European Commission

INTEGRATING SERVICES TO SUPPORT THE LABOUR MARKET INTEGRATION OF MINIMUM INCOME RECIPIENTS

PRACTITIONERS' CHECKLIST

Social Europe

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Manuscript completed in June 2018. Written by Ágota Scharle (Budapest Institute). This practitioners' checklist is an annex to the «Study on integrated delivery of social services aiming at the activation of minimum income recipients in the labour market - success factors and reform pathways.»

Luxembourg: Publications Office of the European Union, 2018

PDF ISBN 978-92-79-85683-9 doi:10.2767/52176 KE-02-18-644-EN-N

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Practitioners' checklist

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CONTENTS

1. INTRODUCTION

1.1. What is the purpose of the checklist?

This checklist is intended to assist policymakers and service providers in designing and implementing a coordinated system of services in order to support the social and labour market integration of minimum income recipients. It provides concrete guidance and tools, as well as insight into the rationale behind, and the connections between, the elements of service delivery. This may help practitioners to broaden their understanding of their role and to see how it fits together with the work of their colleagues in other parts of this complex system.

1.2. Why have a checklist on the coordination of services?

Minimum income schemes (MIS) mainly cover both working-age individuals, and their households, who may be unemployed or economically inactive. In most Member States, they comprise a large group, comparable to those who are unemployed, representing around 3–6 % of the working-age population. MIS recipients often face multiple barriers to returning to the labour market, and many are discouraged from looking for work. They may depend on MIS for several years or on repeated occasions (Immervoll et al., 2015). Some potential recipients may not claim social benefits because of a lack of information or a fear of being stigmatised or for other reasons.

Coordination across services has advantages beyond removing duplications and ensuring that MIS recipients have access to the range of services needed to tackle the multiple barriers with which they are faced. It can support outreach efforts (by enabling referrals from several contact points) and facilitate the monitoring of client trajectories during long and repeated benefit spells.

In most Member States, public employment services (PES) focus on preventing long-term unemployment and labour market integration efforts for the long-term unemployed (LTU) who are not supported by the design and administration of passive benefits. While receipt of social benefits is often conditional on looking for work, this conditional approach is often not enforced, in particular where there are gaps in the scale or range of available active measures.

The Council Recommendation on the integration of the long-term unemployed calls for «close cooperation between, and effective coordination of, all parties involved in the reintegration of the long-term unemployed.»

This checklist focuses on strengthening coordination between employment and social services that is often needed by inactive or LTU benefit recipients. The contents are partly based on a toolkit (European Commission 2016) on services for the long-term unemployed, and partly on the results of the «study on integrated delivery of social services aiming at the activation of minimum income recipients - success factors and reform pathways». (European Commission 2018). It should be noted that some countries have implemented successive reforms and the examples do not necessarily refer to the most recent ones.

1.3. Who is the checklist aimed at?

The checklist is aimed at policymakers and practitioners in employment and social services who are involved in designing or implementing service integration initiatives. It may also provide inspiration to practitioners looking for fresh ideas for evaluating and improving their existing practices.

1.4. How is the checklist structured and how do I navigate around the information?

The checklist focuses on three main steps, based on a cycle of continuous improvement:

1. Planning and design — providing practical advice on the development of new or existing approaches to service integration and job integration agreements.
2. Implementation — providing practical advice on implementation issues.
3. Monitoring and evaluation — reviewing the whole process and feedback on the planning and design phase.

Each step contains a range of practical information concerning what to think about and which actions to take. This includes practical tips, tools, PES examples and signposts to further information.

The checklist is developed for people with a wide variety of roles. You can navigate around the information in several ways depending on your role.

- Are you a practitioner tasked with designing, developing and implementing service integration initiatives? If yes, reading the whole checklist is highly recommended.
- Are you an operational delivery manager? If yes, you may find Step 2 especially relevant.
- Are you a policymaker? If yes, you should focus on Step 1 and Step 3.
- Are you a performance and change implementation manager? If yes, you should focus on Step 3, although you may also find some parts of Step 2 to be relevant.

2. Step 1. Political commitment and goal setting

Key highlights

In this step, you will learn:

- how to assess need for the reform;
- how to determine the goal of the reform;
- the importance of the reform's political aspects.

Key messages

- The goal of the reform should be chosen in view of the initial institutional setup and the reform capacity of the government
- Ambitious integration reforms require strong and sustained political commitment, especially in countries where local governments have considerable autonomy in service provision.

2.1. How to assess the need and feasibility of the reform?

Service integration is not a silver bullet: it does not solve all inefficiencies in service provision, and it requires considerable administrative capacity to design and implement appropriately. Therefore, as a first step the sources of existing inefficiencies in services for MIS recipients need to be evaluated carefully. If, for example, the main problem is a lack of service capacity or low/uneven quality of service, it may be more efficient to resolve these first.

As integration reforms typically affect all government levels and may take several years to implement, such initiatives can absorb much of the 'reform capacities' of public administration in a political cycle, especially in countries where administrative capacity is relatively low, and external technical assistance is not available. Thus, governments need to weigh the potential gains of such reforms against other options that are more feasible or that may yield similar benefits at a lower cost or within a shorter timeframe.

