

New Deal for Communities

The National Evaluation

Research Reports

Availability of Jobs

Research Report 16

The Neighbourhood Renewal Unit is currently sponsoring the 2002-2005 national evaluation of New Deal for Communities. This evaluation is being undertaken by a consortium of organisations co-ordinated by the Centre for Regional Economic and Social Research at Sheffield Hallam University. The views expressed in this report do not necessarily reflect those of the Neighbourhood Renewal Unit.

Those wishing to know more about the evaluation should consult the evaluation's web site in the first instance
<http://ndcevaluation.adc.shu.ac.uk/ndcevaluation/home.asp>



Sheffield Hallam University

Availability of Jobs

Research Report 16

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Executive Summary

1. This report evaluates the contribution of demand-side initiatives, which address issues of the **local availability of jobs**, to the achievement of the aims of the New Deal for Communities programme to combat Worklessness. Members of the 'Worklessness Theme Team' at the Policy Research Institute, Leeds Metropolitan University, have undertaken the evaluation.
2. **Availability of Jobs initiatives are wide ranging and initiatives are highly context dependent.** Their success depends on how they operate in relation to the functioning of the wider economy.
3. Initiatives include: **business support** (both loans, grants and advice) to new and existing businesses; the **provision and improvement of premises**, through for example managed workspace or security grants; **community development** to raise aspirations of self-employment; **social enterprise** and activities to retain local services; **inward investment**; and **work with employers** to increase their participation in communities.
4. This report maps out the scope, rationale and functioning of these initiatives in three NDC areas: **North Earlham, Larkman and Marlpit (NELM)**, in Norwich; **Shoreditch Our Way (ShOW)**, in Hackney; and **Bradford Trident (BT)**. Each of these NDCs operates within very different socio-economic contexts. The scale and functioning of their local economies varies from the predominantly residential area in NELM with few local businesses to ShOW, which is located in close proximity to the City of London.
5. The report also examines the **wider local and regional economic context** of these initiatives. The report finds that whilst NELM and ShOW operate in sub-regions and regions of relative economic buoyancy and employment growth, economic development in Bradford and the wider Yorkshire and Humber region is far weaker. This presents considerable problems for the operation of demand-side initiatives in Bradford Trident.
6. The review of Delivery Plans revealed that each case study NDC proposed a **mix of demand and supply side initiatives**. This mix appeared relevant to the needs of the local area. Initiatives included providing support to local employers, engaging in property development (either directly through managed workspace or through the attraction of inward investment) and in addressing specific barriers such as IT access, finance and childcare. The widest range of business support interventions was found to be in Bradford Trident and Shoreditch, reflecting the broader economic base of these areas.
7. Each case study was found to be making **strong progress in delivering enterprise related programmes**, although progress for some specific projects had been slower. The delivery models used in each case study varied. NELM had a strong community-led approach and focused on encouraging self employment. ShOW had contracted services to a range of organisations (e.g. inward investment and business support) but had retained management of workspace initiatives, as part of a longer-term strategy of revenue generation. Bradford Trident had commissioned the local Business Link to deliver its services. The rationale for each approach was robust, given the local context, although Bradford Trident's work with the Business Link had helped to lever in a wider array of support (through the Business Link network).
8. Projects worked well where they were well specified, **addressed specific business needs** and were delivered in ways appropriate to the client group. This meant gaining

the support of business in Bradford Trident and Shoreditch. In contrast, NELM had a greater focus on a community-led approach.

9. **Business Forums** were found to be a successful mechanism for engaging businesses in community activities. They worked well when they were relevant to businesses and provided opportunities for networking. A key indicator of success was the turnout at events. In Bradford Trident and Shoreditch this could be up to 100 at specific events. Engagement in business forums was not limited to businesses within the NDC area. This increased membership.
10. **Property related developments** worked well when initiatives were effective in addressing specific business requirements. This typically involved the sub-contracting of property development services. The development of good relations with property developers and the capacity to project manage physical developments was vital in retaining the interest of developers.
11. There is a risk that the **monitoring of outcomes** over-estimates the number of jobs being created. This was typically due to double counting. NDCs need to show caution in counting and attributing outcomes to specific interventions. Work with established business support agencies can reduce this problem. For example work with Business Links to understand the scale and needs of the business base, can assist in the estimation of the contribution of local businesses to employment within the NDC area. This can allow demand-side initiatives to be better targeted.
12. The operation of **Partnerships varied** between the case studies. This reflected the context of each NDC and opportunities of other funding streams (such as Structural Funds programmes) to enhance business support initiatives. Partnership was primarily focused at the local and NDC level. Engagement of regional organisations, such as Regional Development Agencies, had not occurred to any great extent. The key partnership to develop to enhance services offered to local businesses was with the local Business Link.
13. The **success of availability of jobs initiatives** is contingent on a range of factors. A key aspect is the performance of the wider sub-regional and regional economy. In weaker regions, such as the regions in the north of England, this constrained the opportunities of individual NDCs and meant that considerable action was still required on the demand-side of the labour market. However, such action is beyond the scope of individual NDCs in these regions.
14. **The next phase of the evaluation will focus on three issues:** the effects of wider sub-regional and regional economic development on individual NDC areas; the process and impact outcomes of NDCs' business support initiatives; and the extent and effectiveness of partnership with agencies at local and regional levels. This will include local authorities, LSPs, Business Links and regional development agencies.

1 Introduction

1.1 Background

Availability of Jobs (AoJ) initiatives aim to increase the availability of employment opportunities that are accessible to NDC residents. The scope of the topic includes measures to improve access to locally available jobs, working with employers on recruitment practices, measures to attract inward investment and projects supporting self-employment and business start-up, including social enterprises.

AoJ initiatives are wide ranging and seek specifically to address demand-side issues in relation to the generation of jobs. AoJ initiatives are highly context dependent and are designed in relation to the development of the wider economy. For example, in areas of generally high employment, such as London, but with pockets of severe worklessness, initiatives often seek to engage employers in recruiting from NDC areas. Initiatives may also seek to address the crowding out of local service provision by the mainstream economy. This may be through social enterprise initiatives. In contrast, in areas with more widespread unemployment and more fragile economies, initiatives may focus on increasing the competitiveness and sustainability of the local business base.

Three case studies have been selected which reflect different labour market and wider economic conditions. These are Hackney (Shoreditch Our Way -ShOW), Norwich (North Earlham, Larkman and Marlpit – NELM) and Bradford (Bradford Trident - BT). The respective NDCs in these areas have designed a range of initiatives which reflect the local contexts in which they operate. For instance, Shoreditch, in close proximity to the City of London, does not face a problem of insufficient job generation but rather in ensuring that local people have the skills to match the jobs and in sustaining small businesses that provide a valuable local market serving role for the community.

In NELM, a predominantly residential area, key challenges identified in the delivery plan include the need to support local employment and job brokerage initiatives, the need to attract new employers to the area, and the need to increase the level of self-employment. Initiatives flowing from these challenges primarily seek to reintegrate NELM into the wider Norwich economy and to create a viable local business base.

Finally, in comparison to the other two case studies, Bradford Trident faces a more adverse set of local economic conditions which are manifested both within the NDC area but also across the City of Bradford. This context curtails some of the options which are open to NELM and Shoreditch.

1.2 Policy Context

National, regional and local policies have increasingly recognised that whilst employment levels are at an all time high and that claimant unemployment rates have consistently fallen over the last five years, unemployment and more broadly worklessness has remained persistently high, and is concentrated within specific, tightly defined and disadvantaged geographic areas.

The recently launched Social Exclusion Unit project, Jobs and Enterprise in Deprived Areas (Social Exclusion Unit 2003), currently at a consultation stage, seeks to identify the causes and nature of this problem. The specification for this project also summarises current policy initiatives that are seeking to address this problem. In particular, these include the employment New Deals to help specific groups of unemployed re-enter the labour market (such as those with disabilities, the over 50s and

partners of the unemployed) (HM Treasury, 2000). Other policy developments in this area include the bringing together of the Employment Service and parts of the Benefits Agency to better co-ordinate support, particularly through ensuring regular contact by unemployed with personal advisors. These initiatives are primarily focused on addressing supply-side issues in the labour market.

National policies have also supported a series of demand-side initiatives, designed to promote enterprise in the disadvantaged areas. These include initiatives such as the Phoenix Fund and the creation of 2,000 Enterprise Areas. Both initiatives are designed to increase the rate of business start-ups in deprived areas through a combination of business support, loans and grants, and reductions in local business rates. Availability of Jobs initiatives of NDC areas provide a similar approach to increasing the demand for labour in the most disadvantaged areas.

At larger spatial scales, in particular for sub-regions and regions, the development and implementation of strategies to address issues of competitiveness and enterprise development is through the Regional Development Agencies and the network of small business services. Although both sets of organisations have a strong focus on increasing business competitiveness and GDP in their areas, both also place some emphasis on addressing spatial inequalities in their local and regional economies, and in particular the lack of enterprise activity in the most disadvantaged communities.

The Availability of Jobs Case Studies will examine how three NDC programmes interact with this wider policy environment, and in particular local and regional activities to address competitiveness.

1.3 Local and Regional Patterns of Worklessness

Differences between regional rates of unemployment have tended to converge throughout the 1990s following sharp divergence during the 1980s. However, patterns of non-employment, or worklessness, have not converged in the same way. Inactivity rates, typically due to ill-health or disability, have increased more quickly in those regions which have had traditionally high unemployment levels (typically in the north of England). Moreover, what has been more significant during the 1990s has been the increase in local variations in unemployment, rather than regional disparities. This has led to a greater focus by public policy in addressing within-region disparities.

The vast majority of new jobs created during the 1990s were created either in 'Managerial, professional and technical' occupations (typically requiring qualifications at NVQ III/IV or above) and beyond the reach of many unemployed, or in 'Personal and Protective Services and Selling' occupations, which typically require few qualifications are part-time and have more flexible terms of employment. Such job growth has offered considerable employment opportunities to many unemployed and workless. However, such job growth has been far from evenly distributed. Throughout the 1990s job growth was strong in the Eastern Region and in parts of London.

