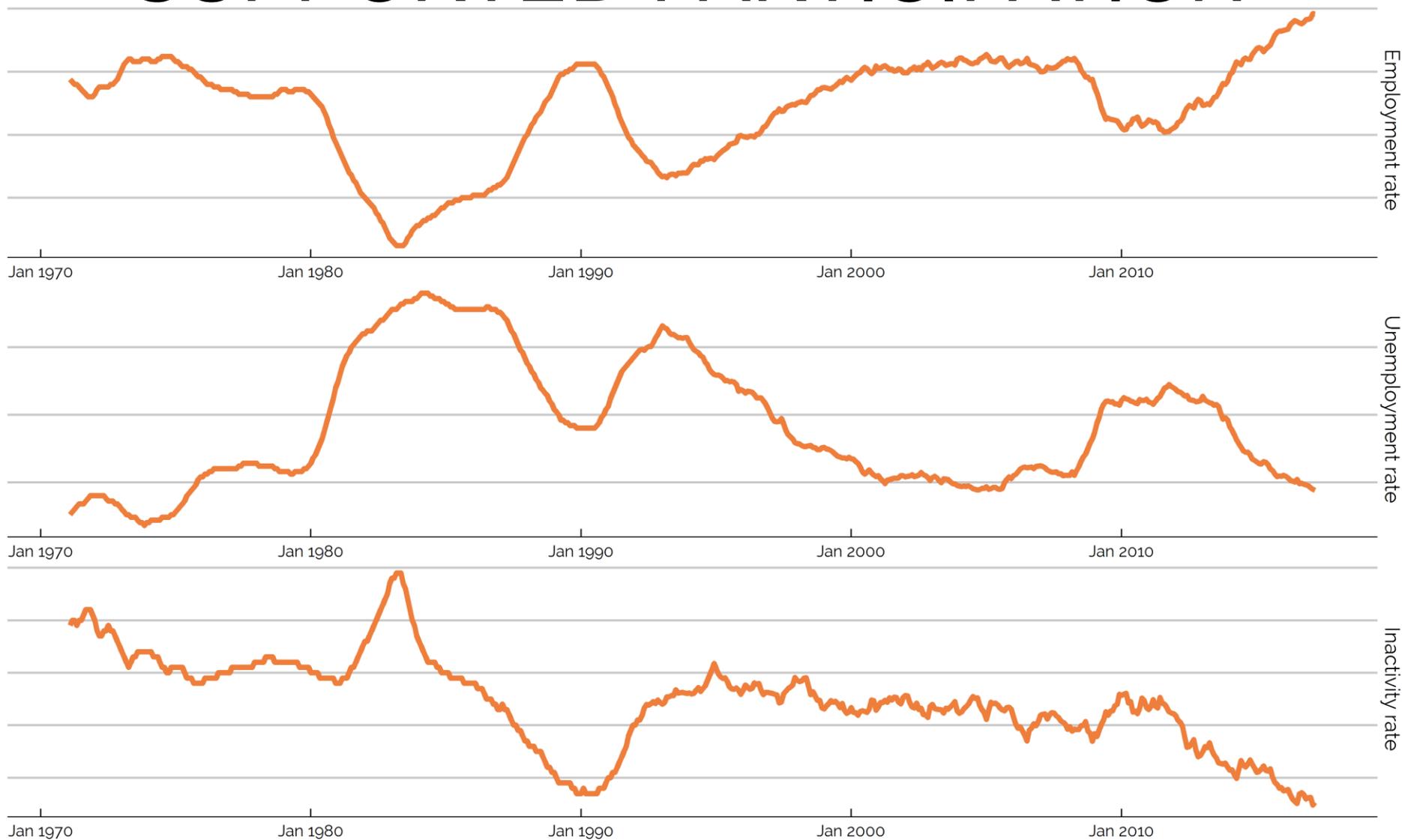
WORKSTEP

# BUILT ON JOB MATCHING, BROKERAGE, 'COACHING'

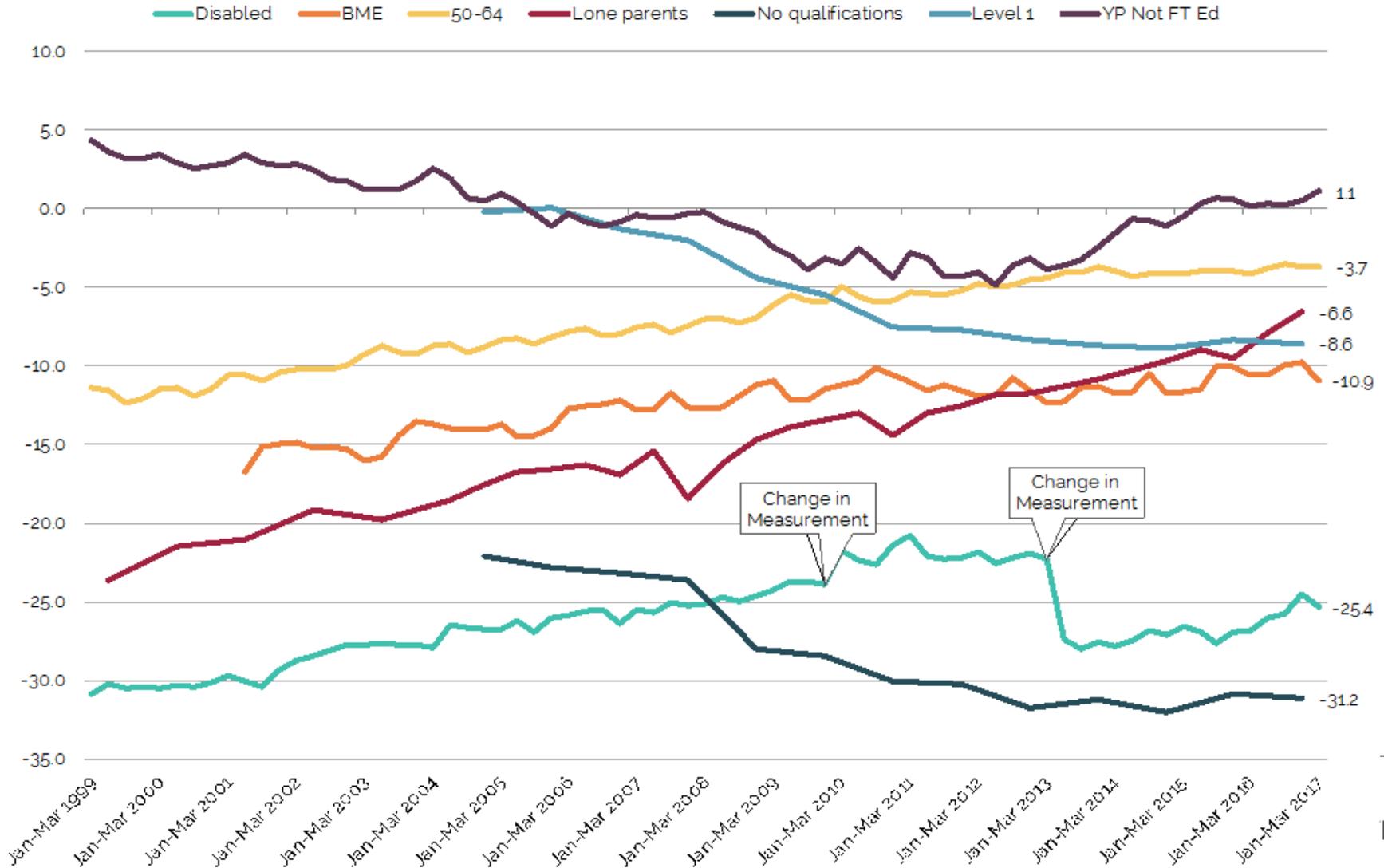


- This works - OECD, World Bank, academic literature

# LABOUR MARKET POLICY HAS SUPPORTED PARTICIPATION



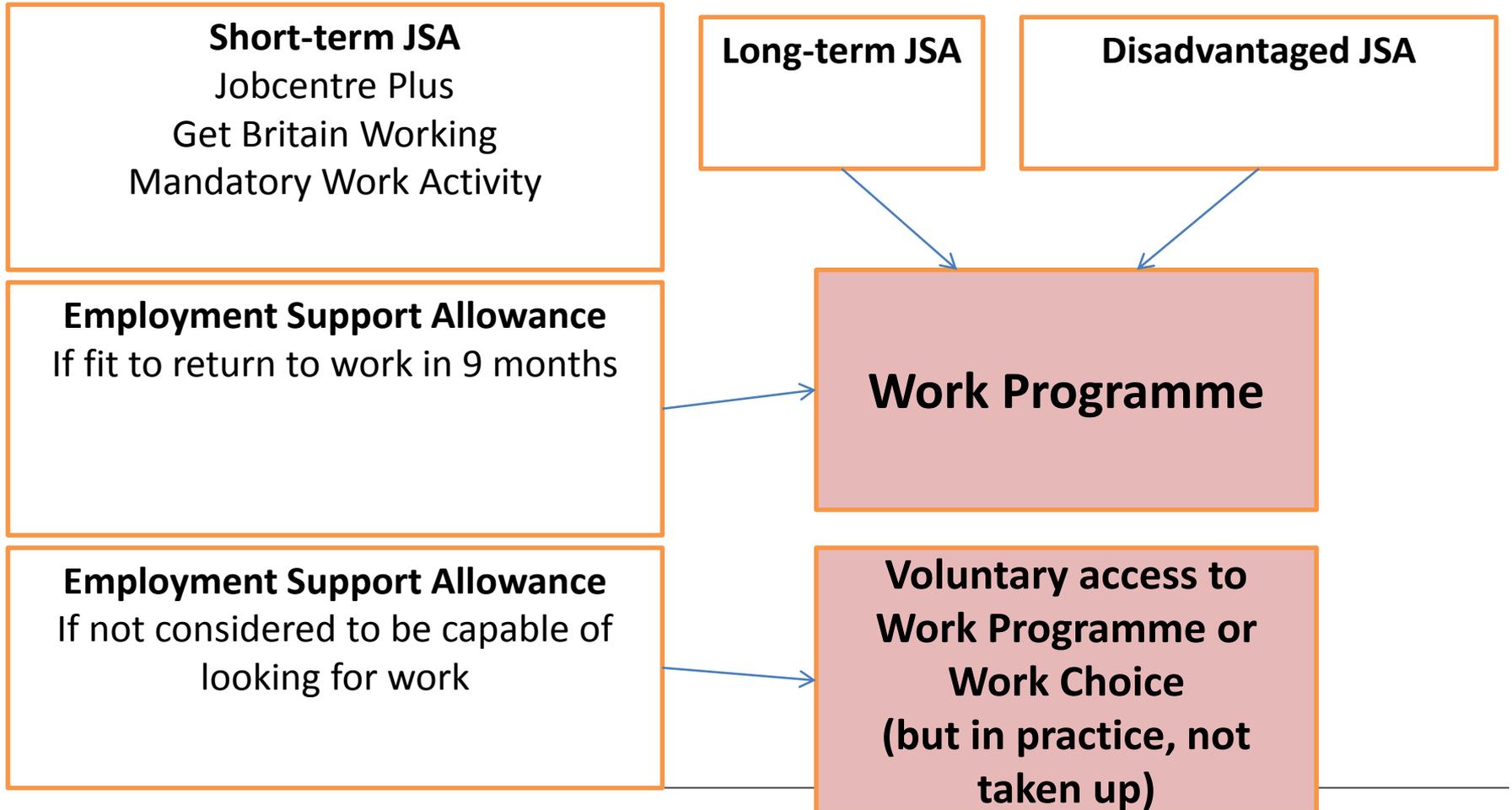
# AND REDUCED EMPLOYMENT 'GAPS' – EVEN DURING DOWNTURN



# KEY PART OF THIS HAS BEEN THE WORK PROGRAMME

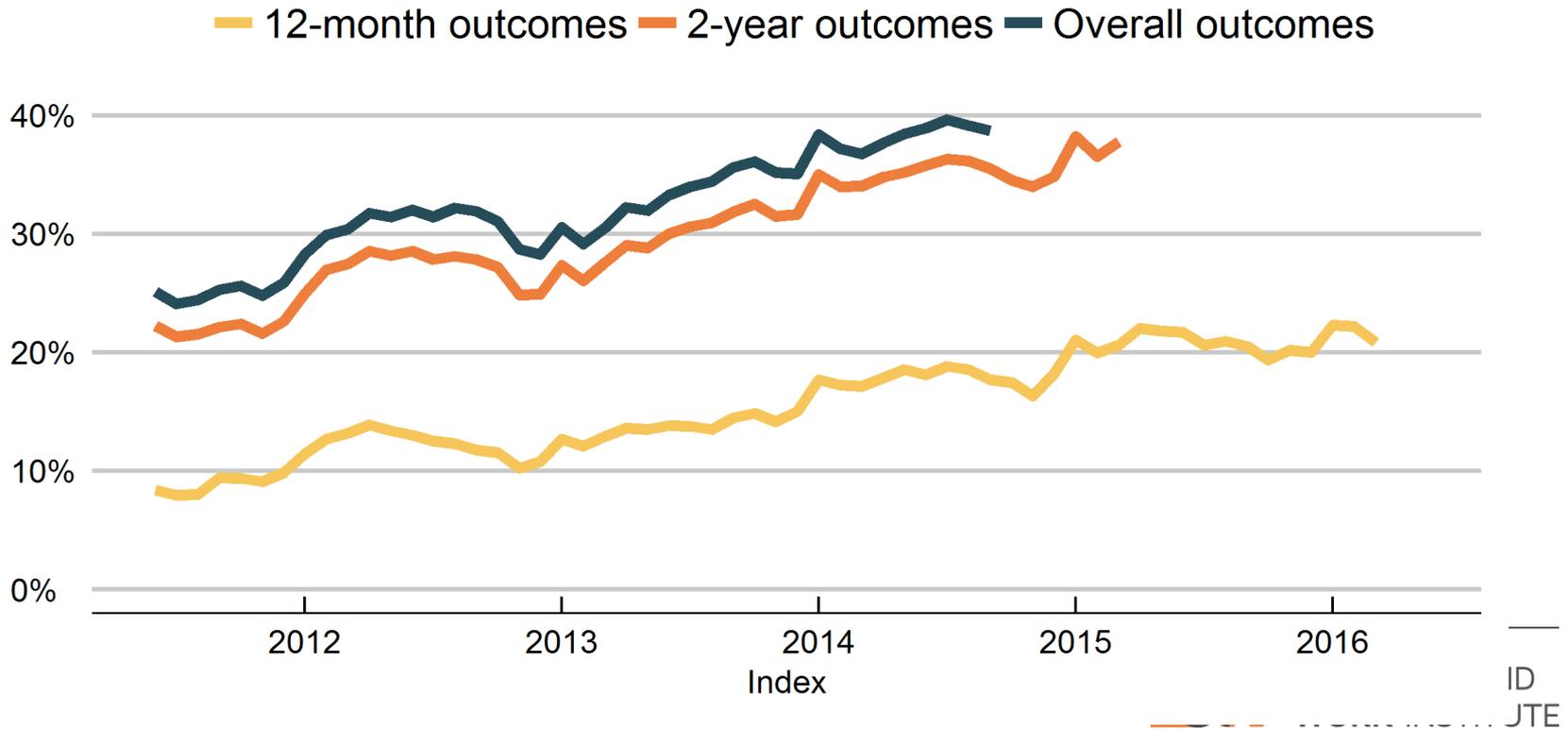
- Ran from 2011 until 2018
- Fully contracted-out PES services for the most disadvantaged – with intensive, personalised support
- Large scale (by UK standards) – approx. £1bn/year, 40 ‘prime contractors’
