



Department  
for Work &  
Pensions

# DWP Labour Market Learning, Innovation and Local Flexibilities Evaluation

September 2016

DWP ad hoc research report no. 37

A report of research carried out by the Learning and Work Institute and Nesta on behalf of the Department for Work and Pensions.

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# Executive Summary

# Aims and objectives

- The Learning and Work Institute and Nesta were commissioned by DWP to:
  - Evaluate how the Freedom & Flexibilities regime has been used by Jobcentre Plus for more innovative and effective employment support
  - Explore DWP's overall arrangements for labour market learning and innovation, and future options / implications
  - Understand external best practice around evidence and learning, and explore options for collaboration and sharing across wider employment sector
- Research was conducted between April and July 2015

# Benefits of Freedom and Flexibilities

Freedom & Flexibilities had delivered some clear benefits for Districts:

- Staff were working **flexibly and innovatively** in delivery of support:
  - Often within clear boundaries – so ‘procedural innovation’ in how services are delivered
  - Driven by performance indicators and/ or making efficiencies
  - Focused on ‘continuous improvement’ – delivering services better
- In some Districts this was **supported by Continuous Improvement, Performance and/ or Lean infrastructure**
- Where it works well, **staff were more engaged** and had greater ownership and responsibility
- There was **strong commitment to working flexibly**

# Areas for improvement

- **More systematic or ambitious innovation was not widespread**
- The focus in Districts was on incremental change to improve processes or efficiency – doing things differently, rather than doing different things. Many staff argued that the current focus was about right as It minimised risk at a time of significant change and It operated within the boundaries of the policy regime
- There were significant systemic barriers to Districts leading more radical innovation (covered at p45)
- **Despite formal systems**, there was uneven compliance with requirements to **monitor, learn and share**
- Monitoring was generally focused on key performance indicators – **Where evaluation took place it was typically very basic (however this may have been proportionate where innovation involved small process tweaks within the existing model)**
- There was an inconsistent compliance with arrangements for sharing and learning

# Local variation

- Districts were often at **different levels of development** in using flexibilities
  - There were very different approaches being taken in different places
  - The commitment of senior leadership and management, and their vision and priorities, appeared to be the key factor
- Districts had **limited engagement with the corporate centre**
  - Districts were generally not aware of support available from the centre, despite named contacts and communications to raise awareness
  - Districts usually did not notify the centre of how flexibilities were being used and felt they had limited exchange or visibility of innovations and flexibilities in other Districts, despite there being dedicated structure for this

# Freedom and Flexibilities success factors

The Department set four critical success factors, as below. This research suggests two have largely been met, with positive progress towards the other two:

- 1. Performance** – Flexibilities are well embedded into delivery of core employment services and are reported to have improved performance (although this had not been rigorously evaluated)
- 2. Innovation** – While there has been procedural innovation, there were few examples of further reaching innovations
- 3. Staff engagement** – There was a strong positive impact, with flexibility widely welcomed by staff
- 4. Meeting local needs** – The research found a range of good examples of local tailoring of support. However there remained significant constraints in adapting core services to local labour markets



# The 'Labour Market What Works' offer

- The Department has a very strong central offer on evidence and learning
- The offer compares well with other social policy areas, including education and health

Its distinctive strengths are:

- Structured processes for **policy-evidence dialogue** – with a clear link through from the evidence into policy making and delivery
- Embedded **trials capability** – with a 'trials unit' that can test new approaches
- Cross-Whitehall coordination – sharing learning both into, and out from, the Department

# Key challenges in the What Works offer

There are three key challenges:

- **Engagement of practitioners** in generating evidence and promoting uptake
  - The evidence offer is geared towards trials and policy, and may not align as well with practitioner priorities
  - There is limited capacity for proactive engagement by the centre
  - There is often limited capability within Jobcentre Plus to generate, demand or use evidence. Efforts were made by the centre to build capability in this area
- **Visibility and transparency**
  - The accessibility of existing material and the service offer to Districts could be improved
  - The centre has limited sight of actual frontline practice, especially local variations and innovations
- **Gaps in linking trials to operations**
  - Trials are generally centrally generated, with limited space for practice-led approaches or involvement of practitioners in shaping trials

# Innovation and flexibility in the wider employment services sector

- There were **broadly similar themes** in the wider sector as in Jobcentre Plus
- Providers are **focused on procedural efficiency**
  - Driven by the contractual regime and value for money
- There was **generally weak evaluation, learning and sharing**. Providers **often made better use of data**, with a sharper focus on cost
- **Innovation was largely reactive** – with providers generally less innovative than Jobcentre Plus at the frontline
- **Procurement/ contracting were viewed by providers as major barriers** to innovation
  - Risk, flexibility & collaboration are perceived to be strongly disincentivised
  - There is perceived to be limited demand for innovation or evidence from DWP
  - Innovation was often greater in services not commissioned by DWP
- It should be noted that Work Programme procurement process was black box which is intended to give wide scope for providers to innovate the service they offer
- DWP encourages providers to share best practice through the National Provider Forum, Operational Forum, EPR workshops and support and encourage providers to share best practice both within their Contract Package Area with other primes as well as with their own contracts nationally

# What would an innovation 'ecosystem' look like?

- **An approach to commissioning programmes** that values innovation and creates space for risk and learning
- **Evidence** built into commissioning processes:
  - Separation between intervention design and delivery
  - Resources for robust, independent evaluation
  - And incentives to generate, use and share evidence
- **Better curation** of existing evidence:
  - An open repository for evidence
  - With synthesis and quality assurance of evidence
- **Open data** that is detailed enough to be useful for learning and performance improvement

# Report

# Structure of presentation

1. Overview of research
2. Key findings on use of Freedom and Flex
3. The labour Market “What Works” offer
4. Flexibility, innovation and learning in the wider sector
5. Recommendations

# 1. Overview of research

The Learning and Work Institute and Nesta were commissioned by DWP to:

- **Evaluate how Freedom & Flexibilities regime has been used by Jobcentre Plus for more innovative and effective employment support:**
  - District approaches to using flexibilities, and reasons for local variation
  - Evidence of outcomes and progress against critical success factors
- **Explore DWP's overall arrangements for labour market learning and innovation, and future options / implications:**
  - Changes to the strategic and operational framework for innovation, continuous improvement and learning
  - Optimising the What Works support offer
- **Understand external best practices, and explore options for wider collaboration and sharing across the employment sector**

# Methodology (1)

**The project commenced in April 2015, and had five stages:**

## **1. Scoping (April to May 2015)**

- A rapid review of evidence on the design and use of flexibilities within Jobcentre Plus – in particular the ‘Freedom and Flexibility’ (F&F) reforms from 2011
- Seventeen depth interviews with DWP and JCP staff to further explore the design and use of flex – including policy and strategy staff, and operational staff (F&F leads and District Managers from East Anglia, GLED, GMCC, North East England, North Scotland, South Yorkshire, West of Scotland, Wessex)

## **2. In-depth research (May to June 2015)**

- Four two-day depth visits to JCP Districts – Black Country, Devon Cornwall and Somerset, East London, South West Wales – to explore how F&F has been applied
- An online survey of District Managers
- A further round of telephone interviews to follow up on themes identified in visits



# Methodology (2)

## **3. Research with external intermediaries (May to July 2015)**

- Fifteen depth interviews with key stakeholders and practitioners in the wider employment sector – including Work Programme prime providers and smaller organisations within and outside supply chains
- Facilitated workshop at the ‘Into Work Convention’ in July 2015

## **4. External benchmarking of DWP approach (June 2015)**

- In depth assessment of DWP systems and approach to innovation, sharing and learning – comprising telephone interviews, document review and a site visit to DWP headquarters in Sheffield
- Comparison with approaches in other fields, including What Works Centres

## **5. Reporting (July to September 2015)**

- Analysis and options appraisal, followed by development of slide pack setting out key findings

