

Summary:

Preparatory and orientation training

– Governance, use and follow-up by the Swedish Public Employment Service

Preparatory and orientation training is part of the *Preparatory Measures* labour market policy programme. Preparatory measures must be individually adapted and in the nature of guidance, rehabilitation or orientation. The target group is jobseekers who need to prepare for another labour market policy programme, studies or work. Preparatory and orientation training is procured by the Swedish Public Employment Service and provided by external suppliers.

Preparatory and orientation training is the preparatory measure that has increased most in absolute terms in recent years. A contributory reason may be that the proportion of people registered with the Employment Service who are from groups with a weaker position in the labour market has increased. In 2015 just under 78 000 people participated in the measure and the cost was just over SEK 1.9 billion. Knowledge of the use and the effects of preparatory and orientation training is limited.

Purpose and implementation of the audit

The purpose of the audit is to map and describe how the Swedish Public Employment Service uses, governs and follows up preparatory and orientation training.

The audit is based on the following audit questions:

- What policy signals do public employment officers have to relate to when allocating preparatory and orientation training?
- How is preparatory and orientation training used and how has its use changed over time?
- How does the Public Employment Service analyse and follow the outcomes for participants in preparatory and orientation training?
- What opportunities do documentation and system support offer for following up and evaluating preparatory and orientation training?

The findings of the audit are mainly based on analysis of register data, questionnaires to employment officers and managers at local employment offices, interviews with officials at various levels in the Public Employment Service and document studies.

Audit findings

Preparatory and orientation training is a heterogeneous measure

The Swedish NAO's analysis shows that various types of preparatory and orientation training programmes may have very different content and aims. Some measures aim to prepare for a labour market training programme, others are more in the nature of guidance. Occupational Swedish and validation also belong to the preparatory and orientation training programmes. Therefore, it is important as far as possible in descriptions and analysis of preparatory and orientation training programmes to differentiate between different specialisations.

The Employment Service governance gives employment officers scope to be flexible

From 2007 onwards the overall policy signals to the Public Employment Service were that jobseekers who had been registered long enough to qualify for the job and development guarantee scheme or the job guarantee scheme for young people should be given priority in allocation to measures and programmes. The focus of the work of the Public Employment Service since 2015 is that allocation must be made on the basis of the employment officer's assessment of the individual's needs and capacities to benefit from the measure. Previously it was a more explicit aim that preparatory and orientation training should prepare the jobseeker for labour market training. Today the Government does not express that any specific outcome of preparatory and orientation training should be more important or more desirable than other conceivable outcomes. Since there is no detailed regulation of preparatory and orientation training or how the measure should be used and neither are there any special reporting requirements, in the opinion of the Swedish NAO it is the Public Employment Service that must exercise internal control to ensure that the measure is used in the best way. This increases the importance of employment officers being equipped to make assessments of when and for whom this is the right measure.

The Public Employment Service's policy signals for allocation do not promote economising with resources

The employment officers decide on who is to be allocated to preparatory and orientation training. There is material on the Public Employment Service's intranet that is to assist the employment officers in allocation, both generally and specifically for preparatory and orientation training. Responses to questionnaires and interviews with employment officers show that there are some problems regarding information on the training offered and feedback from external suppliers.

The Swedish NAO's audit shows that some policy signals do not promote economising with resources when employment officers allocate people to preparatory and orientation training. For example, questionnaires and interviews show that internally there are seldom budget constraints and that the employment officers have a limited awareness of the cost of the measure when they allocate. In interviews employment officers have pointed out that the activity requirements that apply to newly arrived immigrants included in the Swedish Public Employment Service's introduction system may lead to the preparatory orientation training being used to ensure the activity level. If activation is the main purpose it may be particularly important to know the cost of the measures between which a choice is made and carefully weigh up cost against benefit. Increasing awareness of the cost of measures improves the ability of employment officers to strike such a cost/benefit balance. Consequently, it is positive that the Swedish Public Employment Service is working to extend information on the cost of different types of preparatory and orientation training in the system support used by the employment officers.

Analysis in procurement can be further strengthened

The Swedish Public Employment Service is responsible for procuring services and training, where procurement is considered to contribute to effective labour market policy activities. In the opinion of the Swedish NAO, the Public Employment Service can strengthen the analysis on which the choice of measures to be procured is made. Consequently, it is positive that since 2016 work has been in progress to draw up a long-term strategy for when the Employment Service should procure a measure.

- The Swedish NAO recommends that the analysis for procurement also includes financial consequences of the choices the Employment Services makes.

