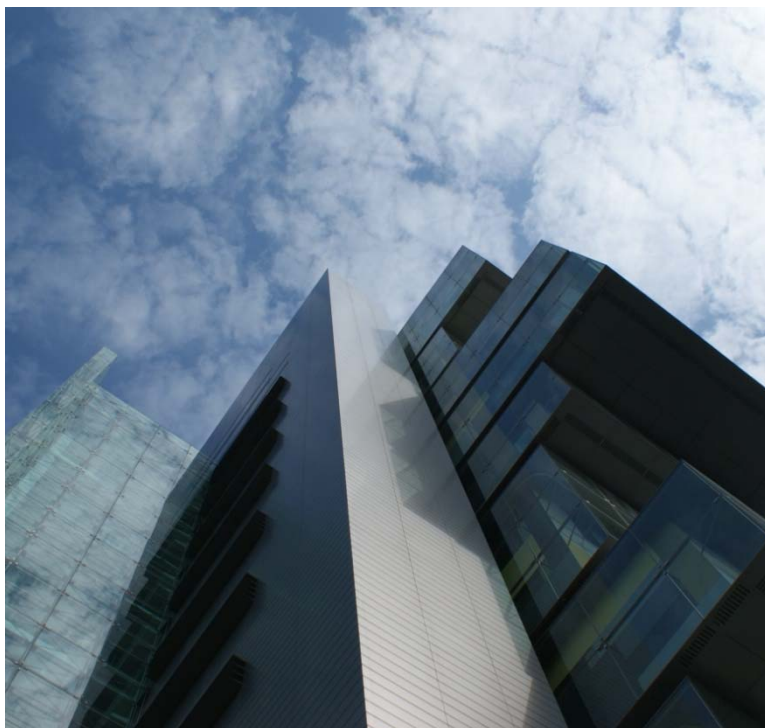


West London Working

West London Working Evaluation

Investment & Target Group: influencing investment in employment and skills services in West London



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EXECUTIVE SUMMARY

1. West London Working (WLW) is one of 15 City Strategy Pathfinders launched by the Department for Work and Pensions (DWP) in April 2007. The Investment & Target Group was one of thirteen work packages undertaken by WLW.
2. Set up in 2007, the Investment and Target Group includes: Jobcentre Plus, the Learning & Skills Council (now Skills Funding Agency), the London Development Agency (LDA), the London Borough of Ealing, West London Alliance, and West London Working (WLW). In addition, DWP inputted into the Investment & Target Group through bilateral meetings with a WLW representative.
3. The Investment & Target Group's overarching aim is to influence investment in employment and skills services in West London in order to improve coordination of delivery, so that services fill gaps and duplication is reduced. It encourages joint working between its members to enable aligned or joint planning, commissioning and investment in services targeted to reduce worklessness in West London. It was the core group which could enable West London Working to maximise DWP's offer to devolve DWP commissioning processes.
4. The Investment & Target Group has led to an improved ability to articulate West London's needs as a result of research commissioned to a business analyst and engagement with local providers.
5. The main impact of the Investment & Target Group was as a place of dialogue between funders and local authorities. It provided the opportunity for West London Working to integrate valuable local knowledge into tender specifications and influence the funding allocation decisions of some major funders. In addition, West London Working joined the London ESF Committee in autumn 2009. Attendance at these meetings has been instrumental in influencing the planning of the 2011-13 ESF round by enabling WLW to have an input into how co-financers plan to invest future ESF money in London. However, the Investment & Target Group's influence could have been greater as it exclusively concerned DWP and London ESF specifications (including Skills Funding Agency and London Development Agency ESF specification) while no specifications that were solely funded by Skills Funding Agency or London Development Agency were commented upon.
6. The Investment & Target Group also took part in the funders' selection process by commenting on bids received which helped introduce local knowledge into the commissioning process. However, because of the lack of a process in place for the Skills Funding Agency and the London Development Agency, the opportunity that WLW had to comment on bids funded by these agencies was limited to those tender rounds where WLW had a direct interest, such as the SFA tendering for the Work Focused ESOL for Parents pilot. As a result, WLW's involvement was mostly focused on DWP's selection process.
7. Overall, the Investment & Target Group contributed to specifications and bid appraisal for approximately £40m annual DWP investment in West London. It influenced the use of approximately £20m of annual investment in West London as members of the London ESF Programme 2007-13 Regional Committee and as attendees of the ESF Co-Financing Organisations meetings. It also levered in £5.9m of funding through its support of sub regional projects such as the Future Jobs Fund, HELP and Gateway Heathrow 2012.

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8. However, while it influenced individual funders, the Investment & Target Group was not successful in enabling aligned / pooled funding. This was always going to be very difficult as major funders work to different timescales, different targets and different commissioning processes. They also have their own strategic priorities which take precedence over WLW's sub-regional goals. As a result, there was no material reduction in duplication or improvement to the customer journey.
 9. At provider level, the Investment & Target Group has engaged with the supply chain and helped local providers to be better aware of large funders' commissioning process and to prepare for the opportunities presented by the Work Programme by informing them of prime contractors' expectations.
 10. Finally, the Investment & Target Group also strengthened West London Working's leadership role by providing a conduit to disseminate its activities to the funders. In particular, it helped raise interest about the Performance Rating and the Directory of Employment Services and ultimately secured their legacy.
 11. The Investment & Target Group's main strength was providing West London with the infrastructure to interact with major funders on an on-going basis, promote the case for investment in West London and help each member better understand the constraints under which other organisations work.
 12. The main constraint on its potential impact related to the major funders' complex and rigid commissioning processes which make it very difficult to pool funding across organisations. Strategically, it is also difficult for a sub-regional organisation to influence national / regional organisations' priorities. The composition of the Investment & Target Group was another weakness as some of the representatives did not have decision-making abilities on behalf of their organisation.
 13. Looking to the future, after March 2011 DWP will not be providing financial support to the City Strategy Pathfinders and the Investment & Target Group will stop operating. Local Authorities aim to build on its activities and influence delivery by establishing strong relationships with prime contractors. However, without a sub-regional infrastructure in place, it is likely that the potential for joint and strategic work will not be maximised.
 14. In view of our findings, the rationale for the Investment & Target Group is still relevant at the end of the West London Working Programme. There are a number of lessons which can be useful going forward, and which are still valid in the context of the changing delivery system for employment-related services:
 - The need for a sound evidence base on which to base funding decisions
 - The need to clearly communicate local / sub-regional priorities
 - The need for a more transparent and coherent commissioning process. The opportunity to comment on specifications should occur as early as possible and funders should provide clear information on which questions are being scored and how.
 - The opportunity to have an input in the selection of contractors would be valuable. It provides the chance for local authorities to address any concern early on, and offer local intelligence which may be helpful to contractors.

- The need for effective partnership work and, in particular, to have the right representatives on board, with decision-making abilities on behalf of their organisation.
- The value in engaging with the supply chain to help local providers better understand what tendering opportunities are coming forward and what major funders / prime contractors expect.
- With changes to larger and longer contracts using black box approaches the relationship with prime contractors is becoming more important. Local Authorities can maximise their influence by brokering links between prime contractors and the relevant Local Authority Departments.

1 INTRODUCTION

- 1.1 West London Working (WLW) is one of 15 City Strategy Pathfinders launched by the Department for Work and Pensions (DWP) in April 2007. It brings together the partners responsible for employment and skills to tackle the high and persistent number of West London residents not in employment. DWP is due to cease its funding support for City Strategy Pathfinders in March 2011.
- 1.2 WLW covers the Boroughs of Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, and Hounslow. Its vision is ‘to transform the coherence and effectiveness of the existing structure of services in West London to deliver a sustainable increase in the number of residents in employment and a reduction in child poverty.’ The LDA is the accountable body for West London Working.
- 1.3 The purpose of this report is to evaluate the achievements arising from the West London Working City Strategy Pathfinder and “most importantly to gain a good understanding of what has worked well in the course of achieving the benefits and what has worked less well.”¹
- 1.4 This report evaluates the activities that West London Working has undertaken to influence investment in employment and skills services in the sub region, through its Investment & Target Group. It is one of a series of six reports. The other reports in this series are as follows.
 - Work Package 2: Employability Performance Rating
 - Work Package 3: Building Employability Pathways
 - Work Package 4: Directory of Employment Services
 - The Meta Evaluation. This report is intended to bring work package evaluations together, and to reach other, broader conclusions.
 - The West London Working 2006-11 Final Report. This report is intended to be read by a wide audience, and will address the performance of the programme as a whole.
- 1.5 Each of these reports is intended to work as a stand-alone document, and so reports may share some text on methodology and approach.

Purpose of the evaluation

- 1.6 This evaluation aims to assess whether the Investment & Target Group delivered its objectives and to learn lessons for future delivery. More specifically, it aims to answer the following questions:
 - What activities have been undertaken to influence national and regional investment in and delivery of employment and skills services in West London?
 - What has been the impact of the Investment and Target Group?

