

Knowledge exchange: the Netherlands 2010

Perspectives on provision

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Contents

Executive summary	iv
Key features of the employment support market	iv
Implications and Issues	v
1 Introduction.....	1
2 Employment and support in the Netherlands.....	3
2.1 Context and labour market.....	3
2.2 Benefits and income support	4
2.2.1 Insurance based income support.....	4
2.2.2 Social assistance	4
2.2.3 Employment support system	4
2.2.4 Central – local responsibilities.....	5
2.2.5 Werkplein – job plazas.....	5
2.2.6 Regionalisation	6
3 The Dutch employment support market.....	8
3.1 Key features of the reintegration market:.....	8
3.1.1 Large market of small providers.....	8
3.1.2 Individual autonomy and choice.....	9
3.1.3 Fixed agency budget	9
3.1.4 Pricing and procurement.....	10
3.2 Municipalities are major purchasers.....	12
3.3 The work coach is fundamental.....	13
3.4 Role of employers	14
4 Major points of discussion.....	15
4.1 Procurement regime – implications for scale.....	15
4.2 Municipal variation	15
4.3 Job brokerage.....	16
4.4 Evidence based provision	17
4.5 Parking and creaming.....	18
5 Conclusions.....	19

Executive summary

As part of *Inclusion's* ongoing programme of knowledge exchanges, a delegation of major UK employment services providers and senior policy makers from the Department for Work and Pensions, and HM Treasury visited Maastricht in the Netherlands in April 2010.

Recent years have seen radical developments in the approach to contracting by the Department for Work and Pensions with profound implications for the employment-related services provider base. At the same time, there has been a shift by central government towards 'localising' a number of policy fields, including employment and skills. As such, it was an opportune moment to visit the Netherlands to examine their equally innovative, but very different, welfare to work markets, and where there are marked differences in the nature and extent of devolution.

Key features of the employment support market

In common with the UK, the Netherlands' welfare to work market is characterised by a mix of direct state agency provision and a significant private and non-profit sector presence. However there are key differences in the market structure and operation, as well as local government playing a central role in the Dutch employment system.

Central and local government involvement: Both central government and local government provide and commission employment support (reintegration) services. UWV WERKbedrijf, the central government agency equivalent to Jobcentre Plus, provides support to clients claiming insurance based unemployment or disability payments.

Municipalities play an important role, providing and purchasing reintegration services for residents claiming social assistance. Of great relevance to the UK localisation debate, in the Netherlands municipalities are incentivised to be active in reducing worklessness through funding mechanisms. In this way, municipalities are able to retain the surplus funding that arises when a resident moves off benefits and into work, and use it for any other local priorities.

Procurement: Procurement by UWV WERKbedrijf is based on framework contracts with no fixed service provision volumes. Services are divided into 'modules', that is particular services such as job search or training, and 'trajectories', which are whole-journey packages. Payment can be either for services provided or on an outcomes

basis, which is dependent on the category of client. Contractual frameworks applied by municipalities vary widely.

Individual autonomy: A key feature of the Dutch system is the use of a voucher called an 'individual reintegration contract' (IRO). Worth around €4,000, the work coach signs off the provider and back to work plan in discussion with the client.

Fixed agency budget: UWV WERKbedrijf has a fixed budget for commissioned support. Unfortunately, the agency ran out of funding in February and is now restricting support to those unemployed for more than 12 months. This affects both clients, who now do not have access to provision, and providers who rely on service provision contracts. It also has a knock on effect on municipalities as people exhaust their insurance-based benefits and default to municipal social assistance.

Large market of small providers: In contrast with the UK, the Dutch market is characterised by many small providers. Out of a market of around 2,000 providers, 1,600 are independent small organisations, largely delivering IROs.

Employers: Employers are responsible for employees who leave work because of ill health or disability for two years. They are required to develop a back to work plan and, as a result, they commission IRO and other kinds of service provision.

Work coaches: In the Dutch system, work coaches have significantly more autonomy than the equivalent Jobcentre Plus adviser. They set monitoring and activity requirements, and sign off IROs and other (modular) service delivery. They tend to be graduates and ongoing training is considered integral.

