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# ***Going Public: Opening up New Deal Opportunities in The Public Sector***

## **EXECUTIVE SUMMARY**

- Ministers were keen to examine the reasons for the shortfall in the contribution being made by the public sector (PS) to the recruitment of New Deal clients, and asked Sir Peter Davis, Chairman of the UK New Deal Task Force, if a Task Force working group could be established to advise on how to improve the current position. Sir John Harman was invited to chair the 'Public Sector Group' (PSG) which was set up in May 1999. The Group was asked to report to Ministers, through the Task Force, in the autumn. This report represents the outcome of the Group's work.
- Within this tight time scale, it has not been feasible to undertake detailed primary research. Instead, this report aims to draw out the salient messages from the existing literature, validate them with the PSG's own survey, and back up recommendations with clear examples of 'success stories' from the public sector. The case studies covered in this report are:

### **The Patent Office**

**Birmingham City Council (Housing Department)**

**University Hospital Birmingham NHS Trust (Nursing Cadets)**

**Knowsley Metropolitan Borough Council**

**Leeds Teaching Hospitals NHS Trust**

- As a whole, the public sector is a major employer in the economy and includes a vast range of occupations and career opportunities. However, whilst 25% of all employees work in the public sector, only around 8% of known New Deal subsidised job starts are with the public sector. There is a growing consensus that the public sector should be participating much more actively in offering a wide range of employment opportunities.
- From the employer perspective, the case studies confirm our view that, in addition to their social responsibility to participate, public sector employers should recognise that there is a strong business case for their commitment to New Deal. From the labour market perspective, it seems to us that the role for the public sector in those labour markets with very high rates of structural unemployment, and fewer private sector opportunities, is likely to be particularly significant.
- The main focus in this report is on the New Deal for Young People (NDYP) - although it should also be possible to apply the messages and recommendations here to some of the other New Deals, for example, the New Deals for those aged over 25, and for Lone Parents.

- The PSG noted the ***lack of robust data on public sector (PS) recruitment levels***. There is no comprehensive central database which could fully validate the 'bottom-up' figures being generated by the main central public sector bodies (such as the Local Government Association); and a particular problem remains the absence of a mechanism for monitoring the distribution of unsubsidised jobs between sectors and, in particular, how many unsubsidised placements are occurring in the PS. Knowledge is also very thin on those parts of the PS falling outside the following sub-sectors - central and local government and the health service: for example, data on the further and higher education sectors and the police authorities is, at best, patchy.
- On the basis of the information that has been gathered, there are ***key messages*** emerging.
  - Many of the barriers reported by PS employers are also experienced by the private sector. These include a ***paucity of job-ready New Deal candidates and New Deal training requirements not fitting with internal training programmes***. However, some are distinctive to the PS, such as public sector protocols on open and fair competition rules in recruitment, and the expected impact of the new Employment Relations Act.
  - Important ingredients for success are a ***clear lead from the top*** of the organisation and enterprising ***New Deal 'champions'*** at the recruitment manager level.
  - The positive experiences of individual organisations demonstrate what can be achieved, and these ***success stories should be disseminated*** throughout the PS ***networks at the local and regional levels*** to help overcome barriers experienced by other organisations.
  - ***Benchmarks*** at the ***local and sectoral level*** are worth pursuing as a motivator - but it is important that these are set by the relevant parties, and not imposed in a top-down fashion.
  - The levers for enhancing public sector New Deal opportunities include ***working through*** the large network of ***public sector supply chains***, which are of increasing significance given the degree of contracting out of public sector services.

In summary, this report ***stresses the positive experiences*** emerging on the ground, the success of which should be celebrated and the good practice transferred. Their examples illustrate that, with commitment and enterprise, ***public sector employers should be making a significant contribution to New Deal recruitment opportunities***.

# Section 1: Background and Terms of Reference

## Context

1.1 In the design phase of New Deal, running up to the roll-out of New Deal for Young People (NDYP), there was a degree of ambivalence over the role the public sector (PS) should play as an employer of New Deal clients. This was because of the perceived risk of this sector's involvement being manifested in job creation activity, rather than in improving the supply side of the labour market. There was, therefore, careful consideration of whether only private sector firms should qualify for the subsidy for the Employment Option. In September 1997 the Government announced that public sector employers *would* be eligible for the subsidy, and Andrew Smith, Minister for Employment and Welfare to Work, made the statement:

*'If New Deal is to reflect the realities of the labour market then it is important that the public sector is involved, while by far and away the most jobs will be created in the private sector .'*

1.2 Ministers have subsequently stressed the important and versatile role the public sector could play as a complement to that of the private sector - including, where appropriate, delivery of the Environment Task Force and Voluntary Sector options, as well as involvement in Strategic Partnerships. However, ***the main focus of this report is on the public sector as a recruiter of New Deal employees.*** Ministers are keen that innovative ways of using the public sector's potential should be fully tapped, and the best practice in the field should be widely replicated.

## Employment In The Public Sector

1.3 In the winter 1998-9, the latest quarter for which data is available from the Labour Force Survey (LFS), for the UK:

- there were 23.7 million employees in the UK of which around 6 million <sup>1</sup> ***(26%<sup>2</sup>) were in the public sector*** and 17.6 million (74%) were in the private sector; and
- over the year to the winter 1998-9, the number of private sector employees grew by 500,000 while the number of public sector employees fell by 13,000 (these figures are net: taking account of job gains and losses).

The split in England was almost the same:

- 20 million employees of which 5 million ***(25%) were in the public sector*** and 15 million (75%) in the private sector.

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<sup>1</sup> See Annex 1 for the distribution of employees between broad sub-sector categories

<sup>2</sup> This represents public sector employees as a share of total employees; if however, the self-employed are included, then the proportion of employment in the public sector falls to 22.5%

## Public compared with Private Sector New Deal Recruitment

1.4 From the New Deal evaluation database the following information is available on the public/private sector subsidised<sup>3</sup> job starts:

- for the period to the end of July 1999, 22,300 clients had entered subsidised employment;
- the split of jobs was twelve private sector jobs to every one public sector job ie around 8% of subsidised New Deal jobs were in the public sector.<sup>4</sup>

1.5 The indications from these figures are that the public sector - at least in terms of subsidised jobs - is not employing the proportion of New Dealers that would be commensurate with the sector's share of employment across the labour market as a whole.

## Public and Private Sector Employment by Occupation and Age

1.6 Annex 2 summarises the latest information from the Labour Force Survey on the distribution of employment across a range of occupations for the public sector compared with the private sector; and, in each case, the share of employees in the 18-24 age range. For each occupational group the public sector has a smaller proportion of employees in the 18-24 age range compared with its private sector equivalent.

## Terms of Reference

1.7 Ministers asked the New Deal Task Force to examine the part being played by the public sector in New Deal and advise on ways in which the current contribution could be enhanced. A Task Force sub-group, the 'Public Sector Group' (henceforth 'PSG'), was set up in response to this request and its full terms of reference are provided at Annex 3.

1.8 The PSG has operated within the following parameters:

- The public sector is defined in very broad terms - although most of the information and data available is concentrated in the following three sub-sectors: central and local government and the health service;
- for tractability, the primary focus is on the New Deal for Young People - although lessons for the other New Deals should also emerge;
- for the purposes of this report, engagement is primarily defined as recruitment under the *Employment Option* - there is similar interest in unsubsidised jobs, but lack of data renders this side of the analysis very partial, and based on anecdotal evidence, rather than anything more rigorous;

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<sup>3</sup> The ND Evaluation Database does not hold information on the public/private split for unsubsidised jobs

<sup>4</sup> The 8% ratio is based on 90% of all cases - 10% of the cases are 'missing' owing to mistakes in recording and IT errors

- a priori, it was anticipated that the public sector would be expected to make a larger than average contribution in areas of above average unemployment, and smaller in areas of below average unemployment - in that sense, PS engagement should be complementary to the provision being made by the private sector; and
- as important as the numbers of public sector opportunities is the *quality* of the jobs and their contribution towards the client's sustained employability and thus departure from the 'revolving door' syndrome.

## Methods Of Working

1.9 The Group has drawn heavily on existing, recent studies - in particular, the following two reports:

- *Joining Up? - The New Deal, the Public Sector and the Employer Option* - Nathan, Simmonds and Ward, CLES, 1998; and
- *The Involvement of the Public Sector in the New Deal: Case Studies undertaken by NIACE Cymru on behalf of the Wales New Deal Advisory Task Force* - Anne Poole, February 1999.

A summary of the key findings in these reports is provided at Annex 4.

1.10 The following main sources were drawn on in developing as comprehensive a picture as possible of the current experience of public sector organisations as recruiters of New Dealers:

- responses to a survey sent out to a wide range of public sector bodies covering: central government, local authorities, the public health sector, further and higher education, and Employment Service District Managers/ New Deal strategic partnerships.
- presentations made to the PSG by a range of public sector recruitment managers at the PSG meeting in June. A list of those who presented is provided at Annex 5. The focus, as in the questionnaires, was on the nature of the barriers to recruitment their organisation had faced, and the positive approaches they had developed to overcoming these. As well as the oral material presented, additional, corroborative information was provided by each of the organisations represented. This has provided the basis for the case studies which are distributed throughout this report.

## Structure Of The Report

1.11 Section 2 of this report provides an overview of the Group's findings - and the key messages emerging from experience on the ground; Section 3 summarises the main barriers that have been, and are being, addressed; Section 4, the actions currently being taken forward by relevant central bodies; Section 5, what is expected of public sector employers; and Section 6 concludes with the Group's recommendations.

## CASE STUDIES IN GOOD PRACTICE AND IN OVERCOMING BARRIERS

The case studies distributed throughout this report - one central government agency, two local authorities and two NHS trusts - were selected by the PSG as powerful examples of what can be achieved, and from which key lessons can be drawn and experience replicated to good effect. The case studies included are:

|  |                      |
|--|----------------------|
| 1 The Patent Office                        | (Central Government) |
| 2 University Hospital Birmingham NHS Trust | (The Health Service) |
| 3 Knowsley Metropolitan Borough Council    | (Local Government)   |
| 4 Leeds Teaching Hospitals NHS Trust       | (The Health Service) |
| 5 Birmingham City Council                  | (Local Government)   |

In each case there is a brief description of the provision in place, followed by the main features of success and summary of the approaches adopted to overcome any barriers faced.

### Good Practice Messages

From the case studies above, the following, recurring features of success can be discerned:

- ***commitment from the top*** and throughout the organisation to the aims and objectives of New Deal - particularly at the recruitment manager level (1,2,3,4,5);
- the ***setting of targets or benchmarks***, for which the organisation feels ownership, to act as a motivator (1,3,4,5);
- ***close working relationship*** and good communications with the Employment Service at the local level (1,2,3,4,5);
- importance placed by the organisation on ***appropriate line manager preparation*** (1,2,3,5);
- ***'ring-fencing'***<sup>5</sup> of posts for New Deal clients (1,2,3,5);
- ***extra support*** to New Deal applicants to help ***ease the transition from unemployment to work*** eg customised application forms; briefing sessions (1,2,3,4);
- ***re-modelling jobs to appeal*** to young people (5);
- offering ***mentoring*** support (1,3,4); and
- effective use of ***work trials*** (1,5).

<sup>5</sup> 'ring-fencing' is defined as giving special consideration to New Deal applicants

## Section 2: The Headlines and Main Findings

### The Main Headlines

2.1 The trends in recruitment for the three sub-sectors for which we have the best information (central and local government and the health service) are in the right direction, with some organisations making substantial progress - the Employment Service, Birmingham City Council and Knowsley Metropolitan Borough Council, and University Hospital, Birmingham are good examples. However, performance is patchy, and there is a real need to replicate the success stories - which is a major theme running through this report.

2.2 The numbers reported for New Deal recruits are, by definition, an underestimate of the true figure - given the lack of information on unsubsidised jobs. However, the PSG believes that, even if the figures were fully comprehensive, the public sector would still be under-performing in relation to recruiting a proportionate number of New Dealers that would reflect the PS's share of the total labour market (ie around 25%).