¹ LDA, West London Working Invitation to Tender

- To what extent did WLW assist or enable partners to bid for joint contracts?
- What worked well in influencing national and regional investment in and delivery of employment and skills services in West London?
- What have been the challenges in doing this?
- How has the changing policy context affected this work?
- What could have been improved in the approach taken?

Structure of report

1.7 The report is structured as follows:

- Section 2 explains the methodology we used to produce this evaluation
- Section 3 presents the work package being evaluated and what it aimed to achieve
- Section 4 sets out how it was going to achieve its objectives
- Section 5 evaluates whether the work package has delivered what was hoped for at the outset;
- Section 6 assesses the project's Strategic Added Value;
- Section 7 summarises our findings and draws lessons for the future.

2 EVALUATION APPROACH

Introduction

2.1 This section describes the method we used.

The methodology we used

We followed a “theory of change” approach

2.2 We used a “theory of change” approach. Simply put, a “theory of change” methodology requires us to understand the mechanism by which the programme is supposed to effect change, and then evaluate whether this mechanism did in fact work.

2.3 We see two steps for a theory of change approach to this evaluation.

- The first step, undertaken in this work package evaluation report, is to understand why WLW thought that this work package would be valuable, and how the work package would achieve its goals. We then evaluate whether this mechanism worked using the methodology presented below. This provides a model to judge the success of the work package within its own terms. This first stage allows for a close look at the internal logic of the work package and if it has successfully delivered its own objectives, but it does not address how the work package fits with the wider context of the WLW Programme. We therefore need a second step.
- The second step, undertaken in the meta-report published separately, explores whether the deliverables of the individual work packages are relevant to the overall objectives of the WLW programme. This stage asks why WLW thought that each of the work packages would help deliver its overarching objectives. This places the individual work packages in a wider context.

We reviewed background documents

2.4 We first reviewed the available documentation including:

- The 2007 Business Plan and 2009 Business Plan refresh as well as the monthly progress reports.
- Investment and Target Group terms of reference
- The presentation to the 2010 WLW Annual Event
- The April 2010 situation report on WLW
- Alignment and pooling of funding and resources to tackle spatial concentrations of worklessness: the role of City Strategy Pathfinders and DAF Partnerships
- WLW response to DWP survey on lessons learnt in influencing DWP commissioning
- Investment and Target Group Minutes

2.5 Drawing all the evidence together allowed us to reach some initial findings and conclusions as to the overall impact of the Investment & Target Group. We then tested and developed our findings further via interviews with key people.

We held a series of interviews with the Investment & Target Group members and other stakeholders

- 2.6 In order to get a balanced view of the intervention, we used a method which allowed us to triangulate the views of a range of organisations involved in different parts of the work package. The process of comparing the accounts provided by different sources allowed us to get perspectives from different angles on what worked, what did not, and what could have been improved.
- 2.7 Through a mix of face-to-face and phone interviews, we collected the views of the following organisations:
- West London Working
 - West London Working Chairman and Board Members
 - Department for Work & Pensions
 - Jobcentre Plus
 - Skills Funding Agency
 - West London Alliance
 - London Development Agency
 - The boroughs of Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow
 - The London European Programme Management Unit
 - Compass
 - West London Network
 - The London Skills & Employment Board
 - The Greater London Authority
 - London Councils
 - North London and South London sub-regional partnerships
 - Sheffield City Strategy Pathfinder
 - Manchester City Strategy Pathfinder

3 WHAT, WHERE, WHO AND WHICH: THE SERVICE OFFER

Introduction

- 3.1 This section provides the basic information on the work package evaluated. In this section we also define what the work package aimed to achieve. Evaluators can only tell if a work package has been successful if they know what it set out to deliver in the first place.
- 3.2 This section simply seeks to provide information. The information provided here is subject to analysis in later chapters.

What was the context?

What is the context of the national City Strategy Pathfinder policy?

- 3.3 Despite declining worklessness in the UK overall, the first years of this century saw a growth in concern about the persistence of localised concentrations of high rates of worklessness in certain areas. The majority of such concentrations of worklessness were (and are) in major cities (plus some seaside towns and coalfield areas). Within these localities cycles of deprivation and other barriers trap people in worklessness and poverty. It is these issues of concentrated worklessness and poverty that the City Strategy Pathways (CSPs) were designed to address through a process of localisation or devolution. CSPs first emerged as part of the Government's desire to reform the welfare system as set out in the January 2006 Welfare Reform Green Paper – A new deal for welfare: Empowering people to work. While not referring to CSPs by name, Chapter 5 of the Green Paper stated:

“Each local area will be asked to develop a consortium comprising local partners with a shared interest in working together to raise local employment rates and improve the local economy.”
- 3.4 This proposal was about seeking to align resources and provide freedom to innovate and tailor services to local needs through partnership working across the welfare to work and skills policy areas. The CSPs are ‘pathfinders’ in the sense that lessons for the future delivery of welfare to work and related skills policies were sorted from the start. Thus they are both an important initiative in their own right and test beds for new approaches to tackling local concentrations of worklessness through devolved policy making and delivery.
- 3.5 In establishing City Strategy Pathfinders the DWP set out a framework with three levels of devolution in its commissioning strategy². CSPs were given the following rights:

² DWP, Evaluation of Phase 1 City Strategy, 2010, p.19

Table 3.1 DWP devolution levels

Level 1	<ul style="list-style-type: none"> • To be able to comment on DWP specifications, to see which elements of contracts can be changed locally • Be involved in the evaluation of DWP bids • Be involved in DWP performance management of contracts • Copied into monthly contract performance information • Take part in Provider Engagement Meetings
Level 2	<ul style="list-style-type: none"> • Co-commission with DWP
Level 3	<ul style="list-style-type: none"> • Enter discussions about full devolution of funding and commissioning (2015 timeframe)

A changing delivery context for employment related services

- 3.6 Since the beginning of West London Working, the delivery context for employment services has evolved. This has affected the Investment & Target Group’s activities and it will affect the ability of local authorities to influence funding allocation in the future.
- 3.7 This evaluation needs to assess the impact of the Investment & Target Group within the existing delivery context of the time and must therefore understand how it evolved.

The replacement of Learning and Skills Councils by the Skills Funding Agency

- 3.8 On 17 March 2008 the abolition of the Learning and Skills Councils (LSCs) was announced and they stopped operating in March 2010. Funding responsibilities for 16–19 year old learners were transferred to the Young People’s Learning Agency (YPLA) and the new Skills Funding Agency (SFA) was to distribute funding for adult learners in Further Education Colleges.
- 3.9 The government expects FE colleges to show that they are accountable to their local communities and to develop an offer that reflects local needs. SFA Guidance states: “Colleges must also be able to demonstrate that they are meeting the needs of employers and learners, and how they are engaging with business and other partners including through their collaborative work with other colleges, training organisations and universities to develop an offer which meets the needs of the community in which they work.”
- 3.10 With these new arrangements it is ever more critical for sub-regional partnerships to work together to influence the local allocation of resources and to draw together local delivery by post 16 education and skills providers and employment programmes.
- 3.11 As part of the transfer of responsibilities to the SFA and the YPLA, the sub-regional London West LSC infrastructure was removed and this office closed. Membership of the Investment and Target Group remained consistent with the previous London West LSC Area Director continuing to attend on behalf of the SFA.

The reform of the welfare to work system and a new approach to commissioning

- 3.12 After the General Election, the Coalition Government set out a number of major welfare to work reforms, including a core integrated welfare to work programme (the Work Programme) and a number of measures designed to support people to find employment.

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- 3.13 The Work Programme, expected to start in the spring / summer of 2011, will bring major changes to the 'landscape' of employment and skills provision in West London. It will replace the considerable number of smaller scale and fragmented programmes contracted out to a variety of provision with a single programme managed by large prime contractor businesses. The commissioning process was overseen solely by DWP, without input from CSPs in the tenders as had previously been the case as part of the devolution arrangements.
 - 3.14 On the 25th November 2010 DWP announced successful bidders for the Framework for the Provision of Employment Related Support Services (thereafter referred to as the Framework), consisting of organisations with the capacity and expertise to deliver these services. For London, 16 prime contractors were selected.
 - 3.15 The Work Programme focuses on outcomes and is not prescriptive with regards to the specification of activities undertaken. Bidders were encouraged to work with local authorities and other key local stakeholders to fully understand the local picture and the existing provision in order to develop proposals which address local needs.
 - 3.16 Most prime contractors are likely to be sub-contracting some or all their delivery to local organisations, which represents opportunities for the local supply chain.
 - 3.17 In order to make the most of this new system, it will be critical for boroughs to build strong relationships with prime contractors and integrate employment programmes with their own services.
 - 3.18 These changes were reflected in the Investment & Target Group's priorities which shifted towards a greater engagement with prime contractors and local supply chains to prepare the ground for the Work Programme.

