



improving people's lives

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Demand Led Welfare Services:
An International Perspective



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Who are A4e

Mission

- Improving People's Lives

Business

- Running front line public services

Market

- International public service reform

Sectors

- Customer facing public services



Background on A4e

- 3,000 staff delivering front line public services
- Focus on managing supply and demand in markets in which we work
- Over 200 locations in UK and overseas
- Collaborative model working with third sector, faith groups, business and public sectors

Driving international social inclusion by joining up social and economic development to;

- eradicate poverty
- tackle inequality
- upskill nations
- drive employment



A4e – learning from global markets

Since 2004 A4e has expanded its operations:

- Israel
- France
- Germany
- Poland
- India
- South Africa
- Slovakia
- Australia



Global Challenges – Key Statistics

- The number of people unemployed worldwide remains at an historical high
- Consistently high unemployment rates and scant progress in reducing working poverty
- In Europe, unemployment remains above 7.5 % in some countries: e.g. Germany (9.8%), France (9.2%), Poland (13.8%), Euro Area (8.2%)
- Youth unemployment rates are on average more than double that of adults
- In addition, the long-term unemployed and those with lower skill levels find it harder to get work.



Global Response...

- What were once seen as 'national problems' are now viewed as global trends – requiring global solutions
- There is a search for international models of best practice that can be adopted and applied
- In a tightening global economy, governments are looking to deliver higher quality services and higher performance outcomes at lower costs to the taxpayer

So where ever you are...

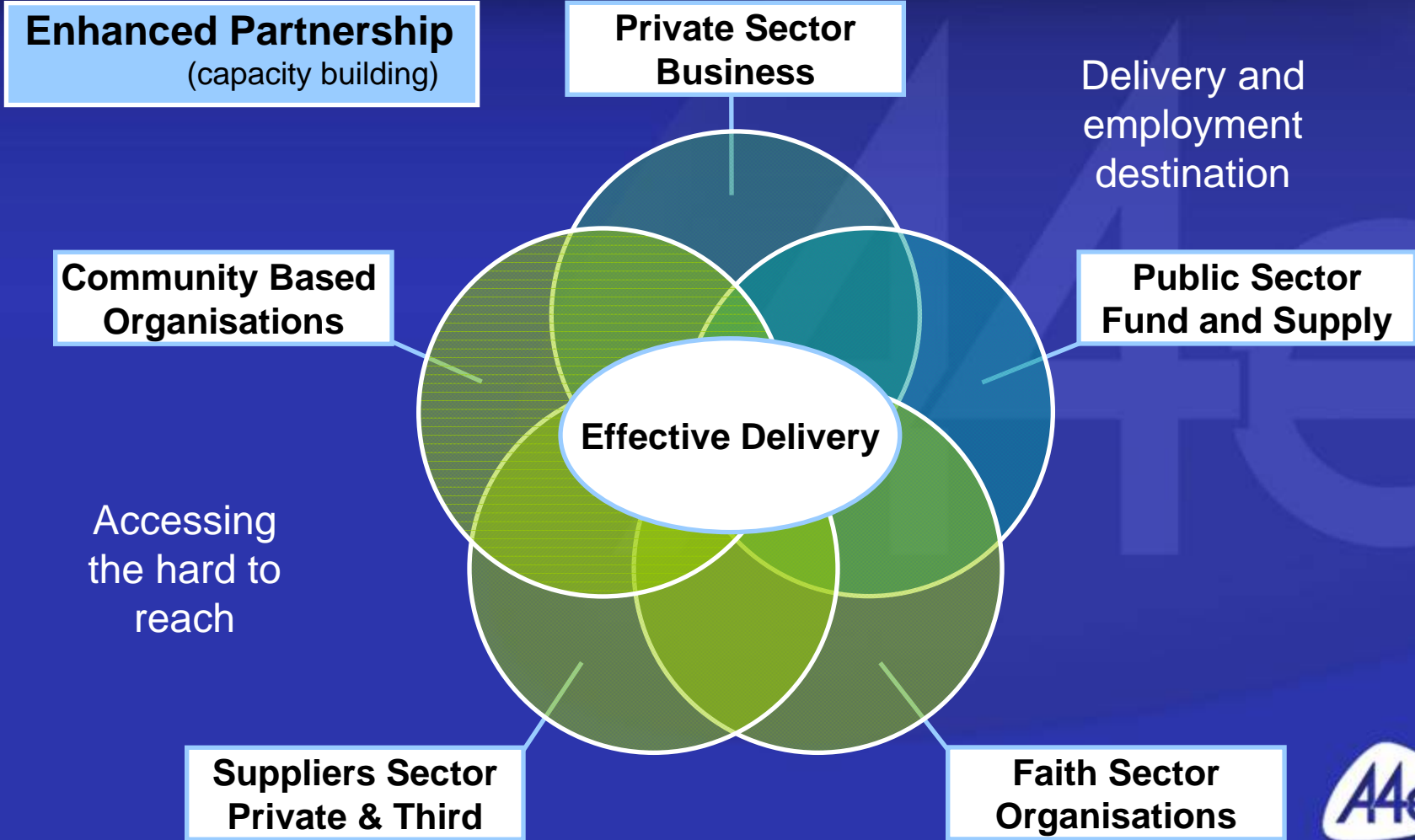
- Increased social spending is unsustainable
- Financial and economic slow turn
- Widening gap with hard to reach groups
- Skills gap
- Health barriers
- High levels of offenders
- Migrant labour