# 2. Key findings on use of Freedom and Flexibilities

2.1 Defining Freedom and Flexibilities

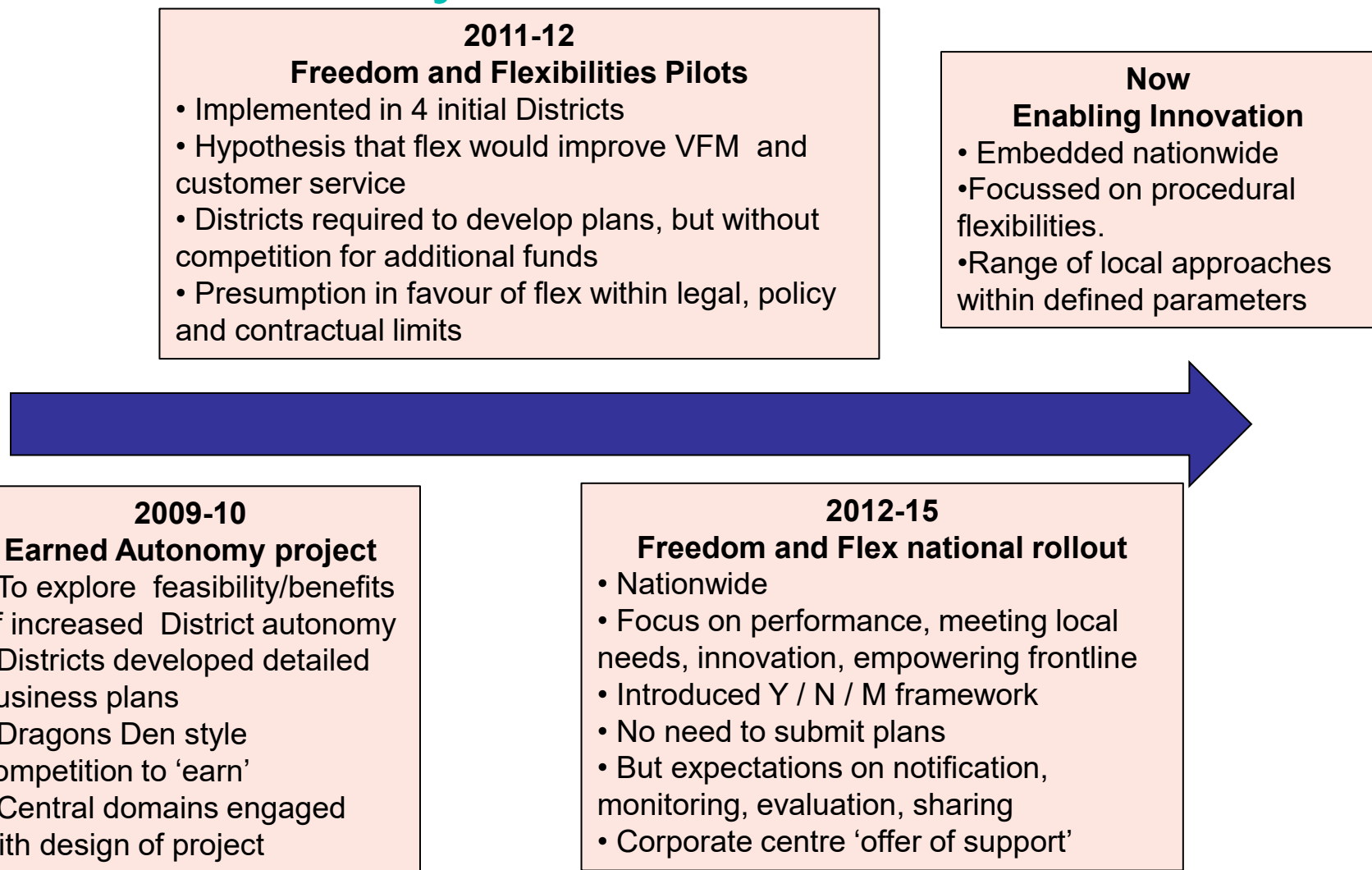
2.2 How flexibility is being used

2.3 Innovation

2.4 Testing and learning

2.5 The role of the centre

# 2.1 Defining Freedom and Flex: a short history



# What do we mean by flexibility and innovation?

## A spectrum:

**Procedural flex**

**Structural innovation**



|                      | <b>Applying the rules responsibly</b>   | <b>Applying the rules flexibly</b>                | <b>Delivering the model differently</b>                 | <b>Delivering a different model</b>             |
|----------------------|---|---|---|---|
| <i>Description</i>   | Fit specific situation / needs of individual customer and/or resource constraints on local delivery |   | Adapt / tailor offer or delivery model to local context | Develop new offer or model to achieve outcomes  |
| <i>Location</i>      | Frontline staff discretion  | Office / site level authorisation                 | District senior mgt / WSD approval                      | Corporate centre oversight / initiative         |
| <i>Examples</i>      | <i>e.g. Open diaries</i>  | <i>e.g. Group-based support</i>                   | <i>e.g. Youth Hub; moped scheme</i>                     | <i>e.g. Universal Support Delivered Locally</i> |
| <i>Replicability</i> | Likely replicable in other contexts, offices  | May be replicable – or may reflect local contexts | Often not directly replicable                           | By design, should be replicable – if it works   |

## 2.2 How flexibility is being used – the view from Districts

- Research participants had generally **positive views of the impact and benefits of flexibility**
- There was common understanding of the objectives of flexibility: in particular to **improve outcomes** in key performance indicators, and to improve efficiency
- Freedom and Flexibilities was seen to contribute to objectives in four ways:
  - **Personalised support** – ‘Do the best for the customer in front of you’
  - **Procedural efficiency** – reduce waste and improve processes
  - **Staff engagement** – increase motivation of staff, and empower them to be more responsive
  - **Responding to local context** – in practice there was less focus on adapting services to local needs (and less scope to do so)

# Flexibility in practice – an emphasis on efficiency and responsiveness

Districts primarily delivered **procedural efficiencies** – e.g.

- Flexible diaries for advisers
- Processing 'Fit Notes' differently
- Running group information sessions
- Making minor changes to staff structures and grade

There was some flexibility in **personalised support** – e.g.

- Running job clubs
- Improving how referrals to other services worked

A few significant **process innovations** were evident – e.g.

- A new 'Dynamic Purchasing System' for additional provision
- Decoupling 'Pay and Periodicity' (rules on the day of the week that claimants are required to attend meetings)

## Case study – *Applying rules responsively* Various Districts, Flexible diary systems

Diaries came up repeatedly as a major pressure at the front line. Tools were developed to allow frontline staff to manage their time more efficiently, and provide more responsive and personalised support. Tools included a daily signing tray, group/rapid signing followed by open support as necessary, and a fully self-managed open diary.

In one District, sites developed their own responses, tested six of them District-wide, and then implemented one. In another, flexible diaries were implemented through more top-down approaches.

Diary flexibility was universally welcomed, and seen as a foundation for frontline staff autonomy. However, concerns were also raised that there would be less flexibility under the new Work Coach Delivery Model. (Note however that these concerns were raised prior to the communication and rollout of the Model, which is intended to build on the personalisation of services and increase the tailoring of claimant support.)

There was also little sharing of practice between Districts for something which, in theory, should be fairly replicable.

## Case study – *Applying rules flexibly* The Provision Academy

One District developed a ‘Provision Academy’ – a day-long course aimed at raising awareness among work coaches of the provision and support available in the District. The team even devised a board game to challenge work coaches to think in new ways. The aim is for every work coach in the District to attend the Academy.

When we visited the District, the scheme was relatively new and there was significant churn due to staff voluntary early exits and new joiners. As a result, there was limited evidence collection and some work coaches were not aware of its existence. Since we visited, we have been informed that over half of Work Coaches have attended and that the Academy is over-subscribed for future events.



## **Case study – *Applying rules flexibly***

### **Various Districts – Changing the Fit Note process**

Two Districts had changed the way they deal with Fit Notes. In one, prompted by a frontline suggestion, customers with a Fit Note saw an advisor immediately, instead of being referred elsewhere. This increased staff interaction with ESA claimants.

In another, JCP advisors processed simple Fit Notes and markers before sending them on to the Benefits Centre directly – rather than returning them to the claimant to pass on. The change improved efficiency for both staff and customers and was shared in Bright Ideas.

