Local Integration: Harnessing the potential for public policy

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ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

Policy context to the research project
There are a number of strengths in the current UK employment support system that should be recognised and celebrated. These strengths are important at a time of increased ambition – halving the disability employment gap, tackling long-term unemployment, roll-out of Universal Credit, employment sustainment and progression, reducing sickness absence, and boosting productivity.

Significant questions exist however around the deliverability of these heightened aspirations in an employment system that has for many years struggled to deliver on its more limited previous ambitions. This is especially so given the continued significant reductions in key budgets centrally and locally in which the current increased policy aspirations exist.

UK employment policy has a critical need therefore to find new ways to squeeze value from existing resources. Given both the cross-cutting nature of its priority challenges as well as the fragmented nature of the current system, any effective policy responses will need to effectively integrate services, budgets and energies across different policy domains (employment, skills, health, housing, families, etc) as well as across different tiers of government with their own strengths and assets to contribute. Such multi-partner, multi-level integration is critical to bringing into the UK employment system the increased capacity and connectivity that are currently missing but essential to its success.

This research project: unpacking the way, what and how of effective local integration
Recent years have seen growing attention in UK policy circles on the potential of, and need for, better locally integrated approaches to employment support in order to provide the capacity and connectivity needed to transform the effectiveness, efficiency and experiences of the current system. Despite this sustained attention on local integration its precise nature as well as the critical success factors for its effective development have not been clearly examined and articulated. However, without this level of understanding about local integration policy makers are unlikely to be able to effectively develop and fully exploit the potential of local integration in their local areas to enhance outcomes, drive savings and improve service user and practitioner experiences. This research report responds to these key analytical needs by unpacking the why, what and how of local integration.

The research report draws on interviews and workshop discussions with employment and skills leads across Mayoral Combined Authorities and the Core Cities around their experiences, needs and challenges in developing locally integrated approaches to employment interventions in their areas. Whilst the empirical material relates to the employment and skills space the report offers broader insights to the effective understanding and development of local integration across policy domains.

Understanding integration: six key dimensions and critical success factors
Whilst all participating areas were pursuing some form of integrated employment approach the model of integration adopted varied appropriately according to local contexts and priorities. However, a shared set of six key dimensions to effective integration could be identified: political; strategic; governance; cultural; financial; and operational. These six elements represent the multi-dimensional nature of integration as well as the critical success factors for its effective development.
Key recommendations for central and local government

A clear message from the research is that although integrated policy approaches must necessarily be led and delivered at the local level their effective development requires co-ordination and collaboration of policy partners across all tiers of government to enable the necessary alignment and maximisation of strategies, services and resources. Recommendations for local and central government partners in each of the six key dimensions to integration are identified throughout Part 3 and brought together in Part 4. A single key recommendation in each dimension is synthetized in the table below.

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<thead>
<tr>
<th>Integration Dimension</th>
<th>Key recommendation for local partners</th>
<th>Key recommendation for central government</th>
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<tbody>
<tr>
<td>Political</td>
<td>Bring leaders of key organizations together to explore integration needs and opportunities</td>
<td>Engage proactively with Local Integration Commissions as appropriate to support integration development</td>
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<tr>
<td>Strategic</td>
<td>Senior leaders should develop cross-organizational Integration Strategies and linked Integration Delivery Plans</td>
<td>Create Integration Innovation funds to stimulate areas to progress and resource innovative integration effectively</td>
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<tr>
<td>Governance</td>
<td>Put in place cross-cutting governance mechanisms to enable local integration</td>
<td>Commit to engaging proactively with local integration governance mechanisms</td>
</tr>
<tr>
<td>Cultural</td>
<td>Senior leaders should sign up to, live and champion collaborative cultures of integrated working in their organizations</td>
<td>Central government should sign up to, live and champion collaborative cultures of integrated working with local partners</td>
</tr>
<tr>
<td>Financial</td>
<td>Share best practice and explore possibilities for local budget pooling and financial alignment</td>
<td>Commit to test-and-learn pilots of whole place budgets on priority outcomes for integration</td>
</tr>
<tr>
<td>Operational</td>
<td>Review local system functioning with service users, practitioners and employers at its heart</td>
<td>Enable trained local analysts secure access to anonymised key administrative datasets</td>
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Remainder of the report

The following sections of this report explore the opportunities, needs and challenges to effective integration in each of these six key dimensions:

- Part 1. The case for change: strengths and limits of the current system
- Part 2. Locally integrated employment support across the UK
- Part 3. Developing effective local integration: the six critical success factors
- Part 4. Recommendations and Next Steps
PART 1: THE CASE FOR CHANGE: STRENGTHS AND LIMITS OF THE CURRENT SYSTEM

There are a number of positive recent developments in national employment policy that recognise key current system challenges and the need for better integrated approaches:

- Trialling of greater local flexibility, integration and personalisation of support within the Universal Support Delivered Locally (USdl) trials\(^1\) and Jobcentre Plus reforms;
- A commitment to halving the disability employment gap and the creation of the joint Work and Health Unit to improve cross-departmental working and drive work-health system change;
- Community Partners to seek to connect Jobcentre Plus provision to wider support services;
- A shift within Universal Credit from benefit off-flows towards employment sustainment and progression, recognising challenges around low-pay and work-welfare cycling\(^2\);
- A growing role for Mayoral Combined Authority’s to make local contributions via innovation test-and-learn pilots, health-led employment trials and Work and Health Programme input.