The participants have a weaker position in the labour market compared with others registered with the Public Employment Service

Participants in preparatory and orientation training generally have a weaker attachment to the labour market than the average for people registered with the Public Employment Service. The difference has widened over time. Since 2007 the Government has stated that the Public Employment Service should give priority to jobseekers who are very detached from the labour market when allocating programme measures such as preparatory and orientation training.

Preparatory and orientation training is used more

Preparatory and orientation training is the preparatory measure that has increased most in absolute terms in recent years. A contributory reason for the increase may be that a growing proportion of people registered with the Employment Service are from groups with a weaker position in the labour market. Consequently it may be expected that more unemployed people will need more extensive measures to prepare them for the labour market. Preparatory and orientation training is a common labour market policy measure for newly arrived immigrants included in the Public Employment Service's introduction system. The number of asylum seekers was at a historically high level in autumn 2015 and a large proportion of those who are granted a residence permit are expected to be included in the introduction system at the end of 2016 and in 2017. Hence the number of participants in preparatory and orientation training is expected to increase.

The Swedish NAO's analyses show that it has become more common for one and the same jobseeker to take part in several preparatory and orientation training programmes and that the measure continues for a long time. The use of preparatory and orientation training has followed the Government's policy signals. For example, the use of the job and development guarantee and job guarantee for young people measures increased in connection with the requirement for a high level of activity. The new focus that allocations should be made on the basis of the employment officer's assessment of the individual's needs and capacity to benefit from the measure may affect how the measure is used.

Follow-up and analysis can be strengthened

The Government's and the Employment Service's governance provide scope for flexible use of preparatory and orientation training. This increases the importance of the Public Employment Service finding out and reporting how preparatory and orientation training is used and if the measure leads to the intended outcomes.

Follow-up can be done for different purposes at different levels in the organisation. The assessment of the Swedish NAO is that follow-up and analysis at central level can be improved. For example, follow-up and analysis could be reported to a greater extent for different types of preparatory and orientation training. Follow-ups and analyses for the entire measure are difficult to interpret and evaluate since different preparatory and orientation training programmes have widely differing purposes and content.

Follow-up of outcomes for participants can be used to develop the activity, which is an important condition for ensuring that preparatory and orientation training is used in the best way possible. The Swedish NAO assesses that the follow-up could be more extensive at employment office and section level as well. The responsibility for following up individuals allocated to a preparatory and orientation training programme lies with the local employment offices. It is mainly employment officers who follow up outcomes for the jobseekers they are working with who have participated in the measure. How and to what extent the employment officers follow different types of outcome varies. This may be a sign that policy signals on performance reporting may need to be strengthened.

The Public Employment Service has not set up any specific targets centrally for what can be regarded as a successful outcome of preparatory and orientation training. Therefore it is positive that in 2016 the Public Employment Service has started work on developing performance indicators and measurement methods for the measure.

- The Swedish NAO recommends that the Public Employment Service underlines the importance of systematic follow up and analysis of preparatory and orientation training programmes at different levels within the agency. Follow-up takes up resources and the benefit should be weighed up against the cost. The Swedish NAO assesses that this measure is so extensive and costly that it is reasonable to raise the level of ambition. The development work implemented at central level to draw up performance indicators should be possible to use in analyses at different levels. Performance indicators and follow-up could be broken down and presented for different types of preparatory and orientation training programmes, focusing on the specialisations that have many participants or are particularly costly.

There are deficiencies in documentation and evaluation

A fundamental condition for statistical follow-up and evaluation of a measure is documentation that makes it possible to study the content of the measure and who the participants are, when they participate and for how long. The audit shows that there are difficulties in using the Public Employment Service's statistics to categorise and analyse different types of preparatory and orientation training over a longer time period. Moreover, a large proportion of participants drop out of the preparatory and orientation training, and the drop-out rate has increased over time. However, it is difficult to get an

overview of the documentation on why a jobseeker drops out of the measure, making it difficult to evaluate dropouts. The difficulties in following up the measure are not new and were pointed out by the inquiry on a more flexible labour market training programme (Swedish Government Official Reports SOU 2007:112).

- The Swedish NAO recommends that the Public Employment Service reviews, improves and systematises the documentation of preparatory and orientation training. In addition, with the purpose of enabling analysis over a longer time period.

Despite the deficiencies in documentation that exist, the Swedish NAO considers that it is possible at central level to follow up the measure in a better and more exhaustive way than has been done to date. There are few studies of the effect of preparatory and orientation training, and in the opinion of the Swedish NAO, the effects of the measure could be evaluated to a greater extent. Increased knowledge of the effects of the measure can support the employment officers in their assessment and thus also in creating conditions for effective use.

- The Swedish NAO recommends that the Public Employment Service to a greater extent works continually to assess the outcome and evaluate the effects of participation in preparatory and orientation training.