This idea was picked up centrally, but when developed for wider rollout the process was made more complex – placing additional demands on work coaches which those interviewed reported as being unrealistic. This highlights potential issues and concerns with the replication process (see Section 2.5).

# Districts took very different approaches to managing flexibility

- Districts usually had no additional structure or resource for *applying rules responsively or flexibly* – this had become ‘business as usual’
- Some support from other District improvement processes – e.g. Continuous Improvement, Lean, Performance Management
- There was little visibility of procedural flexibility at District level – in some cases, flexes were shared through other processes such as newsletters, managers’ meetings or Continuous Improvement
- The central systems (e.g. catalogue) were not being used
  - Also worth noting that the centre deliberately left systems / structures for F&F open to District discretion – intent to enable localisation
- There were some good examples of more formal/ structured processes for encouraging ideas and applying flexibility so as to *deliver the model differently*
  - But as noted, this level of flexibility and innovation is not widespread

# How flexibilities were used from the top down (by Group and District staff)

The research found a range of examples of District / Group staff developing and implementing flexibilities, e.g.:

- Issues being identified at District / Group level for action (usually from performance data)
- Management developing ideas and implementation plans, often with front line staff input
- Some examples of pilots and use of 'trials' terminology
- Monitoring of performance data to measure impact, sometimes with unstructured qualitative feedback
- Processes for successful changes to be shared across Districts and Groups (usually with limited structure)

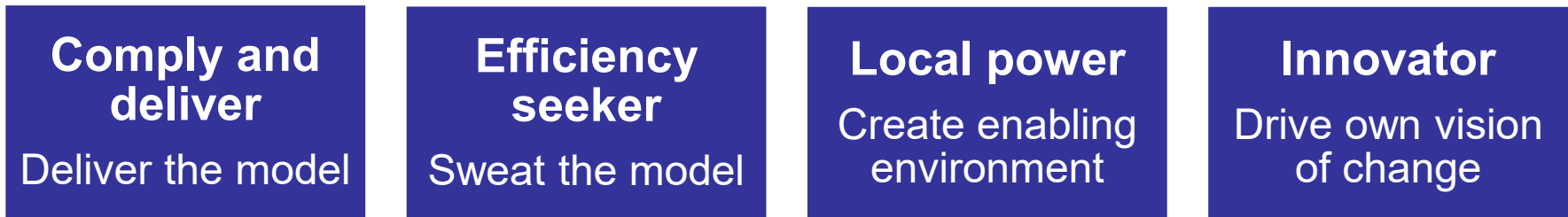
# How flexibilities were used from the bottom up (in local offices)

There were more examples of flexibilities coming from the bottom up:

- Districts used a range of tools to generate ideas, such as ‘open door’ email policies, online forms, staff meetings, customer feedback, thought boards, a ‘Dragon’s Den’
- Line managers then approved proposals, or escalated to the next level if necessary
  - With larger changes escalating eventually to the corporate centre through the ‘Yes/ No/ Maybe’ framework (but this had fallen out of use by the time of fieldwork)
- Management would then gather ideas and develop processes, as for top-down changes

# The role of local leaders appeared to be critical in encouraging flexibility

- The appetite for flexibility depended on the District Manager (and somewhat on office managers)
- The research found four 'types' of District Manager:



- Local leadership and the internal culture seemed the key drivers of **whether** flexibilities were used
- Management priorities were as significant as local labour market contexts in terms of **what** changes were introduced, if not more so

# Districts raised two key concerns with the use of flexibility

- First, the tensions between local flexibility and a national delivery model:
  - All Jobcentre Plus respondents emphasised the importance of operating within the boundaries of their operating model
  - Nonetheless they were often prepared to push boundaries where it was felt it could lead to efficiencies or performance gains
- Secondly, there was strong and understandable desire for greater flexibility over resources
  - Particularly, greater control over budgets and the scope to manage a total budget rather than year-on-year headcount limits

# 'Freedom and Flex' itself was often seen as 'the past' by Districts

- Few staff had a 'long view' of the evolution of 'Freedom and Flex' – due to very high staff turnover and movements between areas
- There was a general sense that the principles of Freedom and Flex had been absorbed into 'business as usual'
- No Districts had specific resource for Freedom and Flex at District or local levels
- Many staff stated that Freedom and Flex has finished: *"This is the first time I've heard the words spoken in a good 18 months"*
- The 'Yes/ No/ Maybe' framework had fallen out of use
- There was very little awareness of the 'catalogue' which captured previous decisions under 'Yes/ No/ Maybe'

# Districts had differing views on the future direction of flexibility

- Districts had generally positive views on flexibility, but with important distinctions on future direction – research participants fell into three groups:

| Broader and deeper   | Tweak  | Row back  |
|--|--|---|
| <ul style="list-style-type: none"><li>• Especially in Districts with previous 'Earned Autonomy'</li><li>• Wanted scope of F&amp;F to be much wider</li><li>• Felt less freedom than before</li></ul> | <ul style="list-style-type: none"><li>• Many other Districts and corporate centre</li><li>• Wanted to consolidate progress</li><li>• And address 'snags'</li></ul> | <ul style="list-style-type: none"><li>• Primarily corporate centre</li><li>• Felt F&amp;F had not fully delivered on promise</li><li>• And now not the right time to go further</li></ul> |

- There was a general sense that the direction of travel in the Department was away from flexibility, and back towards Standard Operating Models
- Many felt that Universal Credit would lead to less flexibility – which several considered was necessary and inevitable during rollout
- However, others felt that the Work Coach Delivery Model was essentially a new iteration of procedural flexibility



## 2.3 Innovation

- The focus in Districts was generally on ‘doing things in a new way’ rather than ‘doing new things’
  - Innovation was within a defined framework
  - With a general feeling that the freedom to innovate may diminish
- There was little evidence of genuinely new ways of delivering
  - Research found some (few) examples of involving new actors – mostly providers – or of extending service offers
- Many staff argued that the current focus was about right:
  - It minimised risk at a time of significant change
  - It operated within the boundaries of the policy regime
- Where there were examples of promising innovations, it was challenging to pursue or scale these (although it is common to find similar barriers in large organisations)
- Important to note that Jobcentre Plus also engaged staff through a ‘Bright Ideas’ process; and customers through feedback and surveys

# Procedural innovation was clearly adding value

- Districts reported that it contributed to **front-line efficiencies**
  - Enabling Districts to better deliver their core services within diminishing resources, and often freeing up space to work with other client groups and partners
- There were knock-on benefits for **frontline staff engagement**
  - Staff could use their time more efficiently
  - Staff had greater autonomy and would have their ideas heard
- It can Increase **customer interaction and satisfaction**, e.g.
  - Use of ‘open diaries’ enabled advisers to support more people
  - Group sessions were reported to improve support for key groups
- As a consequence, procedural innovation can lead to improved **service delivery and outcomes**

# However, procedural innovation also had limitations

- **The focus on efficiency** meant that innovation was usually limited to changing the existing model, rather than testing new approaches
  - This often meant that there was a limited set of innovations, around key performance indicators and caseload management
- Innovations almost always focused on **District resources**, and especially staff time, rather than the total cost to the business including benefit expenditure
  - So innovation centred on performance issues (e.g. Jobseeker's Allowance) and policy priorities (e.g. Young people) rather than wider drivers of cost like Employment and Support Allowance
- There was often therefore **less focus on outcomes** than performance

# There were nonetheless good examples of local delivery innovations

- These were often more outward-looking innovations:
  - Improving the use of contracted provision, and contracting support for more disadvantaged groups
  - Co-locating services, particularly with local authorities, so as to improve outreach and integration (but primarily to reduce cost)
  - Working in new partnerships, for example with housing and ‘troubled families’ teams, to reach more disadvantaged groups
  - To address rural challenges – for example transport and housing
- These innovations had good management involvement and oversight
- However there were often significant barriers to scale and replication:
  - Innovations were often opportunistic, not systematic – a result of resources becoming available or a convergence of partners’ priorities with Jobcentre Plus
  - Districts did not dedicate resource to evaluate innovations and did not know of / access central evaluation support
  - Districts did not establish formal systems to support sharing and learning, or make use of central systems such as the catalogue

## Case study – *Applying the rules flexibly* Dynamic Purchasing System (DPS)

The commercial processes for contracting third-party provision can take up to twelve months. So to address this, one Group developed a Dynamic Purchasing System (DPS) – allowing more flexible, reactive provision and helping smaller organisations to enter the market.