- Outcome based – Payment by Results on sustained job outcomes
- ‘Black box’ – innovation and doing ‘what works’
- Mixed model – private, voluntary and (some) public sector providers

# TARGETED AT THE MOST DISADVANTAGED



# OUR VERDICT

- Significant employment success, which built over time



# BEYOND THE UK, A RANGE OF EXAMPLES

- **Australia** – fully contracted-out PES – claimant segmentation, ‘star ratings’, and increased focus on scale and payment by results
- **Netherlands** – mixed economy, national PES and local ‘reintegration’ budgets
- **United States** – state/ city level employment and welfare services, many contracted out with innovative models
- **Denmark, Germany, France, Spain, Belgium, Sweden** – PES reform accompanied by testing of contracted-out models

# WHAT DOES THE EVIDENCE TELL US?

- There's no 'one size fits all' approach!
- Evidence is clearer on 'what works' than on 'who delivers'...
- ... But work of Prof Dan Finn and others suggests that contestability, mixed markets and personalisation all improve effectiveness, outcomes and experiences of Public Employment Services

# HOWEVER, THERE ARE CHALLENGES

## 1. Selection:

- ‘Cherry picking’ of those closer to work – particularly in voluntary programmes
- ‘Parking’ of those with more complex needs – especially disabled people

## 2. Performance:

- Focus on job outcomes can be at expense of progress towards work (see ‘parking’)
- ‘Black box’ approaches can reduce transparency on service standards and quality

## 3. Funding:

- Payment by Results is a transfer of risk
- Risks of over-spend of government leads to setting high targets...
- Which increases risk of under-funding of service providers

## 4. Joining up locally:

- With non-contracted out PES services
- With local (often public) partners
- With each other – e.g. on best practice, employer engagement

# THE GOOD NEWS

- Lots of innovation and emerging examples on how to address these issues...

