

# New Deal for Communities

## The National Evaluation

### Research Reports

#### **Intermediate Labour Markets: Final Report**

Research Report 63

The Neighbourhood Renewal Unit within the Office of the Deputy Prime Minister 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 NRU/ODPM.

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/h>



*Sheffield  
Hallam University*

**Intermediate Labour Markets:  
Final Report**

Research Report 63

**Authors:**

Tim Bickerstaffe  
David Devins

***Policy Research Institute  
Leeds Metropolitan University***

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# Executive Summary

## Introduction

1. As part of the strategy to alleviate worklessness in disadvantaged areas, New Deal for Communities (NDC) have established Intermediate Labour Market programmes (ILMs) as a form of labour market intervention that acts as a 'bridge' between unemployment and the world of work for some of the most disadvantaged members of local communities. Offering waged work placements in the public, private and third sectors, in-house and workplace training, job search and tailored personal support, ILMs seek to provide a multi-faceted solution to a multi-dimensional problem.
2. This report updates and supplements the initial findings from research undertaken with three case study ILM projects within NDC areas. Selected to represent different variations on the ILM model, different geographical areas and labour market contexts, the three projects were re-visited to ascertain recent developments in programme operations and the experiences of project staff and various beneficiaries. The three projects are:

**Preston Road Works! (Hull)** - this in-house project offers work placements and personal support to residents from the Preston Road estate. Operating in an area of Hull particularly affected by low economic activity, the ILM has increasingly sought to equip clients with the necessary skills to take advantage of a local labour market that does offer entry-level vacancies but where recruitment is affected by basic skills issues.

**Heywood ILM Project Phases 1 & 2 (Rochdale)** - low levels of basic skills and poor local training provision exacerbate the social consequences of a locality already characterised by few employment opportunities. Alongside general work placements for Jobcentre Plus referrals, Groundwork Rochdale's Green Team ILM seeks to combine the provision of local environmental services with training that can offer clients the necessary skills to seek employment in the construction industry. Increased local knowledge has also led the project to offer ILM places to some young people currently beyond the reach of New Deal.

**Achieving Diversity in the Workplace (Sunderland)** - the second and final cohort of clients recruited from the disadvantaged Hendon area of the city finished their ILM in Sunderland City Council's Community and Cultural Services Department in October 2004. Of the twenty clients that made up the two cohorts, half were recruited from Hendon's ethnic minority communities. The project consisted of work placements in various departments within Community and Cultural Services, as well as formal training at the local FE college.

## Delivery

3. As well as continuing to employ a variety of means to attract clients - including Outreach work, Open Days for particular target groups, and local advertising - the two on-going ILMs have found word-of-mouth recommendation to be a particularly important element in attracting clients.
4. As the projects have developed, their experiences have convinced them that different target groups often have particular concerns or personal circumstances that need to be addressed in order to ensure that any initial contact with the ILM translates into a successful induction.
5. In respect of working with clients, the core design elements of the ILMs remain. Accordingly, a range of measures ranging from benefits advice and initial individual training plans, through to work placement reviews and post-placement support are tailored to meet the particular needs of individual clients. Indeed, open-ended post-placement

support for clients who need it has become a feature of both in-house ILM projects. In certain cases, this support extends beyond the point of a successful job-outcome where a client may seek further personal support or informal guidance.

6. The importance of gaining and sustaining committed employer involvement remains a key element of the ILMs' operational strategy. This support and the on-going contact between the projects and their placement employers have also enabled the ILMs to design or alter training provision to meet employers' skills needs. Success in this regard and word-of-mouth recommendation by other firms in the same industries has led to an increase in the number of employers approaching the projects unprompted. An evolving network of employers appears to provide the foundations upon which an ILM can grow and develop.
7. Formal and informal partnerships are also a major factor in ILM success. From the critical initial partnership with Jobcentre Plus, the ILM case studies have since developed a range of partnerships with different agencies and organisations. If a successful network of employers provides the foundation of an ILM's operations, a range of partnerships with providers and support services provides the structure of a project's client-focused activities.