At the time of the research, the DPS was still being established and so awareness was low. Furthermore, there is a challenge to tightly manage provision, to ensure it is targeted and does not cause confusion among the Work Coaches. Necessary controls need to be put in place to discourage Work Coaches from using favoured provision, ensuring it is fit for the claimants need.

There appears to be clear scope to scale this approach, however some Districts raised concerns that it could replace their existing processes and partnerships.

## Case study – *Delivering the model differently* Voluntary Work Focused Support

With a reducing JSA caseload there has been an increased focus on supporting ESA customers. In this example, there was a strategy to work closely with those ESA customers that require assistance, through a voluntary early intervention and making claimants aware of the support available in Jobcentres.

Customers are invited to engage with a Work Coach by letter, telephone or text, asking if they would like to come in for extra support. The invitation clearly sets out that the engagement is not mandatory.

Feedback from staff was positive. However:

- There was limited evidence of rigorous evaluation;
- The strategy was being carried out alongside a central pilot, which risked contaminating groups – and the Group reported lower engagement levels after the central pilot launched.

## Case study – *Delivering the model differently* South West Wales, Job Alerts

South West Wales District wanted to adapt a Highways Agency service offering personalised road updates via SMS and email. With the help of Corporate IT, a service was developed for jobseekers to receive specific job updates via SMS and email as they became available.

Although the trial was extremely successful, it could not be scaled up – due to:

- Limits to IT budgets and capability; and
- Procurement issues – providers offer a different price and service depending on how widely the service will be used, and it was not known how many Districts would take up the offer. Procuring a national service was therefore impossible.

## **Case study – *Delivering the model differently* South West Wales, Carmarthen Youth Hub**

One office within the District has developed a model where all young claimants came to the Jobcentre on the same day of the week. Specialist support and group sessions were provided with external partners (such as the Prince's Trust and careers services), with the model intended to empower young people, give them confidence, and allow them to help each other and to shape their own service.

This is a good example of collaboration and tailoring to specific needs. Again however, it had not been evaluated – the only measurements were 13-week exit figures and customer feedback forms.

The model has also proven challenging to replicate across all sites, given the estates capacity, partnership commitments, resource and skill levels.



## Case study – *Delivering the model differently* Employability Hub

One district faced high youth unemployment in two particular areas, and collaborated with a local council, college and funding organisation to open an employment hub in March 2014 (part-funded through the Flexible Support Fund).

The hub initially offered job search and CV sessions, formal training, courses and work experience. However it was later scaled back as the full offer was seen to be incompatible with the service delivery requirements of Universal Credit. The employability skills service is still running.

This is an example of innovative thinking from the management level and of effective collaboration with partners. However it also highlights some of the challenges around financing and budgeting, and the impacts of Universal Credit rollout.

## Case study – *Delivering the model differently* East Anglia, Moped loan scheme

East Anglia District has several rural communities where transport is a major barrier to young people accessing and sustaining work. Public transport may be non-existent, unreliable or with timetables which make keeping a job difficult.

The District developed a scheme which loaned mopeds to young people for up to two months. If still in a job at that time, the young person would begin to pay back the loan in instalments.

The model is similar to *Wheels To Work*, which provides rental, loan or even free two-wheeled vehicles to people in rural areas. There are currently 38 W2W schemes across the country run by charities, social enterprises and local authorities.

This was the only Jobcentre Plus-run scheme of its type that we encountered in our research.

# There were three key sources of innovation

- From the front-line (office and work coach level):
  - Usually focused on process improvements
- From management (at District or Group level)
  - Usually focused on delivering the model in different ways
  - Often the source of ideas where resource or partnership opportunities become available – opportunistic change
  - Some (but few) examples of more systematic processes to generate or find new ideas
- From the corporate centre
  - Usually the source of more radical ideas – including formal trials
  - Respondents at District level often saw this as remote from practical / operational realities and priorities

# Comparing sources of innovation

- ✓ Positive factors
- ✗ Drawbacks

## Centre

- ✓ Specialist technical support
- ✓ Systematic trials/testing
- ✗ Typically seen as top-down
- ✗ Offer of support not widely used

## District / Group level

- ✓ Pushes boundaries
- ✓ / ✗ Formal approach
- ✗ Depends on personality
- ✗ Can be seen as top-down

## Middle management

- ✓ Identifies performance issues
- ✓ Encourages partnerships
- ✓ / ✗ Tends towards efficiencies, not innovation
- ✗ Significant constraints of scope and resources

## Front line

- ✓ Central to success of Freedom and Flexibility
- ✓ Essential for staff engagement
- ✓ / ✗ Tends towards efficiencies, not innovation
- ✗ Can lead to frustration when ideas are overruled

# Five key barriers to innovation were identified by Districts

1. The definition of the core Jobcentre Plus offer
  - Prescription around elements of the core offer – particularly JSA – limits scope for innovation
2. Capacity and capability
  - Limited availability of local support to encourage, design, test, evaluate and share innovations
  - Finite resource centrally to support formal trials – and risks of undermining evaluation where multiple trials running together
  - This was exacerbated by the pace of change in staff and delivery, which limits scope to innovate
3. The focus on short-term performance
  - Reducing the appetite for risks that may impact on performance in the short-term
4. A lack of budget flexibility – between years, or between resource and capital
5. Lack of senior buy-in, in some Districts

## 2.4 Testing and learning

- Testing, evaluation and learning from flexibilities and innovations was seen as the **key area for improvement** by respondents at all levels, despite central efforts to build capacity (see Section 2.6)
- The large majority of innovations at District and office level had no evaluation or separate monitoring – only monitoring of existing performance indicators
- In a very small number of cases, there was evidence of self-evaluation:
  - Light-touch ‘process’ evaluation – did it work as intended
  - Descriptive impact – what happened
  - With some examples of using standard forms to capture this
- Alongside monitoring of performance indicators, **gut feeling** was often the key measure of impact – whether it felt like it was working
- However learning efforts need to be proportionate to the scale of initiative being tried

# Formal trials, on the other hand, were often systematic in testing and learning

- Centrally-commissioned trials had strong processes for testing and learning
  - Usually combining process and impact evaluation, often using experimental methods (like Randomised Control Trials)
- However, the requirements for analytical rigour, and avoiding contamination of trial results, meant that Districts often reported that trials were ‘fenced off’:
  - It was common for Districts to feel that claimants or interventions had been ‘taken away’, even where idea originated in the District
  - There was also low visibility of findings at a District level (emerging or final), although the ‘What Works’ newsletter did surface these

# Sharing learning

- Sharing learning within Districts was generally through existing internal channels:
  - Customer Service Operation Manager networks, staff newsletters, Continuous Improvement/ Lean resource, ‘go-look-see’ approaches
- The ‘catalogue’, which was intended to capture local innovations, was mentioned by some as a source of ideas and learning
- However this was increasingly seen as out of date, with new ideas happening ‘off catalogue’
- At the time of research, there was no evidence of systems or process for routine sharing between Districts



## **Case study – *Delivering the model differently*** **Various districts – Continuous Improvement (CI) teams**

South West Wales District has invested in three CI leads from within their existing management resources, who are tasked with identifying areas for improvement; developing, implementing and evaluating plans; gathering and sharing good practice; and engaging staff.

The District has kept its CI leads since 2012, despite budgetary and other competing operational pressures. The District had the most structured processes for process improvement of the four Districts visited.

Another district formed a similar CI team when a small amount of spare capacity arose. However after the 2014/15 financial year, when that spare capacity was no longer available, the team was unaffordable.

