

Evaluation of the North East's Regional Employability Framework

Stage Three Report

Report to One NorthEast by
Employment Research Institute, Edinburgh Napier University

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Evaluation of the North East's Regional Employability Framework

Stage Three Report: Executive Summary

Introduction

This document reports the findings of research commissioned by One NorthEast and conducted by the Employment Research Institute, Edinburgh Napier University for Stage Three of the evaluation of the North East's Regional Employability Framework (REF).

The REF aims to provide a single accessible network of employability support to meet the needs of both employers and individuals. In order to promote employability services based around these principles, REF partners have identified a number of strategic actions designed to:

- develop and support the implementation of a streamlined recruitment and support service for employers to encourage the recruitment and retention of individuals in work;
- enhance processes for progressing individuals to move from inactivity into sustainable employment;
- ensure providers understand the REF and work collaboratively to progress individuals into sustainable work;
- ensure that each stage of the Customer Journey is adequately funded and that funding methodology encourages progression through the journey;
- and improve communications on developments across the partner and provider networks engaged in improving employability.

Methodology and aims of the research

The Stage Three research sought to reflect on previous evaluation activities, provide an overview of progress made under the REF, and identify future challenges and priorities. As well as a review of key messages from Stages One and Two of the evaluation, twelve interviews were undertaken with representatives of a range of stakeholders, including: One NorthEast; Tyne and Wear City Region; North East Employer Coalition; Tees Valley Joint Strategy Unit; the Learning and Skills Council; VONNE; Jobcentre Plus; Acumen Trust; and the Chair and Manager for the REF.

Key issues from the research and future priorities

Employer engagement

Key stakeholders welcomed the renewed energy and commitment to promoting a more consistent approach to employer engagement under the REF (and its Employer Group). The long-term goal of the establishment of a single 'employer account management' service is some way off, given that multiple employer engagement activities are driven by national and local funding streams that encourage (and sometimes require) a number of different partner organisations to connect job seekers with employers. A review of existing employer engagement work should seek to build upon progress to date by focusing on medium-term, doable objectives including:

- identifying and embedding the positive lessons of Real Help Now;
- maximising the potential benefits of the national Integrated Employer Offer;
- exploring opportunities for joint-working with Business Link North East;
- articulating the case for a more consistent funding model to national funders;
- exploring the potential for a 'cleaner', more consistent presentation of information on employability services to employers (e.g. through a web-based provider directory);
- crucially, promoting the active participation of local/sub-regional stakeholders involved in employer engagement work in any new initiatives to improve services in this area.

Tracking progress towards employment

REF partners can point to substantial successes in promoting consistent client assessment and information systems across the region. There are institutional barriers to the further integration of local systems (specifically Hanlon) with the products used by national agencies and their delivery partners. However, there is value in REF partners continuing to explore compatibility/complementarity between these different systems. There has also been progress in establishing data-sharing agreements and client 'informed consent' protocols – further activity exploring opportunities to expand and strengthen such agreements would be of value.

Engaging with mainstream providers and other stakeholders

There is scope for REF partners to both contribute to mainstream contracting/procurement processes in the future, and engage with and influence Prime Contractors and other mainstream providers now. REF partners need to separately consider how best to engage with the broader group of agencies that have a stake in the employability agenda. This

may not involve a substantial expansion of formal partnership-working (although a more consistent strategy around engaging NHS partners may be required), but rather should mainly focus on improving communications and information-sharing.

Funding the Customer Journey

The REF has effectively influenced the funding strategies of local and regional stakeholders, resulting in resources being more consistently deployed across the Customer Journey. But given the continued dominance of nationally-driven funding mechanisms that prioritise job entries, there is a need for continued advocacy in favour of resourcing the engagement and progression of those further from the labour market. There is also a need to build on recent work describing the funding landscape by sharing highly specific data on 'how and how much' funding is deployed across the Customer Journey.

Governance and communications

Current REF governance and communication systems are broadly fit for purpose. Priorities for further and continuing action include: considering ways to further improve employer and local stakeholder voice throughout REF structures; and providing regular updates of activity through e-bulletins and online content.

Concluding remarks

The REF has provided, and continues to provide, strategic added value by strengthening partnership-working, improving communication and promoting a shared understanding of employability. Substantial progress has been made on developing effective structures for collaboration and promoting partnership-working. It may be that an increasingly central focus for future activities should be on influencing funding regimes so that they incentivise progressing those further from the labour market through collaboration.

The North East continues to experience a period characterised by considerable labour market challenges and rapid policy change. The REF and its key partners need to play a key role in supporting change and facilitating effective policy delivery (and crucially, efficient resource allocation) at the local level. The challenges presented by continuing high levels of unemployment and the impact of a potential 'public sector recession' mean that joined-up, efficient and consistent responses are more important than ever. The REF's clearly defined structures and the long-standing commitment of its partners mean that the North East may be uniquely well placed to navigate the complex challenges ahead.

Evaluation of the North East's Regional Employability Framework Stage Three Report

1. Introduction and methodology

1.1 Introduction

This document reports the findings of research commissioned by One NorthEast and conducted by the Employment Research Institute, Edinburgh Napier University for Stage Three of the evaluation of the North East's Regional Employability Framework (REF). This report builds on two previous stages of evaluation research. Stage One asked key stakeholders to reflect on the added value achieved in partnership-working under the REF and benchmarked its progress against practice in other UK nations and regions. Stage Two involved research with unemployed job seekers, exploring the extent to which they benefit from joined-up employability services under the REF. We now report on Stage Three, which seeks to identify key lessons from across the evaluation and identify future priorities.

The REF was launched in 2006 in response to the North East's high levels of worklessness. It aims to provide a single accessible network of employability support to meet the needs of both employers and individuals. The REF provides a partnership framework that is underpinned by a commitment to delivery principles based on:

- focusing on reducing worklessness and the proactive engagement of individuals furthest away from the labour market;
- benefiting employers by providing access to a wider pool of job ready individuals, helping them to address their recruitment and skills needs;
- improving joint planning of resources and services;
- providing customised support to meet individual needs;
- promoting joined-up services with clear referral and progression routes;
- and implementing common assessment and tracking systems.

