



EUROCITIES Report

A comparison of local job centres in European cities

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EUROCITIES

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This report was produced by Henk Spies, plusconfidence. It is based on a survey conducted with the following members of EUROCITIES working group employment: Berlin, Bergen, Brussels, Dublin, Edinburgh, Ghent, Glasgow, Leipzig, Malmö, Oslo, Stockholm, Riga, Rotterdam, The Hague and Warsaw.

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Executive Summary

Over the last decade, local job centres have been created in many European cities. Job centres go beyond what 'traditional' public employment services do by delivering local employment services in an integrated manner and focusing on finding work for their clients rather than on guaranteeing an income. They integrate services from national, regional and local organisations and offer labour market information, registration of CVs and vacancies, career advice, job matching, preparing a CV, job interview training, guidance in job application, various tests (skills, motivation) and information about job fairs.

Over the past 15 years, the driving force behind the creation of job centres has been labour market reform aimed at activating welfare and employment policies.

Drawing on a survey of members of the EUROCITIES working group employment, this study makes one of the first transnational comparisons of local job centre models across Europe. It is based on examples from Belgium, Germany, Ireland, Latvia, the Netherlands, Norway, Poland, Sweden and the United Kingdom. In all countries job centres are seen as important vehicles for delivering active labour market policies and combating unemployment.

All local job centre models follow the trends of: 1) the integration of services related to employment, social insurance and social assistance; and 2) the devolvement of employment policies to the local and regional level. As yet there does not seem to be a clear tendency towards a single organisational form. Some job centres are the initiative of the national public employment service (PES) while others are run by the municipality or as a joint initiative of local and national government. While there is a general trend towards integrating work processes, local delivery and local management, personalised services and a one-stop-shop model, different job centres emphasise different partnerships with private actors and the importance of services for people furthest from the labour-market.

According to the data collected for this study, the biggest challenges for job centres today are:

- finding practical ways to deliver local, individually tailored services that help people find employment and reduce their dependency on benefits;
- identifying the most adequate level at which to organise services (local, regional or national), which is questioned in several countries, under current budgetary pressures;
- finding the optimal mix between public and private service delivery;
- determining the degree of client focus and employer involvement;
- defining the right profile of job centre staff needed in different organisational models.

The EUROCITIES working group employment sees this study as a basis for developing a benchmark to analyse job centres and local and regional employment policies more generally. In this regard, this report is a first step for identifying good practices and success factors that can foster the development of job centres.

1. Introduction

In many European cities, job centres have been set up over the past decade, bringing together services for unemployed people, jobseekers and employers in one-stop-shops at local level. These job centres have different roles and are set in a different context of local, integrated and tailored employment services across the EU. However, they all aim to provide services that are tailored to individual needs (client focus), that are embedded in the local labour market and that integrate a number of work-focused services which were previously offered by separate organisations⁷.

Given this parallel development in many European cities, the EUROCITIES working group employment conducted a survey with its members to compare job centre models across Europe. The survey, which was organised in spring 2011, covered the labour market context in which the different job centres operate, the governance and funding of the job centre, cooperation with external actors, funding, target groups, instruments and methods, as well as key success factors and challenges. Practitioners from city administrations and job centres in Bergen, Berlin, Birmingham, Brussels, Dublin, Edinburgh, Ghent, Glasgow, Leipzig, Malmo, Oslo, Riga, Rotterdam, Stockholm, The Hague, and Warsaw all participated.

A major characteristic of job centres is the integration of policies for labour market inclusion and social security. These policy areas and the institutions responsible for them target for the same clients, but traditionally have a different focus and a different way of looking at clients and their own role. These differences are summarised in the table below.