In areas of weak employment growth, such as Yorkshire and Humber, and in particular urban centres such as Bradford, a purely supply-side approach to combating worklessness is more likely to bring higher levels of deadweight and displacement, particularly for initiatives focusing on basic skills and job placement. Job entry in itself therefore cannot be assumed to necessarily mean greater social inclusion and a reduction in poverty. In areas of stronger employment growth, such as London and the Eastern region, such initiatives may fare far better.

The Availability of Jobs Case Studies will explore how the wider local and regional economic context in which the NDC areas operates influences the balance between supply-side and demand-side initiatives at programme and implementation levels, and their effectiveness.

1.4 Evidence Base for Business Development in Deprived Areas

The evidence base for initiatives which aim to increase business and entrepreneurial activity in deprived areas is wide ranging. It largely draws from the evaluation of national and local initiatives from the 1980s onwards to address urban decline. A starting point for assessing this evidence are the goals or targets initiatives set. These can be divided into economic and social goals.

Economic goals typically relate to initiatives which seek to attract new business investment to an area, either through inward investment, growing existing companies or increasing business start-ups. The goals of such initiatives are primarily measured by the number of new jobs they create or safeguard and the number of new companies created in an area. Such economic strategies typically rest of attempts to increase the external income generated by businesses in the area and the local multiplier effects triggered by the creation of local jobs.

The evaluation evidence of such initiatives has been mixed. In particular, start-up initiatives are often dogged by lower levels of entrepreneurship within deprived areas in comparison to more prosperous areas. Despite attempts to target initiatives at activities which are 'exporting' from an area, there is an inevitable tendency to focus on initiatives which are in 'crowded markets' providing low value added goods and services. As a result these tend to have higher levels of displacement from non-assisted businesses, either within the area or in areas nearby.

However, business development support is often also justified on wider social goals. These goals typically relate to the provision of goods and services within the area which address in some way some need which would otherwise be unmet. Such initiatives are wide ranging and are highly context-dependent, but include activities such as childcare, care services, environmental services and transport. A strong rationale for supporting these types of businesses is the level of participation and ownership the local community has in their planning and operation (such as social enterprises).

The core element of the **Availability of Jobs Case Studies** will be to examine the effectiveness of Availability of Jobs strategies. This will involve an assessment of the strategy in relation to the local and regional economic context, but also goals of the approach taken locally. This maybe to maintain or enhance the provision of local services, to maintain the provision of employment locally or be based on a strategy tied to increasing inner city competitiveness.

1.5 Research Undertaken

This report draws on research undertaken over the last eight months and includes:

- Review of NDC Delivery Plans
- Review of 2003 NDC Partnership Reports
- Interviews with NDC Programme Managers responsible for work and enterprise related themes
- Interviews with key stakeholders
- Reviews of relevant enterprise related projects
- Analysis of secondary employment and business data at local and regional levels.

In each of the case study areas, the review of enterprise related projects, above, examined the local programme strategy for addressing demand-side issues of worklessness and the suite of projects developed. Together these represent the local 'theory of change' developed by the NDC. This provides a key starting point for the evaluation of Availability of Jobs initiatives and will be developed in subsequent reports. The key projects subject to the evaluation in each area were:

- Hackney Business Ventures (Shoreditch)
- Women's Employment, Enterprise and Training Unit (WEETU) – Full Circle (NELM)
- New Deal for Business, New Enterprise Development and Community Enterprise (Bradford)

The stakeholder interviews have also explored relationships with other projects (typically job brokerage initiatives such as @Work in Bradford Trident and Shoreditch) and partnerships with other organisations, including Business Link/Small Business Service and employer forums.

The next phase of the research will focus on beneficiaries – both companies and individuals. Each case study has agreed to facilitate access to beneficiaries and will also share monitoring data. However, beneficiary numbers in each area will be small (i.e. in some case studies only 15 businesses have been supported to date) and therefore the research will need to combine qualitative and quantitative approaches.

1.6 Structure of the Report

The report addresses the three main issues highlighted in this introduction:

- Interaction of NDC case studies with local, sub-regional and regional agencies and their strategies to design and implement demand-side initiatives
- Examination of local and regional economic trends to provide the context in which NDC demand-side initiatives operate
- Review of the design and implementation of NDC strategies to address demand-side issues.

The next section outlines each of the case studies and the local context in which they operate. The following section examines the wider local and regional economic context drawing on secondary labour market and business data as well the annual NDC partnership reports. The subsequent sections then examine the scope of projects, the effectiveness of partnerships, the delivery mechanisms used to deliver the strategy and the outcomes and impacts achieved to date. The penultimate section summarises the provisional conclusions as to what works and lessons for NDC and the final section outlines the next steps in the work programme.

2 Case Studies

2.1 Introduction

Each of the three NDC Partnership reports (2003) described their areas as having a 'limited number of commercial of business premises, predominately for use by small and 'local' enterprises'. However, the report for NELM clarified this, stating that the extent of business activity in this area is very limited, and this score is perhaps on the generous side – beyond retailing premises, there are very few businesses within the area. The context of each of the areas also varies and was described in the respective Partnership Reports as follows:

Shoreditch is right next to the City of London, the home of the world's financial markets. The area is well located for investment with some potential for planned development. Local facilities and shops are characterised by limited investment and increased rents and a lack of affordable SME and business start-up accommodation.

NELM: Buoyant city-wide labour market has provided a good environment for NELM's work. Early successes in small business support project. Pilot employment agency launched, but difficulties in implementation due to lack of appropriate service provider engagement, inadequate contractual rigour and poor communication.

Bradford: The commercial sector has benefited from limited investment over recent years with a number of the older mills being replaced by modern units. However, this area is generally felt to have a limited range of physical assets and spaces. In particular there is a lack of land appropriate for development. On the east side of West Bowling is the main commercial area.

Each of the areas therefore operates in quite a different context. Analysis of the Partnership Reports shows that:

- Labour Market is improving in Shoreditch and NELM, but not in Bradford
- The increasing rental values of properties in Hackney is driving out local businesses and placing a constraint on developing start-ups for local people
- The closure of shops is of great importance in Bradford but only of moderate importance in Shoreditch and NELM
- The closure of locally owned businesses is an issue of moderate importance in Shoreditch but not in the other NDC areas.
- The opening of new facilities (some funded by the NDCs) is seen to be of great importance in Shoreditch and in NELM but was not happening on any great scale in Bradford.
- The opening of new businesses in NELM (supported by the NDC) was seen to be of major significance, but an issue of only moderate significance in the other two areas.

The Partnership Reports also examined the 'Releasing and Constraining' factors for the implementation of the local NDC strategies. In the area of Worklessness, the key releasing factor in Shoreditch was seen to be the access to the City labour market, although how links were made with firms in the city was seen as a constraining factor (i.e. it had not yet been fully addressed). In NELM, the Norwich labour market was seen to be buoyant and provided considerable potential for supply-side initiatives. However, there were also seen to be some successes in implementing the small business support

project. In Bradford a key releasing was seen to be the good working relationship between the NDC and organisations including Jobcentre Plus and the Business Link.

2.2 Shoreditch

Located on the fringe of the City of London, a hundred yards from the start of the Congestion Zone, the economic situation of Shoreditch is not typical of most NDCs. A shortage of employers or potential inward investors is not a problem; in fact the threat of local businesses being squeezed out by large City employers is a major issue for Shoreditch Our Way. An analogy often given was that the area lay in the tidal reaches of the City of London. In the good times (late '90s) 'City' businesses would flood the area, while in recessions the tide would ebb back towards the City (post '89).

The NDC area consists of a southern core of 650 small businesses in the streets around Hoxton Square (increasingly populated by bijou cafés and shops servicing City employees and new apartment dwellers), surrounded by a ring of post-war council flats with all the attendant social problems.

Shoreditch is part of the *City Fringe Labour Market* (Camden, Islington, Tower Hamlets, Hackney). This is a jobs rich area, with 546,000 jobs in the City and its Fringe (Fringe resident population 83,000) and 71 percent of jobs in financial and business services, transport and communications and manufacturing. However, 45 percent of available jobs are categorised as professional and 60 percent of labour market entrants have NVQ level 3 or above.

Job availability is not really the issue for Shoreditch. Rather it is: will local people have the skills to match the jobs and can local small businesses be protected?

2.3 Norwich

The designated NDC area in Norwich is situated two to three miles to the west of Norwich city centre and consists of three predominantly social housing estates – North Earlham, Larkman and the Marlpit (NELM). They form part of an outer ring of council estates separated from the inner city by two concentric ring roads and a main road (Dereham Road) bisects the Communities, with the Marlpit in the north and Larkman and North Earlham to the south.

The NELM Development Trust is the organisation responsible for the delivery of the NDC programme in Norwich. Baseline statistics for the NDC area revealed that worklessness is far higher than in the rest of the city. There is higher benefit dependency and higher levels of child poverty.

Baseline Statistics of the NDC area (taken from delivery plan):

- Population of 8,900 with 7 percent of households headed by lone parents, which is double the national average
- BME population of 3 percent
- 33 percent of households have no-one who works
- 13 percent of households have a member of the household who is registered unemployed and actively looking for work
- A significant proportion of the population do not expect ever to have a stable or long term job
- The major barrier to work is viewed as lack of child care costs and fear of losing benefits

The main source of employment are local factories, such as Kettle Foods, on the edge of the area but NELM are committed to finding people better quality jobs and enable them to begin on a career path and improve the area as a whole. A lot of people have informal entrepreneurial skills that haven't been harnessed into the formal economy yet. There is very little space for local businesses – the area is a collection of housing estates meant for residential use and not services. There are about 35 businesses that do not employ more than a few people, such as pubs and shops. The biggest employer in the NDC is the NELM office employing about 100 people and the second biggest employer employs 4 people.

2.4 Bradford

The Bradford Trident area is to the south western side of the city extending out from the city towards the ring road and bisected by the A642 Manchester Road running north to south. The area is largely, though not exclusively based on the Little Horton ward; it also includes parts of Odsal and University wards. The area contains several distinct residential communities and a substantial area of commercial area – this is located to the east of the area. The commercial sector has benefited from limited investment over recent years with a number of the older mills being replaced by modern units. The area is felt to have a limited range of physical assets and spaces.

