

# Localising employment policy: opportunities and challenges

Anne Green, Ceri Hughes, Paul Sissons and Abigail Taylor

## Introduction

The United Kingdom is characterised by an uneven economic geography, with large and persistent regional disparities in economic activity (Gardiner et al., 2013; Martin et al., 2016). Labour market outcomes and conditions vary quite widely over space. Even set within the context of rising employment rates generally in recent years, concentrations of labour market disadvantage persistent in a range of settings. This includes areas of deprivation in large urban areas and former industrial towns (Beatty and Fothergill, 2020a; Beatty and Fothergill, 2020b), as well as in some seaside towns (Beatty et al., 2017). Areas with comparatively weak local economies suffered most in the 2008-2009 recession (Lee, 2014); and appear to also have been most greatly impacted by the Covid-19 pandemic (Houston, 2020).

The characteristics of place shape labour market outcomes both through the types of jobs that are available locally, as well as through factors which influence the ability of local residents to benefit from the available employment opportunities (either in the immediate area or through commuting). This includes, for example, factors like transport infrastructure, training opportunities and the availability of childcare which can enable or constrain residents' ability to access employment opportunities (Green, 2020).

In line with national trends, unemployment rates in the area types identified above have largely been on a long-term decline prior to the Covid-19 pandemic, although they tend to remain above the national average (Beatty and Fothergill, 2020a). However, since the 1990s there has also been a concern with rates of economic inactivity, in addition to unemployment. A major driver of this concern has been inactivity due to ill-health, and the comparatively large historic growth in the numbers of claimants of sickness related benefits (Beatty et al, 2009; Barnes and Sissons, 2013). More recently, there has also been a shift to increasing concerns with issues of in-work poverty and poor job quality among those entering the labour force (Jung and Collings, 2021). From the perspective of the policy approach to Active Labour Market Policy (ALMP), this concern with job quality has primarily been articulated in terms of access to opportunities for labour market progression (Sissons, 2020).

These disparities in labour market outcomes, in terms of unemployment, economic inactivity and job quality and wages, have driven increasing interest in greater local tailoring or ownership of ALMP interventions. Potential benefits of more localised approaches include local partnership structures being a means to integrate policy domains, pooling or aligning funding to specific local aims and the role of local knowledge in tailoring programme design to local needs. However, there are also a range of potential drawbacks to the localisation of employment policy – including issues relating to economies of scale, the availability of knowledge and capacity, short-term churn of programmes and initiatives and concerns about the local variability (postcode lottery) in the quality of service provision (as discussed further below).

Evidence for increasing interest in placed-based policies is seen in the development of Department of Work and Pensions (DWP) approaches to ALMP which have seen experimentation with different forms of localism of employment interventions. This chapter examines this evolution of approaches, and the lessons that these approaches suggest for the role which greater localisation of employment support might play in improving outcomes. In this chapter we examine experiences across several iterations of employment policy. We start with an analysis of City Strategy, an early experimentation of devolving aspects of ALMP aimed at addressing concentrated areas of worklessness. We then examine more recent approaches to the development of ALMP in the context of devolution agreements with some areas, which have enabled greater local ownership of programme design and delivery. Finally, we examine new local approaches to employment charters which move beyond a focus on ALMP but which seek, through a voluntarist approach, to generate changes on the demand-side in terms of aspects of local job quality.

The paper is structured as follows. Section two discusses the background to the focus on localising employment policies and the rationale for and challenges to localisation. It also introduces the three case examples. Section three provides an appraisal of innovations in delivery and a thematic discussion of the case examples. Section four provides a discussion which reflects on policy learning and considers what the evidence suggests for the next steps in employment policy. Section five provides some concluding thoughts.

## Background: localising employment policies

### Key rationales for localising

The context for localising employment policies is the intractability and complexity of entrenched worklessness in certain local areas, even at times when the national picture is favourable. More recently, concerns about the poor quality of a tranche of jobs at the bottom end of the labour market, and obstacles to employment retention and in-work progression, have risen up the policy agenda (as outlined above). There has been a proliferation of activities and agencies involved in addressing these issues across a range of policy domains.

Officials with responsibility for strategy and policy in local government and partner organisations, as well as think tanks, have been prominent advocates for localising employment policies. For example, the Local Government Association (2019) has launched a practical programme called Work Local to improve employment and skills services in England through local public-private collaborations. The contention is that through improving “how employment and skills services respond to local needs and how they are organised and delivered locally ... [in a medium-sized combined authority] ... Work Local could result in 8,500 more people in work, additional fiscal benefits of £280 million and a benefit to the economy of £420 million each year (Local Government Association, 2019, p. 3). The case for localisation tends to be made particularly strongly for people facing complex disadvantage, as exemplified by New Local’s<sup>1</sup> call for providers and commissioners who understand their local communities and ecosystems of support to develop local strategies that are holistic and community-led (Pollard and Tjao, 2020).

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<sup>1</sup> New Local is an independent think tank and network of councils, with a mission to transform public services and unlock community power.

