

**Department for Work and Pensions**

**Research Report No 618**

# **Qualitative evaluation of integrated employment and skills trials: Implementation report**

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Jim Hillage**

Report carried out on behalf of the Department for Work and Pensions, and the  
Department for Business, Innovation and Skills

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# Abbreviations

BME	Black and Minority Ethnic
CAT	Customer Assessment Tool
CSCS	Construction Skills Certification Skills
ESOL	English for Speakers of Other Languages
JRFND	Revised Jobseekers Regime and Flexible New Deal
FTA	Failed to attend
FTTF	Full Time Training Flexibility
IAG	Information, advice and guidance
IES	Integrated employment and skills
JSAg	Jobseeker's Agreement
LMRA	Labour Market Recruitment Advisers
LMS	Labour Market System
LSC	Learning and Skills Council
NCA	New Claims Adviser
NJI	New Jobseeker Interview
NVQ	National Vocational Qualification
SIA	Security Industry Association



# Summary

The 2006 Leitch Review of Skills recommended that a more integrated system of employment and skills support be developed. Subsequent policy statements have outlined what an integrated employment and skills (IES) service should be and how it can support Jobcentre Plus customers.

Ahead of any national roll-out, a series of trials was established in 12 Jobcentre Plus districts from September 2008 to test key elements of the proposed service. Under the IES trials, Jobcentre Plus advisers have increased support to identify customers with skills gaps that form barriers to employment, and refer them to nextstep – a careers information, advice and guidance organisation – for support. Co-location of Jobcentre Plus and nextstep advice services in Jobcentre Plus offices underpins the IES approach.

The Department for Work and Pensions and the Department for Business, Innovation and Skills commissioned the Institute for Employment Studies to conduct an early evaluation of the IES trials. The research was a process evaluation, designed to provide early evidence on how effectively the trials were working from the perspective of Jobcentre Plus, nextstep, and customers. A qualitative research approach was designed to provide detailed evidence about staff and customers' experience of the trials. However, quantitative research would be necessary before we could extrapolate the findings and infer that they apply more generally.

## Key findings

### **Implementation and set up**

The trials were established with a short lead-in time. The first districts to adopt the trials, in September 2008, had only a short time to set up training for staff and put operational procedures in place. Districts that joined the trials later, in February and March 2009, had more time to prepare and were able to learn some lessons from the early-adopting districts. Joint Jobcentre Plus and nextstep training took place prior to the launch in some later-adopting districts and was useful in building relationships and mutual understanding of respective roles and responsibilities.

In all districts, training prior to the launch of IES focused generally on operational processes at the expense of a broader and deeper understanding of the aims of IES. Consequently, Jobcentre Plus advisory staff felt they lacked sufficient knowledge about what nextstep did under IES and this impaired their ability to make suitable referrals and 'sell the service' effectively to customers.

### **Skills screening and referral at Jobcentre Plus**

Jobcentre Plus advisers carrying out the New Jobseeker Interview conduct a 'light-touch' skills screening to identify whether the customer would benefit from referral to nextstep for a Skills Health Check, an in-depth interview designed to identify skills and qualifications needs and support progression into learning, employment and careers.

Light-touch skills screening appeared to be an appropriate means of identifying customers suitable for referral to nextstep. However, practice varied considerably and some customers were referred for a Skills Health Check when a referral to provision through Jobcentre Plus, particularly basic skills provision or the nextstep core service, might have been more appropriate. However, this was seen to be a small and falling number of customers.

Over the course of the evaluation, there was an increasing understanding amongst Jobcentre Plus and nextstep advisers of the type of customers for whom referral to a Skills Health Check was considered appropriate:

- those with low skills who were often in and out of employment, originally envisaged as the primary focus for IES;
- the newer group of generally more skilled, better qualified customers who needed more directional career advice.

Whilst the quality of referrals improved as the trials progressed, many Jobcentre Plus advisers appeared to lack a good understanding of what a Skills Health Check was and what took place in a nextstep interview. This was seen to have led to a lack of understanding amongst customers, most of whom went into their nextstep interviews without a clear understanding of what would take place.

Jobcentre Plus district staff and nextstep advisers reported that the rate of customers who failed to attend nextstep interviews was high, although most staff felt that it was falling. Low attendance rates impacted greatly on nextstep, in terms of funding and advisers' productivity, and nextstep staff made efforts to minimise and mitigate the resulting down-time. Longer waiting times also created a downward spiral where attendance rates fell further as appointments were booked further in advance; nextstep resources were frequently not responsive or flexible enough to break this cycle.

The sheer volume of paperwork, including referral forms and consent forms, and the lack of electronic administration placed a large burden on Jobcentre Plus and nextstep advisers. This detracted from the time available for discussion with customers.

The availability of 'competing' initiatives – different intervention options for customers – further complicated the referral process for Jobcentre Plus advisers, who felt that some customers suitable for IES may have been diverted to other interventions and vice versa.

### **nextstep interviews**

The Skills Diagnostic Tool – a bespoke computer programme designed to identify customers' skills needs – was available for use by nextstep advisers as part of the Skills Health Check. Use of the Skills Diagnostic Tool varied between advisers; some used it with all or most customers and some were more selective about its use. Most advisers felt the revised version of the tool, introduced in April 2009, was an improvement on the original, though many still preferred to use other tools such as Adult Directions.

The Skills Health Check process was welcomed by customers, however most customers said they would have liked more sustained involvement with nextstep and better follow-up from nextstep and/or Jobcentre Plus.

The Skills Action Plans, developed by nextstep as a result of the Skills Health Check, appeared to be rarely used in subsequent Jobcentre Plus interactions with customers for various reasons: their perceived quality; a lack of time at 13-week interviews; and inconsistent or absent follow-up processes. The relatively smooth journey from Jobcentre Plus to nextstep therefore became disjointed at this stage. Jobcentre Plus advisers felt that the Skills Action Plans lacked sufficient detail to be useful and nextstep advisers would have liked more guidance on what constituted a high-quality action plan, although the quality of Skills Action Plans was seen to improve over the course of the trial.

### **Onward referrals from nextstep**

Some customers were referred to training provision by nextstep as a result of their Skills Health Check. Generally nextstep advisers felt that an adequate range of provision was available for them to make such referrals, although they identified some gaps in provision, particularly for popular programmes leading to qualifications in the security and construction sectors. Some Jobcentre Plus staff felt also that there was insufficient provision available for customers who were more highly skilled, had more work experience or required retraining.

Many customers reported that advice on training was not delivered alongside information about funding and the impact of training on benefits. This made it difficult for customers to make choices about training.

Although some nextstep advisers said they carried out routine follow-up telephone calls to customers to check their progress, there was no evidence of consistent, ongoing monitoring by nextstep or Jobcentre Plus of customers who were referred to training. Nor did there appear to have been discussions between Jobcentre Plus and customers about any training undertaken as a result of nextstep interviews and how they could best use their new-found skills.

### **Impact on customers**

Customers reported that support from nextstep had made them more self-confident and motivated about their search for work, a view reflected in comments by Jobcentre Plus and nextstep staff. Customers felt that the Skills Health Check process helped to steer and inform, rather than to radically change, their career plans, but the perceived impact of the recession on job prospects meant that customers were pessimistic about the extent to which any intervention could help them find work.

### **Partnership working and culture change**

Working relationships between Jobcentre Plus and nextstep, at both management and local office level, were generally very strong. These relationships have been strengthened, and in some cases generated, by co-location. Where co-location pre-dated IES, the trials were usually seen to run more smoothly, allowing staff to build on the positive relationships that had already been established. However, in some cases, the existence of previous nextstep contracts led to confusion over the Skills Health Check and core nextstep referrals.

There were some indications of culture change as a result of the IES trials. Both Jobcentre Plus and nextstep staff recognised the relationship between improving skills and improving employment prospects, and saw an important role for careers information, advice and guidance. However, there appeared to be a difference in the extent to which Jobcentre Plus and nextstep were customer-led – many Jobcentre Plus staff felt that nextstep interventions were too responsive to customer goals and not directional enough.

## **Conclusions**

**The trials are up and running.** The trials have been established in the ten Jobcentre Plus districts taking part in this evaluation, despite very difficult circumstances. New operational procedures and processes have been devised, training designed and implemented and new working relationships established at a time when all parts of the employment and skills services are under pressure from the impact of the recession and from other policy initiatives.

**Screening and referral processes are improving,** although there is further work to do to ensure that all, and only, appropriate customers are referred for a Skills Health Check.

**Co-location has been successful** in supporting a more integrated delivery process and allows nextstep and Jobcentre Plus staff to share information and improve the customer experience.

**Jobseekers feel more self-confident and motivated** as a result of the personalised support that nextstep provides through IES, although it will be some time before we can judge the impact on jobseekers' ability to find sustained employment.

**The service is not yet fully integrated.** In a fully integrated service we would expect to see evidence of:

- shared understanding of the purpose of the new system and the roles of the various players: while this is the case at management level it has not filtered through consistently to front-line staff;
- shared systems and processes: progress has been made since the early months of the trials but systems and processes are not yet fully compatible;
- shared learning: again there has been progress through shared training sessions and improved mutual understanding, but this is not yet widespread or systematic;
- a seamless journey through the system: the early stages of the journey are generally smooth but the later stages tend to be more fractured. In particular, there is no coordinated process to follow up action plans.

## Recommendations

Based on these early findings, the research team at the Institute for Employment Studies has identified a number of recommendations for consideration by policy and operational teams prior to the wider rollout of IES.

Policy teams should:

- help to clarify the relationship between IES and other competing or complementary initiatives, to ensure that operational staff understand how the initiatives fit together and make more effective referrals to different provision;
- identify what is an acceptable level of customers who fail to attend, ensure that funding for nextstep is set at a level which takes this into account, and consider forms of centralised support to enable districts to achieve this level;
- clarify the extent to which nextstep advisers have the discretion to use the Skills Diagnostic Tool flexibly, as a stimulus for discussion, as a basis for the action plan and alongside other diagnostic tools;
- develop and share clear process maps and explicit statements about where responsibility lies at each stage of the customer journey, and particularly for customer follow-up after the nextstep interview.

Operational teams should:

- build joint training between Jobcentre Plus and nextstep staff into implementation and ongoing training plans. Initial training should focus on the rationale and the target customer groups, as well as an understanding of processes. Opportunities for staff from the two organisations to share practice and observe customer interactions should be built into ongoing training;
- share the learning from the trials, involving pilot districts in disseminating good practice during roll-out;

- develop more electronic forms of administration and a standardised consent form to save time, improve consistency, and improve practice;
- help build Jobcentre Plus and nextstep advisers' knowledge about provision available through Jobcentre Plus. Advisers would benefit from some form of quick-reference guide to assist them to make more appropriate referrals;
- encourage and facilitate more interaction between Labour Market Recruitment Advisers and nextstep advisers;
- develop clearer guidance, exemplar materials and/or training to help improve and maintain the quality of action plans;
- help build nextstep advisers' knowledge of course fees, funding options and the impact on benefits of any training they recommend to customers.

# 1 Introduction

## 1.1 Integrating Employment and Skills

The 2006 Leitch Review of Skills emphasised the need to improve the national skills base to facilitate growth in productivity, improve national economic competitiveness, and increase individual social mobility.<sup>1</sup> The Review recommended that a more integrated system of employment and skills support be developed.

In a series of policy publications since then, the government has developed a blueprint for such a system. In particular, in the command paper *Opportunity, Employment and Progression: making skills work* the government set out its ambition to achieve an Integrated Employment and Skills (IES) service which would provide all Jobcentre Plus customers with the opportunity to be referred to the new adult advancement and careers service for a Skills Health Check, from 2010/11 onwards.<sup>2</sup> The development of IES is part of a broader shift towards a more active welfare state in which, when 'people sign up for benefits, they sign up for skills as well'.<sup>3</sup>

IES trials were launched in September 2008 and designed to test key elements of the proposed service, in advance of any national roll-out.