Implications and issues

Scale: The Dutch procurement system has implications for the potential of the provider to scale up. In comparison with the UK, where growth is occurring through procurement changes towards larger and longer contracts, Dutch providers report they achieve growth through diversification. Financial institutions were reported as being comfortable investing in advance of delivery despite the short contract lifecycles.

Municipal variation: From a provider perspective, the autonomy municipalities have over employment support provision for social assistance claimants means there is a heavy administration and compliance burden for providers as they respond to the many different procurement systems. A process of 'regionalisation' is currently underway,

where the larger city co-ordinates its smaller neighbours, which has potential to ensure greater coherence across a sub-region and avoid some of these administration issues.

Job brokerage: In contrast to the UK, Dutch personal advisors take a client through the whole journey to work, including job brokerage. The UK delegation were keen to understand whether there are issues of duplication internally and also whether the frustration at multiple approaches from brokers reported by UK employers was also true in the Netherlands.

Evidence base: In terms of evidence of quality provision, there is little information other than job outcomes to assist work coaches in advising clients on IRO providers, although there is a quality mark that is widely used by providers. The choice made by municipalities to outsource provision or deliver it in house tends to depend on history and culture, rather than an evidence base.

Parking and creaming: Dutch providers are not required to accept a client. At the same time, they are bound by contract to a maximum percentage of clients they can reject. Providers were frank that the funding would not always be sufficient to move someone into work; at the same time, they also emphasised the importance of matching provider specialist experience and having a good rapport.

1 Introduction

As part of *Inclusion's* ongoing programme of knowledge exchanges, a delegation of major UK employment services providers, and senior policy makers from the Department for Work and Pensions and Treasury visited Maastricht in the Netherlands in April 2010.



The UK has long involved the private and third sectors in the delivery of back to work services and has well established and robust competitive tendering processes in place. Recent years have seen radical developments in the approach to contracting by the Department for Work and Pensions with profound implications for the employment-related services provider base. At the same time, there has been a shift by central government towards 'localising' a number of policy fields, including employment and skills. With the preceding political era characterised by centralisation of public service

design and delivery, moves to grant local authorities a larger, more autonomous, role mark a significant difference in policy approach.

With these changes underway, it was an opportune moment to visit the Netherlands where an equally innovative, but very different, welfare to work market exists and where there are marked differences in the nature and extent of devolution.

We were hosted by Ton de Kok, Senior Account Manager at Wissenraet Van Spaendonck and a member of the national executive of the Dutch Representative Association of Employment Related Services (Boaborea).

This report focuses on an examination of the Dutch welfare to work market, compares and contrasts the Dutch system and considers the implications of their market structure for the provider base. It also considers the role of local government in welfare to work provision.

2 Employment and support in the Netherlands

2.1 Context and labour market

The Netherlands has been buffeted by the recession, with unemployment rising from 3.9% in 2008 to 6.7% in 2010. This amounts to around 423,000 unemployed jobseekers nationwide; that is, there are half a million people registered with UWV WERKbedrijf as seeking work for more than 12 hours per week. This is separate from the number of people claiming the main forms of income support (outlined below). The province of Limburg, in which Maastricht is located, has higher than national unemployment, at 8.3% and the city of Maastricht higher again at 10.2%. The most affected sectors have been in finance and insurance, retail, construction, chemical processing and the automotive industry. To date, those areas such as health, education and government have not seen the same job losses, but during the visit it was pointed out that the Dutch government must cut spending by €30 billion in the next five years which may have an impact on the public sector.

Currently across the Netherlands there are:

- 329,000 people on the equivalent of Jobseeker's Allowance
- 750,000 people claiming the equivalent to Incapacity Benefit
- 289,000 people claiming social assistance

Like the UK, the priority groups for employment support are the long term unemployed, young unemployed people, workers over 45, those who are low skilled and with few educational qualifications, and those in insecure employment. There is also a gap in areas such as Limburg between the demand for highly skilled labour and an over supply of low skilled people in the workforce.

2.2 Benefits and income support

2.2.1 Insurance based income support

The Netherlands operates two forms of income support. One is an insurance system based on employer contributions that provides relatively generous benefits in the case of unemployment, ill health or disability and is linked to wages. The Institute for Employee Benefit Schemes (UWV) is the central government agency that administers the insurance benefits.