	<i>Public Employment Service</i>	<i>Social Insurance</i>	<i>Social Assistance</i>
<i>Authority</i>	Social partners/state	Social partners/state	State/municipality
<i>Core business re: work</i>	Facilitate matching of jobs and jobseekers	Facilitate work to work transition	Stimulate benefit to work transition
<i>Customers</i>	Employers, jobseekers	Unemployed workers	People in need
<i>Target group</i>	Clients closer to labour market; employers with vacancies	Clients closer to labour market	Clients more distanced from labour market
<i>Client view</i>	Motivated, able; people respond to opportunities	Deserving; people need safety to move forward	People need activation and they respond to incentives
<i>Use of services</i>	Voluntary	Claimable rights	Compulsory
<i>Service focus</i>	Facilitate	Ensure; provide safety-net	Activate

Public Employment Service (PES), Social Insurance (SI) and Social Assistance (SA) systems have worked alongside each other for many years. For several reasons these services are beginning to be integrated across the EU. Drivers of this include:

- a move towards developing integrated services for citizens: a one-stop-shop model;
- the need for consistent messages to be communicated to clients outside the labour market;

⁷ Struyven L, Van Hemel L, 2009, The local integration of employment services: assessing network effectiveness of local job centres in Flanders. In: Environment and Planning C: Government and Policy 27(6) 1055 - 1071.

- the effectiveness of the integrated services: the public employment service (PES) is often perceived as doing little for SA clients who are more distanced from the labour market, while municipalities are often considered as neglecting the needs of employers and the realities of the labour market;
- budget cuts and the need to do more with less resources;
- the speed of decision-making, which is hampered by too many layers of government;
- the need to adapt social security and labour market policies to structural changes, such as flexible work, individualisation and increasing diversity;
- the need to get more people into work because of demographic change, specifically the ageing population.

The process of integrating these elements demands legislative and policy reforms and re-thinking the division of responsibilities and competences on national, regional and local levels, reconsidering methods, work processes, ICT, organisational cultures, etc. There are differences regarding the sequence and timing in this process.

2. The development and role of job centres

Job centres are run differently and have different roles across the EU. In some countries (e.g. UK, Belgium) the local job centres are managed at the national level (PES). In other countries (e.g. Sweden, Ireland), job centres are organised by the city. In other countries, (e.g. the Netherlands, Norway) they are a joint initiative between the national government (including national social insurance systems) and cities.