# Overall there were four key challenges with replication from the bottom up

1. A lack of evidence on which ideas may work, and how
  2. A lack of visibility of good ideas elsewhere, particularly beyond the District
  3. Rapid changes in the delivery context, meaning innovations may 'age' quickly or cease to be relevant
  4. Sometimes, a resistance within Districts to take up straightforward ideas that were 'not invented here' – for example around flexible diaries, or new purchasing systems
- It is important to note too that many of these challenges are found in other organisations
  - Critically, small-scale replication depends on resources, systems and processes, and staff culture

# And there were three challenges with replicating from the top-down

1. Again, the lack of visibility on what was happening within Districts – given that the ‘catalogue’ and ‘Yes/ No/ Maybe’ had fallen out of use
  2. Generalising local processes – standardising specific local processes for wider testing (like Fit Note handling or ESA early intervention) appeared often to lead to the value of those new processes being fundamentally changed or even lost
  3. Timing – the lead-ins for more formal trials meant Districts that did generate insights from local innovations had often ‘moved on’ by the time new trials were in place
- Again, these challenges are not unique to DWP
  - However they point to the need to better capture local changes, and to involve practitioners (ideally initiators) in systematising and rolling out new trials

## 2.6 The role of the centre in F&F

- The role of the centre has evolved over time
- In 2013, each District Manager received a day of training from central analysts and policy officials, which included an ongoing offer of support
- Alongside this, a 'Single Point of Contact' was established to provide advice and improve access to the centre
- Also guidance on self-learning was produced by the corporate centre in conjunction with District representatives
- This led to regular requests from Districts for support and guidance
- Over the last 18 months, a central support and enabling group was disbanded and there has been a falloff in contact between points of contact and Districts

# At the time of research, there was little contact between Districts and the centre

- In general, the corporate centre was seen as remote – with very little dialogue from Districts to the centre around Freedom and Flexibilities
- The ‘Yes / No / Maybe’ framework for surfacing local innovations was now redundant
- There were no examples found of Districts seeking central support for evaluating flexibilities
- And little proactive engagement in either direction
  - The centre relied largely on written material and the intranet
  - While Districts perceived that the centre did not ‘understand’ operational realities
- However, the central ‘offer’ was very strong (see Section

3)

# 3. The Labour Market ‘What Works’ Offer

3.1 Understanding the offer

3.2 Key components of the offer

3.3 Linking evidence and policy

3.4 Linking evidence and practice

3.5 Learning from other What Works centres

# 3.1 Understanding the offer

This stage of research comprised two key elements:

- Assessment of the Labour Market Strategy ‘What Works’ offer, through:
  - Interviews with LMS staff
  - Desk review
  - Group discussions with LMS Board and other DWP stakeholders
  - From the perspective of corporate centre
- Benchmarking against other ‘What Works’ offers
  - Drawing on previous Nesta / Alliance for Useful Evidence research and engagement with UK and international What Works centres
  - Reading analysis of central perspective against findings of in-depth work with Districts

## 3.2 Key components of the offer

- **Rigorous testing / experimentation**
  - Trials and proof-of-concept
- **Marshalling evidence**
  - Logic models, evidence narratives and intervention options for key topics / policy areas
  - Evidence Shelf and database cataloguing evidence against relevant themes
- **Staff engagement**
  - Policy Lab events
  - Communities of interest on specific topics
- **Dissemination**
  - Quarterly evidence reviews on hot topics
  - Quarterly learning summaries from live trials
  - Learning Zone and What Works intranet portal
- **Cross-Whitehall evidence collaboration**

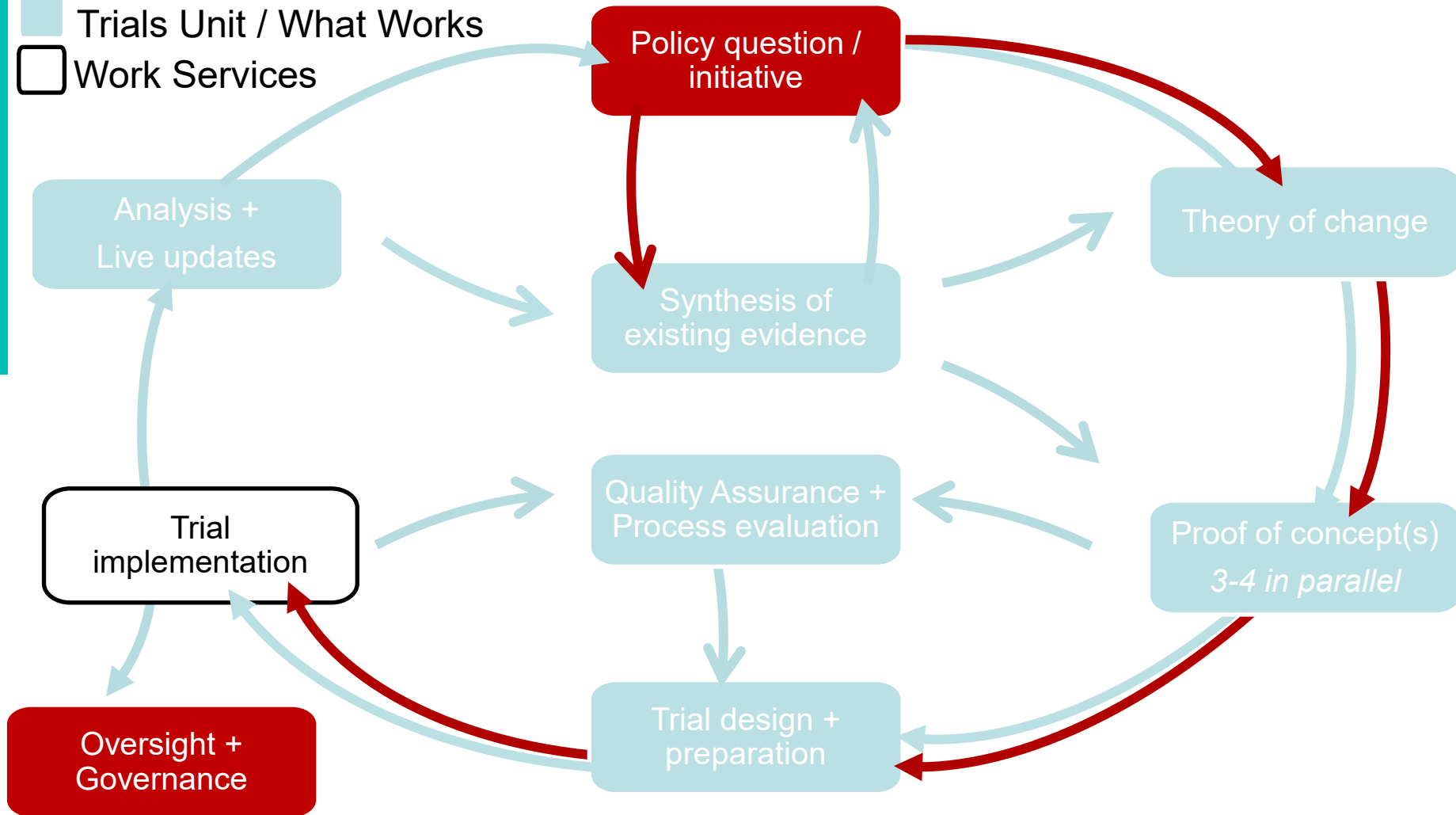


# 3.3 Linking evidence and policy

■ Policy

■ Trials Unit / What Works

□ Work Services



# Linking evidence to policy through trials

- There was a strong focus on strategic labour market outcomes – ‘what matters’ as well as ‘what works’
- With clear lines of sight between policy and evidence – process flows and engagement of policy customers
- Resources were in place for analytical rigour
  - A highly competent core team supporting rigorous design, implementation and analysis
  - Strong processes, guidance and support / QA
  - Increased prototyping – with parallel proof-of-concepts
  - Process improvements based on experience – e.g. Trial Implementation Project to address risk factors
- Analysis of the policy implications of trials was included
- And trials had effective governance, with:
  - Technical coordination – trials map
  - Senior oversight – Trials and Editorial Boards

# Evidence-policy links are strong, but there remain some big challenges

## 1. Timing

- The difficulty of gathering evidence of long-term labour market outcomes and applying these in a timely way, particularly given the rapid political cycle – need to invest in long-term What Works strategy
- Speed of policy change means that Labour Market Strategy has tended to be “serially monogamous” – focused on current priorities
- This contributes to a lack of collective sense-making on findings – attention has moved on by the time trials have completed