Unemployment benefits

Citizens are entitled to a maximum of 38 months of unemployment benefit after having been made redundant, depending on their age and number years worked. Unemployment benefits are calculated at 70% of the wages last earned, to a maximum of €33,670 per annum.

Disability benefits

Depending on the degree of disability, whether they have previously worked or not and whether they can still partially work or not, citizens are entitled to disability benefits amounting to a maximum of 70% of wages last earned.

2.2.2 Social assistance

The second, less generous and means tested form of income support is social assistance for those who have never contributed to the national insurance or who have exhausted their insurance entitlement. The 431 municipalities (local authorities) administer the parallel system of social assistance. The value of social assistance varies. For example, a single person under 25 with no children will receive €225 per month; a family with two children will get €1,300 in social assistance plus child, rent and long term unemployment allowance, totalling around €1,700 per month.

2.2.3 Employment support system

Both central government and local government have important roles to play in the employment support system. Indeed, central and local government were described as "equal partners" by our Dutch hosts.

UWV WERKbedrijf (Work Company) directly provides public employment assistance and purchases additional services from the private and non-profit sector. There are 11 UWV

regions across the Netherlands. In this way, UWV WERKbedrijf is analogous to Jobcentre Plus. Municipalities also deliver and commission back to work services for clients claiming social assistance.

Some support, such as individual reintegration contracts (IRO – see below) are available from day one of a claim. The intensity of support depends on a client profiling system, but intensifies at six months, at which point claimants are considered long term unemployed. However, UWV WERKbedrijf has a fixed budget and had already spent its allocation by February 2010. As a result, in house and contracted support by UWV WERKBedrijf is no longer available for jobseekers who have been unemployed for less than one year.

Packages comprising a range of support services are often organised and purchased as 'trajectories', which includes the whole customer journey and case management. Alternatively, UWV WERKbedrijf and the municipalities can purchase individual service components on an 'as needed' basis.¹

2.2.4 Central – local responsibilities

A major difference in comparison with the UK system is that, in 2004, municipalities were given freedom to decide the nature and scale of reintegration activity for people claiming social assistance in return for being accountable for the assistance system, including its financial risks. The extent of this freedom can be seen in differing eligibility criteria, activities and procurement programmes between municipalities. Interestingly, we heard there is no evidence of 'welfare tourism' by residents seeking more lenient regimes.

Importantly, municipalities are incentivised to make reducing worklessness a priority by being able to retain a portion of the reintegration budget for non-ringfenced spending, when fewer people claim assistance than the total allocated to them from central government. Please see section 3.2 for full details.