These positive developments build on core strengths and assets in the national employment system:

- The expertise and experience within the national Jobcentre Plus network;
- The Department for Work and Pensions’ (DWP) expertise and experience in programme design, analysis, commissioning and performance management;
- The lean cost base of the UK employment system compared to other OECD nations.

A double whammy of current system limitations: low capacity and low connectivity

These national system strengths are also key factors in the current system’s weaknesses however. In particular, the UK system is an international outlier in two key ways: low spend and low connectivity.

Firstly, the UK is a low spender comparatively. According to the latest available 2010 comparative data the UK spends around 0.4% GDP annually on employment support programmes. This is similar to Slovakia, Lithuania, Italy and Slovenia, around half that of Belgium, Spain, Ireland or Germany, around one-third that of Sweden, France and Netherlands, and a little under a quarter that of Denmark. Since 2010 the UK’s position has worsened given DWP’s need to cut 45% of its operational budget between 2010 and 2020\(^3\). Moreover, the UK’s spend profile within that budget is unusually skewed compared to other advanced economies towards quicker, less costly and less intensive activities (e.g. CV writing, basic job search). Key resulting system challenges include high Jobcentre Plus caseloads, highly constrained Work Coach time with and resources for claimants.

Secondly, the UK is a highly centralised employment support system in comparative perspective. This compounds the system’s lean spend and offer in key ways through its limited local connectivity:

- Disconnection and misalignment of employment support from wraparound local services, partners and financial resources of relevance to meeting wider support needs;
- Difficulties engaging local employers, particularly SMEs and micros;
- Lack of local governance and accountability to enable strong local buy-in and ownership of system performance and its continual improvement;
- Delivery duplication, reducing effectiveness and efficiency of spend and causing confusion.\(^4\)

The need for integrated change

Taken together this double whammy of low spend and low system connectivity to wider local partners, services and resources leave the current UK employment system poorly placed to respond to its current performance challenges and aspirations.

Figure 1 provides a visual summary of the performance implications in the current UK employment system. The horizontal axis from left to right depicts the full potential customer journey from individuals who are disengaged from any labour market interaction or job search at the far left through

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\(^1\) Bennett et al., (2016)
\(^2\) Oakley, M. (2015)
\(^3\) Resolution Foundation, 2015
\(^4\) Rolfe et al. (2015)
to those in-work and seeking to progress their careers and earnings at the far right. As shown centrally in Figure 1, the current UK employment support system is suited to supporting those service users who are unemployed but relatively close to work with few barriers and support needs, and to doing so in a cost-efficient manner.

![Figure 1: Performance suitability of the UK employment system](image)

Where the current system is far less well suited, however, is in supporting service users at either end of the customer journey: unemployed individuals more distant from work with more complex and/or severe support needs as well as those in employment but struggling to sustain or to progress their employment. Both of these groups are large, costly and currently experiencing a relatively weak support offer and level of outcomes performance. Unsurprisingly, both groups have become strategic priorities for central, regional and local government.

Increased central resources to enhance the capacity, reach and depth of the current centralized UK employment support model to better support these cohorts would of course be welcome. Such additional resources are not expected however. Moreover, such additional funds would not help to shift the UK employment system towards the qualitatively different integrated employment system needed to effectively support these priority cohorts to overcome their multiple cross-silo support needs and sustain employment – whether that be better connectivity locally to employers, health partners, housing services or family support teams.

Part 2 begins to respond to that system need to effectively understand and develop effective local integration by outlining different types of innovative case study examples of locally integrated employment interventions across the Mayoral Combined Authority and Core Cities areas.
PART 2: LOCALLY INTEGRATED EMPLOYMENT SUPPORT ACROSS THE UK

In this policy context there have in recent years been sustained calls from a range of policy, think tank and academic debates\(^5\) for stronger locally integrated models of employment support. Local integration is argued to be better able to provide the types of co-ordinated whole-person support across multiple services and employer engagement that many service users require but that the current system is struggling to deliver. In doing so locally integrated approaches offer a potential performance triple-win of improved effectiveness (better outcomes), efficiency (more savings and demand reductions) and experiences (for both service users and frontline practitioners).

As outlined above, a series of recent national government policies have acknowledged the need for enhanced local integration in the UK system, though these policies have often been relatively short-lived (e.g. Universal Support delivered locally) or small-scale (e.g. Community Partners). Many other countries beyond the UK are similarly interested in the potential of local integration and there has been much activity and experimentation in integration internationally across a range of policy domains\(^6\), including employment policy\(^7\). Those international experiences make clear that integration is challenging to get right and takes commitment, energy and resources to develop effectively.

