

Local and regional partnership working to support employability: tackling worklessness through the City Strategy initiative in Great Britain

Anne E. Green and Michael Orton

Institute for Employment Research, University of Warwick, Coventry CV4 7AL, UK.

Anne.Green@warwick.ac.uk Michael.Orton@warwick.ac.uk

Abstract

This paper examines the 'City Strategy initiative' in Great Britain, which aims to empower sub-national institutions to develop local solutions to the problem of worklessness in fifteen 'Pathfinder' areas characterised by spatial concentrations of worklessness. First, the paper begins with a discussion of the national policy context regarding activation and worklessness, the very great emphasis on supply-side measures in UK employment policy and the intensification of such measures. The implications of the current economic crisis and rising unemployment are also discussed. Second, the paper considers sub-national governance arrangements in Great Britain. Key points include the dominance of central government in relation to issues around worklessness, the complexity and fragmentation of sub-national governance, the large number of agencies with an interest in employment policy, and the prominence of 'partnership working' – at various spatial scales. Third, the paper examines the introduction of the City Strategy initiative, with a particular focus on its aims, governance arrangements, geographical scale and planned public policy programmes to tackle worklessness. Fourth, the paper presents findings from empirical research into the development of the City Strategy at a Pathfinder scale. The empirical investigation is based on analysis of documentary evidence including strategy papers and more 'grey literature' such as minutes of meetings and internal briefings. In addition are in-depth qualitative interviews with key actors from local agencies. This allows for examination both of formal organisational arrangements between agencies, how organisations work together in practice and emerging issues from experience to date. In examining this example of sub-national partnership working, evidence is provided of agencies seeking to deliver provision more effectively, and introduce new programmes: but also of difficulties and tensions in aligning policy and organisational arrangements. The theoretical underpinning for the paper is provided by the notion of partnership working, based on synergy, budget enlargement and transformation models, and its specific application to the City Strategy initiative. The paper concludes by arguing that a highly interesting example is provided of sub-national partnership working to tackle worklessness, but also of organisational tensions (between local actors and central government, and between sub-national agencies themselves) thereby raising issues as to the rhetoric of partnership working, and the reality of policy action through the City Strategy initiative.

Introduction

The organisational dimension of integrated employment policies is a major issue in the UK; inter-agency cooperation involving government departments, public bodies, private companies and the third sector has emerged as a core element of policies to promote employability, and government continues to emphasise the need for multi-agency strategies

for tackling the multidimensional barriers to work faced by disadvantaged jobseekers (Lindsay *et al.* 2008: 715-716). This paper explores the organisational dimension of integrated employment policies in the UK by examining the 'City Strategy initiative', which is of interest because it specifically aims to encourage sub-national institutions to work together to develop local solutions to issues of worklessness. In particular, the paper draws on an empirical investigation of the introduction of the City Strategy in one English sub-region. The paper seeks to engage with debates about inter-agency cooperation, part of the broader concept of 'partnership working'.

The paper begins with a discussion of the UK policy context, including the intensification of labour market activation - which has been accompanied by a raft of new initiatives (and including subsequent efforts for simplification), and the theme of policy devolution. This leads into consideration of the provision of employment services, the fragmented sub-national institutional framework, and policy tensions around marketisation, centralisation and localisation. The importance of inter-agency cooperation, and different theoretical models, is then discussed. The second part of the paper turns to the empirical investigation of the City Strategy initiative. This begins with the initial development of the initiative by central government, and then its introduction in the Birmingham, Coventry and the Black Country sub-region in the West Midlands region of England. Consideration is given to the aims and public action being undertaken as part of the City Strategy, but the principal focus is on how organisations work together both through formal governance arrangements and in practice on an operational basis. The paper concludes by discussing the implications of the research for debates about inter-agency cooperation, and evident tensions and limitations.

From the outset it should be noted that the study presented in this paper has taken place against the backdrop of a rapidly changing economic context. After a decade of benign economic conditions, 2008-09 has seen rapid economic decline in the UK, including sharply rising unemployment. However, the main focus of the City Strategy (at least to date) has been on tackling long-term worklessness. Indeed, policy makers talk in terms of 'flow' and 'stock' in relation to workless people. The '(on)-flow' comprises the newly unemployed who it is hoped can be helped quickly to return to work, whereas the 'stock' are the long-term unemployed, and more particularly the economically inactive, who often face multiple barriers to employment and require much greater support.

The UK policy context: activation, policy devolution and employment services

The UK claims to be a 'world leader in activation' (Lindsay *et al.*, 2007), and there is an extensive literature on the development of active labour market policies (e.g. Convery, 2009; Carpenter with Speeden, 2007; Peck, 2001; Trickey and Walker, 2001). 1998 saw the commencement of a suite of New Deals (Department for Work and Pensions, 2008), which began with the New Deal for Young People and featured a 'gateway' involving advice, guidance and assessment, support from a personal adviser and a personal action plan featuring four activation options (e.g. training). There was no fifth option of non-participation. The New Deal was then expanded to cover other groups, including the over 25s on a mandatory basis, and lone parents and disabled people on a voluntary basis. These separate New Deals will be simplified with the introduction of a Flexible New Deal from 2009. Coupled with a range of area-based initiatives, what has emerged is a vast array of programmes covering not just the unemployed, but also the economically inactive.