In order to promote employability services based around these principles, REF partners have identified a number of strategic actions designed to:

- develop and support the implementation of a streamlined recruitment and support service for employers to encourage the recruitment and retention of individuals in work;
- enhance processes for progressing individuals to move from inactivity into sustainable employment;
- ensure providers understand the REF and work collaboratively to progress individuals into sustainable work;
- ensure that each stage of the Customer Journey is adequately funded and that funding methodology encourages progression through the journey;
- and improve communications on developments across the partner and provider networks engaged in improving employability.

1.2 Methodology and aims of the research

The Stage Three research sought to reflect on previous evaluation activities, provide an overview of progress made under the REF, and identify future challenges and priorities.

The research involved a review of existing evidence and the development of an interview tool for use with key stakeholders involved in the development of the REF and the management and delivery of employability provision in the North East. Interviews allowed key stakeholders to reflect on messages from Stages One and Two of the REF evaluation; discuss how the REF and employability provision has developed during 2009-10; identify challenges associated the economic crisis, and how 'fit for purpose' the REF is in responding; and highlight priorities for future development/action. Twelve interviews were undertaken with representatives of a range of stakeholders, including: One NorthEast; Tyne and Wear City Region; North East Employer Coalition; Tees Valley Joint Strategy Unit; the Learning and Skills Council; VONNE; Jobcentre Plus; Acumen Trust; and the Chair and Manager for the REF.

Following this introduction, this report briefly summarises key themes from Stages One and Two of the evaluation, before reporting the findings of Stage Three interviews. It then discusses key issues from the research and future priorities for policy.

2. Key themes from Stages One and Two of the evaluation

Interviews with key stakeholders were designed so as to reflect upon key messages from the Stage One and Stage Two evaluations.

Stage One of the evaluation involved research with key stakeholders in an attempt to identify the added value achieved by partnership-working under the REF, and benchmarked its progress against practice in other UK nations and regions. The Stage One research concluded that the North East is arguably more advanced than other English regions in developing a region-wide approach to employability issues as a result of the REF. The research noted the important 'strategic added value' delivered by the REF in terms of:

- creating a formal space for the sharing of ideas and practice;
- establishing a common language and so an improved, shared understanding of the employability agenda among partners;
- and promoting the REF Customer Journey model as a means of encouraging funders/providers to consider their roles (promoting complementarity and helping to avoid duplication).

However, the Stage One evaluation also challenged key stakeholders to 'recalibrate the REF's strategic actions to focus on doable objectives'. It specifically raised issues around the need to focus efforts on (among other priorities): influencing practice around the alignment of funding; proactively engaging with contracted providers involved in the delivery of mainstream employability provision; exploring new ways of funding a fuller range of employability outcomes; improving employer engagement; promoting shared approaches to client assessment and tracking; and supporting both effective responses to the recession and sound strategies to 'plan for the recovery'. The revised Regional Employability Framework and Strategic Actions published by Skills NorthEast and partners in 2009 demonstrated the commitment of REF partners to responding to these issues¹. Our Stage Three evaluation research sought to reflect on progress to date and priorities for continuing/future action.

¹ www.skillsnortheast.co.uk/lib/libDownload/15410/5054%20ONE%20skills%20report%20A5%20aw%20amend_final.pdf?CFID=9380980&CFTOKEN=10462711

Stage Two of the evaluation involved research with unemployed job seekers, exploring the extent to which their experience of employability services in the North East is that of a joined-up 'Customer Journey' towards employment. The research found clear, very positive examples of job seekers welcoming the benefits of REF partners effectively joining up services. However, Stage Two also identified some concerns among job seekers that the flow of information between agencies assisting them was not always smooth. The research called for continued joint-working to deliver the 'integrated approach to making the customer journey seamless' that is a key priority for the REF. It specifically suggested that REF partners continue to explore opportunities to further expand the use of informed consent protocols/data-sharing agreements so that accurate customer information can be shared between employability providers. Finally, the Stage Two research also noted the crucial role played by community health, housing, social work, justice/offender management and voluntary sector organisations in supporting some of the most vulnerable job seekers, and suggested that REF partners consider how they can strengthen partnerships with key stakeholders in these and related sectors. Our Stage Three evaluation research again sought to reflect on these issues and identify priorities for action.

3. Findings from the Stage Three research

The findings from Stage Three research are structured below so as to reflect upon each of the REF's current Strategic Action points in turn, before summarising key stakeholders' views on future directions for partnership-working (also taking in their reflections on the evaluation evidence to date).

3.1 Progress towards a streamlined recruitment and support service for employers

The REF's Employer Group has been working towards the development of a more consistent 'Employer Offer' that will: explore the potential for a single 'account management' service for employers (and consider how to encourage signposting from Business Link North East to employability provision); develop a common brand and improved information for employers; and consider appropriate protocols between organisations and providers.

All stakeholders commended the renewed energy and sense of focus brought by the REF Employer Group. The work of the Employer Group and the wider REF partnership on employer engagement issues has resulted in a more 'business-facing' approach, broadened the reach of REF structures, and helped to share information and strengthen relationships with Business Link North East. There may be a case to made for even greater efforts to strengthen the 'employer voice' within this and other aspects of the REF – promoting an active, central role for leading employers within REF structures may have an important role to play in further raising the profile of services for job seekers and encouraging a sense of shared ownership of the employability agenda.

However, while the work of the Employer Group represents important progress, current structures are clearly not yet empowered to create a vehicle that ensures shared intelligence and establishes a single employer offer. There was a sense that all REF partners need to continue to work together to explore exactly what is 'doable' in relation to collaboration on employer engagement.