An important part of the current challenge for policy makers is to gain a stronger analytical understanding of the constituent nature of local integration and of the critical success factors for its effective development. This type of richer understanding is essential if we are to maximise the potential of local integration to improve the effectiveness, efficiency and experiences of public policies. However, this kind of richer analytical understanding of local integration has been largely absent from both the policy debates and academic research to date. This research report responds to that gap drawing on qualitative research with employment and skills leads across Mayoral Combined Authority and Core Cities as well as lessons from international experiences and research literature.

What is ‘local integration’?

A necessary starting point is to define what is meant by ‘local integration’ as a policy approach. A working definition proposed from the research project is as follows:

> “Locally integrated employment support is the bringing together of the range of partner assets at the local level to create a local ecosystem of aligned, mutually reinforcing whole person employment support in order to better support individuals, make more effective use of scarce budgets and services, and improve outcomes for people and places”

Several elements of this definition of local integration are important to note:

- **The local of local integration is key**: it is at the local level where the limits, fragmentations and negative impacts of the current system for service users and practitioners are felt most keenly and it is only at the local level where area-specific solutions to better integration can realistically be based;

- **But local integration requires all tiers of government to work together**: although localities are at the heart of effective integration their ability to do so is shaped in key ways by central government partners. To be effective integration requires partners across all tiers of government to bring together their respective strengths and assets and to work collaboratively towards their shared policy goals;

- **Local integration is multi-dimensional**: local integration involves multiple inter-related partners, services, budgets and policy outcomes of relevance to the outcome in question (e.g. employment). As a concept and policy approach local integration itself is inherently multi-dimensional across six constituent dimensions and critical success factors as this report highlights;

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\(^6\) Willumson, 2008; Fletcher et al., 2009; Ahgren and Axelsson, 2011; Howes et al., 2015

\(^7\) Berthet and Bourgeois, 2014; van Berkel et al., 2011; Heidenreich and Rice, 2016
• **Local integration is about improving performance** in terms of a potential triple-win of effectiveness (improved outcomes), efficiency (increased savings and reduced service demands) and experiences (for service users, frontline practitioners and commissioners);

• **Local integration is a policy project of gradual development** towards a broader and deeper local ecosystem of aligned and mutually reinforcing activities, resources and partners;

### Varieties of local integration: a typology of types and extents

As highlighted in the case study examples that follow there are many varieties of local integration. Local integration can vary in its form across two dimensions:

- **The qualitative type of integration** across different local settings is perfectly appropriate – indeed necessary – given that local contexts, systems, partners and priorities vary: the raw ingredients to integration remain the same but the recipes rightly vary;

- **The quantitative extent of integration** in its progress and embeddedness on a journey towards a richer, deeper better functioning ‘integration ecosystem’ vision, processes and practices.

These ideas chime with the few typologies that exist on alternative varieties of integration. Consolidating and extending those ideas, Figure 2 presents an original typology of local integration models that can vary according both to their extent or depth (horizontal axis) as well as their type or breadth (vertical axis).

![Figure 2: A typology of local integration](image)

The vertical axis of Figure 2 relates to the dimension(s) or type(s) of integration in focus within the policy approach: political; strategic; cultural; governance; operational; and financial. These are discussed in detail in Part 3 of this report.

The horizontal axis sets out the level or extent of integration achieved in its development from entirely absent at the far left of Figure 2 to implemented fully as a concept at the far right. A first evolutionary step involves informal relationships between services and organisations of ad hoc information sharing and communication around programmes, services and clients. Next, in convergence policy actors recognise other actors and may adjust their separate objectives to begin to align, but there is no direct interactions between organisations or services. In the stage of alignment organisations or teams begin to interact directly to consider their interdependencies and to mutually adjust objectives to aid their alignment. Next, collaboration exists when still independent organisations or teams formally share activities and work together as equal partners with common goals, activities, documents (e.g. strategic plans, action plans) and outcomes. There remains however no physical integration of staff, services or processes. Beyond this, a stage of co-production/consolidation exists when physical integration of staff, services and processes are additionally seen. Finally, at the far right of Figure 2 lies full integration in which there is full physical and non-physical integration of staff, services and processes. One-stop-shops are commonly discussed as the exemplar of full integration.

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8 Konrad, 1996; Zimmermann et al., 2016
Newcastle Futures

Newcastle Futures is a joint venture between the local authority and Jobcentre Plus (JCP). The organisation which provides employment support is housed within JCP facilities in order to ensure quicker access for clients and for the organisations to improve collaboration.

Glasgow City Region: Working Matters

Working Matters is a programme aimed at individuals with multiple barriers to work including those with significant health barriers. The Working Matters programme uses cross-boundary formal governance mechanisms to improve delivery and co-ordination. Partners of the project were encouraged to put in place agreements and protocols with wider support services in the public and third sector to ensure access and integration with the services needed by their clients.

Greater Manchester Combined Authority: Working Well

The Working Well Programme was aimed originally at ESA Work Programme completers but has since expanded considerably into an increasingly mainstreamed distinctly GM Working Well ‘ecosystem’. Local Integration Boards, Local Leads and senior local accountability are key features of the governance and architecture to bring local services together more effectively.