### **Outcomes and Impact**

8. The Achieving Diversity ILM has now finished its programme of activities and achieved eleven job outcomes from the twenty clients on the project. Two more clients entered full-time Higher Education. The other two case studies are on-going and both have improved their training and job outcomes over the last year. This is seen as largely resulting from a developing understanding of what works - both with clients and employers. At Preston Road Works! 352 Job Outcomes across a wide range of industry sectors were achieved between June 2001 and March 2004. Of these 352 Preston Road residents, 163 also gained recognised qualifications. For those beneficiaries working on the Green Team ILM at Groundwork in the six months to March 2004, 11 achieved recognised training or qualification outcomes and 10 secured full-time employment. And of the 21 beneficiaries completing work placements, 16 gained training and qualifications, with 13 achieving a job outcome.
9. The experience of beneficiaries interviewed for this report revealed the importance of tailored individual client support. Help and guidance with skills acquisition, placement issues and personal circumstances were all accessed by the beneficiaries in one form or another. And although similar interventions have not resulted in positive placement or job outcomes in all cases, the clients were all conscious that their individual experiences and development with their ILM were part of an open-ended *process* that would positively engage with them for as long as they needed. The two examples of employer experiences provide an indication as to the importance of placement support by the ILM, as well as the stress on industry-relevant training.

### **What Works & Lesson Learned**

10. In the cases of Preston Road Works! and Groundwork the ability to achieve outcome targets, coupled with a deepening knowledge of their respective local areas, client groups and labour market characteristics, has seen them evolve a pragmatic flexibility in terms of how they address their supply-side and demand-side operations. These ILMs' knowledge of their supply-side - the situation and issues facing existing and potential beneficiaries - has broadened and deepened as the projects have developed. Subsequently, the ILMs' client support processes are evaluated in terms of their ability to help those clients most distant from the labour market upon induction - and there is evidence that client support needs are regularly assessed and, where possible, improved upon.

11. On the demand-side, the two ILMs have developed a good understanding of local employers' skills needs, enabling them to access more firms to arrange client work placements. Improved training and a wider set of relationships with local providers has helped to make more clients 'work ready' and increased job outcomes have followed.
12. Much of this improvement has grown from a more robust set of administrative and operational processes that have enabled the ILMs to reflect on reliable management information as a guide to their performance. A dedicated and proactive project team has in both cases contributed significantly to the ILMs' ability to improve its provision in all areas of its operations.
13. A growing awareness of wider employment and/or regeneration strategies is also evident. Yet, this increased knowledge and experience has seen both case studies focus less on the local third sector as the centre of their operations. Any contribution made to the 'community good' is seen as a welcome consequence of an ILM designed to work with local people. However, the case study ILMs displayed a visible commitment to prepare and train their clients for the realities of the wider local labour market. And in a growing number of instances, this involves work placements and job outcomes in the private sector.

# 1. Introduction

Improving the opportunities for work for New Deal for Communities (NDC) residents is a crucial element of the strategy to alleviate worklessness in disadvantaged communities. Intermediate Labour Markets (ILMs) are one of a range of measures (including Transitional Employment Programmes/Step Up<sup>1</sup> and Employment Zones) that seek to enhance employability and improve access to employment opportunities for members of the most disadvantaged groups in the labour market.

## Context

The Policy Action Team on Jobs<sup>2</sup> recognised ILMs as contributing to two areas of policy. Firstly, as a labour market intervention designed to provide non-employed people with work-based skill development opportunities to enhance their employability and to provide a 'bridge' between unemployment and the world of work. Secondly, as a means of neighbourhood regeneration through the provision of local services. In this way ILMs are an integral part of New Deal for Communities because they seek to present a multi-faceted solution to a multi-dimensional problem, acting as a conduit for more community-led measures which seek to integrate action on unemployment within an area regeneration framework.