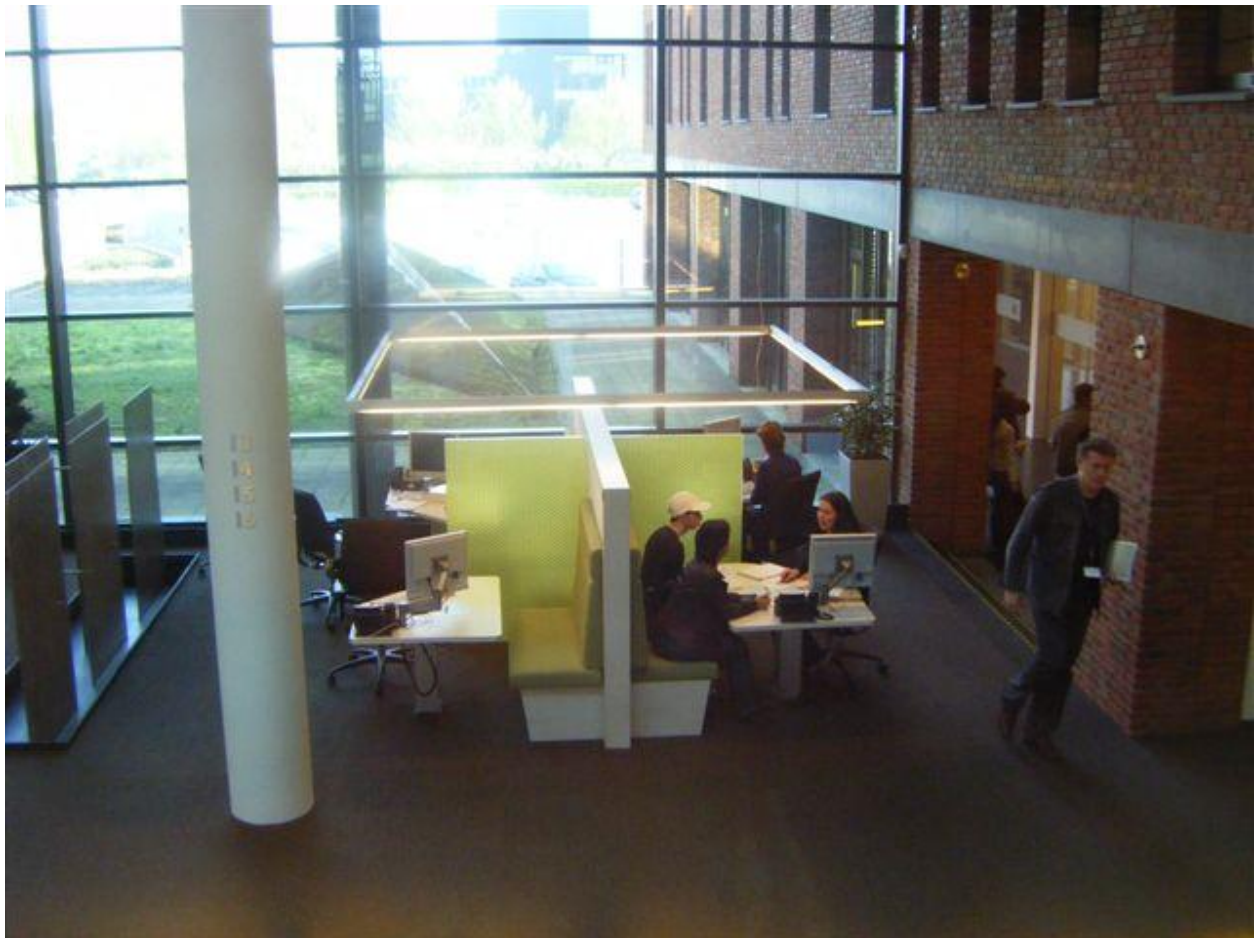
2.2.5 Werkplein – job plazas

As the description above shows, there is a clear distinction between the responsibilities of the central and local government agencies. Central and local government have, however, begun a process of co-locating their functions in *werkpleinen*. These one-stop

¹ For further detail see Finn, Dan, 'The British welfare market: lessons from contracting out welfare to work programmes in Australia and the Netherlands', Joseph Rowntree Foundation, 2008, p25

'job plazas' bring UWV (central) and municipal personal advisers together in one building. There are 126 across the country, of which 33 are larger 'job plaza-plus'. At the same time, private providers can rent space in the building and access UWV WERKbedrijf information to facilitate the referral process and service delivery.

While strong partnership working was reported during our visit to a spacious, modern and bright Maastricht *werkplein*, issues around joining up UWV and municipal information systems and differing cultures, qualifications and salary levels were raised. Indeed, Herman van Lith of the Maastricht *werkplein* noted that the continuing existence of two agencies performing similar functions is likely to be an issue in the upcoming Dutch elections and that there was debate around collapsing UWV into the municipalities.



2.2.6 Regionalisation

Continuing the devolutionary process, UWV WERKbedrijf is decentralising further in a programme of 'regionalisation'. Authority has been given to the 30 largest municipalities

to co-ordinate themselves and their smaller neighbouring municipalities. Mirroring the issues many UK local authorities are encountering as they undertake collaborative projects (eg local economic assessments), one question raised about this agenda is the most relevant functioning geographic definition of a region; a further issue is tensions between the smaller municipalities and the larger municipality around co-operation and partnership. However, there is potential for the regionalisation process to reduce some of the administrative variations which can be an issue for providers that deliver over more than one municipality and, at least as relevant, for employers who are not bound by municipal borders and get their employees from a larger area than just one municipality.

3 The Dutch employment support market

The Netherlands has been a leader in the creation of a welfare to work market. From 2002, the Dutch government has been dramatically altering its welfare system by increasing local autonomy and market stewardship in the design and delivery of employment services.

In the Dutch reintegration market, agencies and private companies compete on a value-for-money basis. Wherever possible, services are provided by the private sector. The market is governed by certain principles: market access and competition, transparency and public tendering, quality improvement and quality certificates, tailored services for target groups, and client freedom of choice. The National Client Council and Boaborea, the trade organisation for providers, actively support these principles, which are embedded in legislation.