For some key stakeholders, it was important that REF partners do not get 'bogged down' in the development of complex processes around a new kind of employer offer, when there first remains crucial work to do around the broader culture of employer engagement. All stakeholders agreed that current national (and sometimes local) funding mechanisms drive behaviour that leads organisations to be protective of their employer contacts. Given these issues it is important that any immediate work to progress employer engagement reflects the concerns of local stakeholders whose funding is linked to both working with employers and achieving job placements/outcomes. More generally, the continuing development of the employer engagement agenda will need to effectively link in with, and demonstrate a strong understanding of, the key funding streams and existing employer-focused initiatives on the ground, ranging from local authority level engagement activities (and, in the immediate-term, the local implementation of Future Jobs Fund) to the delivery of major programmes such as Train to Gain and Local Employment Partnerships. Progress on employer engagement needs to secure the buy-in and active participation of sub-regional and local stakeholders, and there may be value in a short, action-focused event bringing together the Employer Group and sub-regional and local representatives in order to review progress to date and stake out an agreed agenda for the way forward.

A review of progress and options on employer engagement may be particularly helpful given the evolving national policy context. As noted above, there was a general acceptance that nationally-driven (DWP and LSC/Skills Funding Agency) funding models reinforce behaviours that militate against collaboration on employer engagement. For some stakeholders, national-level funding structure changes are key to the emergence of greater information-sharing on employer engagement. While a consistent theme of interviews related to differing views of the extent to which the region is able to influence national policy, stakeholders generally agreed that it is worthwhile communicating concerns to national actors about how current funding models can undermine collaboration – any positive changes at national level are likely to have a major impact on behaviour (and the potential for partnership-working) within regions. A number of stakeholders commended the work done by Jobcentre Plus managers to raise concerns – and highlight the benefits of partnership-working on employability in the North East – with national-level colleagues. There was strong encouragement for continuing efforts by Jobcentre Plus managers and renewed efforts by LSC/Skills Funding Agency colleagues to advocate change with national-level stakeholders.

In the meantime, any review of employer engagement strategies should also explore the potential impact of (and complementarities with) the new, national Integrated Employer Offer, which seeks to promote closer working between the existing Vacancy Advertising and Recruitment Advisory Services of Jobcentre Plus, Business Link and other employer-facing stakeholders, including the Skills Funding Agency/National Employer Service. Jobcentre Plus stakeholders noted that the Integrated Employer Offer has partly been influenced by practice in the North East and should be a good fit with REF priorities.

A final area for any review of employer engagement strategies might focus on learning the lessons from the recent experience of delivering 'Real Help Now', which a number of stakeholders saw as an example of highly effective, employer-facing partnership-working across the region. There was less consensus on the broader potential role of Business Link North East in future employer engagement strategies. Business Link North East is funded by One NorthEast to provide skills brokerage services, while Jobcentre Plus deploy considerable expertise and resources in vacancy handling and job matching, and there was some discussion of how future REF employer engagement strategies could more effectively use this existing provision. Some stakeholders argued that Business Link North East is well placed to facilitate a 'two-way conversation' with employers. There was general support for a REF employer engagement model that 'wraps around' Business Link North East and Jobcentre Plus activities (ensuring that REF partners involved in employer engagement link and share information with these organisations); but there were also concerns that the Business Link product as currently formulated is not fit for purpose in placing disadvantaged job seekers with employers. Local and sub-regional representatives made a convincing case that specific expertise in supporting both employers and labour market returners is required in order to 'do employer engagement well'. The Employer Group is well placed to explore the potential for closer partnership-working with Business Link North East, but the limits of the organisation's capacity to facilitate employability work need to be recognised.

In summary, the principles and priorities articulated by the Employer Group, and wider REF partners, on a more consistent approach to employer engagement are valuable. The explanation as to why impact on the ground (in terms of actual information-sharing on employers) has been limited lies in funding models that encourage, or even demand, that a

range of different delivery organisations seek to place job seekers into work. A single account management model is unlikely to emerge while this remains the case, and a review of employer engagement strategies should focus on medium-term, doable objectives – embedding the positive lessons of Real Help Now; maximising the potential of the Integrated Employer Offer; articulating the case for a more coherent funding model to national funders; and exploring joint-working with Business Link North East *where appropriate*. The potential for the development of a more consistent presentation of information on employability services to employers (for example, through a web-based directory of providers and possibly an element of shared branding) may also still be worth exploring, and remains a priority for the Employer Group. It is clear that employers are unlikely to respond to a generic single offer – they want to be able to select from a range of services tailored to their needs. However, a ‘cleaner’, more consistent presentation of the range of services available may help to improve communication and build credibility.

Finally, it is important that there is no sense of ‘disconnect’ between REF-driven initiatives on employer engagement and local practice – the active participation, support and buy-in of local and sub-regional stakeholders is essential if partnership-working on employer engagement is to make a difference on the ground.

3.2 Progress on processes for progressing individuals towards sustainable employment

There was agreement that progress has been made in terms of broadening understanding of the potential of systems such as Hanlon to provide a framework for common assessment and understanding of the customer journey. There was broad support for the work of Tyne and Wear City Region colleagues and a number of local authority stakeholders in promoting the more consistent use of Hanlon and linked data-sharing protocols. The region’s impressive track record in promoting consistent tracking and information systems should not be understated – One NorthEast requires the use of Hanlon in its employability provision; all North East local authorities use the same system for managing Working Neighbourhoods Fund provision; Tyne and Wear City Region has ensured that the system has been deployed in the delivery of DWP City Strategy Pathfinder services; and Flexible New Deal bidders have been encouraged to consider the benefits of using, or at least linking to, Hanlon systems.

Colleagues at Tyne and Wear City Region are exploring the potential for Hanlon to 'talk to' other management information systems, and this was also seen as a positive development. However, there was an acknowledgement of the continuing institutional barriers to developing a more joined-up employability journey and more joined-up information systems. Jobcentre Plus managers within the North East have again demonstrated their commitment to regional partnership-working by advocating the need for more joined-up information systems in representations to national-level colleagues, but it is clear that the first priority for both Jobcentre Plus and DWP-contracted providers is to maintain their own systems. It was suggested that there may be 'an appetite' among DWP-funded providers to further explore linking their own systems with the practice of other providers and funders. Early engagement with those delivering Flexible New Deal Phase Two (within which One NorthEast and Tyne and Wear City Region are funding/managing co-commissioned provision) and its successor programmes may yet result in new opportunities to explore the compatibility/complementarity of information systems.