The population is relatively stable and is estimated to comprise 60 percent from ethnic minority groups of which the largest group is Pakistani. The ethnic minority population, especially young people, is increasing. English is not the first language for 41 percent of the population (from the MORI Household Survey).

The economy of the area is weak. According to the Household survey only 34 percent of those of working age are in paid work compared to 50 percent for all NDCs and 75 percent nationally. 47 percent of working age respondents are in households where no one works as compared to 41 percent for all NDC areas and 16 percent nationally. The level of unemployment in the area at 11.4 percent is well above that of the District (5.4 percent).

There are currently 375 businesses in the area supporting 5,100 jobs (based on a baseline survey undertaken locally). Of these 53 percent have invested in their business in the last 12 months compared to 76 percent in the Bradford District and only 13 percent see their workforce as increasing in the future (compared to 21 percent in Bradford). Research undertaken locally, and which informed the New Deal for Business project, revealed that existing employers in the area had concerns related to crime, security, physical appearance of the area, road access and the difficulty of attracting new business to the area. 15 percent of businesses in the area are owned/managed by members of ethnic minorities. According to the New Deal for Business business plan, these businesses traditionally have a low level of take up of mainstream services. These businesses also tend to have a failure rate and there is a tendency not to go outside the family for advice, guidance and support.

2.5 Comparative Assessment of Socio Economic Context

The following table is taken from the 2003 Partnership Reports. Comparing the three NDC areas reveals some key differences in their socio-economic conditions.

Table 2.1: Work and Income – All 16+

Area	Shoreditch	NELM	Bradford Trident	NDC Aggregate	National
<i>Base: All respondents</i>	(504) %	(511) %	(517) %	(19363) %	%
In paid work (including gov't scheme)	42	46	29	42	60
Self employed	6	4	4	4	7
Registered unemployed/not registered but seeking work	14	10	8	9	3
Long-term sick/disabled	10	9	11	9	N/a
No-one working in household	53	45	55	51	N/a
Income below £100 per week (households)	21	13	24	19	N/a
No savings (respondent/partner/spouse)	55	50	41	50	N/a
Respondent receives income support, JSA or incapacity benefit	29	27	30	29	N/a
Do not have and can't afford home contents insurance	42	21	27	30	8

Source: MORI/NOP

The key points which can be drawn from the table are:

- The number of those in paid work in BT at 29 percent of those aged 16 and above is considerably below that of the other NDCs and is less than half the national average.
- The level of self employment in Shoreditch is close to the national average but low in both BT and NELM.
- The prevalence of workless households is most severe in Bradford and Shoreditch.

The following table repeats the analysis of the previous table but concentrates on those of working age. It reinforces the same findings:

- the low proportion of people in paid work in Bradford Trident
- The high level of claimant unemployment in Shoreditch and the significance of workless households in both of these communities.

Table 2.2: Work and Income – Working Age

Area	Shoreditch	NELM	Bradford Trident	NDC Aggregate	National
<i>Base: All respondents</i>	(398) %	(411) %	(415)	(14992) %	%
In paid work (including gov't scheme)	49	53	34	50	75
Self employed	7	4	4	4	9
Registered unemployed/not registered but seeking work	16	11	10	11	5
Long-term sick disabled	10	10	13	11	N/a
No-one working in household	45	36	47	41	16

Source: MORI/NOP

The following table highlights the prevalence of worklessness in the NDC areas relative to local and regional averages. It shows that there is greatest divergence between city and regional averages in BT, and least in Shoreditch. This comparison is an indicator that although differences in regional unemployment maybe converging, that there is increasing polarisation of employment in northern regions, such as Yorkshire and Humber. It suggests that progress to address worklessness in northern regions may require action at a number of different spatial scales (community, locality/sub-region and region) in the twin goals of reducing unemployment further and increasing social inclusion are to be achieved.

The issues for Shoreditch within the more far more dynamic London region appear to be quite different: with greater scope for supply-side measures. The example of Norwich is different again. Here regional unemployment levels are very low, yet unemployment within the city and in NELM remain high. This may in part suggest some polarisation of employment patterns in the Eastern region, but also may also be because Norwich is undergoing a period of restructuring following significant closures and redundancies in the late 1990s, and that it will again converge with the regional growth trend. This is borne out by the Partnership Report summary which suggests that Norwich is experiencing tight labour market conditions.

Table 2.3: Workless Adults

Area	Shoreditch	Hackney	NELM	Norwich	Bradford Trident	Bradford	England
Proportion of workless adults in 2001	14.4%	15.5% (9.1%)	14.1%	11.6% (6.3%)	20.6%	11.9% (10.6%)	9.1%
% Change since 1999	-1.2		0		+1.0		

Source: NDC Partnership Reports (2003)

2.6 Conclusion

The following conclusions can be drawn from this section:

- **the local context of each area is very different and this should shape the balance of initiatives**
- **The greatest scope for a more supply-side oriented strategy exists in Shoreditch (e.g. for job brokerage, ILMs and skills provision).** This should focus on addressing key barriers to accessing jobs. However, this may need to be balanced with initiatives that ensure and enhance the provision of local services.
- **A similar supply-side oriented strategy may also be effective in NELM.** The narrow business base suggests that demand-side interventions need to be highly targeted.
- **The context in which the Bradford NDC operates in is the most difficult of the three NDCs.** There are significant risks that a supply-side oriented strategy which addresses employability issues may suffer from high levels of labour market churning (e.g. individuals passing from unemployment to training to employment and returning to unemployment). The causes of worklessness may not necessarily be addressed. Moreover, although within-area displacement at the level of the NDC may be minimised, there may be considerable displacement of jobs which would have been taken with similar skill levels in areas not receiving assistance.

3 Local and Regional Context

3.1 Changes in the Business Base

The following table shows that changes in the stock of businesses at the local authority district and regional levels for each of three case studies. The table reveals that:

- the business base contracted in Bradford, the wider Yorkshire and Humber region,
- The business base has contracted in Norwich, which lost nearly 20 percent of its business stock. However, the wider Eastern region continued to grow rapidly.
- The stock of businesses in London and Hackney both grew significantly over the period – with the business base in Hackney expanding by nearly 20 percent.

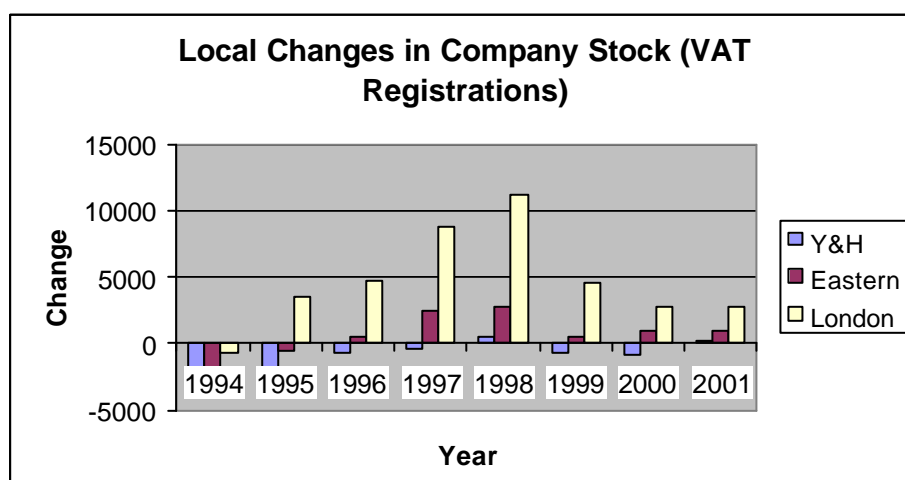
Table 3.1: Changes in the Stock of Businesses

Area						
VAT Change	Bradford	Y&H	Norwich	Eastern	Hackney	London
Net Change (1994-2002)	-120	-5960	-480	5745	1860	37825
Stock at Start of 2002	10730	116455	2570	165250	7800	280000

Source: NOMIS

The following figure reveals year on year changes at the regional level. At a regional level growth was strong both in London and the Eastern regions. This was particularly the case in the mid 1990s, between the early 1990s recession and the slow down at the end of the 1990s. The stock of businesses in Yorkshire and Humber contracted every year up until 2000.

Figure 3.1: Regional Changes in the Business Base

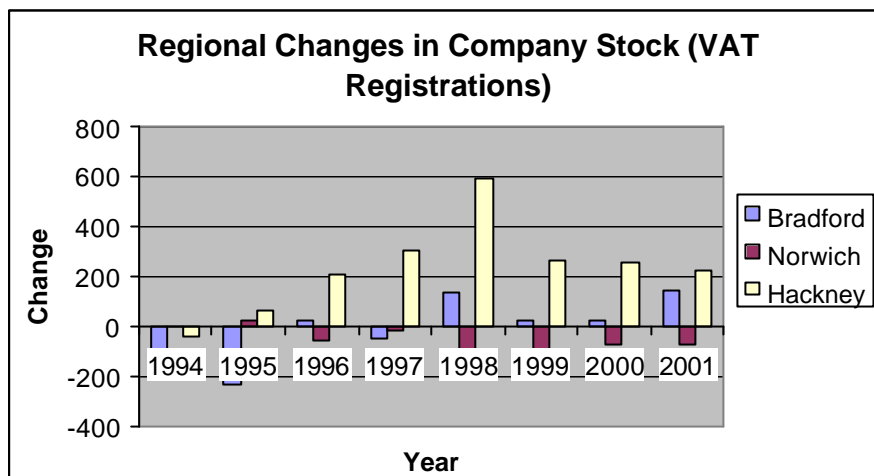


Source: NOMIS

The following figure reveals the trends at a local level and shows that only Hackney followed the trend of its wider region, namely London. Although growth was weak in Bradford, the business base did expand in five of the six years between 1996 and 2001 (the last year for which data is available). In contrast to the Eastern region, the stock of

businesses declined significantly in Norwich over this period, with the sharpest decline between 1998 and 2001.

Figure 3.2: Local Changes in the Business Base



Source: NOMIS

In conclusion, the decline of the Norwich economy over this period would be least expected because of the growth of the wider region. The following section explores whether this city also experienced a decline in employment levels. Although economic growth in Bradford is weak, the business base has been growing since 1998.