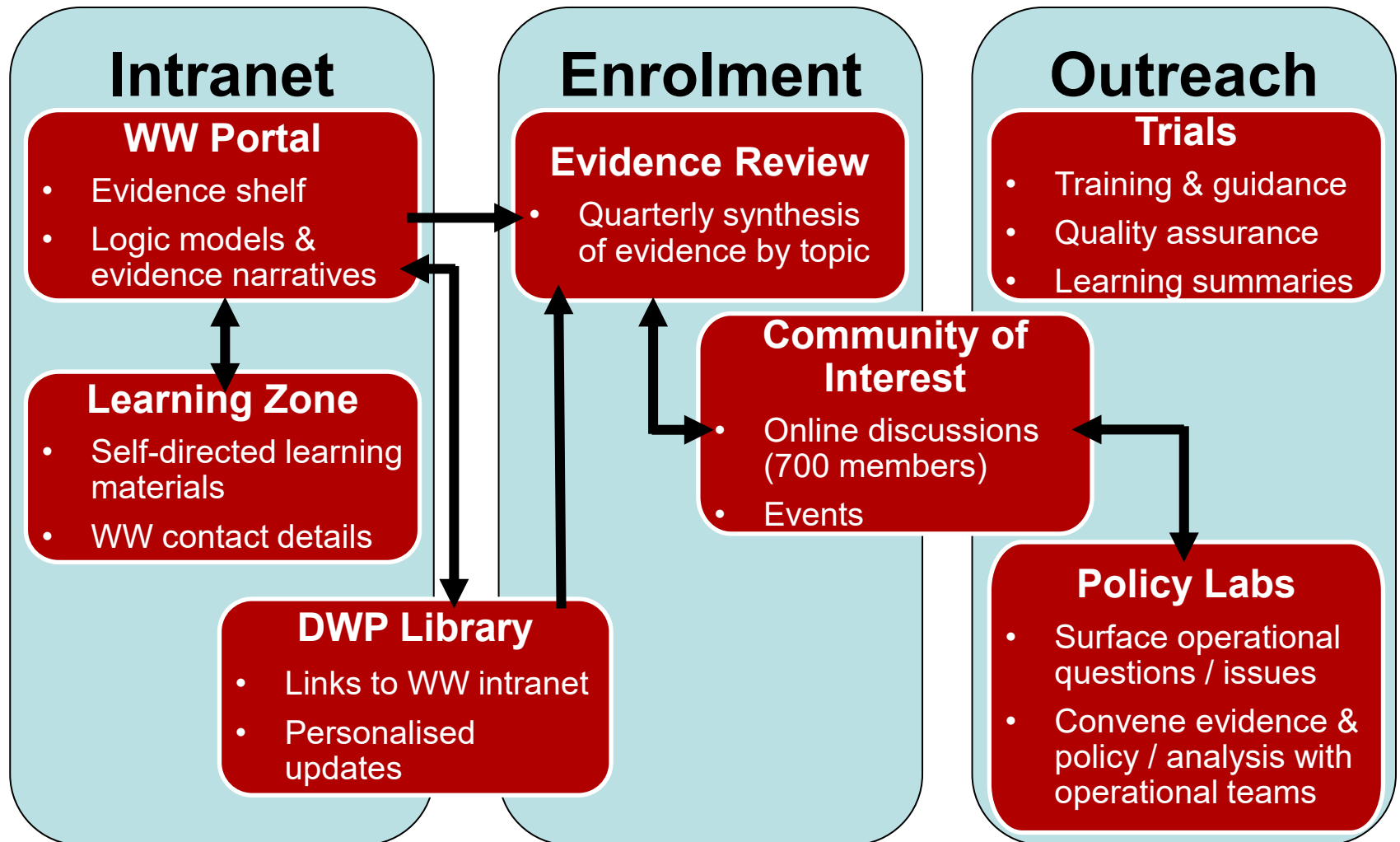
## 2. Potential tension between **evidence- and policy-led agendas**

- This was particularly acute where trials fail – is this useful learning, or embarrassing?

## 3. Where policy and operational teams collaborated to set up a trial outside LMS, sometimes seen as way of **circumventing process** – “landing poor trials”

- Again, these challenges are not unique to DWP, and are common across social policy

## 3.4 Linking evidence and practice



# Linking evidence and practice

- There was a lot going on, and a lot of good practice
  - A very wide offer – external and DWP evidence, policy narratives, links to e.g. psychologists/ insight
  - With significant central effort to marshal evidence in useful ways, alongside active dissemination – with a good link to the DWP library
- Structured **engagement pathways** existed for practitioners
  - Intranet portal/ Learning Zone, where practitioners could sign up for news digest or Community of Interest, leading to invites to events
  - Opportunities for self-directed engagement (e.g. Learning Zone) as well as more ‘broadcast’ channels
  - 700 members of Communities of Interest
- Some **face-to-face engagement** with practitioners
  - Policy Lab – where Districts identify challenge; and the ‘What Works’ team convenes an event to explore evidence and ideas
  - In previous years, ‘Evidence Master classes’ were also held

# There are nonetheless major challenges linking evidence to practice

- **Capacity** for more proactive engagement
  - 80,000+ delivery staff – this means there is limited scope to do more than broadcast
- **Accessibility** of what's already there
  - Work under way to improve ease of access (content and navigation)
  - Frontline staff were often unaware of the evidence offer (see Section 2)
- Fitting the evidence offer to **practitioner priorities**
  - Mismatch between What Works offer and WSD priorities – limited scope to promote / invite engagement
  - What Works and WSD could do more to build a shared agenda that would incentivise frontline staff engagement

# There are particular gaps in linking trials to practice

- Building the **capability of Jobcentre Plus to undertake trials** and use evidence – with only limited work being done at the time of research
- Analysing the **implications of trial evidence for practitioners** (as opposed to policy makers)
- Building the **engagement of operational staff**
  - There were relatively few examples of District-driven initiatives being picked up into a formal trial
  - And even these could lead to disengagement (see Section 2)
  - With limited space for co-production – most trials were policy-led
  - Engagement was better where the Trials Unit had previously provided support, training or QA on District initiatives
- Information on, and **visibility of, frontline practice**
  - This was necessary both to identify promising and to understand what service those outside trials were receiving

## 3.5 Learning from other What Works centres

Key lessons from ‘best-in-class’ What Works centres in UK and overseas are that:

- Evidence needs to sit alongside policy and operational context and professional judgement, not above them
- **Leadership and political will** are fundamental
- Informing practice is extremely challenging, even in the highest-profile/ best-resourced cases
- Effective **communication and engagement with practitioners** is key for uptake
- **Visibility** is a prerequisite for success



# Lessons from the UK – the Education Endowment Foundation

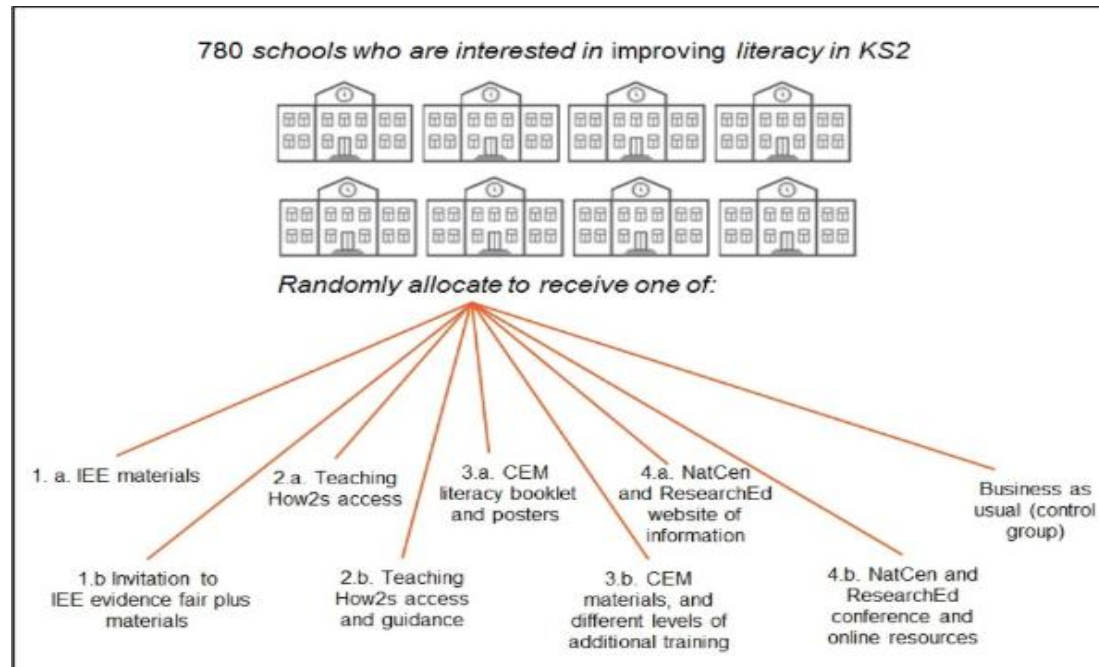
- Best-in-class toolkit, linking evidence of efficacy to cost in easy, visual format
- **But** schools aren't taking up recommendations
- Effective dissemination and active engagement with decision-makers at every level is central