Within recent policy development a number of key themes are evident. First, is increasing intensification of activation with the government announcing, a goal of achieving an employment rate of 80 per cent (from a rate of 74 per cent – see Convery, 2009). There is, however, an apparent shift from ‘work first’, in which the sole aim is to move people from welfare into work (see Carpenter with Speeden, 2007), to more ‘enabling and coping’ approaches providing a wide range of support including not just help with immediate employment issues but addressing multiple and complex problems through health interventions and cognitive behavioural therapies, and helping with progression once the jobseeker is in work (Lindsay *et al.*, 2007). This is tied to a strong linking of a welfare–employment–skills agenda, in which skills are seen as critical to enabling people to enter and progress within employment (see Leitch, 2006).

What is also evident is an increasing emphasis on the importance of policy devolution and localisation. The government has stated that one of its guiding principles on labour market policies is “devolution and local empowerment: all regions and countries of the United Kingdom, cities and localities can play an important role in identifying strategic priorities and delivering solutions, and this should be recognised” (Department for Work and Pensions, 2007: 9). This apparently clear and strong emphasis on policy devolution leads into consideration of provision and delivery of employment services.

Employment services: and the fragmented sub-national institutional framework

Activation has included organisational change to national employment services. The key responsibility for the public employment service in Great Britain rests with the Department for Work and Pensions (DWP). DWP is a central government department. It was created in 2001 when the central government departments responsible for employment and social security were merged. At an operational level, previously separate social security and employment offices were merged over a period from 2002-2006 to create new Jobcentre Plus offices (Jobcentre Plus has been the subject of extensive study and evaluation - e.g. Karagiannaki, 2007). Jobcentre Plus operates on a district basis, but under the national level control of DWP.

While the creation of DWP and Jobcentre Plus represents a merging of central government welfare benefit and employment services, the position regarding the integration of employment services more generally at sub-national level is far less straight-forward. The first element to this is the complexity of sub-national governance in Great Britain. In the context of devolution to the home nations, this includes the creation in 1999 of a Scottish Parliament and a National Assembly for Wales. However, in this paper, and in particular for the case study presented, the primary emphasis is on sub-national governance in England. During the 1980s local government was stripped of a wide range of responsibilities and the intermediate institutions of the local state were much reduced and supplanted particularly by non-elected boards and agencies (Clarke and Newman, 1997; Cochrane, 1993). There are a huge range of such agencies, with one example of relevance to this paper being the Learning and Skills Council (LSC). The LSC is a non-departmental public body responsible for planning and funding education and training in England, other than universities. In the 1990s a regional agenda developed with the creation of a number of regional institutions (e.g. Regional Development Agencies) but momentum was lost (particularly when a referendum to

create an elected assembly in one region was defeated). What this means for employment services and policy is that the key organisation - Jobcentre Plus – remains as a centrally controlled agency, but with a wide range of other sub-national institutions having a strong interest in the same field. Crighton *et al.* (2009) identified eleven different categories of agencies with an interest in employment, ranging from Jobcentre Plus to health organisations and local authorities to voluntary sector bodies.

A second element in the complexity around the integration of employment services at sub-national level relates to policy tensions around marketisation, centralisation and localisation. To begin with marketisation, while Jobcentre Plus acts as the initial gateway for employment and benefit services, service provision in relation to activation has increasingly been contracted out to other voluntary, public and private sector organisations and companies. What has been created is a billion pound market for the provision of employment services (Crighton *et al.*, 2009). Fragmentation is therefore also caused by marketisation (Lindsay *et al.*, 2008). More than this, however, Crighton *et al.* (2009) argue that there are two inter-related tensions at the heart of UK welfare to work policy: first between competition (marketisation) and coordination (multi-agency approaches); and second, between centralised commissioning and localised planning and alignment of targets and funding. These tensions around marketisation, centralisation and localisation can be seen in relation to Jobcentre Plus. Thus, despite the rhetoric of policy devolution centralisation has been increased by the number of Jobcentre Plus districts being reduced and the 2007 DWP decision to remove from Jobcentre Plus the responsibility for contracts for delivery of several key employment programmes (including the New Deals). That labour market policy is excessively centralised in the UK compared with other countries has been demonstrated by Simmonds and Westwood (2008). Hence, we begin to see the notion of ‘centralised-localism’ to which we return shortly.

Within this framework of institutional fragmentation and policy tensions, notions of inter-agency cooperation and partnership working have become a central feature of British social welfare policy (Powell and Dowling, 2006).