While there is no single definition of an ILM project or programme the National ILM Network identified the following common characteristics:<sup>3</sup>

- provide those who are furthest from the labour market with a bridge to the world of work
- provide paid work on a temporary contract together with training, personal development and job search activities
- (often but not always) Provide work opportunities in organisations providing *additional* services of community benefit
- reliant upon a package of funding from various sources (e.g. New Deal, European Social Fund, local regeneration funds, project earnings) in a way that provides outputs and 'added value' for each funder

In recent years there has been a significant increase in ILM activities and a recent estimate suggests a minimum total of 8,700 ILM jobs in the UK<sup>4</sup>. The most common services provided through ILMs include environmental work, recycling and construction and these reflect the focus of long-established ILMs and the New Deal Environmental Task Force. Other ILMs have offered a range of services including for example childcare, healthcare, sports activities, crime prevention and town centre guides. ILMs have existed in Scotland (e.g. Wise Group, Glasgow Works) for some time and are now apparent in many areas (including 25 Employment Zones) in England, Scotland and Wales<sup>5</sup>.

However the contribution of ILMs within the context of wider Welfare to Work policies is often contested. There is debate in terms of the effectiveness of ILMs as a tool for labour market intervention and neighbourhood regeneration. The published evidence provides

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<sup>1</sup>Finn, D. & Simmonds, D. (2003) *Intermediate Labour Markets in Britain and an International Review of Transitional Employment Programmes* Sheffield: Department of Work and Pensions

<sup>2</sup>Policy Action Team on Jobs (1999) *Jobs For All* Nottingham: Department for Education and Employment

<sup>3</sup>Marshall, B. & Macfarlane, R. (2000) *The Intermediate Labour Market: Work and Opportunities Series No. 20* York: Joseph Rowntree Foundation

<sup>4</sup>Finn & Simmonds (2003) *op cit*

<sup>5</sup>Finn & Simmonds (2003) *op cit*

largely positive results particularly when comparisons are made with (pre New Deal) training programmes<sup>6</sup>. ILMs are reported<sup>7</sup> to result in:

- lower drop out rates than in other programmes
- participants 2-3 times more likely to get a job at the end, and to keep this job for at least 12 months
- jobs tend to be better paid
- ILMs boost the number of locally available jobs
- provision of useful goods and services
- greater added value as they focus on the 'hardest to help'

However, critics of ILMs often point to the high cost per job of a typical ILM. The actual cost of an ILM varies considerably according to the local design and length of employment contract on offer. Average costs lie somewhere between £11k<sup>8</sup> and £14k<sup>9</sup> per job per year. However these calculations do not take account of lower levels of deadweight and substitution, better sustainability of employment and improved service provision to the local community associated with ILMs.

The initial report<sup>10</sup> for the worklessness theme of the New Deal for Community Evaluation provided early findings associated with the nature, delivery and impact of ILMs in 3 NDC areas. The report drew attention to the requirement for a personal and tailored service and the considerable support required by beneficiaries in the workplace. However, little is known about the experiences of those participating in the ILM schemes and their labour market experiences both during and some time after leaving the ILM. This report seeks to address this information and knowledge gap with a view to exploring the experiences of beneficiaries of ILM schemes identifying what worked and what did not work from their perspective, and what impact it had on their labour market circumstances.

## Research Aim

The research seeks to explore to what extent the ILM has improved the general employability of the participants and supported the improvement of their labour market circumstances through qualitative research with project managers and beneficiaries.

More specifically it seeks to:

- update the case studies in respect of progress, outputs and outcomes
- identify those aspects of the ILM support process which are viewed as most valuable by the beneficiary
- explore the extent to which the ILM experience helped to overcome the multiple barriers to work that they faced (or identify their persistence)?
- explore the extent to which employers and/or support agencies (ILM and others) have provided adequate/continued support during and post ILM placement
- identify to what extent has the labour market circumstances of the ILM beneficiary improved post ILM?