2.2. Putting integration reform on the agenda

Though service integration reforms are mainly technical in nature, for ambitious reforms, it is important that the government secures a broad political consensus, for several reasons. Firstly, if the initial institutional set-up is fragmented and the integration goal is ambitious, the reform may spread over several political cycles. Secondly, in countries where social services are mainly provided by local governments, the integration process will inevitably affect political stakeholders and may also require a constitutional amendment, if it entails a revision of municipal functions. Improving cooperation and integration between different services within already-reformed institutional settings will probably not be flagged up at the political level, but nevertheless requires political support, in particular at the local level.

Example: Germany and Ireland

The German Hartz IV reform was favoured by several conditions coming together: (a) a problem recognised by all major parties (long-term unemployment and an ineffective institutional structure administering it); (b) a specific window (the so-called placement scandal that broke in February 2002, when the Bundesrechnungshof (Federal Audit Court) highlighted that the PES placement statistics had been incorrectly reported); and (c) political pressure to act (the forthcoming general election in 2002). These factors generated a dynamic that opened up the opportunity for a wide-ranging reform that would mark a significant paradigmatic shift in Germany's welfare tradition. (IDSS Country Study Germany).

The Irish case was somewhat similar: the Intreo reform was part of the Pathways to Work (PtW) strategy that focused on activation and was endorsed at a time of intense economic pressure. (IDSS Country Studies Ireland).

2.3. How to determine the goal of the reform

When an ambitious reform is not feasible because of political constraints or the limited reform capacity of the public administration, you may still consider piecemeal interventions to improve cooperation across services.

The effectiveness of an integrated system of service provision is interdependent with the overall approach to activating minimum income recipients. This implies that it is advisable to assess carefully the effectiveness of the existing activation approach, and if necessary broaden the reform to address any inefficiencies detected. Alternatively, if activation is already on the agenda, it is advisable to use this opportunity and link such reforms to strengthening cooperation between services.

2.4. Managing public support for the reform

Service integration reforms may easily get linked to sensitive political issues, such as activation or benefit fraud. You need to manage carefully this risk and avoid losing public support by timely and clear communication about the aims and expected outcomes of the reform. This also calls for gaining and sustaining a high level of political commitment at all levels of government, especially in countries where there is considerable autonomy in the administration of social services and means-tested minimum income benefits at the local level.

Example: the anti-poverty coalition committee in Romania

In Romania, the service integration reform is part of the "National Anti-Poverty Package", a broader initiative to reduce poverty. The government set up an anti-poverty coalition committee in April 2016 to monitor the implementation of the package. The committee had a monitoring role and provided support to all ministries involved in the implementation of the anti-poverty package. Its members represented government agencies, such as the Ministry for National Education, the Ministry for Health, the Ministry for Labour, Family, Social Protection and Elderly, the National Authority for the Protection of the Rights of the Child and Adoption, the National Authority for the Disabled, the National Agency for the Roma and 46 non-governmental organisations. The committee met on a monthly basis and reported to the prime minister every 6 months.

3. Step 2. Planning and designing the coordination of services

Key highlights

In this step, you will learn:

- how to identify services to include and which agency should take the lead in the integrated system;
- how to allocate the roles across cooperating services;
- how to find the depth of integration that is appropriate for your organisation;
- how to weigh up the (dis)advantages of virtual and physical single points of contact.

Key messages

- Choose partners with care based on their 'service relevance'.
- Assess the capability of each partner with care.
- Consider piloting your proposed model to test its relevance and effectiveness.

3.1. Gathering evidence for good design

First and foremost, effective design should take into account the existing institutional set-up, from capacities in service provision and management to existing practices in performance incentives. You should carefully assess these initial conditions when evaluating the transferability of some international good practice in service integration.

The existing literature on service integration has many open questions on the exact design of particular elements of integrated systems. Some of these can be resolved by using pilot schemes to test the relative effectiveness of alternative solutions (see Step 4 for more concrete ideas). Reviewing experiences gained over time for similar target groups or service areas, based on solid evaluation, is also be helpful.

3.2. Involving stakeholders in the design phase

Given the complexity of service integration reforms, it is crucial to involve stakeholders in the design phase to pool their knowledge and to ensure they buy in to the reform. This is especially important if the initial set-up is fragmented, and where evidence on service capacities and quality is limited, or the reform may involve a major rearrangement of role division and budgets.

3.3. How to decide on what services to integrate?

The range of services to be integrated can be best derived from the needs of jobseekers. Firstly, consider what services are needed by most of your MIS clients, for example, counselling on available social benefits, administration of benefit claims and basic advice on health problems or debt counselling. If you are unsure, it is good to start with a systematic analysis of the labour market barriers of your clients. Next, identify which of these services are most closely related to employment services and to each other. Lastly, consider the obstacles to the integration process and limit the final range to the closely related services whose integration is manageable, given the constraints of the institutional context.

Example: building a broad reform alliance in Finland

Finland has a tradition of planning and implementing reforms in a highly consensual way. In the case of the LAFOS reform of 2002, the Ministry of Economic Affairs and Employment, the Ministry of Health and Social Affairs, the Finnish Association of Local and Regional Authorities, Kela (social security institution), social partners, voluntary actors, regional actors, municipalities and other stakeholders all participated in initiating, implementing and commenting on the reform (IDSS Country Study Finland).