# 1. TARGETING SUPPORT

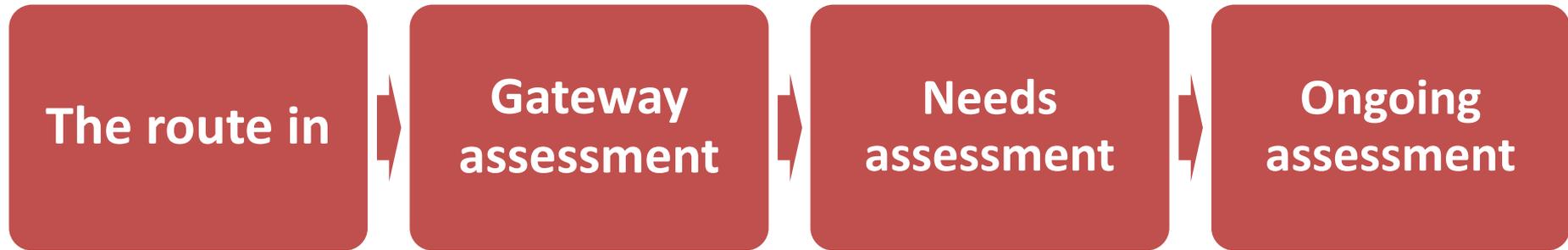
- **Gateway assessment**
  - Australian Job Seekers Classification Index
  - Irish Probability of Exit tool
  
- **Hybrid gateway/ needs assessment**
  - Finnish profiling tool
  - Danish Employability toolkit
  - German profiling tool
  - Dutch Work Profiler

# EVIDENCE POINTS TO SIX CRITICAL SUCCESS FACTORS

1. **Evidence led, but pragmatic** – there's a trade-off between accuracy and utility
2. **Working with practitioners** – buy-in is essential; as are the right skills and capabilities
3. **Design, test, learn, adapt** – flexible approach
4. **Clear referral processes** – ways in, ways out
5. **Mode of delivery** – driven by design (may be f2f, digital, telephony or a combination)
6. **Joined-up approach** – with referral agencies, service providers; assessment as part of action planning process; access to data

# ASSESSMENT IS A PROCESS, NOT AN EVENT

- Four stages in the journey:



## Underpinned by:

Joint working, shared objectives, information sharing

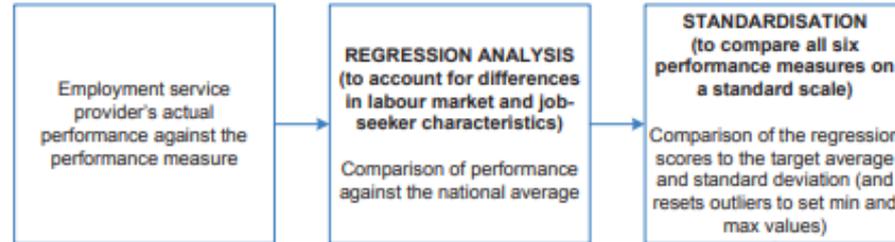
Staff capability, capacity, buy-in

# 2. QUALITY, PARKING AND OUTCOMES

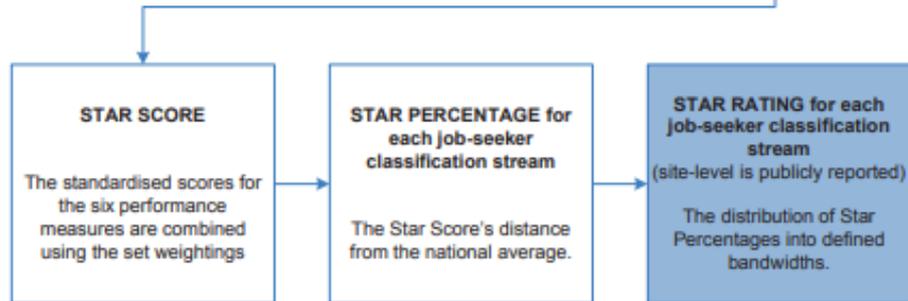
- Moves away from pure ‘black box’...
  - In UK, successor to Work Programme has much clearer expectations and safeguards
  - Netherlands, more purchasing of packages of support
- Service standards and guarantees:
  - Feature of most (all?) systems, including for example access to adviser support, facilities, vacancy services
  - But big variations in implementation over time/ place
  - Introduced ‘service guarantees’ in Australia in 2003 (but less clear-cut now)
  - Stronger now in UK than under Work Programme