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<sup>6</sup> McGregor, A *et al* (1997) *Bridging the Jobs Gap* York: Joseph Rowntree Foundation

<sup>7</sup> Information on Regeneration for Community Organisations *Briefing Note – Intermediate Labour Markets* October 2002 <http://www.renewal.net/Documents/RNET/Policy%20Guidance/Briefingnoteintermediate.doc>

<sup>8</sup> Finn & Simmonds (2003) *op cit*

<sup>9</sup> Marshall & Macfarlane (2000) *op cit*

<sup>10</sup> Darlow, A. (2004) *Intermediate Labour Markets: Early Findings* New Deal for Communities, Research Report No. 21

## **Methodology**

The research draws on both primary and secondary sources of information. The core elements of the research are:

- site visit to the NDC project to talk to key workers and to obtain secondary information (evaluation, monitoring information)
- telephone interview with an ILM placement employer in two case study areas
- focus/discussion group with beneficiaries who have been through the ILM process

## **Structure of the Report**

The structure of this report echoes that of the Early Findings study published in 2003. In this respect, what follows supplements and updates issues concerning the local context within which the case study ILMs operate; the different forms and shades of each of the ILM's delivery strategy and design are then addressed. The report then turns to the outcomes and impacts of the three projects - and this section includes two examples of employer perspectives; then, after considering what has been shown to work and what are the main lessons learned from these case studies' operations thus far, the report closes with a series of relevant observations and conclusions.

## 2. The Local Context

The first phase of research conducted with the three ILM case studies included in this report<sup>11</sup>, outlined the varying degrees of disadvantage and local labour market contexts of the NDC areas where these ILMs operate. Although each of the three NDC areas reveal their own distinct characteristics in terms of demographics, disadvantage, and labour market situation, they do share key issues.

These issues relate to:

- high levels of local unemployment and economic inactivity
- low skill levels (including basic skills) and poor educational attainment
- high proportions of families with no member in work
- low levels of household income
- high levels of benefit dependency

In September 2003, when the three ILM case studies were first visited as part of the initial evaluation, the twin issues of low skill levels and widespread worklessness were revealed to be the key drivers behind the initiatives. Furthermore, each NDC area recognised that the multiple barriers to employment that their most disadvantaged residents often faced, would necessitate an approach that could offer careful support and guidance to help reduce the distance between these disadvantaged people and the general labour market. In this respect, it was felt that the Intermediate Labour Market approach was a proven method of helping to tackle some of the support and skills issues that would need to be addressed if many disadvantaged local people were to successfully make the transition from unemployment or inactivity into the world of work.

Consequently, the three ILM projects were designed to achieve specific targets in relation to the number of beneficiaries to be recruited, trained, and successfully assisted in achieving a job outcome after their work placements. These intended outputs were either set to a specific number or based on 'rolling' targets to be achieved during the period of the ILM's operation. Their eligibility criteria and target groups also varied in line with the range of funding sources that the ILMs were able to access.

The **Preston Road Works!** ILM in Hull was designed to focus its activities on the residents of the Preston Road council estate; a particularly disadvantaged part of the city where high levels of unemployment and activity exist alongside a predominantly low wage, low skill local labour market. Hull's relative geographical isolation is seen as compounding the effects of poor transport links and lack of training opportunities for many of its inhabitants. For those 'Preston Roaders' interviewed for this study, although they feel their city shows obvious signs of general disadvantage and a lack of investment, it is often their community that is unfairly viewed as being the area of Hull most dominated by welfare dependents or members of the working poor.