The National Client Council has the remit to be the voice of customers on employment programmes. In this role it advocates for clients and has regular consultations with UWV WERKbedrijf and the municipalities regarding the forms of support, levels of engagement, and success of programmes in getting people into work. In addition, this National Client Council can send proposals to the Minister of Social Affairs and Employment regarding work and income.²

3.1 Key features of the reintegration market

3.1.1 Large market of small providers

In contrast to the evolving landscape of UK welfare to work provision, which is seeing the emergence of fewer, larger providers, the Dutch market is characterised by many small providers: there are just over 2,000 providers, of which about 1,600 are independent single person organisations. These are frequently former UWV coaches who have set up on their own; only four providers are not Dutch. The majority of the one person organisations only provide individual reintegration contract (IRO) services.

² <http://www.parliament.the-stationery-office.co.uk/pa/cm200809/cmselect/cmworpen/59/5909.htm>

3.1.2 Individual autonomy and choice

A key element in the employment services market is the IRO. This is a voucher worth around €4,000 which an individual can use to purchase the specific range of services they feel will best help them back into work. While the individual has the choice, the coach signs off the application and frequently advises the client of which providers are available. Normally an IRO is available to all clients from day one of their claim. Because of the financial troubles experienced by UWV WERKbedrijf (see below) reintegration services, including IROs, are only available to clients unemployed for more than 12 months. Around 50% of clients use an IRO.

An issue the group discussed with the UWV WERKbedrijf representatives and with the IRO providers during the round table was how referrals are made to providers. UWV WERKbedrijf work coaches do not have information to guide them on which provider is particularly good at particular things or compare the volume/ number of services the IRO can buy from different providers. Nonetheless, it was emphasised that providers maintain their position as a provider through achieving job outcomes which do inform IRO choice.

3.1.3 Fixed agency budget

The UWV WERKbedrijf has a fixed budget. Last year it had a budget of €126 million for unemployment assistance and €112 million for employment assistance for disabled clients. One of the major issues discussed on the exchange was the fact that UWV WERKbedrijf has already spent its 2010 budget for unemployment assistance to jobseekers and ran out of funding in February. As outlined above, it will now only work with jobseekers who have been unemployed for more than 12 months. This is a significant departure from previous practices, where support was available from day one, including access to IROs and where additional support was available at six months, which was the Dutch definition of long term unemployment.

The funding issues have negative implications for some individual jobseekers who will no longer have access to support services. They will also present difficulties for the provider base, in particular the many sole providers who only offer IRO services. Indeed, the Dutch providers contributing to the round table reported that this was already proving to be the case. Further, these funding issues will have implications for municipalities. The fact that jobseekers will only receive reintegration assistance from UWV WERKbedrijf after having been unemployed for more than 12 months means that more jobseekers are more likely to have exhausted their insurance entitlement before they are able to find employment, thus becoming a financial burden on municipalities.

3.1.4 Pricing and procurement³

Procurement in the UWV WERKbedrijf employment services market is based on framework contracts. After successfully qualifying for the framework, it operates like a call-off facility, with no agreed service provision volumes, although allocation of clients is linked to placement results. Contracts last for 12 months and can be extended twice, each for one year.

Where the procurer purchases one of the services, or 'modules', the payment regimes for all services except job search and placement are funded on cost reimbursement, with no outcome payment element. Job placement, by contrast, is completely dependent on outcomes, with additional bonuses for the speed of placement, for a longer term job outcome and for placement in a job whose wages remove any continuing benefit entitlement.

UWV sets the maximum price for each of the services and the provider determines the level at which they set their fee, which is one of the criteria used by the UWV in compiling the framework.

UWV WERKBedrijf procures both modular (ie specified) services and full service delivery, called 'trajectories'. Full service delivery is IROs, standard reintegration trajectories and IROs/ standard full reintegration trajectories for hard to place clients.