3.2 Change in Employment

The following table shows the changes in employment at the local and regional levels for each of the three case studies. **It reflects the general trend of increasing employment growth at the national level.** However, it also mirrors the trends in business stock changes and shows that employment in Norwich actually fell during this period.

Table 3.2: Change in Employment (1998-2000)

Employment	Area					
	Bradford	Y&H	Norwich	Eastern	Hackney	London
Net Change (1998-2000)	2,527	31,579	-9,945	53,466	7,884	296,580
Total Jobs	218,000	2,369,000	103,000	2,651,000	108,000	4,590,000

Source: Annual Business Inquiry (NOMIS)

3.3 Conclusion

The following conclusions can be drawn from this section:

- The decline of the Norwich economy in the late 1990s was in contrast to the high levels of growth experienced by the Eastern region. There is no data available on the direct effect this had on NELM. However, given the occupational structure of the area, it might be expected that the direct effects were limited.
- Job growth was greatest in London with employment increasing by approximately six percent between 1998 and 2000. This was exceeded in Hackney which experienced over seven percent employment growth. However, the weaker growth in the national economy since 2000 suggests that far fewer jobs will have been created in London over this period. This will make the implementation of supply-side initiatives more difficult and at risk from churning and displacement.
- Job growth in Bradford, and the Yorkshire and Humber region was far weaker. As noted previously, strategies to combat worklessness in NDC areas may need to be combined with sub-regional and regional approaches for economic growth.

4 Nature of the Intervention

4.1 Analysis of Delivery Plans

The rationale for actions to address worklessness in each of the three areas varies markedly. Data from the original Delivery Plans reveals the very different contexts each NDC is operating within in addressing availability of jobs issues.

Table 4.1: Delivery Plan – baselines, outcomes and milestones

Target	Area	Shoreditch	NELM	Bradford Trident
Businesses		630	35	375
Jobs in the area		?	250	5,100
Targets		+15% businesses	+30% jobs being taken by local residents	+20% businesses
Milestones (Year 3)		660 businesses	+10% jobs being taken by local residents	405 businesses

Source: NDC Delivery Plans

Notes: Number of businesses includes public sector establishments located in the area

The table reveals the small number of businesses existent in NELM. As interviews in NELM revealed, after the NDC Partnership itself (which directly and indirectly employs 200 people), the next largest employer in the area employs four people.

4.2 Shoreditch

The Delivery Plan for **Shoreditch** has two work and enterprise related outcome areas: Worklessness and Encouraging Enterprise.

Table 4.2: Shoreditch baselines, outcomes and milestones

Relevant baseline data	Chosen outcome	Milestones
Outcome area: Worklessness		
Registered unemployment (16%) is over 7% higher than the inner London average	Registered unemployment is no worse than the inner London average	To reduce the gap in the levels of unemployed people compared with the inner London average to 4% in Year 3, 3.2% in Year 6 and for local unemployment to achieve the inner London average in Year 9
Registered unemployment for black and ethnic minorities (28%) is 12% higher than the Shoreditch average.	Registered unemployment rate for black and ethnic minorities is within 5% of the average for Shoreditch	To reduce the gap in registered unemployment levels for the black and ethnic minorities by 2.5% every 3 years
Mean household weekly income (£169) is £71 less than the Hackney average and £149 less than the national average.	Mean household income rises by at least 50% in real terms	To increase mean household weekly income in real terms by at least 15% every 3 years.

Relevant baseline data	Chosen outcome	Milestones
Outcome area: Encouraging Enterprise		
There are 630 SMEs trading in the Shoreditch neighbourhood area	The number of SMEs will increase by at least 15%	To raise the number of SMEs trading in the Shoreditch neighbourhood area to at least 660 by Year 3, 690 by Year 6 and over 720 in Year 9.
17% of commercial premises are not in use	The percentage of vacant commercial premises is not more than 8%	To reduce the percentage of vacant premises in the neighbourhood area to 14% in Year 3, 11% in Year 6 and to 8% in Year 9.

Source: Shoreditch Delivery Plan

These interventions would together receive £8.1m of Programme resources or approximately 23.8 percent of Programme expenditure.

The balance of activities appears appropriate. However, a key concern of future evaluation activities will be the assessment of deadweight and displacement of the enterprise related initiatives and where social goals (e.g. the provision of local services) are being met.

4.3 Bradford Trident

- In contrast to Shoreditch, the rationale for interventions in **Bradford Trident** is quite different. Worklessness-related interventions are addressed under a Jobs and Business Programme.

Table 4.3: Bradford Trident baselines, outcomes and milestones

Baseline data	Outcomes	Milestones
Outcome W1: reduce the level of unemployment		
The levels of unemployment within the NDC area are 13.0%, compared to 6.4% for the District	By 2010 reduce the level of unemployment to the District average, and if possible to the regional average	Year 3: narrow the gap between the NDC and District figures by 25% Year 7: narrow the gap by 70%
Outcome W2: increased number of jobs within the travel to work area		
There are currently 5,100 jobs existing within the NDC area, increasing to 27,000 in the travel to work area	Over the lifetime of the project to increase the number of jobs accessible to the New Deal area by 10%	Year 1: 30 new jobs Year 3: 150 new jobs
Outcome W3: Increased number of businesses in the area		
There are currently 375 businesses within the NDC area	Increase the number of businesses within the NDC area by 20% over the lifetime of the scheme	Year 1: 10 new businesses Year 3: 30 new businesses

Source: Bradford Trident Delivery Plan

In total £9.3m was allocated to the Jobs and Business Programme.

The balance of NDC resources seems appropriate. However, further consideration will be given by the evaluation of whether the implementation of the masterplan for the physical regeneration of the area will help increase the attractiveness of the area for new investors and help existing businesses expand. The enterprise-related initiatives of the programme appear relevant although the net impact of initiatives will need to be examined more closely.

4.4 NELM

As highlighted above the context in **NELM** is very different to either Bradford Trident or Shoreditch. The area has a very small and narrow economic base, reflecting its primary role as a residential area. The Delivery Plan identified two key outcomes for worklessness related activities:

- Reduced levels of unemployment – levels of unemployment in NDC is 13 percent compared to 4.9 percent for Norwich as a whole.
- Increase the number of employing organisations in the area.

The following outlines the baselines, outcomes and milestones for the employment related activities.

Table 4.4: NELM baselines, outcomes and milestones

Baseline Data	Outcomes	Milestones
Outcome EM1: Reduced levels of unemployment		
The levels of unemployment in the NDC area are 13% compared to the city figure of 4.9%	Reduce the levels of unemployment to the city average by year 10	Year 3 reduce the gap between the NDC area and the city by 15% Year 5 by 45% Year 8 by 75%
Outcome EM2: Increased number of employing organisations in the area		
There are currently 35 organisations in the NDC area who employ 250 people in total	Increase the number of jobs in the NDC area filled by residents by 30% by year 10	Year 3 increase by 10% Year 7 by 20%

Source: NELM Delivery Plan

Further analysis is required to determine the targets for the numbers of new businesses and employers in the area. The start-up activities are being delivered through an innovative, community oriented approach – Full Circle – and the net impact of this will need to be assessed, with some comparative analysis undertaken of alternative or counter-factual initiatives, such as the start-up initiatives of Business Link or initiatives such as the Princes Trust.

4.5 Comparison of the Delivery Plans

The following table reveals the mix of support proposed in each of the Delivery Plans. Each of the NDCs proposed a mix of supply and demand side initiatives. The range of activities proposed in NELM is most limited, reflecting the narrower economic base. Each of the NDCs proposed supporting an employment agency to undertake job brokerage activity, each proposed support for childcare and support for start-ups and social enterprise. Only Shoreditch explicitly outlined plans for managed workspace (linked to start-up programmes) although both NELM and Bradford planned inward investment activities, primarily through the reclamation and preparation of local sites.

Table 4.5: Mix of Proposed Interventions

Intervention	Area	8.1 Shoreditch	NELM	Bradford Trident
Recruitment Agency		✓	✓	✓
Training		✓		✓
Childcare		✓	✓	✓
Grant scheme		✓		✓
Loan scheme			✓	✓
Managed Workspace		✓		
IT Access		✓		✓
Start-up support		✓	✓	✓
Inward investment			✓	✓
Social Enterprise		✓	✓	✓
Flagship initiative		✓ (multimedia)		

Shoreditch proposed the development of flagship business initiatives in their original delivery plans. ShOW has taken this forward through plans for a number of managed workspaces, including the Hoxton Bibliotech and Hoxton Square developments.

The weaker business sector in Bradford Trident, for example, suggests that a similar initiative would have been far more risky to undertake and required public intervention over the longer term. The more cost-effective strategy would be one which seeks to modernise the existing business stock, and some derelict stock.

5 Project Development

5.1 Shoreditch

In **Shoreditch** there was detailed consultation and analysis from the start of the NDC exercise. Programme Managers may not have been clear about the **levels** of support that were necessary for each activity, but were fairly clear about the cocktail of projects that was needed to support business and employment. They created projects that assisted:

- Those that had dropped out of the labour market
- People who wanted to work but required basic and key skills
- Those capable of work but finding it hard to find an employer
- Businesses wanting to move into the area
- The attraction of specific infrastructural amenities like a supermarket and bank
- Start up and existing businesses finding it difficult to raise capital
- Developers wanting planning permission to develop sympathetic schemes
- Developers wanting to create affordable managed workspace (including ShOW itself)
- The co-ordination of transport improvements and business crime reduction.

Perhaps the only missing element is a proactive business start up project, but that field is largely covered by Business Link and its partners. The following initiatives were considered in more detail:

HBC Enterprises

Hackney Business Ventures as was, has been in existence for 19 years and contracts with various organisations to run their loan funds, thereby reducing the overheads. The ShOW fund is only £150,000 and HBV have done six deals this financial year (maximum £25,000 at commercial rates of interest). Most clients are referred through Business Link.

The scheme works very closely with banks and the idea is to help the client become 'bank ready'. They will work on the business plan and sometimes provide the 50 percent stake often required by banks. They cannot put in more than three times the amount of the bank and if the client is unable to put in any personal stake, they will be referred to a small start up grant initiative of up to £3,000.

HBV is also likely to contract with ShOW to manage a security grant scheme. This will not only be of value in itself, but will act as a hook to bring businesses into the business support network. HBV has no specific ethnic minority targets, but 65 percent of its clients come from BME communities.