The Groundwork Trust ILM operating in the Heywood NDC area of Rochdale also works with many beneficiaries facing the disadvantages of living in workless or low-income households. Although levels of employment in the area are actually above the NDC average, much of the local work available is low-paid and this largely low-skill local labour market also faces issues of poor basic skills and poor training. Among Groundwork's beneficiaries are a number of young local residents who have tended to be particularly hard to reach. Some are not registered with Jobcentre Plus despite being unemployed,

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<sup>11</sup> Darlow, A (2004) *Intermediate Labour Markets: Early Findings* New Deal for Communities, Research Report No. 21

whilst some others exist on the fringes of the 'black economy'. Low aspirations in terms of education and employment are common among most of the ILM's target groups.

Residents of the East End, Central Hendon and South Hendon areas of Sunderland were the target groups for the Achieving Diversity in the Workplace ILM that ran within the Community and Cultural Services departments of Sunderland City Council until October 2004. Labour demand and economic activity are low in the programme's target areas and among both the white majority and Bangladeshi and migrant minorities, workless or low-income households are common. For some of the ILM's beneficiaries interviewed, their perceived chances of achieving recognised qualifications or employment of any kind were very low before joining the programme.

### **The Early Findings**

Phase 1 of the research into these 3 ILMs made a number of important observations and drew several conclusions concerning the impact and outcomes of the programmes, their potential to achieve cost effectiveness, and the importance of links between the ILMs and wider employment strategies in their local labour markets. Relevant observations and conclusions from the Phase 1 research are referred to in the following sections, alongside the other Phase 2 observations and findings.

### 3. Delivery

Each ILM can now draw upon the experiences and lessons learned from a year or more of operation. And so, aspects of their delivery mechanisms have been informed or altered in line with how they have performed in practice. The core elements of each programme remain, yet in the cases of Preston Road and Groundwork there is evidence that their strategies and identities as ILMs are increasingly based on their developing knowledge of their local client groups and local labour markets.

#### Attracting Clients

For **Preston Road Works!**, recommendation of the ILM via word-of-mouth has continued to ensure a regular number of local residents seeking training or work placements. Indeed, one recent work placement led to the beneficiary's father, mother and cousin seeking and achieving work placements at the same local company. At the time of the evaluation, the ILM had nine permanent staff members, including the Project Manager and his Deputy, a Project Officer, and Job Brokerage Officer - with these roles supplemented with Finance and Administrative support. Alongside their particular project responsibilities, the programme management team regularly seek to further raise awareness among local residents who may not have the confidence to approach the ILM office on their own accord. A recent development in this respect has been the start of a Youth Outreach programme set up to attract young people to the project.

At **Groundwork**, the strategy for attracting clients has evolved somewhat. Staffing remains quite modest, with the Project Manager, two Client Support Officers, and the Groundwork Team Support Officer making up the core project team. Although the project team would prefer to take clients referred from New Deal (because of the potential administrative complexity of accepting 'through the door' applicants, as well as the ILM's funding arrangements with NDC), the relative lack of local people actually on New Deal and Groundwork's increasing knowledge of their local target groups, has led to some negotiation over eligibility. Groundwork now pro-actively encourages local unemployed people to apply for New Deal provision - especially among those who have not registered themselves unemployed with Jobcentre Plus. Yet, Groundwork sees a distinct reluctance among local young men to 'sign on', preferring instead to seek cash-in-hand work or become involved in the 'black economy'.

**After negotiations with Heywood NDC, the Groundwork ILM Green Team (Construction) programme now targets a proportion of New Dealers and a proportion on Incapacity Benefit not on New Deal or claiming Jobseekers Allowance. This allows Groundwork to access clients beyond the reach of New Deal who are often some of those local people most at risk of becoming increasingly distant from the labour market. Moreover, the ILM management team would wish to target local residents over 25 more pro-actively but feel somewhat frustrated by the stipulation that this age group must have spent 18 months out of work before qualifying for New Deal.**

At the present time, Groundwork is seeking to attract more lone-parents onto the ILM and ran an awareness event in October 2004. Local research has shown there to be 740 lone parents in Heywood but only one has so far joined the ILM. Local community radio and newspaper advertisements, leaflet-drops, and posters were used to promote the event, where creche facilities, food, and relaxation therapists were laid on to provide a relaxed environment to help engage with potential clients. Experience has convinced Groundwork that direct contact with potential clients is more effective in terms of recruitment than via another agency. As time has gone on, word-of-mouth recommendation has proved to be the ILM's biggest recruitment asset.