Figure 1 provides a summary of key rationales for, and concerns regarding, localisation of employment policies. The left-hand panel identifies five inter-related key rationales for localising employment policies. The right-hand panel presents association questions raising critiques of localisation.

**Figure 1: Summary of key rationales for, and concerns regarding localisation of employment policies**

<b>Rationales for localising</b>	<b>Criticisms and concerns regarding localisation</b>
1) Integration across policy domains: - breaking down policy silos - aligning policies	<ul style="list-style-type: none"> <li>• How easy is it to align goals across policy domains at local level?</li> <li>• Might an emphasis on horizontal integration at local level be detrimental for multi-scalar vertical alignment of policies at national and local scales if it results in a decoupling of local policy from national policy priorities and thwarts possibilities of success in local areas bidding for future ad hoc competitive funding pots?</li> </ul>
2) Aligning and pooling funding to reduce duplication and address gaps in provision	<ul style="list-style-type: none"> <li>• Is there sufficient financial resource available at the local scale?</li> <li>• There are inter-organisational challenges in aligning policy goals and pooling budgets</li> </ul>
3) Greater sensitivity / flexibility to local circumstances: - addressing locally-specific needs	<ul style="list-style-type: none"> <li>• Is the local scale – and what ‘local’ scale is - the most appropriate scale for designing and delivering employment policies? (see also ‘5’) below regarding local expertise and capability)</li> <li>• Will greater local sensitivity / flexibility undermine the standards and effectiveness of national services and lead to a ‘postcode lottery’ of variable provision (and gaps in provision) of employment policies?</li> <li>• How much scope is there for meaningful local flexibility given the role played by central government in employment policies?</li> </ul>
4) Enhancing possibilities for co-design with local stakeholders, service providers and employers: - leading to greater local buy-in - enhanced local credibility	<ul style="list-style-type: none"> <li>• The time limited short-term ‘start and stop’ nature of many local initiatives raises questions about their sustainability and longevity of local infrastructure built to support them with negative implications for local credibility</li> </ul>
5) Enabling utilisation of local knowledge to develop more effective policy	<ul style="list-style-type: none"> <li>• Is there capability / expertise and capacity at the local level to develop more effective policy?</li> <li>• Does greater local autonomy result in better outcomes?</li> </ul>

Addressing fragmentation of activities and agencies by enabling integration across related policy domains at local level is the first key reason for localising employment policies identified in the left-hand panel of Figure 1. Such integration is predicated on identifying what core services need to be aligned and establishing and exercising effective partnership working across separate policy silos.

Candidates for local integration include employment, skills, health, housing, debt advice, etc. Whitworth and Murphy (2018 p. 8) define “locally integrated employment support” as “the bringing together of the range of partner assets at the local level to create a local ecosystem of aligned, mutually reinforcing whole person support in order to better support individuals, make more effective use of scarce budgets and services, and improve outcomes for people and places”.

The second reason set out in Figure 1 is aligning – and if possible, pooling – funding, to reduce duplication and address gaps in provision. This, in turn, links to the third rationale: localisation allows greater sensitivity and flexibility to meet local needs. This rests on the notion that policy interventions can be more efficient and effective when they can tap into, and be responsive to, local contexts, which is the argument made by Work Local, outlined above. An important related question is what geographical scale ‘local’ relates to – and here the case can be made for neighbourhood-level delivery of basic skills, for example, but the local authority or city-region scale for aligning funding, planning services and engaging employers. The fourth reason identified is enhanced possibilities for co-design of policy and service delivery with a range of local stakeholders, potentially leading to greater buy-in and enhanced local credibility. Analyses of local policy interventions, including across employment and health domains, conclude that co-location of service providers can help here (Beatty et al., 2020), since it eases the co-design process and cross-referral of beneficiaries between services. Fifthly, and underpinning each of the four justifications noted above – integration, alignment, greater local sensitivity and advantages of co-design – are based on the contention that local officials are likely to have superior knowledge to their national counterparts, so making them more effective policy makers (Adams, 2016). Hence, enhanced utilisation of local knowledge in the policy formulation and delivery process is viewed by proponents of localisation to be a positive feature.

### Criticisms and concerns around localising

A key question for critiques of localising employment policies is whether a locally designed and delivered approach to employment support, complemented by integrated local services, necessarily achieves better long-term outcomes. A key challenge here is that there are fewer impact evaluations of locally designed policies than of national policies; and this is especially the case for time-limited local policies. Hence the available evidence base for local tailoring of initiatives is patchy. Assessing the effectiveness of local initiatives raises the issue of what the performance comparator should be, particularly when the outcomes of interest in local initiatives do not map directly onto national performance monitoring and/or where initiatives are being implemented in very different conditions over time or between areas (see for example Green and Adam [2011]; Learning and Work Institute [2018]). A series of concerns regarding localisation of employment policies are listed in the right-hand panel of Figure 1, alongside the rationales presented for localisation.

First, integration across policy domains is not straightforward. Moreover, in addition to horizontal integration at local level, to be effective local policy needs to be aligned vertically across a range of geographical scales, including upwards to the national level and downwards to the neighbourhood level.