The key lessons which can be drawn from HBV Enterprises are:

- Don't put people off. Make sure they understand they have several chances to get a business plan right.
- Form a close relationship with the banks, so they will trust you to support quality applications
- Offer follow through support to the client. HBV ask for monthly and then quarterly accounts. These always prompt feedback and discussion.

However, a number of improvements could be made to the project and in particular the insufficient contact with Shoreditch businesses (inadequacy of Business Club, poor response to leaflets)

@Work

Job brokerage initiatives are the subject of a separate theme of this evaluation. However, they clearly form part of the package of activities to tackle worklessness and link closely with Availability of Jobs initiatives. @Work have a formula for their job brokerage scheme that they have rolled out to NDCs and SRBs in 22 places around the country (8 in London). They have a strong reputation and Shoreditch exceeds its target of 13 placements a month. Their success appears to be based on several key operating principles:

- **Looking attractive.** The office is more like a hairdressers than a Jobcentre, and is staffed by similarly young people.
- **Division of labour.** They have a clear split between account managers who look after the employers and obtain the vacancies, and client centred staff. Who should be submitted to which vacancy is decided at a daily meeting. They also separate out the bureaucratic tasks which are handled by a national Claims Department.
- **Strong in-work support.** They have an 'In Work' team in Middlesbrough that will ring new starters to ask them how they are. If they have been identified as likely drop outs the calls will be more regular (and sometimes in the early morning!)
- **Incentivised work performance.** Staff in Shoreditch earn £35 for every placement lasting more than 4 weeks. Also ShOW only pay by results.
- **Outreach work.** There is a London team that will come in to the area to 'door knock' if the client base is poor, though Shoreditch has only felt the need to call on their services once.

Faced with a high drop out rate of placed clients last year (40 percent in the first 13 weeks), @Work have developed a 'Preferred Customer Agreement'. The deal is that the employer gets 'first pick' of @Work's clients in return to agreeing to: develop a proper training plan; not to sack the client; bring in @Work when there is any sign of a problem. As a result the drop out rate is now down to 13 percent.

The key lessons which can be drawn from the experience of @Work are largely outlined under the operating principles, above. One area of improvement, which @Work recognise, is the scope to offer an in house five day job preparation course. Those available from other trainers are twelve days and the tutors probably do not have the same degree of contact with employers.

Invest in Hackney

Renaissi were originally the inward investment arm of the Hackney City Challenge programme. They now have 40-50 clients, including two contracts to run NDCs. As well as running the inward investment programme for Shoreditch, they undertake the monitoring function for the NDC. Their Shoreditch commitment is delivered two people. Their role has changed according to needs. They will talk to any business wanting to move in or out of Shoreditch and monitor property movements by walking the streets and ringing the agents on the boards. The trigger point for businesses contacting someone is the rent review, or end of lease. It is not untypical for the landlord to be seeking to increase the rent from £9 to £27 per square foot.

As noted above, the loss of commercial space to residential use was a major problem. The project manager was given a formal role in the planning application process in which all site development permissions were referred to him. He came to know over 30 developers who started to come to him direct. He would try to bend their schemes in a commercial direction and reckons he had an impact in 10 percent of cases. He could only push so far because, prior to local plans being approved, the developer was likely to win on any appeal. Estimates are that they spend 40 percent of their time with developers and 30 percent with businesses. Time allocation is likely to shift towards business as developer interest falls away. Still the problem of shortage of space and “is £37 million enough to make any difference?” ... “Can the nature of the area be changed while the council housing remains?”

The key lessons which can be drawn from Invest in Hackney are as follows:

- “Provide a personalised service. Know the patch and get involved. Don’t wait for businesses to phone you.”
- Form a constructive relationship with developers.

The initiative could be improved through the further development workspace. This is already underway within Shoreditch.

5.2 Activities which are not supported

The first delivery report outlined a series of building blocks for successful enterprise development. One of these is the provision of financial incentives and advice to start-ups. The rationale for not including this was that it would be expensive and in the total cost of any development, not a decisive incentive. The Programme Manager decided to drop the initiative for start-up grants. His feeling were that there was enough start up activity and such support would lead to being “inundated with requests for grant. Needs are better met by the flexible loan scheme delivered by HBV who also give advice and broker mentoring”. Although this may be true, it does mean that the majority of the start up market is not being pulled into business advice networks using the bait of a start up grant.

Key Targets

The key year 5 targets for ShOW for Enterprise and Investment activity are as follows:

Commercial property vacancies down to 11%
No. of SMEs up by 15% to 660
A supermarket and a bank

These targets still stand and the programme is on target to achieve them (hoping for 300 SMEs in their managed workspaces alone)

5.3 NELM

The **NELM** NDC are focusing on four broad types of intervention, as outlined in the delivery plan. These are intended to address the two key worklessness targets for NELM of reducing unemployment and in increasing the number of employing organisations in the area.

Employ people within NDC

This is primarily being undertaken through the development of a recruitment and training agency. It was envisaged that a training agency would be set up in the NELM area and become a self-sufficient community enterprise employing local residents. The project was initially set up by @Work. However, following a series of substantial cost increases to NELM without evidence of an improved service the contract was terminated in April/May 2003. NELM have very strong links with Jobcentre Plus and the LSC and are currently in discussions to develop a joint-project to replace @Work as a job brokerage agency.

Job creation

This is primarily through the employment of community wardens, through childcare initiatives and ILM schemes. Community wardens or Community Liaison Officers have been recruited from the NELM area to work as an intermediary between projects and the community to ensure that service delivery is addressing the needs of the community. Ongoing work with the Norfolk County Council is being done to identify areas for ILM schemes, including management of green spaces and community housing. It is intended that these will be modelled along the lines of Project Pathfinder in Bristol.

Attract new employers to the NDC area

It is intended that this will primarily be through the development of commercial land. The redevelopment of a 16 hectare site at Bowthorpe is underway, the site has been purchased from Norfolk County Council and the infrastructure will be established within the next few months. NELM will employ local young people through the Young Builders Trust (YBT). It is planned that the site will be used for commercial land, including a leisure centre, a fire station and ambulance station, and a sheltered housing scheme. There will also be a managed workspace for local projects.

NELM have worked with Norwich Area Development Agency (NADA) to establish links with businesses for the development of a Business Forum. Its role is to:

- Develop a 'two-way information interchange between employers and the Partnership, what skills and people they need and what we can provide'
- Market the area as an operating base to companies
- Attract resources and expertise from the private sector that is necessary to the Partnership

Promote self-employment

This is primarily being undertaken through a project led by the Women's Employment Enterprise and Training Unit (WEETU) called Full Circle. This seeks to increase self-employment. WEETU were identified as an established community organisation with experience in this area and were contracted to run the Full Circle project to promote self-employment in the NDC area. The purpose of the Full Circle project is to 'help the development of new and existing businesses in the New Deal area through the provision of training, support and loans'. Although they operate mainly as an organisation for women, the FC project is also open to men. The overall project objective is to encourage 36 people into self-employment.

In the short term the aim is to establish the concept, raise awareness of the training and support available to the community. The medium term aim is to set up lending circles and train people. The long-term aim is to develop a directory of local enterprises, annual business exhibitions, which will help bring people into the community and extend the opportunities for business beyond the community.

The key interventions offered by the project are:

- Low cost finance
- Business training – 'Is Enterprise for me?' and 'Business Skills training'
- Transferable skills sessions – a trained guidance worker spends an hour talking to people about what skills they have and each individual gets a written and verbal report – confidence building.
- Lending Circles – a self-selected group of 4-6 people who decide the rules for managing the group and meet fortnightly to assess each other's loan applications. Each group works together to ensure their businesses succeed through offering mutual support and commitment and sharing advice and experiences of setting up and running a business. The groups are set up initially for the Full Circle project but continue as autonomous support groups managed independently of the Full Circle project.

The interventions were based on the three main reasons why new businesses fail:

1. lack of business knowledge (training)
2. lack of support/isolation (lending circles)
3. lack of capital (low cost finance)

The nature of the NELM area meant a large amount of preparatory intervention work was required to gain the trust and interest of the local community. Six months prior to

the start of the project the project manager was involved with the community, developing links before any training started. Trust-building was seen as integral to the success of the project and is a key factor in changing the perceptions of individuals about the self-employment option.

The project has evolved since implementation as new opportunities or problems have occurred but overall the nature of the intervention has remained the same. An essential element of project development is facilitating a forum for community feedback. Overwhelmingly the feedback from the community has been positive.

For example, it was recognised that about 26 percent of people in NDC do not have bank accounts and this was an initial challenge. When Full Circle started the focus was put on pure business support issues like training, marketing, infrastructure without sufficient consideration of the practicalities and logistics of bank accounts. This was overcome by developing links with the Credit Union and establishing alternative credit agreements to a bank account.

Initially, there was a low turn-out to training sessions. For instance, four or five people would be booked into the training day but at the last minute people would drop out because of everyday problems, (e.g. children were ill, family crises). Full Circle had to change the framework and adapt to people's circumstances so they began to arrange one-to-one meetings instead of group meetings.

5.4 Bradford Trident

There are four main projects under the Jobs and Business Programme of **Bradford Trident**. The Bradford Job Brokerage Project is run by @Work and is subject to the Worklessness evaluation of job brokerage projects. The other three business support projects are New Deal for Business; Information Advice and Guidance (IAG); and Customised and Vocational Training. Overall, the Jobs and Business Programme covers Support to Business (New Deal for Business, Community Enterprise etc); Support to Residents (Job Brokerage, IAG etc); and Skills Development (Customised and Vocational Training, Work Skills, Youthbuild).