2.3 There is an almost complete absence of any centrally held data and information for the rest of the public sector - ie beyond the three sub-sectors referred to above. This is a major weakness with respect to defining the scope of the problem, and developing an informed action plan to address the issues and monitoring progress. A priori, the PSG felt that the further and higher education sectors should offer substantial opportunities for entry-level recruitment of New Dealers; administrative, catering and support service posts represented obvious avenues which should be explored further; and there are likely to be a number of other sub-sectors which could also contribute significantly to the opportunities available to New Deal clients. ***Annex 10 provides a 'tool-kit' of questions which the PSG recommends as a stimulus and check-list to provide a starting point for PS organisations which have not yet engaged with the New Deal.*** Public sector organisations need to be made aware of the strong business case for engagement in the New Deal.

2.4 Some of the barriers hindering greater uptake by the public sector are also experienced by private sector employers: for example, a lack of suitable, job-ready New Dealers; problems associated with a lack of fit between internal training schemes and the New Deal training requirement; and difficulty translating the commitment at the 'top of the office' to the recruitment manager level.

2.5 However, there are also barriers peculiar to the public sector, the most obvious being the greater emphasis on fair and open competition, which tends to conflict with 'ring fencing'<sup>6</sup> of New Deal vacancies. In the case of Civil Service employers, initially there was concern about the rigidities associated with the Civil Service Commissioners' rules. There has subsequently been some relaxation of these to allow New Dealers to remain temporary employees for up to three years, with the hope that by the end of this period New Dealers should be in a position to compete

openly with other entry level candidates. However, the new Employment Relations Act could erode the effectiveness of this concession. The Act makes waiver clauses invalid in fixed term appointments - whereby the employee agrees not to go to an employment tribunal with a claim of unfair dismissal when the contract comes to an end. Clearly, the PSG would wish to support measures to protect the employment rights of New Deal clients but there is considered to be a risk that departments and agencies could respond to the Act by offering casual contracts to New Deal clients for up to 51 weeks only. The PSG welcomes the efforts being made, and the guidance being given by the Cabinet Office to Government Departments and agencies, to address this potential problem, but we also feel that it should not be seen as an insuperable barrier to the employment of New Dealers.

2.6 The PSG believes strongly that the success stories illustrate that none of these barriers are insurmountable. The **key features of success** appear to be:

- whole-hearted commitment to the aims and objectives of New Deal at the most senior management level;
- appreciation of the business case for recruiting New Dealers;
- a translation of the top level support to the personnel/recruitment manager level, with associated New Deal 'champions' being identified at this level and having New Deal recruitment as a central part of their job description;
- effective communication of this commitment from the 'champions' to the individual line managers of New Dealers, so that they fully buy into the organisation's commitment to New Deal;
- effective development and strengthening of the relationship between the organisations' recruitment managers and Employment Service at the local level, and a willingness to liaise regularly in order to overcome initial teething problems;
- the 'ring-fencing' of some vacancies to give special, prior consideration to New Deal candidates;
- willingness to work at reconciling New Deal training requirements with internal training programmes;
- the provision of mentoring support for New Dealers; and
- the provision of work trials.

The subsequent sections of this report provide further substantiation for the above findings.

2.7 Given the current availability of data, it has not been possible in this report to analyse the performance of the public sector relative to the private sector in

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<sup>6</sup> As before, 'ring-fencing' is defined as giving New Deal clients, in the first instance, special, prior consideration with respect to certain vacancies

retaining clients beyond thirteen weeks; however, this issue of the relative sustainability of jobs is one which the Group believes should be looked into further as the information becomes available. If the Group's instincts that the public sector as a whole may perform better than the private sector in this regard are right, there would be a good additional case for encouraging more active participation in New Deal by a broader section of the public sector than is currently the case. The PSG strongly concurred with a number of the recommendations in the Task Force report on **Retention**<sup>7</sup> including, for example, the development of sectoral gateways - as reflected in the fourth case study in this report: Leeds Teaching Hospitals NHS Trust. The findings in the retention report can be applied as well to the public sector context as to the private sector.

## Performance Of The Sub-Sectors

2.8 Annexes 6, 7 and 8 provide the latest data on the levels of recruitment by the three sub-sectors: central and local government and the health service. However, the data provided has to be viewed with some caution: it is only partial, focusing as it does almost entirely on New Dealers on the Employment Option - ie excluding the unsubsidised jobs; the basis for collection of the data differs between the sub-sectors; and it has not been possible to reconcile data collected from different sources (ie from the Employment Service database compared with direct returns from public sector organisations themselves). The PSG believes that steps need to be taken to improve on the management information but are keen to avoid adding significantly to the already heavy burden on the Employment Service. Thus, changes to the existing system will need to be carefully thought through to achieve additional precision - which is essential - without introducing further bureaucracy.

2.9 The Group believes that the following key improvements are needed - a means of accurately tracking:

- unsubsidised public sector posts, as well as subsidised jobs;
- New Deal posts throughout the PS - not only in the 'big three' sub-sectors.

2.10 The Employment Service's new analysis<sup>8</sup> using Standard Industrial and Occupational Codes is a helpful development. Having a more accurate breakdown of the aggregate data by public and private sector should also provide the basis for comparing relative rates of sustainability in jobs.

2.11 In the case of **central government** data, the total figures have been rising steadily quarter by quarter with the cumulative total of New Deal starts now standing at 603. This represents a 30% increase in the total starts as at 1 April 1999, and reflects the considerable effort that has been devoted to improving on the

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<sup>7</sup> Lasting Value: Recommendations for Increasing Retention within the New Deal, July 1999

<sup>8</sup> New Deal Analytical Report, July 1999

previous weak performance. However, these total figures continue to mask the large disparity in performance between departments and agencies, with the Employment Service still representing more than half of all starts (currently 62%). The centrally-managed initiatives being taken forward to improve performance are covered in Section 5 below.

2.12 Annex 7 indicates the performance of **local authorities** as New Deal employers over time, from June 1998 to June 1999. The trend in participation both by number of authorities and by total number of New Deal employees rose sharply between June and September 1998 (numbers of New Dealers in posts up by 144 %), and again between December 1998 and March 1999 (41% increase in New Deal recruits). However, indications from the latest quarter (June 1999) imply a tailing off in new recruits which might partly reflect seasonal factors.

2.13 Annex 8 covering the **health sector** indicates that the commitment of offering 1,000 New Deal starts is still some way off being achieved, although there is much activity in train to improve on the sector's performance - as covered in Section 4 below.

## CASE STUDY 1

### Name and address of Organisation

## CENTRAL GOVERNMENT

### Patent Office

Concept House, Rm 3Y12, Cardiff Road, Newport,  
South Wales, NP10 8QQ



### Contact Name:

Tel:

Fax:

Patrick Kiely, Head of Personnel and Training

(01633) 813619

(01633) 814791

### Description of recruitment provision

Twenty vacancies of entry-level, administrative posts were lodged with the Employment Service for New Deal recruits on the subsidised employment option. All posts were filled on a three year fixed term contract basis:

- a "filtering process" by the NDPA at the Jobcentre
- an interview at which the recruit is greeted by a co-worker whose views are part of the selection process
- a three week job trial for recruits, who remain in the Gateway for this period.

### Key features of success

- strong commitment from the top of the organisation
- organisation had a real recruitment need (at the entry level)
- setting targets (20 New Deal clients) and reviewing the need for ring-fencing
- working closely with ES and persevering when problems occurred
- significant preparation of line managers - so that fully engaged and supportive of New Deal
- mentoring support
- effective use of work trials
- strong emphasis on building up recruits' skills levels and developing New Dealers to their full potential through effective training.

### Ways in which barriers have been addressed

#### Barrier

Problems with some candidates' application forms not giving proper facts about their background and qualifications; some applicants were found not 'job ready' at the interview; NDPAs varied in their assessments of the potential of individuals.

#### Solutions

- Feedback is provided to NDPAs where candidates have performed poorly at interview
- ES is fully briefed of the Patent Office's requirements and advised on how to best prepare people for the opportunities available.

#### Barrier

Some New Deal recruits tried to exploit their position, for example, abusing flexi-time, seeking additional advances in pay. Some also needed a high level of support.

#### Solution

A 'one to one' mentoring system has been put in place.

#### Barrier

Some managers have been anxious to pass New Deal staff on to other departments after the initial six months of the three year fixed term contract.

#### Solution

Support from top managers to middle managers to encourage retention of New Dealers. Managers are discouraged from "off loading" New Deal staff.

# Section 3: Barriers Reported

3.1 This section reports on the information provided in the existing literature and in the responses to the PSG questionnaire, as explained below. The CLES report referred to in paragraph 1.9 above (and in Annex 4) summarised the barriers to PS participation in the Employer Option as perceived by local authorities and the public health sector at the end of 1998. The table below lists the barriers in descending order of frequency.

| Local Authorities  | NHS Trusts  | Health Authorities   |
|--|---|--|
| Lack of suitable vacancies<br>Lack of resources<br>Calibre of applicants<br>Numbers of applicants<br>Relations with ES<br>Industrial relations issues<br>Organisational change | Lack of suitable vacancies<br>Relations with ES<br>Organisational change<br>Industrial relations issues<br>Training requirements<br>Qualification barriers<br>Calibre of applicants<br>Numbers of applicants<br>Lack of resources | Lack of suitable vacancies<br>Organisational change<br>Future role uncertain<br>Industrial relations issues<br>Lack of resources |

## Most significant barriers identified in the PSG Survey work and in presentations from public sector organisations

3.2 The PSG re-visited the issue of barriers via questionnaires sent to a range of public sector organisations, as alluded to in para 1.9 above. Annex 9 provides bar chart representation of the responses - from both public sector organisations and ES District Managers/New Deal Partnerships: the Group considered it important to gather information from both perspectives.

### Main Programme Design Barriers

3.3 The following emerged as of most significance:

- **Paucity of New Deal** applicants (particularly cited by central government and the health sector): partly a result of lower youth unemployment than expected at the design stage of New Deal - which is obviously to be welcomed - but also due to other factors such as more clients opting for the FTET option than had been envisaged;
- **Calibre of applicants** (particularly cited by central government departments and the health sector): linked to the higher proportion of more disadvantaged participants than had been anticipated; the inadequate pace and purpose injected in the Gateway in the early days of New Deal delivery, resulting in ill-prepared candidates, lacking basic and soft skills, including poor attendance records and negative attitudes;

- ***New Deal training requirements*** (particularly cited by the health sector and local authorities) - National Vocational Qualifications (NVOs) were seen as not necessarily providing the best training framework for New Deal recruits within some organisations, with internal, existing training schemes often considered more relevant for the particular area of work concerned; also, the New Deal training plan requirement was regarded by some as unnecessarily onerous.

## **Specific Barriers Arising In The Public Sector**

3.4 The PSG was keen to distinguish those barriers which are seen as having particular significance by the public sector. The following barriers stand out in the questionnaire responses:

- **lack of suitable vacancies** (particularly cited by education sector and local authorities);
- **relationship with the Employment Service** (particularly cited by the health sector and local authorities) - with references to a lack of full understanding of the other's perspective (ie public organisation and the Employment Service), and under-developed relations between the two;
- **negative perceptions among young people** regarding the nature and potential offered by public sector opportunities - particularly noted by local authorities; there was seen to be a need for PS employers to consider carefully how they convey a positive message to young people, in general, of the potential employment opportunities available within their organisation; and
- **perceptions of managers** - again, particularly in the case of local authorities who noted the difficulty in engaging support at the line manager level.

3.5 Less severe barriers reported in questionnaire responses included:

- **a lack of internal resources** for the recruiting organisation (cited most by the education sector); and
- **industrial relations difficulties** (noted particularly by the health sector and local authorities).

3.6 In addition, Annex 11 provides some recent analysis from the Employment Service Nursing and Healthcare team on some specific barriers in the case of the NHS, with a major problem being some remaining **lack of awareness over which posts are suitable** for New Deal recruits.