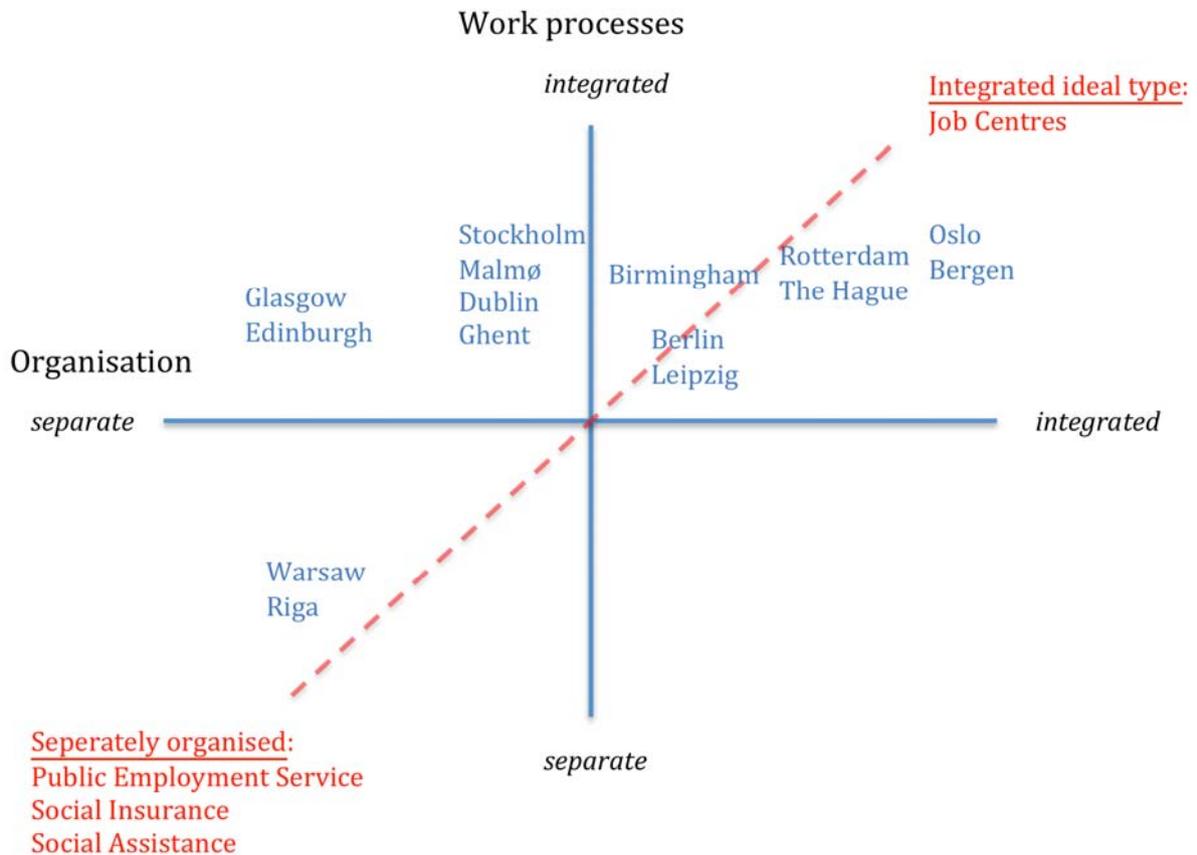
Where cities have the lead, job centres have been created to complement the national public employment service. In these job centres the focus is (initially) on groups more distanced from the labour market and on benefits-to-work transitions. The public employment service focuses on clients closer to the labour market and its services aim to facilitate work-to-work transitions. This way, job centres bridge the gap. In some cases (e.g. Rotterdam) municipalities have also organised (complementary) employer services - traditionally the domain of the public employment service. In most cases participation is compulsory for clients, or fostered through the use of incentives.

Where public employment services have the lead, job centres complement local social services, and focus on limiting an influx of clients into social assistance. The target group comprises of all unemployed people and all benefits recipients of working age. Participation is voluntary, although benefits officers may reconsider a person's right to a benefit if they do not participate. In many cases the link to the clients is weaker.

Where job centres are a 'joint initiative' between cities and public employment services, complementarity is an organisational challenge. Target group differentiation within job centres is reflected in different client streams. Participation is guaranteed, based on a combination of trust and incentives.

To determine the extent of organisational integration in job centres (Fig. 1) we looked at the existence of shared premises, shared staff, of single or joint management teams, shared front offices, shared procurement of services and the breadth of the target group. To determine the extent to which work processes are integrated, we examined whether or not there is active information sharing and active referral between organisations, a single plan for each client, a single client-following system and active cooperation at client-level.

Figure 1: Comparison: Organisational integration and the assimilation of work processes in job centres



3. Job centres: similarities and differences

In general, job centres can be seen as a step in the process of integrating labour market and social security policies. They focus on finding work, rather than ensuring an income through social benefits, and are front-offices for a social security system that concentrates on providing new opportunities to clients, rather than offering them income security.

They can also be seen as an attempt to integrate services from national, regional and local organisations at a local level, close to their clients.

Context in which job centres operate

Job centres operate in different contexts. In the cities examined, the unemployment rate ranges from around 13-14% (Dublin, Rotterdam, Leipzig) to 3-5% (Stockholm, Oslo, Warsaw). Benefits levels (social assistance) for families vary from approximately €770 per month (Dublin) to €1,400 per month plus housing allowance (Stockholm).

The number of new clients entering the job centres varies from 10,000 per year in some cities to 30,000 per year in others. Budgets vary from €10 million to €270 million per year. These differences also relate to the different dimensions of job centres' catchment areas.