The IES trials are being delivered in a context of wider welfare and skills reform. The Department for Business, Innovation and Skills and the Learning and Skills Council (LSC) have introduced several new types of provision, not specifically for

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<sup>1</sup> Prosperity for all in the global economy – world class skills, December 2006, [www.hm-treasury.gov.uk/d/leitch\\_finalreport051206.pdf](http://www.hm-treasury.gov.uk/d/leitch_finalreport051206.pdf)

<sup>2</sup> Opportunity, Employment and Progression: Making skills work, November 2007 [www.dwp.gov.uk/welfare-reform/making-skills-work.pdf](http://www.dwp.gov.uk/welfare-reform/making-skills-work.pdf)

<sup>3</sup> Work Skills, June 2008  
[http://interactive.dius.gov.uk/workskills/downloads/Workskills\\_command\\_paper.pdf](http://interactive.dius.gov.uk/workskills/downloads/Workskills_command_paper.pdf). Page 3. Also, Ready to Work, Skilled for Work: Unlocking Britain's Talent, January 2008.  
[www.official-documents.gov.uk/document/cm73/7316/7316.pdf](http://www.official-documents.gov.uk/document/cm73/7316/7316.pdf)

IES, but which could help to meet customer needs identified through the IES approach. These include:

- the Employability Skills Programme – which is intended to provide employment-focused basic skills provision;
- Skills for Jobs – a range of LSC funded provision which links skills to employment;
- Full Time Training Flexibility (FTTF)<sup>4</sup> – an opportunity to train in employment-related provision for up to eight weeks full time while retaining eligibility for benefits;
- jointly commissioned provision.<sup>5</sup>

The new Skills Accounts<sup>6</sup>, being trialled in the South East and West Midlands, were also designed to be a key part of the IES service. It is planned that Skills Accounts will be available to people who are in or out of work, and aim to give learners greater ownership and choice over their learning, and raise aspirations for further progression in work or training.

Other policies, such as Local Employment Partnerships and Train to Gain can facilitate access to training for people who are applying for jobs or have made the transition back into work.

## 1.2 The IES trials

Existing information, advice and guidance (IAG) services for employment and skills in England are delivered by nextstep<sup>7</sup> (face-to-face services), learndirect and the Careers Advisory Service (telephone and web-based services). Under the IES trials, Jobcentre Plus advisers can refer unemployed customers who have skills gaps that create barriers to employment to more in-depth support, by making them an appointment with nextstep.

Co-location of Jobcentre Plus and nextstep advice services in Jobcentre Plus offices is a key underpinning element of the IES approach. The policy intention is that a model of co-location occurs in all Jobcentre Plus office in the IES trials where feasible. It is intended to provide a more seamless service to the customer and to build effective working relationships between Jobcentre Plus and nextstep advisers.

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<sup>4</sup> The FTTF initiative allows customers who have been unemployed for six months to embark on full-time short courses, up to eight weeks in duration, and continue to receive benefit.

<sup>5</sup> These are all being separately evaluated.

<sup>6</sup> Skills Accounts are also being separately evaluated.

<sup>7</sup> nextstep is a careers IAG service for adults, contracted by LSC and supplied by independent organisations. It predates IES – all Jobcentre Plus customers can be referred to nextstep for support with CV development and general careers IAG.

### **1.2.1 Skills screening and referral**

Prior to IES, Jobcentre Plus advisers carrying out work-focused interviews could refer customers to training provision, basic skills provision or to jobsearch support, some of which was provided by nextstep, such as CV writing. The IES trials introduced a further option of referral to the nextstep service for a Skills Health Check. Under IES, customers are most likely to be referred from Jobcentre Plus to nextstep at three points, which are aligned with the Jobseeker's Allowance regime interventions; the New Jobseeker Interview (NJI), the 13-week interview, and the 26-week interview.

A process of Initial Skills Screening takes place at the NJI. As part of the work-focused interview, the New Claims Adviser (NCA) gathers information related to the customer's skills levels and how these relate to their job goals. The approach to skills screening at the NJI is intended to be 'light-touch' whereby the NCA identifies occupational and employability skills needs, as well as basic skills needs, through observation and discussion, rather than using any specific assessment tool or probing questioning. This is commonly described by Jobcentre Plus staff as an 'eyes and ears', approach to skills screening. At the later stages, In-depth Skills Screening can be used, which is a more detailed approach involving the use of screening tools and diagnostic tools.

Skills screening at the NJI (and later interviews) is designed to identify any potential basic skills, employability skills and specific employment-related skills that the customer needs to address to improve their chances of finding sustainable work. If Initial or In-depth Skills Screening reveals employability skills and specific employment-related skills needs, customers are referred to nextstep for a Skills Health Check and/or face-to-face careers advice. Attendance at the Skills Health Check is voluntary. Customers identified as having basic language, literacy or numeracy skills needs should still, as before the trials, be signposted or referred directly to basic skills assessment or to suitable provision. Customers with clear skills needs, including specific employment-related skills, can be referred directly to suitable training provision.

Jobcentre Plus advisers should signpost all customers to careers services delivered by nextstep and the Careers Advice Service.

### **1.2.2 The Skills Health Check**

At nextstep, customers access a Skills Health Check. The Skills Health Check is an in-depth interview or series of interviews with a nextstep adviser, giving the customer an opportunity to discuss their skills needs and explore suitable training provision and/or qualifications to meet any shortfall.

As part of this Skills Health Check process, advisers may decide to use the Skills Diagnostic Tool, a computer program which evaluates skills strengths and

suggests areas for development<sup>8</sup>. The Skills Diagnostic Tool is being developed to provide an assessment of an individual's skills. It was designed to support the Skills Health Check approach introduced specifically for the IES trials, but will also be available for wider use by individuals. The bespoke prototype diagnostic tool used in the trials was revised and an updated version introduced in April 2009. Further developments are planned for introduction.

The output of the Skills Health Check process is a personalised Skills Action Plan, which is then shared with Jobcentre Plus.

### **1.2.3 nextstep service levels**

At the start of the IES trials, nextstep was funded to provide either a 'Universal' or a 'Differentiated and Personalised' service to customers. The universal service comprised a single interview and was aimed at all customers but largely at customers qualified above Level 2. A 'Differentiated and Personalised' service, which allowed longer-term support of up to four appointments, was available specifically for those qualified at or below Level 2.

A steep rise in redundancies early in the trials introduced large numbers of people into Jobcentre Plus offices who had previously been in steady work, often for many years. Jobcentre Plus advisers described these customers as largely out of touch with the current labour market, less likely to have a CV, and lacking in readily transferable skills.

Initially the nextstep funding model limited the help available to these customers, some of whom were well qualified, and the Department for Innovation, Universities and Skills/LSC subsequently introduced changes including:

- a 'Universal Plus' offer for Jobcentre Plus customers and those facing redundancy with qualifications above Level 2 and with outdated skills;
- greater access to the Differentiated and Personalised service for customers with qualifications above Level 2;
- extension of the Differentiated and Personalised service to customers with qualifications at Level 2 as well as those with lower qualifications.

## **1.3 The trial areas**

IES was being trialled in 12 Jobcentre Plus districts and the evaluation focused on ten of these. The trials were rolled out in three main tranches between September 2008 and March 2009, as shown in Table 1.1. The first six trial districts launched in November and December 2008, with a further six areas launched in February and March 2009. Throughout the report, areas are referred to as, respectively, Phase 1 and Phase 2 areas. This ensures anonymity of the districts and the staff and customers we spoke to and retains the distinction between the early adopting IES areas and those which rolled out later.

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<sup>8</sup> The Skills Diagnostic Tool is being separately evaluated.

**Table 1.1 IES launch dates for trial districts**

<b>Roll out phase</b>	<b>Trial district</b>	<b>Trial start month</b>
Phase 1 areas; 2008*	Coventry and Warwickshire	September
	Birmingham and Solihull	September
	The Marches	September
	Cambridge and Suffolk	December
Phase 2 areas; 2009	Norfolk	February
	Greater Manchester Central	February
	Greater Manchester East and West	February
	Hampshire & Isle of Wight	February
	Lambeth, Southwark and Wandsworth	March
	Central London	March

\* Trials were also launched in two other districts in the West Midlands – the Black Country and Staffordshire – that were not included in the evaluation.

Source: IES 2009.

## 1.4 Research aims and objectives

The aim of this evaluation was to provide early evidence on how the trials were working from the perspective of Jobcentre Plus, nextstep, and customers.

The overall objectives were to:

- identify and disseminate the early lessons and good practice from the initial trials, particularly in relation to delivery, collaborative working and customer service;
- identify and disseminate early evidence on the key elements of the new system, including skills screening in Jobcentre Plus interviews, referral practices from Jobcentre Plus to nextstep, the Skills Health Check process delivered by nextstep, co-location of Jobcentre Plus and nextstep, and more generally, the availability of skills and training provision.

## 1.5 Overview of the research design

A variety of qualitative research techniques were used during an intensive rolling programme of fieldwork visits to the ten districts in the evaluation, including:

- face-to-face and telephone depth interviews with individual respondents (customers and staff);
- paired depth interviews, where two respondents are interviewed at the same time (staff only);
- mini-groups involving between three and five respondents (staff only);

- observations of Jobcentre Plus and nextstep interactions with customers, including the NJI, the Skills Health Check interview, and use of the Skills Health Check diagnostic tool;
- observations of management meetings and adviser workshops.

Three rounds of fieldwork were aligned with the staggered roll-out of IES. Table 1.2 shows the timing of the three rounds of fieldwork and how these corresponded to first, second and third visits.

- First visits took place around six weeks after IES was launched in the district and included discussions with managers at Jobcentre Plus and nextstep, as well as a visit to one Jobcentre Plus local office to interview Jobcentre Plus and nextstep advisers.
- Second visits comprised a more intensive visit around eight weeks after the first visits, covering interviews with Jobcentre Plus and nextstep managers, and visits to two or three local Jobcentre Plus offices to interview Jobcentre Plus and nextstep advisers.
- Third visits took place around six to eight weeks after second visits, covering interviews with managers at Jobcentre Plus and nextstep, and a re-visit to one Jobcentre Plus local office to interview Jobcentre Plus and nextstep advisers. Only the four Phase 1 areas had a third visit.

**Table 1.2 Timing of fieldwork rounds by Jobcentre Plus district**

	<b>Round 1</b>	<b>Round 2</b>	<b>Round 3</b>
<b>Jobcentre Plus district</b>	<b>December/January 2008/09</b>	<b>February/March 2009</b>	<b>April/May 2009</b>
<b>West Midlands region</b>			
Birmingham and Solihull	First visit	<b>Second visit</b>	<b>Third visit</b>
Coventry and Warwickshire	First visit	<b>Second visit</b>	<b>Third visit</b>
The Marches	First visit	<b>Second visit</b>	<b>Third visit</b>
Cambridge and Suffolk	First visit	<b>Second visit</b>	<b>Third visit</b>
Norfolk	n/a	First visit	<b>Second visit</b>
Hampshire and IoW	n/a	First visit	Second visit
Greater Manchester Central	n/a	First visit	<b>Second visit</b>
Greater Manchester East and West	n/a	First visit	Second visit
Central London	n/a	n/a	First visit
Lambeth, Southwark and Wandsworth	n/a	n/a	First visit

In some districts, interviews were also conducted with IES customers who had been referred to nextstep and attended at least one interview. The bold dates shown in Table 1.2 indicate where customer fieldwork took place.

## 1.6 Research with staff

Researchers interviewed Jobcentre Plus and nextstep staff with lead responsibility for IES at district level, as well as Jobcentre Plus District Managers. At the local office level a number of different grades of staff were interviewed including Jobcentre Plus office managers, Advisory Services Managers and advisers, and nextstep advisers. In addition, some Jobcentre Plus Labour Market Recruitment Advisers (LMRAs) were interviewed to provide labour market context and to comment on their links with staff and their role within the trials. Some other contacts, notably LSC staff and contracted providers, were also interviewed.

Table 1.3 provides a breakdown of staff interviewed during the three rounds of fieldwork. A total of 172 staff interviews were held.

**Table 1.3 Breakdown of research**

<b>Respondent type</b>	<b>Round 1</b>	<b>Round 2</b>	<b>Round 3</b>	<b>Total*</b>
District Managers	3	5	5	13
Jobcentre Plus IES implementation leads	4	7	5	16
Other Jobcentre Plus managers**	1	15	15	31
Jobcentre Plus advisers (NJI and 13-week interview)	5	14	24	43
nextstep regional managers	1	3	6	10
nextstep IES implementation leads	4	5	3	12
nextstep advisers	3	8	10	21
LMRAs in Jobcentre Plus offices	0	3	6	9
Other contacts (e.g. LSC)	3	3	4	10
Observations of NJI or Skills Health Check interventions	3	1	0	4
Observations of adviser workshops and/or IES management meetings	3	0	0	3
<b>Total</b>	<b>30</b>	<b>64</b>	<b>78</b>	<b>172</b>

\* This is the total number of interviews rather than interviewees as some interviewees, particularly district level staff, were interviewed in more than one round.