The end of the London Development Agency

- 3.19 In June 2010, the Government announced the abolition of the nine Regional Development Agencies (RDAs) in England – eight regional agencies through the Public Bodies Bill and the London Development Agency through the Localism Bill.
- 3.20 It is intended that Local Enterprise Partnerships will take over some of the roles and functions of RDAs while most of the functions will continue at either a national or local level. In London, the LDA will be abolished by 31 March 2012, although some of its activities will be transferred to the GLA.

What was the nature of activities?

- 3.21 The Investment & Target Group is the West London Working work package that focuses on developing effective methods of influencing investment in employment and skills services in the sub region. It was the core group which could enable West London Working to maximise DWP's offer to devolve DWP commissioning processes.
- 3.22 Set up in 2007, the Investment and Target Group includes: Jobcentre Plus, the Learning & Skills Council (now Skills Funding Agency), the London Development Agency (LDA), the London Borough of Ealing, West London Alliance, and West London Working (WLW).

Although not a permanent member, DWP inputted into the Investment & Target Group through bilateral meetings with a WLW representative.

- 3.23 Activities can be split into the following categories: evidence building, influencing investment, target setting, linking with the supply chain and securing sustainability.

Setting the baseline for West London

- 3.24 In order to make the case for effective use of funding in West London to regional and national funders, the Investment & Target Group needs to understand the specific challenges affecting the sub-region. It is also important in order to ensure that the partnership targets interventions effectively.
- 3.25 The West London Working team created a contract register³ detailing the investment in West London skills and employment services from each of the main funding bodies by contract and subcontract holder. This provided a useful starting point to the Investment & Target Group, helping to paint a picture of provision in the sub-region. The Directory of Employment Services did not exist at the time and the function of the contract register was different in that it identified the total amount of investment in West London's employment services, by whom, to which target group, in which geography, and in what volumes.
- 3.26 The Investment & Target Group also commissioned a business analyst on a fixed term basis from August 2008 to March 2010 to provide evidence-based analysis to inform key decisions. The main role of the business analyst was to examine socio-economic and demographic data in the sub-region in order to identify trends and areas of need. The statistical information collected was disseminated through bulletins. The business analyst also played a key part in producing the West London Work and Skills Plan.

Influencing investment

- 3.27 This is the core of the Investment & Target Group's mission. In order to influence investment decisions amongst the key funders, it was intended that the members of the Investment & Target Group consult with each other on new policy, business cases, and programme specifications. The Investment & Target Group also gave the opportunity for members to share their procurement timetables so that the partnership could inform the commissioning process. A forward planner was produced that detailed commissioning stages from policy development to delivery for the three main funding bodies, DWP, LSC and LDA. It was hoped that this would allow them to make timely, proactive, evidence based input into regional, national and European funding specifications.
- 3.28 Beyond commenting on tender specifications, it was intended that the Investment & Target Group would be part of the funder's selection process by commenting on the bids received.
- 3.29 Following DWP's publication of their framework for commissioning devolution (see table 3.1), the Investment and Target Group focused on taking full advantage of the additional influence on DWP's procurement that this provided.

³ <http://www.westlondonworking.org.uk/index.php?miid=1615>

- 3.30 West London Working also joined the London ESF Committee in Autumn 2009 and participated fully in the Co-Financing Organisations Business Planning for the 2011-2013 ESF allocation.
- 3.31 Finally, a key role of the Investment & Target Group was to explore opportunities for aligned procurement to maximize the flexibility of funding from each member.

Setting targets

- 3.32 Another key planned activity for the Investment & Target Group relates to target setting. This is strongly linked to its ability to influence investment as each funder relates spend to a set of targets. If the target indicators are different, it impedes joint funding. For this reason, one of the tasks identified for the Investment & Target Group was to agree on common targets for inclusion in West London contracts.

Linking with the supply chain

- 3.33 The Investment & Target Group planned to proactively engage with the supply chain through the Guidance, Skills and Brokerage Confederation to ensure that local providers were aware of funding opportunities and, later on, understood how to position themselves with prime contractors.

Ensuring sustainability

- 3.34 With funding ending in March 2011, the ability to continue to influence investment in West London beyond this date was a key concern. In order to address this, the Investment & Target Group commissioned Rocket Science to explore options available to them. We look at the outcomes of this legacy work in the Chapter 5.

What was the rationale for intervention?

- 3.35 The rationale for West London Working and for the Investment & Target Group is set out in the 2007 Business Plan. The main area of need the Investment & Target Group tackles is the lack of coordination in the provision and planning of services.
- 3.36 The business case estimates that 'annually £40m is invested in employability services in West London'. When West London Working was set up, this funding subsidised approximately 400 projects or services which were delivered by 200 providers, despite the fact that the vast majority of the funding came from only four funders (the LDA, ESF, DWP and the Learning & Skills Council / Skills Funding Agency). The links between existing services were weak and residents were faced with a complex set of options. As a result, they could be lost between services and this could stop their progress towards employment.
- 3.37 On the public sector side, the business plan points out that the fragmented provision means that there is no sense of collective responsibility for supporting residents through appropriate services to help them move into work, or stay in work. As a result there are areas of duplication at the same time as there are gaps in provision. This reflects an inefficient use of public funding as public bodies have no clear idea of what is being delivered in the sub-region. This in turn prevents a coherent approach towards

commissioning. The lack of coordination is exacerbated by the fact that each funder works to a different set of targets and measure their achievements in different ways.

- 3.38 In summary, the rationale for intervention for the Investment & Target Group stems from this lack of coordination, the ensuing inefficient use of public funds and incoherent service offer to residents. One way to tackle these issues is to bring funders together which is what the Investment & Target Group does.

What were the Investment & Target Group's objectives?

- 3.39 The over-arching goal for the Investment & Target Group derives from its rationale for intervention: it aims to improve coordination, so that services fill gaps and duplication is reduced.
- 3.40 In order to achieve this it aims to encourage joint working between its members leading to aligned or joint planning, commissioning and investment in services targeted to reduce worklessness in West London.

What were the target outputs and outcomes?

- 3.41 The outputs listed in the 2007 Business Plan are as follows:
- Priority targets agreed and rolled out across West London provision.
 - Common funding terminology and interpretations agreed and disseminated across West London providers.
 - Practical examples of match funded projects generated or joint prospectuses.
- 3.42 The 2007 business plan also hopes the Investment & Target Group will have the following outcomes:
- Improve the ability to articulate West London's needs.
 - Direct EU/National & regional funding to those areas most in need. The Group should create a single voice to feed in to regional and national tier decision making processes and as a result, it would allow West London to respond to competitive funds in a coordinated way.
 - Improve the coordination of delivery in West London and enable better informed strategic decision making.
 - Strengthen WLW's leadership role
 - Improve efficiency at provider and funder level.
 - Improve personalisation of routeway into employment
 - Reduce duplication of provision.
- 3.43 However, as the delivery context changed, the Investment & Target Group's priorities evolved to reflect the new commissioning processes for employment and skills services. First, it aimed to maximise the potential from DWP's Level 1 devolution arrangements and, after the General Election, it focused on engaging with prime contractors and the local supply chain in order to shape the delivery of the Work Programme.

What was the work package timescale?

- 3.44 The main milestones for the implementation of the Investment & Target Group are set out in the 2007 Business Plan and the funding application. They are presented in the table below.

Draft Terms of Reference for group agreed	October 2007
6 month priorities for action drafted	October 2007
West London Contract Register, Provider/Partner & Subcontract List, and Forward Planner prepared	November 2007
Draft Terms of Reference and first 6 month priorities (Jan 08 to Jun 08) drafted and consulted upon (FA)	November 2007
West London Investment & Target Group Work Package Business Case to Board	December 2007
First workshop arranged to agree priorities with group	December 2007
Recruitment of Business Analyst	January 2008
Business Analyst employed	February 2008
Second Investment and Target Group workshop [future frequency to be timetabled]	February 2008
Establish process for gap analysis and feedback	Jan – Feb 08
Available performance data on West London Employment and Skills investment collated	March 2008
First Bimonthly bulletin published	March 2008
Demand and Supply Feedback process operational	April 2008
Jun 08 to Mar 09 Priorities for action agreed	May 2008
Investment and Target Group priorities for action completed	Jan - Jun 08

Which organisations have been involved in delivering the work package?

- 3.45 We presented the membership of the Investment & Target Group in paragraph 3.23 but here we provide more detail on the representatives from each member organisation. The exact membership of this group needs to be understood as having the right people on board (i.e. those who can make decisions) will be critical to its ability to effect change.
- 3.46 Jobcentre Plus was represented by its West London External Relations Manager; the LSC by the Area Director for London West; the London Development Agency by the Director of Employment & Skills; the London Borough of Ealing by its Director of Property and Regeneration; the West London Alliance by its Director; and West London Working by its Director. DWP on the other hand did not have a permanent representative, although a main contact was agreed in December 2009.
- 3.47 The accountable body for WLW is the LDA and the Investment & Target Group was chaired by its representative. In addition, the LDA's previous Chief Executive, was the Board Advisor for this work package and it was intended that he would play an assurance role.
- 3.48 The project itself was project managed by the West London Working Programme Team's Senior Project Manager.