Secondly, there are practical challenges in aligning policies across local organisations, especially given that organisational goals and key performance indicators tend to take precedence over local partnership goals. Pooling budgets is more challenging than aligning them, and this is a pertinent

issue given the limited amount of financial resource available at local level, especially in an overtly centralised system such as the UK.

Thirdly, critics of localisation question whether the local level is the most appropriate scale for designing and delivering employment policies. This in turn raises the issue of what is the most applicable geographical scale for the localisation of employment support policy. Here there is some consensus amongst commentators that the city-region scale is the appropriate scale for an integrated local employment support system (Whitworth and Carter, 2018). But given the role played by central government in a centralised system, as noted above, there are limits to how meaningful local flexibility can be in practice. For critics of localisation there is also a more fundamental concern regarding equity of treatment (see Finn, 2015), given that in a localised system differential resources, capability and capacity (discussed further below) will likely result in differential service delivery, resulting in a so-called 'postcode lottery' with the possibility of gaps in provision. Differences in local infrastructure, resources, and histories and maturity of local partnership working, compound concerns about inequity.

Fourthly, in practice to date local employment interventions have tended to be time-limited (Wilson et al., 2017). Yet evidence suggests that it takes time to mobilise and engage partners locally (Beatty et al., 2020) and increased responsibility for developing and implementing policy in a localised system can restrict the space available for policy and practice learning (Jansen et al., 2021). Local infrastructures for policy co-design and delivery can be difficult to maintain without successor interventions. A lack of sustainability and longevity of local partnership working and delivery can lead to a lack of trust and has negative implications for local credibility.

Fifthly, many of the concerns outlined above relate to expertise, capability and capacity at local level to design and deliver local employment policies. While there is such expertise and capability in some city-regions, not all areas have such capacity. Moreover, there is a "tendency for devolution to unrealistically position city-regions as autonomous areas abstracted from broader macro-level structural patterns" (Whitworth and Carter, 2018 p. 286) when their autonomy and resources are restricted by central government and so their capacity and scope to formulate locally sensitive policies is limited. Even where there is some capacity for local discretion within local initiatives, the ability to offer different forms of support may be constrained by wider factors, for example where the performance of support workers continues to be evaluated against narrow job entry outcomes (Johnson et al., 2021).

## Overview of the three broad cases

The first broad case considered in this review is the City Strategy (CS) initiative. It is selected here because it was the first direct experiment in devolving aspects of DWP-related welfare to work policy to local government. Established in 2007, it was initially set to run for two years, but was extended to run for a further two years. Fifteen CS pathfinders (CSPs), covering one or several local authorities, were established in 2007 in parts of England, Wales and Scotland characterised by entrenched worklessness. The CS initiative was designed to combat worklessness (encompassing the unemployed and the economically inactive) by empowering and mobilising local partnerships to combine and align their efforts behind shared priorities to develop locally-sensitive solutions to improve economic regeneration through employment, skills and health-related initiatives, taking account of existing local partnership structures and patterns of deprivation (Crighton et al., 2009).

The CSP local partnerships aimed to support disadvantaged individuals to better find and remain in work, including through an emphasis on skills development (Green and Adam, 2011).

The second broad case concerns employment innovation pilots established by the DWP in 2017. Building on previous experience of devolution deals, six Mayoral Combined Authorities (CAs) in England were commissioned to trial pilot innovative employment schemes to help disadvantaged people into good jobs. The parameters for what could be done locally was set by central government (i.e. the scope and nature of the pilots had to be acceptable to the DWP), but each CA could design and commission a pilot scheme they considered appropriate to their local area. Three employment innovation pilots are considered here. The West Midlands CA designed the Connecting Communities (CC) pilot, supporting out-of-work and in-work individuals. It took a place-based approach to employment support aiming not just to help participants to move into and progress in work but to strengthen local communities by increasing their income from work and improving residents' health and wellbeing. The Households into Work (HiW) programme in the Liverpool city region had a household rather than individual focus and was designed to address systemic worklessness across generations. The Cambridgeshire and Peterborough (C&P) pilot adopted an in-work and sectoral focus encouraging employment entry and progression within the health and social care sector.

The third case is local employment charter initiatives. These are 'bottom up' voluntary initiatives that emerge from, and are supported by, key local stakeholders. They have been the subject of considerable interest as issues of 'Good Work' (including concerns about in-work poverty, precarity and flexible/atypical forms of working implications for worker rights [see Taylor et al., 2017; Hughes et al., 2017]) and job quality have risen up the policy agenda. Employment charters aim to define good employment practices, to recognise employers that meet those expectations and/or to support employers to improve their employment practices (Hughes et al., 2017). They can include commitments relating to pay and conditions (e.g. adopting a real living wage policy), recruitment practices (e.g. targeting residents in priority areas), employee engagement and investment in training and development.