# THE AUSTRALIAN STAR RATING SYSTEM - AN EVIDENCE LED MODEL

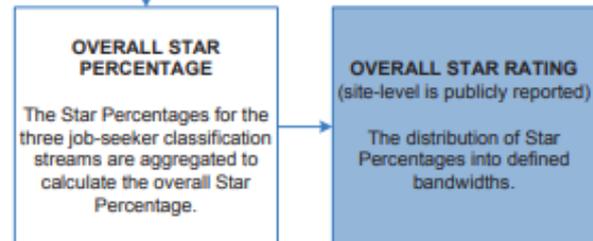
Calculated for six performance measures, across the three job-seeker classification streams



Calculated for each job-seeker classification stream



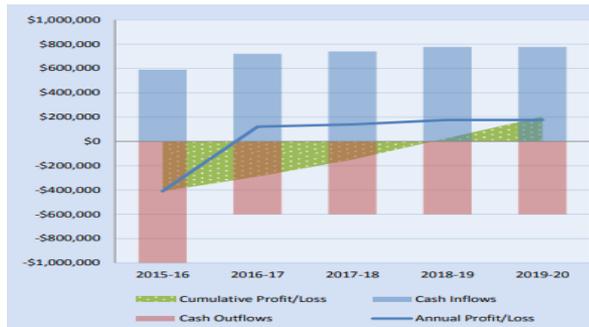
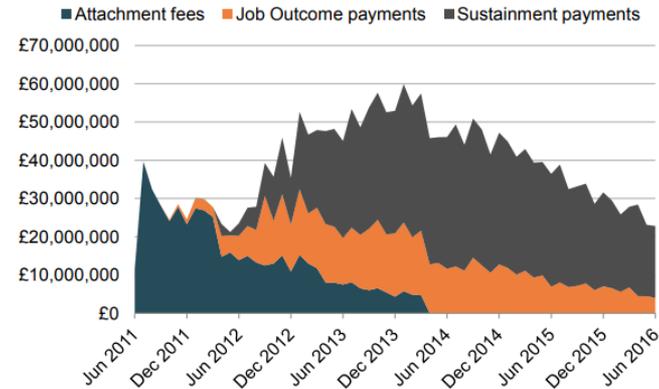
Calculated for each site or employment region



Source: ANAO analysis of Employment's Performance Framework Guideline.

# 3. FINANCIAL RISK

- Work Programme – nearly all funding for outcomes



- Jobactive (Aus) – concerns around financial risk

- Points to need for sophisticated modelling
- Market engagement/ stewardship
- Mixed funding models

# 4. AND LASTLY, A WORD ON JOINING UP SERVICES...



# YOU CAN'T JOIN UP EVERYTHING!

- But evidence on approaches to PES reform in Europe and beyond suggests key factors include:
  - Local leadership – Germany, Canada, Netherlands
  - Right structures, governance boundaries – e.g. Canadian 'Local Labour Market Agreements'
  - 'One stop' services – as in US, Germany
  - Effective partner engagement – across sectors and services/ policy areas

# TO SUM UP: THERE'S NO SINGLE ANSWER

- And lots of trade-offs

Black box	Service standards
Employment for many	Activation for all
Responsiveness	Stability
Passing on risk	Encouraging investment
Vertical scale	Horizontal alignment
Testing and learning	Demanding success
Open learning	Competitive market
Fiscal benefits	Economic/ social benefits
A simple model	The right model
Doing what you know works	Doing what you think works

# BUT THERE ARE COMMON LESSONS – WE CAN DO FIVE THINGS WELL

## **Outcome-focused employment services**

Employment support, job  
matching, brokerage

## **Personalised and targeted**

Core entitlements, with  
differentiated support  
based on need

## **Focused on activation**

More than just the  
unemployed – supporting  
parents, those with health  
conditions, other groups

## **‘One stop’ service integration**

With social assistance,  
skills support, benefit  
payments, social services

## **Employer-facing services**

Account managed,  
solution-focused  
recruitment services and  
workplace support

- Delivering modern, data-led, personalised services
- And drawing on public, private and local partner expertise

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