Inter-agency cooperation and partnership working

Inter-agency cooperation is one form of the broader notion of partnership working (Lindsay *et al.*, 2008). The latter has been the subject of extensive debate, but in reviewing the literature Powell and Dowling (2006) note that despite the great enthusiasm for partnerships there is surprisingly little analysis comparing theoretical models with forms of partnership that are actually adopted. Powell and Dowling (2006) examined partnerships in the health sector and, drawing on the work of Mackintosh (1992) and Hastings (1996), applied three theoretical models: the ‘synergy model’, based on the simple premise that organisations can achieve more by acting together rather than separately; the (potentially linked) ‘budget enlargement’ model in which the problem is mainly one of inadequate resources; and the less used ‘transformation model’ where organisations or agencies have divergent foci and priorities, and which emphasises a change of cultures and objectives by agencies. With regard to the specific field of employment services, Lindsay *et al.* (2008) argue that inter-agency cooperation represents one particular form of partnership working, although there are clear overlaps with the three models already discussed. Lindsay *et al.* (2008) argue that with regard to employability it is Stoker’s (1998) broad definition of (again) three forms of

partnership that is most relevant: principal–agent relations (including purchaser–provider relationships) favoured under the contracting-out of public services; inter-organisational negotiation (the coordination of resources and capabilities - e.g. through multi-agency delivery partnerships); and systemic coordination (embedded multi-agency governance based on a shared vision and institutionalised joint working to the extent that self-governing networks emerge).

Lindsay *et al.* (2008) undertook their own investigation of inter-agency cooperation within employment services, studying two particular (pilot) employment programmes: ‘Pathways to Work’ - which provides health and employability services for clients claiming incapacity benefits; and ‘Working Neighbourhoods’ - which ran from 2004 to 2006 and targeted additional resources on active labour market initiatives in communities characterised by particularly high levels of economic inactivity. The literature sets out a range of benefits to be gained from inter-agency cooperation (Lindsay *et al.*, 2008) including flexible and responsive policy solutions, facilitating innovation, sharing knowledge and expertise, pooling of resources, building capacity in organisations and communities, tapping local knowledge, and legitimising policy and mobilising support. Lindsay *et al.* (2008) found that many of these benefits could be observed, with both the programmes they studied reporting important successes in building effective systems of inter-agency cooperation, and in achieving the outcomes sought for individuals. They also identified key features of successful inter-agency cooperation: strategic focus; commitment of necessary stakeholders; organisational complementarity and coterminosity; capacity for cooperation and mutualism; trust and reciprocity; and an outcome-oriented focus.

However, Lindsay *et al.* (2008) also argue there are limitations to what can be described as ‘centralised localism’ (ibid: 730) - i.e. one that seeks to access the benefits of engaging organisations in the delivery of local services, but imposes a centrally managed, rigid contractual regime that constrains the ability of organisations to do so. This leads them to agree with Diamond’s (2006: 281) view that in reality progress in embedding change through the fundamental reform of organisational practice and culture is limited, and the government’s reliance on top–down management and centralized contracting means that there has been only a ‘rhetorical shift away from a centralised monolithic policy model towards a greater element of local flexibility’ (Sunley *et al.*, 2006: 156).

In the light of Lindsay *et al.*’s (2008) findings, what makes the City Strategy initiative of such interest is that its inception emphasised giving local stakeholders greater freedom and flexibility to work together (Hasluck *et al.*, 2007). Inter-agency cooperation is central to the City Strategy initiative, rather than delivery of a specific, centrally-determined programme.

The City Strategy initiative

The centrality of inter-agency cooperation to the City Strategy initiative was evident from the outset. The City Strategy initiative was developed by the Department for Work and Pensions (DWP). It was first outlined in a Government welfare reform Green Paper (Department for Work and Pensions, 2006) with the key aim defined as being “to tackle worklessness in our most disadvantaged communities across the UK – many of which are in major cities and other urban areas. .. The strategy is based on the idea that local partners can deliver more if they combine and align their efforts behind shared priorities, and are given more freedom to

try out new ideas and to tailor services in response to local need”⁴. The City Strategy initiative recognises that tackling localised concentrations of worklessness requires action that is appropriate to the needs of each local area and the individuals within them; tailoring support to meet local needs is therefore unlikely to be compatible with a bureaucratic, top down model of intervention (Hasluck *et al.*, 2007).

The City Strategy is operating in 15 City Strategy Pathfinder areas in Great Britain. The Pathfinders were selected through a process in which consortia of key agencies in areas with high levels of worklessness submitted ‘Expressions of Interest’ to DWP. The selected Pathfinders were then required to develop a detailed Business Plan. Looking across the 15 Business Plans (see Hasluck *et al.*, 2007), it is evident that inter-agency cooperation is critical, with formal governance arrangements setting out in great detail how organisations work together. The Business Plans also set out a wide range of activities and interventions, although what is of particular note is that while there is evidence of wholly new initiatives, there is very great emphasis on ‘joining up’ the activities of, and ‘filling the gaps’ left by, existing provision. The aim in such cases is therefore not primarily to develop new services, but to deliver current provision more effectively. The City Strategy commenced formally in 2007 for a two-year period, but was subsequently extended for a further two years and is planned to continue through to 2011.