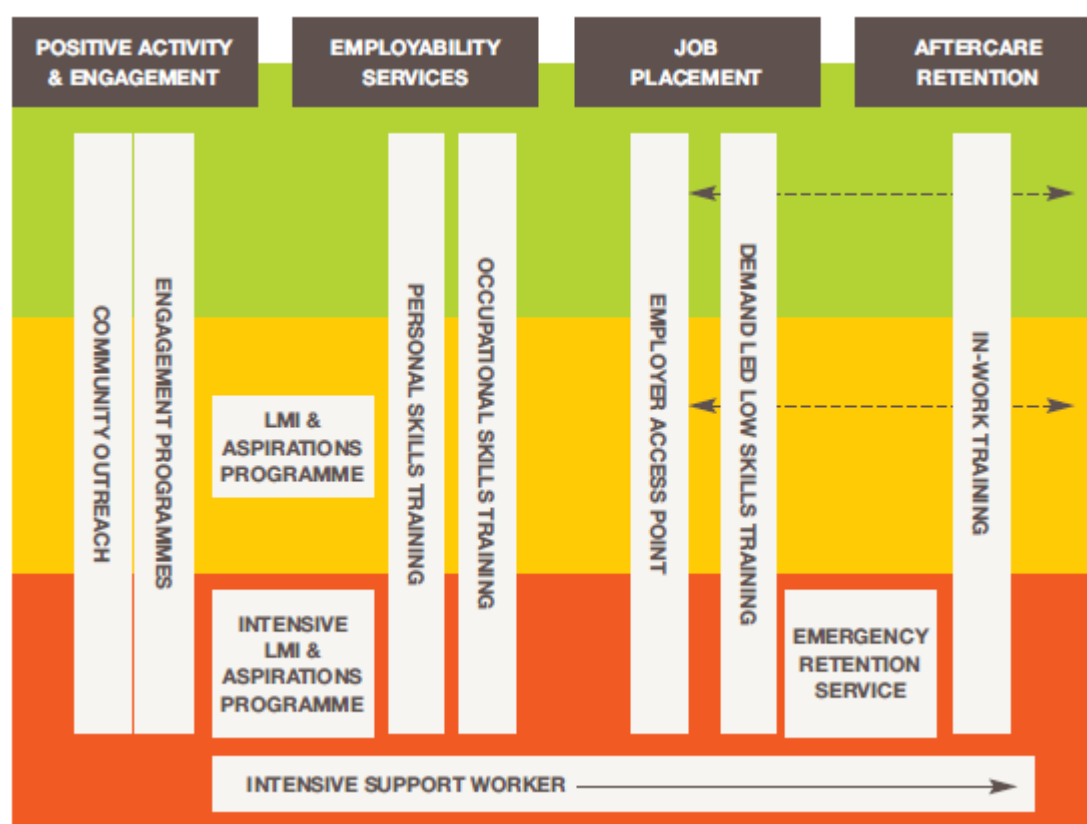
There may be similar challenges, and opportunities, in seeking to explore the compatibility/complementarity of Hanlon with the LSC/Skills Funding Agency's MIAP system (which brings together information from learner registration, Personal Learning Record and learning provider databases). There were a range of views as to the potential for improved data-sharing with LSC/Skills Funding Agency and its delivery partners. Some stakeholders were optimistic about the benefits of exploring the compatibility/complementarity issues in relation to MIAP but emphasised the need to maintain close working relationships with the LSC/Skills Funding Agency. However, it was again acknowledged that national-level strategies will strongly influence how LSC/Skills Funding Agency systems are rolled out in the North East. All regional partners will benefit from the continued commitment of LSC/Skills Funding Agency colleagues to advocating engagement with the REF and a rollout of Skills Funding Agency systems and programmes that is sensitive to existing partnership-working within the region. A number of stakeholders pointed to the forthcoming rollout of Integrated Employment and Skills as having the potential to give new impetus to partnership-working on these issues.

The Stage Two evaluation reported on the potential benefits of data-sharing protocols in helping to create a more joined-up employability journey for the North East's job seekers.

The development of data-sharing protocols has been a feature of the rollout of Hanlon systems across the region's local authority areas, with positive results. Jobcentre Plus and local stakeholders have also made progress on the establishment of informed consent protocols for data-sharing in provision targeting the NEET and offender management client groups. Given current perceived concerns in relation to data protection issues, further progress on data-sharing between national agencies and local stakeholders may be difficult to achieve in the short-term. Nevertheless, the clear benefits in terms of efficiency and the positive experiences of job seekers mean that continued activity to explore the potential for an extension of consistent data-sharing protocols would be welcome.

Finally, more generally, all stakeholders reflected on the success of the REF in promoting a shared, clear understanding of Customer Journey and funders'/providers' roles therein. The work of leading REF partners in mapping how elements of the journey are funded and delivered was viewed as of considerable value.

Figure 1: REF Customer Journey: examples of interventions



Source: www.skillsnortheast.co.uk/lib/liDownload/15410/5054%20ONE%20skills%20report%20A5%20aw%20amend_final.pdf?CFID=9380980&CFTOKEN=10462711

In summary, the North East has made substantial progress in promoting consistent client assessment and information systems across the region. There are major institutional barriers to further integration with the systems used by national agencies such as Jobcentre Plus and LSC/Skills Funding Agency (and their delivery partners). However, there is value in continuing to explore compatibility/complementarity between local systems (specifically Hanlon) and other models. The continued support and advocacy of Jobcentre Plus and LSC/Skills Funding Agency managers at regional level will be crucial to maximising the potential for systems to 'talk to each other', and to ensuring that, wherever possible, new systems are rolled out in a way that is sensitive to local needs and existing practice. The rollout of Integrated Employment and Skills and establishment of Flexible New Deal Phase Two provision offer the opportunity to revisit these issues and influence practice on the ground. Continued advocacy of more joined-up and consistent information and assessment systems should remain a priority for all REF partners in representations to national funders/stakeholders in relation to these initiatives. Finally, REF partners should review how to maximise and extend the benefits of existing client data-sharing protocols if and wherever possible. A consistent theme relates to the need to focus REF activity on influencing future funding and practice, relating to both the development of systems and their implementation on the ground.