Services can be classified as closely related in several ways:

- The client needs to get (or is more likely to seek) service A before they can benefit from service B.
- Service A has a higher impact if provided together with service B.
- The providers of service A need to know about what and when the client is doing with or receiving from service B in order to be successful (and possibly vice versa).
- Providing service A and B requires similar skills, expertise and/or infrastructure.

To decide what may be feasible in your country, consider to whom you are providing the services that you wish to integrate:

- Do they belong to a government agency? Are they supervised by the same ministry? Does their funding originate from the same source?
- Do they have the same or similar goals?
- Do they operate at the same level in the governance structure? Do their local offices serve the same geographical areas?
- Do they enjoy the same degree of autonomy?
- Do they use similar/compatible IT systems?

Example: including health services in the Basque Country (Spain) and Finland

In the Basque Country (Spain), the newly established one-stop shop Lanbide is responsible for case management. An inclusion agreement is designed jointly by the employment counsellor and the benefit recipient that also includes an employability pathway and/or, when needed, additional measures to be provided by other service providers (social services, health, housing etc.). This is monitored and controlled by Lanbide. In theory, the inclusion agreement includes links to the additional public services needed but the actual coordination with these services needs further improvement (IDSS Country Study Basque Country (Spain)).

In Finland, all LAFOS units maintain a joint service of the PES, social work (a local authority function) and Kela (rehabilitation). In the city of Salo, this was extended to employing a full-time public healthcare nurse for clients at the LAFOS centre. Another nurse works in the basic health centre to screen the long-term unemployed. The nurse works with the LAFOS team (employment counsellor, social worker and national insurance worker) on a full-time basis, and a doctor, twice a week. The Kela worker works once a week and offers rehabilitation services. There are also plans to have closer cooperation with a substance abuse clinic (IDSS Good Practice).

3.4. How to decide on the depth of integration?

The depth of integration may range from voluntary, occasional cooperation to providing services under one roof, in a united organisational framework. The optimal depth of integration depends on the relations between the services (see above), as well as on the institutional constraints. You may also vary the depth according to the service. Integrated, but badly managed, services are not necessarily better than separate, well-managed services. Thus, it is important to choose the right depth that is still manageable.

The more dissimilar the services, the more problems may arise during the reform and in managing the integrated system. In more general terms, you may also consider the overall efficiency of public administration in employment and social policy at all levels of government. If it is weak, you may wish to start with a less ambitious goal, as a complicated integration reform is a challenging task even for a highly efficient public administration body. Seeking technical assistance from international organisations may also be helpful when administrative capacities are limited.

A related issue is the choice between cooperating with peer organisations or subcontracting service providers. This checklist focuses on the former solution. This issue depends partly on the institutional context, and especially the existing range of publicly provided services, and partly on the nature of the particular service. For example, services that require highly specialised expertise, such as serving clients with a particular disability, are often provided only by NGOs. In this case, subcontracting may ensure more control for the public agency over the quality of the service provided, compared to some form of cooperation in which the NGO has no contractual obligation to meet a particular quality standard.

3.5. How to decide which agency should be the lead in the integrated system of services

There are advantages if the lead agency has labour market integration as its main goal, and some experience in and capacity for coordination. It should have a sufficiently dispersed local network; it is best if it already has a local office in each of the geographical areas where you plan to have an integrated unit. It also helps if it is well regarded by other agencies and if it already has a mandate to coordinate other institutions, otherwise this needs to be established during the reform, which may not be easy.

In systems where the local government has a high degree of autonomy with strong performance incentives, and where municipal districts roughly correspond to local labour markets, it may be effective to delegate the lead role to the local municipality. If any of these conditions are not met, the agency responsible for activation and employment services may be a good candidate.

3.6. How to allocate the roles across cooperating services

There is considerable risk in integrated systems where no single partner feels fully accountable for the actions of the partnership because of the shared responsibility (McQuaid, 2010).

In order to ensure accountability, to reduce unnecessary duplication and to avoid confusion, it is important to have a clear division of roles and responsibilities between cooperating agencies, or between the units after a merger. In the case of shared roles — for example informing clients or planning — there

Example: competition of lead agencies in Germany

The experience of the Hartz IV reforms is particularly relevant for countries with complex institutional and governance structures wishing to integrate welfare services. As part of a series of reforms in the social sector in the early 2000s (the Hartz reforms), Germany embarked on integrating social and labour market services, with varying degrees of success.

In the pre-reform system, the German PES (BA) was responsible for benefit delivery and the activation of insured jobseekers and those unemployed who had exhausted their unemployment benefit. Municipalities were responsible for reintegrating social assistance clients (benefits and service delivery). The pre-reform system was burdened by inefficiencies, such as shifting responsibilities between the BA and the municipalities, and varying service quality across municipalities (Konle-Seidl, 2008; Mosley, 2005).