To explore the City Strategy in more detail, we now turn to consideration of a specific Pathfinder: Birmingham, Coventry and the Black Country.

The Birmingham, Coventry and the Black Country City Strategy Pathfinder

The Birmingham, Coventry and the Black Country Pathfinder is in the West Midlands region, is one of the largest Pathfinders, and involves multiple local authorities and other agencies working together. The West Midlands is a region that has experienced contrasting economic fortunes over the last half century. In the 1960s, based on its manufacturing strength, particularly the motor industry, the West Midlands was ranked towards the top of the league table of regional prosperity in England, after London and the South East (for discussion of the West Midlands see Green and Berkeley, 2006; Smith and Collinge, 2000). But the decline of manufacturing in the 1970s and 1980s led to unemployment regularly above 10 per cent and the West Midlands became one of the poorer regions. Since the late 1980s there has been a regional recovery, and the West Midlands now occupies a middle-ranking position amongst the English regions, based particularly on growth in retail, distribution, hotel and catering and business services. The current economic downturn is affecting the West Midlands, as it is other regions, but how this will develop in inter-regional comparative terms remains unclear).

The Birmingham, Coventry and Black Country City Strategy Pathfinder is based around the metropolitan industrial core of the West Midlands region with a total population of 2.75 million people. The title of the Pathfinder refers to the cities of Birmingham (the second largest city in England) and Coventry, and the Black Country sub-region (which is a former heavy industrial area to the west of Birmingham). The Pathfinder area has a particularly high proportion of people with no qualifications, 30.7 per cent compared with 22.8 per cent nationally (Birmingham, Coventry and Black Country City Region, 2007), and there are pockets of more substantial long-term worklessness.

⁴ http://www.dwp.gov.uk/welfarereform/cities_strategy.asp website visited 4 March 2009.

The Pathfinder consortium is led by the regional Learning and Skills Council. The original Expression of Interest for becoming a City Strategy Pathfinder also included the eight local authorities within the area covered by the Pathfinder, Jobcentre Plus, the West Midlands Regional Assembly, the West Midlands Local Government Association and the Regional Development Agency. Other actors, including employers, the third sector and additional public organisations are incorporated through governance arrangements, which will be discussed shortly. However, as the City Strategy has developed it is the LSC, Jobcentre Plus and the eight local authorities that are the key actors. The consortium set a number of objectives, with the overarching aim: “to assist the economically inactive into work by strengthening partnership working and taking a joint approach” (Birmingham, Coventry and Black Country City Region, 2007: 2). There are also detailed targets for increasing employment rates (see Birmingham, Coventry and Black Country City Region, 2007).

The empirical investigation that follows is based on analysis of documentary evidence including strategy papers and more ‘grey literature’ such as minutes of meetings and internal briefings. In addition, the report draws on in-depth qualitative interviews conducted with 18 key local actors. Interviews were conducted with officers in: six local authorities; Jobcentre Plus; the Learning and Skills Council; and two projects being undertaken as part of the City Strategy. The local actors included some very senior figures and they were given assurance that they would be anonymised. Citing their organisation could make them identifiable to other members of the City Strategy consortium, therefore, interviewees are identified solely by a number.

Inter-agency cooperation: formal governance arrangements

The consortium has a specific and detailed system of governance which contains three particular features: the importance of employers; the need for coordination among institutions; and, amidst the already complex sub-national governance picture, its own hierarchy of operational/spatial arrangements. The system of governance is based on a series of tiers beginning with the creation of four *Employment and Skills Boards*, each covering another spatial division of the Pathfinder area. Membership, made up from employers, employer bodies, and key agencies within the consortium, is specified in detail. The role of Employment and Skills Boards is to “provide a single focus for employment and skills...a strong employer input...bringing together the work of Jobcentre Plus and the Learning and Skills Council [and other agencies] to equip local people with the necessary skills and competencies for sustainable employment and to provide employers with an adequate supply of labour to meet their current and future skill needs...facilitate the improvement of employment opportunities and outcomes for disadvantaged residents” (Birmingham, Coventry and Black Country City Region, 2007: 39).

A series of tiers support the Employment and Skills Boards: an *Employment and Skills Executive Group* which provides strategic direction; a *City Strategy Management Group* which is responsible for the operational management of the City Strategy initiative; a *City Strategy Core Team* responsible for day-to-day co-ordination, management, implementation and delivery of the City Strategy and including specific City Strategy Officers and secondees from the Learning and Skills Council, Jobcentre Plus and local authorities; *Local Management Groups* in target areas which include a broader range of agencies operating at local level; and *Neighbourhood Groups* which support City Strategy activity at neighbourhood level and have strong third sector involvement including local community organisations, providers engaged in employment support, local regeneration projects, area

based initiatives, and local service providers (e.g. General Practitioners and addiction services). These groups largely build on existing local structures to coordinate skills and employment activity in priority neighbourhoods but, as will be seen below, some new groups have been created as a result of the City Strategy.