³ Additional pricing and procurement information kindly provided by Ton de Kok of Wissrat van Spaendonck and Prof Dan Finn, Portsmouth University

Table 1: Modular specified services

Service	Duration (weeks)	Maximum fee	Payment basis
Assessment of physical barriers	4	€1,000	Full pay
Strengthening physical capacities	14	€2,500	Full pay
Assessment of mental health barriers	4	€1,500	Full pay
Strengthening mental health capacities	14	€3,250	Full pay
Orientation to the labour market	10	€1,750	Full pay
Job search and placement	22	€2,500	'No cure, no pay'

Whereas modular services, with the exception of job search and placement, are paid on a cost recovery basis, payment for full reintegration trajectories is based on outcomes. The breakdown of how much is paid against which outcome milestones differs between the programmes of provision:

Individual reintegration contract (IRO)

- 35% at approval of the client's programme
- 65% after job placement and eight weeks' sustained employment, plus 10% bonus
- Or, if no placement in a job, 15% on referring a client back to UWV WERKbedrijf

Standard full reintegration trajectory (non IRO)

- 40% at approval of the client's programme
- 60% after job placement and eight weeks sustained employment plus 10% bonus
- Or, if no placement in a job, 20% on referring a client back to UWV WERKBedrijf

IRO and standard full reintegration trajectories for very difficult to place clients

- 50% at approval of the client's programme
- 50% after job placement and eight week's sustained employment plus 15% bonus

- Or, if no placement in a job, 30% on referring a client back to UWV WERKBedrijf

Additionally, a bonus of €1,000 is available when a client completely moves off benefits and one of €500 for a client over 50 who is successfully placed.

It was reported to the group that the combination of the relatively small scale of each contracting opportunity, the short life of each contract and the outcomes based payment model means larger providers tend to diversify in order to survive and grow. Other services provided include Dutch as a second language and support for young people not in employment, education or training.

Procurement for municipal provided services follows each municipality's process. This presents an administrative burden for those providers that operate in more than one location.

3.2 Municipalities are major purchasers

Municipalities are the major purse holder in efforts to get residents claiming social assistance back to work. They collectively have a budget of around €4 billion for paying out social assistance. In addition, they have €1.8 billion per year at their disposal for reintegration service procurement and provision and, like UWV WERKbedrijf, a number of them commission IRO provision.

Municipalities are able to retain the surplus where they pay out less in social income assistance than is allocated to them in the budget for that purpose, which creates an incentive to support people in to work and off social assistance. In addition they can shift up to a maximum of 35% (although this percentage has recently been lowered for the year 2010 onwards) of the budget that has been allocated to them for reintegration service provision from the present year to the year following. However, if municipalities overspend the income budget for social assistance that has been allocated to them by national government, it is at their own financial risk:

"The Work and Income Act (2003) introduced a new funding system. The Fund for Work and Income has two components. The 'income fund' pays for means-tested assistance and is determined on the basis of economic and social indicators. A separate flexible 'work fund' is designed to pay for employment or reintegration services and can be used only to pay for such services. Any surplus in the 'work fund' is returned to the Ministry. By contrast, if the municipality pays less than it is allocated in the 'income fund', it can use the surplus as it sees fit. The risk is that, if it overspends on benefits, it

has to subsidise these payments from its own resources. The municipality thus has a powerful incentive to reduce the number of people claiming social assistance.”⁴

Local authorities in the UK are keen to ensure that they are rewarded directly for their efforts supporting their residents back to work, rather than the benefits saving being returned to Treasury. This incentive, built into the Dutch system, overcomes one of the key issues in the debate over localisation of employment and skills in the UK.

About half of municipalities choose to deliver this using in-house service provision and about half choose to outsource this. The decision on direct delivery versus contracted provision tends to depend on the particular municipality’s culture, efficiency and size.

3.3 The work coach is fundamental

In contrast to the tightly prescribed monitoring and activity regime required of UK jobseekers, Dutch work coaches (personal advisers) have significant autonomy to guide and support clients and are the key decision maker. For example, there is no equivalent to the fortnightly signing on appointment; the regularity of meetings is set by the coach to reflect, in their judgement, the monitoring frequency required by that client. Due to the recession, UWV WERKbedrijf coaches at present have a caseload of about 250 clients, and clients see the same coach at each appointment. In non-recessionary times, the caseload is around 100. Coaches provide advice about individual reintegration support providers and sign off client requests for IRO provision and any other reintegration service provision.