What was the allocated budget?

- 3.49 The total budget approved for the Investment & Target Group amounted to £133,210 and was supplied by DWP's Deprived Area Fund.
- 3.50 In addition, members of the Investment and Target Group and the West London Working Programme Team have provided staff time.

How does the Investment & Target Group link to other WLW activities and objectives?

- 3.51 The Investment & Target Group was expected to have linkages with the WLW Passport; the Performance Rating; and the Guidance, Skills and Brokerage Confederation.
- 3.52 Initially, it was intended that the Passport would identify which employment and skills services West London residents use, no matter who funds these. Detailed information would be obtained on how much it costs per resident into sustained work and what the most effective combination of services is. This information would then be able to inform future commissioning. However, West London Working concluded that the business benefits that a Passport system could bring did not exceed the cost and complexity of implementation, so the Passport work package did not progress further.
- 3.53 There was a strong link with the Performance Rating as some key funders in the Investment & Target Group have decided to adopt it as part of their performance management. All LDA learning and skills contracts will be performance rated from April 11, London Councils have implemented it since October 2010, and the National Offenders Management Unit will use it to rate their new London ESF contracts. The boroughs of Hillingdon, Ealing and Harrow all used the rating with their 10/11 LDA grants. It is seen as a useful tool for commissioners in making funding decisions and for providers in improving their quality and performance.
- 3.54 The links with the Guidance, Skills and Brokerage Confederation have already been mentioned in paragraph 3.34. The Confederation was the conduit for the Investment & Target Group to engage with the local supply chain. With a growing membership, it played a key role in helping providers adapt to the changes in commissioning being brought in by the major funders, and in making sure that smaller specialist local delivery is not being lost in the new context of large contracts.
- 3.55 There were also links with the WLW Board through regular meetings during which the Investment & Target Group made recommendations on funding allocations. The Chairman and a number of Board Members were closely involved in developing the approach to most effectively influence expenditure, and contributed in specific workshops during the development of proposals for a West London Commissioning Unit.
- 3.56 With regards to the Implementation Group, there are a number of common members of both the Investment and Target Group and the WLW Implementation Group: the West London Alliance Director, JCP Partnership Manager, and SFA representative attended both groups. Information on the activity to influence investment was communicated to the Implementation Group, which was involved in resulting activity such as the specification development for the Heathrow Employability and Upskilling Programme, and the design of

the West London Sustained Employment Programme (Reach West London). However, despite this, feedback from other members of the Investment & Target Group, Implementation Board and Board suggested they were not clear of the relationship between these groups.

4 DEFINING HOW THE INVESTMENT & TARGET GROUP AIMED TO ACHIEVE ITS OBJECTIVES

Introduction

- 4.1 This section presents the Investment & Target Group and defines what it aimed to achieve. It forms the basis for the evaluation in later chapters.

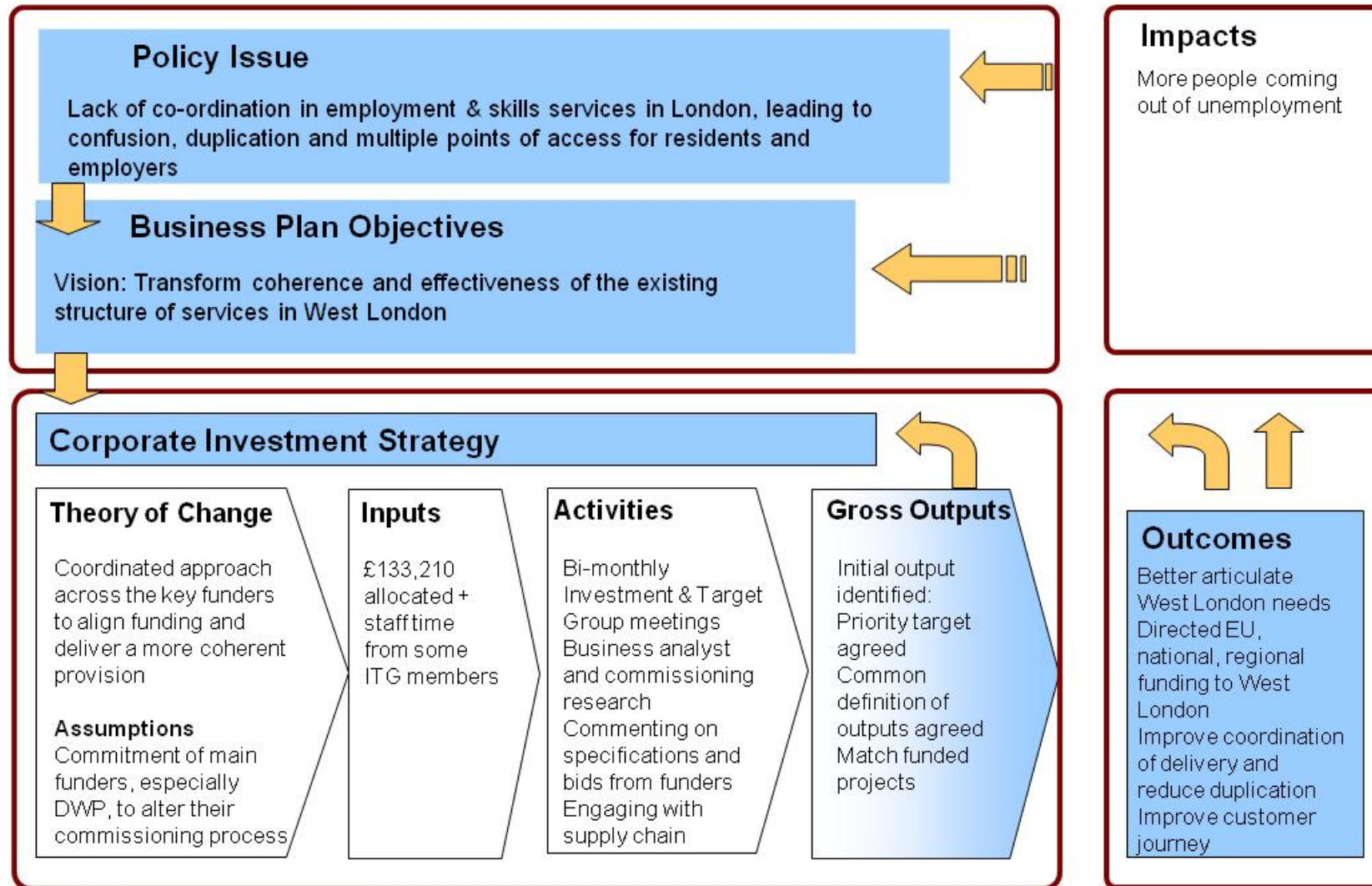
The Vision statement

- 4.2 As a whole, the West London Working City Strategy Pathfinder (CSP) has the vision of “transforming the coherence and effectiveness of the existing structure of services in West London to deliver a sustainable increase in the number of residents in employment and a reduction in child poverty.”
- 4.3 The Investment and Target Group, and the wider activity to influence investment in employment and skills services in the sub region, is one of a number of activities designed to deliver that objective. Individual work packages did not have their own vision statements. Instead, each was expected to deliver the above CSP vision.
- 4.4 The vision represents the overarching mission of the work package as a whole. Testing the extent to which the Investment and Target Group contributed to the delivery of this vision will therefore be the overall finding of the evaluation, and so is discussed in the conclusion.

What was the Investment & Target Group’s logic model (“theory of change”)?

- 4.5 The logic model summarises the sequence of events thought to bring about benefits or change over time. It portrays the chain of reasoning that links investments to results: in other words it explains through which mechanisms the Investment & Target Group expects to deliver its objectives and to contribute to the vision for WLW.
- 4.6 In the case of the Investment & Target Group, it is hoped that by working together, funders will be able to better understand the needs of West London and to align their funding allocation accordingly. This would in turn lead to more coherent and effective services which would help local residents back into work.

Figure 4.1 Work package logic model



5 HAS THE WORK DELIVERED WHAT WAS HOPED?

Introduction

5.1 In this section we examine how the Investment & Target Group has performed against what it set out to do, based on our desktop research and on the findings from our interviews.

What outputs have been achieved?

5.2 As mentioned in Chapter 3, the 2007 Business Plan identified three outputs for the Investment & Target Group: priority targets agreed; common target indicator definition; match funded projects delivered in London. As we see next, the Investment & Target Group has been partially successful in delivering these outputs.

The funders agreed on a priority target indicator...

5.3 Sustained employment is seen by all funders as the ultimate target for all employment and skills interventions. However, this reflects a London wide campaign rather than the Investment & Target Group's own activities.

5.4 This indicator was used as part of the Sustained Employment Programme (explained in more detail in Table 5.1).

But there is no agreement on how to define it

5.5 While the principle of using sustained employment as the ultimate measure of success is broadly agreed, how to define it is more problematic as different funders favour different definitions. As a result, no agreement has been reached on how sustained employment should be defined.