Municipalities strongly opposed the original reform idea of creating a single agency because they feared losing political influence. A federal court ruling allowed them to opt out of the PES-based merger of institutions, which resulted in two basic models of service integration. In the first model, responsibility for benefit administration and providing labour market services for the long-term unemployed was handed over to the municipalities, and local job centres were not involved in these processes in any way. In the second model, job centres and municipalities formed a new legal entity called ARGE to provide integrated services. In the German case, evaluation studies found that the second model performed much better in all important outcome indicators for individuals and at the regional level during the 1-year observation period (Reis, 2008).

should be one agency responsible for coordinating the partnership and service delivery. It should be clear which agency is responsible for evaluating benefit claims, paying benefits, assessing needs or drafting/updating a job integration agreement (JIA). Similarly, it is better when one agency assumes responsibility for monitoring performance, maintaining the joint database (if there is one) or organising joint training sessions for staff.

When allocating the roles, you may first consider who has the necessary capacities in terms of staff numbers, expertise and proven effectiveness. A secondary consideration may be the relations between roles; for example, concerning the LTU, it may be useful to assign the assessment of needs and the management of the JIA to the same agency, as the quality of the JIA strongly depends on the understanding of the client's need. One needs in particular to consider where boundary issues and risks might arise when clients receive different but related services from partners. It is good practice to develop a detailed client path that specifies processes and handover systems so that MIS clients are at the heart of the operation and the partnership.

3.7. Forms of partnership and depth of integration across services

The coordination of various related services may range from loose, informal arrangements to a full merger of institutions (Munday, 2007).

These include:

- complete separation/fragmentation of services;
- ad hoc, limited, reactive cooperation in response to a crisis or other pressure;
- regular cooperation limited to sharing information about clients and services;
- multidisciplinary teams of professionals, mostly at the local level;
- a formal network or partnership to ensure planned and sustained coordination;
- an agency or service partnership with joint funding or another form of sharing risks and responsibilities;
- a one-stop shop: a merged multi-service agency with a single location for assessment and services.

To decide which form is feasible in your country, it is useful to assess where you stand now, and what differences there are between the institutions that may be involved in the integration process. It is also important to consider the capability of potential partners in a number of dimensions:

- Are they achieving their current goals?
- Will their role in the partnership be appropriately resourced?
- How committed are they to joint working or further integration?

Example: multidisciplinary teams in Slovenia

Experts from the PES and the social work centres in Slovenia have regular meetings in a committee format (by law at least twice a year but the meetings can be, and often are, more frequent) to discuss the cases of unemployed clients with more complex problems (such as drug or alcohol abuse, serious social problems), who the PES cannot help effectively. The committees comprise experts from the two organisations and rehabilitation specialists, and meet at the premises of the PES. They discuss on a case-by-case basis what has already been done by the PES and what kind of measure would best serve the person's interest in terms of social/labour market reintegration. This form of institutional cooperation does not require large financial investments, but can contribute to knowledge exchange, a deeper understanding of what the organisations do and thus a more effective service to clients (IDSS Country Study Slovenia).

Example: formal partnership in France

The French reform of 2014 established a formal partnership between the PES and social services at the département level. Using European Social Funding (ESF), the government set up an experimental comprehensive support and guidance programme (accompagnement global) signed by the Délégation générale à l'emploi et à la formation professionnelle (General delegation for employment and vocational training, DGEFP), representing the government and the Ministry of Social Affairs and Employment; the Association des Départements de France (Association of the départements of France, ADF), representing the local governments; and Pôle emploi (the French PES). The programme involved setting up joint client databases, coordinated support, guidance and monitoring of activating social benefit recipients and jobseekers with complex social problems (a social case worker and an employment counsellor working as a team) and a specific support and guidance scheme for registered jobseekers who are not ready for work because of social problems (IDSS Country Study France).

Example: one stop shop in Denmark

As part of a comprehensive municipal reform in 2004, Denmark merged the PES into the municipal system. Municipalities are responsible for employment and welfare service delivery (except for healthcare), and serve both the insured and the uninsured unemployed persons. Municipalities enjoy a high degree of autonomy, but their performance is monitored by a thoroughly planned central monitoring and benchmarking system. For more information, see Mosley, 2012; Bredgaard and Larsen, 2009; and AMS and European Commission, 2013.

If you are several stages away from the one-stop-shop level and the institutional differences are large, it is advisable to aim for an intermediate stage, so that you can keep the reform manageable. The country examples below may give you further inspiration.

3.8. Outsourcing

Outsourcing can be used to broaden the range of specialised services or to overcome limited institutional capacities at PES and public social services institutions. In order to decide if this is a relevant option in your country, you will first need to assess existing partners' capacities in terms of staff numbers, staff expertise, service quality and specialisation as regards particular client groups or types of service.

Contracting and monitoring outsourced services demands a high level of management capacity in the public sector organisations. Therefore, to be well implemented, monitoring mechanisms and reward systems need to be carefully designed, outcomes

Example: outsourcing in the Netherlands

The Wet Werk en Sociale Bijstand (Work and Social Assistance Act, WWB) of 2004 authorised Dutch municipalities to provide social assistance and support for labour market reintegration. The municipalities can deliver the services themselves or outsource them to private reintegration companies (Plantinga and Corra, 2008). The municipalities may use framework contracts or quotations on an ad hoc basis.