Eligibility for Achieving Diversity in the Workplace remained as originally intended, with two client cohorts of eight and twelve respectively taking part during the twelve months the ILM was operating. The Project Manager interviewed came to the project as the second cohort intake was being prepared for. A lesson learned from the first recruitment process led to the decision not to advertise the ILM in the town's main local paper, *The Sunderland Echo*, to ensure that as many applications as possible would come from Hendon residents. Outreach work, such as presentations at the local Bangladeshi Centre, was also used as a way to attract clients that would be unlikely to apply through the normal channels.

From their experience with the first recruitment process, the project's Diversity Working Group - made up of a representative from the Council's Corporate Personnel department, from the trades unions, local job agencies, and a local college lecturer - sought to refine their ability to identify barriers to employment and amend the ILM's recruitment process accordingly.

As a result, some changes were made to the project's client application form - and these additions, as well as the knowledge-gathering process undertaken by the Working Group, have led to changes in the Council's corporate document that governs their general recruitment and selection process. In particular, the Council's generic employment application form now includes more guidance to the applicant about how best to match and present their skills in line with the expectations of the job description.

## **Working with Clients**

As the Phase 1 research highlighted, the three ILM case studies offer a wide range of work and support elements as part of their programmes. Elements common to all three were:

- benefits advice and calculation
- induction and pre-programme support
- development of an individual training plan
- regular in-placement reviews
- personal support
- job search
- post-placement support

At **Preston Road**, attempts are made to deliver each element of the ILM programme in line with the particular needs of each individual client and their circumstances. Knowledge of local need and the particular barriers that clients may present upon induction are considered to be the key determinants of the type and degree of support, training and work placements offered.

The two programme managers interviewed have both worked with funded training programmes for a number of years, and have sought to bring together their respective experience with the particular needs and goals of the ILM.

They believe that too often the outcomes of training and employment programmes are determined by the funding stipulations and subsequent eligibility criteria this leads to. Consequently, employment programmes are often designed in such a way that the provider must 'squeeze-fit' the client into them or elements of the programme must be 'bent' towards the needs of clients. What they believe characterises the ILM approach, and what holds at Preston Road, is that it is local and individual needs that provide the starting point for the design and delivery of the programme.

**The Preston Road Works! programme managers explained that they had recently looked into the possibility of co-financing or contracting with Jobcentre Plus or the Learning and Skills Council. However, they found that by doing so would impose criteria that would result in restricting certain programme provision to particular eligible clients – and therefore go against the ILM’s policy of seeking to help any resident Preston Road resident regardless of personal or welfare circumstance.**

There are Preston Road programmes of activities that are standardised - for example, the development of Personal Action Plans and the general client assessment criteria. However, it is considered very important to develop a Personal Action Plan that takes due account of the client’s needs and aspirations. In some cases, a client will not require a work placement or subsidy but job-matching support to help them access opportunities with a relevant employer. Other clients may need quite intensive support and guidance, with carefully-managed work placements and training, in order to move them closer to the labour market in general.

Current ILM programmes Preston Road Works! offers include: Computer Build (internal IT-related training); Youth Build (comprising of work placements coupled with college learning); and an ILM for Nursery Assistants.