At a strategic level, a model of provision to be made available to workless people was agreed by all partners. The model is shown in Table 1. It reflects several of the themes discussed in the national policy context above: the development of an integrated employment and skills system; a coping and enabling approach; intensive support for individuals; and support for progression within work. The agreed model means that all provision is being commissioned within a common framework across the Pathfinder, and incorporating comprehensive assessment and personal action planning through to in-work support.

Table 1: The City Strategy delivery model

Client progress	Intervention stages	Activities
<i>Moving towards work</i>	Initial contact and client engagement - including comprehensive assessment and understanding barriers to work	Assessment of barriers to work Preparation of personal jobs and skills action plan
<i>Becoming job ready</i>	Skills and training towards employment – including personal support and pre-employment training	Work tasters and voluntary work Confidence building and life skills Specialist support (e.g. counselling, mental health support) Specific skills training Basic skills and English for speakers of other languages
<i>Job ready</i>	Customised training and job matching	Help with job search Advice on CVs, job applications Interview techniques Training for specific vacancies
<i>Into work</i>	Into work and post employment support	Childcare Travel subsidies Tools and equipment In-work training Help with financial transition

Source: Adapted from Birmingham City Council, 2008: 61

The development of an agreed model, and the linking of employment and skills agendas within that model, was seen by some interviewees as a significant development in itself. For example: “The integration of employment and skills at a strategic level is critical, and is a major achievement” (Local Actor 4).

However, in order to examine how organisations have worked together in practice means moving beyond strategy and formal governance arrangements, to examine operational issues.

The benefits and limits of inter-agency cooperation

The City Strategy has a number of activities of which two are focused on here. Both illustrate the positive benefits of inter-agency cooperation, and its limitations. The early

activity has been the development of Neighbourhood Employment and Skills Plans (NESP), which provide a micro level analysis of worklessness and a plan of action to support people into employment, and give service providers a picture of worklessness and barriers to work. Each of the eight local authorities took the lead role, largely for resource reasons, in developing a NESP for each of the target neighbourhoods with the highest incidence of worklessness in its area. The process of developing NESPs differed somewhat across local authorities, although generally the first step was to compile a detailed profile of the neighbourhood, and worklessness within it. Local authorities spatially-referenced official statistics supplement by their own data where available, but also sought information from the other partners in the Pathfinder, namely the LSC and Jobcentre Plus. In many local authorities consultation was also undertaken with local neighbourhood groups, which draw together organisations working at local level, whether voluntary groups, other public sector organisations, training providers and even business representatives and political members of local authorities.

Interviewees were very positive about NESPs, seeing them as representing a tangible, successful outcome of inter-agency cooperation. This interviewee explained: “Producing something called a NESP is an achievement in itself and has helped us move forward. Overall, the City Strategy is one of the best things that’s happened” (Local Actor 4). Consultation with local groups was particularly helpful in providing what some interviewees referred to as ‘soft data’. For example: “We got the hard data from within the Council, but soft information for example about the business context, employment opportunities and barriers came from the [neighbourhood] Community Renewal Team...Information from the Alcohol and Drugs Team and community workers is soft, almost anecdotal and it is hard to give hard numbers...but it showed there are more complex issues in some neighbourhoods than others. Community officers provided a reality check on the hard data about barriers to employment. The hard data are consistent across the NESPs, but the soft data are different in different neighbourhoods for example, concentrations of BME [Black and Minority Ethnic] groups and lone parents” (Local Actor 12). In addition, local neighbourhood groups had significant input to the development of action plans. As this interviewee explained: “We asked local groups to prioritise things and then how gaps could be addressed...That provoked a lot of debate when local groups were consulted, especially regarding Jobcentre Plus and LSC programmes which were not felt to be appropriate, and it was very unclear in what areas they were operating” (Local Actor 1).

The development of NESPs was not without its problems, and there is some evidence of tensions within inter-agency cooperation. Local authorities were keen to obtain data from Jobcentre Plus. Practical problems were encountered such as compatibility of IT systems, but more importantly the development of NESPs coincided with a number of highly publicised losses of data by central government departments. The government’s response was to implement stringent controls regarding data management and sharing of data across organisations. A consequence was that Jobcentre Plus found itself unable to share data as desired by local authorities. The absence of data from Jobcentre Plus created frustration at the limits of what could be achieved, and what it meant for the spirit of partnership working. As one interviewee put it: “it was not easy to get information from other partners. Other partners were quick to criticise weaknesses in the NESPs but would not provide the information required to remedy those weaknesses. It was a worthwhile exercise but the original NESPs were not as good as they could or should have been. It was partly a resource issue, but mainly problems were with getting information from partners” (Local Actor 4). Another interviewee went further: “When one partner cannot share the basic information, it’s

like they're not even coming to the party [i.e. not joining the partnership]. It really cuts across the City Strategy idea of partnership working" (Local Actor 9). While data sharing may appear a rather technical issue it is fundamental to identifying gaps in provision that need to be filled and in planning of service delivery, so frustrating and constraining inter-agency working. It has continued to be an issue for the City Strategy initiative as a whole, not just for NESPs in the Birmingham, Coventry and Black Country City Strategy Pathfinder (Hasluck *et al.*, 2009).