Reflecting their central role and relative autonomy, being a work coach commands a good starting salary and above average pay; most coaches have a relevant degree (eg psychology). Herman van Lith, of the Maastricht werkplein, highlighted that training is considered very important and there is a UWV WERKbedrijf academy, which manages an ongoing training programme. The training is accredited and coaches are expected to participate in continuing professional development. They are also subject to monthly monitoring against targets set in line with local labour market conditions and caseload. Interestingly, it was perceived that UWV WERKbedrijf coaches are more professionalised than their municipal counterparts.

⁴ Finn, Dan, ‘The British welfare market: lessons from contracting out welfare to work programmes in Australia and the Netherlands’, Joseph Rowntree Foundation, 2008, p25

3.4 Role of employers

Employers have an important role to play in the Dutch reintegration market, particularly for employees who leave work because of ill health or disability. In the Dutch system, the employer is responsible for supporting the ill or disabled client back to work for two years. This includes finding an alternative suitable job within the company. The employer is required to develop a back to work plan which, should it be found inadequate or that the employer is not carrying out its responsibilities, increases its responsibilities to three years. As a result, employers also commission IRO and other service providers to support their employees back to work.

4 Major points of discussion

The knowledge exchange group was keen to consider the nature, characteristics and business implications of the reintegration market to compare and contrast the Dutch contracting landscape with that in the UK. The following points highlight the issues that were discussed by the group with the Dutch colleagues.

4.1 Procurement regime – implications for scale

The most significant issue discussed by the group was the implication of the procurement and contracting regime for scaling up by the provider base. Delegates were keen to explore the business growth implications of the fact that, in the framework contracts, there are no fixed volumes of provision and that the lifecycles for each contract are short. In contrast to the UK, where provider growth is occurring in part through larger and longer contracts, Dutch providers agreed it is difficult to plan and reported that the route to growth is via developing services to meet each new need as it arises and through diversification. For example, one large provider highlighted how it now provides psychological services in addition to more standard job search and training provision. Reflecting the experience of many UK third sector organisations, the smaller charitable provider reported that it survives and grows by bringing a number of funding streams together (eg health plus UWV WERKbedrijf plus municipality) around the client.

The providers also reported pre-investing in services in advance of need to achieve scale. Interestingly, securing financial investment for this model was not reported to be an issue, with banks and investors confident of providing financial backing despite the providers operating in a context of short-life contracts.

Nonetheless, given that 80% of the market is made up of very small providers, delegates did not see the Dutch procurement system as actively supporting the achievement of scale for providers. (It is also worth noting that, in spite of this presence of small providers, the larger 20% of the providers cover approximately 70% of the market.)

4.2 Municipal variation

The 431 municipalities have control over the social assistance system and freedom to determine and provide the range of services they believe will best support their

claimants back in to work. This includes autonomy over procurement practices to purchase services not provided in house. One of the frustrations reported by providers was the administration and co-ordination burden of having to respond to the many different procurement systems, in terms of both variation in processes and differing submission deadlines.

Municipal variation also presents difficulties for employers because different municipalities can place different obligations on the employers located within its jurisdiction in terms of employing residents from particular target priority groups. They can also apply different levels of wage subsidies and different sets of conditions under which employers can apply for wage subsidies when they employ clients on social assistance. For employers operating across boundaries, this can often be quite an administrative headache.

However, as outlined above, a process of 'regionalisation' is currently underway, where the larger city co-ordinates its smaller neighbours, which has potential to ensure greater coherence across a sub-region and avoid some of these administration issues.

4.3 Job brokerage

An interesting point of difference between the operational approaches in the UK compared to their Dutch colleagues was in the area of job brokerage. The Dutch providers reported that the common practice is for the same personal adviser to take the client through the journey to work – from intake through to placement. This means that all advisers do job brokerage.

The group discussed the potential co-ordination issues arising from this – that is, two advisers from the same provider contacting the same employer –how efficient this process is and whether this approach frustrates or alienates potential employers. The Dutch providers were confident that it is rare for two colleagues both to approach the same employer, although there was some scepticism from the study group that this kind of internal co-ordination can avoid duplication. Further, like the UK job brokerage market, the issue of multiple approaches to the same employer by different providers and employers' frustration with that, was reported to be a significant issue in the Netherlands.