A number of projects were delivered in West London as a result of the Investment & Target Group activity

5.6 The Investment & Target Group influenced investment in West London through its linkages with key funders, although there were limited levels of match funding taking place. These projects are presented in the table below.

Table 5.1 Employment & skills projects in West London influenced by the Investment & Target Group

Programme / Project name	Description	Funding
Reaching out – IAG	Capacity building project in Advice & Guidance within the Voluntary and Community Sector in the West London boroughs. The bid put forward for this project was informed by the challenges identified in the West London Working business plan.	£500,000 was allocated by the LDA and later reduced to £477,000
HELP	HELP works with West London's Housing Needs Officers to equip them with the skills to signpost customers in housing need and those living in temporary accommodation into training and employment opportunities. This project was shaped as	CLG supported the initiative with a grant of approximately £290k

	a response to challenges identified in the WLW business plan.	
Personal Advice & Outreach Programme	The project aimed to link front line staff from other public and third sector services with employment and skills provision. It also aimed to provide customised support to the hardest to help and access to information, advice and guidance for all workless residents. WLW led the development of this project and was the majority funder. It secured match from Local Authorities.	Approx. £450,000 from LDA ESF, LB Hillingdon, LB Hammersmith & Fulham
Sustained Employment Programme	The programme focuses on developing a pathway to sustained jobs including specific consideration of the public sector and its supply chain. West London Working coordinated the development of the business case presented to the LDA, then worked closely with LB Ealing during its procurement.	WLW funds: £1m (£750k Deprived Area Fund & DWP Reward Funding + £250k LDA Single Programme Economic Recovery Action Plan funding). LDA match funding: £2m.
New Pathways to Work Transnational Programme	This project aims to: improve the links between frontline services and existing employment support services in West London; bring mental health and employment support services closer together; develop new and improved pathways into employment for the most disadvantaged communities in West London. There was direct support from WLW for putting together the bid for this project.	WLW: £190k Deprived Area Funding + circa £580k match from WLW's personal advice & outreach programme ESF: £1m
Gateway Heathrow 2012	Provides training in sectors of relevance to Heathrow such as customer service for the hospitality, leisure, travel & tourism sector. Also provides support with job search and employability skills. Led by the London Borough of Hillingdon.	LDA / ESF: £900,000
Future Jobs Fund	Aimed to create 300 new, additional posts across the six West London Alliance boroughs. It is led by West London Alliance working with Groundwork (London) and a range of Third Sector organisations as key employment partners. LB Ealing is the accountable body. There was direct support from WLW for putting together the bid for this project.	DWP: £1,950,000,

What outcomes have been achieved?

- 5.7 We explore whether the Investment & Target Group has achieved the outcomes identified in the business case.

Improved ability to articulate West London's needs

- 5.8 Through the research carried out by the business analyst and through their engagement with providers, the Investment & Target Group has developed a good understanding of the needs of West London's residents as well as the gaps in the existing provision.

5.9 This knowledge was used to inform the commissioning process both with funders and with providers. For instance, with the Sustained Employment Programme, the partnership was able to clearly identify the target group in order to complement existing support.

Influenced allocation of EU, national and regional funding in West London

5.10 The Investment & Target Group influenced EU, national and regional funding decisions in two ways: by helping to shape the specifications of tenders from some major funders; and by commenting on the bids received in response to these tenders.

Shaping Invitations to Tender specifications to better convey the needs of West London

5.11 Tenders issued by regional and national funders tend to be standardised documents, with little or no information on the needs of the areas they may be targeting. The Investment & Target Group has brought valuable local knowledge to the process.

5.12 The role of the Investment & Target Group in shaping ITT specifications received positive feedback from providers who felt the local information was helpful, in particular, as DWP's commissioning approach moved towards black box contracts which reward job outcomes rather than specific services delivered. Providers were able to draw from local information to best target their delivery offer and respond to local needs and challenges.

5.13 Through their membership of the London ESF Co-Commissioning Group WLW commented on ESF specifications from the LDA and Skills Funding Agency. WLW benefited from a longer term involvement in the development of these specifications as had contributed at the business planning stage, well before detailed specifications were produced.

5.14 This role in shaping specifications highlights the need to be able to communicate very clearly what the priorities are for the sub-region and what differentiates it from the national / regional context.

5.15 However, the WLW team feedback that being involved in the policy and planning stage is often more effective, as normally by the time that the specification is circulated it is in its final version so it is difficult to make any fundamental changes to its contents.

5.16 Overall, while this was felt to be a successful outcome from the Investment & Target Group activity, its influence could have been greater as it exclusively concerned DWP and London ESF specifications (including Skills Funding Agency and London Development Agency ESF specification) while no specifications that were solely funded by Skills Funding Agency or London Development Agency were commented upon.

Commenting on bids received

5.17 The Investment & Target Group commented on a large number of DWP bids, including on LinkUP, Workchoice, Community Task Force and Flexible New Deal Phase 2.

5.18 Through their involvement in commenting on DWP's Flexible New Deal Phase 2, the Investment & Target Group identified a number of weaknesses and inaccuracies in the bids submitted. Based on their local knowledge, they were able to point out:

- inconsistencies between criteria for selecting supply chain providers and those chosen
- inaccurate descriptions of geographical locations and transport links

- unrealistic models of delivery due to West London's geography
- inadequate assessments of local demography and barriers to employment
- inconsistencies regarding portrayal of local engagement both of sub-regional organisations and in terms of employer engagement

- 5.19 However, the group felt that insufficient guidance was provided about their role in this process and that they were not confident of the degree to which their comments would be taken into account. As the majority of DWP procurement activity, such as Flexible New Deal 2, did not complete it is hard to make conclusions regarding the impact of the Investment & Target Group's comments.
- 5.20 In addition, there was some inconsistency about the approach taken by DWP to local input in the different tender rounds. In early bidding rounds no information was supplied on which part of the bid the Investment & Target Group was expected to comment on, however these processes improved in later bidding rounds.
- 5.21 In an example of good practice, the agreement from DWP that WLW could follow the same grading system as DWP was found to be very useful as it helped the Investment & Target Group to focus when commenting on their bids. The Investment & Target Group hoped that quantifying scores would enable DWP to understand their relative views on each question.
- 5.22 While commenting on bids was felt to be a successful outcome from the Investment & Target Group activity, its influence could have been greater as it only related to DWP tenders. As DWP implemented a standard process to enable City Strategy Pathfinders to comment on bids as part of its level 1 devolution offer WLW was automatically invited to comment on all DWP bids. As this automatic process was not in place for Skills Funding Agency or London Development Agency procurement the opportunity that WLW had to comment on bids funded by SFA or LDA was limited to those tender rounds where WLW had a direct interest, such as the SFA tendering for the Work Focused ESOL for Parents pilot.

Joining ESF co-commissioning and co-financers committees

- 5.23 WLW joined the ESF co-commissioning group in October 2009. Attendance at these meetings has been instrumental in influencing the planning of the 2011-13 ESF round. Membership has enabled WLW to have an input at the very early stages into how co-financers plan to invest future ESF money in London.
- 5.24 As a result of the Investment & Target Group's involvement, the ESF co-financers agreed to fund the Heathrow Employment and Upskilling Programme. The Investment & Target Group was able to make a clear business case for this programme: Heathrow is the UK's largest employer hub with 77,000 employees; the programme has the backing of BAA; and it also builds on a much smaller scale Heathrow brokerage. The fact that there was a clearly evidenced need for better coordinated job brokerage at Heathrow has been a key factor in the success of the Investment & Target Group's influencing of ESF funding. Unfortunately, as the Heathrow Upskilling programme is match funded by the London Development Agency, its procurement is currently suspended as the LDA is waiting for formal confirmation of the Spending Review and the only clear indication they have

received from Treasury so far is that contractual commitments will be covered. Formal confirmation of the London allocation is expected in February 2011.

Securing funding for West London

- 5.25 As seen in Table 5.1 the influencing activity of the Investment & Target Group and West London Working overall did shape investment in West London although it is impossible to know what would have occurred without it.
- 5.26 The Investment & Target Group contributed to specifications and bid appraisal for approximately £40m annual DWP investment in West London. It has also influenced the use of approximately £20m annual investment in West London as members of the London ESF Programme 2007-13 Regional Committee and as attendees of the ESF Co-Financing Organisations meetings.
- 5.27 Overall, WLW has levered in £5.9m of funding through support of sub regional projects such as the Future Jobs Fund, HELP and Gateway Heathrow 2012.