\*\* This includes local Jobcentre Plus office managers, Third Party Provision managers and Advisory Services managers.

Source: IES 2009.

## 1.7 Research with customers

### 1.7.1 Sampling, recruitment and fieldwork

Two rounds of customer interviews were undertaken in four districts alongside the Round 2 (February/March) and Round 3 (April/May) staff research. Customer interviews were also carried out in two further districts in Round 3 only. In most cases, interviews took place in local neutral venues such as community centres or hotels; where this was not possible, researchers interviewed people in their own homes. Interviews lasted from 30 minutes to over an hour, averaging around 45 minutes. A £20 High Street shopping voucher was offered as a thank you to customers for participation in the research.

Customers' details were obtained via nextstep regional contractors. In three districts, nextstep regional contractors wrote to all IES customers informing them about the research and inviting them to contact nextstep if they did not wish to take part. Only a handful of customers opted out. The contact details for the remaining customers were sent to the Institute for Employment Studies and were included in the sample for the research.

Two districts operated an opt-in, whereby customers were written to and asked to contact nextstep if they did want to take part. This provided a much smaller pool of customers to contact and, as a result, fewer customers were interviewed.

Only customers who were referred to nextstep by their Jobcentre Plus adviser **and** who attended at least one appointment were included in the research. These customers had experienced the core aspects of the new IES system, including the initial skills screening (and in many cases subsequent interviews) at Jobcentre Plus followed by referral to, and attendance at, nextstep.

Customers who were interviewed were asked if they were willing to be re-contacted for a follow-up interview and almost all customers agreed to this. Of the 47 customers interviewed in the Round 2 research, 20 were also interviewed at Round 3.

### 1.7.2 Customer sample profile

Table 1.3 provides a breakdown of the key characteristics of customers interviewed.

#### *Gender, age and ethnicity*

The majority of customers across both rounds of interviews were men. The sample included a range of ages, the largest groups being those aged 18-24, 35-44 and 45-54.

While the overall sample was predominantly White British, there was significant diversity between districts, with a much higher proportion of the sample being Black and Minority Ethnic (BME) groups in more ethnically diverse urban areas like Birmingham, compared with more rural areas such as the Marches.

**Table 1.4 Breakdown of customer characteristics**

<b>Respondent type</b>	<b>Round 2</b>	<b>Round 3</b>
<b>Gender</b>		
Male	36	39
Female	11	17
<b>Ethnicity</b>		
White	39	42
BME	8	14
<b>Age group</b>		
18-24	10	12
25-34	7	8
35-44	11	15
45-54	12	13
55+	7	8
<b>Highest level of qualification</b>		
No qualifications	13	19
NVQ Level 1	9	9
NVQ Level 2	13	11
NVQ Level 3	8	11
NVQ Level 4 or higher	2	1
Other	2	5
<b>Total</b>	<b>47</b>	<b>56</b>

Source: IES 2009.

### *Skills and qualifications*

The vast majority of customers interviewed were qualified at National Vocational Qualification (NVQ) Level 2 or below, with the single biggest group being those with no qualifications. There was also a number qualified at NVQ Level 3 and very few customers qualified at Level 4 or above.

Customers with low or no qualifications were not always low-skilled and had sometimes built up a high level of unaccredited skills through their work. This was particularly true of older customers. The most common types of non-accredited skills reported included machine operative skills and people management skills.

Customers with NVQ Level 3 or above had usually been referred to nextstep because they were looking for a new career; many of these customers were women. In other cases, customers with higher qualifications were looking to re-position themselves in the labour market because they were qualified for jobs where there are currently few openings.

A few customers in the sample who had immigrated to the UK in recent years had qualifications which they found were not recognised and they therefore had to re-train.

### *Employment history*

Across the Round 2 and Round 3 sample most customers had been out of work for three to twelve months at the time of interview, although a handful of customers had been out of work for between one and two years.

Across all districts, a significant proportion of customers had been made redundant from factory work and construction. Several of the areas had also suffered from the recent decline of their traditional industries (for example, the automotive sector) and many of the customers coming from these industries had full work histories. Some customers had a much less consistent work history, having moved around between different jobs and often experiencing periods of unemployment.

A small group of customers had particular disadvantages in the labour market. This included those with 'English for Speakers of Other Languages' needs, basic skills needs, school-leavers with limited work experience and no qualifications, and older people who lacked qualifications to accredit their skills.

## 1.8 Interpretation of findings

The use of qualitative methods allowed researchers to explore respondents' views in great depth producing rich, detailed evidence. The research therefore provides strong indications of how IES might work when rolled out more widely. However, quantitative research would be necessary before we could confidently extrapolate the findings and infer that they apply more generally.

## 1.9 Structure of this report

This report is structured as follows:

- Chapter 2 focuses on the set up of the IES trials;
- Chapter 3 moves on to explore the first NJI, skills screening and referral to nextstep;
- Chapter 4 examines the Skills Health Check process and follow-up support from nextstep and Jobcentre Plus;
- Chapter 5 focuses in more depth on onward referral from nextstep;
- Chapter 6 explores the impacts of IES on customers;
- Chapter 7 explores cross-cutting themes, those that cut across both organisations and the different IES intervention points;
- Chapter 8 draws together conclusions and recommendations.

## 2 Implementation and set-up

This chapter describes the training received by Jobcentre Plus and nextstep advisory staff prior to and following the introduction of integrated employment and skills (IES). It also explains how IES referrals operated in relation to other interventions available to Jobcentre Plus customers.

### 2.1 Training

#### 2.1.1 Training at Jobcentre Plus

In some areas, particularly the Phase 1 areas, the trial was introduced very quickly, leaving little time for training. The main round of implementation training also coincided with the peak holiday season in August. As a result, when the trials launched, some Jobcentre Plus advisers did not have a clear understanding of what the trials were trying to achieve or whom they should be referring. Jobcentre Plus advisers across Phase 1 areas agreed that they would have benefited from more training before the trial went live, in particular about what nextstep was offering.

The rising claimant count put significant pressure on Jobcentre Plus resources and severely constrained the amount of adviser time that could be committed to training. This was a particular issue in the Phase 2 areas. In many of these areas, despite careful planning and additional Saturday morning training, the core Jobcentre Plus work took priority over IES training.

Partly as a result of the timing and speed of introduction, the training that did take place focused heavily on the practicalities and process of implementation, rather than the aims of IES. Consequently, Jobcentre Plus managers in all districts felt that advisers understood the referral processes, for example how to input qualifications and complete paperwork, better than they understood what nextstep does and which customers should be referred to them. nextstep advisers also reported that Jobcentre Plus staff did not fully understand the Skills Health Check process or the services nextstep could offer.

In addition, the early guidance on referrals was revised during the first few months of the trials. This added to the confusion and to the inconsistency of advisers' understanding.

### **2.1.2 Training at nextstep**

nextstep managers and advisers generally felt that they understood the rationale behind the IES approach, and felt that much of the support they offered to IES customers was the same as that offered to non-IES customers. However, nextstep advisers felt they needed more training about using the Skills Diagnostic Tool and dealing with referral paperwork (for example, the IES referral form and consent forms).

Training on the use of the Skills Diagnostic Tool comprised a mix of group sessions and self-assessment using the tool. While this helped to familiarise staff with the tool, some wanted more detailed training about how to use and interpret the outputs:

*'We had a morning training session and a little play time to get used to the [diagnostic tool] but I did not feel it was enough time to understand the real limitations compared with the commercial programme we'd had for years.'*

(nextstep adviser, Phase 1 district)

### **2.1.3 Joint training**

In the Phase 1 trial areas there was no joint training for Jobcentre Plus and nextstep staff prior to the launch. Staff saw this as a missed opportunity to develop better mutual understanding and, specifically, to clarify Jobcentre Plus and nextstep roles in implementing IES.

In the Phase 2 areas there were more examples of joint activity prior to the go-live date. However, this sometimes fell short of fully integrated training and simply involved, for example, nextstep advisers meeting with clusters of Jobcentre Plus advisers or attending a communication meeting to discuss the nextstep service.

Joint training was thought to be desirable rather than essential. There was a strong feeling among Jobcentre Plus managers and advisers alike that joint training was an effective means of enhancing the outcomes of the trials. They believed it should also be a continuous process, as was the case in many districts as new staff were inducted and more established advisers received ongoing support.

## **2.2 Learning from the early trials**

Jobcentre Plus and nextstep staff in Phase 2 trials recognised that they had been able to learn from the Phase 1 areas. Some Jobcentre Plus district staff in Phase 2 areas had visited the West Midlands districts where staff highlighted potential problems, such as the importance of keeping down waiting times for nextstep appointments to maximise attendance rates. Some Jobcentre Plus managers in

Phase 2 areas also said they had received comprehensive, useful national guidance and training packs for advisers.

nextstep staff in the Phase 2 areas also felt that they had learned from the Phase 1 areas, citing better understanding of processes as a particular example. However, nextstep managers in Phase 2 areas felt that the regional and national Learning and Skills Council had not done enough to support learning between districts, for example through facilitating visits to Phase 1 areas or developing exemplar materials.

### 2.3 Key points

Training prior to the launch of IES was inconsistent due to the speed at which the trial was introduced, the rising claimant count and the design of the training. Training focused on operational processes at the expense of a broader and deeper understanding of the aims of IES. Consequently, Jobcentre Plus advisory staff felt they lacked knowledge about what nextstep did under IES and this impaired their ability to make suitable referrals and 'sell the service' effectively to customers.

Districts which joined the trials later on had a little more time to get ready and were able to learn some lessons from the first phase districts. Joint Jobcentre Plus and nextstep training prior to the launch took place in some Phase 2 areas and was useful in building relationships and mutual understanding of respective roles and responsibilities.



## 3 The customer journey (1): skills screening and referral at Jobcentre Plus

This chapter explores the process by which customers are referred to nextstep or training provision from Jobcentre Plus. It describes staff and customers' experience of skills screening and subsequent referrals, including booking appointments and the suitability of referrals made by Jobcentre Plus staff. It also examines the impact of customers missing nextstep appointments and how Jobcentre Plus and nextstep staff minimise the frequency and impact of failures to attend.

### 3.1 The New Jobseeker Interview

Customers in the integrated employment and skills (IES) trial areas attend a 40-minute New Jobseeker Interview (NJI) at Jobcentre Plus in the first few days of their benefit claim. An aim of the NJI is to create a Jobseeker's Agreement (JSAg), which identifies the customer's job goals and the actions they will take to look for work, and to agree a fortnightly signing day and time. The Jobcentre Plus New Claims Adviser (NCA) discusses the customer's employment history, qualifications, preferred jobs and the hours they are available for work, and records the details electronically on the Jobcentre Plus Labour Market System (LMS)<sup>9</sup>.

#### 3.1.1 Skills screening

As described in Section 1.2.1, the Initial Skills Screening that takes place at the NJI is designed to be 'light-touch', based on light questioning, discussion and observation. As a result of the skills screening, the adviser should identify those customers with potential occupational and employability skills deficits and refer them to nextstep. Customers who need basic skills support or help with their CV should be referred direct to appropriate support, such as the Employability Skills Programme.

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<sup>9</sup> LMS is the Jobcentre Plus management information database, which holds customers' details as well as vacancies.

Most NCAs confirmed that the screening that took place was consistent with the light touch design. They reported that a discussion of skills needs generally followed on naturally from a discussion of job goals and previous qualifications and, as such, fitted well within the NJI. Overall, both district and adviser-level Jobcentre Plus staff thought that the 'eyes and ears' approach was a relatively effective means of identifying skills gaps in general terms, leaving nextstep to identify specific needs and suitable provision.

The skills screening process relied heavily on advisers' knowledge and experience, which varied greatly. Jobcentre Plus staff felt that the number of new advisory staff joining Jobcentre Plus may have affected the screening process and some advisers said they lacked the confidence to conduct skills screening.

Some District Managers felt that advisory staff were well attuned to local labour demand and skills requirements, through the Jobcentre Plus LMS and regular meetings with Labour Market Recruitment Advisers (LMRAs). However, Jobcentre Plus advisers and LMRAs said that such interaction did not happen consistently, indicating that labour market knowledge was not consistently feeding through to advisers. Many advisers reported knowing little about their local labour markets or the demand for particular skills in the local economy.