The development of NESPs, albeit with some tensions evident, represents a positive outcome of inter-agency cooperation, and interviewees reported other general benefits. Examples included "sharing good practice" (Local Actor 1), "understanding other organisations' perspectives" (Local Actor 4) and "improved relationships between operational staff in local authorities, the LSC and Jobcentre Plus" (Local Actor 7). In reflecting further, the latter interviewee added: "The positives are having a shared agenda about what we are trying to do, and the target areas. That helps provide clarity. It creates space to discuss openly and think creatively about problems and solutions...and it worked well with NESPs" (Local Actor 7). Another interviewee reflected positively on the creation of a new local authority level worklessness group, and local neighbourhood groups: "[the former] will continue to provide a response to the worklessness agenda...other local [neighbourhood] groups are newly created, some completely from scratch. There are housing associations, local churches, and voluntary sector groups. It's all very helpful" (Local Actor 9). The importance of building these relationships, but also seeing them as the beginning of a longer process, was emphasised by a number of interviewees: "It [the City Strategy] has got us working together better, and got local authorities to talk to each other about worklessness and not work in isolation. That contact and engagement is a good start" (Local Actor 4). Or as this interviewee put it: "we have created an infrastructure and that is now there for as long as it is needed" (Local Actor 9). Much of this reflects the key features of successful inter-agency cooperation identified by Lindsay *et al.* (2008) which were referred to above.

A second and element of activity discussed here, and one that is of more central importance to the City Strategy Pathfinder, is specific projects and programmes flowing from the City Strategy and it is here that the limits of cooperation become more evident. The consortium initially had around £10 million of funding available. It decided to use this funding to commission services to support client engagement and provide bespoke training. Provision was commissioned on a local authority basis. For each of the eight local authorities within the Pathfinder, two separate contracts were therefore put out to tender - i.e. one for client engagement and one for bespoke provision for individuals. A range of public and private sector providers were successful in bidding for contracts. Examples of projects include working with employers to identify vacancies, and then provide specific training to enable workless individuals to apply for those jobs. In one case, an employer requiring car mechanics offered jobs to 9 out of 11 candidates who had been through a local authority training programme. The importance of inter-agency cooperation was demonstrated in a project on homelessness and worklessness. The project developed out of strategy discussions identifying homelessness as an issue closely related to worklessness. The relevant local authority approached the principal local social housing provider and agreed a joint approach. The local authority gave training to staff in the social housing provider, on what is described as 'the offer of employment support'. Any social housing client showing interest is then referred to the local bespoke provision contractor.

But commissioning also begins to demonstrate the limits that are reached. On the one hand this simply related to disagreement about the approach to procurement. As this interviewee explained: “The role of the LSC is challenging for the partnership, in relation to its procurement processes. It is not the way everyone would want to do procurement” (Local Actor 7). The consequence, as the interviewee went on to explain, is that: “Some local authorities feel they have lost some control over procurement...Some local authorities might step back from the City Strategy and do their own procurement” (Local Actor 7). But more than this, some local authorities submitted tenders for the City Strategy contracts. This led to ambiguity as to relationships between organisations. As this interviewee put it: “are the LSC talking to us as a partner or as a contract manager?” (Local Actor 9). This sense of development, but uncertainty as to its extent, was exemplified in the following quotation: “You could argue that there are now eight partnerships [one for each of the local authorities] rather than one. There is less drive from the centre [of the partnership]. Is that progress? Or is it reverting to the pre City Strategy position?” (Local Actor 7).

What this begins to suggest is that, drawing on Stoker’s (1998) definition of three forms of partnership, inter-organisational negotiation (e.g. the coordination of resources through multi-agency delivery partnerships) has been achieved, but systemic coordination (embedded multi-agency governance based on a shared vision and institutionalised joint working to the extent that self-governing networks emerge) has not (and the situation is further complicated by some evidence of a principal-agent/purchaser-provider model *within* the partnership). While the situation is dynamic and the perspectives portrayed here relate to a snapshot at a particular point in time, interviewees did reflect on limitations with the City Strategy. For example: “I think we’ve really lost an opportunity. When you talk to partners it seems like every project works. Well, if every project works why are there still so many workless people? We really didn’t take the chance to look very carefully at what works and build projects that develop that” (Local Actor 16). Another interviewee argued that the City Strategy should not be thought of in terms of individual projects: “Integrated employment and skills isn’t a programme, it’s a system change. [...] People are used to projects and silos [i.e. working on issues separately]. It takes time to get the idea of system change through to people...People are under pressure, you’ve got to get people at senior level to buy in. [...] In other parts of the region there are small projects going on but they will start and finish, whereas this is about system change. My boss keeps asking me ‘when will I see something [tangible]?’ But the first stage is putting structures in place. System change is long-term. It’s hard” (Local Actor 5).