Local management

There seems to be a broad consensus among the cities under comparison on the importance of local management. Most job centres have a single management structure with a broad range of stakeholders; some have dual management between the national public employment service and the local social assistance office (e.g. The Hague, Rotterdam, Oslo). In these cases a common yearly plan has to ensure the coherence of the job centre management.

One-stop-shop approach and personalisation of services

All city experts participating in the survey agree on the value of tailoring services to individual clients or client-groups. Most job centres work with individual plans for all clients. Many services can be offered in-house while some services require coordination with other organisations. One job centre that does not work with individual plans (Ghent), integrates the client services differently, through an ICT system for following clients through different organisations. The vast majority of cities favour the use of the very effective one-stop-shop models.

Cooperation with external partners

There are different approaches regarding the public or private delivery of services. Some job centres make extensive use of NGOs and commercial service providers (e.g. Stockholm, Rotterdam), others use these as little as possible (e.g. The Hague) or not at all (Warsaw). These organisational differences however do not necessarily lead to different types of services being provided.

Target groups and the effectiveness of services for people furthest away from the labour market

Whereas some city experts perceive intensive services for clients more distanced from the labour market as an important success factor (e.g. Stockholm), other cities have reservations over the effectiveness of these services. These different perspectives may reflect discrepancies in key performance indicators for the job centres. Where the number of clients moving into employment is a key performance indicator for the job centre management, clients more distanced from the labour market, and services aimed at them, can be undervalued by management. Where saving benefit money or decreasing long-term unemployment is a key performance indicator, intensive services for clients more distanced from the labour market are valued more positively.

Specific target groups for most job centres are:

- young unemployed people (<25 years);
- immigrants;
- older unemployed people (>50 years); and
- people most distanced from the labour market ('care' clients, e.g. drug and/or alcohol abuse, mental health problems, people released from prison).

Case loads

Active caseloads in job centres vary from 35-80 per client service officer at any point in time. On top of this, each office worker would have around 200-300 administrative or inactive cases. People closer to the labour market (job ready) and groups at risk (e.g. young unemployed, people in need of care) receive more intensive guidance.

4. Effects of the economic crisis

Budgetary constraints resulting from the economic crisis and the need to do more or better with fewer resources are having an impact on job centres in several cities. These include:

- an increase in caseloads per client service officer (as a way of decreasing operating costs). It is not yet clear how higher caseloads will affect prioritised client groups;
- discussions about decreasing the number of job centres (in the Netherlands and the UK). The job centre premises are expensive and may not always provide maximum value for money;
- a stronger emphasis on e-services. In UK job centres there are 'Digital Champions', stimulating and supporting the use of e-services by clients. In the Netherlands the public employment service will also increasingly rely on e-services in the next years; The Hague has increased its use of e-services and e-coaching by 35%. Warsaw and Rotterdam report the use of online video-CVs, which is geared at improving the quality of services than substituting existing services. Stockholm has advanced e-services, with a client follow/registration system that offers clients access to similar information (including parts of their own files) that caseworkers have.

So far a decrease in benefit levels has not been reported.

The economic crisis and budget constraints put more pressure on positive results from job centres, but do not seem to affect the overall quality of the services. The challenge identified by cities is the ongoing issue of keeping up with continuous reforms and changes. Improving the quality of the basic work processes under pressure from these reforms and growing numbers of clients is also a common challenge.

5. The internal organisation of job centres

One of the main roles of the job centres is finding efficient means to meeting the clients' needs, in particular in bringing them into the labour market.

Job centres adopt similar innovative processes when tailoring services to meet the needs of their clients. The steps are usually:

- the client applies for unemployment benefit (often online);
- a decision is taken on their entitlement;
- the clients are profiled to assess their suitability to the labour market;
- an individual plan is developed for the client and put into practice - this can include guidance, training and education, internships, work, job mediation, coaching and aftercare;
- depending on the client, his/her entry or return to the labour market may be either quick, slow or very slow.