### 3.1.2 Time pressures

Advisers reported significant time pressures within the 40 minutes scheduled for an NJI. There was a lot to cover, including customers' work experience, qualifications, jobsearch, health restrictions and tying this information into their JSAg.

Advisers were also required to update LMS and make any referrals to basic skills or Jobcentre Plus support<sup>10</sup>. Some advisers questioned whether it was possible to carry out thorough skills screening and basic skills assessment in the time allocated:

*'We could do with another half an hour to do all this perfectly, and it would be a pleasure to be able to do that, but I honestly don't think our skills assessment is to the standard that you're possibly hoping because of our time constraints.'*

(Jobcentre Plus adviser)

### 3.1.3 Signposting

Customers who were not referred to nextstep were generally 'signposted' – told about the availability of nextstep provision and/or given a leaflet. There was no tracking of these customers so it is not possible to comment on how many subsequently contacted nextstep or benefited from the service.

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<sup>10</sup> The assessment of basic skills needs and the process of referral should be no different under IES compared with before the trials. Customers identified as having basic skills needs should be referred direct to appropriate provision, rather than to nextstep.

### 3.1.4 Customer experience

Customers' initial expectations of the NJI were mixed. Many who were newly unemployed had no recent experience of Jobcentre Plus and did not know what to expect. Those who had previous experiences of unemployment had fairly low expectations of Jobcentre Plus initially and some reported being pleasantly surprised. Only a minority of customers expected the interview to open the door to future learning or retraining opportunities.

Almost all customers welcomed the idea of further learning, although some older customers had reservations about whether it was too late for them to learn, with Information and Communications Technology skills being a particular concern. Some customers also felt that prospective employers might consider them to be too old to employ, particularly if the training was going to take a significant length of time.

Some customers came to the NJI with existing learning goals they wanted to pursue, such as gaining a Licensed Goods Vehicle licence, or starting an apprenticeship. However, most simply wanted to find work and were willing to undertake training if it was offered and would lead directly to a job.

Some customers broached the subject of skills at the NJI and said they were immediately referred on to nextstep, whereas what they wanted was a discussion or answers to particular questions. Customers who had specific learning goals in mind, for whom a direct referral to provision might be more appropriate, were often those most disappointed by the advice they received from Jobcentre Plus advisers.

Most customers found the Jobcentre Plus offices very busy and felt that advisers had little time to spend with them. Most said their NJI interview only briefly, if at all, touched on skills and qualifications and instead focused on the process of signing and getting benefit, their immediate job search and a brief career history. When skills and qualifications were discussed it was usually as part of an overview of the customer's work history. It should be noted, however, that the light-touch approach means that customers may well have been unaware that a skills assessment was taking place.

## 3.2 The 13-week interview

All customers who reach 13 weeks of unemployment are invited to a 20-minute interview with Jobcentre Plus to review, and possibly broaden, their job goals and revise their JSAg. Jobcentre Plus advisers may also give a Better-Off Calculation, to assess the impact on benefits of starting work.

The 13-week interview has always been an opportunity for Jobcentre Plus advisers to discuss skills needs with customers. The main difference under the IES trials was that they were expected to consider referral to nextstep for customers who had skills needs and who were not referred at the NJI.

### 3.2.1 Skills screening

At the 13-week interview, advisers need to renew the JSAg and any restrictions on the customer's job search or availability, introduce weekly signing (under the revised Jobseekers Regime and Flexible New Deal (JRFND)) and submit customers to jobs. Jobcentre Plus advisers felt that 20 minutes was too short to additionally look at skills needs in any level of detail.

Most 13-week advisers felt that they could use assessment tools, such as the Customer Assessment Tool (CAT), fast-track tool, or basic skills assessments if it was required. Advisers generally felt that the tools were relatively straightforward, although a handful felt that the fast-track tool could produce inappropriate referrals. In several of the districts staff reported that the CAT was supposed to be used at the 13-week stage but the associated time-pressures meant this was far from the reality.

Many Jobcentre Plus managers reported that the proportion of customers referred to nextstep from the 13-week interview was smaller than that from the NJI. This contrasts with the policy expectation that a greater proportion would be referred from the 13-week interview than the NJI.

Most Jobcentre Plus 13-week advisers said they were unclear about the criteria for a referral to nextstep for someone who had not been referred at the NJI, or whether there were different criteria for referral at 13 weeks. However, they were able to identify two benefits of this later referral point:

- some customers were not interested in a referral at the NJI as they felt they would find work and might now be more receptive to the help on offer;
- some customers who would have been appropriate referrals at the NJI were not identified by the NCA.

### 3.2.2 The customer experience

Most customers interviewed towards the end of the research had completed a 13-week interview, although only a handful had been referred to nextstep from their 13-week interview.

As with the NJI, customers' expectations were mixed: some customers had relatively low expectations of the 13-week interview while others expected more help and more active support.

Most customers reported that the 13-week interview resembled the NJI and other Jobcentre Plus interviews and focused on the customer's job search rather than any discussion of skills or training. Some customers felt that the interviews were no different from the fortnightly signing sessions (it is important to note that customers often struggled to recall the details of specific interviews or to differentiate between the different Jobcentre Plus interventions).

### 3.3 The 26-week interview

The 26-week interview marks the beginning of a stage of more intensive and supported job search activity and skills assessment. The Jobcentre Plus adviser must review the JSAg, conduct a basic skills assessment (if one has not already been carried out), agree an action plan, and refer customers to suitable provision. They now (under the new JRFND) also introduce a second period of weekly signing.

The 26-week interview allowed more time for skills needs to be tackled than at the 13-week stage, however advisers again felt that time was short in this interview.

*'It takes a long time to get people to understand that they've got to come in weekly for six weeks...it might take ten minutes out of your interview time, just to get them some appointments.'*

(Jobcentre Plus adviser Phase 1 district)

The policy expectation at 26 weeks is that a greater proportion (based on a smaller group) of customers would be referred to nextstep in comparison with the NJI and the 13-week interviews. Jobcentre Plus staff felt that this was not the case, although the proportions varied across districts, and advisers felt that referrals to the Skills Health Check process were less likely at this stage for several reasons:

- if a referral was appropriate for the customer it would have been made at an earlier stage;
- customers who reached 26 weeks of unemployment usually had quite significant barriers, for example around basic skills, substance misuse issues or motivation, which a referral to a Skills Health Check was unlikely to address;
- there were more attractive options available at this stage, for example a volunteering or self-employment option or an employer subsidy.

Few of the customers interviewed in the research had reached the 26-week interview stage. As with the 13-week interviews, those who did recall attending a 26-week interview often stated that it was a short appointment because of the volume of customers that the adviser was dealing with. Customers' views on the 26-week intervention were mixed, with those who had been referred to some form of provision most likely to report finding it useful. Some customers said they felt frustrated that Jobcentre Plus had not addressed their skills and abilities until this stage of their claim.

### 3.4 Making appropriate referrals to nextstep

#### 3.4.1 Who to refer

The Skills Health Check was intended to support those whose skills needs impeded their ability to find sustained employment, yet over the course of the trials there has been considerable confusion among Jobcentre Plus advisers about who should be referred to nextstep. Jobcentre Plus advisers, particularly at the early stages

of the evaluation, interpreted the guidance on whom to refer in different ways, for example:

- only those with low or no qualifications;
- those who wanted a career change, help with retraining or transferring skills, or were unsure about their future career direction;
- anyone who wanted help with their CV;
- customers they thought would actually attend their interview.

There was most contrast between offices in Phase 2 areas; for example, nextstep advisers in one district reported good referrals from one Jobcentre Plus but no referrals at all from another.

In some areas nextstep staff remained confused about how best to support those customers who were inappropriate for the Skills Health Check, but who had needs that could be met by nextstep under the core (non-IES) nextstep contract, most commonly those who would benefit from CV workshops.

The recession brought a new, more-highly qualified and more experienced clientele, which increased the footfall in Jobcentre Plus and required a different approach from advisers. Jobcentre Plus advisers therefore found it more difficult to know who should be referred to nextstep. The introduction of Universal Plus (see Section 1.2.3) was largely welcomed as it facilitated more support to better-qualified customers.

Most Jobcentre Plus managers felt IES was designed for the less skilled, less experienced client group that they had prior to the recession. However, they also felt that customers who had recently lost employment could benefit from IES through receiving advice about career change, retraining or transferring skills.

In the Phase 1 areas, there was strong evidence from nextstep advisers that the referrals were increasingly targeting the right customers. A nextstep adviser in one Phase 1 district felt that the referrals had become more appropriate '*a few months in*' to the trials when they started seeing fewer customers who, for example, just needed a CV rather than long-term support.

Jobcentre Plus and nextstep managers at district level had made efforts to clarify and disseminate the criteria for making referrals. Informal interaction between nextstep and Jobcentre Plus staff at the local office level also helped clarify what constituted a suitable referral to nextstep. Managers and advisers in both organisations concurred that the ongoing learning and communication, combined with a more flexible funding model, had helped to gradually improve the quality of referrals and target IES interventions at the intended audience.

Consequently, most nextstep advisers identified two types of customer groups who could benefit from IES and who would be most likely to be referred. These groups were consistent with the policy intention:

- those with low-level skills, cycling on and off benefits: this group often needed support with basic skills in addition to both directional help and occupational and employability skills support;
- those who needed some more directional career advice: this group included more-highly qualified or skilled individuals, made redundant from long-standing jobs in declining employment sectors, as well as people with variable recent work experience.

### **3.4.2 When to refer**

Some Jobcentre Plus managers and advisers questioned whether the NJI was an appropriate point for referring customers to nextstep. Customers' primary concern at the NJI was ensuring their benefit claim was progressing and a large proportion of customers found work without any interventions, meaning that support could be better targeted.

However, many Jobcentre Plus and nextstep advisers felt that early interventions quickly showed customers that support was available before they became disengaged with their job search.

### **3.4.3 The relationship between IES and other initiatives**

A number of new interventions became available following the launch of IES, including the Response to Redundancy package<sup>11</sup> and Six-Month Offer<sup>12</sup>. The breadth of choice left some Jobcentre Plus advisers overloaded and confused – some managers reported that advisers found it hard to differentiate between the different initiatives for customers, or to select the most relevant aspects.

Many Jobcentre Plus staff initially felt that IES's 'day-one' eligibility was one of its major selling points, as this was not the norm for other provision. When the Government's new Response to Redundancy package was introduced, several Jobcentre Plus managers felt it coincided with a reduction in IES referrals. Some Jobcentre Plus managers felt, therefore, that IES take up had suffered due to the raft of new initiatives.

Some staff in Phase 2 areas felt that the reverse was true. For example, one District Manager reported that there were fewer referrals than expected to the Programme

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<sup>11</sup> The Response to Redundancy package, also referred to as the 'Day-One Offer', was introduced in April 2009 as part of a package of measures to address the economic downturn. It provides customers, particularly those newly unemployed or under notice of redundancy, with access to an additional £100m worth of employment-focused provision.

<sup>12</sup> As from April 2009, jobseekers who have been unemployed for six months or more were eligible for an expanded range of work and training options to provide jobs through recruitment subsidies, support to start a business, work-related training and volunteering opportunities.

Centre because *'the IES trial had to be seen to be working'*. Others at district level saw the developments with JRFND and the Full Time Training Flexibility as being an opportunity to reinforce the IES programme.

Furthermore, the training in some of the Phase 2 areas was complicated by IES going live at around the same time as other new initiatives, such as JRFND.

*'Possibly there was not as much focus on IES as there could have been, because of all the other things that had happened at once.'*

(Jobcentre Plus manager, Phase 2 district)

### 3.5 Referral-related paperwork and recording of qualifications

Throughout the trial roll-out and across districts, Jobcentre Plus and nextstep advisers raised concerns about the administrative work involved in assessing customers and making referrals.

When the trials were introduced, LMS required all qualifications to be entered, which Jobcentre Plus advisers said was time-consuming. Advisers welcomed the revised system of recording only the highest level qualification, but said that customers could still take a long time to recall their qualifications. A rise in the number of older customers whose qualifications were achieved many years ago, and the difficulty of equating overseas qualifications to UK levels, continued to add to the time taken.

Jobcentre Plus and nextstep staff at all levels and in all the districts complained that the paperwork associated with making a referral was lengthy, sometimes repetitive and sometimes unnecessary. For example, separate consent forms were completed for each organisation, and nextstep advisers did not feel they needed the Jobcentre Plus adviser's assessment from the referral form since they felt they wanted to make their own judgements about the customer's needs.