## **Barriers To Young People In General**

3.7 In considering the evidence before the PSG relating to real or perceived barriers to the employment of New Dealers, the Group was struck by the fact that these applied in many cases to the recruitment of all young people by public employers. Several public sector managers remarked to the Group that the process

of reorganising their own procedures to accommodate the requirements of New Deal had made them realise that they were not very good at recruiting young people. As the CLES report pointed out, in the context of the problem of low public sector participation in New Deal:

*“The good reasons were that many public sector organisations have developed sophisticated human resource management and equal opportunity and recruitment policies, and adapting these to the requirements of the New Deal takes time and has to be done carefully”*

3.8 These same factors, applied routinely in many public authorities, can shut out young people from recruitment because they lack the job experience of older employed people. Consequently, and because pay and security in some work groups are relatively good, public employers often become almost exclusively recruiters of those already in employment, few of whom are in the 18-24 range. The figures set out in Annex 2 illustrate the substantial gap between public and private sectors as regards employment of young people. Although this is not directly within the PSG brief, the Group feels that a serious approach to New Deal can help public employers to re-think their overall recruitment strategy. We believe that this can be done without compromise to standards of fairness and equality in recruitment.

## CASE STUDY 2

### Name and address of Organisation

## NATIONAL HEALTH SERVICE



University Hospital Birmingham NHS Trust  
West Lodge,  
Selly Oak Hospital  
Selly Oak,  
Birmingham B29 6JD

### Contact name: Tel:

Janet Cairns  
0121 627 1627

### Description of recruitment provision

The Cadet programme offers full-time employment opportunities in the health service, with the New Deal employment option as a starting point for entry. The full cadet programme spans a two year training period, with the target of gaining an NVQ in health care at level 2 after the first year, and at level 3 after the second year with integral key skills. The Cadet programme offers professional and staged development at an individual pace and represents an innovative way of progressing through to formalised nurse training that would not otherwise be open to New Deal candidates without the traditional qualifications required for standard entry to the nursing profession.

This initiative has been an excellent example of collaborative working between public sector organisations.

The specific benefits of the Nurse Cadet Scheme are seen as:-

- the provision of skilled employees to fill vacancies;
- an opportunity to train both existing and New Deal recruits flexibly to meet service needs;
- raising the profile of the Birmingham Health Trust to improve its future recruitment and retention record; and
- the recruitment of motivated young people, provided with the clear opportunity to enhance their employability.

### Key features of success

- **Commitment from the management executive to pump prime the development**
- **'New Deal only' model for one group**
- **worked closely with ES on customised Gateway, and persevered when early results were poor**
- **line managers were well prepared - assessor infrastructure in place**
- **recognition of the need to address life skill issues faced by clients.**

### Ways in which barriers have been addressed

#### Barrier

Initially, ES did not fully understand the requirement of the post and there were difficulties with communication between the Trust and ES. Candidates did not perform well at the first interview and only one out of nine had been through Gateway - new Gateway then created. From the first group of nine, five left early.

#### Solutions

- *Before recruiting the second group of cadets, efforts were made by University Hospital Birmingham to liaise actively with the ES and TEC. The result was the design and delivery of an 8 week customised Gateway: this covered issues on life skills, counselling and health and safety issues, and included work tasters.*
- *It was agreed that interviews would only be offered after this Gateway period.*

## Section 4: Actions by Central Bodies to Improve Performance

4.1 There is a considerable amount of effort being directed at improving on the current public sector showing in New Deal recruitment figures - both in terms of the quantity and quality of experience on offer, and the take-up by New Deal clients. The Employment Service's Large Organisations Unit (LOU), the Local Government Association (LGA)/Improvement and Development Agency (IDeA), the NHS Executive and the Employment Service Nursing and Healthcare team are all being particularly proactive in trying to facilitate greater engagement, and to establish networks to share good practice.

### Central Government

4.2 To encourage higher rates of participation by Central Government, the Cabinet Office and the Employment Service circulated guidance to all Departments and Agencies on how to participate as an employer in New Deal. While there was no compulsion for Departments and Agencies to participate, they were asked to examine their recruitment practices to see how they might do so. There is regular monitoring of progress, and reporting to Ministers on the New Deal recruitment figures, the latest of which are included in Annex 6. The Civil Service Commissioners have amended their rules to allow appointments of up to three years without normal open market competition for New Deal clients.

### *Westminster Pilot*

4.3 The pilot was launched in Spring 1999 to tackle the barriers to filling public sector vacancies in Central London. Problems that needed addressing included the shortage of New Deal candidates in Westminster, the length of time required to fill some Civil Service positions, the appropriateness of Departments' recruitment practices and the expectations which some Departments have of New Deal clients. The aim of the pilot was to encourage Departments and Agencies to review their recruitment practices, to make them aware of the flexibility accorded by the Civil Service Commissioners' rule changes and encourage realistic New Deal recruitment processes in line with the needs and abilities of New Deal clients.

4.4 New Deal clients were tending to lose out to other candidates in open competition. To this end all Departments and Agencies operating in the Westminster area were invited to take part in the pilot. A letter advising of the rule changes approved by the Civil Service Commissioners and details of successful good practice techniques employed by some Civil Service Departments was sent to a variety of public sector organisations. In particular, it suggested recipients ring fenced a number of New Deal vacancies, sought applications from New Deal clients only for at least the first two weeks, and considered a simplified application process. In return the ES guaranteed to ensure that the vacancies were available to all New Deal clients in London and the South East within 24 hours of receipt and were

actively marketed in seven areas with particular concentrations of potentially suitable candidates.

4.5 A total of 15 Government Departments are now participating in the Westminster Pilot, and so far 37 New Deal public sector vacancies have been placed with the Jobcentre. 17 posts have been filled by New Deal clients. The success so far of this pilot suggests that considerable benefits could be drawn from replicating this initiative in other large cities - such as Leeds - which have very marked disparities in the labour market conditions existing in the central, city areas as compared with the surrounding labour markets.

## **Local Government**

4.6 In order to assist authorities in taking up the Employment Option, the LGA has worked closely with the IDeA to produce guidance notes which were issued last year to all personnel officers, with a separate mailing to leaders and chief executives. Quarterly surveys have been carried out to provide as comprehensive a picture as possible of the level of engagement in New Deal across local authorities. The data gathered on levels of recruitment is summarised in Annex 7: the most recent figures for the June 1999 survey indicate current occupancy of New Deal clients on the Employment Option is just below 400, a decrease of 133 over the quarter and an increase of 269 employed since the survey began in June 1998.

4.7 Current activities include the following:

- authorities have been asked in a recent LGA circular/survey to indicate their commitment as employers under the New Deal, and advised of proposed LGA/IDeA action to offer further assistance/support;
- a New Deal Update was inserted into the Spring edition of IDeA's Human Resources Link magazine, including an article drafted jointly by IDeA/ Employment Service. Principally, the Update provides a number of case studies of local authorities that have already taken on significant numbers under New Deal;
- LGA/IDeA have contacted other major public sector employers to raise the profile of the "employer" issue and explain what the LGA/local authorities are doing. These public sector organisations were invited to a meeting on 18 June 1999 to share their views/experiences, with a view to increasing participation in this area under New Deal;
- to disseminate best practice in the light of PSG recommendations, the LGA is organising a workshop on the subject of 'Local authorities as New Deal employers' at its annual Economic Regeneration Conference from 29 November - 1 December 1999 in Norwich.
- in partnership with the Employment Service Large Organisations Unit, the LGA is planning to set up a joint LGA/Employment Service New Deal web page on the LGA's corporate web-site so that those local authorities interested in becoming employers under the New Deal can access all the available relevant data in one place.



### CASE STUDY 3

#### Name and address of Organisation

#### LOCAL AUTHORITY

Knowsley Metropolitan Borough Council  
Chief Executive's Office  
Knowsley MBC  
PO Box 21  
Archway Rd  
Huyton  
Knowsley L36 9XC

#### Contact name:

Tracy Fishwick

#### Tel:

0151 443 3528

#### Fax:

0151 480 4411

#### E-mail:

tracy.fishwick.ce@knowsley.gov.uk

#### Description of recruitment provision

The Knowsley objective was to run an 18 month programme to place 140 young people from the 18-24 New Deal programme on to the 'employment option'. The programme has been designed to give every young person an opportunity to train for permanent employment - which includes work experience, college and an intensive personal development programme - whilst appreciating that many recruits would be entering with a good distance to go to reach job-readiness, even in terms of what would be required on the standard subsidised employment option. Thus Knowsley established an intermediate scheme for 'trainees' aimed at preceding the take up of an entry-level job.

To date, Knowsley has recruited 140 trainees. An evaluation of the pilot is complete; over 70% of clients who completed the pilot have since been engaged by Knowsley in entry-level posts.

#### Key features of success

- Knowsley has invested £500,000 into this programme, to complement New Deal funding, on the basis that the package contributes to the Council's wider social and economic agenda
- target of 140 recruits (for New Deal only trainees) has been met
- line managers fully trained as mentors
- close working with the ES
- extensive in-house personal development course
- effective use of other funding, such as SRB money to enhance the provision
- council has now committed to continue with the programme.

#### Ways in which barriers were addressed

##### Barrier

The main difficulty was overcoming negative perceptions of line managers ie in terms of the level of input expected from them, the impact on their workloads; the degree of control they would have in recruiting a trainee, and the effect a trainee could have on the rest of their team.

##### Solution

To overcome manager concerns 'open forums' were arranged, with over 100 managers invited to attend, hear a presentation about New Deal, and have the opportunity to raise their questions and debate issues. This proved successful not only in alleviating their fears but also in gaining support and commitment. It also reinforced the teams' intention to provide in-depth mentoring skills training for all managers who would be recruiting a trainee.

## The Health Service

4.8 The following activities have been taken forward by the NHS Executive and the Employment Service:

- local promotional material developed for use by NHS personnel departments and managers (March 1999);
- New Deal in the NHS promoted at the inaugural "Human Resources in the NHS" National Conference jointly with Employment Service (March 1999);
- Employment Service and NHS Regional Offices have run workshops to encourage closer co-operation between Jobcentres and NHS Trusts/Health Authorities (May 1999);
- Employment Service discussing with the NHS and the National Training Organisation (NTO) how to get round some of the barriers on the New Deal training requirements (April 1999); and
- promotional material being developed for Jobcentres to raise awareness of what the NHS has to offer and the kinds of vacancies which are available to New Deal candidates (June 1999).

4.9 Health Ministers believe that more needs to be done and have agreed an Action Plan to ensure that all Health Authorities and NHS Trusts participate in New Deal. The Action Plan re-affirms Ministers' commitment to New Deal and aims to revitalise and re-invigorate the significant contribution that the NHS can make. The key features are:

- strong promotion of good practice and success stories principally through a Ministerial reception for NHS New Deal 'graduates', and a series of Ministerial visits to Trusts showing what can be done;
- enlisting the support and commitment of Regional Chairs, and through them the Chairs of individual Health Authorities and NHS Trusts, to the NHS's strategic contribution;
- re-affirming the advantages of New Deal for employers and providing further guidance on how take-up of New Deal in the NHS can be improved, especially through collaborative working with local Jobcentres;
- strengthening performance management arrangements so that the Action Plan is delivered, particularly the commitment to 1,000 new job starts;
- the NHS Executive continuing to work with the Employment Service nationally to support local effort.

4.10 Annex 8 summarises the latest data from Employment Service returns on New Deal clients recruited by the Health Service.

## **Regional Best Practice Networks**

4.11 The PSG believes that regionally-based best practice networks should be encouraged, drawing together public sector employers and Employment Service representatives. These are likely to work most efficiently and with least added bureaucracy if they build on existing networks in place - such as regional LGAs, health bodies, regional ES offices and regional ES account managers, the Task Force Coalitions etc.

4.12 The Group envisages that, as well as taking the form of face-to-face meetings, the networks may well develop electronic means of exchanging information on a more regular basis, with the use, for example, of bulletin boards.

**CASE STUDY 4**

**Name and address of Organisation**

**HEALTH SERVICE**

Leeds Teaching Hospitals NHS Trust (LTH)  
The Maids Home  
1st Floor  
Seacroft Hospital  
York Rd  
Leeds, LS14 4UJ

**Contact name:**

Shani Choudhari  
New Deal Co-ordinator  
0113 206 3714  
0113 206 2077

**Tel:**

**Fax:**

**Description of New Deal provision**

This example differs from the other four case studies included in this report in that its focus, so far, has been mostly on provision in the Gateway phase of New Deal, and on some unsubsidised jobs, rather than recruitment of New Dealers under the Employment Option - although plans are now being considered for offering places under that option too.