Nottingham City Council: Jobs Hub

Nottingham City Council and Jobcentre Plus (JCP) set up an integrated employer engagement hub in order to avoid duplication and confusion of work and offers for local employers. The new service meant JCP and Nottingham City Council staff sat in the same team with the same manager and working to the same job description. Later this successful collaboration grew as a further organisation, Futures, joined to support with client referrals.

Cardiff City Council:

Cardiff City Council realised that performance and savings could be achieved in their employment services by integrating into current community hub spaces rather than being in separate buildings. This also meant that individuals could simultaneously access a wide range of services under one roof. This has included: benefits and money advice, citizens’ advice, library provision, adult community learning, Jobcentre Plus, and other contacted employment programmes. Informal networked relationships with other services including children and families are held on site.

Leeds City Council: Job Shops

Leeds have a number of job shops located in community hubs where individuals can access a wide range of services including housing and housing benefit, library services, digital skills, employment support (including skills assessments, job search support, referrals to other services) and health support.

Liverpool City Council: Employment and Skills Team

The Employment and Skills team within Liverpool Council is based in the regeneration portfolio with direct links to teams including physical regeneration and inward investment. This has enabled closer working to ensure that contracts coming in include clauses around utilising local labour. Partners are looking to expand the approach further.

Central London Forward (CLF): Central London Works

Central London Works is the new devolved Work and Health programme happening across 12 London Boroughs. There are a range of formal cross-silo governance mechanisms in place to enhance integrated delivery and performance including: CLF Board, CLF Decision Making Panel, Sub-Regional Performance Panels and Individual Borough Governance and Performance Management arrangements. The provider delivering the programme is expected to be integrated within these local governance arrangements to support their delivery and to participate in case conferencing and local steering groups.

Glasgow City Region: Working Matters

Working Matters is a programme aimed at individuals with multiple barriers to work including those with significant health barriers. The Working Matters programme uses cross-boundary formal governance mechanisms to improve delivery and co-ordination. Partners of the project were encouraged to put in place agreements and protocols with wider support services in the public and third sector to ensure access and integration with the services needed by their clients.
PART 3: DEVELOPING EFFECTIVE LOCAL INTEGRATION: SIX CRITICAL SUCCESS FACTORS

Local integration is inherently collaborative and cross-cutting as both a concept and a policy approach. It involves new ways of working within as well as between multiple organisations across all tiers of government. This includes key services such as Jobcentre Plus, departments within Local Authorities (e.g. public health, employment, housing, criminal justice), health partners (e.g. Clinical Commissioning Groups, NHS Trusts, Integrated Care Systems), education partners (colleges, training providers, schools) voluntary sector organisations, and private providers. Local integration is in addition inherently disruptive as partners seek ways to work together to break down existing organisational siloes and sources of fragmentation and dysfunctionality in current policy systems. Although full of potential, therefore, local integration is for these reasons also always challenging.

Irrespective of the model of integration pursued the research highlights six key factors to local integration. These key factors should be considered both as the constituent dimensions of local integration as well as the critical success factors for its effective development. These six factors are: political; strategic; governance; cultural; financial; and operational.

![Figure 4: The six key dimensions and critical success factors of effective local integration](image)

These six mutually reinforcing dimensions to local integration enable or, conversely, disable the ability of local policy partners to develop deep, rich and innovative approaches to local integration with the capability to transform the performance – understood holistically in terms of effectiveness, efficiency and experiences – of public policies. Greater coverage, strength and depth across these six dimensions is inherently desirable in order to enable more ambitious and effective forms of integration. Equally, however, the six dimensions are seen as equally important, mutually reinforcing and without any sequential ordering of dimensions contingent upon and following others.

These six dimensions are therefore at the heart of effective policy integration. The following sections briefly overview each dimension in turn providing case study examples, chief opportunities and challenges, and key recommendations for local and central policy makers.
3.1 The Political: Senior Support to Enable and Drive Local Integration

“The politics can often be underestimated. It is important to have senior political buy in to deliver and stand by the programme. Without this getting integration working is difficult”

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Challenges</th>
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<tbody>
<tr>
<td>• New cross-organizational partnerships to enable new innovative approaches</td>
<td>• The number and range of organizations and leaders to bring together</td>
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<tr>
<td>• Transformational change in public services</td>
<td>• Collaboration of organizations and leaders</td>
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<td>• Increased outcomes and savings, reduced service demand</td>
<td>• Competing agendas and priorities</td>
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<td>• Better user and practitioner experiences</td>
<td>• Misaligned geographical boundaries</td>
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<td>• Weak drive and support from central government for local integration development</td>
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Newcastle Futures: A Drive from Leaders

Newcastle Futures is a not for-profit joint venture set up by local partners to facilitate the working relationship between local authority services and Jobcentre Plus (JCP). Joint meetings and co-location of services take place between JCP and Newcastle Futures to support aligned delivery and resourcing. There are aspirations to grow the model of integration beyond its current employment focus towards a wider one stop shop model of multiple co-located wraparound services. The support of senior leaders has been key to success and to ambitious plans for expanded future integration.