To ensure transparency and quality monitoring, the municipalities are obliged to use the quality mark developed by Borea, the umbrella organisation of reintegration companies and the reintegration monitor of the Raad voor Werk en Inkomen (Council for Work and Income, RWI). Clients need to be informed about the quality of the services delivered by the various providers, while the companies need to be able to gain information about the clients' profiles to be able to determine the best possible services. It is recommended that the municipalities use outcome-based financing, in which the outcome is defined as a sustainable outflow (in work for at least 6 months) to a regular job. For certain groups that are far from the labour market, subsidised employment and social activation may also be considered as outcomes, depending on municipal policies.

of outsourcing critically assessed and potential adverse effects discovered in order to avoid creaming and parking effects (helping jobseekers who are more 'job ready' to find work and ignoring everyone else) and sustain the incentives of the created quasi-market.

3.9. Options for virtual and physical co-location of services

The physical co-location of services is especially useful if most clients prefer face-to-face contact or have poor IT skills, and also if travel between institutions is costly. Apart from improving accessibility for clients, co-location can also strengthen cooperation between experts, by reducing the costs of formal meetings and creating opportunities for informal encounters.

A shared website can be a first step towards co-location. It can pool information from several agencies and also provide online services. If the underlying IT system and database is shared between the cooperating institutions, services can also be provided in an integrated way, so that clients may not even notice when their files are processed by several experts working in two or more agencies.

A second stage may be temporary, but regular, co-location, when interdisciplinary teams meet at scheduled times, such as pop-up offices in youth centres, to provide a joint counselling session for clients.

The third stage is when agencies operate under one roof. Ideally, these physical units should be chosen to be within commuting distance for jobseekers of the local labour market and should be easy to reach for the main participants of the partnership. It is important to note that co-location does not automatically lead to cooperation; integration needs to permeate the planning and delivery of services and will only be sustained if the new system creates incentives for cooperation.

3.10. Planning resources for the reform and the new set-up

The integrated delivery of social services needs sufficient staff resources to be effective. This concerns both the quantity and expertise of staff and their allocation across service units across the whole country, including rural areas. Thus it is important to plan a sufficient budget for training staff and, where necessary, hiring or outsourcing additional staff during and after the reform.

3.11. Allowing sufficient time

Pacing is important as allocating sufficient time for each stage of the reform process enables policy-makers to engage stakeholders, to detect problems and to make the necessary corrections. Ideally, the reform process should include a small-scale pilot scheme and upscaling should only start after the outcomes of the pilot have been evaluated (see Step 4 for more detail on pilot schemes).

3.12. Addressing the legal context

Service integration initiatives may run into legal barriers in several areas, so it is important to ensure ample legislative capacity and time to tackle these. This is especially relevant if the reform involves a reallocation of municipal roles whose autonomy is guaranteed by a constitution. In cases of loose cooperation, the exchange of information may be constrained by personal data protection regulations.

4. Step 3. Implementing a service integration initiative

Key highlights

In this step, you will learn:

- how to harmonise goals within the integrated structure;
- how to decide on effective incentives for cooperation across integrated units;
- how to ensure the flow of information within the system;
- how to develop expert capacities.

Key messages

- The cooperating units should explicitly share a clear headline goal to reduce long-term unemployment.
- Cooperation is not automatic; it needs to be encouraged by clear incentives.
- The improvement in information exchange can greatly increase efficiency, but reaping such gains requires careful planning and implementation.
- Staff training may be necessary even if PES staff are very experienced.

4.1. Change management

Given the complexity of service integration, setting up a dedicated change management team can help to keep the process on track. The example of Ireland's Intreo reform suggests that small teams, including highly experienced managers, with expertise from within the civil service and from external partners can work especially well.

4.2. Harmonising goals within the integrated structure

The clarity and harmonisation of goals across the cooperating agencies is an evident precondition of successful cooperation. When serving the long-term unemployed, all cooperating agencies should support the goal of promoting clients returning to the labour market. However, there may be some variation in sub-goals that reflect the division of roles between the cooperating agents. This broader set of goals may include the reduction of indebtedness, poverty or drug addiction.

When an integration initiative entails the refocusing of goals for some of the agencies involved in the process, it is important to support their staff in reorienting their professional approach and adjusting their outlooks.

4.3. Incentives for cooperation within the integrated structure

Mergers do not automatically produce cooperation between units of government; you need carefully designed financial or administrative incentives to achieve that. Financial incentives may, for example, include grants or additional resources made available to joint initiatives, or a mechanism that ensures that cooperating institutions can keep all or some

Example: change management team in Ireland

A small change management team with expertise from inside and outside the civil service greatly facilitated the Intreo reform process.
The role of the core team was to coordinate, to facilitate, to design, to negotiate and to communicate implementation. The core team comprised four members, all of whom had academic and practical backgrounds in change management. Specific skills were recruited into the team, including experience of partnership and performance systems in the public sector and industrial relations.
The team worked closely with internal experts (IT, industrial relations and human resources), and sought advice and input from consulting firms and (inter)national policy experts. Senior management communicated directly to staff, for example in town hall meetings and workshops, and used innovative communication mechanisms, including video and personalised, targeted emails (IDSS Country Study Ireland).

of the savings that they make on increasing efficiency by coordinating their services. Administrative incentives may be introduced via legal obligations, protocols and performance monitoring systems (European Commission, 2012). In countries where the governance of public institutions strongly relies on legal provisions, it is important to draw up a clear legal basis for the cooperation of agencies.