3.3 Progress on promoting understanding of the REF and collaboration

As noted above and in the Stage One evaluation report, the REF has had a substantial impact in promoting a shared language and understanding of the Customer Journey model. It is an approach that has influenced the deployment of resources at local level and promoted improved partnership-working between organisations and complementarity of provision. Over the past year, REF partners have sought to further strengthen collaboration by considering how best to engage with contracted providers. While it was suggested that it remained 'early days' in working with Flexible New Deal Prime Contractors and other major contract holders, both Jobcentre Plus managers and sub-regional stakeholders saw considerable scope for further collaboration.

Sub-regional stakeholders reported some progress on building relationships with Flexible New Deal Prime Contractors – in practice it has been difficult as yet to significantly influence practice on the ground (in Tees Valley), but there was a sense that Flexible New

Deal delivery partners were open to closer partnership-working in 'a genuine attempt to broaden their offer given the challenging labour market context'. One NorthEast and Tyne and Wear City Region colleagues have been involved in feeding into the assessment of Flexible New Deal Phase Two bids (Northumbria and Gateshead, South Tyne and Wear Valley), and their co-commissioned provision will add value to Flexible New Deal services once rolled out. The One NorthEast/Tyne and Wear City Region element will account for only about 3% of the total budget for Flexible New Deal Northumbria and Gateshead, South Tyne and Wear Valley area – but it was suggested that this co-commissioning activity has still allowed for some 'traction', by helping to fund future high quality provision (ranging from a public sector work placement option to support for childcare and intensive personal adviser support).

There remained a broader scepticism about whether further expansion of Flexible New Deal (and/or its successor programmes) will actually result in an increased flow of resources to local delivery organisations, an issue that will be even more pressing if there is a future reduction or withdrawal of funding for local employability provision (for example, through Working Neighbourhoods Fund). It was suggested that the evidence was mixed as to the willingness of Prime Contractors to outsource substantial elements of provision, rather than keeping delivery in-house. What is clear is that continued attempts to build trust and confidence (and knowledge of each other's services) between REF partners and leading providers of DWP-funded and LSC/Skills Funding Agency programmes can only be useful. A number of local and regional stakeholders called on Jobcentre Plus and LSC/Skills Funding Agency to continue their efforts in helping REF partners to think about how best to engage mainstream providers, influence their practice on the ground, and raise awareness of the potential for local partnership-working. The establishment of the Skills Funding Agency, arrival of Integrated Employment and Skills and eventual rollout of the new advancement and career service for adults were all seen as important opportunities to give new impetus to joint-working with LSC/Skills Funding Agency-resourced providers (including the college sector).

Key stakeholders also noted the importance of expanding and strengthening partnerships with a broader range of actors and providers who feed into the employability agenda (and who work closely with REF client groups). Among efforts to broaden the reach of the employability agenda, local stakeholders have sought to engage with health and housing

specialists. (For example, Newcastle's Housing and Employability Compact – 'Supporting People Towards Employment' – sets out a framework for helping supported housing providers to assist their residents engage in activity to improve their employment prospects. A Housing and Employability Group has been established to support further collaboration.) The potential for, and need to, engage with a broader range of actors with a stake in the employability agenda is discussed further in Section 3.6.

In summary, while there has been relatively limited progress in broadening the reach of REF partnership-working to fully engage mainstream contracted providers, there is some optimism that this remains a worthwhile and doable objective. DWP and Skills Funding Agency-contracted provision is likely to remain a key element in employability services, so it is important that REF stakeholders (with Jobcentre Plus and Skills Funding Agency colleagues playing a key role) seek to strengthen partnerships with leading providers. The increasing use of 'black box' funding methodologies *may* offer opportunities to strengthen relationships between Prime Contractors and the North East's expert, locally-embedded delivery organisations. Continuing efforts to build trust and confidence, and share information and practice, should therefore remain a priority for REF partners.

3.4 Progress on ensuring that the customer journey is adequately funded

There was consensus that the REF has played an important role in framing the discussion around resourcing employability, and where possible encouraging funders to fill funding gaps. Our Stage One evaluation highlighted how the relatively consistent allocation of the Working Neighbourhoods Fund (at the engagement and pre-employability end of the journey) and Single Programme resources (at the employer-facing end of the journey) marks the North East as an example of good practice in promoting joined-up funding. The REF has been particularly important in helping local stakeholders to focus their Working Neighbourhoods Funds in areas and on activities that add value to mainstream provision. There were also more recent examples of the REF helping to shape the response to the recession through the alignment of funding – for example, the need for in-work support for Future Jobs Fund clients was quickly diagnosed and a funding solution agreed among REF partners. That said, there was some concern that the recession had resulted in certain nationally-funded initiatives (for example, Local Employment Partnerships) being 'opened up' to mainstream and new job seeker groups, rather than concentrating on those further from the labour market. While this is understandable given the labour market

context, an important role for the REF and its partners is to retain a focus on those who need more support as part of actions 'preparing for the recovery'.

It was acknowledged that, in some cases, there remain attempts to 'do the whole journey', and it was again suggested that problem lies in funding models that drive a range of delivery partners to evidence hard job outcomes. It was suggested that changes in national policy to acknowledge the value of progression and distance travelled will be required if a more consistently-funded Customer Journey model is to emerge. Continued advocacy – at both local/sub-regional and national level – on the value of rewarding progression and distance travelled remains necessary. That said, regional and sub-regional stakeholders emphasised that current REF recommendations on funding the Customer Journey should not be rigid and must be open to new ideas. For example, some stakeholders argued that intensive support worker services (see Figure 1), which are relevant throughout all stages of Customer Journey, may require resources from a range of funders who should not be constrained in supporting only some elements and areas of provision. So while all stakeholders signed up to the general principle of promoting the complementary deployment of resources across the REF Customer Journey, it is important that funders remain open to ideas for innovation and target resources where there is evidence of need.