On the Gateway provision: LTH has established a 3 week work experience programme for 40 New Deal clients aimed at increasing clients' confidence and improving their 'soft' skills. This includes: effective communications; raising awareness of the employment opportunities available to them in the health sector and the possibilities for advancement from the entry level position, through, for example, initiatives such as the Healthcare Support Worker Programme. Ten New Deal lone parents are shortly to start on this programme.

Two New Deal clients who joined the Trust's 3 week Gateway programme in the Property and Support Services Department have now been taken on in unsubsidised posts, working as porters.

**Key features of success**

- **Personal commitment and support from the Chief Executive of the Trust and other senior staff**
- **The Trust pursued its business needs in conjunction with the needs of the New Deal clients**
- **Close collaboration with Leeds City Council and the Employment Service to enable the partnership to work creatively and innovatively**
- **Use of 'buddies' to support New Dealers in post**

**Ways in which barriers were addressed**

**Barrier**

Initially, there were problems in communication between the Trust and ES at the local level - in particular around the understanding of the impact of the major re-structuring changes arising from the merger of 7 trusts. Also, some frustration from the trust side that there was not more local flexibility to try out innovative/ imaginative approaches.

**Solutions**

- *Relations have developed and improved, but this is seen as an ongoing process that needs strong commitment from both sides. The engagement of the trust's Director of Personnel as a champion for New Deal has been very helpful.*
- *Leeds City Council as a partner organisation, with responsibility for delivery of the Gateway, has provided important support to the trust, including seconding a member of the council's training team to the trust to act as the New Deal co-ordinator.*

**Barrier**

Overcoming some preconceptions of staff in relation to the unemployed based on poor experiences of the outcome and returns from past government schemes for the unemployed.

**Solutions**

*Efforts have been made to include a wide range of staff in the delivery of New Deal - for example to act as 'coaches', 'buddies', etc which has helped to foster greater understanding among staff of the needs and starting position of the client group and the good potential for positive outcomes. Also encouragement to staff involved in supervising New Dealers to act as advocates of New Deal to their colleagues.*

## Section 5: What is Expected of Public Sector Employers?

5.1 The PSG believes that participation in the New Deal represents *good business sense* for public sector employers. The New Deal Gateway process should ensure that employers are provided with motivated candidates who are right for their vacancies as an effective and efficient recruitment channel in which preparing, screening and matching candidates to vacancies is done for the employer. The recruitment of young people, through the New Deal or otherwise, brings substantial benefit in workgroups currently dominated by older workers in terms of outlook, flexibility and awareness of and the ability to respond to change processes. As Annex 2 and paras 3.7 and 3.8 make clear, such workgroups are common in the public sector.

5.2 In addition, New Deal provides public sector employers with an opportunity to demonstrate the social responsibility which they all share, and to respond positively to the needs of the communities they serve and to the Government's agenda. Some have taken up this challenge and worked through the practical or perceived barriers. That this is not true of all is, in some measure, because there has been no clear statement about what is expected of public sector employers. As pointed out in 1.1, the original design was intended to exclude public sector employers from qualifying for the employment subsidy. The ministerial statement of September 1997 quoted in that paragraph made it clear that the public sector was expected to be involved in New Deal, but re-emphasised the pre-eminent role of the private sector: "*.....while by far and away the most jobs will be created in the private sector.*"

We want to dispel any uncertainty and ensure that all public employers realise that they should be participating fully in New Deal.

5.3 As Section 2 of this report demonstrates, awareness of and involvement with New Deal have been increasing in some important sub-sectors. Part of the reason for that has been that a clear political signal has been given, for instance, in the Cabinet Office guidance to government departments and in the LGA guidance to local authorities. We believe that Ministers would like to see the public sector as a whole aim to provide employment places under the New Deal - subsidised or unsubsidised - in proportion to their share of overall recruitment in the national labour market. If so, a clear statement to this effect should accompany the publication of this report. Such a signal would, we believe, have a powerful effect in increasing the participation of public sector employers in the New Deal.

5.4 Many public sector employers, including those whose good practice is commended elsewhere in this report, need no convincing of the importance of their involvement in New Deal. They have usually been motivated by a strong sense of social responsibility, often expressed at a very local level, which has given them the drive to overcome perceived barriers to employing New Deal clients and encouraged them to play significant roles in local strategic partnerships. They have

often discovered in the process that there are substantial business benefits for their organisation and its performance. We commend this positive approach to others; by definition, public employers do, after all, have responsibilities to the people they serve as citizens as well as service consumers, and to the whole community, rather than a segment of it. This point of view should lead them to respond positively to the employment needs of New Dealers.

5.5 Any public employer who takes this approach and wishes to follow the good practice suggestions set out in this report will inevitably consider what aims should be set within the organisation for New Deal recruitment. We are strongly of the view that this should come from within the organisation rather than being imposed from outside. There are two immediate reasons for this. First, external target setting rarely promotes a positive response and, as this report makes clear, ownership of New Dealer recruitment is vital to its success. Second, a public employer acting out of a sense of social responsibility will calculate a contribution to New Deal in the light of the severity of local unemployment - one would expect higher contributions in areas of higher unemployment.

5.6 For these reasons, we advocate a three level approach:

- i. a statement of Ministers' expectations for the Public Sector as a whole (ie a *national* expectation);
- ii. a disaggregation of this to *sectoral* benchmarks negotiated with the respective sector bodies - e.g. Cabinet Office for central government, LGA for local government, NHS Executive for the health service, Association of Vice-Chancellors for higher education establishments, etc;
- iii. *employer* contributions set by each public employer in the light of local labour market conditions.

These levels would serve different purposes.

### ***National***

5.7 We believe that Ministers should give an unambiguous indication of what degree of contribution to New Deal is expected from the sector as a whole. It should not be treated as a performance measure; in times of buoyant private sector labour market conditions we might reasonably expect the public sector to provide fewer New Deal placements than would be indicated by a strict pro-rata calculation; but in adverse conditions, the opposite might apply. Out-turn figures, especially when there is high employment, are primarily driven by the personal choices of the New Dealers themselves. The key principle must be to allow them access to a reasonable choice of public as well as private sector employment opportunities. The proposals of the PSG are in no way intended to reduce the emphasis on private sector opportunities, but rather are seen as an important complement, enhancing the range of opportunities available to the New Deal client group as a whole.

### ***Sectoral***

5.8 Sectoral benchmarks are intended to give each public sub-sector and its national bodies a means of measuring the general progress of that sector. The PSG was impressed

by the serious way in which some sectors are attempting to monitor their present performance and assist their member organisations to improve performance through guidance and dissemination of advice and good practice. They need more reliable data to do this properly. However, there are sectors which have yet to address performance and where knowledge of New Deal is haphazard and anecdotal. Negotiated sectoral contributions, based mainly on the number of employees within a sector and on levels of overall recruitment by that sector, would therefore help to motivate as well as to measure participation.

### ***Employer***

5.9 Employer contributions are an important part of the internal management systems which any public authority will need to put in place if the employment of New Dealers is to be successfully promoted. If these are agreed taking into account local labour market conditions, there should be no need to try to reconcile them with either sector benchmarks or national expectations, or for them to become, by extension, targets for ES staff whose principal responsibility is to the client. If each public employer were to calculate their "share" of the New Deal employment places - subsidised or not - in their local labour market(s), based on their share of all recruitment, use that as an internal target and subsequently meet it, then the sectoral and national objectives for the public sector would automatically be met. We do not think that this process would lead to unrealistic employer-level contributions except perhaps in areas of very high unemployment. Whether an employer uses this approach or some other method to determine the appropriate contribution, it is important that it emerges from within rather than from an external source such as the ES; it is also important that it is stated and monitored publicly.

### **Engagement across the New Deals more broadly**

5.10 Given the significantly lower number of New Deal clients in the 18 to 24 age bracket than had been anticipated before the launch of New Deal, it is important that employers consider how they engage not just in delivering New Deal for Young People but also their contribution to the complete range of New Deals - for Lone Parents, the 25+ age group, etc.

### **Contracts and Supply Chains**

5.11 For many public bodies today their indirect employment is as significant as their direct employment. Many public services are delivered through contractual arrangements or, in the case of government departments, through agencies and NDPBs. Therefore, public employers can help deliver New Deal employment through these indirect means as well as through their own workforce by encouraging and persuading companies in their supply chains to participate in New Deal. Although contracts may not include requirements to this effect, there is considerable experience in managing similar situations, for example, the Local Labour schemes. This represents a potentially significant aspect of the public sector's contribution to the New Deal which merits further work.

## CASE STUDY 5

### Name and address of Organisation

### LOCAL GOVERNMENT

**Birmingham City Council**  
 Personnel and Organisation Dept  
 The Council House  
 Victoria St  
 B1 1BB

### Contact name:

Carol Gatehouse, Personnel Manager

### Tel:

0121 303 2433/2265

### Fax:

0121 303 1370

### Description of recruitment provision

Birmingham City Council has a target to recruit 300 New Deal clients by the year 2000. They currently employ 45 New Deal clients across 7 departments.

### Key features of success

- elected member support
- set themselves a target of 300 (New Deal exclusive approach)
- worked closely with ES, and persevered when problems occurred
- addressed managers' perceptions
- addressed client perceptions
- enlisted New Deal champions
- customisation of jobs and HR practices
- some use of work trials
- ring fenced posts

### Ways in which barriers have been addressed

#### Barrier

The potential for a 'clash of bureaucracies' was evident between the PS organisation itself, the ES and other partners.

#### Solution

- *Much time and effort devoted to developing good working relationships and liaising closely with the Employment Service.*

#### Barrier

Difficulties reconciling the NVO training requirement with other internal training provision.

#### Solution

- *Use of New Deal NVO training requirement as a starting point, but also developed links with other training initiatives, including linking with modern apprenticeships.*

#### Barrier

The perceptions by line managers of young people, and New Deal clients in particular, not turning up.

#### Solutions

- *Extra support provided to New Deal applicants, such as briefing sessions; customised application forms; and the remodelling of jobs to appeal more to young people;*
- *block inductions for New Deal recruits*

#### Barrier

Perceptions of managers.

#### Solution

- *Recognised and addressed management perceptions directly, and enlisted New Deal 'Champions'.*

## Section 6: Recommendations

6.1 The PSG has concluded that a good deal of work is already in hand to try to improve on the level of performance of the public sector as an employer of New Dealers. The Group is keen that the success stories should be widely celebrated and the lessons and experiences that can be drawn should be liberally disseminated through regional and local networks, starting with a national launch event. Certain central bodies, such as the LGA, are also actively involved in the process of encouraging further engagement of their members/constituent organisations. That said, the Group believes there remains scope for further steps to be taken to build on the progress to date and to achieve a more wholehearted engagement of the public sector.

6.2 The Group proposes the following specific actions:

### Summary of Recommendations

- ❑ **There is a need for much better data on public sector engagement with New Deal:** knowledge of what is happening outside the three sub-sectors of central and local government and the health service is, at best, patchy, as is the data on unsubsidised jobs; and data provided by the public sector organisations themselves cannot easily be reconciled with the data available centrally [see para 2.8];
- ❑ **a renewed emphasis is needed on celebrating the success stories and disseminating good practice through local networks** - starting with a national networking event to launch this report - with networks to include both public sector organisations and the Employment Service, at the regional/ local levels; a common feature of success has been the existence of **highly-motivated 'champions'** at the HR Director and recruitment manager level [see paras 4.11, 4.12];
- ❑ **the perceived barriers do not all translate in to actual barriers to fuller engagement** - a distinction should be made between the two, and better information disseminated to dispel the myths - for example, the fairly prevalent conservative views of the flexibilities that currently exist under the design of New Deal [see paras 4.3];
- ❑ **a set of negotiated benchmarks should be developed at employer and sectoral levels** to act as a stimulus for improved performance, and to clarify expectations - Ministers should confirm publicly the overall national contribution they are expecting the public sector to make to New Deal recruitment [see paras 5.6 -5.9];
- ❑ **consideration to be given to the scope for any further flexibilities that could be introduced to the Civil Service recruitment rules in the light of the new Employment Relations Act** [see para 2.5];

- ❑ **the replication of the 'Westminster pilot' in other conurbations**, as a way of evening out disparities between neighbouring districts in the balance between demand for, and supply of, New Dealers [see paras 4.3 to 4.5];
- ❑ **action to be taken to engage those parts of the public sector - such as the further and higher education sectors** - which are not at present actively involved in recruiting New Dealers but which offer substantial opportunities for entry-level recruitment of New Dealers - for example, in terms of administrative, catering and support service posts [see para 2.3]; and
- ❑ **consideration to be given to how barriers to recruitment by the public sector of young people in general** - not just New Dealers - should be addressed, the **negative perceptions** held by some young people about the nature of opportunities in the public sector [see paras 3.7,3.8].