### Frameworks for analysing and understanding local employment initiatives

In international comparative terms, traditionally the UK employment support system is characterised by central commissioning, lean spending and limited local connectivity (Whitworth and Murphy, 2018). Similarly, Wilson et al. (2017) highlight the centralised nature of employment policy, with limited local input to design and implementation.

In order to analyse the extent of localisation of different local employment initiatives it may be helpful to place them on a continuum from centralisation to localisation. Atkinson (2010) designed such a framework in a broad typology of approaches to the governance of employment policy. He identified seven types, from 1: centralised delivery to 7: full devolution of responsibilities (see Figure 2). The types reflect extant governance approaches and developments in employment policy at the time - including moves to market-based approaches and greater emphasis on local partnership working – so perhaps limiting its contemporary applicability.

**Figure 2: Typology of approaches to the governance of employment policy**

Type	Description
1. Centralised delivery	No local sensitivity or flexibility
2. Providing greater local discretion within the public employment service	Central government permitting local offices within the national public employment service to initiate different or additional activity aimed specifically at meeting local needs and enabling active participation in local partnerships
3. Market based approaches	Area-based employment initiatives for employment are designed and managed nationally, but delivered locally by a contractor appointed through an open tendering process. Contractors may have the freedom to build local delivery capacity, tailor provision to local needs and involve local partners as they see fit.
4. National initiatives owned locally	Programmes and initiatives are conceived, designed and funded at the national level, but they are managed and implemented locally. Local partnerships have some flexibility over priority objectives, activities and target groups; with a degree of freedom as to how these results are achieved and how progress is monitored.
5. Recognition, promotion, and enabling of a national network of local partnerships	National recognition, practical support and funding for the work of local partnerships. Local partnerships can set their own objectives, with guidance and ‘monitoring by objectives’ rather than micro-management from the national level.
6. Locally-initiated activity	Local bodies take their own initiative in undertaking activity aimed at generating or influencing employment outcomes for individuals, often in partnership with others. This activity may be formally recognised and promoted.
7. Full devolution of responsibilities	National government fully devolves particular responsibilities for developing, implementing and managing employment programmes or initiatives to regional or local levels.

Source: adapted from Table 2.1, Atkinson (2010)

A different, and arguably more useful approach, for analysing and understanding local employment initiatives highlights five parameters for devolution (Wilson et al., 2017) (see Figure 3). Here the emphasis is wider than a primary emphasis on governance. This multi-dimensional framework embraces: (1) service design and delivery: what services are then delivered and how; (2) budgets and financing: where funding sits, and with what decision-making powers and/or conditions; (3) determining policy: what policies are pursued for whom; (4) objective setting: who determines priorities and accompanying targets; (5) governance and partnerships – how services are co-ordinated and led, including the roles of local partners, stakeholders and employers. While these are not necessarily the only parameters of interest, this more recent framework may have greater resonance for an appraisal including current examples of local employment policies.

**Figure 3: Five parameter framework for devolution of employment policies**

Type	Description
1. Service design and delivery	How services are organised at local scale

	Design and implementation of services: - locally commissioned services - tailoring of national policy to local needs
2. Budgets and financing	Who controls funding and conditions of funding Autonomy in shifting funding (e.g. between programmes, years, etc) Nature and extent of reinvestment in savings
3. Determining policy	Extent of autonomy over what policies are pursued locally Deciding which groups are prioritised for support Nature of requirements
4. Objective setting	How priorities are determined locally: - what priorities are Translation of priorities into targets/agreements
5. Governance and partnerships	Arrangements for oversight of objectives, targets, financing, delivery Relationship between local and national government Relationship with key stakeholders Partnerships between services and with employers for: - planning - joint working - intelligence gathering - information sharing

Source: adapted from Figure 3.1, Wilson et al. (2017)

## Key innovations and thematic discussion of cases

This section contrasts the three broad cases analysed in this paper. It analyses changes in the types of support and types of partnership working and governance promoted in the cases before identifying key lessons across the pilots in terms of common challenges, concerns, and successes. Figure 4 summarises the focus, coverage, support offered and model adopted by the cases discussed. It analyses the cases in relation to key parameters in the Atkinson (2010) and Wilson et al. (2017) frameworks.

### How does the focus of the initiatives vary?

The focus of the initiatives varies, including among the three employment support pilots. The CS Initiative and the employment support pilots focused on helping beneficiaries to move into or progress in good employment whilst the local employment charters aim to promote good employment through working with employers. The rise of in-work poverty up the policy agenda is reflected in the emphasis in the CS initiative on out-of-work claimants (unemployed or economically inactive), whereas two of the three employment support pilots considered here either included (in the case of Connecting Communities [CC]) or focused on (Cambridgeshire and Peterborough [C&P]) supporting individuals already in work. CS is one of the earlier examples of DWP recognising the importance of place in employment policy. CC was innovative in adopting a place-based neighbourhood approach. The C&P pilot brought in a sectoral focus encouraging employment entry and progression within the health and social care sector.



## How similar are they in terms of service design and delivery?

Whilst similar stakeholders were involved in the three broad cases, the initiatives demonstrate different types of service design and delivery options.