The package of support now includes the following and is funded from the different business support projects:

- **Support of experienced business advisors**
- **Business development grant:** this provides a contribution of up to 15 percent of project costs and is dependent on the creation of new jobs
- **Business Training Grant:** this allows for 50 percent of training costs to be claimed back by a business
- **Business Security Grant:** this grant provides up to 50 percent of the costs of improving business security. The Business Link have also commissioned a design guide to help security improvements improve rather than detract from the appearance of businesses.
- **Business Forum:** a regular networking event is run for business owners and managers. The forums are held in the evening and attract speakers on key topics.
- **New enterprise development:** grants may be available either to residents wishing to start up a business or to those wishing to start a business in the area.
- **Community Enterprise:** this initiative offers support to individuals or groups running not for profit enterprises. Advice helps with business planning and compliance with regulatory and financial requirements.
- **Development Loan Fund:** this provides small business loans to those wishing to start a small business who cannot raise support from a bank.
- **Bradford Chamber of Commerce Membership:** funds from the NDC cover the costs of membership for any business in the NDC area. The cost is approximately £200 per business and entitles the business to the range of services provided by the Chamber.

New Deal for Business

The New Deal for Business is delivered under the Support to Business strand of the Jobs and Business Programme. Business advice activities include providing the opportunity to local people to set up new businesses and community enterprises, encouraging existing businesses to bring forward investment plans, providing advice (e.g. on IT and business planning) to increase the sustainability of businesses and encouraging local businesses to take on new employees. These activities are set out in the original Business Plan. However, the programme of activities has since been developed. This has allowed the Business Link to offer the same package of assistance to nearby SRB areas (Regen 2000 and Newlands). This allows for consistency across the area and helps the Business Link deliver a common set of services to the deprived areas of inner city Bradford.

The project received £129,000 revenue support and £590,000 capital support from the NDC Programme. This was boosted by assistance from ERDF support (as central Bradford is in the Yorkshire and Humber Objective 2 programme area). The key aims of the project are to increase the number of businesses in the area by 23, to create 190 new jobs, and to reduce the number of burglaries committed against businesses in the area from 208 a year to 163.

New Enterprise Development Project

The aim of this project is to assist individuals who wish to enter self-employment and to prevent the likelihood of failure by providing intensive and sustained support throughout the period prior to start-up and for at least six months after start-up. A key element of the project is the requirement that individuals undertake training prior to receiving financial assistance for start-up. The training is provided by a local firm (Havelock Training) and includes six modules with the outcome being the production of a business plan and also the award of an NVQ. The project has a total project cost of £195k for three years and has received £163k from BT. The remaining funding comes from ERDF support (£14k) and the private sector (£18k).

The target of the project was to create 22 start-ups although this has now been reduced to 20. Progress in delivering this project has been slow with only four grants awarded to date. A barrier to delivery of the scheme appears to be the level of training which is required prior to the start-up. This has put off many in the target group. Although the NDC Programme was prepared to close this project, the local community opposed this. In particular, local community groups felt that the support provided from a business advisor funded under the initiative, in providing advice but also raising awareness of business start ups as an employment route, was still required. Moreover, outputs were only likely to arise in the long term.

Community Enterprise Development Project

The project aims to help not for profit organisations become more financially secure either through improved business practice or through developing social enterprise activities. The project is designed to help social enterprises, voluntary and community organisations find the appropriate legal form, to develop revenue generating activities and to put in place appropriate management and staffing structures.

The project has received total funding of £133k for approximately two years. This includes £109 from NDC and £24k from ERDF. The project funds an advisor for community and voluntary sector groups. The advisor is well established in the area and comes with a commercial background, from working in the banking sector. The project is aiming to create 23 jobs to support 14 organisations and to help those organisations develop trading activities. Grants of up to £2.5k are available for each organisation.

Activities which were not funded

In contrast to Shoreditch, BT has decided not to fund managed workspace provision. The rationale for this on the part of the NDC is that it offers poor value for money to the NDC in creating new jobs. Moreover, there are other managed workspace activities, some run commercially, some run by the City Council, across the city and to some extent there is not a shortage of available business accommodation. Moreover, the Business Link reported that it was working with the City Council and other partners to make better use of existing commercial property. For example, this may include working with landlords to make space available within property on a regular basis for business advisors.

5.5 Conclusion

The following conclusions can be drawn from this section:

- **Projects which were making strong progress responded effectively to identified local needs and provided services which engaged businesses.** The Bradford Trident initiative New Deal for Business was a good example of this.
- **Business forums are a successful component of demand-side strategies** and can provide a strong private-sector lead to initiatives. To maintain high levels of business participation they need to be delivered in a format which is attractive to business. This includes running the forums at an appropriate time, including speakers who will attract businesses and recognising that their primary function may be networking.
- **Property-related approaches** require two key elements: a **close understanding of business requirements** and identifying genuine demand; and the **development of effective working relationships with developers**. The capacity to project manage complex property developments underpins this.
- **Innovative schemes** to encourage business start-ups amongst non-traditional groups of entrepreneurs (e.g. Full Circle in NELM or the Community Enterprise project in BT) should be encouraged. However, the scope for linking these to mainstream services (as in Bradford) should be encouraged if duplication of services is to be avoided.
- **Managed workspace** schemes can be costly and the sustainability of schemes depends either on strong private sector demand or on the willingness of the public sector to meet rental voids in the short to medium term.

6 Delivery and Outcomes

6.1 Introduction

Across the projects in of the NDC areas progress appears to be strong. However, as would be expected, some projects are proceeding more slowly, typically because initial plans were too optimistic, progress has been slow in getting the project off the ground or because the project has needed to be re-specified.

6.2 Shoreditch

Measurement of business support projects is by jobs created and preserved, businesses advised, floorspace developed and funds levered in. In some cases there was evidence of double counting between agencies which complicates attribution and the measurement of additionality difficult. For example, HBV would count all the jobs created in the year following the grant and would not net off job losses while Invest in Hackney would claim the developed floorspace of any project they had been involved in. Devolving delivery to intermediary bodies, such as HBV, made the assessment of outcomes and impact more difficult as their main focus was on delivery and not on measurement of impact. This was a common issue in each of the case study areas.

There was no mechanism in Shoreditch for measuring the flows of businesses in and out of the area. Only those that had made contact with projects were tracked. Hence it is not possible to measure the changing business make-up of the area, or the possible displacement issues associated with it. However, more detailed work with Business Link, or failing this the use of surveys, should allow changes in the business stock at the NDC level to be measured. The measurement of changes in the stock of community organisations and social enterprises is more difficult as only some appear on business statistics.

ShOW have made considerable progress against targets to build and let managed workspace. One has been completed (Hoxton Bibliotech), one is underway (16, Hoxton Sq.) with a further two in the pipeline. The total space to be created – 66,000 sq. ft. may create up to 200 jobs and 80 businesses. However, the aspiration to create 300 businesses is unrealistically high, as this would only allow each business a tiny 220 sq. ft office.

The biggest jobs impact for Shoreditch will come through the transport improvements making the area attractive to set up a business because it is easy to reach. The government recently gave approval to the overground Crossrail link that joins Heathrow to Essex and North Kent via Liverpool St., with estimates of 32,500 new jobs being opened up for the unemployed (attraction of between 60,000 and 113,000 jobs in all) in the Eastern development (source: Ken Livingstone's Office 19/7/03). Perhaps more significantly, recent government approval has also been given to the East London tube line that will travel into Shoreditch and Hackney.

There have been set backs in the delivery of projects to bring a supermarket and a bank to the area. The bank is only willing to countenance a new branch if it is attached to the supermarket (though new ATMs have been established in the area). The supermarket in turn is trapped in a complex PCT development process whereby the PCT is bound to use their own development team. This has caused some tension with the prospective supermarket. However ShOW is on the PCT team and is hopeful that the redundant site will still be use for supermarket purposes (they are able to offer more money than for any other use), and it should be on stream for 2007.

6.3 NELM

The Full Circle project is delivered in the NELM area and overseen by a Project Board consisting mainly of community members. Location in the community is seen as a major factor for the success of FC, however, there are still physical and psychological boundaries even within the NELM area.

The NELM Development Centre is located in a 'shared area' of the communities, in the same place as the school and the housing office. "Everybody knows this part and it's not out of bounds – the training is located ideally because this is everyone's space".

The Full Circle project is open to everyone with an interest in self-employment who is a NELM resident. There is no targeting of particular groups, in fact WEETU has spent considerable time ensuring the project is not perceived as a project targeting women, due to its reputation as an organisation that represents women.

The most effective method of attracting clients to the project is through word of mouth. The project generates role models in the community to recruit beneficiaries. If someone in the community has been successful in setting up a business as a result of FC, others will be more willing to trust them as a community organisation rather than an organisation which is not meeting the needs of the local community. Publicity has been largely undertaken by Community Liaison Officers (CLO) who are members of the community employed by NELM with a remit to support a variety of projects in the NDC area, thus providing a link between the projects and the community.

The project has some written publicity but this proved less successful in attracting clients during the initial stages. Initial feedback from community members indicated that the publicity was too glossy so WEETU recruited a local resident to re-design and simplify the publicity. WEETU has a strict marketing and corporate image but FC have had flexibility to design something more appropriate that relates to the needs of the community.

The various interventions offered by the Full Circle project use both formal and informal approaches, group work and individual one-to-one mentoring sessions. Training is usually delivered in a formal classroom setting, although timetables are flexible according to the needs of individual members of the groups. A more informal approach is adopted in the Lending Circles in which the group becomes self-sufficient and meets at each other's houses on a regular basis to offer each other mutual support and advice. Moreover, the project manager frequently pays informal visits to clients' homes to offer advice or support.

There is considerable preparatory work done with individuals to build their confidence and cultivate trust even before they enrol on the training course.

"All the little steps edge people towards getting back into work or starting their own business. There is a lot of pride for the area so having the training within the community is a great improvement."

The project is in its early stages and has been successful in fulfilling its short-term aims and is developing its medium term aims. The first phase of the project has made progress in awareness raising, establishing the infrastructure and embedding provision in the community. Overall, the project has exceeded people's expectations, particularly the Community Liaison Officers who have an 'inside' knowledge of the local community and didn't expect the project to be of interest to the community. WEETU carry out a

sophisticated analysis of what is working so that on-going monitoring is ensured. The outcomes for the FC project are as follows:

Table 6.1: NELM Targets

Planned	Actual
Within 2 years establish 10 new businesses within the ND area	22 established
Within 3 years establish 22 new businesses	
By year 3 set up 6 lending circles	4 set up
By end of year 1 set up at least one employing organisation drawing from local resources	Employed local caterer x 2 Local crèche workers employed x 2
Increase available learning opportunities for local residents to access learning courses throughout 3 years	Feasibility training x 6 Business skills training x 4 Myers Briggs training Managing diversity training Communication skills training Food hygiene Business plan training
65% of course completers achieve recognised business qualification	89% achieved
20 members of the community will enter FE (10 in year 1, 10 in year 3)	3 FE, 1 HE
17 loans over 3 years (7 in year 2, 10 in year 3)	4 loans
School workshops on self-employment. Link with mentoring service	Earlham High School workshops x 4 UEA presentation Joined-up government presentation Family matters presentation

Source: NELM NDC

The project didn't meet targets last year in all areas but some targets may have been set artificially high without taking account of the preparatory community development work necessary in the NELM area.