Aligning funding

- 5.28 As well as influencing individual funders to invest in West London, the Investment & Target Group had hoped to get them to work more closely and coherently in order to align their spend and reduce duplication.
- 5.29 This was not successful in the time frame of the project for a number of reasons:
- Funders worked to different timescales and different targets
 - They have different commissioning processes
 - They had different strategic priorities at regional (LDA) or national (DWP / SFA) level which took precedence over WLW's goals.
- 5.30 As a result, the Investment & Target Group did not succeed in aligning funding in West London, except for the Sustained Employment Programme. This was an ambitious objective in the first place as it relied on a sub-regional organisation effecting change in regional or national organisations.

Limited improvement to coordination of delivery or reduction in duplication

- 5.31 It seems that the Investment & Target Group is likely to have helped improve coordination at sub-regional level amongst some individual funders by supporting a more coherent approach and helping to shape delivery to respond to local needs. Indeed, the London European Programme Management Unit did point out that the Investment & Target Group's involvement in their Co-financing group did have a positive impact on dealing with duplication at least at a sub-regional level.
- 5.32 On the other hand, the failure to pool funding means that coordination across funders in West London will not have improved dramatically. For instance, the description of the various projects influenced by the Investment & Target Group suggests that there is bound to be some overlap amongst their target groups.
- 5.33 In order to reduce duplication of services on the ground, the process would have needed to go beyond the funders and take in their whole commissioning process in order to identify

how 4 funders commissioned 200 providers to run over 400 services, each with separate targets, measures of success and reporting procedures.

- 5.34 The Work Programme and the use of prime contractors aim to address this and implement a more streamlined approach which in turn should result in a simplified offer of services. There has also been a move towards larger contracts from the SFA. However it is much too early to say whether their impact on co-ordination and duplication will materialise.

Potential to improve efficiency at provider and funder level

- 5.35 At provider level, the Investment & Target Group may have contributed to an improvement in efficiency insofar as, through its relationship with the Confederation, it has disseminated information on the commissioning process of large funders, and enabled providers to be better aware of the competition and prime contractors' expectations.
- 5.36 The Sustained Employment Programme illustrates what can be achieved by collaborative work. Feedback to DWP suggests that 'there have been clear benefits to the close involvement with the six boroughs in informing and developing the contractor specification, facilitating access to local subcontractors and passing on of local knowledge to the prime contractor to help it launch this new programme. The Prime Contractor has commented on the benefits that this sub regional approach has had in its implementation, compared to when they have implemented DWP or London Regional programmes in the area. Other bidders for this programme commented favourably on the level of West London specific information in the bidding pack and bidder events compared to similar national or regional bidding rounds'.
- 5.37 There is therefore potential for an approach such as that taken by the Investment & Target Group to improve the efficiency of providers, not only in their bidding process but also ultimately in the delivery of services.
- 5.38 On the other hand, the impact on the efficiency of funders is not as clear. While the Performance Rating might help if it is taken up, the Investment & Target Group's impact has been mostly in shaping tender specifications and trying to prevent further duplication. Beyond this, as mentioned before, improving efficiency amongst regional and national funders is an impossible challenge for a sub-regional organisation like WLW. It is beyond its remit in fact. ESF did mention that a benefit of WLW's involvement was the opportunity it offered them to discover new products, such as the Directory for Employment Services and the Performance Rating, which have already been piloted.

No robust way to measure any impact on the final user

- 5.39 While there may have been some improvement to the customer journey on individual projects such as the Sustained Employment Programme, the limited impact on co-ordination means that individuals are still likely to be faced with a lack of clear signposts across services.
- 5.40 It might be that over the long term, the Investment & Target Group's activities, by simplifying provision, would have improved the pathway to work in West London. However, as it only has an impact – and quite a limited one – on new provision but cannot simplify existing arrangements, it would take a very long time to see changes to the system.

Strengthen WLW's leadership role

- 5.41 The Investment & Target Group did strengthen WLW's leadership role by enabling a dialogue with national and regional funders.
- 5.42 It supported WLW's strategic role through its ability to articulate West London's specific needs to regional and national funders which made it a valuable partner. For instance, without the Investment & Target Group, West London Working would not have been involved with ESF's co-financers. As a result of the Investment & Target Group, West London Working was able to comment on bids and tender specifications and to shape regional and national investment decisions.
- 5.43 Aside from this strategic and influencing role, the Investment & Target Group also strengthened West London Working's leadership role by providing a conduit to disseminate its activities to the funders. In particular, it helped raise interest about the Performance Rating and the Directory of Employment Services and ultimately secured their legacy.

How does it compare with other City Strategy Pathfinders?

- 5.44 We spoke to Manchester and Sheffield City Strategy Pathfinders and explored their approach to influencing employment and skills investment in their area. Both cities followed a similar path to West London Working, gathering key funders (especially the LSC and DWP) and local authorities together.
- 5.45 Our interviews suggest common findings both in terms of impacts and lessons to learn.
- The value of the CSP as a place of dialogue between funders and local authorities. In particular, co-commissioning with DWP in Manchester for instance.
 - Have a clear vision and business plan which partners sign up to
 - The need to understand the local economy, needs and provision.
 - The activities of these CSP re influencing investment meant that they prepared their area for the Work Programme and working with prime contractors.
 - At best, had a small impact on co-ordination of delivery and reduction of duplication.
 - Develop providers understanding of what others do and their willingness to work with others.
 - CSP did help to level funding and influence local spend,
 - Engagement with LAs is a challenge, especially when it comes to redistributing funding.
 - Good communication between DWP (and other large funders) and local partners to keep them aware of policy developments and translate what that means for them is important.
 - Some CSPs were more about strategies and others more about delivery
 - Provide co-ordinated response whether to prime contractors or funders' proposals

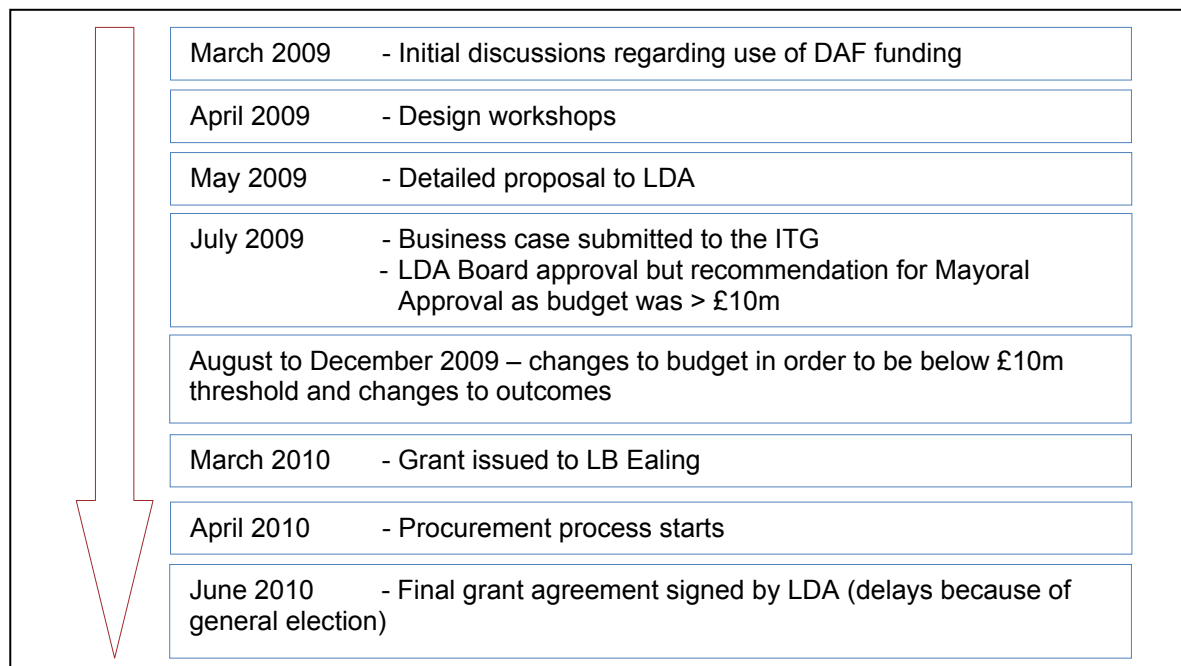
What worked well in influencing investment in employment and skills services in West London?

- 5.46 Our findings so far show that the main elements of the Investment & Target Group which helped it influence investment in West London were:
- Having the key funders around the table and facilitating a dialogue with sub-regional organisations. This did not happen before. Commissioning was a top-down process with little or no co-ordination across the main funders.
 - The opportunity it offered WLW to have an input in tender specifications in order to better address West London's needs.
 - The opportunity to comment on bids, reading applications with an understanding of the local context.
 - The pro-active approach taken by the West London Working team which ensured that these opportunities were maximised.
 - The engagement with the supply chain through the Confederation.
 - Having the infrastructure – through the West London Working programme team – to carry out on-going sub-regional activity and engagement with funders. This was identified as a strength by another London sub-region which does not have a City Strategy Pathfinder and indeed does not have dedicated resources to oversee an employment and skills programme.

What have been the challenges in doing this?