CS involved a multi-agency approach. Local partners included local authorities, employers, Learning and Skills Councils, Regional Development Agencies, primary care trusts, Jobcentre Plus and other agencies. Learning and Skills Councils and Regional Development Agencies no longer exist but were key stakeholders at the time. This local partnership model was designed to address the intractability and complexity of issues to be tackled whilst orchestrating the proliferation of agencies and quasi-state agencies at a variety of scales with responsibilities in regeneration, employment, skills, education, training, etc.

The three employment support pilots were commissioned by DWP and then managed and implemented by the relevant Mayoral Combined Authority through different local partnership models. The West Midlands Combined Authority (WMCA) commissioned nine providers to deliver CC. Local partnership working varied significantly. Lead provider organisations differed in terms of size and expertise, ranging from further education colleges to national training providers and from national welfare to work organisations to local employment support providers. The pilot aimed to grow employer engagement as the pilot proceeded. The HiW pilot involved collaboration between the Liverpool City Region Combined Authority (LCRCA), six Local Authorities and the DWP. Unlike in CC, LCRCA directly employs the employment advocates delivering support to beneficiaries. Though the employment advocates connect clients to services, the process was designed to be organic leading to formation of informal partnerships rather than commissioning of services. The pilot – developed in collaboration between Cambridgeshire & Peterborough Combined Authority, the local NHS, private care provider representation, local authorities and Jobcentre Plus – was also distinctive due to the advocacy role pursued by the employment advisers (Amion Consulting, n.d.). Healthcare providers played a larger role in the C&P pilot. The integration of health and care employers into the programme is an important aspect of its delivery and shapes the ability of the pilot to respond to current and emerging sectoral skills and employment needs.

Partnership working in the charters has varied between areas but has included consultation between policy makers, employer representatives, union representatives, professional and public bodies. A key reason for this collaborative approach is to ensure that any definition of ‘good employment’ that is set out in a charter will be recognised by local actors. Other arguments for local partnership and accreditation schemes of this sort are that they can help employers to navigate a fragmented support system (although they are also viewed by some as part of this system, with engagement creating an administrative burden for employers).

## How do the governance, partnership, budget, and financing models in the initiatives differ?

The CS initiative was premised on giving local partnerships flexibility to foster new ways of working and to tailor interventions to sub-groups of clients in particular local areas. In the event, the degree of local flexibility which CSPs received was less than some expected at the outset of the initiative (and in some cases felt that they were promised). CSPs were typically at *level five in the Atkinson framework* (recognition, promotion and enabling of a national network of local partnerships) (see

Figure 2). This indicates that CSPs are positioned at a point on the spectrum between centralised and fully devolved delivery which is more towards the fully devolved end. The CSPs had considerable influence in setting their own objectives while having national support, and being offered enabling flexibilities and a relatively hands-off approach to management. DWP contributed to CS financing directly in three ways: (1) providing 'seedcorn' to be used in a completely flexible way to kick start consortia development; (2) devolving to CSPs control of the Deprived Areas Fund (DAF) – a flexible pot of money from DWP, intended to add value to current mainstream services offered by Jobcentre Plus; and (3) 'reward' funding.

By contrast, the three employment support pilots resulted from locally initiated activity. The C&P pilot was locally driven in terms of selecting the sector focus and local employment needs around health and care. These sectors were also relevant locally given the geographically widespread of employment in these within the context of the urban/non-urban geographies of the combined authority area. Within the WMCA, 'inclusive growth' was a central theme in the Strategic Economic Plan, Regional Skills Plan and the Local Industrial Strategy, reflecting how the city-region performs relatively poorly on key skills indicators and has an employment rate lower than the national average. At the time pilot was launched Liverpool City region had the highest rate of residents accessing out of work benefits and receiving sickness benefits of any economic area nationally (Tyrrell, 2020). However, although the pilots are locally owned (and in the case of Liverpool directly delivered by the LCRCA), the sense of devolved decision-making is constrained by the need for agreement (a 'deal') with central Government on terms which are acceptable to them. So, while the pilots demonstrated local innovation and new approaches and involved CAs as commissioners, the extent to which they feature any significant deviation from the core wider national ALMP framework can be questioned. The pilot is arguably *level six in the Atkinson framework* with the pilots being locally designed and embedded. However, as funding of the pilots remains centralised, they share *some aspects of level four initiatives* (nationally owned initiatives owned locally).

Charters can be viewed as a 'bottom up' employment policy initiative in the sense that they emerge from, and are supported by, key local stakeholders. As such, they also fit most easily into *type 6 in the Atkinson framework* although they are quite different in governance to the employment support pilots. The charters could even be viewed as a reaction to a more laissez-faire national approach to employment policy, set in the context of a largely deregulated, flexible labour market. Their growing popularity may be partly linked to the process of city-region devolution in England and the governance changes that were pushed through in association with these, particularly the introduction of metro mayors. Several of the initiatives have been spearheaded by mayors and while local charter initiatives existed prior to the introduction of metro mayors the voluntarist partnership model that charters rely on has proved attractive to local policy makers seeking to articulate economic and social policy ambitions that stretch beyond the formal and somewhat limited powers that were devolved through the city deals and formal agreements. Employment charters currently do not generally involve dedicated formal funding to support their development. Instead, initiatives have had to rely on wider support such as signposting funding options provided through existing partner programmes, in-kind contributions from partners, and resources from other council programmes. The availability of such support varies by locality. The need to expand the availability of funding (both in terms of marketing the charters and incentivising employers to sign up) operation) to support expansion of charter engagement among employers has been emphasised as an issue (Hurrell et al., 2017).