All stakeholders acknowledged that the REF and related activities had helped to produce a simplified picture of funding and a better understanding of how the resources flow into the Customer Journey model. However, it was suggested that there remains a need to share highly detailed data on 'how and how much' funding is deployed across the Customer Journey – REF funding partners need to continue to work together to map the impact of, and gaps in, funding. In terms of feeding into more general thinking on future funding, key stakeholders welcomed on-going research at regional and sub-regional level exploring options for rewarding distance travelled and non-job-entry outcomes. Some stakeholders pointed to the progress made by a number of charitable funders working in the North East in measuring and rewarding distance travelled towards employability. It is important that REF partners are able to draw lessons from this existing practice.

Finally, REF partners also pointed to the benefits of learning from recent good practice among mainstream funders/providers. For example, the design and delivery of recent Jobcentre Plus and LSC ESF co-funded provision was characterised by a number of good

practice features. There was an attempt to align ESF co-funded provision led by Jobcentre Plus and the LSC that resulted in a more effective commissioning process, despite some duplication of funded activities due to national policy priorities. ESF co-funded providers have also been strongly encouraged to add value to, complement and refer clients to mainstream provision. A review of the effectiveness of such partnership-working under the LSC Skills for Jobs programme is close to completion. REF partners may want to consider these findings and other lessons from recent ESF co-funded provision in order to identify issues in delivering and evidencing complementary employability outcomes.

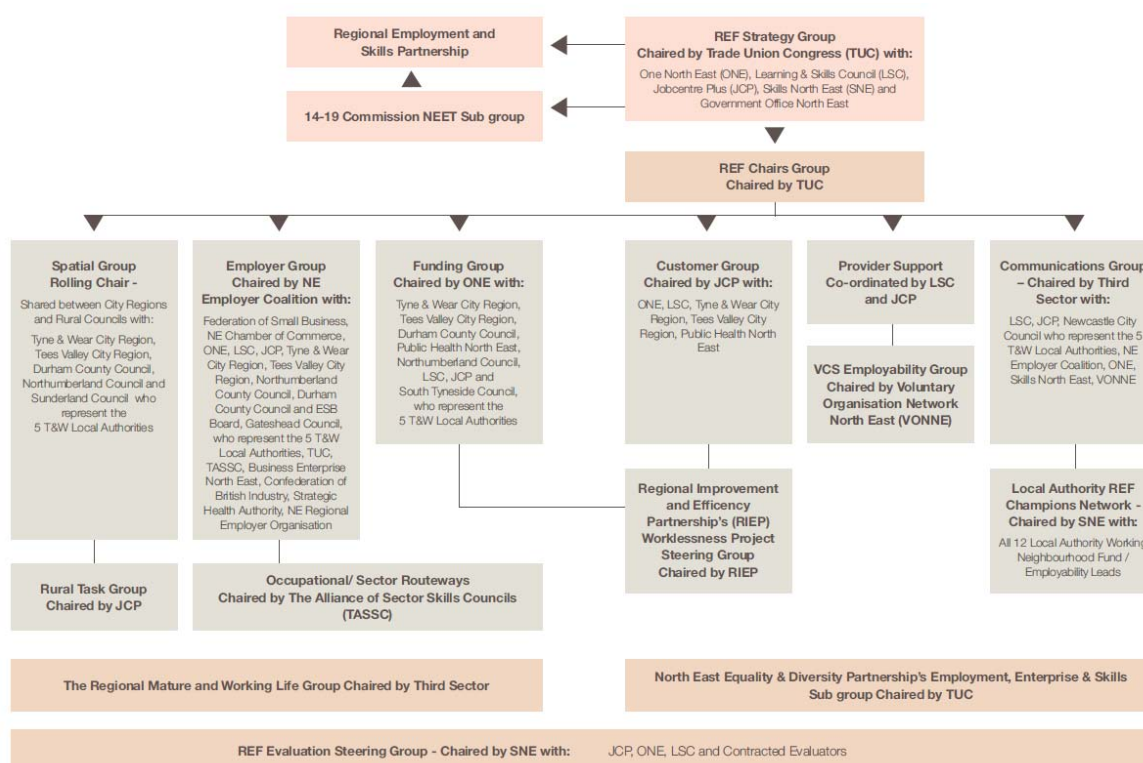
In summary, the REF has provided an effective framework for thinking about how to align and efficiently deploy resources across a clearly understood Customer Journey. As noted in our Stage One evaluation, the North East is 'ahead of the game' compared to many other parts of the UK in promoting the complementary use of local, regional and mainstream national employability funding. There is a need to continue to use the REF to promote these principles of complementarity, but funders also need to be open to new ideas around funding elements of provision (for example, intensive support worker services) that may be relevant throughout the Customer Journey. REF partners also need to consider how to build on existing, shared knowledge to provide a more detailed map of how and how much funding is deployed across the Customer Journey. There is also a need to reflect on lessons from recent examples of good practice, ranging from partnership-working to add value to the Future Jobs Fund to the commissioning practices and reward funding mechanisms used under ESF co-funded programmes. Finally, there remain institutional barriers to partnership-working, especially related to nationally-driven funding mechanisms. Current work to build the evidence base on the benefits of more flexible approaches to funding is welcome, and needs to be complemented by continuing advocacy work by key REF partners, including One NorthEast, Jobcentre Plus and the LSC/Skills Funding Agency.

3.5 Progress on communication

Recent changes in REF governance structures were generally welcomed by all key stakeholders as a means of promoting more action-focused partnership-working and improved communication on employability. There were few suggested changes, other than: the need to consider new ways of directly engaging with leading employers and

further strengthening the employer voice within the REF; and the need to consider whether the Spatial Group provides the best vehicle for local and sub-regional stakeholders to contribute to the REF. There was a realisation that 'meeting overload' was a possibility if local and sub-regional stakeholders were required to contribute to too many different REF forums. But stakeholders at all levels emphasised the need for local and sub-regional partners to feel they have a voice in REF institutions, and to ensure that issues around local delivery are communicated.