Some Jobcentre Plus advisers said that the administration burden was hindering the quality of the customer interviews and the core work of the Jobcentre Plus advisers. Some Jobcentre Plus and nextstep advisers felt unable to fit the paperwork into the interview time and a handful admitted that they would sometimes ask customers to pre-sign blank forms, which the adviser would complete later. Some advisers said the level of administration made them less likely to refer to nextstep; this was particularly the case with 13-week advisers.

*'You have to phone up and book the interview, do the paperwork – about three different proformas we have to fill in for the Skills Health Check. That does put you off a little bit and I think possibly we're signposting where we should be referring.'*

(Jobcentre Plus adviser Phase 1 district)

The research found isolated examples of staff rationalising the administration. Jobcentre Plus and nextstep advisers in one district worked on a shared computer drive, allowing both sets of advisers to access the same customer information and cutting down the amount of duplication of time spent completing forms. The Jobcentre manager would complete some of the paperwork on behalf of the advisers, freeing up more time for interaction between adviser and customer.

## 3.6 Understanding the nextstep interviews

### 3.6.1 Jobcentre Plus advisers' understanding

Jobcentre Plus advisers' understanding of nextstep's offer was often unclear when IES was first introduced, however, this improved with time.

Many Jobcentre Plus advisers said they did not fully understand what took place at a nextstep appointment, and the term 'Skills Health Check' was still being used by some Jobcentre Plus advisers to describe both the nextstep interview and the Skills Diagnostic Tool.

In some districts, Jobcentre Plus staff felt that limited understanding of what nextstep offered under IES was linked to previous co-location with the nextstep service. Under IES, nextstep's emphasis had shifted to be more skills-orientated but some Jobcentre Plus advisers associated the nextstep service with providing general careers guidance and improving CVs.

Some NCAs said they had never seen a Skills Action Plan. Despite the likelihood that many would not use the action plans or see the customer after the NJI, they felt that seeing some exemplar action plans would enable them to better understand, and better sell, the nextstep service.

Jobcentre Plus advisers 'sold' the service in different ways leading to inconsistency across the trial districts; some emphasised nextstep's help with skills, others focused on referrals to training, while others stressed CV help or general careers advice, despite these not being part of the IES trials. Some Jobcentre Plus advisers were also worried that over-selling the service might raise customers' expectations.

Many Jobcentre Plus advisers indicated they were keen to improve their knowledge of nextstep and the Skills Health Check process. Several offices or districts had plans for Jobcentre Plus advisers to observe a nextstep interview or shadow nextstep advisers, however, the current pressure of increasing customer numbers and recruitment and induction of additional Jobcentre Plus staff meant that this had not been a priority. Only in one district was there evidence that shadowing had taken place.

As the trials became more established, understanding of the Skills Health Check improved. The good working relationships reported within local offices, supported by co-location, allowed many misconceptions about nextstep's offer to customers to be addressed informally.

### 3.6.2 Customer expectations

None of the customers interviewed had heard of nextstep prior to their referral so their understanding was informed by what Jobcentre Plus advisers told them. The majority of customers said that their adviser did not explain in detail what the nextstep interview would comprise and most customers were not sure whether they had received a leaflet about nextstep.

Customers' understanding varied; some thought that the nextstep interview would focus mainly on reviewing their CV, others thought it would mostly focus on 'training', while some thought that Jobcentre Plus had referred them to some kind of course or work-based training.

Customers said that Jobcentre Plus advisers often mentioned the term Skills Health Check, however they said they did not really understand what this would be. nextstep advisers supported the customers' views, saying that many customers did not know why they were attending the nextstep interview.

As a result of the lack of clear understanding of what the nextstep interview would entail, customers' expectations were sometimes raised, and they had a misleading impression of what nextstep could do for them.

## 3.7 Making a nextstep appointment

If the Jobcentre Plus adviser at the NJI, 13-week or 26-week interview decides to refer a customer to nextstep, the adviser calls the nextstep central booking line to make the appointment. This call takes place while the customer is still present to ensure that the appointment is booked for a suitable time.

Many pilot areas initially experienced problems with the central telephone booking systems, largely caused by a lack of call centre capacity and a time-consuming process of transferring appointment details to paper diaries. In the main, such glitches were addressed relatively quickly, for example through increasing call centre capacity or introducing electronic diaries, but some districts continued to have difficulties with making appointments.

In some districts, co-location predated IES and appointments were recorded by a simple, hand-written list. It allowed nextstep advisers to easily access their appointments for the following day, without having to go to the nextstep office, and Jobcentre Plus advisers could also see at a glance how busy the nextstep adviser was likely to be. Many staff therefore felt it was preferable to the new, centralised system.

In most districts waiting times for nextstep interviews had, at some point, been too long – up to six weeks in some cases. These problems were most often caused by inappropriate referral by Jobcentre Plus advisers, lack of nextstep capacity, or both. Some Jobcentre Plus district staff also felt that nextstep's resourcing at some offices could not cope with adviser holidays or sickness. In most cases, only one

nextstep adviser was allocated to a Jobcentre Plus office, and most were not in the office full time.

To shorten waiting times, some nextstep advisers encouraged Jobcentre Plus advisers to send customers over if the nextstep adviser was free. These 'walkover' referrals occurred in many districts but not in large numbers. They were not necessarily IES trial referrals, frequently they would be for informal information, advice and guidance, so nextstep could not claim funding under their IES contract.

### 3.7.1 The customer experience

The majority of customers interviewed were satisfied with the length of time between their referral and the nextstep interview, which was usually within two weeks. A small number only had to wait a couple of days, or had 'walkover' appointments.

The majority of customers were happy to be referred to nextstep and most understood they had a choice about attending. However, some were under the impression that attendance was mandatory and others went to simply 'show willing' rather than being strongly motivated to attend.

## 3.8 Failure to attend

According to many nextstep staff and Jobcentre Plus managers, a high proportion of customers failed to attend (FTA) their appointments. Most felt that the rate was generally falling but was still prone to fluctuation.

High FTA rates had a large impact on nextstep's work – even though advisers tried to use the down time by working on core nextstep activity or speaking with their Jobcentre Plus counterparts. In addition to making advisers' days unpredictable it impacted greatly on funding, since nextstep funding was based solely on customers' attendance.

Long waiting times (see Section 3.7) and FTA rates were closely linked and mutually reinforcing. Customers waiting a long time for their appointment were, according to nextstep and Jobcentre Plus staff, less likely to attend their appointment. A downward spiral was created since appointments were made further in advance and nextstep resources, impacted by high FTA rates, were frequently not responsive or flexible enough to break this cycle.

Jobcentre Plus and nextstep staff felt that addressing the FTA rate was important. Efforts to reduce the rate were usually made at an office level rather than by a systematic district-wide initiative. Within offices, both organisations were working together to:

- **contact customers prior to appointments:** telephone and email reminders were used in addition to automated text messages;
- **increase understanding of the Skills Health Check:** customers and advisers felt that a clearer explanation of the benefits of the nextstep interview would improve attendance rates;

- **minimise waiting time between referral and appointment:** a shorter wait maintained customers' interest and minimised the opportunity for customers to forget the appointment.

At some offices nextstep had begun to overbook or to overlap appointments to restrict the advisers' down time if a customer failed to attend, however, advisers had to balance the cost of non-attendance against the risk of overbooking and potentially producing long queues for customers. Overbooking or overlapping appointments risked increasing waiting times for those customers who did attend, but this time could be limited if the overlap was not too great, with around 15 minutes said to work well in one district. Double booking of appointments was rare and only used where nextstep had the capacity to cope if there were queues.

One Phase 1 district was piloting an approach of making nextstep appointments on customers' signing days but staff acknowledged that this would be logistically difficult to adopt universally. A handful of Jobcentre Plus staff suggested making attendance a mandatory direction to reduce FTAs. nextstep staff, however, felt that voluntary attendance was an important factor in fully engaging customers.

### 3.9 Referral to provision other than nextstep

Some customers said Jobcentre Plus advisers had referred them directly to a range of provision to help them with their job search skills, basic skills and self-confidence, including learndirect courses. They were also invited to consider (and a handful were referred to) occupational skills training, most commonly:

- security guard training, often leading to a Security Industry Authority card;
- forklift truck training;
- Construction Skills Certification Scheme cards.

Customers were often unclear of the rationale for Jobcentre Plus advisers sending them to these specific types of occupational skills training. They also felt they had not received any information to justify why these courses were the best option for eventually obtaining work. Some customers also felt that the options available for Jobcentre Plus' occupational skills training were limited.

There was a degree of confusion among Jobcentre Plus advisers about the range of training provision they could now use, whom to refer and at what stage. It could be particularly problematic for advisers seeing customers at different stages of their claims with the attendant different eligibility criteria for different provision. In general advisers had largely *ad hoc* knowledge of non-contracted local provision, and the range of this knowledge was hugely variable.

### 3.10 Key points

The light-touch approach to skills screening was said to be an appropriate means of identifying customers suitable for referral to nextstep. However, many Jobcentre Plus advisers still lacked a good enough understanding of the Skills Health Check process.

Over the course of the evaluation, there was an increasing understanding amongst Jobcentre Plus and nextstep advisers of the type of customers for whom referral to a Skills Health Check was considered appropriate:

- those with low skills who were often in and out of employment;
- the newer group of generally more-skilled, better-qualified customers who needed more directional career advice.

The sheer volume of paperwork, the amount of duplication and the lack of electronic administration placed a large burden on Jobcentre Plus and nextstep advisers. This detracted from the time available for discussion with customers.

The rate of customers who failed to attend nextstep interviews was thought to be high, although most staff felt that it was falling. Longer waiting times created a downward spiral where FTA rates increased as appointments were booked further in advance; nextstep resources were frequently not responsive or flexible enough to break this cycle.

The availability of 'competing' initiatives, offering different options for customers, meant that customers suitable for IES may have been diverted to other interventions and vice-versa.



## 4 The customer journey (2): nextstep interviews and follow-up

This chapter explores customers' interactions with nextstep following their referral from Jobcentre Plus. It covers the Skills Health Check process, use of the Skills Diagnostic Tool, the development and use of Skills Action Plans and the extent to which nextstep and Jobcentre Plus continued to work with customers after their nextstep interviews.

### 4.1 The Skills Health Check process

Customers referred to nextstep for a Skills Health Check have a face-to-face interview, or series of interviews, with a nextstep adviser. The interviews can include a discussion about career goals, target setting, a thorough skills assessment and onward referral to skills training provision. The Skills Health Check process is described in more detail in Sections 1.2.1 and 1.2.2.

nextstep advisers tried to tailor their discussions to a customer's particular circumstances. For some customers, the Skills Health Check was the first step towards improving their employability, retraining or a career change. Typically, advisers would spend the first period of the first session establishing rapport and putting the customer at ease. They would explain what nextstep could do for them, find out their expectations and, if appropriate, discuss the Skills Diagnostic Tool. Advisers did refer to notes from the Jobcentre Plus adviser but would also make their own judgement about what was required.

Other customers, according to nextstep advisers, just wanted help to update their CV and some confidence-building through one-to-one advice, and only needed a one-off session to achieve this. The Skills Health Check was not intended to be used for CV support but many nextstep advisers, once presented with a customer with a need for such support, felt that it was important to provide it. A small

number of customers sought advice about a specific course or learning need they had identified. Again, this was not the intention of the integrated employment and skills (IES) trials but nextstep advisers said it was valuable for customers nevertheless.

#### 4.1.1 The customer experience

The majority of customers were satisfied with nextstep's service. Many customers said they had a warm and supportive relationship with their nextstep adviser(s) and appreciated receiving independent, professional, one-to-one advice. They encouraged customers to think about new ideas and helped re-ignite their self-belief and motivation to progress:

*'I know I'm a lot more confident now, and I feel more motivated as well because of nextstep and the amount they've covered.'*

(Jobcentre Plus customer, Phase 1 district)

The minority who were less satisfied cited nextstep advisers who they perceived to be poorly informed about the local labour market or training opportunities, or who promised but failed to send information after the interview. A small number of customers said that they had seen different nextstep advisers at successive interviews but would have preferred the continuity of a single adviser.

## 4.2 The Skills Diagnostic Tool

As part of the skills assessment, nextstep advisers may use the Skills Diagnostic Tool. The tool is a computer program which evaluates skills strengths and suggests areas for development. An outcome of the nextstep interview(s) is the production of a skills action plan, which provides steps for the customer to take to develop their skills and move closer to employment.