The screenshot shows the Education Endowment Foundation Toolkit website. The header includes the EEF logo and navigation links. A search bar is present with the text "e.g. Pupil Premium". Below the header, there are tabs for "Toolkit Info", "Toolkit Filter", "Pupil Premium Calculator", "Latest Updates", and "Downloads". The main content area displays a list of interventions with the following data:

| Intervention                       | Cost (£) | Rating (Stars) | Duration (Months) |
|------------------------------------|----------|----------------|-------------------|
| Feedback                           | £££££    | ★★★★☆          | +8 months         |
| Meta-cognition and self-regulation | £££££    | ★★★★☆          | +8 months         |
| Peer tutoring                      | £££££    | ★★★★☆          | +6 months         |
| Early years intervention           | £££££    | ★★★★☆          | +6 months         |
| One to one tuition                 | £££££    | ★★★★☆          | +5 months         |
| Homework (Secondary)               | £££££    | ★★★★☆          | +5 months         |
| Collaborative learning             | £££££    | ★★★★☆          | +5 months         |
| Phonics                            | £££££    | ★★★★☆          | +4 months         |
| Small group tuition                | £££££    | ★★★☆☆          | +4 months         |

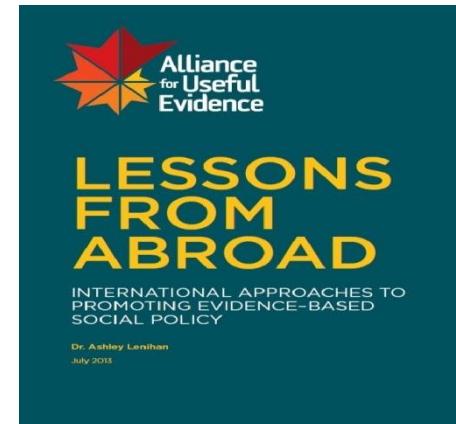
# The EEF 'Octopus' Trial

- The EEF is therefore testing different approaches to communicating and engaging with schools
- Multi-armed Randomised Controlled Trial on how to change practice in KS2 literacy support



# Lessons from overseas

- Effective **communication and engagement with practitioners** are paramount
- Strong **leadership** and **political support** are also key to influence policy and decision-making
- **Independence** and **diverse funding sources** are highly valuable for external credibility...
- ... As are **visibility, transparency** and **data openness**
- Not just RCTs – emphasis on **rigour, regardless of method**, allows for much wider / more actionable evidence base
- It should be noted that DWP makes use of European Social Fund funding and work is underway with devolved areas to look at bringing funding streams together



# Benchmarking the DWP offer

**The DWP “What Works” offer stands up strongly against other UK social policy areas**

- Including health (NICE) and education (EEF)

Its distinctive strengths are:

- Structured processes for **policy-evidence dialogue**
- Embedded **trials capability**

However there are key gaps:

- **Engagement of practitioners** in generating evidence and promoting uptake
- Visibility and **transparency**

# Comparing DWP with other offers

| Component                          | DWP Offer   | Other WW Offers   |
|------------------------------------|---|---|
| Rigorous testing / experimentation | <ul style="list-style-type: none"> <li>• Good two-way links between trials and policy</li> <li>• Embedded support function and oversight are distinctive strengths</li> </ul>   | EEF investing in trials, but lacks embedded support alongside schools   |
| Using evidence to inform policy    | <ul style="list-style-type: none"> <li>• Good engagement with policy – synthesis and generation of policy-relevant evidence</li> <li>• Tensions between evidence- and policy-led agendas – is lack of independence an issue?</li> <li>• Cross-Whitehall coordination is a distinctive strength</li> </ul> | EEF, NICE & WWCLEG - deliberate position independent of central government policy-making<br><br>PPIW inside Welsh Government one of few UK comparators      |
| Using evidence to inform practice  | <ul style="list-style-type: none"> <li>• Less attention to this - products still largely policy-oriented</li> <li>• Thoughtful but limited practitioner engagement (virtual &amp; F2F) to surface questions and disseminate evidence</li> <li>• Database in development</li> </ul>                        | EEF & NICE strong focus on practice; CfAB & EIF emerging<br>Lessons to learn from CoP & EEF co-production approaches  |
| Dissemination & transparency       | <ul style="list-style-type: none"> <li>• High volume but more needed on accessibility</li> <li>• Lack of visibility, external engagement &amp; publication / transparency are key gaps</li> </ul>   | EEF & NICE – very high quality products but limited uptake<br>All WW centres transparent, with external facing roles / products – MoJ Data Lab a good model |

# Implications for the Department

- Recognise the **distinctive strengths** of the existing DWP offer – e.g. embedded Trials Unit
- There may be scope to move towards a more **visible and public** What Works function
  - Exploring the potential for other sources of funding (e.g. ESRC) and/or a more arms-length role
- Invest in building **communications capability**
  - To test new methods of dissemination
  - And to recognise and fund communications as core business
- Engage **practitioners as partners**
  - There would be value in co-produced trials and evidence generation
  - Active dialogue, networking and brokering is important
  - Evidence ‘masterclasses’ and policy briefs could add value
- Press ahead with developing a **Data Lab**

# 4. Flexibility, innovation and learning in the wider sector

- 4.1 The state of innovation and flexibility
- 4.2 How the sector learns and shares
- 4.3 Key barriers
- 4.4 Building an evidence ecosystem

## 4.1 The state of innovation and flexibility

- Interviews with practitioners in the wider employment services sector and a review of relevant evidence found similar headline findings to those in DWP and Jobcentre Plus:
  - Little genuine innovation in services – i.e. doing different things rather than doing things differently
  - A strong focus on procedural efficiency – for example in caseload management and use of technology
  - This was driven by performance and value for money concerns
  - Innovation and flex was generally reactive rather than proactive
  - There was significant variation between organisations
  - The most innovation was often in services not contracted by government



# There are things that the wider sector does better...

- There appears to be greater **customer involvement** in design and development of new approaches
- Some organisations had **good structures** for bottom-up innovation, communication and implementation
- There was often a stronger focus on **efficiency and cost** than DWP
- There was greater investment in **IT and data systems**
- **Transparency** *within* organisations appeared to be stronger (internal communications, dashboards etc.)

# ... and things that the sector does worse

- On the whole, there was **less innovation** in new ways of working than in DWP
- Organisations had significant **top-down change** and staff turnover – often linked to commissioning timescales
- Providers had limited understanding of what is innovative
  - *“We call things innovative, but in reality we were doing them ten years ago”*
- Mostly providers were very weak at testing, evaluating, sharing and collaborating
- There was often reluctance to go beyond the bare minimum requirements – with less evidence of public benefit motivation than within DWP

## 4.2 How the sector learns and shares: Testing and learning

- The sector is generally poor at testing, evaluating and learning from new ways of doing things
- Performance indicators, (unstructured) qualitative feedback from staff and customers and ‘gut feeling’ were the usual measures of success
- Smaller organisations do not have the **resources** to test; while larger organisations did not appear to have the **will**
- Good practice was rare (one example of a randomised trial, two examples of non-experimental testing)
- DWP are developing a Proof of Concept for an Analytical Service which, if viable, may help the sector learn what works

## Case study – Evaluation Timewise

Timewise aims to grow the flexible job market so that people who need or want flexible working can access quality jobs that retain their value in the workplace. They operate a range of recruitment and advisory services to business on flexible hiring, coaching services for low income parents seeking flexible jobs, and a research and innovation department (the Foundation) that tests and shares market insights.