## Annex 1: UK Public Sector Employment by Sub-sector

| Sub-sector   | Numbers employed | % of all public sector employees |
|--|------------------|----------------------------------|
| Nationalised industry or state corporation   | 250,000          | 4%                               |
| Central government, civil service, armed forces  | 900,000          | 15%                              |
| Local government or council (including police and fire service, local authority controlled schools and colleges) | 2,900,000        | 50%                              |
| University or other grant-funded educational establishment   | 500,000          | 9%                               |
| Health Authority or NHS Trust  | 1,300,000        | 22%                              |
| <b>Total</b>   | <b>5,850,000</b> | <b>100%</b>                      |

Source: Data for the UK from the Labour Force Survey, Winter 1998/9

## Annex 2: Employment in the Public and Private Sector by Occupation and Age

|                                      | Private sector    |                  |                     | Public sector    |                |                     |
|--------------------------------------|-------------------|------------------|---------------------|------------------|----------------|---------------------|
|                                      | All ages          | 18-24            | 18-24 as % of total | All ages         | 18-24          | 18-24 as % of total |
| Managers and administrators          | 3,700,000         | 200,000          | 5.5%                | 600,000          | 15,000         | 2.5%                |
| Professional occupations             | 1,550,000         | 100,000          | 6.5%                | 1,450,000        | 50,000         | 3.5%                |
| Associate professional and technical | 1,800,000         | 175,000          | 10%                 | 1,000,000        | 50,000         | 5%                  |
| Clerical and secretarial             | 3,050,000         | 525,000          | 17%                 | 1,050,000        | 100,000        | 9.5%                |
| Craft and related                    | 3,100,000         | 375,000          | 12%                 | 150,000          | 15,000         | 10%                 |
| Personal and protective occupations  | 1,700,000         | 425,000          | 25%                 | 1,300,000        | 100,000        | 7.5%                |
| Sales occupations                    | 2,200,000         | 500,000          | 22.5%               | 25,000           | *              | *                   |
| Plant and machine operatives         | 2,350,000         | 250,000          | 10.5%               | 100,000          | *              | *                   |
| Other                                | 1,550,000         | 250,000          | 16%                 | 525,000          | 25,000         | 5%                  |
| <b>Total</b>                         | <b>21,000,000</b> | <b>2,800,000</b> | <b>13%</b>          | <b>6,200,000</b> | <b>365,000</b> | <b>6%</b>           |

\* denotes sample size too small to be published

Source: Labour Force Survey, Spring 1999

## **Annex 3: Terms of Reference for the New Deal Task Force Sub-group on the Public Sector**

### **Background**

Employment Ministers asked the New Deal Task Force to examine the modest contribution being made by the public sector to the recruitment of New Deal clients and advise on ways in which the contribution could be enhanced. Sir Peter Davis, Chairman on the Task Force wrote to Andrew Smith on 22 March 1999 confirming that a Task Force sub-group on the Public Sector would be established and was to be chaired by Sir John Harman.

### **Aims and Objectives**

The aim of the Public Sector Group (PSG) is to advise on how the maximum potential of the public sector as an employer of New Deal clients can most effectively be realised and the current barriers be overcome. Whilst the main focus of the sub-group's work is on delivery of the New Deal for Young People (NDYP), the implications for the other New Deals - for the 25+ group, for Lone Parents, for the Disabled, etc - should also be taken into account, as appropriate.

The key roles of the PSG are:

- To review the progress of recruiting New Deal participants into public sector vacancies;
- to identify barriers impeding their recruitment; and
- to make recommendations for improving the take-up of New Deal participants into public sector vacancies and on the capacity of the sector to provide vacancies.

The group is established as a working group of the Task Force. The Chairman will report to Ministers through the Task Force.

### **Setting the Context**

- The public sector is to be defined in the broadest sense to include: central and local government, the health service, the state education sector, the police and the armed forces;
- the emphasis should be on what works well in practice, and how this can best be disseminated and replicated more widely - the PSG itself may be active in helping to identify 'champions' and harnessing greater commitment by the sector as a whole;

- a good deal of preliminary work has already been carried out in this area - for example, by the LGA and the Centre for Local Economic Strategies (CLES)<sup>9</sup> and NIACE CYMRU on behalf of the Wales New Deal Advisory Group<sup>10</sup>;
- similarly, the PSG should take account of the ongoing work by the Large Organisation Unit of the Employment Service, and the monitoring information being collected by LOU, in collaboration with the Cabinet Office;
- it is important that the PSG keeps pace with the work by the Task Force, the ES and the DfEE on the Gateway, innovative uses of the subsidy, and the role of intermediaries;
- the group should consider advice it might offer on how greater public sector involvement can be most effectively targeted and tailored to respond to local labour market conditions; and
- it is important that the setting up of the PSG does not lead to any easing of the pressure on public sector managers to draw up their own plans for increasing public sector recruitment.

## Outputs and timings

The Group should give an update of its work to the Task Force at the meeting on 5 July, and a report of its early findings to Ministers before the summer recess. Final recommendations should be produced in October.

The work of the Group is likely to include: visits to the field, drawing together best practice case studies and representational/promotional activity.

## Composition

The PSG will consist of members of the existing Task Force and Advisory Group with a direct involvement or interest in the public sector, supplemented as appropriate.

All posts are unpaid although members will be reimbursed for expenses incurred in attending meetings of the PSG and carrying out other work in support of this remit.

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<sup>9</sup> *Joining Up* report by the Local Government Association and the Centre for Local Economic Strategies

<sup>10</sup> *Involvement of the Public Sector in the New Deal: Case Studies undertaken by NIACE Cymru on behalf of the Wales New Deal Advisory Group*, Anne Poole, February 1999

## Public Sector Group Members

|                         |   |
|-------------------------|---|
| SIR JOHN HARMAN (Chair) | Chairman of the Urban Commission (LGA)<br>Deputy Chairman of the Environment Agency |
| KEITH SONNET            | Deputy General Secretary of UNISON  |
| ROBIN HERON             | Head of Employment Issues, NHS Executive  |
| IAIN ROXBURGH           | Chief Executive, Coventry City Council  |
| MICHAEL WARD            | Director, Centre for Local Economic Strategies (CLES)                               |
| JONATHAN TRUBSHAW       | Improvement and Development Agency (IDeA)   |
| GILL BOLAN              | Local Government Association (LGA)  |
| PENNY HORSEFIELD        | Head of External Relations, West Cheshire College                                   |

The PSG will be supported by members of the NDTF Secretariat. There will also be official representation from the ND Employer and Marketing Services/Large Organisations Unit of the Employment Service.

### Officials

|                  |   |
|------------------|---|
| Martin Betts     | Structural Unemployment Policy Division (DfEE)                  |
| Kevin Browne     | Large Organisations Unit (Employment Service)                   |
| Eleanor Goodison | Cabinet Office  |
| Simon Norton     | Head of Employer and Marketing Services<br>(Employment Service) |

### Secretariat

|                  |       |
|------------------|-------|
| Clare Cottingham | NDTFS |
| Sue Goodacre     | NDTFS |
| Valerie Scoular  | NDTFS |
| Lorraine Wildash | NDTFS |

## **Annex 4: Key Findings in Previous Studies on Public Sector Engagement in New Deal**

### **Joining Up? - *The New Deal, the Public Sector and the Employer Option* – Nathan, Simmonds and Ward, CLES, 1998**

- Many key areas of employment for the future are primarily public sector: for example, caring services, health care jobs, etc.
- In areas of high unemployment (inner cities and declining industrial areas) the capacity of the private sector to supply enough jobs is limited.
- A number of barriers to effective public sector involvement were identified:
  - lack of suitable vacancies;
  - number and suitability of recruits;
  - number of vacancies offered;
  - industrial relations issues;
  - awareness and communications, internal and external; and
  - capacity.
- The report suggests that employers should:
  - ensure their organisation is formally committed to New Deal;
  - appoint a co-ordinator or champion;
  - bring together departments with an internal Task Force;
  - set targets;
  - thoroughly review vacancies;
  - ensure effective internal and external communications; and
  - stress quality.

### **The Welsh Task Force Report - *The Involvement of the Public Sector in the New Deal: Case Studies* undertaken by NIACE Cymru on behalf of the Wales New Deal Advisory Task Force - Anne Poole, February 1999**

Peter Hain MP asked the Wales New Deal Advisory Task Force to consider how the involvement of the public sector in the New Deal could be increased. To that end a short study was carried out, and drew on visits to four organisations in Wales:

- The Patent Office
- The Environment Agency
- The Welsh Development Agency
- An NHS Trust

The key findings were that the Public Sector could be:

- much more vigorous in connecting with the New Deal as part of its wider social responsibility; and
- more effective in using its strategic position to maximise the New Deal's contribution to economic and community regeneration, and to empowering individuals, by offering job opportunities and training under the employment option.

The full realisation of this role will require:

- endorsement and real commitment at the highest level;
- allocation of responsibility to individuals on the Board/Council;
- designated senior staff and personnel departments as 'champions', supported by interdepartmental teams or task forces;
- real engagement by trade unions;
- ownership at all levels;
- good communications between parties;
- targeting, monitoring and accountability.

The poor track record of public bodies in identifying and filling job vacancies can be improved by:

- setting targets and reviewing the need for 'ring fencing';
- operational systems and procedures to share ownership and responsibility and to deliver the desired outcomes;
- supporting, mentoring and training New Deal and existing staff;
- celebrating success and seeing failure as a shared responsibility and a learning experience;
- using the opportunities offered by the Civil Service to provide high quality work experience and increase employability;
- avoiding stereotyped views about unemployed people and growing the capacity to support individuals flexibly and responsively; and
- valuing and investing in training.

The public sector's relationships with the Employment Service, with New Deal partners, and more widely, will benefit from:

- a clear understanding of the role to be played;
- maximising its strategic influence and contribution, for example, through Intermediate Labour Markets, using opportunities for linking budgets and funding streams and building capacity through which to create employment;
- a closer fit between the New Deal and economic regeneration projects, including People in Communities and those emerging from European programmes;
- effective on-going liaison with the Employment Service through informing, negotiating and evaluating to secure continuous improvement.

## Annex 5: Presentations to the Public Sector Group

Presentations made to the Public Sector Group at its second meeting on 23 June by personnel/ recruitment managers, focusing on the barriers they had faced and had addressed in successfully recruiting New Dealers.