The extent to which the Skills Diagnostic Tool was used in the trials varied considerably. Some advisers said they felt pressured to use the Skills Diagnostic Tool. Others used the tool whenever the referral form mentioned a 'Skills Health Check', partly because the tool, as well as the process, was originally also called the Skills Health Check, leading to considerable confusion. The tool was more likely to be used by nextstep advisers who were less experienced; more experienced advisers applied more discretion and used it according to perceived customer needs.

nextstep advisers described the Skills Diagnostic Tool as a starting point for longer-term development, rather than an end in itself. It could drive the process of guidance, but could not be removed from the broader process of discussion. Where customers had greater self-awareness or more clearly defined job goals, nextstep advisers said the tool was not necessary and they preferred instead to focus on providing help for customers to reach these goals.

Where the Skills Diagnostic Tool was used it was often at the first interview. Although the tool would normally take most of one session, advisers said it was important to introduce it and clarify what the Skills Health Check could achieve. They would also aim to discuss the outputs and formulate the action plan.

Although the Skills Diagnostic tool is being evaluated separately from the evaluation of the trials, the quality of the tool inevitably arose in this research. The first version of the Skills Diagnostic Tool was subject to a significant degree of criticism from nextstep advisers. The tool was revised and an updated version introduced in April 2009, between the second and third-round interviews.

nextstep advisers and managers universally welcomed the improvements, particularly the ability to rank statements, rather than make a self-assessment against them. Despite the improvements, most still felt it required further development. They felt that the language of the Skills Diagnostic Tool could still be too complex for many users and the outputs still too vague. Many nextstep advisers still preferred to use other assessment tools, for example Adult Directions, which they felt generated more useful job suggestions.

#### **4.2.1 The customer experience**

Most customers who had completed the Skills Diagnostic Tool reported that the nextstep adviser gave them a clear description of what the Skills Diagnostic Tool was for. They also reported finding the questionnaire easy to complete. Customers generally felt that although the outputs of the tool were broadly accurate, they tended not to provide fresh insights into their own abilities.

A handful of customers voiced concerns that the question design skewed the results. This was a particular problem early on in the trials with the earlier version of the Skills Diagnostic Tool where customers sometimes felt forced into rating themselves poorly on one aspect of skills because of the rating options.

### **4.3 Skills Action Plans**

A Skills Action Plan is a record of the actions agreed between the nextstep adviser and the customer to help them meet their job goals and move back into, or towards, employment. The Skills Action Plan is a live-document and is designed to be revised and updated at subsequent sessions. The customer receives a copy of their plan and, providing the customer has given their consent, a copy is sent to Jobcentre Plus.

Across many trial areas Jobcentre Plus management and advisory staff expressed concern about the quality of the action plans that they received from nextstep. They reported that action plans often lacked concrete and time-bound steps, some appeared to be cut and pasted from the Skills Diagnostic Tool outputs, and some lacked any level of detail. On a more practical level, Jobcentre Plus managers in several of the districts flagged that the Skills Action Plans were mainly handwritten and therefore could be difficult for Jobcentre Plus advisers and others to read.

Some nextstep managers recognised that action plans were of variable quality. nextstep advisers reported they had not received very specific guidance on writing Skills Action Plans and that there was little ongoing review and development of quality. Generally, it appeared that there was insufficient discussion or training that focused on action plans at the start of the trials, leaving nextstep advisers unclear about what was expected of them in producing a high-quality action plan.

Jobcentre Plus managers noted that the quality of Skills Action Plans generally improved over the course of the trial as concerns were fed back through operational groups and addressed by nextstep. The better plans included more detail, and evidence that the adviser had translated the output from the Skills Diagnostic Tool into clear, step-by-step actions towards a stated goal.

### **4.3.1 The customer experience**

Most customers could not recall the content of their action plan, while those that could usually reported that they were very brief, containing only one or two suggested activities. Customers sometimes felt that these activities were too limited, or listed what they were already doing.

Customers said their action plans were evenly split between education-related activities (usually finding out about courses) and job-related activities (principally, revising CVs). They tended to focus more on incrementally improving customers' skills rather than moving them quickly into employment. Most customers who had received an action plan felt they had had enough input about the content.

## **4.4 Follow-up by nextstep and Jobcentre Plus**

### **4.4.1 Follow up by nextstep**

Most customers reported that their nextstep adviser invited them at the end of the Skills Health Check interview to get in touch to arrange a subsequent appointment. This approach gave customers time to undertake steps on their action plan before coming back. Customers liked having this open offer without any compulsion, however they rarely took the initiative to re-contact nextstep, mostly because they did not know what would be the benefit of doing so.

Some customers reported that their nextstep adviser had failed to contact them despite promising to do so, leaving customers disappointed and undermining their trust and confidence. Customers interviewed during the later stages of the research were more likely to report follow-up from nextstep, suggesting that the situation had improved as the trials developed.

Some customers had a series of interviews with nextstep, while others accessed further services at their offices, such as use of the computers. Customers who received this ongoing support were generally most positive about the service.

Most nextstep advisers reported that they routinely tried to contact IES customers one, three and six months after their interview(s) to check on their progress and offer any further support. Advisers said that this telephone follow-up was not always possible since no funding was available to nextstep for any interventions that were not face-to-face.

#### **4.4.2 Follow up by Jobcentre Plus**

The method of transfer of action plans back to Jobcentre Plus varied across districts. In some districts the action plans were returned directly from nextstep to the Jobcentre Plus advisers who had referred the customer; in others they went back through the Jobcentre Plus district office to distribute to advisers. Once returned, the action plan would usually be lodged within the customer's Labour Market Unit file. However in some offices this practice was breaking down and Jobcentre Plus advisers generally said they did not see the action plans.

The research found that Jobcentre Plus rarely used the Skills Action Plans and there seemed to be no systematic understanding of how and when action plans should be incorporated into subsequent Jobcentre Plus interviews with customers. Jobcentre Plus managers reported that the action plans were unlikely to be reviewed by Jobcentre Plus until the 13-week interview, by which time customers' enthusiasm was likely to have been lost.

At some Jobcentre Plus offices, staff made attempts to reduce this time-lag: one district tried to schedule a ten-minute interview between the referring adviser and customer; another district tried to revisit the action plans at the customer's fortnightly Jobseeking Review. In both cases, pressure on staff time thwarted attempts to review the action plans.

A few Jobcentre Plus advisers reported that they had reviewed action plans in the 13-week interview and felt that the plans could be a useful tool for discussion. Most advisers also felt that content could be incorporated into Jobseeker's Agreements. However, this was not done consistently, or even very often, and advisers were unclear about the official guidance for this.

Most customers interviewed did not know whether information about the nextstep interview and, specifically, the contents of the Skills Action Plan, had been communicated to Jobcentre Plus. Very few customers reported that their Jobcentre Plus adviser had followed up their nextstep interview or Skills Action Plan in any way, either prior to or during their 13-week interview. The handful of customers who remembered the Jobcentre Plus adviser asking them about the nextstep interview said that the follow-up was only to check attendance.

## 4.5 Key points

nextstep advisers saw the Skills Health Check process as part of a longer-term development for customers. While the Skills Diagnostic Tool was seen as a useful part of the Skills Health Check process, its usage varied enormously between advisers. Most advisers felt the new version of the tool was an improvement, though many still prefer to use other tools such as Adult Directions.

For customers the Skills Health Check process was a welcome intervention, however they generally felt they would like more sustained involvement with nextstep and better follow-up from nextstep and/or Jobcentre Plus.

The research found that action plans were rarely used in subsequent Jobcentre Plus interactions with customers due to a combination of factors: their perceived quality; a lack of time at 13-week interviews; and inconsistent or absent follow-up processes.

Although action plans were seen to improve, Jobcentre Plus advisers felt that Skills Action Plans lacked sufficient detail to be useful and nextstep advisers would have liked more guidance on what constituted a high-quality action plan.

# 5 The customer journey (3): onward referrals from nextstep

This chapter focuses on onward progression, which can include referrals to a range of local skills or training provision. The chapter also explores the extent to which interviewees felt that local provision in the trial areas met customers' needs.

## 5.1 Types of onward referral from nextstep

The Skills Health Check may lead to nextstep referring the customer to training provision. This training should be related directly to their employment goals.

nextstep advisers reported referring customers to a range of different types of provision, including part-time college courses, short-term European Social Fund courses, Local Enterprise and Growth Initiative-funded courses and adult education. They also signposted customers to longer-term training schemes, including apprenticeships.

nextstep advisers also referred to vocational courses, most commonly Security Industry Association (SIA) and Closed Circuit Television licence courses, training leading to Licensed Goods Vehicle licences, Construction Skills Certification Scheme (CSCS) cards, fork-lift truck training and health and social care courses. There was a great deal of consistency across areas in the nature of vocational provision to which customers were referred.

According to nextstep advisers, the most common onward referrals they made were for training in literacy and numeracy, including learndirect programmes. A small number of nextstep advisers also reported making referrals to English for Speakers of Other Languages (ESOL) provision. Although ESOL and basic skills referrals should be made by Jobcentre Plus advisers, nextstep advisers felt that referring directly was more efficient and customer-focused than referring the customer back to Jobcentre Plus. It also suggests that basic skills needs were being missed by Jobcentre Plus advisers.

Some nextstep advisers were highly pro-active in the way they referred customers; for example telephoning a provider in advance, discussing the customer's training needs with the provider, or helping a customer complete an application for a course. Others would simply signpost customers – directing them to particular providers or courses.

Some Jobcentre Plus managers expressed concern that nextstep made too few onward referrals and that this was to the detriment of the trials. In several districts, Jobcentre Plus staff also felt that nextstep were not drawing on the full range of provision available locally, including provision available through Jobcentre Plus (although if such referrals were appropriate, Jobcentre Plus advisers could have made them from New Jobseeker Interviews (NJI) or 13-week interviews).

A small number of Jobcentre Plus staff questioned the value of the nextstep service since, they felt, recommended actions were limited to updating a CV or encouraging the customer to research training options without making any direct referral. Some also felt the discussion was simply a repetition of what had been covered at the NJI. It is important to note, however, that onward referrals would not be appropriate in all cases and the volume or diversity of referrals should not be used as the sole indicators of a successful or unsuccessful service.

While some nextstep advisers acknowledged that they did not know enough about the full range of Jobcentre Plus provision, others said their understanding had increased since the launch of integrated employment and skills (IES). Some had gained access to the Jobcentre Plus provision database and welcomed this as a progressive step.

Some customers said that nextstep had not referred them directly to the provision they wanted because, for example, they were first referred to other provision to get up to the required standard for their desired programme. A minority of customers felt that their referrals to training were not related at all to their long-term goals.

## 5.2 Labour market needs

Despite some good practice in individual offices, researchers found no systematic relationship between nextstep and Jobcentre Plus Labour Market Recruitment Advisers in any of the trial districts. Some Jobcentre Plus District and local managers felt that nextstep advisers' knowledge of the local labour market needed improving, and linked this to a limited number of onward referrals. They felt that nextstep advisers did not appreciate the skills needed locally and so did not refer customers accordingly.

*'I do genuinely believe in this, but I'm not so sure that what we're asking or identifying for the customer is what's needed for the actual labour market.'*

(Jobcentre Plus manager, Phase 1 district)

nextstep advisers said they tried to consider the local labour market but that it was not the prime factor influencing referrals, partly because it was not possible to confidently predict future labour market needs. The availability of provision locally seems to have had more impact on the recommendations that nextstep advisers made.

### 5.3 Range of available provision

nextstep advisers generally felt that local provision was sufficient, but several identified gaps both in very specific programmes, for example particular electrical installation and maintenance qualifications and more general programmes, for example SIA and CSCS training. nextstep advisers in many districts also identified a lack of ESOL provision as a specific problem.

Generally Jobcentre Plus staff felt that basic skills issues, and/or aspects of more general employability skills needs, were well catered for. In addition they reported that customers who needed help with CV, job search and interview technique, or those needing relatively basic short-term training could generally access help. Several Jobcentre Plus staff reported that there were some elements of duplication in available provision.

Several Jobcentre Plus staff felt that the IES focus was more appropriate in a period of low employment or for a target group of lower-skilled people who had been cycling in and out of work. The recession developed after IES was designed, and Jobcentre Plus staff reported seeing larger numbers of customers who had a full employment history but needed re-skilling. These customers tended to be more demanding and to expect help early on. Jobcentre Plus advisory and management staff particularly felt they had little to offer those from professional occupations who had been made redundant in the recession. They also highlighted a gap in provision for those who had lost work in shrinking manufacturing sectors and who might benefit from some fuller form of retraining.