“I think the ultimate reason for commitment at that point was the leaders. The Chief Executive, the Leader of the Council and the District Manager of JCP wanted to support it and for it be a genuine collaboration and to learn something new. It was the individuals themselves that made it, that committed to it… it was that sheer agreement from leaders to collaborate”

West Midlands: Flexing Boundaries to Support Greater Community Focus

The West Midlands Combined Authority launched their three year Connecting Communities Project in June 2018 taking a community-based approach to building aspirations and social capital within employability support in order to change the perception of employment, tackle unemployment and boost low pay. Eligibility via Community Hubs roots support holistically in self-identified real communities and assets rather than arbitrary boundaries.

“We’ve been focusing on entire communities. So we’ve been working with the local authorities to establish what the real, natural communities are in those areas and using these to inform eligibility rather than using administrative boundaries. We’ve been liaising with local authorities regarding the possibility of using local authority accommodation to support delivery, to provide a base in the local community, so very much directing the activity at the heart of where it would be most useful”

Recommendations for local partners

• Local Integration Commissions: Bring senior leaders of key local organizations together to explore opportunities from locally integrated approaches for thematic priorities
• National Integration Commissions: Coordinate a national network to gather and share best practice in local integration

Recommendations for central government

• Create Integration Innovation funds to stimulate areas to progress innovative local integration and to support and resource its effective development
• Engage proactively with Local Integration Commissions as appropriate to support the development of locally integrated approaches
3.2 Strategic: Collective Vision, Objectives and Targets

The development of effective integration requires senior leaders across organisations to come together to develop a shared integration vision and measurable roadmap for their area.

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<th>Opportunities</th>
<th>Challenges</th>
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<tr>
<td>• A shared vision of local integration for the area around which partners can collaborate</td>
<td>• Competing objectives within and between organisations challenge shared visioning</td>
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<tr>
<td>• A shared delivery plan with milestones for the gradual development of that integration vision</td>
<td>• System complexity hard to fully understand</td>
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<tr>
<td>• Identifying shared cross-silo priorities and activities where integration can add value</td>
<td>• Levers for system reform beyond local control</td>
</tr>
<tr>
<td>• Competing objectives within and between organisations challenge shared visioning</td>
<td>• Conflicting national priorities and targets</td>
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**Central London Forward: Borough Integration Plans**

Central London Forward are delivering the devolved Work and Health Programme – Central London Works – in 12 central London boroughs. During programme planning each borough devised an integration plan for their area. This listed and mapped the range of wraparound services in the areas and included agreements and contact details from key services to collaborate in integrated support for Central London Work programme participants. Each borough’s integration plan was tailored to the differing needs of their residents and the support services and resources in their areas.

**Work-Health Integration in Sheffield and the Sheffield City Region**

Mental health and musculoskeletal (MSK) conditions are key drivers of unemployment and sickness absence in the UK. The integration of MSK services in Sheffield has enabled better connections with local authority services and employment agendas through a shared work-health vision and single point of contact within the physiotherapy service. The integrated MSK service recognised the benefit of employment for many clients and built employment goals and supports into MSK action plans as appropriate. The local authority was better able to partner with MSK services to deliver integrated MSK and employment support. Sheffield MSK and IAPT mental health services are further expanding the ambition of Sheffield’s integrated work-health delivery via the Sheffield City Region modified IPS health-led employment trial sponsored by the joint Work and Health Unit.

**Recommendations for local partners**

- Senior leaders should collaborate to develop a cross-organizational high-level Integration Strategy outlining aims, principles and thematic priorities for integration in their areas
- Cross-organizational Integration Delivery Plans give a phased and measurable integration development journey to Integration Strategies

**Recommendations for central government**

- Review how central departments could align activities and spend more effectively
- Create Integration Innovation funds to stimulate areas to progress local integration and to support its effective development
- Collaborate with local areas to identify system needs and opportunities for integration
- Collaborate with local areas to co-produce integration guidance and best practice
3.3 Governance: Driving Local Co-ordination, Alignment and Accountability

Cross-cutting governance mechanisms are key to co-ordinating and aligning existing siloes of activity and spend.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Challenges</th>
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<tr>
<td>• Enabling complex system mapping and service user journey analyses</td>
<td>• Ensuring engagement from range of relevant wraparound services and organisations</td>
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<td>• Helping frontline practitioners access and co-ordinate wraparound support needs for users</td>
<td>• Ensuring individuals at most appropriate level are engaged in integration governance boards</td>
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<tr>
<td>• Cross-organisational strategic system review and change</td>
<td>• Ensuring central government buy-in and participation to local integration governance</td>
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<tr>
<td>• Supporting local commitment through enabling local accountability and ownership</td>
<td>• Clear, timely internal governance processes</td>
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<tr>
<td>• Improving outcomes, savings and experiences</td>
<td>• Maintaining commitment to continual review and development of local integration</td>
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Greater Manchester Combined Authority: Governance is Working Well

The Working Well integrated employment ecosystem in Greater Manchester (GM) launched in 2014 and is now in its fourth phase of development:

- **Phase 1** (started 2014): Working Well Pilot for 5,000 GM residents
- **Phase 2** (started 2016): Working Well Expansion for 15,000 GM residents
- **Phase 3** (started 2018): Devolved Work and Health Programme for 22,000 GM residents
- **Phase 4** (starting 2019): Working Well Early Help for 14,000 GM residents who are at risk of falling out of employment or who are newly unemployed

Governance is key to the performance and added-value of GM’s Working Well:

- **A Steering Group** including representatives from DWP and HM Treasury;
- **A Programme Board** for GM city-region oversight including relevant senior local authority, DWP, JCP and NHS partners;
- **Local Integration Boards** in each of GM’s ten local authority areas to help frontline employment keyworkers access and co-ordinate wraparound support needs for service users;
- **Local Leads** meetings to facilitate the sharing of progress, best practice and challenges across areas as well as up to Programme Board to inform future system integration priorities.