## What key challenges did the initiatives face?

The initiatives have experienced various challenges which provide learning for future policies.

Changing economic conditions (i.e. a worsening of the economic situation) posed a challenge early in the lifetime of the CSPs and impacted on their activities, while the lack of comprehensive monitoring systems made evaluation difficult. Some of the key learning from the CS initiative relates to the 'governance and partnerships' parameter in the Wilson framework. It offers learning regarding partnership working at local and sub-regional scales: "*CS was a successful initiative in terms of building effective local/sub-regional partnerships to address challenges of worklessness*" (Green and Adam, 2011). Positive features of local/sub-regional partnership working were:

- working together across policy domains, often with new providers and stakeholders;
- more joined-up approaches to tackling worklessness;
- greater ability to respond to new opportunities because of the foundations set by CS partnership working;
- the sharing of information between local partners and between local partnerships;
- nurturing new ways of working.

A significant challenge for the employment support pilots was the Covid-19 pandemic and the need to switch from face-to-face to physical delivery models. Whilst evaluations of C&P pilot and CC are ongoing and not publicly available at the point of writing, evaluations of HiW identify important lessons for service design, partnerships and supporting people back into work in a post-Covid world. These include the benefits of placing users at the centre of service design and delivery, promoting holistic solutions to address long-term health, social and economic issues created and exacerbated by the pandemic, and crucially, in relation to the 'determining policy' and 'objective setting' parameters of the Wilson et al. framework, investing in locally tailored solutions to prevent the potential widening of inequalities (Tyrrell, 2020).

## What have they achieved?

CSPs struggled to meet their initial targets for benefit reductions and increases in employment rates set by DWP for the end of the first two years of the initiative. Attempts to do so were thrown off course by the global economic recession and the subsequent lack of demand across the economy. Comparing CSP areas in aggregate against Great Britain and a comparison area indicated that the gaps for employment rates and benefit claimants' rates had remained stable (Green and Adam, 2011). Given that the CSPs covered areas with some of the highest and most entrenched levels of worklessness in Great Britain, this was interpreted as a favourable outcome.

Overall, CS partnerships played an important role in orchestrating a multiplicity of agencies at a variety of spatial scales with responsibilities in fields relevant to tackling worklessness. Experience of partnership working in the CS initiative highlighted the importance of: first, a strong central team to lead and provide the secretariat for the partnership; secondly, representation on partnership boards and wider consortia from public, voluntary and private sectors; and thirdly, a division in responsibility whereby the partnership board focused on a strategic overview while delivery details were delegated to sub-groups.

The C&P and CC pilots are subject to impact evaluation, however given their ongoing nature this full information is not yet available. Both pilots experienced some delays because of the Covid-19 pandemic. The C&P pilot will provide important learning about the extent to which sector-focused employment programmes can help to support progression outcomes. The international evidence base suggests some benefits to a sector-focused approach (Sissons et al., 2016), but this evidence base is still in development. The health and care sectors offer large numbers of job vacancies, and experience labour and skills shortages at various levels. As such the pilot provides a good example of a 'dual-customer' approach which seeks to simultaneously meet and marry-up the needs of job seekers and job changers (including for career development) with the needs of employers. The CC evaluation will offer insights into the opportunities and challenges offered by physical and virtual delivery models as well as strengths and challenges of adopting geographical saturation-based approaches.

HiW is an example of successful model of regional and local partnership working taking an innovative holistic-based approach to employment support. Evidence shows strong progress on outputs and outcomes. 1,062 households were recruited (above the target of 800); 851 achieved a progress measure and 722 made significant progress. The interim evaluation stresses the value of intensive long-term support, strong outreach, and client-centred advocacy through the employment advisors (Amion Consulting, n.d.).

There is little direct evaluation evidence of local charters at present. An interim evaluation has been produced for the Greater Manchester Good Employment Charter (MMU 2021) and is broadly positive about its design and implementation so far.