Customers who had started or completed courses to which they were referred by nextstep were generally satisfied with the range of courses on offer. The majority also reported being able to access training in a convenient location and at convenient times, although waiting lists to get onto popular courses caused delays and frustration for some customers. Many of the courses that customers were referred to were relatively basic and some customers felt that this was not appropriate.

Some customers referred to nextstep already had a clear idea of what training they wanted and hoped that nextstep would provide them with information, particularly about funding. Jobcentre Plus advisers were 'selling' the nextstep service on the basis that nextstep would be able to give information about sources of funding, but many nextstep advisers were referring on to other organisations to discuss this with the customers.

## 5.4 Customers' attitudes to learning

Most customers were open to the idea of updating their skills, as might be expected from the nature of the sample – those who had attended a nextstep appointment. However, in many cases this openness to learning was a somewhat passive interest – most customers had no firm ideas on what training they would be interested in and were open to any training that they perceived might lead to a job. In addition, many customers had concerns about how they could pay for learning.

Older customers tended to be more reluctant to embark on learning. Some felt they were too old to retrain, while a number, some of whom had experienced training programmes in the past, questioned the value of the training on offer.

A minority of customers came to the IES process with existing specific learning goals that they intended to pursue.

## 5.5 Barriers to training

Funding was a barrier for many customers, particularly for short vocational programmes, and generally customers were unwilling to take a financial risk by paying for a course without a guaranteed job at the end.

*'The biggest barrier that I find is that a lot of training that the clients need to go through is only available through independent training providers. It isn't funded and a lot of the time that will be very, very specific. You get the qualifications in a day but it costs £200.'*

(nextstep adviser, Phase 1 district)

Many customers were unwilling to commit to longer-term courses because they were hoping that they would be back at work soon. Others perceived that requirements for work-based learning prevented them taking up certain qualifications, for example in flat-packing and roping, because they were unemployed.

Some customers said advisers at nextstep and Jobcentre Plus gave them contradictory training advice, for example about the number of hours that would impact on benefits or the funding available for training. This perhaps stemmed from nextstep not having in-depth knowledge about benefits and Jobcentre Plus advisers not having a wide knowledge of funding streams for courses.

The 16-hour rule<sup>13</sup> also limited access to training, although the Full Time Training Flexibility helped mitigate this for some customers.

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<sup>13</sup> Benefit rules have meant that, except under specific circumstances, a claimant could not train for more than 16 hours a week without losing their eligibility for benefits.

## 5.6 Monitoring processes: attendance, attainment, progression

nextstep monitoring was limited to their advisers' one-, three- and six-month follow-up calls. Similarly Jobcentre Plus advisers would see the customer at different stages of their claim, but frequently did not have information about specific referrals made by nextstep. Neither nextstep nor Jobcentre Plus undertook any ongoing monitoring of training attendance and attainment outcomes.

## 5.7 Key points

Generally, nextstep advisers felt that adequate provision was available for them to make onward referrals. Gaps in provision were reported and varied across districts, although there were frequently shortages in popular programmes leading to qualifications such as SIA and CSCS.

Jobcentre Plus staff felt that there was insufficient provision available for customers who were more highly skilled, had more work experience or required retraining.

Many customers reported that advice on training was not delivered alongside information about funding and the impact of training on benefits.

nextstep advisers reported carrying out routine follow-up telephone calls to customers to check their progress. However, there was no evidence of consistent, ongoing monitoring by nextstep or Jobcentre Plus of customers who were referred to training, or of discussions between Jobcentre Plus and customers about any training that customers had as a result of their nextstep interview.



## 6 Impacts on customers

This chapter explores how customers benefited from their involvement in the trials.

Jobcentre Plus and nextstep staff generally felt unable to comment on the success of the trials and impact on customers without seeing data about customers' progression and outcomes both in the short term and long term. However, researchers identified evidence on different ways in which impacts on customers could be judged qualitatively: jobseeking and employment, learning and personal development, career direction, and CV development. These categories are addressed in this chapter.

### 6.1 Jobseeking and employment

Researchers found that Jobcentre Plus and nextstep staff were generally positive about the employment benefits of integrated employment and skills (IES) for customers. They felt that the extra support was useful and could improve confidence, for example at job interviews, but they stressed that any impact on sustainable employment was yet to be shown. Many of the customers interviewed also reported that support from nextstep had made them more self-confident and motivated about their search for work. However, there was no evidence in this research of customers finding work directly as a result of a Skills Health Check or subsequent training referral. The longer-term impacts of IES on customers' employment would not be possible to measure at this stage.

Around half of the customers in the research were interviewed at two stages and almost all were still unemployed by the time of their second interview. Many of these long-term unemployed customers had become more entrenched in their situations since their first interview, and they tended to be more negative about whether Jobcentre Plus and nextstep had helped them than those more recently employed. The rising rates of unemployment and perception of bleak job prospects in many areas was a key factor and overshadowed any positive impacts that their IES intervention had.

*'There's nothing really [Jobcentre Plus/nextstep] can do because there's no work out there. I applied for one job, they said 1,000 people had applied...'*

(Customer, Phase 1 district)

## 6.2 Learning and personal development

Relatively few customers who were interviewed had been referred to training and/or completed training, but those who had were generally more positive; because they had got a qualification, had developed new skills or accredited existing ones. These customers often recognised nextstep's role in putting them in touch with relevant training providers.

Those embarking on training were far from complacent or confident that there was any guarantee of a job at the end of it. Instead they were nervous that they had gained only temporary respite from unemployment and feared that they would drop back into the pool of longer-term unemployed people who had exhausted their sources of support.

## 6.3 Career direction

The combination of the Skills Diagnostic Tool, personalised support from the nextstep adviser, and the Skills Action Plan helped many customers feel that they gained insight into their abilities and had clarified their career direction. Some customers emphasised the key role the personalised support had in improving their confidence and motivation to look for work.

In most cases, customers said that nextstep interviews did not change their learning or work goals, but it had clarified them. However, in some cases, the nextstep advisers did influence customers' decisions to widen their career search, for example by encouraging them to think more widely about how they could use their existing skills and qualifications.

Most customers said their contact with nextstep had encouraged them to take steps to meet their goals. However the nextstep interview and the Skills Action Plan appeared to have been of most use to self-motivated customers who already had clear learning and employment goals, and needed someone to help identify the steps to reach these.

## 6.4 CV development

The Skills Health Check was not intended to cover CV development, which was available through nextstep prior to the IES trials and continued to be available outside the IES contract. However, many customers needed, received, and greatly appreciated having help with their CV. This, they felt, materially moved them closer to work. Many had requested CV support at their earlier Jobcentre Plus interviews and some customers had even paid for private services.

Some customers reported that the only help they wanted was support with developing their CV.

## 6.5 Key points

This evaluation was not designed to tell whether the new service had a positive impact on either jobseekers' rate of return to, or sustainability of, employment. However, many of the customers interviewed reported that support from nextstep had made them more self-confident and motivated about their search for work, a view reflected in comments from Jobcentre Plus and nextstep staff.

The process was seen to help steer and inform, rather than to radically change, customers' career directions, but the perceived impact of the recession on job prospects meant that customers were pessimistic about the extent to which any intervention could help them find work.



## 7 Cross-cutting issues

This chapter explores a range of themes that cut across nextstep and Jobcentre Plus activity and the different stages of the customer journey. First, it addresses the extent to which customers experienced a seamless journey from Jobcentre Plus to nextstep and back to Jobcentre Plus. From there it focuses on the impact of integrated employment and skills (IES) on the two organisations' joint working, including working relationships, co-location, data sharing and culture change.

### 7.1 Customer perceptions of integration

Most customers appreciated Jobcentre Plus and nextstep working together and felt that nextstep added a valuable dimension to Jobcentre Plus' work. Customers felt that, in contrast to the Jobcentre Plus adviser, their nextstep adviser generally had time to talk to them at length, in a personalised and unpressured way.

Some customers had a negative view of their Jobcentre Plus interactions, so the separation of careers information, advice and guidance (IAG) from the process of signing on and claiming benefit was welcome. It meant that, rather than 'proving' they were looking for work, they were taking positive steps to finding a job.

This recognisable distinction between the two organisations was an important part of customer engagement and satisfaction. However, problems arose when the two organisations did not work together as one service. Customers reported two particular issues:

- perceived duplication in interviews – some customers reported feeling that the nextstep interview simply recapped what had already been discussed with Jobcentre Plus. Customers often felt annoyed at having to repeat their work history and qualifications information;
- inconsistent advice – several customers had embarked on voluntary work at their nextstep adviser's suggestion, only to be challenged about this by their Jobcentre Plus adviser. There were also examples of customers who did not pursue training which had been discussed because they were unsure of benefit rules and wary of losing money.

*'I said I was at learndirect for three hours on Monday...And [Jobcentre Plus adviser] they said, "Oh, don't spend too many hours down there, otherwise you're not available for work". So I didn't bother.'*

(Customer, Phase 1 district)

Clarity, consistency and completeness of information were essential to facilitate customer progression. Customers felt they needed advice about training delivered alongside a discussion of the personal and financial implications. Many customers complained that nextstep did not provide funding information alongside IAG and said that, without this knowledge, training was not an option for them. Others said they needed more support to find training that would fit around childcare and other commitments.

## 7.2 Working relationships

Partnership working between Jobcentre Plus and nextstep staff was seen to improve greatly with the introduction of IES and over the course of the trial. The main messages from staff in both organisations were of positive and improving relationships and better understanding of roles.

In general, district and office managers said that good working relationships at management level developed quickly during the trials. Similarly, advisers reported that good day-to-day working relationships had developed among advisory staff in many of the local offices and were improving as time went on. There were a few examples of emerging case-working between Jobcentre Plus and nextstep advisers, but these were on an informal basis and dependent on the personal relationships of the nextstep and Jobcentre Plus advisers concerned.

In a small number of cases, Jobcentre Plus advisers reported poorer relationships, particularly if they felt that Jobcentre Plus and nextstep advisers' roles were not distinct enough. High levels of nextstep adviser turnover at some offices also created some concern amongst Jobcentre Plus advisers about the quality of the nextstep offer.

Interviewees from both organisations were much more circumspect about broader integration. Most judged the degree of overall integration between the two organisations to be quite weak, or the relationship being that of a contractor and provider rather than a partnership of equals.

## 7.3 Joint-working at management level

In some districts, strong relationships between Jobcentre Plus and nextstep at management level existed prior to the IES trials as a result of previous initiatives, such as Skills Coaching trials and City Strategy Pathfinders. The IES trials benefited from these relationships through improved knowledge sharing, enabling Jobcentre Plus advisers to better 'sell' the nextstep service to customers.

In the majority of districts, joint operational groups – usually involving nextstep leads, Jobcentre Plus leads and the Learning and Skills Council (LSC) – met regularly to address any difficulties that arose. Generally, Jobcentre Plus and nextstep managers felt these joint groups were effective and in some areas Jobcentre Plus managers reported that relationships with the LSC had developed or improved as a consequence. Jobcentre Plus managers in several districts also referred to a national user group, which they felt had been particularly useful:

*'I think the biggest lessons we have gained have been as a result of the user group where we sit down, not just ourselves but the people from the other eight or nine districts that are live, we listen to what's going on...and we come up with solutions.'*

(Jobcentre Plus manager, Phase 1 district)

## 7.4 Co-location

### 7.4.1 Benefits of co-location

Staff in both organisations said that the delivery of nextstep services in Jobcentre Plus offices helped facilitate integrated working. Co-location increased opportunities to share information and experience about each other's roles in the new system and it increased the ability to deliver a 'seamless' journey to customers, since they were referred to an appointment in the same building. Some staff felt that attendance rates fell where co-location was not possible.

*'They don't get lost. They know where the Jobcentre is. They may not feel happy about going into the Jobcentre, but at least it's familiar surroundings. When you tell anybody to go somewhere different there's anxiety.'*

(nextstep manager, Phase 1)

Limited space in many Jobcentre Plus offices restricted the opportunities for, and the benefits of, co-location. In most offices visited it was difficult for nextstep advisers to find space to have confidential discussions with customers, and District Managers reported that some offices struggled to find any space at all. Some offices dealt with this by holding only the first nextstep interview in the Jobcentre Plus office and moving subsequent interactions to the nextstep contractors' own offices.