Countries with a strong regional government may also rely on the alternative source of political accountability as an incentive. However, several regions implemented their own local solutions to the problem of increasing poverty among the unemployed (European Commission, 2015b).

Combining a high level of autonomy with strong performance incentives can generate sustained cooperation between the units in an integrated system. The performance incentives, such as a transparent benchmarking system, as in the case of Denmark, ensure that all agents have an interest in achieving the common goals, and as this requires them to cooperate, they will use their autonomy to find the most effective ways of cooperating. Autonomy also allows them to share the savings accrued in one part of the system across other parts that contributed to achieving those savings.

The absence of well-designed incentives can lead to practices in which agencies try to shift clients or costs to other agencies in the system. In order to reduce this risk, a combination of financial and administrative measures may be necessary. Financial tools may include end-of-year auditing and adjusting budgets based on cost-effectiveness calculations for each agency (or service). An alternative is to introduce surplus accounts that pool savings and that reallocate them to service areas in high demand. An effective administrative tool is to have a clear protocol in which a single case worker, appointed by a review board representing all agencies, coordinates the client journey and the services to be provided. This also provides a useful model through which the joint agreement (covered in the next chapter) can be delivered.

Example: shared database in the Basque Country (Spain) and Denmark

In the 2011 reform that established a one-stop shop for serving minimum income (RGI) recipients in the Basque Country (Spain), a single, shared software platform was created to collect information about RGI recipients. The platform can be consulted and edited by all agents involved in RGI management.

Previous systems were managed by provincial authorities that gathered the information provided by municipalities in a format that varied across municipalities. The new, uniform platform informs all agents involved in RGI management of the client's situation, which facilitates guidance and follow-up tasks. It also ensures that the RGI management is based on administrative criteria instead of subjective criteria. It also enables central managers and researchers to conduct a broad and rigorous analysis of the whole system (IDSS Good Practice).

In Denmark, the multidisciplinary teams use digitised case management that gives access to all stakeholders involved in the support of clients. Both municipal departments and external experts can access and edit these digital profiles, which can significantly enhance the transparency of actions taken by the different stakeholders (European Commission, 2015b; Interview with a municipal expert, 2016).

4.4. Strengthening the flow of information within the integrated system

Service integration offers the chance to improve data sharing between partners and individual advisers, and the quality of information on needs of clients. This is a major source of efficiency gains in integrated systems, but reaping such gains requires careful planning and implementation. Furthermore, the

effective management of integrated systems tends to require highly detailed and accurate information on the delivery process and on outcomes to support decisions on how to allocate resources between units within the system. Information sharing may be hindered by outlooks, legal barriers and technical constraints.

Differences in professional cultures and values can affect the way in which information is shared, as there may be differences in how agencies and providers interpret the relevant policies and legislation. For example, health professionals may focus solely on medical aspects, while social sector workers may record broader issues that affect the various aspects of a client's needs, such as their family background or housing situation. Problems arising from such differences may be reduced by supporting professionals in understanding each other's data needs, such as by creating regular opportunities for case conferences, joint training sessions and team-building exercises.

Example: staff training in Slovenia

The recent reform in Slovenia simplified the benefits system and set up joint teams of PES and social service counsellors to support jobseekers with multiple barriers. The reform was managed by the Ministry of Labour, Family and Social Affairs. The minister appointed a working group to prepare the implementation of the reform, which comprised 12 members representing the ministry, the social work centres and a consultancy firm that supported the ministry during the reform process. The working group was, among other things, responsible for assessing the needs of new personnel at social work centres, defining and describing the new job tasks at the centres and defining the content and scope of education and training of staff members.

The training of the new and existing staff of the social work centres was conducted by experts from the ministry involved in the design of the reform and the technical support staff. Though the needs were carefully assessed, there were delays in organising these training sessions, partly because of delays in developing the new IT system, which was one of the new elements that staff needed to be trained on. As a result, there were complaints by social work centre staff that they were not informed and trained in time for the new tasks (IDSS Country Studies).

Legal barriers may arise from the lack of clear legislation on data transfer between separate legal entities and strong regulations on personal data protection. Data sharing for evaluation and monitoring purposes can be anonymised. However, when data sharing supports case work, the need to ensure confidentiality of data must be balanced with professional standards. The rules on who has access to which elements of a client's profile should reflect professional consensus on what information is needed for making good decisions when serving a client. Legal concerns can be eliminated by: asking for the consent of the client to share their profiles; using appropriate encryption technology in transferring and

storing information; retaining detailed differentiation of access rights across service providers to reflect their actual need for information; and implementing preventive actions, such as the continuous monitoring of user actions in the database and clear rules and sanctions for unethical behaviour (Information Commissioner's Office, 2018). The obligation to retain paper copies and signatures for a wide range of documents can also set up a significant barrier, as it tends to double the administrative tasks of front-line staff, in particular if the IT system does not (immediately) reflect changes in the professional protocols. This can be reduced by refining such obligations to the minimum and by ensuring that the IT system is flexible.

The interaction of legal or managerial rules of accountability and outlooks may create further barriers. If levels of trust within the system are low (and/or professionals have limited information on how their colleagues handle personal information), while the risk of being held accountable for potentially sensitive information in a client's records is high, case workers could be reluctant to record such observations on shared information platforms. Such barriers may be reduced by providing training to case workers on how to document important, but potentially sensitive, observations about a client in a professional manner.