### Civil Service Dept/Agency

|               |  |
|---------------|--|
| Patrick Kiely | Head of Personnel and Training,<br>Patent Office |
|---------------|--|

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### Local Authority

|                                    |  |
|------------------------------------|--|
| Carol Gatehouse and Sandra Tonkiss | Personnel Officers,<br>Birmingham City Council |
|------------------------------------|--|

|                  |  |
|------------------|--|
| David McElhinney | Assistant Chief Executive,<br>Knowsley MBC |
|------------------|--|

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### Health Service

|              |  |
|--------------|--|
| Janet Cairns | Human Resources Manager,<br>University Hospital, Birmingham NHS<br>Trust |
|--------------|--|

|              |   |
|--------------|---|
| Moira Rankin | Development Director,<br>Northern England Education & Training<br>Consortium, Northgate and Prudoe NHS<br>Trust |
|--------------|---|

|                |  |
|----------------|--|
| Keith Whitburn | HR Manager,<br>University College London Hospital NHS<br>Trust |
|----------------|--|

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### Police Authority

|                  |   |
|------------------|---|
| Neville Dyckhoff | Director of Catering, Metropolitan Police |
|------------------|---|

## Annex 6: Recruitment of New Dealers by Civil Service Departments and Agencies

New Deal Monitoring Exercise to 1 July 1999 - Total number of starts and number of posts allocated (as compared with data in Annex 7 for local authorities which relates to current occupancy levels)

| Department  | Started             | Started                    | Started                | Posts   | Posts   | Posts  | All starts |
|---|---------------------|----------------------------|------------------------|---|---|--|------------|
|   | 5 Jan to 1 Oct 1998 | 2 Oct 1998 to 1 April 1999 | 2 April to 1 July 1999 | allocated for new starts 2 April to 1 July 1999 | allocated for new starts 2 July to 30 Sept 1999 | allocated for new starts 5 Jan 1998 to 1 July 1999 |            |
| <b>Agriculture, Fisheries and Food</b>            |                     |                            |                        |   |   |  |            |
| Central Science Laboratory                        | 5                   | 0                          | 0                      | -   | -   | 5  | 5          |
| Centre for Environment, Fisheries and Aquaculture | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| Farming and Rural Conservation Agency             | 0                   | 0                          | 1                      | -   | -   | 1  | 1          |
| Fisheries Research Service                        | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| Meat Hygiene Service                              | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| Pesticides Safety Directorate                     | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| Veterinary Laboratory Agency                      | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| <b>Cabinet Office</b>                             |                     |                            |                        |   |   |  |            |
| Central Office of Information                     | 0                   | 6                          | 2                      | 2   | -   | 8  | 8          |
| Government Car and Despatch Agency                | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| Property Advisors to the Civil Estate             | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| The Buying Agency                                 | 1                   | 0                          | 0                      | -   | -   | 1  | 1          |
| Security Facilities Division                      | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| GCHQ  | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| <b>Culture, Media &amp; Sport</b>                 |                     |                            |                        |   |   |  |            |
| National Lottery Commission                       | 0                   | 1                          | 1                      | 4   | 3   | 2  | 2          |
| Royal Parks Agency                                | 0                   | 0                          | 0                      | -   | -   | 0  | 0          |
| <b>Defence</b> <sup>^</sup>                       |                     |                            |                        |   |   |  |            |
| Defence Evaluation and Research Agency            | 2                   | 3                          | 13                     | 31  | 37  | 18   | 18         |
| Defence Estates Organisation                      | 0                   | 1                          | 0                      | 2   | -   | 1  | 1          |
| UK Hydrographic Office                            | 0                   | 1                          | 0                      | 3   | -   | 1  | 1          |
| <b>Education and Employment</b>                   |                     |                            |                        |   |   |  |            |
| Employment Service                                | 4                   | 8                          | 1                      | 2   | 3   | 13   | 13         |
| Office for Standards in Education                 | 93                  | 249                        | 35                     | 0   | -   | 377  | 377        |
|   | 1                   | 0                          | 0                      | -   | -   | 1  | 1          |

| Department                                  | Started                |                               | Started<br>2 Oct 1998 to<br>1 April 1999 | Posts<br>allocated for<br>new starts |                           | Started<br>2 April to<br>1 July 1999 | Posts<br>allocated for<br>new starts |    | All starts<br>5 Jan 1998 to<br>1 July 1999 |
|---|------------------------|-------------------------------|--|--------------------------------------|---------------------------|--------------------------------------|--------------------------------------|----|--|
|   | 5 Jan to<br>1 Oct 1998 | 2 Oct 1998 to<br>1 April 1999 |  | 2 April to<br>1 July 1999            | 2 July to<br>30 Sept 1999 |                                      |                                      |    |  |
| <b>Environment, Transport &amp; Regions</b> |                        |                               |  |                                      |                           |                                      |                                      |    |  |
| Driver & Vehicle Licensing Agency           | 0                      | 2                             | 0  | 0                                    | 0                         | 0                                    | -                                    | 2  | 2  |
| Driving Standards Agency                    | 0                      | 4                             | 3  | 0                                    | 3                         | 0                                    | -                                    | 7  | 7  |
| Health & Safety Executive                   | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Highways Agency                             | 0                      | 0                             | 6  | 0                                    | 6                         | 0                                    | 6                                    | 0  | 0  |
| Maritime and Coastguard Agency              | 0                      | 0                             | 6  | 0                                    | 6                         | 0                                    | 6                                    | 0  | 0  |
| Office of Passenger Rail Franchising        | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Office of Rail Regulator                    | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Ordnance Survey                             | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | 12                                   | 0  | 0  |
| Planning Inspectorate                       | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | 1                                    | 0  | 0  |
| OEII Conference Centre                      | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Vehicle Certification Agency                | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Vehicle Inspectorate                        | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| <b>Foreign &amp; Commonwealth Office</b>    |                        |                               |  |                                      |                           |                                      |                                      |    |  |
| Wilton Park                                 | 0                      | 3                             | 8  | 0                                    | 6                         | 0                                    | 6                                    | 3  | 3  |
|   | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| <b>Health</b>                               |                        |                               |  |                                      |                           |                                      |                                      |    |  |
| Medical Devices Agency                      | 1                      | 7                             | -  | 3                                    | 1                         | 0                                    | 1                                    | 11 | 11   |
| Medicines Control Agency                    | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| NHS Estates                                 | 0                      | 0                             | 2  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| NHS Pensions                                | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| <b>Home Office</b>                          |                        |                               |  |                                      |                           |                                      |                                      |    |  |
| Fire Service College                        | 0                      | 1                             | 3  | 0                                    | 10                        | 0                                    | 10                                   | 1  | 1  |
| UK Passport Agency                          | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| HM Prison Service                           | 0                      | 0                             | -  | 2                                    | 0                         | 0                                    | -                                    | 2  | 2  |
| <b>International Development</b>            |                        |                               |  |                                      |                           |                                      |                                      |    |  |
|   | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | 2                                    | 0  | 0  |
| <b>Lord Chancellors Department</b>          |                        |                               |  |                                      |                           |                                      |                                      |    |  |
| Court Service                               | 0                      | 0                             | 4  | 3                                    | 4                         | 0                                    | 4                                    | 3  | 3  |
| HM Land Registry                            | 0                      | 0                             | 1  | 0                                    | 1                         | 0                                    | 1                                    | 0  | 0  |
| Legal Secretariat to Law Officers           | 0                      | 0                             | -  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Public Trust Office                         | 0                      | 0                             | 0  | 0                                    | 0                         | 0                                    | -                                    | 0  | 0  |
| Public Record Office                        | 0                      | 0                             | 0  | 0                                    | 1                         | 0                                    | -                                    | 0  | 0  |

| Department                            | Started             | Started                    | Posts allocated for               |                        | Started                | Posts allocated for               |                                   | All starts                |
|---------------------------------------|---------------------|----------------------------|-----------------------------------|------------------------|------------------------|-----------------------------------|-----------------------------------|---------------------------|
|                                       | 5 Jan to 1 Oct 1998 | 2 Oct 1998 to 1 April 1999 | new starts 2 April to 1 July 1999 | new starts 1 July 1999 | 2 April to 1 July 1999 | new starts 2 July to 30 Sept 1999 | new starts 2 July to 30 Sept 1999 | 5 Jan 1998 to 1 July 1999 |
| <b>Social Security</b>                |                     |                            |                                   |                        |                        |                                   |                                   |                           |
| Benefits Agency                       | 0                   | 2                          | 0                                 | 0                      | 2                      | 10                                | 4                                 |                           |
| Child Support Agency                  | 0                   | 8                          | -                                 | -                      | 29                     | 21                                | 37                                |                           |
| Contributions Agency+                 | 0                   | 0                          | 10                                | 0                      | 0                      | 14                                | 0                                 |                           |
| DSS Youth Training                    | 0                   | 4                          | -                                 | -                      | 0                      | -                                 | 4                                 |                           |
| War Pensions Agency                   | 0                   | 4                          | -                                 | -                      | 0                      | -                                 | 4                                 |                           |
| IT Services Agency                    | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
|                                       |                     |                            |                                   |                        | 0                      | 6                                 | 0                                 |                           |
| <b>Scottish Office</b>                |                     |                            |                                   |                        |                        |                                   |                                   |                           |
| Registers of Scotland                 | 7                   | 5                          | 42                                | 6                      | 6                      | 37                                | 18                                |                           |
|                                       | 0                   | 1                          | -                                 | 0                      | 0                      | -                                 | 1                                 |                           |
| <b>Trade and Industry</b>             |                     |                            |                                   |                        |                        |                                   |                                   |                           |
| Companies House                       | 0                   | 0                          | 12                                | 0                      | 0                      | 12                                | 0                                 |                           |
| Employment Tribunals Service          | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
| Insolvency Service                    | 1                   | 1                          | 2                                 | 2                      | 2                      | -                                 | 4                                 |                           |
| National Weights & Measures           | 0                   | 0                          | -                                 | 0                      | 0                      | -                                 | 0                                 |                           |
| Office of Gas Supply (OFGAS)          | 0                   | 0                          | -                                 | 0                      | 0                      | -                                 | 0                                 |                           |
| Office of Telecommunications (OFTEL)  | 0                   | 0                          | -                                 | 0                      | 0                      | -                                 | 0                                 |                           |
| Patent Office                         | 11                  | 9                          | 0                                 | 0                      | 4                      | -                                 | 24                                |                           |
| Office of Fair Trading                | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
| <b>Treasury</b>                       |                     |                            |                                   |                        |                        |                                   |                                   |                           |
| Debt Management Office                | 1                   | 1                          | -                                 | -                      | 0                      | -                                 | 2                                 |                           |
| Royal Mint                            | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
| Inland Revenue+                       | 1                   | 2                          | -                                 | -                      | 0                      | -                                 | 3                                 |                           |
| National Savings                      | 0                   | 0                          | 70                                | 9                      | 9                      | 90                                | 9                                 |                           |
| HM Customs & Excise                   | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
| National Investment & Loans Office    | 0                   | 1                          | 6                                 | 1                      | 1                      | 7                                 | 2                                 |                           |
|                                       | 0                   | 0                          | 2                                 | 0                      | 0                      | -                                 | 0                                 |                           |
| <b>Office for National Statistics</b> |                     |                            |                                   |                        |                        |                                   |                                   |                           |
|                                       | 0                   | 0                          | -                                 | -                      | 3                      | 4                                 | 3                                 |                           |
| <b>Welsh Office (incl. OHMCI)</b>     |                     |                            |                                   |                        |                        |                                   |                                   |                           |
|                                       | 5                   | 0                          | -                                 | -                      | 1                      | 6                                 | 6                                 |                           |
| <b>Other Departments</b>              |                     |                            |                                   |                        |                        |                                   |                                   |                           |
| Charity Commission                    | 0                   | 5                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
| Crown Office & Procurator             | 0                   | 0                          | -                                 | -                      | 3                      | -                                 | 8                                 |                           |
| Fiscal Service                        | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |
| Crown Prosecution Service             | 0                   | 0                          | -                                 | -                      | 0                      | -                                 | 0                                 |                           |

| Department                                  | Started                | Started                       | Started                   | Posts                       | Started                   | Posts                       | Posts                     | Posts                                      |
|---|------------------------|-------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|--|
|   | 5 Jan to<br>1 Oct 1998 | 2 Oct 1998 to<br>1 April 1999 | 2 April to<br>1 July 1999 | allocated for<br>new starts | 2 April to<br>1 July 1999 | allocated for<br>new starts | 2 July to<br>30 Sept 1999 | All starts<br>5 Jan 1998 to<br>1 July 1999 |
| Export Credit & Guarantees Department       | 0                      | 4                             | 0                         | -                           | 0                         | -                           | 4                         | 4  |
| Government Actuary Department               | 0                      | 0                             | 0                         | -                           | 0                         | -                           | 0                         | 0  |
| Govt Offices for Regions Central Unit       | 2                      | 1                             | 0                         | -                           | 0                         | -                           | 3                         | 3  |
| Government Property Lawyers                 | 0                      | 0                             | 0                         | -                           | 0                         | -                           | 0                         | 0  |
| Intervention Board                          | 0                      | 2                             | 0                         | -                           | 0                         | -                           | 2                         | 2  |
| Lord Advocates Department                   | 0                      | 0                             | 3                         | -                           | 3                         | -                           | 4                         | 3  |
| Northern Ireland Office                     | 0                      | 0                             | 0                         | 15                          | 0                         | -                           | -                         | 0  |
| Northern Ireland Court Service - Tr. Branch | 0                      | 0                             | 5                         | -                           | 5                         | -                           | -                         | 5  |
| Office of Water Supplies                    | 0                      | 0                             | 0                         | -                           | 0                         | -                           | -                         | 0  |
| Parliamentary & Health Service Ombudsman    | 0                      | 0                             | 0                         | -                           | 0                         | -                           | -                         | 0  |
| Privy Council Office                        | 0                      | 0                             | 0                         | -                           | 0                         | -                           | -                         | 0  |
| Treasury Solicitors                         | 0                      | 0                             | 0                         | -                           | 0                         | -                           | -                         | 0  |
| Serious Fraud Office                        | 0                      | 0                             | 0                         | -                           | 0                         | -                           | -                         | 0  |
| Registry of Friendly Societies              | 0                      | 0                             | 0                         | 1                           | 0                         | -                           | -                         | 0  |
| <b>Totals</b>                               | <b>135</b>             | <b>336</b>                    | <b>132</b>                | <b>239</b>                  | <b>132</b>                | <b>303</b>                  | <b>603</b>                | <b>603</b>                                 |

^ Defence total covers all trading fund agencies for 1st July data.