<table>
<thead>
<tr>
<th>Recommendations for local partners</th>
<th>Recommendations for central government</th>
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<tr>
<td>• Create cross-cutting governance mechanisms to enable co-ordination of key organizations and services</td>
<td>• Engage proactively with local integration governance mechanisms where invited in order to grow local areas’ capacity to act in integrated ways</td>
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<td>• Consider the area’s needs for integration governance boards at senior strategic and/or operational co-case management levels</td>
<td>• Review how central government might better co-ordinate its activities to help local integration governance mechanisms function more effectively</td>
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3.4 Cultural: An Openness to Collaborative Working

Cultural openness to collaboration, new ways of working and different approaches and values are key ingredients for effective integration.

<table>
<thead>
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<th>Opportunities</th>
<th>Challenges</th>
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<tr>
<td>• Allowing practitioners to better understand allied agendas and services</td>
<td>• Differences in cultures, values and practices across different teams and organisations</td>
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<tr>
<td>• Breaking down organisational siloes and forging innovative collaborative approaches</td>
<td>• Resistance to other values or ways of working</td>
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<tr>
<td>• Enabling services, resources and job roles to flex to exploit opportunities for integration</td>
<td>• Views around roles and boundaries clashing with desires for changed approaches</td>
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<tr>
<td>• Stimulating new ideas for improved delivery</td>
<td>• Priorities and pressures of specific team or organisation hamper integration efforts</td>
</tr>
<tr>
<td>• Placing service user experience at the heart of system values and redesign</td>
<td>• Cultures and values of policies or policy makers clash with collaborative, person-centred cultures and values of integration</td>
</tr>
</tbody>
</table>

### Liverpool City Region: Growing cultures and practices of integration

Liverpool City Region’s Households into Work is an innovative whole-household employment programme as part of their Devolution Deal agreement with central government. In recognition of the cultural and professional development needs that its more integrated working requires Liverpool City Region built training and professional accreditation of staff into programme design and live-running:

“We do have to direct officer’s eyes to different agendas through professional development so that they understand different agendas because you can’t just parachute officers or staff in, they need to understand and that takes time and resource. What’s good about Households into Work is that there is the resource there to give the new advocates that we’ve employed a thorough induction and ongoing professional development. We will try and badge that professional development so at the end of the two-year lifespan we’ve maybe got a programme of qualifications or CPD.”

### Recommendations for local partners

- Senior leaders should sign up to, live and champion collaborative cultures of integrated working in their organizations
- Staff training around cultural diversity, integration, managing change and collaborative working help grow productive environments for integration

### Recommendations for central government

- Central government should sign up to, live and champion collaborative cultures of integrated working with local partners
- Reciprocal secondments in both directions between central and local policy teams can help grow central cultures and understanding for effective integration
3.5 Financial: Coherent and Aligned Resources

Financial alignment and flexibility is at the heart of enabling areas to develop locally integrated strategies and services that maximise coherence, effectiveness and value-for-money.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Maximise local coherence, tailoring and impact of spend</td>
<td>• Disjointed central government thinking, initiatives and funding lines</td>
</tr>
<tr>
<td>• Minimise spend duplication and misalignment</td>
<td>• Lack of central government commitment to local financial coherence</td>
</tr>
<tr>
<td>• Increase savings and lower service pressures</td>
<td>• Risks around a future Shared Prosperity Fund failing to meet the varying economic needs and potentials of differing area contexts</td>
</tr>
<tr>
<td>• To revisit whole place budgets to give localities the flexibility to drive integration</td>
<td>• Linking data to enable holistic cost-benefit and financial risk-reward analyses</td>
</tr>
<tr>
<td>• To increase financial incentives and supports for local partners to progress integration</td>
<td></td>
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<tr>
<td>• Holistic cost-benefit and risk-reward analyses</td>
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</tr>
</tbody>
</table>

**Bristol Work Zone: Seeking financial coherence locally**

In Bristol the local skills and employment landscape was felt to be too fragmented for service users, practitioners and employers and preventing best impact from resources. In response Bristol Learning Partnership and Bristol City Council have worked together with wider local partners to develop a Work Zone model for better integrated whole-person employment and skills support. An important enabler was the commitment from partners to pull together funding streams which has enabled the development of a more coherent local offer. The partnership framework also allows future funding to be aligned strategically to existing service activity to maximise coherence and sustainability.