The services offered are, in all cases, very diverse in order to meet the demands of a broad range of clients (e.g. labour market information, job orientation, developing basic work skills, strengthening autonomy, wrap-around services).

A challenge in these processes is to prioritise and communicate to the clients the message of 'work before benefits'. If the process starts with determining benefit rights, the focus during the first few weeks of the client process is on providing income security rather than finding work. This happens independently of whether the process is managed as a cooperation between the job centre and benefits office or integrated as an internal work process within the job centre. Prioritising work from the start of the process would often require a more radical shift in organisational cultures.

Job centre models differ considerably along the following dimensions:

- standardisation (e.g. Berlin, Rotterdam, The Hague) versus individual tailoring of services to meet client needs (e.g. Dublin, Stockholm);
- focus on trust (e.g. Dublin, Malmo) or incentives (Rotterdam, The Hague, Stockholm);
- range of in-house services: narrow (labour market-related, e.g. in Malmo, Stockholm, Warsaw) versus broad (including psychological counselling, medical service, child day-care, e.g. in Dublin, Rotterdam, The Hague);
- very limited use of NGOs and private companies (e.g. Dublin, Malmo, The Hague) versus their extensive use (e.g. Rotterdam and Stockholm), see above;
- integrated versus segmented/partitioned work processes. Centres can organise their work along either generalist (Dublin) or specialist (Rotterdam) lines: despite the goal of integrating benefits provision and employment services, both services remain separated in most cities, either in the form of a separate organisation for benefit provision or through a separate department within a job centre;
- relying on highly skilled staff and their personal judgements versus relying on well-defined work processes: the first approach can be found in Dublin where there is specific formal training for job centre staff (diploma in adult guidance, a two-year part-time course co-designed with employment services and provided by universities/colleges), Stockholm (requiring staff with an education and experience in social work) and Leipzig (university degree or comparable skills). The process-focus is stronger in Warsaw, Rotterdam and The Hague, where less specific competences are required for job centre staff (e.g. one year of experience, intermediate to higher vocational training).

The differences in the organisation of services seem to be independent of national context or labour market situations. For example, Rotterdam uses private providers much more extensively than The Hague, likewise Stockholm compared to Malmo. High work loads are used as an argument for standardisation as well as for individual tailoring.

As sufficiently comparable results cannot be provided yet, it is difficult to systematically compare practices and their results at this stage.

6. Job centres and employers

Bringing people into work requires the involvement of employers. Job centres do this in various ways:

- employers as customers of job centres (all job centres):
 - offering employer services in the field of human resource management and staffing;
 - making the hiring of unemployed people more attractive (training, work experience, wage subsidies);
- employers as partners and stakeholders in the job centre (e.g. Dublin, Birmingham):
 - having employer representatives on the board of the job centre;
 - developing projects together with employers;
- Contract compliance in public procurement (e.g. Rotterdam, Birmingham):
 - using the public sector's procurement power to negotiate social return on investment (e.g. requiring that external service providers use 5% of the total amount of the contract for hiring benefit recipients).

A common challenge in job centres is matching jobseekers to vacancies. Active job matching is part of the services at all job centres, though some job centres seem to have a more proactive approach (especially for clients more distanced from the labour market).

7. Conclusions: key success factors for effective and efficient job centres

The study has provided an inventory of the different approaches used by job centres to go beyond the 'traditional' public employment services, drawing on service integration and new organisational models.

The key success factors for job centres mentioned by survey participants cover almost all of the typical features of job centres:

- organisational level: one-stop-shop, close cooperation with benefit administration;
- human resources: sufficient and effective staffing and funding, good quality caseworkers, diversity among staff, specific training;
- quality of services: low thresholds for using services, open atmosphere and approachable staff, transparency;
- method: individual approach, dynamic approach, work before income, problem solving attitude (as opposed to a problem focus).