Technical barriers can stem from the incompatibility of IT systems used by the cooperating agencies, or inappropriate hardware support and software solutions. IT systems should facilitate fast and user-friendly data entry (even in remote access), multiple users accessing the same records at the same time and at least daily updates of the shared parts of the database so that all parties have up-to-date information. Databases and user needs tend to expand fast, and a lot of staff time can be lost on waiting for a response from the IT system. You can reduce this risk by leaving ample room for such expansions when planning server capacity and broadband connections, and when using hardware that facilitates regular extensions. If you can bring the data management systems of all agents involved into a unified IT system, you may also achieve some economies of scale in the cost of IT development and maintenance.

Co-location and the layout of back-office space can be used to foster the sharing of information and cooperation between service units or members of multidisciplinary teams, and thus further increase the efficiency gains of service integration. This can be especially relevant in reforms that involve an investment in building or refurbishing the premises of service providers.

4.5. Capacity building to enable staff to perform well in new roles

The integration process usually entails a change in skills at several levels and positions of the new system. It may increase the need for forecasting, statistical analysis and policy design at the regional or local levels to match their increased autonomy. It also typically requires new competencies from front-line staff who need to be able to assess and to respond to the needs of new groups of clients, to liaise with new partners and possibly to handle new IT tools. If these skills are missing or inadequate, there is a need for capacity building at the beginning of the implementation stage.

Retraining may be necessary even if existing staff members are very experienced. In Norway, for example, the integration reform reduced the need for specialist knowledge in some positions and increased the need for generalist competencies. Beside competencies, staff outlooks may also need to be addressed. The Hartz reforms in Germany were a positive example in this regard, as they were successful in shifting staff outlooks to focus on activating all client groups, as opposed to just the insured unemployed.

Working in pairs, exchanging staff temporarily or implementing other settings that improve mutual learning between PES counsellors, social workers and other professional groups, such as occupational doctors, helps to develop a comprehensive view and to overcome differences in organisational culture.

4.6. Informing stakeholders and clients

Service integration may involve a relocation of service providers or changes in accessibility. For these to be effective it is important to inform clients and potential partners. When the reform involves a change in the usual service offer, it is also useful to develop a good communication strategy towards the service user to make him or her understand why it is important to participate in a scheme that provides integrated delivery of social services.

5. Step 4. Monitoring and evaluation of integrated services

Key highlights

In this step, you will learn:

- why and how to introduce monitoring and feedback into the implementation process;
- how to measure the outcomes of an integration initiative;
- how to evaluate design options.

Key messages

- Introduce a unified monitoring system and include detailed process indicators.
- Evaluations can significantly help in identifying the most effective arrangements.

5.1. Regular, detailed, harmonised collection of data

Detailed information on the client history of contacts with various social services should be collected to support both monitoring and evaluation. Ideally, this should cover information on the type and timing of services, as well as programme participation, client characteristics, outputs and outcomes.

As integrated services often take a long time to yield measurable benefits, it is important to collect information on long-term outcomes, ideally by systematically linking the IT platform to administrative data sources on employment and retirement.
It is highly advisable that the data are collected in a uniform IT platform that allows access to individual-level data at all organisational levels, with appropriate safeguards for personal data protection. This facilitates transparency and regular analysis, and reduces the cost of adjustments in the monitoring system.

Ideally, information on service costs per client and service units should be collected. If this is not feasible, a second-best solution is to regularly calculate approximate unit costs (average per client costs).

Regular surveys on service user and staff (especially counsellor) satisfaction should be conducted. In order to preserve anonymity, these cannot be directly linked to clientlevel data. However, the surveys may collect other additional information to identify relevant client groups, such as the short-term unemployed versus the long-term unemployed or large employers versus small employers).

Example: longitudinal database in Ireland

The Intreo reform involved establishing a Job Seeker Longitudinal Dataset, which is based on cross-departmental cooperation and sharing of individuallevel data via a unique identification number. It includes a rich analytical database comprising tens of millions of individual episodes of welfare and work. It combines five administrative data sources, and tracks social welfare claims, employment, training sessions and activation programme episodes of job seeker claimants since 2004. It also contains information on a claimant's gender, age, marital status, nationality, educational attainment, previous occupation, (un)employment background, unemployment training history, benefit type, spousal earnings, number of children and geographic location.

The process of seeking advice regarding methodology, sampling and robustness required close cooperation and skills transfer with the Labour Market Policy unit/Social Inclusion Division and the Irish Government Economic and Evaluation Service, and close liaison with the Central Statistics Office. In order to increase the reliability of the dataset, staff had to be trained in data input and usage of the database (IDSS Country Study Ireland).

In order to be able to refine your integrated system, you will also need detailed information on the service delivery process, such as the steps of the client journey or staff time spent on counselling and on doing administration. You can keep monitoring costs under control if you build data collection into the IT system and generate indicators automatically. If you can invest in a unified IT system, it is useful to involve monitoring experts in its development from an early stage. Experienced staff members and managers can also help significantly in detecting inefficiencies in the new system. You may pool their observations and suggestions such as through interviews and virtual notice boards, or by setting up a temporary advisory board of experienced mid-managers. Ideally the delivery of integrated services should be monitored in a common monitoring system. If this is not feasible, a second-best solution is to harmonise the separate systems to ensure comparability and consistency.