**Greater Manchester: Building data foundations for holistic financial evaluation**

Locally integrated approaches are ideally placed to better support individuals whose needs cut across existing siloes of service activity. However, the current data boundaries between those siloes limit not only integrated delivery and targeting but also the financial cost-benefit and risk-reward analyses of integrated policy approaches. Such analyses are important in order to understand the financial case for integration. Greater Manchester Combined Authority have been seeking to progress this data barrier to the financial understanding of integration. Their Working Well activities operate a tracking system of user referrals and outcomes that helps GM to better understand, quality assure and improve their integrated ecosystem approach. It also lays the data foundations for holistic whole-person evaluations of integration impacts and financial cost-benefit and risk-reward analyses essential to understand and evidence the financial case for integration investments.

<table>
<thead>
<tr>
<th>Recommendations for local partners</th>
<th>Recommendations for central government</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Share best practice and explore options for local budget pooling and financial alignment</td>
<td>• Sustain test-and-learn pilots of whole place budgets on key integration outcomes</td>
</tr>
<tr>
<td>• Use integration to build local evidence of cross-organisational flows, impacts and savings to inform future decision-making</td>
<td>• Collaborate with local partners to develop the data and evidence for holistic whole-person cost-benefit and financial risk-reward analyses</td>
</tr>
<tr>
<td></td>
<td>• Commit to codesign of future Shared Prosperity Fund with local areas</td>
</tr>
</tbody>
</table>
3.6 Operational: Collaboration between Staff and Organisations

Operational integration relates to its practical realisation on the ground – data, co-location, co-case management, staffing, processes and ways of working. It includes how services are designed and delivered and how teams, services, practitioners and service users interact.

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Challenges</th>
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</thead>
<tbody>
<tr>
<td>• Better integrated processes and practices to drive effectiveness, efficiency and experiences</td>
<td>• Limited local and central capacity and resources to drive integration</td>
</tr>
<tr>
<td>• Physical co-location of services</td>
<td>• Non-aligned contract periods and funding cycles across services, teams and buildings</td>
</tr>
<tr>
<td>• Less fragmentation, duplication and confusion for practitioners and users on the ground</td>
<td>• Existing team structures and staff roles may inhibit integration development</td>
</tr>
<tr>
<td>• Improved referrals from wider sources and reaching more hard-to-reach priority cohorts</td>
<td>• Data share across services and organisations</td>
</tr>
<tr>
<td>• Effective data linkage to better target, monitor and evaluate (financial) impacts of integration</td>
<td>• Local access to key administrative datasets</td>
</tr>
<tr>
<td>• Limited local and central capacity and resources to drive integration</td>
<td>• Misaligned and large Contract Package Areas</td>
</tr>
</tbody>
</table>

Nottingham: Integrated Jobs Hub

Nottingham’s Integrated Job Hubs began from a recognition that the local authority and Jobcentre Plus were both engaging employers in their employment support activities causing confusion and frustration for employers. This led to the joint development of an integrated employer engagement and employment opportunities service in the city. Initially the venture began with Jobcentre Plus and local authority staff co-located in the same team and with the same job description. A new partner, Futures, subsequently joined. The Integrated Jobs Hub also works with employers to understand their recruitment needs and to match with suitable jobseekers to give employers the staff they need.

Tees Valley Combined Authority: Routes to Work integrated referral pathways

Tees Valley Routes to Work is an opportunity to test ways of collaborative working at a local level which takes a holistic individually centred approach with the use of dedicated Key Workers. Multi-agency delivery teams will embed focused activities within existing Local Authority (LA) and third party services, including the community and voluntary sector who are already working with or could add support to many of our target customers. The pilot aims to work with those most disengaged from the labour market, to support them to engage, identify and address any potential barriers they may face in gaining employment. This approach also includes providing extended in-work support, for up to 12 months, to those successful in gaining employment. A key element of the pilot is to test what works in helping people move towards work and to shape this learning to inform future employment policy both locally and nationally.

Recommendations for local partners

- Review system functioning with service users, frontline practitioners and employers at heart
- Identify opportunities for service co-location of allied support teams
- Develop cross-cutting data analytics to understand local system strengths and needs
- Assess frontline staffing capacity and consider if role bend and/or retraining of existing staff can help integration development

Recommendations for central government

- Improved data sharing agreements between central government and local partners to enable suitable local analysts secure access to anonymised key administrative datasets
- Provide centrally co-ordinated guidance and resources to support the development cross-cutting data analytics in local areas
- Targeted retraining funds to support staff role development and bend in priority policy areas
PART 4: RECOMMENDATIONS AND NEXT STEPS

Local integration offers policy makers an important means of seeking a potential trip-win of improved effectiveness, efficient and experiences within diverse policy systems. Such performance possibilities are always important to explore but particularly so at times of acute budgetary pressures and in areas of disappointing system performance where better integration offers real promise.

This much is well-known and has been widely called for in recent years in the UK context. Less well understood however have been firm analytical foundations around the nature of local integration as well as the critical success factors for its effective development. This research report has focused on developing that learning in order that policy makers locally and nationally can be supported to maximise the performance potential of local integration in their policy design and implementation.