+ DSS contributions Agency became part of Inland Revenue on 1st April 1999.

## Annex 7: Recruitment of New Dealers by Local Authorities

The figures below are drawn from quarterly surveys carried out by the IDeA and relate to *occupancy* levels at the time of the survey rather than cumulative starts.

---

### June 1998

|  | No. of Authorities<br>recruiting New Dealers | No. of New Deal Employees |
|--|--|---------------------------|
| Non-Metropolitan County                          | 0  | 0                         |
| Non-Metropolitan Districts                       | 5  | 8                         |
| Metropolitan Districts                           | 2  | 80                        |
| London Borough                                   | 2  | 9                         |
| Unitary Authority                                | 2  | 27                        |
| Fire Services                                    | 0  | 0                         |
| <b>TOTAL</b>                                     | <b>11</b>                                    | <b>124</b>                |
| Percentage of authorities recruiting New Dealers |  | 2.5%                      |
|  | (TOTAL No. of Authorities: 447)              |                           |

---

### September 98

|  | No. of Authorities | No. of New Deal Employees |
|--|--------------------|---------------------------|
| Non-Metropolitan County                          | 2                  | 3                         |
| Non-Metropolitan Districts                       | 11                 | 29                        |
| Metropolitan Districts                           | 7                  | 172                       |
| London Borough                                   | 5                  | 13                        |
| Unitary Authority                                | 9                  | 85                        |
| Fire Services                                    | 0                  | 0                         |
| <b>TOTAL</b>                                     | <b>34</b>          | <b>302</b>                |
| Percentage of authorities recruiting New Dealers |                    | 7.6%                      |

---

### December 98

|  | No. of Authorities | No. of New Deal Employees |
|--|--------------------|---------------------------|
| Non-Metropolitan County                          | 5                  | 10                        |
| Non-Metropolitan Districts                       | 21                 | 54                        |
| Metropolitan Districts                           | 10                 | 192                       |
| London Borough                                   | 5                  | 17                        |
| Unitary Authority                                | 11                 | 97                        |
| Fire Services                                    | 3                  | 3                         |
| <b>TOTAL</b>                                     | <b>55</b>          | <b>373</b>                |
| Percentage of authorities recruiting New Dealers |                    | 12.3%                     |

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**March 99**

|  | No. of Authorities | No. of New Deal Employees |
|--|--------------------|---------------------------|
| Non-Metropolitan County                          | 12                 | 23                        |
| Non-Metropolitan Districts                       | 31                 | 65                        |
| Metropolitan Districts                           | 20                 | 310                       |
| London Borough                                   | 11                 | 41                        |
| Unitary Authority                                | 17                 | 85                        |
| Fire Services                                    | 2                  | 2                         |
| <b>TOTAL</b>                                     | <b>93</b>          | <b>526</b>                |
| Percentage of authorities recruiting New Dealers |                    | <b>21%</b>                |

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**June 99**

|  | No. of Authorities | No. of New Deal Employees |
|--|--------------------|---------------------------|
| Non-Metropolitan County                          | 14                 | 36                        |
| Non-Metropolitan Districts                       | 30                 | 58                        |
| Metropolitan Districts                           | 16                 | 223                       |
| London Borough                                   | 13                 | 31                        |
| Unitary Authority                                | 13                 | 42                        |
| Fire Services                                    | 1                  |                           |
| <b>TOTAL</b>                                     | <b>87</b>          | <b>393</b>                |
| Percentage of authorities recruiting New Dealers |                    | <b>13%</b>                |

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*Source: IDeA quarterly surveys*

*The numbers relate to current occupancy levels rather than cumulative starts*

The most recent figures for the June 1999 survey indicate a decrease of 133 New Deal clients on the Employment Option with local authorities, over the quarter, and an increase of 269 employed since the survey began in June 1998.

## Annex 8: Recruitment of New Dealers by the Public Health Sector

Latest NHS Data From Employment Service Returns (cumulative starts)

The position at the end of June 99 as seen by the ES is:

|                           | England    | Wales     | Scotland  | GB         |
|---------------------------|------------|-----------|-----------|------------|
| <b>ND Clients placed</b>  |            |           |           |            |
| Subsidised 18-24 starts   | 111        | 9         | 19        | 139        |
| Subsidised 25+ starts     | 39         | 0         | 5         | 44         |
| Unsubsidised 18-24 starts | 42         | 7         | 34        | 83         |
| Unsubsidised 25+ starts   | 44         | 0         | 0         | 44         |
| <b>Total</b>              | <b>236</b> | <b>16</b> | <b>58</b> | <b>310</b> |

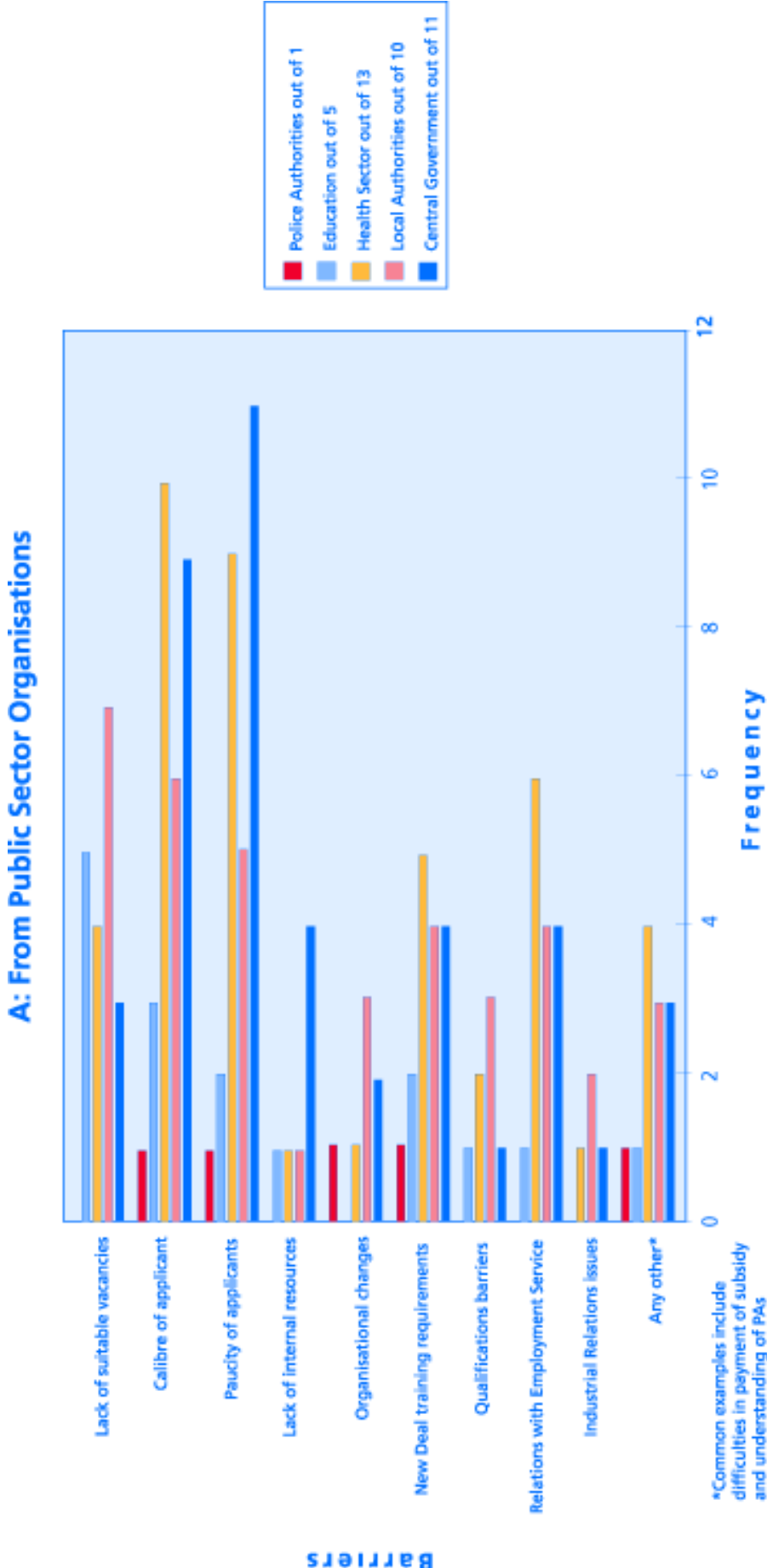
### ND Vacancies

|                                    |             |            |           |             |
|------------------------------------|-------------|------------|-----------|-------------|
| Subsidised vacancies ND only       | 359         | 11         | 46        | 416         |
| Subsidised vacancies ND considered | 1639        | 134        | 27        | 1800        |
| <b>Total</b>                       | <b>1998</b> | <b>145</b> | <b>73</b> | <b>2216</b> |

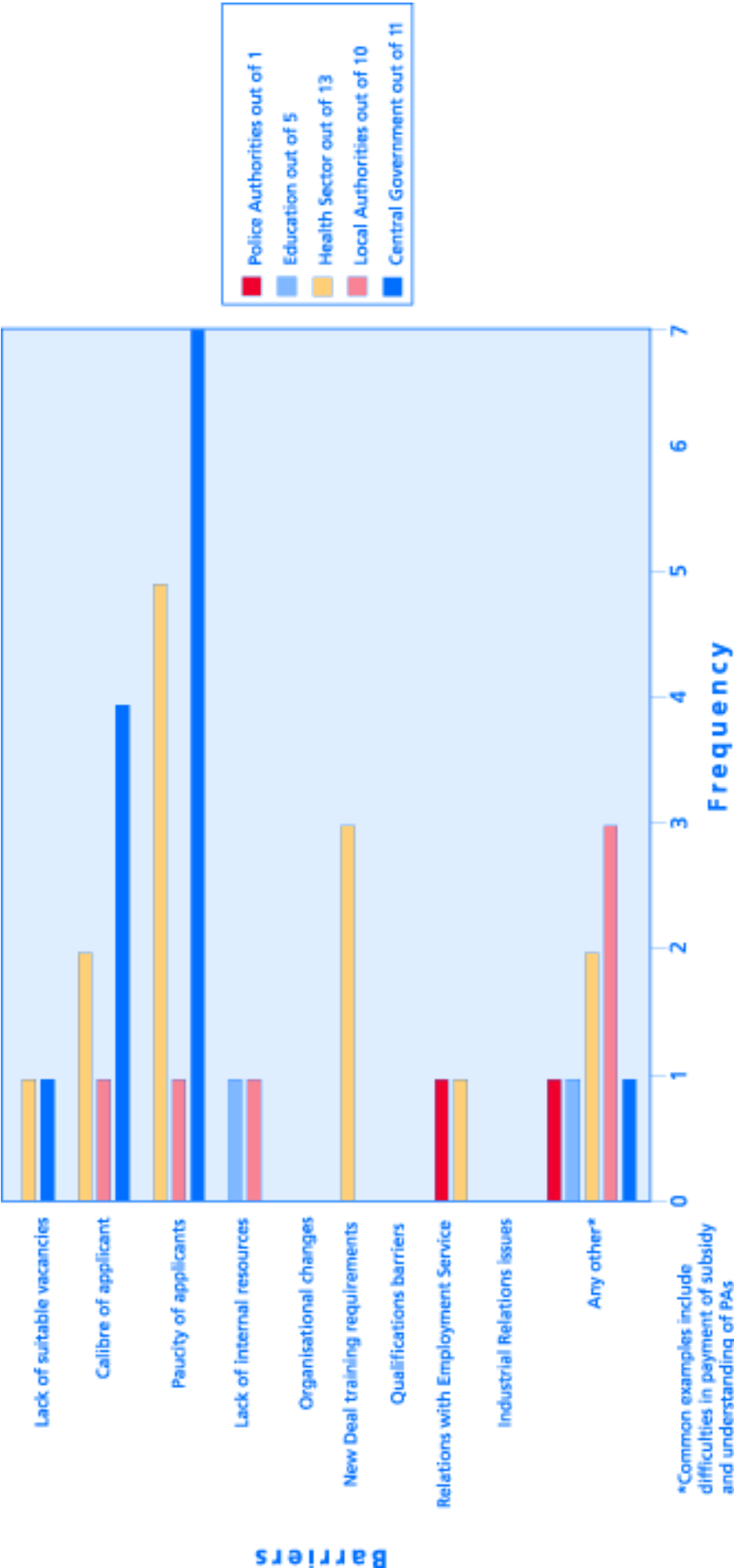
|                                     | England | Wales | Scotland | GB   |
|-------------------------------------|---------|-------|----------|------|
| <b>Other Vacancies<sup>11</sup></b> |         |       |          |      |
| Unsubsidised vacancies              | 3725    | 616   | 2049     | 6390 |

<sup>11</sup> This data comes with health warnings: "other vacancies" includes healthcare professionals, managers, supervisors, technicians etc. These posts are sometimes identified as "New Deal Considered (unsubsidised)" by employers, but are unlikely to be suitable for New Deal clients; thus their inclusion leads to the impression that far more NHS vacancies are suitable for New Deal than is the case in practice.