There are a high number of enquiries about the FC project, although not all of those that inquire attend the first session. Of those that do attend the retention rate is almost 100%. Only 2 people have gone through the training and decided that they didn't want to run their own business. This is viewed as a success in itself because individuals have had the opportunity to make an informed decision about the option of self-employment in relation to their future career path.

The low-take up of loans may be due to the negative experiences of credit by many NDC residents and a reluctance to get into debt. It was felt that it "probably takes a couple of years for people to get the impetus to move through the process, in terms of getting an awareness of what it means to be self-employed and getting through the training, it's a long term process before people want to and need to get a loan".

6.4 Bradford Trident

The Bradford Trident New Deal for Business Programme was evaluated locally in 2002. The NDC and Business Link largely implemented the recommendations of this evaluation. Over the first two years of the New Deal for Business programme, the following were achieved.

Key Outputs	Target	Results in 2001/2
Increase in Jobs	190 (80 per year)	131
New businesses in the area	23 (10 per year)	10
Start up businesses	12 (5 per year)	14
Buildings improved	145 (35 per year)	51
Businesses with improved security	50 (20 per year)	34

As the local evaluation reported these outputs looked impressive. However, they are based on claims made by the assisted companies. This is particularly the case for the jobs created targets.

The local evaluation found that the level of service provided by the Business Link was very high. It was also found that most projects accessed the project through direct contact with the business advisor, rather than the result of leaflets or other marketing. This message was reinforced by interviews with Business Link. The advisor set aside time to visit businesses and make direct introductions. Moreover, the support given extended beyond the management of grant regimes, but included the provision of advice and business guidance.

The New Deal for Business project was also found to be reaching a wide cross section of businesses in the area with ethnic minority owned businesses being particularly well represented.

6.5 Conclusion

The following conclusions can be drawn from this section:

- The measurement of the number and structure of the local business base (at NDC level) is not possible from secondary sources (e.g. Annual Business Inquiry). However, **a clear analysis of the business base is vital to the successful targeting** of business support initiatives. To avoid duplication this should be undertaken where possible in conjunction with local Business Link services.
- There was some evidence that key outputs, in particular jobs created, are being over-estimated due primarily to **double counting**. Although claims can and are being made more realistic by project managers, it would place a considerable burden on project managers to undertake additional assessments. The main recommendation is that jobs targets are realistic in original proposals (joint development of business plans, as in Bradford Trident) and that site visits be undertaken during projects to examine progress.

- **Wider economic developments** in east and north-east London (including rail and tube links) will create a significant number of new jobs and have huge direct and indirect effects on areas such as ShOW. The main challenges remain:
 - to ensure that supply-side activities are in place,
 - that there is close and effective engagement of the private sector and developers,
 - that there is sufficient scope given to ensuring the sustainability of communities.
 - The final issue may be more effectively addressed through housing, health and education programmes.
- **Grant schemes** can be an effective mechanism for engaging businesses in a wider portfolio of business support services. The size of grants need not be large and clear guidance should be given on what the expected contribution of the business is. In Bradford this was as high as 85 percent for some schemes. Although the direct net effect of the grant may be small, **the greater benefits are likely to come through access to a wider portfolio of business services.**
- **Business start-up is time consuming and costly in areas with a narrow economic base** (such as NELM). The approach taken in this area is well justified with a key focus of the project being to change perceptions of the area and the aspirations of residents about self-employment. However, outcomes will take time. Moreover, **levels of entrepreneurship in deprived areas are traditionally very low.** Addressing barriers such as premises and access to finance may help in this although support needs to be targeted to ensure that there are no high levels of displacement.

7 Partnership Working

7.1 Shoreditch

The NDC as a whole has many business partnership demands placed on it. There is the need to work with the London Development Agency and the City Fringe Partnership (the delivery body for the LDA programme), as well as steering initiatives through the Economic sub group of the local LSP.

A mixed picture exists amongst the projects. There were for instance very good links between @Work and Jobcentre Plus (though no links between @Work and business support projects). The Jobcentre refer all their Shoreditch New Deal clients to @Work (who then place them without resort to the £60 subsidy). Financial recognition of the success of the partnership has come in a new three-year contract, with the Jobcentre providing the match finance for the ShOW contract.

HBV found partnerships “difficult, as regeneration partners often seem to be here today and gone tomorrow and you cannot always rely on the standard of service they offer your client”. The case of a short-lived mentoring scheme was given as an example. However HBV enjoyed a very fruitful partnership with Business Link.

One respondent reflected that “partnering was limited to where it was useful”. Useful to whom has to be the rejoinder. Business support activity did not always seem to be linked to the objective of finding local people jobs.

Perhaps the most significant comment came from Business Link. It was noted that the London Business Support Network has 230 support organisations in its membership, ranging from the Cultural Industries Development Agency, to ‘Cluster Clubs’ in Objective 2 areas. “There is enough business support out there; making businesses aware of it is the key issue”.

The principal actors working in the area include: Business Link London; London Development Agency; City Fringe Partnership; Hackney Council; East London and Lea Valley Objective 2 Programme; and London Skills Commission and London Central and London East LSCs.

Business Link London

The organisation’s goals are to increase the range of services to businesses, bring coherence to business support and to create a single voice for businesses in London. The drivers are to increase their coverage of London businesses, improve customer productivity and increase customer satisfaction.

London Development Agency

Significantly, the LDA sees itself to be different from the other Development Agencies. With London’s job rich but polarised society, social inclusion is seen as just as important a policy priority as economic growth. Hence “The London Strategy, for example, sets particular store on the importance of measures designed to support people in socially excluded and disadvantaged communities back in to work.” (Economic Development Strategy p.92).

City Fringe Partnership

City Fringe is the delivery body for LDA initiatives in the Shoreditch area. Starting as a delivery body for rounds 2 and 4 of SRB, the Partnership has now been geographically expanded to include all the boroughs of Tower Hamlets, Hackney, Islington and Camden, rather than just the geographical areas that butted on to the City.

They are also on a City Fringe Business Development Group as well as the Pathways to Employment sub group. The emphasis of this group appears to be on holding on to indigenous small businesses through the provision of relatively cheap managed workspace, so that they are not squeezed out by City type developments. A project area ShOW is very active in. The Group also tries to co-ordinate work on clusters and supply chains. Cluster and supply chain work is a notoriously elusive business development activity, but it was claimed that mutual trading is a very real outcome of the Business Club that continues to be successful in attracting approximately 100 businesses to its events.

Hackney Local Strategic Partnership

The Jobs and Economy Sub Partnership develops economic strategy for the borough and informs the use of European and Neighbourhood Renewal funds. Of a membership of 25, covering all aspects of further education, training and business support, there is interestingly no place for ShOW or the three SRBs in the borough. However, they are now a member of the Jobs and Economy Partnership.

7.2 NELM

The project fits well with the other business and employment projects and other agencies working in the area. NELM run other projects which compliment Full Circle. In theory, the job brokerage project (previously run by @Work) has a focus on job placements and hard outputs, whereas FC promotes self-employment using a community development approach so the two are complimentary. Although, it remains to be seen how the two will work together when it is run jointly by Jobcentre Plus, the LSC and NELM. Moreover, the development of commercial space in Bowthorpe will attract new employers into the NELM area.

In terms of partnership working NELM has very strong links with Jobcentre Plus, the LSC, NADA and Norfolk County Council. There are some links with Business Link Norfolk, although these are weaker due to previous problems experienced in partnership working with them. There is some reluctance among some agencies to get involved with the NELM area because they see it as the responsibility of NELM to use the money allocated to them.

NELM are currently evaluating projects operating in the wider Norwich area and what is the key 'value added' of all the projects they run and how they fit together.

A number of agencies have some involvement with the Full Circle project. The project has links with Business Link, the local Credit Union, Jobcentre Plus, local community groups, the Police and the local Council. WEETU has a close working relationship with most of these agencies, particularly the Credit Union since it offers a similar service to Full Circle (low cost finance) and a close working relationship is necessary to prevent duplication.

The project is getting an increasing number of referrals through other agencies. The community liaison officers contribute daily with the workload of WEETU and feedback the views of the community and are from the community themselves.

7.3 Bradford Trident

Bradford Trident is engaged in a range of partnerships in the area. The main one is with *Business Link West Yorkshire* who are sub-contracted to deliver range of business support projects. The NDC decided at early stage of the Programme to contract the Business Link. Moreover, they perceive that the positive approach to Business Link has brought considerable benefits in the delivery of their projects and in the service they receive. The Programme also has strong links to @Work which is responsible for the delivery of its job brokerage activities.

Other links are with the *City Council* and the *Local Strategic Partnership*, with the LSC and with the regional development agency, Yorkshire Forward. Links with the City Council are at both strategic and operational levels. This included an involved in the Invest in Bradford initiation which was the City's inward investment support team. The main role the NDC played was threefold: in providing a source of funding; in providing potential sites; and through @Work, providing a job brokerage service to fill vacancies from new investors. However, there were problems of coordination in job brokerage activities. However, in the area of job brokerage there were three initiatives being run. These include BT's @Work, the SRB Regen 2000 job brokerage (delivered by a local development trust) and a third, city wide initiative led by the council.

The links between Bradford Trident and *Yorkshire Forward* (the regional development agency) are indirect. Through negotiation with the City Council, the NDC area is able to put forward initiatives for the West Yorkshire sub-regional action plan (SRAP). The SRAP is used as an 'investment plan' by the RDA to steer the allocation of Single Pot funding. Therefore, the NDC recognises that it is difficult to develop and direct link with the RDA, rather any developments would be brought forward if they could be justified of being of local or regional significance. The role of the NDC activities within a wider sub-regional and regional context was therefore unclear.