4.4 Evidence based provision

As outlined above, municipalities can decide whether to deliver their back to work services in house or to outsource them, and the logic of direct delivery versus commissioning tends to depend on history and scale. That is, there was no evidence provided to the group on the comparative effectiveness of public and private delivery or whether this has informed – or should inform – municipalities’ decisions regarding the nature of provision. This is also a live debate in the UK and Els Sol, of the University of Amsterdam, acknowledged that this is a gap in the research.

A further aspect of the evidence base on provision is that there seemed to be little detailed data on the quality of provision that could inform work coaches and individual clients in their choice of provider. Allocation of clients to providers is related to job outcomes, so that is a measure of success which can be used to inform decision making.

An indication of quality is given through the quality mark. Boaborea originally developed a quality standard, which clients and coaches can use to select reintegration providers. This has now been incorporated in a broader quality mark and is controlled by an independent not for profit foundation called *Blik op Werk*. Its purpose is to offer a basic quality guarantee to employees, jobseekers, employers, UWV WERKbedrijf and municipalities. Key performance indicators are:

- client satisfaction
- provider reliability

The Boaborea quality mark was awarded to some 250 providers. Currently the *Blik op Werk* quality mark is held by 600 providers as a result of the fact that, in 2009, UWV WERKbedrijf intended to make the quality mark a pre-condition on providers’ obtaining a framework contract. Not all providers hold the quality mark, but specifically the large and medium sized providers have the quality mark and, in addition, quite a number of lone providers.

However, there are multiple providers in any location and work coaches do not have comparative or sensitive data, for example on customer satisfaction or specialism, to help advise an individual about a particular company. As a consequence, providers reported that it is very important to build a strong relationship and presence with work coaches, to ensure a regular flow of referrals.

4.5 Parking and creaming

Both providers and, importantly, commissioners were frank about what the scale of funding per individual could buy. Commissioners acknowledged that the state funds available would not always be sufficient to support those furthest from the labour market back in to work but that moving clients towards readiness was a valuable goal. For their part, providers confirmed they can and do refuse clients they feel they cannot help.

The Dutch providers emphasised that accepting or refusing a client is as much about the sector or area the client is interested in (eg care work or construction) and whether the provider has that expertise. Having a good rapport and ensuring the client and provider advisor 'click' was seen as very important to achieving a successful outcome.

5 Conclusions

The knowledge exchange to Maastricht highlighted a number of important differences in the employment services' procurement and provision regimes that shape the two welfare to work markets, and in central. local government arrangements for delivering and overseeing provision. Some conclusions include:

Contracting and the character of the provider base: As the UK's welfare to work procurement processes move towards larger and longer contracts, the provider base has, commensurately, reduced in number and increased in scale. The Netherlands' provision market, in contrast, is characterised by unfixed volumes and shorter contract lengths, leading to a provider base where 80% of the Dutch market is comprised of small organisations.

Contracting for scale: Given the unfixed volumes of Dutch provision contracts, the UK's system of larger and longer contracts can be seen as positive in terms of administrative efficiency for the procurer and allowing economies of scale for providers.

Leveraging local government: Beyond its responsibility for administering the social assistance system, local government is actively incentivised to get people back to work. Allowing municipalities to keep any surplus when they pay out less in social income assistance than is allocated to them in the budget for that purpose works to ensure municipalities utilise the full scope of their resources and leverage the actions of local stakeholders towards increasing their residents' chances of entering work.

A personal approach: The Dutch system has a strong focus on the personal needs via the individual reintegration contract (IRO). More information could be gathered and made available to assist coaches and individuals in their choices, but the voucher concept allows personalisation and clarity for the client. This is supported by high levels of autonomy for work coaches to shape the back to work programme specifically for the individual's needs.

Professionalised coaches: The autonomy available to UWV WERKbedrijf coaches is underpinned by the professional approach taken to this job. The high level qualifications held by coaches and the expectations around continuing professional development – supported by the UWV WERKbedrijf academy – indicate that ongoing training is considered an integral part of improving service delivery.

Employer responsibilities: It is an interesting feature of the Dutch system that employers have such a significant role in getting ill and disabled employees back to work. It is widely recognised that even a relatively short time away from the workplace due to ill health too often leads to a complete disconnection. The two year legal obligation on employers to implement back to work programmes may help avoid people falling out of the labour market altogether.