# Annex 9: Response to Questionnaires - Frequency of Barriers to Public Sector Recruitment of New Dealers

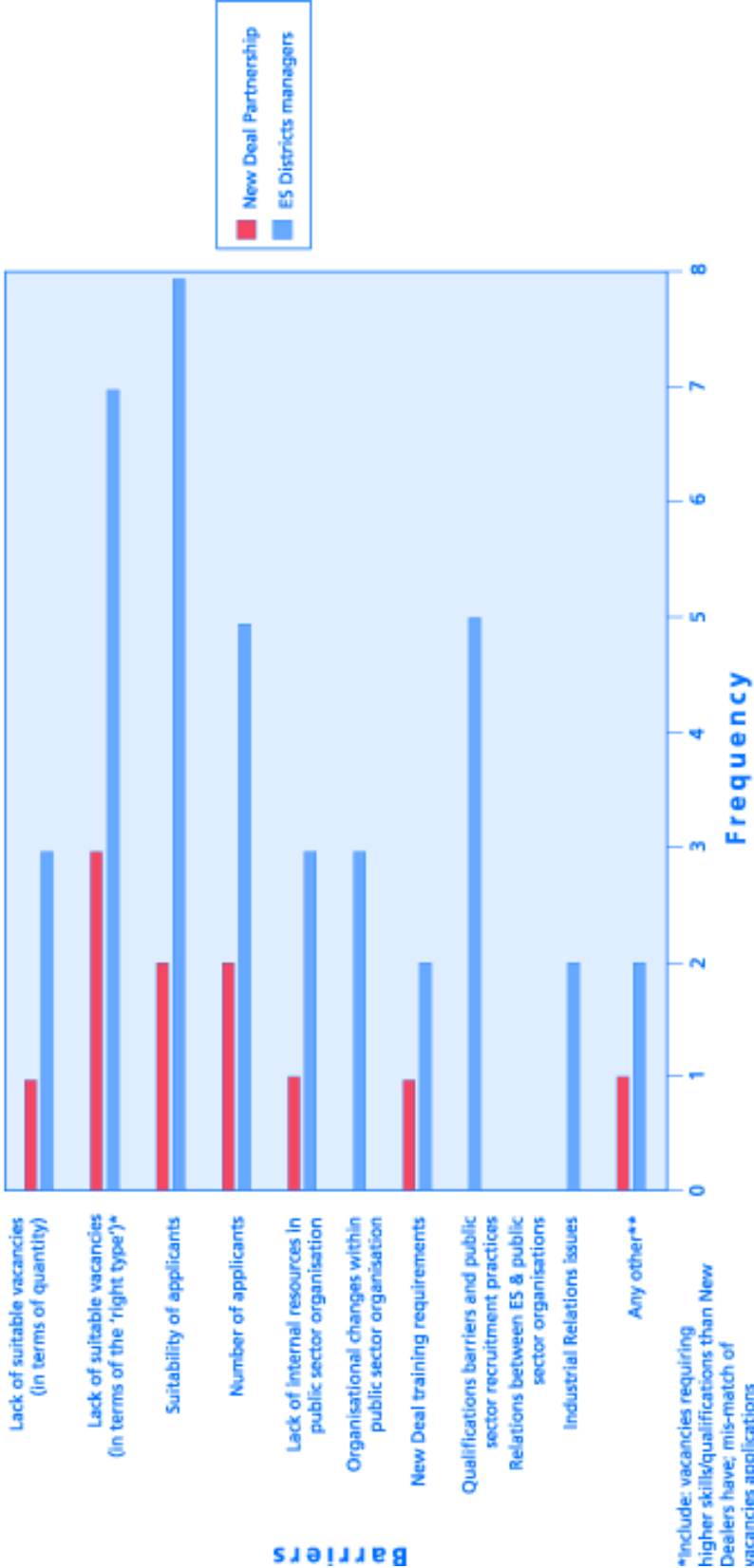


# Annex 9: Response to Questionnaires - Most significant Barriers to Public Sector Recruitment of New Dealers from Public Sector Organisations



# Annex 9: Response to Questionnaires - Frequency of Barriers to Public Sector Recruitment of New Dealers

B: From Partnerships/ES District Managers



\*Include: vacancies requiring higher skills/qualifications than New Dealers have; mis-match of vacancies applications

\*\*Common examples include difficulties in payment of subsidy and understanding of PAs

# Annex 10: ‘Tool-Kit’ for Public Sector Engagement

This annex provides a series of questions for HR Directors, or equivalents, in a public sector organisation to address as an internal aid to drawing up an engagement action plan. The prior questions listed at the top should guide HR Directors on whether engagement is viable, and lead in to questions about the sensible scope of that engagement and important factors to take into account.

## I: Should my organisation be engaging in New Deal?

| Question   | Response  |
|--|---|
| 1. What is the state of the local labour market(s) in which this organisation is operating? How many New Dealers are there in this (these) labour markets? | If operating in weaker labour market conditions, the need for your organisation to play an active part in providing job opportunities for New Deal clients is likely to be greater than in more buoyant conditions in which the private sector may well be able to provide the majority of opportunities to match the supply of clients.  |
| 2. What is the scale of annual recruitment of staff, to replace leavers and in response to any expansion in operations, at the entry level?                | Clearly, for organisations with larger scale recruitment needs, at this entry level, the potential for engagement in New Deal is greater.   |
| 3. Is there a good business case for my organisation to engage in New Deal?  | <p>Make contact with the Employment Service (eg LOU, regional, or district ES representative) to discuss the potential benefits for your organisation as compared with the costs. If the case looks robust, present this to your organisation’s board/senior management team for approval and support at the highest level.</p> <p>Consider the age profile of your organisation and whether this is adequate for</p> <ul style="list-style-type: none"> <li>i) your current needs; and</li> <li>ii) your longer term effectiveness.</li> </ul> |

If the answers to 1 and 2 imply that your organisation does have the scope to engage actively in New Deal, proceed to Section II checklist overleaf.

## II: What actions should be taken to ensure effective engagement?

### Actions

1. Identify a '*champion*' at the recruitment manager level within your organisation who is enthusiastic and committed to engagement in the New Deal, is able to act as an effective communicator of the benefits of involvement in New Deal to would-be line managers of New Deal clients, and to co-ordinate New Deal activities within the organisation.

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2. Identify work groups which are most suitable for New Deal recruitment and concentrate on achieving early success in those areas. (But do not take at face value, claims that certain work groups are completely unsuitable for New Dealers!)

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3. Get to know your local Employment Service contact to establish a good mutual understanding of each other's positions and to provide a firm basis for working through any barriers and problems likely to arise, particularly in the early period of engagement.

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4. If possible, 'ring-fence' some vacancies for, in the first instance, New Deal consideration only.

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5. Discuss the training provision for New Deal clients with your ES contact at an early opportunity, to try to reduce potential hurdles in making internal training provision compatible with the requirements for New Deal clients on the Employment Option.

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6. Consider appointing mentors for New Deal recruits.

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7. Consider the scope for providing 'work tasters' to clients in the Gateway.

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8. Find out about any regional/local best practice networks for public sector organisations engaging in New Deal and join/tap into the network to learn from the good practice elsewhere.

## Annex 11: NHS New Deal Vacancies

The analysis of 141 NHS vacancies given to one ES region over a three month period reinforces the view that:

- NHS employers are unclear about what vacancies might be suitable as New Deal;
- permanent vacancies over 25 hours are limited;
- potential New Deal vacancies are being lost at the vacancy taking stage;
- the few suitable vacancies that are obtained have to be actively managed to ensure they are not lost to New Deal clients.

The data collected by both the NHS and the ES continues to indicate that a large number of vacancies are being offered to the ES by the NHS Trusts. The underlying assumption with the data is that the vacancies are suitable for New Deal clients. However, an analysis of all the NHS vacancies given over a three month period to one ES region shows that:

- only 25% of the NHS Trusts in the ES region offered vacancies identified as New Deal;
- 20% offered no vacancies at all;
- only 13 (9%) of the 141 vacancies were identified as New Deal only or New Deal considered;
- of these 13, five were part time of less than 25 hours and therefore inappropriate for New Deal;
- of the remaining 128 vacancies, 76 (59%) were for health care professionals, managers, or skilled staff such as medical secretaries and therefore unlikely to be suitable for the vast majority of New Deal clients;
- the remaining 52 vacancies appeared suitable for New Deal clients but 33 (63%) were part-time under 25 hours, many for as little as 3 hours per week;
- of the remaining 19 vacancies, three were temporary contracts for three months and not eligible to be New Deal;
- three required specific experience or other barriers to New Deal clients e.g. "own car essential";
- a further four were six month contracts. While this is the minimum time that can be accepted as a New Deal vacancy most New Deal clients are looking for employment that offers more security of tenure than six months;
- of the remaining nine vacancies that could have been suitable for New Deal clients only five were full time;
- during this period only two New Deal clients were placed in NHS vacancies.

**In summary only 15% of NHS vacancies were suitable for New Deal clients and, if the six month contract vacancies are excluded, this is reduced to 10%.**

It seems reasonable that this picture will be reflected across the whole of England. In particular, the ES is finding that the number of part time vacancies of less than 25 hours, and the number of temporary vacancies of less than six months are severely limiting the number of NHS opportunities for New Deal clients.

A similar analysis of NHS vacancies locally may provide a useful focus for discussion between members of the New Deal team and the local NHS Trust/s. However, the discussions should be supported by a commitment to active management of the New Deal vacancies by the Jobcentre teams.

## Annex 12: Glossary of Terms

|             |  |
|-------------|--|
| CLES        | Centre for Local Economic Strategies   |
| CS          | Civil Service  |
| CSD         | Civil Service Department   |
| ES          | Employment Service   |
| FTET        | Full-time education and training Option under New Deal for Young People                      |
| HR Director | Human Resources Director   |
| IDeA        | Improvement and Development Agency<br>(formerly the LGMB: Local Government Management Board) |
| LGA         | Local Government Association   |
| LOU         | Large Organisations Unit (within the Employment Service)                                     |
| ND          | New Deal   |
| NDPA        | New Deal Personal Advisers   |
| NDYP        | New Deal Young People  |
| NDPB        | Non Departmental Public Body   |
| NDTF        | New Deal Task Force  |
| NDTFS       | New Deal Task Force Secretariat  |
| NHS         | National Health Service  |
| NVQ         | National Vocational Qualification  |
| NTO         | National Training Organisation   |
| PS          | Public Sector  |
| PSG         | Public Sector Group  |