Links with the *Learning and Skills Council* have been slow to develop. The LSC is now represented on the board of BT and on the Jobs and Business working group. This is helping to raise awareness in the LSC of the priorities for BT. However, no significant initiatives have been developed to date.

It was commented by a number of partners that the existence of NDC funding had helped to lever in additional funding. This was particularly the case of the business support where the NDC resources had effectively matched Business Link funds and ERDF support to enhance the services offered to local businesses. However, it was unclear whether this was the case in other areas of activity, most notably in the reclamation of sites or in skills and training activities. Partnership was seen as a first step to leveraging in additional resources, but in these areas, there remained considerable barriers.

7.4 Partnership with Business

The experience of working with business in the three NDCs was mixed. Greatest progress had been made in **Bradford Trident**. This took a number of forms, but started with the active engagement of the local business community in the work of the NDC. Local businesses were seen as part of the community and many faced similar issues to

residents (e.g. crime, image of the area, poor skills). Good working relations with the Business Link had also helped in running business forums.

The local evaluation noted that the business forum meets about four times a year. Attendance varies, but between 20 and 30 businesses may be represented along with interested parties. 65 per cent of the firms interviewed in the local evaluation had heard of the Forum: this is a high figure reflecting that interviews were only undertaken with businesses benefiting from the grants. The aims of the forum are to bring businesses together and for them to collectively express concerns to decision-makers: for example on issues of security. The forum is also intended to provide networking opportunity and scope for businesses to begin to collaborate.

In addition to the forum a series of breakfast clubs are run. These are used to attract businesses with the potential to grow and win new contracts. For example, a current programme of breakfast clubs is running to help local businesses get onto the procurement lists of local public sector organisations, including the City Council and health sector organisations. Each event focuses on particular theme which businesses need to address to get onto procurement lists. The programme therefore includes such topics as environmental sustainability, information technology and quality control.

In **Shoreditch** projects had their own business contact lists and businesses would receive NDC mailings, but the only consultative body for local businesses is the Business Forum that now meets quarterly. Though there was a great deal of initial interest (100 turned up for a meeting on property issues), partly as a result of managers seeing if there were any projects they could benefit from, the numbers have fallen away to form a core of about six. There are moves to amalgamate with the better-attended Shoreditch Business Network, described as 'business card swapping club'.

One respondent commented that there not enough done to involve local businesses and was critical that the Advisory Group, that was meant to have a supervisory role to the Board (and to which the Business Forum would elect a member), seemed to have been killed off. It was also noted that: "I would appreciate a better co-ordinated business community to work with".

There were far fewer activities in **NELM**, reflecting the narrow local business base and also the problems in launching the job brokerage project. When relaunched, this may provide a useful vehicle for developing links with employers. The Full Circle project, if successful, should also create a strong network of small businesses.

7.5 Conclusion

The following conclusions can be drawn from this section:

- **The funds available for Availability of Jobs initiatives in NDC programmes are relatively limited.** In Shoreditch and Bradford Trident, through partnership, there has been scope to draw in funds from EU Structural Funds Objective 2 programmes. Although the leverage of additional funding has been relatively small it has **embedded the NDCs to become part of regional and sub-regional economic development programmes** and to engage mainstream business support agencies (in particular Business Link). As Norwich is not an eligible area for Structural Funds this has not be an available route for NELM.
- **Regional economic strategies vary considerably in how area based initiatives are supported.** A key focus of the LDA's strategy was the reduction of spatial and socio-economic polarisation. This is highly consistent with NDC activities. In

contrast the economic strategy for the Eastern region has a strong emphasis on economic growth, and in particular the further development of its internationally competitive science-based clusters. As a result the engagement of NELM is limited. The economic strategy of the Yorkshire and Humber region faces the twin problems of social exclusion and a weak economy. As a result there are opportunities for the NDC to engage in some regional economic development activities.

- **Business forums are an effective mechanism of increasing the involvement of business in local communities.** This can help in the implementation of supply-side initiatives (such as Job Brokerage) and can help to better specify business support projects.
- **Engagement with mainstream business support services**, in particular those of Business Link, can bring considerable leverage of additional resources and support to local businesses. This has worked effectively in Bradford Trident. The scope for a similar approach in NELM is limited due to the narrow and small economic base.

8 What works and lessons

8.1 Case Study and Context Specific Findings

Shoreditch: Local job creation is not an important objective of ShOW, helping local people to find a job is. In what might have been the weakest feature of the programme, it does not really matter if local employers do not employ local residents. There are an enormous amount of alternatives within easy travelling distance.

The NDC's work with business is much more about trying to strengthen the small independent sector, thereby maintaining the individuality and long term attractiveness of Shoreditch. Given these parameters, the best element of the programme, and the one that ShOW takes most pride in, is **the creation of managed workspace** – particularly the development of 16, Hoxton Square. In all, four workspaces will produce a total of 60,000 square feet of lettable space available for small businesses and each aims to be a financially self-sufficient social enterprise.

NELM: The WEETU Full Circle project is intended to develop entrepreneurial activity in an area with a small business base and with a client group with little experience of entrepreneurship. The outcomes of this process will take time. Full Circle, although working on a small scale is effective in changing perceptions and raising aspirations of residents towards self-employment. The project staff understand the area and are effective in attracting residents.

Full Circle is a flexible approach to self-employment and is effective in encouraging communities. Substantial attention is given to the community development aspects of the project. The key lessons from the project are:

- **High level of community involvement is key to developing a project in the area** – the local community have the knowledge and trust each other.
- **Harnessing local entrepreneurship** –people have the experience and the skills but not the qualifications or accreditations

Bradford Trident: the grant scheme run as part of New Deal for Business was found to be effective in engaging businesses in a wider range of business support activities. However, **the main success of the approach taken by BT was the strong partnership with Business Link.** The Business Link was able to package a range of business services together and provided a common set of services to the NDC area and the nearby SRB assisted areas. **Business Forums and Breakfast Clubs are well regarded by local businesses and helped engage business in community activity.**

Progress had been slow in the New Enterprise Development project with few outputs (companies created) low. A key barrier was the training scheme which applicants had to go undertake before receiving financial and business support advice. Although the course was well designed and delivered it was not effective in attracting residents from the BT area. It may be more appropriate to use one-to-one advice and mentoring. This was being addressed by the project. An aspect of the initiative which was well regarded were the community development aspects which were perceived to be raising aspirations.

The Community Business project was in its early stages. However, a key outcome of the initiative is likely to be through increasing the **sustainability and viability of community organisations.** This included providing advice of financial support, on

management and staff structures, and the most appropriate legal status for the organisations.

A decision had been taken by BT not to proceed with managed workspace. This was seen to offer poor value for money, particularly as a job creation initiative. The more cost effective options were through improving the sustainability and quality of existing businesses, on improving the wider attractiveness of the area and through a range of supply-side initiatives.

8.2 Measurement

The following aspects are crucial to the design and management of effective business support interventions. **Baselines were difficult to establish** due to the lack of reliable secondary data at small spatial scales. Engaging Business Link in this process was seen as essential as it would help to reduce duplication.

There was a tendency for **monitoring over estimate outputs and results**, in particular the achievement of jobs targets. Where monitoring was effective, there was a clear understanding of the likely effects of projects, and a clear rationale for the business support intervention. For example, if retail or social enterprise activities were supported it was unlikely that there would be significant direct job creation. However, there may be considerable wider social benefits. Visits to individual businesses benefiting from support help to monitor the achievement of targets and to verify claims.

Wider area based employer surveys (at local authority district level) could be boosted to assist in the assessment of net effects. Such surveys should include questions around competitors, supply chains, employees and key markets.

8.3 Local and Regional Context

NDC programmes can only impact on a small part of the demand side of local and sub-regional economies. The scope to address availability of jobs problems is therefore likely to be extremely limited. There are a range of opportunities for NDCs to work in concert with key agencies to lever in additional resources, in particular through working with Business Link and in attracting additional funding (for instance from Structural Funds). The scope to engage RDAs is more limited, given the very different spatial scales at which NDCs and RDAs operate. However, the strategies of some RDAs were found to be better aligned with addressing issues of spatial polarisation within regions.

Effective links to local and sub-regional employers was found to be of critical importance in addressing issues of worklessness: engagement with employers assisted in the implementation of initiatives such as job brokerage and property development. However, far greater opportunities existed for this approach in London than in the Yorkshire and Humber region.

The net effects of business support initiatives were found to be strongly shaped by the wider sub-regional and regional economic context. Demand side job creation initiatives in weaker regions have higher levels of deadweight and displacement. There is need for initiatives which address urban competitiveness and regeneration (e.g. Urban Regeneration Companies) and regional competitiveness and growth (e.g. cluster strategies) to include an ex ante assessment of their likely effects on social exclusion and deprived communities.

9 Conclusions

This report presents the findings from the first phase of research undertaken the Availability of Jobs topic of the Worklessness theme. The research has primarily involved the scoping of local strategies and projects addressing demand-side issues. The next phase of the evaluation will examine three issues:

1. A finer analysis will be undertaken of the local and regional employment growth and losses. A key question to be examined will be the direct and indirect effects of such employment change on the three NDC case study areas. This will use a combination of secondary data and business case studies. For example, the business case studies will examine whether businesses recruit from NDC areas, why they do not and the effect of specific initiatives such as employer forums and job brokerage.
2. A survey of business beneficiaries will be undertaken in each of the three areas. This will explore both process and impact outcomes. Impact outcomes will include the estimation of net effects (allowing for deadweight, displacement, supply chains and income multipliers). Process outcomes will explore how business support initiatives operate to change business performance.
3. A systematic programme of interviews will be undertaken with key partners. This will be at different spatial scales and include: local agencies (including local authorities and LSP roles in the UDP and strategies for inward investment); sub-regional agencies (in particular Business Link and Learning and Skills Councils); and regional agencies (Regional Development Agencies and assemblies, where appropriate).

The work will also explore longitudinal changes, both in terms of socio-economic trends, the responses of key agencies and the effectiveness of NDC initiatives.

The next report will be presented in July 2004 and a final report in March 2005.