Six key dimensions and critical success factors for effective local integration are identified: political, strategic, governance, cultural, financial and operational. Effective collaborative working between local, regional and central government partners is essential to realising the potential of local integration to achieving shared goals. The report highlights a series of recommendations for those partners across the six dimensions of integration and the table below brings these together. The next page outlines two key next steps to take forwards policy development of local integration nationally.

<table>
<thead>
<tr>
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<tr>
<td>Political</td>
<td></td>
</tr>
<tr>
<td>• Local Integration Commissions: Commit to bringing senior leaders of key</td>
<td>• Create Integration Innovation funds to stimulate areas to progress innovative local integration and</td>
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<tr>
<td>local organizations together to explore integration aspirations and</td>
<td>to support and resource its effective development</td>
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<tr>
<td>opportunities</td>
<td>• Engage proactively with Local Integration Commissions as appropriate to support the development of local integration</td>
</tr>
<tr>
<td>• National Integration Commissions: Co-ordinate a national network to gather</td>
<td></td>
</tr>
<tr>
<td>and share best practice in local integration</td>
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<tr>
<td>Strategic</td>
<td></td>
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<tr>
<td>• Senior leaders should collaborate to develop a cross-</td>
<td>• Review how central departments could align activities and spend more effectively</td>
</tr>
<tr>
<td>organizational high-level Integration Strategy outlining aims, principles</td>
<td>• Create Integration Innovation funds to stimulate areas to progress local integration and to support</td>
</tr>
<tr>
<td>and thematic priorities for integration in their areas</td>
<td>its effective development</td>
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<tr>
<td>• Cross-organizational Integration Delivery Plans give a</td>
<td>• Collaborate with local areas to identify system needs</td>
</tr>
<tr>
<td>phased and measurable integration development</td>
<td>• Collaborate with local areas to co-produce integration guidance and best practice</td>
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<td>journey to Integration Strategies</td>
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<tr>
<td>Governance</td>
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<tr>
<td>• Create cross-cutting governance mechanisms to coordinate key organizations</td>
<td>• Engage proactively with local integration governance mechanisms where invited to grow areas’ capacity</td>
</tr>
<tr>
<td>and services</td>
<td>to act in integrated ways</td>
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<tr>
<td>• Consider the area’s needs for integration governance boards at senior</td>
<td>• Review how central government might better coordinate its activities to help local integration</td>
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<tr>
<td>strategic and/or operational co-case management levels</td>
<td>governance mechanisms function more effectively</td>
</tr>
<tr>
<td>• Ensure that integration governance mechanisms have the appropriate</td>
<td></td>
</tr>
<tr>
<td>services, resources, personnel and mandates to flourish</td>
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<tr>
<td>Cultural</td>
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<td>central cultures and understanding for effective integration</td>
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<td>organisational flows, impacts and savings to inform future decision-making</td>
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<td>Operation</td>
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<td>• Review system functioning with service users, frontline</td>
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<td>retraining of existing staff can help integration development</td>
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Next steps 1: Pushing deeper understanding – integration sub-elements and fidelity scale

This research project identifies six key dimensions and critical success factors for effective local integration. Further research is needed however to drill down systematically into each of these six dimensions in order to identify the various constituent sub-elements within each dimension that policy makers must seek to foster in order that the dimension overall functions effectively as required.

Once those further sub-elements of each dimension are identified then a powerful consolidation of that enhanced understanding would be the development of a local integration fidelity scale. Co-designed with policy colleagues locally and nationally working through integrated policy approaches, this local integration fidelity scale would comprehensively detail each dimension and sub-element to effective integration along with short scoring criteria against each. This integration fidelity scale would provide a powerful reference guide and development tool for areas to develop their local integration activities effectively. It would support them in self-reflective as well as peer-based scoring of the strengths, weaknesses and maturity of their integration approach and would facilitate the sharing of best practice across areas.

Next steps 2: National Integration Commission

A National Integration Commission should be established in order to advance understanding of best practice and effective implementation around locally integrated policy approaches. The Integration Commission should be national in its reach and local in its focus. It should incorporate perspectives from local, regional and national policy makers as well as service users and employers.

Key questions to consider in such an Integration Commission are:

- What are the various examples of local best practice in local integration?
- Is local integration appropriate for all service users or only certain parts of the customer journey? Across which policy areas are locally integrated approaches most applicable?
- What are the sub-elements of the six key dimensions of local integration?
- What does a co-produced local integration fidelity scale look like? Are these identical across all policy areas or do they different dependent upon the policy theme? How do we support areas to self-reflect and peer-score their integration activities against this fidelity scale?
- What are the respective strengths and assets of central, city-regional and local partners? What is the optimal distribution of roles and responsibilities between those partners in order to maximise the performance potential of local integration?
- What do employers and service users want from different local policy systems? And what are the role of those employers and service users in helping to co-design more effective future locally integrated policy approaches?
- Should local integration work alongside notions of national entitlements to maximise the value-added of local flexibilities whilst mitigating risks around local variation in provision?
REFERENCES


Resolution Foundation, 2015, Very welcome relief on tax credits but most losses have been delayed rather than reversed. https://www.resolutionfoundation.org/media/press-releases/very-welcome-relief-on-tax-credits-but-most-losses-have-been-delayed-rather-than-reversed/