If the monitoring system is not integrated across cooperating partners, it is essential that the lead organisation periodically collects feedback from partner organisations, and acts upon them. The discussion of monitoring and evaluation results and decisions on corrective actions should happen regularly and in an integrated platform that involves all the relevant cooperating units. This strengthens cooperation and transparency in the integrated system.

5.2. Monitoring indicators and feedback

Service integration is a complex process that may potentially affect various client groups, service units and organisational levels in different ways. The impacts may also be manifold: re-employment rates may improve at the expense of increasing risks of poverty or administrative costs. Monitoring efforts during and after the integration reform should ideally cover these aspects is in order to spot problems in time and to ensure that the overall performance of the new system is effective and cost-efficient.

You may need to adjust and extend your existing monitoring system with new indicators that capture the advantages and possible disadvantages of an integrated system. These may include, for example, the length and 'smoothness' of the client journey (the number of referrals needed before the client received a service that responded to their need), time spent on administration, client waiting times in local offices and possibly social inclusion and poverty. As outcomes will vary across client groups, it is important that these indicators are available broken down by the relevant subgroups, such as insured unemployed, LTU persons or jobseekers with complex needs. Lastly, you will also need to collect information on service costs per client and service unit in order to be able to calculate the costs and benefits for the system as a whole and for each main unit.

5.3. Why conduct evaluations?

Integrated service provision involves a complex process and several actors and can only work effectively if the system is regularly adjusted to clients, actors and the local context. This increases the need for regular and systematic evaluations involving both quantitative and qualitative methods. The complexity of integration reforms, and of already established systems, calls for counterfactual evaluation methods that make it possible to react to changes in the labour market or the institutional context. Though it may at times be difficult to gain counterfactual evidence, the careful planning of reforms provides an opportunity to integrate a rigorous evaluation approach at the design phase.

The existing evidence on the effective design of integrated services is scarce, so you will need to take a trial-and-error approach in many design elements. This also highlights the need for thorough and regular monitoring, and the use of controlled experiments on the problematic elements of the system. Ideally, these experiments should begin with a pilot phase, where alternative design options can be tested before nation-wide implementation.

While impact evaluations generate evidence on what works, you could supplement these with process-orientated evaluations to find out why particular solutions performed below your expectations. These evaluations may, for example, explore information flows, client journeys, the mechanisms of referring clients to particular services or the perception of the aims of the reform and their own role among the staff. The evaluation tools may include the analysis of monitoring information and interviews with staff members, users and external stakeholders.

5.4. Tools for evaluating the impact and testing design options

The most reliable way to evaluate the impact of an institutional reform is to run a pilot project in randomly selected localities, and subsequently to compare the change in outcome indicators in the pilot regions to the change in other localities unaffected by the reform. If random selection is not feasible

for practical or political reasons, you may use non-random selection. In this case, the outcomes can be made comparable by adjusting for the observable differences between the pilot regions and the other regions, such as the unemployment rate, the composition of clients and the initial conditions of the service providers. It is important to note that if unobserved differences between the regions, for example in local traditions of cooperation between service agencies or leadership qualities, are likely to have a significant influence on the outcomes, the impact estimates will be less reliable.

Piloting was used for example in Denmark, France, Finland and the United Kingdom. In the Finnish case, the pilot scheme of the joint service centres was implemented in 18 municipalities in 2002 and rolled out nation-wide 2 years later, when evaluations confirmed that the impact was deemed to be positive (Arnkil, 2004).

Example: piloting the UK Jobcentre Plus

Setting up the Jobcentre Plus offices took almost a decade. A series of pilot projects testing variations of the offices took place between 1999 and 2001. The pilot schemes were run in dedicated trial format (ONE) in 12 areas covering about 10 % of the working-age population. During this period, some local offices were fully integrated into a single point of contact, while in other localities benefit and employment service provision remained split between the separate agencies but with enhanced coordination. This regional variation allowed researchers to conduct reliable impact assessments. Building on the experiences of the ONE pilots, 17 areas set up Jobcentre Plus offices in 2001. Nation-wide implementation only began in 2002 and was completed by 2007. The Jobcentre Plus model underwent a series of adjustments and refinements over the course of this period until the final design structure was established (European Commission, 2015b).

A similar approach can be used to test the effectiveness of various design options. For example, if you want to find out the potential gains of including a healthcare professional in the newly established interdisciplinary teams, you may vary the set-up of teams across localities: again, ideally locations with a healthcare professional should be selected at random, and subsequently the outcomes should be compared across the localities with and without the healthcare professional.

Example: regional variation in integration models in Germany

The Hartz reforms are an example of testing alternative design options. Although in this case the regional variation was not part of initial plans, and therefore not random, the fact that municipalities were able to opt out of the federal reform process led to considerable regional variation in the new institutional structures. This variation allowed researchers to compare the effectiveness of the various organisational set-ups (Boockmann et al., 2013; Holzner et al., 2009; Konle-Seidl, 2008).

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doi:10.2767/52176