The notion of ‘from projects to systems’ is a critical one, but the lack of system change at the time of the interviews in autumn 2008 reflects the limits of inter-agency cooperation (although how realistic it is to expect system change in the short-term must also be recognised). The Pathfinder is successful in prioritising worklessness and aligning efforts around it. But different organisations still have some divergent foci and priorities. Partnership working requires organisations to work differently, but it does not of itself create institutional change. Each organisation still has its own role, responsibilities and accountabilities whether in the form of political control, targets or other pressures. This is perhaps illustrated best by reference to future resourcing of the City Strategy. In particular, central government has created a new Working Neighbourhoods Fund in England to assist local authorities in tackling worklessness in deprived areas. The Working Neighbourhoods Fund provides very significant resources for some local authorities within the Pathfinder – for example, £114 million in the case of one authority: but other local authorities in the Pathfinder are not receiving any funding at all from this source. This has created tension.

For example: “We are not blessed like [other partners]. We have no mainstream resources for City Strategy use...We have not got Working Neighbourhoods Fund money. It is a bone of contention” (Local Actor 9). But this also demonstrates how inter-agency cooperation does not change the institutional framework, and the fundamental priority for individual organisations remains their own interest, because when asked whether other resources could perhaps be shared differently between areas in recognition of the fact that some local authorities were not in receipt of Working Neighbourhoods Fund resources, yet nevertheless faced spatial concentrations of worklessness, the response was emphatically negative: “Not on your life! No way will funding be switched to other areas!” (Local Actor 4).

At this stage we could conclude simply by agreeing with Lindsay *et al*'s (2008) findings regarding the ‘centralised localism’ and centrally managed, rigid contractual regime of the employment schemes they studied: despite the City Strategy having inter-agency cooperation at its core and being based on greater freedom for local organisations, the same limitations are reached. But in seeking to move forward, we conclude by examining the issue from a capabilities perspective.

Discussion and conclusion

The City Strategy does provide some freedom from central government control for local actors within the Pathfinder. The Pathfinder is not simply implementing a programme devised by central government. However, the City Strategy initiative as a whole remains centrally controlled. Pathfinders must submit quarterly reports to DWP, and DWP is undertaking a national evaluation of the initiative. In addition, local actors remain dependent on central government for funding. And, the analysis of worklessness and required activation very much remains driven by central government. The strategy adopted in Birmingham, Coventry and the Black Country does not divert from the centrally determined analysis.

Another way the relationship between central government and local actors can be examined is through requests made by Pathfinders for freedom and flexibility from DWP national requirements, through what are known as ‘enabling measures’. Requests from Pathfinders for such enabling measures range from data sharing to changes to benefit regulations. However, there has been no substantial progress on any of these requests (Crighton *et al.*, 2009). Relatively early on in the life of the City Strategy initiative, instead of offering specific responses to individual Pathfinders for enabling measures requested to meet particular local needs and circumstances, it became apparent that the way forward would be to identify a subset of enabling measures that were most frequently asked for and that any enabling measures granted would be available to all. But the lack of enabling measures granted in practice is crucial here, demonstrating the limits of local freedom and that local actors continue to operate in a framework very much determined by central government.

One interviewee summarised very well the tension between freedom at the local level and central control. He explained the situation in the following terms: “I think we’ve got the freedom to develop an idea - e.g. a response to a problem and can come up with pretty much anything, but it still has to fit within existing [national] rules and regulations that constrain you. Some rules and regs [regulations] you feel should be fundamentally changed. Some rules are a pain but you can work within them; and some are a pain and really hamper things. Flexibility has been achieved with the 16 hour rule [relating to training for workless people]. But there are problems with data sharing and inflexibility with benefits, for example Housing Benefit. Whatever the partnership does has to fit with these rules. *So the freedom to dream*

up an idea is devolved, but it has to fit within the existing rules (Local Actor 7 – emphasis added).

In conclusion, the evidence presented in this paper has shown that the organisational dimension of integrated welfare-employment-skills policies is a major issue in the UK, particularly based on the notion of inter-agency cooperation. The case study of the City Strategy is helpful in illustrating models of inter-agency cooperation, and success in achieving inter-organisational negotiation but less so in reaching systemic coordination. There is a longer temporal dimension here, which is important in meaning that the situation is dynamic and further development may happen. But in the ‘snapshot’ represented in the research presented in this paper, what has been seen is that despite the City Strategy having inter-agency cooperation at its core and being based on greater freedom for local organisations, the initiative runs up against the limits of ‘centralised localism’ whereby the framework for public action is already determined by central government and the room for manoeuvre at the sub-national level has been greatly restricted to date. In terms of the main institutional dimensions of integrated employment policy at sub-national level, inter-agency cooperation that has been achieved should not obscure recognition of the reality that the sub-national institutional framework remains fractured, messy and arguably can itself be the cause of problems – particularly as it is subject to ongoing change. Hence the activities of the Birmingham, Coventry and Black Country City Strategy Pathfinder presented in this paper provide examples of contemporary sub-national partnership working to tackle worklessness, but also of organisational tensions (between local actors and central government, and between sub-national agencies themselves), thereby raising issues as to the rhetoric of partnership working, and the reality of policy action through the City Strategy initiative.