In order to tackle these complex issues the customer must be put at the centre of policy design and service delivery

Demand led models are required



Demand led brings many challenges



Demand led – raises issues for governments

Similar themes in every country in tackling social exclusion/welfare:

- A need to focus on outcomes
- Hard for governments to move away from funding inputs
- Need to invest over a longer term
- Requirement to fund and resource preventative measures
- New models needed to look at ‘cost of not doing something’
- More risk and reward sharing to effectively fund service offer
- Pressure to (and lots of opportunity) to eradicate duplication and drive value for money/savings to drive more funds to front line

Demand led is also about meeting government needs



Demand led – market requirements

Employer requirements

- Helping business identify and meet skills gaps - strategy
- Re-engineering terms and conditions of employment - equality
- In work support programmes for employee and business

Third Sector requirements

- Essential part of supply chain
- Differentiated funding and service models
- Advocacy and challenge to the service offer – client safety nets

Demand led means balancing demands across the system/market



Demand led – putting consumer first

Similar themes in every country in tackling social exclusion/welfare:

- Poverty – number one challenge, including working families
- Services to prevent re-offending
- Legal services and advocacy
- Housing and shelter
- Health, including mental health
- Access to convenient, affordable childcare and flexible working
- Skills and training – to enter and progress in the labour market
- Transport and access to technology



Demand led means breaking down barriers together

Modern Welfare States....

Social exclusion and welfare is a global issue

- Employability rates not just 'unemployment'
 - Broader client group
 - One size doesn't fit all – expert knowledge
 - Importance of effective partnership
- Total impact of Social Exclusion and Worklessness
 - Whole life cost
 - Cost efficient solutions
- Sustaining jobs and progression
 - Join up with skills, poverty, health, IAG...
 - Work first but not *any* work first – career first