Different processes and timeframes amongst funders

- 5.47 There are deep-rooted and complex systemic issues which hinder pooling and aligning of funding as each funder has their own set of processes, target indicators, strategic priorities and timeframes.
- 5.48 For instance there have been continued challenges in pooling Deprived Area Fund and LDA funding with respect to extended decision making processes when dealing with two sets of authorisations and approvals. The Sustained Employment Programme is a good illustration of these problems. The funding allocation process is summarised in the diagram below. It took over a year from the inception of the project to receipt of the grant.



- 5.49 For the same reasons, difficulties appear in the acceptance of additional funding from other sources (pooling funding). Again an extensive approval process, involving a range of departments / groups / committees is usually necessary.
- 5.50 This is in part because public bodies do not seem to have different systems to deal with movement of funding between other public bodies and traditional grant funding / contracting mechanisms. As a result for the LSC to provide funding to the LDA as WLW's accountable body, the LSC had to use their normal grant funding agreement, in the same way as if they were working with a traditional LSC provider of services.
- 5.51 Both of these issues result in a considerable barrier to pooling funding and reluctance for one public body to take on both the administration and the risk of another's funding.

Securing the right representatives

- 5.52 There was an issue with the involvement of DWP in the Investment & Target Group. DWP did not agree a permanent representative for the Group, but did agree that a representative would be made available to attend Group meetings as required to provide expert advice and guidance. In December 2009, a main contact was named. A Jobcentre Plus representative did consistently attend the Investment & Target Group, but the fact that DWP led on procurement issues did prove problematic.
- 5.53 This applies to other members: the representatives who attended the meetings often did not have the authority to make decisions on behalf of their organisations. This was most pronounced with nationally led organisations such as Jobcentre Plus/DWP and LSC/SFA.

Different political agendas at local level

- 5.54 While there was a desire to agree shared objectives on principle, the reality proved more difficult. As expected, each borough had to defend their own local interest above the sub-regional objectives and this led to some tensions and obstructed some projects (e.g. Westfield). It was difficult to obtain a concerted view because of the range of political

drivers across the boroughs. It also means that it is difficult to rationalise provision when it might involve cuts or redistribution of services across the boroughs.

How has the work package expenditure performed against targets?

- 5.55 According to the West London Working team, the total spend incurred by the Investment & Target Group amounts to £124,801.
- 5.56 The bulk of the funding - £99,990 - went to the London Borough of Ealing to fund the post of Business Analyst together with some additional costs to support collating bids for funding on behalf of the six local authorities. The rest - £24,811 – was spent on a research contract to explore how commissioning activity at sub-regional level might be made sustainable post March 2011.

Value for Money

- 5.57 The Investment & Target Group is essentially a change management project and as such does not produce standard, measurable outputs. This means that Value for Money cannot be calculated. However, aside from the positive influencing role of the Investment & Target Group mentioned earlier, this spend of £124,801 should be placed in the context of the £5.9m of funding levered for sub-regional projects in West London, even if some of this funding would have been allocated to West London without the Investment & Target Group.

How has the changing policy context affected this work?

- 5.58 The changing delivery context presented in Chapter 3 affected the work of the Investment & Target Group in the following ways:
- It created some delays in the LDA approval process because of the General Election;
 - Towards the end of the project, the change of the LSC to the SFA combined with the declining role of the LDA made the Investment & Target Group less powerful.
 - The termination of DWP procurement for Flexible New Deal Phase 2, Community Task Force, and Progress 2 Work meant that the Investment and Target Group were unable to see the impact of their influence on these tender rounds – in terms of their input into the invitation to tender and their commentary on the bids received. Out of all the DWP procurement that the Investment & Target Group commented on only Pathways, Workchoice and ESF went into contract.
 - DWP’s change regarding localisation of its commissioning meant that CSPs are no longer able to comment on bids. As a result, and in response to the emerging Work Programme, the Investment & Target Group had to adapt its activities and focus on engaging with prime contractors. A set of ‘Asks of Prime Contractors’ has been agreed by WLW and the Local Authorities, and communicated to the providers on the DWP Employment Related Services Framework.
 - As a result of these changes, the original membership of the Investment & Target Group is no longer appropriate.
- 5.59 The main impact of the changes to the policy context however will be on the legacy of the Investment & Target Group as we see in the next section. In particular, changes to the welfare to work system and the RDAs mean that the relationships established between

local authorities, DWP, SFA, JobCentre Plus and the LDA through the Investment & Target Group will disappear.

What is the succession strategy for the Investment & Target Group?

- 5.60 After March 2011 DWP will not be providing financial support to the City Strategy Pathfinders and therefore the team managing West London Working will cease to be employed by the LDA for the West London partners. In view of this, consideration has been given to options for the long term and a number of discussions have taken place.
- 5.61 Overall, there was a strong strategic case to retain a sub-regional approach to influencing the commissioning of employment and skills services in West London. For instance, DWP and the LDA stated that they prefer dealing with sub-regional partnerships when it comes to collaboration on the design, commissioning and performance management of skills and employment services. This is also the approach being adopted by London Councils in developing their Manifesto. Furthermore, significant work had been produced and local knowledge acquired which should be built upon.
- 5.62 However, the experience of operating WLW, developing the intelligence and data, formulating policy and initiatives and then implementing them, was that simply partnership working through meetings and one off joint initiatives would not be an adequate response to the challenges and opportunities of improving the efficiency and quality outcomes of employment and skills services. Additional resources to those already in the partner organisations are necessary if tangible improvements are to materialise; as in any business change management situation.
- 5.63 As a result, a proposal for a West London Employment Commissioning Unit⁴ was put forward in order to take forward the work that WLW had been doing in the sub-region to influence national, regional and European investment in employment and skills.
- 5.64 Its key objectives would be to:
- Increase the number of West London residents in employment.
 - Reduce borough and other public expenditure on supporting out of work residents.
 - Promote co-ordination, integration and efficiency through work with local front line services that are utilised by 'out of work' residents.
 - Support the capacity and participation of local suppliers to deliver contracts and services helping residents into work.
 - Enhance the capacity of individual boroughs to address worklessness and local employment.
 - Facilitate and represent borough's work on employment at a sub-regional level.
 - Maximise the employment benefits for local residents at key regeneration sites and opportunities.

⁴ <http://www.westlondonworking.org.uk/index.php?miid=1667>

- 5.65 Unfortunately, as a result of the budget cuts, the boroughs were not able to commit the necessary resources to implement the West London Commissioning Unit and the idea had to be shelved.
- 5.66 Looking to the future, as a result of the work of the Investment & Target Group the West London Local Authorities have a clear vision of how they can work effectively with the new prime contractors that will be delivering in West London from summer 2011. Brent Council have offered to coordinate communications between the prime contractors and Local Authorities.
- 5.67 Local Authorities intend to establish relationships with prime contractors where their economic regeneration representatives will:
- Broker links between prime contractors and the relevant Local Authority departments that have responsibility for delivering statutory duties to prime contractors customers.
 - Broker links between major developers and prime contractors to secure more vacancies for local people and a single point of access between developers and prime contractor employment services.
- 5.68 Local Authority Chief Executives have left the door open to reconsider the concept of the West London Commissioning Unit, but in the short term West London partners such as Jobcentre Plus and the Local Authority representatives will look to take forward elements of the intended Commissioning Unit's role.
- 5.69 However, one of the strengths of West London Working was having dedicated resources to manage sub-regional work and without it, it is likely that the potential for joint and strategic work will not be maximised.

6 EVALUATING THE STRATEGIC ADDED VALUE ACHIEVED

Introduction

- 6.1 In this section, we examine the extent to which Strategic Added Value (SAV) has been delivered by the work package.
- 6.2 SAV relates to how RDAs use their influencing and lobbying roles to generate positive economic outputs for the region. This recognises that the contribution of RDAs can come through their interventions and expenditure but also through their influence on partners and stakeholders' behaviour and performance.
- 6.3 Whilst RDAs are no longer active as such, the DTI, now BIS, makes clear that SAV must be understood and evaluated. Firstly, delivering SAV was an objective of the West London Working programme; and secondly, the ideas that constitute SAV remain relevant, both to future economic development structures which may be adopted in London, and to similar work packages which might be commissioned elsewhere in the country in future.

How we evaluated SAV

- 6.4 We evaluate Strategic Added Value along the five categories identified in Government guidance⁵: leadership, strategic influence, leverage, synergy and/or partner engagement.
- 6.5 **Leadership** is defined as: 'articulating and communicating regional development needs, opportunities and solutions to partners and stakeholders in the region and elsewhere'.
- 6.6 **Strategic influence** occurs when a project or programme helps to carry out or stimulate 'activity that defines the distinctive roles of partners, gets them to commit to shared strategic objectives and to behave and allocate their funds accordingly'.
- 6.7 **Leverage** from public intervention is defined as 'providing financial and other incentives to mobilise partner and stakeholder resources – equipment, people as well as funding'.
- 6.8 **Synergy** means 'using organisational capacity, knowledge and expertise to improve information exchange and knowledge transfer and coordination and/or integration of the design and delivery of interventions between partners'. In other words, synergy allows more efficient delivery, less duplication, and a smoother client journey.
- 6.9 **Engagement** is the last dimension of SAV. The guidance defines it as: 'setting up the mechanisms and incentives for more effective and deliberative engagement of stakeholders in the design and delivery of regional and sub-regional priorities and programmes'. In other words, how did the project contribute to the design and delivery of the LDA's Economic Development Strategy (EDS)?