Acknowledgements

This paper draws on research projects funded by the European Commission and the Department for Work and Pensions.

References

- Birmingham City Council (2008) *Aston Neighbourhood Employment and Skills Plan: Addressing Worklessness* Birmingham: Birmingham City Council.
- Birmingham, Coventry and Black Country City Region (2007) *City Strategy Business Plan - June 2007 Update* Birmingham: Birmingham City Council.
- Carpenter, M. with Speeden, S. (2007) ‘Origins and effects of New Labour’s workfare state: modernising or variations on old themes?’ in M. Carpenter, B. Freda, and S. Speeden, S. *Beyond the workfare state* Bristol: The Policy Press pp 133-158.
- Clarke, J. and Newman, J. (1997) *The Managerial State* London: Sage.
- Cochrane, A. (1993) *Whatever Happened to Local Government?* Buckingham: Open University Press.
- Convery, P. (2009) ‘Welfare to work – From Special Measures to 80 Per Cent Employment’ *Local Economy* 24, 1: 1-27.
- Crighton, M., Turok, I. and Leleux, C. (2009) ‘Tensions in localising welfare to work to Britain’s cities’ *Local Economy* 24, 1: 46-67.
- Department for Work and Pensions (2006) *A new deal for welfare – Empowering people to work* Norwich: HMSO.
- Department for Work and Pensions (2007) *In work, better off: next steps to full employment*, A Government Green Paper Norwich: HMSO.
- Department for Work and Pensions (2008) *Transforming Britain’s labour market: Ten Years of the New Deal*. London: DWP.

- Diamond, J. (2006) 'Au revoir to partnerships: what's next?' *International Journal of Public Sector Management* 19, 3: 278–86.
- Green, A. and Berkeley, N. (2006) 'The West Midlands: the hinge in the middle' in I. Hardill, P. Bennworth and M. Baker (Eds.) *The Rise of the English Regions?* London: Routledge.
- Hasluck C., Green A.E. and Adam D. (2009) *Evaluation of City Strategy: Second evaluation*, Report to the Department for Work and Pensions. Coventry: IER, University of Warwick.
- Hasluck, C. and Green, A. with Orton, M. (2007) *City strategy pathfinders: a report on evaluation plans- a report for DWP* Coventry:IER, University of Warwick.
- Hastings, A. (1996) 'Unravelling the process of 'partnership' in urban regeneration policy' *Urban Studies* 33, 2: 253–268.
- Karagiannaki, E. (2007) 'Exploring the Effects of Integrated Benefit Systems and Active Labour Market Policies: Evidence from Jobcentre Plus in the UK' *Journal of Social Policy* 36, 2, 177–195.
- Leitch (2006) *Prosperity for all in the global economy - world class skills: Final Report* Norwich: HMSO.
- Lindsay, C., McQuaid, R. W. and Dutton, M. (2007) 'New Approaches to Employability in the UK: Combining 'Human Capital Development' and 'Work First' Strategies?' *Journal of Social Policy* 36, 4, 539–560.
- Lindsay, C., McQuaid, R. W. and Dutton, M. (2008) Inter-agency Cooperation and New Approaches to Employability *Social Policy & Administration* 42, 7 715–732.
- Mackintosh, M. (1992) 'Partnerships: issues of policy and negotiation' *Local Economy* 7, 3: 210–224.
- Peck, J. (2001) *Workfare States* New York: The Guildford Press.
- Powell, M. and Dowling, B. (2006) 'New Labour's Partnerships: Comparing Conceptual Models with Existing Forms' *Social Policy & Society* 5:2, 305–314.
- Simmonds, D. and Westwood, A. (2008) 'Boosting the role of cities in workforce development' In S. Giguere (ed.) *More than just jobs: workforce development in a skills-based economy* Paris: OECD.
- Smith, B. and Collinge, C. (2000) 'An Overview of the West Midlands Economy' in G. Bentley and J. Gibney (Eds.) *Regional Development Agencies and Business Change* Aldershot: Ashgate.
- Stoker, G. (1998) Public–private partnerships and urban governance. In J. Pierre (ed.), *Partnerships in Urban Governance: European and American Experience*, Basingstoke: Macmillan, pp. 34–51.
- Sunley, P., Martin, R. and Nativel, C. (2006) *Putting Workfare in Place: Local Labour Markets and the New Deal*, Oxford: Blackwell Publishing.
- Trickey H. and Walker, R. (2001) 'Steps to compulsion within British labour market policies' in I. Lødemel and H. Trickey (eds) *An Offer You Can't Refuse: Workfare in International Perspective* Bristol: The Policy Press.