Co-location was possible to some extent in all but a handful of offices, although the degree of co-location varied according to customer volumes: from half a day per week in small offices, to five days per week in larger offices. Several Jobcentre Plus managers felt that more extensive co-location (for example, three to five days per week) was much more effective than the very limited co-location found in some smaller offices. Several Jobcentre Plus managers said they would like to try to achieve and sustain fuller versions of co-location. Nextstep were also keen to extend co-location but funding, staffing and desk space were all limiting factors.

### 7.4.2 Co-location predating IES

In general, close working relationships under the trials tended to be established more quickly in those offices that already had some co-location with nextstep staff previously, for example under the Skills Coaching trials.

A handful of Jobcentre Plus advisers said that IES interventions and the pre-existing nextstep offer could become entangled where co-location existed already. Some nextstep advisers suggested that this could lead to confusion and, potentially, inappropriate referrals. On balance, however, the benefit of pre-existing relationships appeared to outweigh any confusion – not least because the advisers involved were more likely to be able to clarify the issues when the problem was identified.

### 7.4.3 Impact on customers

Customers also viewed co-location positively, particularly when a confidential setting was possible, away from the busy, open-plan environment of most Jobcentre Plus offices. Customers felt they could be more open and honest in this more relaxed, secure environment.

On the whole, however, customers placed less importance on co-location than Jobcentre Plus and nextstep staff attributed to them. Customers said that co-location was convenient – it was useful that they already knew where the Jobcentre Plus office was – but that appointments in any accessible location would be equally acceptable<sup>14</sup>.

Customers in rural areas did not always view co-location as beneficial, since even the closest Jobcentre Plus office could be some distance away and Jobcentre Plus could not fund travel. Some nextstep services therefore used their Connexions offices as well as Jobcentre Plus offices for appointments.

## 7.5 Data sharing and IT

Some problems with data sharing came to light through the research. Over-reliance on clerical forms made it difficult for IES leads at district level to track customer journeys and management data tended to be shared at the aggregate, rather than customer, level. These difficulties were frustrating for Jobcentre Plus and nextstep staff, particularly as staff reported that customers rarely objected to data sharing between the two organisations.

Access to IT systems for nextstep staff in Jobcentre Plus offices improved over the course of the trials and was beginning to support nextstep's work. For example, some nextstep advisers were able to save CVs and action plans on Jobcentre Plus systems. This allowed for more efficient working by the nextstep adviser but was

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<sup>14</sup> It is important to note again that the customers interviewed for this project had all attended a nextstep interview.

not supported by electronic processes for sharing the documents, such as action plans, which were printed hard copy.

## 7.6 Culture change

### 7.6.1 Jobs and skills

Jobcentre Plus and nextstep staff told researchers that different cultures existed in Jobcentre Plus and nextstep prior to the IES trials. This difference was often characterised as Jobcentre Plus focusing on moving customers into work as quickly as possible, while nextstep focused on developing customers' skills to help them sustain employment. Some customers supported this view, based on their experience of Jobcentre Plus checking that they were looking for work but being less interested in helping them to find it.

The characterisation of both organisations was not entirely accurate but staff from both organisations recognised elements – Jobcentre Plus staff in particular recognised that a more skills-oriented approach to their work was necessary under IES. In contrast, many nextstep advisers felt that they had always considered employment and skills together. For them the concept of integration was not new; only the process was different.

While interviewees generally felt the two organisations were working in a complementary way, a cultural divide was still evident to researchers. Some Jobcentre Plus managers felt nextstep was sometimes too customer-led, and ought to temper their advice with a sharper focus on getting customers back into work and on current labour market conditions. One area in which Jobcentre Plus managers felt this was apparent was the lack of distinction between short and long-term goals in the Skills Action Plan. They argued there was a need for more immediate customer goals and discrete steps.

### 7.6.2 Understanding the trials

The different cultures within the two organisations also impacted upon advisers' understanding of the trials. Jobcentre Plus district level staff and advisers generally felt that the introduction of IES had raised the profile of skills among advisers and supported this change.

Jobcentre Plus advisers' understanding of why the trials had been introduced varied. Some described IES as a way of gaining access to training while others described IES as help for customers needing support to find employment. This variation reflected differences in understanding of the role of nextstep and the ways in which the Skills Health Check could help customers improve their skills and achieve sustainable employment. Jobcentre Plus advisers' understanding improved over time however, and those in the earlier starting trial areas (Phase 1), tended to have a fuller understanding than those in the later areas (Phase 2).

nextstep advisers appeared to be more confident than Jobcentre Plus advisers in their understanding of the aims of the trial but there was an implicit assumption that the aims of the trial were closely entwined with nextstep's existing offer and designed to broaden opportunity for customers to access nextstep advisers.

Some nextstep advisers felt that their strong customer focus enabled nextstep to be more flexible than Jobcentre Plus could be, and potentially move the customer forward. They felt Jobcentre Plus viewed their interactions with customers in a highly mechanistic, process-driven way, whereas nextstep advisers felt that their input was part of a process for customers, rather than an end in itself.

## 7.7 Key points

Working relationships between Jobcentre Plus and nextstep, both at management and local office level, were generally considered to be very strong. These relationships have been strengthened and in some cases generated by co-location. Where co-location pre-dated IES it was usually an advantage, building on the positive relationships that had already been established. Although in some cases it could lead to confusion over the Skills Health Check and core nextstep referrals.

There were some indications of culture change as a result of the IES trials. Both Jobcentre Plus and nextstep staff recognised the relationship between improving skills and improving employment prospects, and saw an important role for careers IAG. However, there appeared to be a difference in the extent to which Jobcentre Plus and nextstep were customer-led – many Jobcentre Plus staff felt that nextstep interventions were too responsive to customer goals and not directional enough.

## 8 Conclusions and recommendations

In this final section of the report we review the evidence presented in the previous sections to assess the implementation of integrated employment and skills (IES), the extent to which an integrated service has been delivered and the way in which the service impacts on customers or stakeholders. We also draw out the key points that could usefully inform the design and implementation of the further development of the service.

### 8.1 The trials are up and running

The trials have been established, despite very difficult circumstances, in the ten Jobcentre Plus districts in this evaluation. New operational procedures and processes have had to be devised, training designed and implemented and new working relationships established at a time when all parts of the employment and skills services are under pressure from the impact of the recession and other policy initiatives.

The evidence shows that there have been some initial, and indeed ongoing, problems integrating the employment and skills systems, but the principles of an integrated service are becoming ever more embedded and are generally popular with staff from both Jobcentre Plus and nextstep.

### 8.2 Screening and referral processes are improving

nextstep advisers and managers have seen an improvement in the quality of referrals over the duration of the trials. This implies that the Jobcentre Plus screening processes and Jobcentre Plus advisers' understanding of the nextstep offer are improving. There is further to go as some customers with basic skills needs, and other needs that fit criteria for provision available through Jobcentre Plus, are still being referred to nextstep.

nextstep staff recognise the pressures that the increasing queues in Jobcentre Plus offices and the large number of initiatives bring to Jobcentre Plus advisers' workload. nextstep staff are not unduly critical of the inappropriate referrals, provided they have the flexibility to appraise customers and deliver an appropriate, tailored service.

### 8.3 Co-location works

The co-location of Jobcentre Plus and nextstep staff was seen to help bring about integration as it increases the opportunities for staff to share information and experience about each other's roles in the new system and can increase the flexibility to deliver a 'seamless' journey to customers. In trial areas where Jobcentre Plus and nextstep staff had been already co-located, they seem to better understand and are more respectful of each other's work. However, the opportunities for co-location are limited by:

- the pressure on space in many Jobcentre Plus offices, as Jobcentre Plus staff numbers increase to cope with rising numbers of jobseekers;
- the type of space available in Jobcentre Plus offices – which means that there can be limited space for confidential discussions between nextstep staff and their customers;
- the flexibility of funding for nextstep staff to cover Jobcentre Plus office opening hours.

### 8.4 Jobseekers see the benefits

This was primarily a process study and was not designed to tell whether the new service has had a positive impact on jobseekers' rate of return to employment, the sustainability of any new employment and/or their ability to progress within the labour market once they have re-entered it.

However, the qualitative evidence from IES customer and staff perceptions of impact shows that IES customers generally feel more confident about being able to get a job than they did before the intervention. Jobcentre Plus and nextstep staff also feel that customers are better able to find a job following their intervention.

### 8.5 The service is not yet fully integrated

The two organisations, Jobcentre Plus and nextstep, are generally working closely together, however the proximity of their relationship varies. In some areas they have begun to work in close partnership, operating flexibly within each other's capability to achieve common goals, in others the relationship is more transactional, akin to that of a contractor/sub-contractor, and therefore not so integrated.

A fully integrated service could be characterised as having: a shared understanding of purpose among those operating the system; shared systems and processes; shared learning between the organisations; and a seamless customer journey. While there have been improvements against these criteria since the early months of the trials, it is insufficient to conclude that a fully integrated service has been established.

- **Is there a shared understanding of the purpose of the new system and the roles of the various players within it?** Senior managers in the trial areas do appear to have a clear idea of the principles underpinning the new integrated system, however this level of understanding is not yet consistently evidenced among front-line staff. Jobcentre Plus staff in the earlier trials areas have developed a greater appreciation of the importance of skills and the role that nextstep staff can play, but a common culture has yet to be established.
- **Are there shared systems and processes?** Some of the early teething problems have been overcome, for example entering qualifications data is now easier and nextstep staff generally have limited use of Jobcentre Plus IT systems. However, the processes and procedures used by the two organisations are still not fully compatible. This results in data having to be re-entered, manual systems existing alongside electronic ones, customers being asked the same questions by different personnel and limited data sharing.
- **Is there shared learning?** Again there has been some progress over the course of the trials and there have been more opportunities for staff to share training sessions and thereby exchange information and develop their understanding of their respective roles in the process. However, joint training and exchange of information on the ground are still not widespread.
- **Does the customer have a seamless journey and experience?** While the customer's embarkation is fairly integrated and the movement between Jobcentre Plus and nextstep generally smooth, the later stages of the customer journey were seen to be more fractured. Actions plans developed by nextstep are not always shared with Jobcentre Plus staff and, according to customers, usually not referred to in subsequent meetings between customers and Jobcentre Plus. Customers are promised follow-up contact from nextstep that fails to materialise. There is no coordinated process for the two organisations to ensure that the Skills Health Check is part of an ongoing process, rather than an end in itself.

Arguably, the difficulties created by the recession exacerbate the lack of integration. In a more buoyant economy, information, advice, guidance and training resulting from IES referrals or screening processes might be more likely to lead to employment. Currently, however, discussion of skills, qualifications and development needs, or even training directed towards addressing these needs, is unlikely to make customers feel more employable. It can therefore be hard for some customers to see a link between employment and skills.

## 8.6 Recommendations

Based on these early findings, the research team at the Institute for Employment Studies has identified a number of recommendations for consideration by policy and operational teams prior to the wider rollout of IES.

Policy teams should:

- help to clarify the relationship between IES and other competing or complementary initiatives, to ensure that operational staff understand how the initiatives fit together, and make more effective referrals to different provision;
- identify what is an acceptable level of customers who fail to attend, ensure that funding for nextstep is set at a level which takes this into account, and consider forms of centralised support to enable districts to achieve this level;
- clarify the extent to which nextstep advisers have the discretion to use the Skills Diagnostic Tool flexibly, as a stimulus for discussion, as a basis for the action plan and alongside other diagnostic tools;
- develop and share clear process maps and explicit statements about where responsibility lies at each stage of the customer journey, and particularly for customer follow-up after the nextstep interview.

Operational teams should:

- build joint training between Jobcentre Plus and nextstep staff into implementation and ongoing training plans. Initial training should focus on the rationale and the target customer groups, as well as an understanding of processes. Opportunities for staff from the two organisations to share practice and observe customer interactions should be built into ongoing training;
- share the learning from the trials, involving pilot districts in disseminating good practice during roll-out;
- develop more electronic forms of administration and a standardised consent form to save time, improve consistency, and improve practice;
- help build Jobcentre Plus and nextstep advisers' knowledge about provision available through Jobcentre Plus. Advisers would benefit from some form of quick-reference guide to assist them to make more appropriate referrals;
- encourage and facilitate more interaction between Labour Market Recruitment Advisers and nextstep advisers;
- develop clearer guidance, exemplar materials and/or training to help improve and maintain the quality of action plans;
- help build nextstep advisers' knowledge of course fees, funding options and the impact on benefits of any training they recommend to customers.