Other key elements identified by the survey participants suggests that different approaches may be working equally well, depending probably on the local context: both public delivery and making use of private providers, and both mandatory participation and voluntary participation are mentioned as success factors.

In addition to the above, there are features that many job centres share, but are not mentioned as success factors, such as profiling of clients.

A shared vision of what constitutes 'success' within the organisations that co-operate in or around job centres, is important. This could be expressed in a common vision or mission statement or a shared set of performance indicators. Job centres that have taken the step towards organisational integration indicate that daily cooperation and mixing of staff from different organisations are essential for making such a shared vision a reality in practice.

Annex 1: Overview of job centre models and their context of the cities participating in the survey

	Initiative	Unemployment rate	Clients	Budgets (euro)	Target groups	Use of service for SA clients*	Use of NGOs, private providers	Organisation of work**	Case loads
Bergen	PES/city	2,7%	3.246 ¹	6.4 M	All, esp. long-term, young, people with language barriers, single parents	Some mandatory	Some private	Generalist/specialist	200 regular 25 intensive
Berlin	PES/city	14%	240.570 ¹	258 M	All, esp. young, old, disabled	Some mandatory	Some private	Generalist	100
Birmingham	PES	12,5%	51.576 ¹	N.A.	All, esp. excluded, disadvantaged	N.A.	NGOs + private	Generalist/specialist	N.A.
Brussels	PES/city	N.A.	N.A.	N.A.	All	N.A.	N.A.	N.A.	N.A.
Dublin	City	14%	30.000 ²	10.2 M	Long-term unemployed, now all	Voluntary	Local development company	Generalist	75 10 new/week
Ghent	PES	11,6%	N.A.	N.A.	All	Some mandatory	Some NGO, private	Specialist	65 and up
Glasgow/Edinburgh	PES	7,5%	148.700 ¹	6.5 M Scotland	All, esp. excluded, disadvantaged	N.A.	NGO+private	Generalist/specialist	9/day
Leipzig	PES/city	13,1%	47.560 ¹	133.5 M	SA, esp. long-term, single parents, people in rehabilitation	Mandatory	NGO	Generalist	82 <25yr 187 >25yr
Malmö	City	5,5%	3.000 ¹	15 M	SA clients, esp. hard to reach	Voluntary	NGO	Generalist	N.A.
Oslo	PES/city	2,7%	11.282 ¹	6.2 M (for 1 of 15 job centres)	All. Esp. long-term, young, people with language barriers	Some mandatory	Some private	Generalist/specialist	120-200
Riga	PES	8,3%	37,956 ¹	N.A.	All, esp. young, old, long-term, disabled, people with language barriers	Some mandatory	No	Specialist/generalist	270

Rotterdam	City/PES	13%	34.156 ¹ 12.000 ²	Ca. 280 M (city) +400 M benefits	All, esp. young, people with language barriers, multi-problem	Mandatory	Private	Specialist	80-270
Stockholm	City	3%	10.600 ²	270 M	SA clients, esp. young, people with language barriers	Mandatory	NGOs+private	Generalist	35 80/year
The Hague	City/PES	8%	18.500 ¹	Ca. 150 M? +250 M benefits	All, esp. young, people with language barriers, multi-problem	Mandatory	NGOs	Specialist	
Warsaw	PES	3,6%	41.313 ¹	21.3 M + 4596 M health insurance	All. Esp. young, old, mothers, disabled, low qualifications	Voluntary	Some private	Specialist	35/day regular 5/day intensive 18/day development

* Social assistance clients are usually obliged to make use of the services through their social security administration. The * indicates where this reinforcement is through the job centre.

** Specialist organisation of work is often linked to the standardisation of services. Benefits services and work/activation services are separated in all cities.

¹ point in time figure.

² yearly inflow.

Figures on number of clients and budgets are not comparable because of different definitions used, and are for indicative purposes only.