Figure 2: REF governance structures



Source: www.skillsnortheast.co.uk/lib/Download/15410/5054%20ONE%20skills%20report%20A5%20aw%20amend_final.pdf?CFID=9380980&CFTOKEN=10462711

More generally, stakeholders strongly supported the local champions initiative and other attempts to connect and include local authority-level stakeholders. Continuing and building on this work was seen as crucial to ensuring that REF funders/strategic partners don't get detached from 'what's happening on the ground'. There was also a consistently expressed view that local stakeholders will increasingly lead the REF and related activities – it is important that governance structures and communications are designed to provide a sense of local voice, and raise awareness and promote buy-in among local authorities.

In terms of the practicalities of REF communications, stakeholders generally supported the main measures outlined in the REF Communications Activity Plan. In particular, there was support for the further development of a readable, punchy e-newsletter and/or similar web-based content (supporting a REF monthly e-bulletin already forms part of the Communications Activity Plan). The web-based content on Skills NorthEast website was welcomed, but some stakeholders thought that the 'look and feel' of the information provided there could be improved.

In summary, recent moves to improve the governance of, and communication across, the REF have been largely positive. REF partners may want to consider how best to further promote 'two-way conversations' with both leading employers and local stakeholders, who are crucial to the success of employability services on the ground. Building on local champions networks is likely to be important. Continued work to provide user-friendly, regular updates of REF activity online and through e-bulletins would also be welcome.

3.6 Reflecting on issues from the evaluation of the North East's REF

Reflecting on messages from all stages of this evaluation, key stakeholders identified numerous areas of progress, but also substantial on-going challenges. Our Stage One evaluation called for further progress on: the alignment of funding with reference to supporting all elements of the REF Customer Journey; engaging with and influencing contracted providers; exploring new ways of funding a fuller range of employability outcomes; improving employer engagement; and promoting shared approaches to client assessment and tracking. As we have seen above, there has been progress on many of these objectives. Where there were blocks on progress, stakeholders consistently referred to national-level policy and/or funding regimes as presenting the main barrier. We can see this in the discussions above on promoting a more consistent, joined-up approach to employer engagement, and ensuring that the Customer Journey is adequately funded. Some stakeholders expressed doubts as to the extent to which seeking to engage with national-level stakeholders to challenge existing policy was an effective focus for the REF. But it is important that regional, sub-regional and local stakeholders continue to act as committed advocates for the models that they know work on the ground. In the meantime, an important focus for on-going REF activity must be to ensure that the region works with the grain of national policy *where appropriate* and fully exploits emerging opportunities

linked to: Integrated Employment and Skills; the advancement and career service for adults; and the rollout of Flexible New Deal Phase Two and/or successor programmes. Many of the issues facing REF partners are 'wicked problems' – complex and highly specific, difficult issues that require the efforts of a range of stakeholders (and in the final analysis may need policy change from central government) to solve. We should not lose sight of the fact that the REF partners are left grappling with these wicked problems because the North East has already made substantial progress in achieving what is doable given the resources and policy levers immediately available to regional stakeholders.

The Stage One evaluation also asked for a continuing focus on effective partnership-working in the face of the recession and its aftermath. Key stakeholders were able to point to how the effectiveness of local partnership-working supported by the REF helped to quickly and efficiently roll out Real Help Now, ensured the smooth operation of the Skills and Employment Response Group, and added value to the Future Jobs Fund. However, REF partners emphasised the need to continue these efforts. There was an acknowledgement that we have yet to experience the full force of the 'public sector recession', and REF partners need to ensure that plans are in place to facilitate an equally effective response to the threat of rising unemployment among former public sector workers during 2011-12.

The Stage Two evaluation highlighted the role of health, housing, social work and justice/offender management agencies in helping some of the most vulnerable job seekers, and argued that REF partners should 'consider how they can strengthen partnerships with key stakeholders in these and related sectors'. REF partners pointed to a number of existing examples of good practice on these issues. As noted above, the Housing and Employability Compact in Newcastle seeks to ensure that social and supported housing providers are aware of and link to the employability provision available to their clients. The Pathways to Work programme in the North East includes a strong role for the NHS in the delivery of condition management services for claimants of IB/ESA and additional 'Fit for Work'-type provision is in development in Tees Valley (again in partnership with the NHS). REF partners acknowledged the need to substantially strengthen partnership-working with the NHS – an agenda that will be particularly important if those claiming IB/ESA and older job seekers (many of whom have health issues) are to increasingly provide a focus for employability provision. There was also an acknowledgement of the potential benefits of

raising awareness among housing, social work and other agencies with a potential stake in the employability agenda. However, there were concerns that attempts to build formal partnership structures with such a broad range of agencies would prove unwieldy and unworkable. REF partners will need to consider how best to improve communications with these agencies, and if and when a broadening of formal REF structures to include some stakeholders (such as a more prominent role for specific NHS managers) may be appropriate.

Finally, a number of REF partners reflected on the future spatial focus for the REF's structures. All key stakeholders agreed that sub-regional and local stakeholders are already, and will increasingly be, central to the delivery of REF principles and actions. As noted above, REF partners need to ensure that these stakeholders have adequate scope to contribute to and inform the continuing development of all strategic actions. There was some discussion as to the added value of One NorthEast continuing to 'host' the REF's management and structures. However, it was clear that stakeholders generally see benefits in what One NorthEast has brought, and can continue to bring, to the REF process: effective and energetic leadership and management of REF activities; a leading role in the development of labour market intelligence to promote evidence-based policy; an overview of regional, sub-regional and local actions and issues around employability; and a remit that spans both the demand-side and supply-side of the employability equation.

In summary, REF partners were, and need to remain, committed to working together to solve the wicked problems that stand in the way of better, more joined-up employability services. There is also a need for renewed efforts to identify solutions to emerging issues: planning effective responses to the impact of any 'public sector recession' to come; strengthening partnership-working with the range of stakeholders in the health, social work, justice/offender management and other sectors impacting on employability; and engaging with Integrated Employment and Skills, Flexible New Deal and related agendas to fully exploit opportunities to 'flex' nationally-driven policy and funding priorities.