Timewise has developed a rigorous approach to testing; new ideas are first ‘incubated’ and trialled in the Foundation, where a business case is made. Timewise often carries out external evaluations before scaling innovations up. Timewise expressed its commitment to research and to sharing their learning as widely as possible, to maximise impact on both policy and practice.

## Case study – An end-to-end innovation process Leonard Cheshire Disability (LCD)

LCD, a care organisation for people with disabilities, has a dedicated 'Insight and Innovation' function working on employment.

The organisation has a clear five-step innovation process:

1. Generation – top-down (market and data analysis) and bottom-up (staff and customer forums)
2. Development – by management, with staff and customer involvement
3. Piloting – developing a Theory of Change and evaluation plan, implementing on a small scale
4. Scaling – only if evaluation is positive; return to development if not
5. Evaluation – constant monitoring (quant. and qual.) and tweaking for improvements

LCD identifies data sharing, funding and integrated working as key areas for further improvement.

# How the sector learns and shares

- There were rare good examples of sharing
  - Sharing within **supply chains** appeared to work well, particularly within Work Programme contracts
  - Some organisations had a genuine keenness to share
- However, competition has stifled collaboration
  - *“If you come up with something good, the last thing you want to do is share it”*
  - *“Everyone’s very **secretive**, even though they all do broadly the same [thing]”*
- Organisations often appeared to be **complacent** on the value of learning from others
  - *“There’s ego [...] Everyone thinks they’re doing the right thing”*

# The role of networks

- There are relatively few opportunities to share between organisations
- ERSA and IEP are the only sharing bodies
- Those interviewed had mixed feelings about ERSA
- It was felt to be good at organising workshops and networks – but not at promoting and supporting innovation
- Other organisations, notably Inclusion, were cited as promoting sharing and learning – but this was often limited to paid-for events and broadcasting of research findings
- Issues were raised in particular around **accessibility of evidence** (and its usefulness to practitioners)

## 4.3 Key barriers – to innovation

- The contracting process disincentivises innovation
  - Large scale, set-piece contracting places a premium on offering ‘proven’ services rather than innovative approaches
  - Payment by Results had reduced the scope for innovation – prompting ‘loss aversion’ at the risk of innovations that don’t work – described by one as *“the antithesis of innovation”*
- A strong targets culture meant providers are pushed hard on short-term delivery – again increasing the downside risk of innovations that may cause short-term disruption
- Contract management was felt to be often prescriptive
  - *“[The WP] promotes black box innovation until the contract is signed”*
- DWP encourages providers to share best practice through the National Provider Forum, Operational Forum, EPR workshops and support and encourage providers to share best practice both within their Contract Package Area with other primes as well as with their own contracts nationally



# Barriers to openness and sharing

- Commercial and competitive pressures inevitably reduce the scope for sharing and collaboration
- However, the market was also considered to have changed:
  - Larger organisations are more dominant than in the past, with often more fixed views on ‘what works’ and less appetite for sharing
  - Generally fewer organisations were delivering services – contributing to fewer events and less well-attended events
  - The market was considered to be increasingly transactional, with less appetite for trying new things and collaborating
- Specific procurement policy and practice could also act as barriers, such as the limit on three grants under the Flexible Support Fund

## Case study – Lack of collaboration Housing association and Work Programme prime

A housing association (HA) was keen to work with a Work Programme prime, so that the prime could inform tenants about the employment offer which the HA provided.

Some of the HA's schemes were extremely innovative, possibly because their offer needed to be different from the Jobcentre Plus and Work Programme offer. The prime, however, declined:

*“When we put forward an idea, we were laughed at [...] they could have got an outcome for £50, but they don't want to get involved [...] there's no incentive for primes to work with other organisations. [And if they do,] they get the credit for getting someone into work, which sets up an unhealthy relationship.”*

*Housing Association interviewee*

## 4.5 Building an evidence ecosystem

Sector consultation highlighted the lack of an ‘**ecosystem**’ for learning and innovation, i.e.:

- A **commissioning** environment that values innovation and creates space for risk and learning
- **Evidence** built into commissioning processes:
  - Resources for robust evaluation
  - Incentives to generate, use and share evidence
- **Curation** of existing evidence:
  - Open repository and signposting, plus ...
  - Synthesis and QA – *“a TripAdvisor for evidence”*
- **Open data** that is detailed enough to be useful for learning and performance improvement

# 5. Recommendations

1. Local flexibility and innovation
2. The corporate offer
3. Shaping the market

# 5.1 Local flexibility and innovation – *doing things better*

1. Confirm the **flexibility within the core offer**
  - Clarify boundaries of District authority/ discretion
  - Scrap the ‘Yes/ No/ Maybe’ framework and communicate the value of/ permission for procedural flex
2. Address **procedural barriers** to local flexibility
  - Consider the case for single budgets with greater discretion over local procurement of services
  - Focus on measuring outcomes over outputs
  - Look at scope to measure the net benefit savings from effective local interventions for those further from work (in particular claimants of ESA)

# Local flexibility and innovation – *doing better things*

## 3. Enable operations-led **innovation**

- Provide resources at District level – staff capability and management permission, beyond simply money
- Consider a competitive process for Districts to bid for central support to develop/ test innovations
- Focus on longer-term outcomes and how innovation can be “de-risked” in the short term

## 4. Incentivise **collaboration** at District level

- Address and overcome the barriers between Jobcentre Plus and Work Programme services within local areas
- Build on current innovations to reduce the transactional costs of procuring local voluntary and community sector services
- Look at the scope to incentivise more innovation with employers

## 5.2 The corporate offer – *generating evidence*

### 5. Engage **practitioners as partners**

- Consider a ‘buddy system’ between corporate and operational staff to share learning and provide support
- Consider an ‘Evaluation Fund’ to provide evaluation support to operation-led innovations (competitive tender)

### 6. Repackage and re launch the **evaluation offer**

- Simple / user-friendly reporting and evaluation tool(s) and guidance, with range of methods
- ‘Business partner’ model from LM / What Works with deeper dialogue and proactive engagement

### 7. Establish a ‘**data lab**’ and open it to Districts – to reduce barriers to measuring impact and testing

# The corporate offer – *sharing learning*

## 8. Resource **proactive engagement** with operations

- Communicate live news and updates from trials – revisit the current approach and targeting
- Work with operational staff to champion and communicate learning and evidence
- Test new methods of disseminating evidence/ promoting uptake, deploying behavioural insight

## 9. Incentivise **sharing and exchange**

- Consider dedicated resources for frontline staff to go-look-see
- Build networks at Group level, and communities-of-practice around similar labour market characteristics
- Close the ‘catalogue’ and develop a new (simpler) channel to share ideas, innovations and lessons



# The corporate offer – *promoting uptake*

## 10. Improve the direct links between **operational and policy staff**

- Consider the case for (re)running training and support offer for key contacts in Districts
- Ensure that there is resource and guidance on self-evaluation, and promote its use

## 11. Re launch/ reinvigorate **learning networks**

- Facilitated groups to bring together interested Jobcentre Plus staff to share learning and practice

## 5.3 Shaping the market

### 12. Include the sector in **DWP sharing initiatives**

- Learning networks, Data Lab etc
- Foster dialogue between JCP, providers and employers – engage them in generating evidence

### 13. Focus **resources** on innovation

- Explore the scope for a top-sliced ‘Innovation Fund’ for the sector, with controls on what is tested, how, and how it’s shared
- Look at how innovation is incentivised – creating space to learn, and stronger incentives to over-perform

### 14. Incentivise **sector sharing** and transparency

- Learning and sharing as part of contracts

### 15. Develop this as an **outward facing ‘what works’ offer**