International Delivery – Some examples

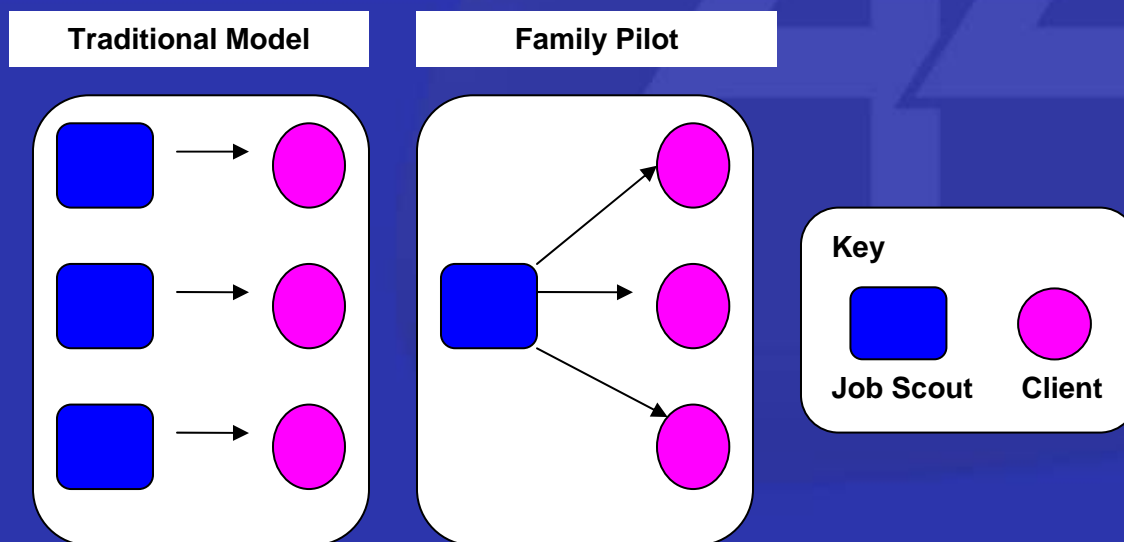
Learning and designing demand led policy :

- **Germany** - Family Programme, 50+ model
- **Israel** – Operating under a benefits saving model
- **India** – Joining up Employability & Skills services to match employer/individual demand
- **UK fND** – an opportunity not to be missed



Germany: Family Programme in Gelsenkirchen

- Facilitate change for the entire family to a work first lifestyle – challenge and support
- Addresses generational impact of unemployment



What are the benefits?

- **Benefit to Government:**
 - More effective use of monies spent on Labour Market interventions;
 - Greater reduction in welfare benefit payments;
 - Model of best practise for benefit reduction in Germany.
- **Benefit to Families:**
 - Developing stronger family units;
 - Financial independence and increased standard of living;
 - Role models for the future.



Israel – Welfare to Work

- Started out as a benefits savings programme
 - % share of benefits savings – after 2 years off benefit
- Now more focused as a job creation model
 - Output payments based on % of salaries of our customers for 6 months

Input constraints but new model to meet business and individual needs as they develop



India: Meeting the Employment/Skills Challenge

ISSUES

- A school drop out rate of 90%, with no active, large scale, skills development programmes
- Current structured vocational training/general education reaches only 30 million (3% of population)
- 2.5 million graduates pass out of colleges every year without skills connected to employment
- For those in work, 70% are defined as illiterate or educated below primary level

A4e SOLUTIONS

- Face to face employability programmes alongside academic studies – to stimulate demand in educational systems
- Work with government departments and employer federations to develop skills provider base through partnerships to meet demand for employability
- Test delivery models on the ground to provide skills to young people across Rajasthan



Demand led fND....

- Encouraging signs to date
- ITT not full of input measures
- Freedom to design service to meet customer needs
- Opportunity to innovate and join up services
- Ability to meet business and individual needs
- Lots of wrinkles to iron out too
- Maybe discuss this time next year...

Summary

- Across the world the issues are very different and exactly the same
- We need to listen to our customers to design effective responses
- Putting the customer at the heart of design offers the only way to address the needs of the hardest to help harnessing the strengths and benefits of the public, private and third sectors
- A4e is committed to Improving People's Lives through successful partnerships
- A4e offers experience and expertise of testing models of demand led services in UK and international markets – none are ideal, all provide progress
- By sharing our experiences and strategies for social inclusion and change with stakeholders, we hope we will inspire and provoke creative debate





Thank you
Questions?



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