4. Key issues and future priorities

A number of key issues and continuing and future priorities emerge from the preceding discussion.

Employer engagement

The renewed energy and commitment to promoting a more consistent approach to employer engagement under the REF is welcome. There is potential value in the current work of the Employer Group and REF partners in exploring opportunities for improved information-sharing between providers and a more consistent communication of services available to employers. The establishment of a generic 'Employer Offer' or single 'account management' service is likely to be more difficult to achieve in the short-term, given that multiple employer engagement activities are driven by national and local funding streams that encourage (and sometimes require) a number of different partner organisations to connect job seekers with employers. A brief, action-focused review of existing employer engagement work should seek to build upon the important progress to date delivered by the REF Employer Group, and may wish to focus on medium-term, doable objectives including:

- identifying and embedding the positive lessons of Real Help Now;
- considering strategies to maximise the potential benefits of the national Integrated Employer Offer as a tool for improving employer engagement within the region;
- exploring opportunities for joint-working with Business Link North East where appropriate (although Business Link's limited connection with the employability agenda means that there are likely to be some constraints on partnership-working);
- articulating the case for a more consistent funding model to national funders (with Jobcentre Plus and LSC/Skills Funding Agency colleagues continuing to play a crucial role in advocacy of REF principles with national-level colleagues);
- exploring the potential for the development of a 'cleaner', more consistent presentation of information on employability services to employers (for example, through a web-based directory of providers);
- crucially, promoting the active participation of local/sub-regional stakeholders involved in employer engagement work in any new initiatives to improve services in this area.

Tracking progress towards employment

REF partners can point to substantial successes in promoting consistent client assessment and information systems across the region. There has also been progress in establishing data-sharing agreements and client 'informed consent' protocols – further activity exploring opportunities to expand and strengthen such agreements would be of value. There are institutional barriers to the further integration of local systems (specifically Hanlon) with the products used by national agencies such as Jobcentre Plus and LSC/Skills Funding Agency and their delivery partners. However, there is value in REF partners continuing to explore compatibility/complementarity between Hanlon and these other information and assessment systems. In the longer-term REF partners should seek to influence future commissioning wherever possible, to encourage contracted providers to consider MIS compatibility issues. The continued support and advocacy of Jobcentre Plus and LSC/Skills Funding Agency managers at regional level will be crucial to ensuring that, wherever possible, new systems are rolled out in a way that is sensitive to local practice.

Engaging with mainstream providers and other stakeholders

REF partners have made some, albeit limited, progress in engaging major contractors delivering mainstream DWP and LSC provision. This remains a relatively new agenda and there is scope to further contribute to contracting/procurement processes in the future, and to influence the practice of providers on the ground now. Continuing efforts to build trust and confidence, and share information and practice, with Prime Contractors and other mainstream providers should therefore remain a priority for REF partners. REF partners need to separately consider how best to engage with the broader group of agencies and funders (operating in sectors such as social work, health, housing and justice/offender management) which have a stake in the employability agenda. This may not involve a substantial expansion of formal partnership-working (although a more consistent strategy around engaging NHS partners may be required), but rather should focus on improving communications and information-sharing.

Funding the Customer Journey

The REF has effectively influenced the funding strategies of local and regional stakeholders, resulting in resources being more consistently deployed across the Customer Journey. The REF should continue to be used as a means of promoting the

complementary deployment of resources, but funders also need to be open to new ideas around funding elements of provision that may be useful throughout/across the Customer Journey. In terms of intelligence-gathering on funding, there is a need to build on recent progress in describing the funding landscape by sharing highly specific data on 'how and how much' funding is deployed across the Customer Journey. Given the importance of nationally-driven funding mechanisms that prioritise job entries, there is also a need for continued advocacy in favour of supporting the engagement and progression of those further from the labour market.

Governance and communications

Current REF governance and communication systems are broadly fit for purpose. Priorities for further and continuing action include: considering ways to further improve employers' direct involvement in REF structures; continuing to strengthen local champions networks and other mechanisms for providing sufficient local voice in all aspects of the REF; and further work to provide regular, punchy updates through e-bulletins and online content.

Concluding remarks

Stage Three of the evaluation of the North East's Regional Employability Framework confirms many of the positive findings of the preceding elements of the research. The REF has provided, and continues to provide, strategic added value by strengthening partnership-working, improving communication and promoting a shared understanding of employability and responses to labour market disadvantage in the North East. Continuing support for REF principles at regional, sub-regional and local levels will help to ensure that the progress made in the North East in partnership-working on employability will have positive impacts for those further from the labour market. During the lifetime of the REF, substantial progress has been made on developing effective structures for collaboration and promoting partnership-working. It may be that an increasingly central focus for future activities should be on influencing funding regimes that drive the behaviour of employability service providers. REF partners speaking with one voice on the need for a more coherent approach to funding employer engagement and/or the benefits of rewarding distance travelled rather than just job-entry may be able to influence future commissioning strategies. While influencing UK government policy and funding regimes from the 'region-up' is challenging, it is clear that these national structures represent important institutional

barriers to improved partnership-working at the regional level – so these are the barriers that must be addressed.

The North East continues to experience a period characterised by considerable labour market challenges and rapid policy change. The REF and its partners need to play a key role in supporting change and facilitating effective policy delivery (and crucially, efficient resource allocation) at the local level. The challenges presented by continuing high levels of unemployment and the impact of a potential 'public sector recession' mean that joined-up, efficient and consistent responses are more important than ever. Meanwhile, an evolving policy agenda may soon see the North East roll out Integrated Employment and Skills, the Integrated Employer Offer, an advancement and career service for adults, and Flexible New Deal Phase Two and its successors. These new initiatives offer opportunities for stakeholders in the North East to affect the national policy agenda and influence practice on the ground. The REF's clearly defined structures and the long-standing commitment of its partners mean that the North East may be uniquely well placed to navigate these complex opportunities and challenges.