**Figure 4: Overview of City Strategy, employment support pilots and local employment charters**

<b>Name of Initiative</b>	<b>Focus of Initiative</b>	<b>Beneficiary/ies</b>	<b>Coverage</b>	<b>Support offered</b>	<b>Model adopted</b>
<b>City Strategy</b>	Empowering local institutions to come together in partnerships to develop locally sensitive solutions.	Disadvantaged individuals (unemployed and economically inactive on out-of-work benefits). In some areas there were also sub-group foci within this.	15 CS Pathfinder (CSP) areas across England, Wales and Scotland.  Clear variation in geographical size of CSP areas	Some interventions were discrete and new, whereas others were concerned with making existing provision work better. Sometimes this involved developing local infrastructure to better support ongoing activities.  Client (in particular) and employer engagement. Many CSPs targeted their resources, either by area (the most disadvantaged wards) or by benefit sub-group.	National funding with local delivery.  Some instances of co-commissioning.
<b>Employment support pilot 1: Cambridgeshire and Peterborough – Health and Care Sector Work Academy</b>	Linking employment entry to sustainable careers and progression in the health and care sectors with large-scale employment vacancies locally.	Supporting unemployed individuals and those in low-paid jobs with limited opportunities for progression (including individuals on Universal Credit).	Aimed to train 2,100 people across Cambridgeshire and Peterborough.	Support spanned recruitment, delivery, and progression.  Pathway from health care assistants into health careers.  Sector specific skill training co-designed with employers; basic skills training; apprenticeships; careers advice, including post-employment support; and wrap around childcare and transport support.	Strong partnership focus.  Local design but central government funding agreement.

<p><b>Employment support pilot 2: Connecting Communities programme</b></p>	<p>Place-based employment support pilot to tackle unemployment and low pay within local communities.</p>	<p>All working age residents in the nine areas, and working age people with other connections to the locality.</p>	<p>Implemented in 9 geographically pre-defined areas ('communities') across the West Midlands Combined Authority area.</p>	<p>Support designed to be flexible and responsive over the lifetime of the pilots, both to the needs of participants and the locality.</p> <p>Core elements of support: review of barriers to work; action planning; job search support; and in-work support.</p>	<p>Geographic saturation model.</p> <p>Local design but central government funding agreement; providers selected via a competitive bidding process.</p> <p>Designed to avoid 'cherry-picking' the easiest to help.</p>
<p><b>Employment support pilot 3: Households into Work programme</b></p>	<p>Addressing long-term and entrenched worklessness among households (including generational worklessness)</p>	<p>Focus on households where more than one adult is unemployed and in receipt of benefits.</p>	<p>Aimed to support 800 households providing holistic support across the six Local Authority areas.</p>	<p>Tailored support is offered to each household via an employment advocate assigned to help the individual and household into work over a 12-month period.</p>	<p>Local design but central government funding agreement.</p> <p>Employment advocates are employed by the LCRCA and are structured into six teams, one for each authority area.</p> <p>Organic formation of informal partnerships.</p>
<p><b>Local employment charters, standards and accreditation schemes</b></p>	<p>Describing good employment practices, recognising employers that meet those expectations and/or supporting employers to improve employment practices.</p>	<p>Generally workers and employers in city/ city-region in which charters introduced</p>	<p>Initiatives are being implemented or planned in London, Greater Manchester, Liverpool City Region and the North of Tyne - and in other areas (amongst others).</p> <p>Some national accreditation initiatives (e.g. the Living Wage Accreditation scheme, the Scottish Business Pledge, the TUC Great Jobs Charter), or have a sectoral focus (e.g. the UNISON ethical care charter).</p>	<p>What it means to engage with a charter can vary.</p> <p>The two more prominent initiatives (in London and Greater Manchester) have adopted a tiered design, which set out principles of good employment that employers will need to comply with to become full members or accredit with the scheme</p>	<p>Locally initiated activity, not subject to formal negotiation with government departments but scope for engagement and partnership building therefore more dependent on local resource and capacity.</p>

## Discussion

The localised employment policy cases considered in this paper illustrate the potential to adopt alternative approaches to ALMP in the UK. CS aimed to empower local actors to build partnerships that could devise sensitive local approaches to a common concern - tackling concentrated worklessness - often by complementing mainstream services with local wraparound provision and addressing gaps in mainstream provision. In practice local partnerships were given the opportunity to manage welfare to work services in their local areas, operating within nationally determined eligibility requirements and practices.

There is some evidence for a positive evolution in localisation since CS. In the terms of the governance framework proposed by Atkinson (2010) the pilots afford greater space for local discretion within wider activation policy, while the employment charters emerge more directly from local policy agendas. The employment support pilots trialled more flexible and responsive approaches to addressing issues associated with poor health and worklessness. For example, rather than focussing on individuals in a particular benefit group some of the pilots have worked with households and across areas; they have attempted to provide more tailored support and to bring together a range of services at local level; and they have also linked skills and employment support agendas locally, and turned attention to the role of employers in securing positive outcomes for individuals and in delivering quality work opportunities. The sector focus in the C&P case reflected local employment needs around health and care, the household focus in Liverpool City Region responded to high rates of residents accessing out of work benefits and sickness benefits. Meanwhile, local good employment charters have been developed by local actors in several areas to promote better employment practices, rather than emerging directly from a national framework for promoting good employment. These initiatives are concerned with the quality of the work that is available, a concern that has been neglected in activation policy in the UK

This chapter does not aim to determine the effectiveness of these individual cases, a task made more difficult by the Covid-19 pandemic as well as the limited evaluation evidence that is publicly available, but rather to consider their wider implications. While the frameworks discussed above aid us in describing the extent to which governance approaches and policy design have or might be localised, they are less well suited to assessing the true scope for policy innovation at local level. For example, while a number of the pilots were delivered by external providers through a selective bidding process, new delivery models are emerging around some of the pilots. The employment advocates in the HiW pilot are employed directly by the Combined Authority, so they are delivered by city-regional government rather than the public employment service. The development of informal partnerships at local level brings added agility to the employment support provided. This setup also allowed the pilot to rapidly respond to the challenges of the pandemic, including the 'introduction of a new service "offer" for households that would not have been possible with a more traditional contracting model" (Tyrell 2020:2).