⁵ DTI, Evaluating the impact of England's RDA: Developing a methodology and evaluation framework, February 2006

What was the Investment & Target Group’s Strategic Added Value?

6.10 The very nature of the Investment & Target Group’s role is to achieve strategic added value at the regional level so we have effectively covered each of the dimensions of SAV in the previous chapter. We summarise them below.

Leadership	<p>The Investment & Target Group did strengthen WLW’s leadership role by enabling a dialogue with national and regional funders and communicating the needs of West London to them.</p> <p>It also strengthened West London Working’s leadership role by providing a conduit to disseminate its activities to the funders.</p>
Strategic influence	<p>This is the very core of the Investment & Target Group’s purpose. As mentioned before, it was partially successful in influencing major funders’ investment decisions. It was not successful on the other hand at pooling funding across these organisations.</p>
Leverage	<p>While there were few match funded projects, the Investment & Target Group’s activity did contribute to bring £5.9m of funding to West London.</p>
Synergy	<p>Synergy was limited. It may have occurred over time but within the timeframe of the project, the impact of the Investment & Target Group’s activity on duplication and customer journey would have been limited to a few individual projects.</p>
Engagement	<p>The Investment & Target Group’s activity helped articulate the needs of West London Working and communicate them to the LDA.</p>

6.11 Overall, the Investment & Target Group did generate strategic added value although its full potential benefits would take a long time to materialise and would require more flexibility from regional and national funders.

7 CONCLUSIONS AND LESSONS LEARNED

7.1 In this section, we draw some overall conclusions from our evaluation.

What impacts did the Investment & Target Group have?

- 7.2 The Investment & Target Group aimed to address the lack of co-ordination in the provision of employment & skills services in West London by better articulating the sub-region's needs; influencing and pooling investment from key funders in West London; and ultimately by simplifying delivery and reducing duplication.
- 7.3 The Investment & Target Group has been successful in developing a better understanding of residents' needs and service provision in West London, in part through the activity of the business analyst. This knowledge has fed into the funders' commissioning process and as such has been instrumental in influencing investment decisions.
- 7.4 The Investment & Target Group's main impact has been through its role as a place for dialogue between West London authorities and the major funders of employment and skills services. It has opened a channel of communication which did not exist beforehand. Through its input in tender specifications and comments on bids, the Investment & Target Group has influenced allocation of EU/National & regional funding in West London, helping to shape some funders' tender specifications to better reflect sub-regional needs. However, its influence could have been greater. With regards to tender specifications, it only concerned DWP and London ESF specifications (including Skills Funding Agency and London Development Agency ESF specification) but no specifications that were solely funded by Skills Funding Agency or London Development Agency were commented upon. With regards to commenting on bids, because of the lack of a process in place for the Skills Funding Agency and the London Development Agency, the opportunity that WLW had to comment on bids funded by these agencies was limited to those tender rounds where WLW had a direct interest, such as the SFA tendering for the Work Focused ESOL for Parents pilot.
- 7.5 While the Investment & Target Group has managed to promote the case for investment in West London with individual funders, it has not been successful at pooling funding. This is due to a number of reasons including the fact that regional and national funders have priorities which may supersede sub-regional objectives. They also have their own commissioning processes which tend to be very rigid and work to different timescales. As a result of this inability to pool funding, there has been little evidence of improvement to coordination of delivery or reduction in duplication.
- 7.6 Despite these problems, as a result of the Investment & Target Group activity, West London is further ahead in understanding the potential, and the difficulties, of 'putting the local' into national commissioning. As a result WLW has been approached by other sub regional partnerships for advice on how best to influence investment in skills and employment.
- 7.7 Through its involvement with key funders, the Investment & Target Group has also raised WLW's leadership and strategic role. Finally, London-wide discussions amongst funders

have led to an agreement on a priority target indicator (sustainable employment) although no agreement has been reached on how to define it.

- 7.8 The Investment & Target Group's activity with prime contractors also means that West London has had the opportunity to prepare for the Work Programme and the new system of employment services delivery.
- 7.9 In view of these findings, the rationale for the Investment & Target Group is still relevant at the end of the West London Working Programme. It has provided a useful infrastructure for sub-regional influence, established new processes and relationships. However, changing commissioning of employment and skills services on a significant scale is an ambitious challenge, one that would take a long-time. The Investment & Target Group is basically the first step on a long road. Unfortunately, without the West London Commissioning Unit there is no structure in place to take over from the Investment & Target Group and build on its achievements to date, although JCP and local authorities will take forward some elements of the Investment & Target Group's activity. This means that the emerging benefits of the Investment & Target Group, the relationships established and the knowledge acquired which could have benefited the Work Programme will not be maximised.

What has worked well?

- 7.10 Activities and approaches which have worked well for the Investment & Target Group include:
- Providing a West London infrastructure to interact with major funders on an on-going basis. It also helps each member better understand the constraints under which other organisations work and their objectives.
 - Building a strong evidence base of West London's needs in order to support the case for investment in the sub-region
 - Engaging in specification development helps develop tenders which address the needs of West London. It also promotes a high sense of ownership of new services and provides a mechanism for local authorities to specify delivery within black box contracts
 - Commenting on bids received can highlight weaknesses in the proposal based on local knowledge.
 - Engagement with the supply chain ensures local providers are aware of opportunities coming up and of prime contractors' expectations.

Which approaches /activities have worked less well?

- 7.11 The Investment & Target Group faced a number of challenges which have hindered its ability to meet its objectives and fulfil its potential:
- The regional and national funders' complex and rigid commissioning processes make it very difficult to pool funding across organisations
 - It can be difficult to influence a national / regional funder's procurement process if West London's objectives conflict with the funder's and if the representatives on the Investment & Target Group do not have decision-making abilities on behalf of their organisation.

- To work effectively presumes a clear local steer. The needs of local authorities and employers could be better communicated. In addition, in some cases, divergent local strategies make it difficult to reach a consensus.
- The commenting process has been limited to DWP but has not taken place with the Skills Funding Agency and the LDA
- A lack of buy in and involvement from local authority senior management although they were represented by the London Borough of Ealing.

Are there any lessons that should inform future approaches?

7.12 There are a number of lessons which could have helped improve outcomes from the Investment & Target Group's activities and which should be considered for future delivery.

A more transparent and coherent commissioning process

- The opportunity to comment on commissioning plans should occur prior to the specification stage as once final drafts are produced it is difficult to make any fundamental changes.
- The ability to have sight and influence over the entire Commissioning Package including the invitation to tender questions and the weighting of these increases the ability of local authorities to shape delivery.
- When funders ask for feedback on bids, the influence comments will have should be made clear and bids should be scored using the commissioner's criteria.
- It would be useful for the sub-region to see JCP and DWP comments and scores. In particular it would be useful to understand why the successful bidder has been selected.

Input with providers

- It would also have been useful for West London Working to have been involved in selection interviews and the inception meetings with the selected contractor. This would offer WLW the opportunity to address comments they made on bids with the applicant and seek solutions. It is important to be part of those pre contract meetings so that any concerns can be addressed.
- For the same reason, an introduction to prime contractors would be valuable. Indeed, WLW pointed that on-going task and finish relationship with prime contractors would increase effectiveness.

Effective partnership work

- As mentioned earlier, having the right representatives, with decision-making abilities, on board is critical
- Buy in from local organisations is necessary in order to influence and shape delivery choices
- Communication and dissemination is essential – both up and down the supply chain and from local authorities to funders. It was also felt that more communication from DWP as changes to the welfare to work occurred would have been welcome.

- Identify an exit strategy to build on achievements to date is critical otherwise both the relationships established and the knowledge gained will be lost.

Evidence base

- Need for a sound evidence base in order support local priorities and what differentiates them from the regional and national context.

Looking to the future

- 7.13 These lessons, especially those with regards to partnership work and engagement with the supply chain will be useful in the new welfare to work system. In particular, the need to work with prime contractors and shape their delivery choices with local intelligence will be critical if services are to be tailored to local needs. Local Authorities can maximise their influence by:
- brokering links between Prime Contractors and the relevant Local Authority Departments that have responsibility for delivering statutory duties that support prime contractors customers; and
 - brokering links between major developers and prime contractors to secure more vacancies for local residents and a single point of access between developers and prime contractor employment services.
- 7.14 Similarly, as investment decisions on adult education are going to be taken at national level, local authorities will need to learn to work and influence both the SFA and their local colleges in order to develop a coherent approach to adult education and link it with employment programmes.