There are also two other issues that the frameworks do not address. First it is unclear how far positive developments from localised employment policy will or can feedback to national policymaking, or whether their impact will also be localised. In 2017 the pilots were billed by the then Secretary of State for Communities and Local Government as a way of trialling new approaches to "help the most disadvantaged people in our society to get the security of a good job and a regular

pay packet, helping to build a country that works for everyone” (DWP 2017). Learning from the pilots could take place on a number of levels, whether by building local capacity and improving local policy implementation, or through influencing provision and design elsewhere or nationally. But it is unclear what level of performance would be necessary to secure broader change, and whether the requisite evidence is being collected to support any future case for change. The value of local coordination and integration of services has been highlighted amid the economic and health crises wrought by the Covid-19 pandemic, and initiatives have also had to change to reflect this new context, including shifting to different forms of delivery.

It is possible that the initial impact of the pilots will be more evident locally. They may embed local partnership working, or help to clarify policy ambitions locally and lead to further devolution asks. It is possible to trace this kind of narrative for Working Well, which started as an employment support pilot in Greater Manchester, was extended and led to a local co-commissioning role for Greater Manchester (alongside London) in the Work and Health programme. In contrast, local employment charters provide an example of locally initiated employment policy that is not linked directly to national policy agendas, albeit there are shared concerns with low productivity and extending worker rights and increasing access to ‘Good Work’ (through the Government’s Good Work Plan).

A second and related issue is the varied capacity of local areas to develop localised employment policy. The employment support pilots were not allocated based on need and extended only to Mayoral Combined Authorities which had been through an opaque deal-making process entailing asymmetries in power and information. Local areas were required to bid to secure additional funding and flexibilities, with success subject to political discretion (Tomaney, 2016). Local employment charters are not subject to any competitive tendering process or prerequisite governance structures but not all areas are equal in terms of the resource and profile that they will be able to draw on to promote good employment practices and enable employer engagement. Local actors may be able to access ad hoc funding or ‘bend’ other funding sources to support engagement, or may embed good employment charters in local commissioning procedures, creating incentives to engage for some employers, but this will not be an option for all. The uneven impact of austerity measures will also act to shrink the capacity of the local state to devise locally sensitive solutions, particularly where this is contingent on marshalling increasingly limited local resources (Gray and Barford, 2018).

## Conclusion

This chapter has examined changing orientations towards localism in ALMP in the UK. In taking an early example of the approach to the local delivery of employment services – City Strategy – and comparing this to the most recent iteration of employment programmes – the employment innovation pilots – we find evidence of a shift towards some greater localism of design and delivery. This shift has been documented through the use of frameworks of decentralisation. Overall, this evidence suggests that the local, in terms of local tailoring, priority setting and delivery has become more embedded in ALMP delivery frameworks.

We also highlight the limits of this localisation. In particular, the employment innovation pilots are nested within a wider political devolution of powers which is heavily structured by the asymmetric power relationship between the national and local, whereby what can be negotiated is strongly framed by national priorities. This dynamic raises two issues. The first is the extent to which local



areas have true scope for innovation in designing employment policy, given the constraints of national policy priorities. Secondly, by linking to a political process of devolution there are concerns about the equity of provision and issues around the extent to which the current settlement is genuinely 'needs-led'. This linking of devolution to ALMP also raises the question of 'what next?' in terms of the role which new evidence assembled through the pilots plays in subsequent policy development. It is as yet unclear how the evidence from the pilots will be used, how transferable the findings might be, and more fundamentally, whether they are seen as a test ground to extend the processes of devolving policy design of ALMP.

The third group of case studies examples we have discussed, employment charters, perhaps also demonstrates something significant in the limits of ALMP. In recent years there has been a successive shift in emphasis from work-entry, to employment sustainability, and most recently, in the context of Universal Credit, to include in-work progression (albeit the overarching design remains structured by a 'work-first' approach). However, this shift to a concern with in-work experiences also necessitates changes on the demand-side – addressing patterns of work which are unstable and offer limited opportunities for development. There has been a growing debate about the ideas around 'Good Work' and some policy development within this space. However, this dialogue is often disconnected from discussions around ALMP design and functioning. Considering the role which ALMP does, can and should play in a wider agenda around 'Good Work' is perhaps now the central challenge; and one where in the absence of leadership from national government local areas might play a role in taking forward this conversation.

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