**Preston Road Works! offers work placements at a growing number of local companies and organisations. Recent successful outcomes have seen beneficiaries securing employment in a variety of sectors, including: administrative roles in the local NHS Trust, Nursery Assistants at a local crèche, trainee bricklayers taken on by a construction company with new building contracts, trainee IT technicians, and a project beneficiary employed as a Taskforce Advisor for the local NDC.**

At **Groundwork**, there is a feeling that both the quality of the training and the client support has noticeably improved over the last eighteen months. This year has seen more clients join the programme than in 2003 - despite real uncertainty related to funding issues that affected the programme over the Christmas period.

Now, the programme offers access to various NVQ qualifications and a number of short courses, including health and safety, first aid, and minute-taking. The ILM Construction course gives clients training in the use of abrasive wheels and power tools, as well industry-specific instruction into the correct way to work in confined spaces, the proper handling of tools and materials, and fire-fighting.

**In the same way as Preston Road, Groundwork will strive to continue working with a client, even though several courses or work placements may have not resulted in a job for whatever reason. The experience of working with clients - who may have immediate and obvious barriers to employment or more hidden issues or problems that may only become apparent as their involvement with the ILM progresses - has convinced the programme managers that an ILM is as much about the *process* of assisting people to enter the labour market, as it is about measurable outcomes over a defined period.**

At Sunderland Council’s Cultural Services Department, some peripheral changes were made to the **Achieving Diversity ILM** project’s design for the second cohort. At the start of the project, clients spent two days each in various departments in order to get used to the general work environment as well as having an opportunity to select which department they wished to be placed in.

For the second cohort, it was felt that these two days were insufficient for this process, and so this was increased to three days. However, a lesson learned was that the placement preferences of the second cohort were compromised because of the placement choices of the first.

In the main, the feedback from the various departmental Line Managers has been very positive, with most students showing application and a willingness to learn. The provision of a mentor for each client was part of the project's original design but a number of the appointed mentors did not work in the same department as their respective clients. However, the Project Manager ensured that each client would see her for a review and general discussion about their progress once every month, and the departmental Line Managers tended to assume a mentoring role for 'their' clients whenever necessary.

All the ILM clients attended college one day each week to undergo their relevant training courses. Every client received instruction in generic workplace skills, such as IT, but also had the chance to take subjects that were relevant to their particular work placement. Examples of these different courses in relation to the project clients interviewed, included an NVQ Work Environment course, CLAIT, and Financial Management Systems.

The clients also received generic Council employee training and departmental training dictated by the department Directorates. This training included: environmental health and pest control, dealing with customers with language difficulties, minute-taking, interview skills, regular updates on Council policy, and information on changes in departmental structures.

### **Working with Employers**

As well as his work for the ILM, the Director of Preston Road Works! is also involved strategically in several local agencies' city development and employment fora. The context of the Hull's labour market situation is dominated by labour shortages in manual, construction, manufacturing and services, with relatively scarce higher-skilled or 'knowledge-based' opportunities. Yet, there is a shortage of people with lower-level skills in the local labour market. In this way, Preston Road ILM sees itself as helping to fulfil that labour need by inserting people into entry-level vacancies.

**As the Preston Road ILM has developed, it increasingly sees its role as one of using local labour market intelligence to discern or anticipate the type and level of demand from local employers, and to adapt or target their training provision accordingly. Preston Road is aware of the criticism levelled at ILMs that they do not generally create new jobs but rather run the risk of displacing existing employees, particularly in the private sector. However, they believe that given the local labour market context, the risk of job displacement is small and is overshadowed in any event by the need to equip their disadvantaged clients with the skills to be able to compete in Hull's labour market as it actually exists.**

In the main, the programme believes it has had good responses from employers. Indeed, an increasing number are approaching the ILM as if it were a mini recruitment agency. A number of these employers are said to have had bad experiences with Jobcentre Plus referrals because communication problems have resulted in unsuitable candidates being put forward for vacancies.

Whereas Jobcentre Plus Advisors tend to communicate via the phone, Preston Road Works! staff always visit potential placement employers in order to try to build a relationship that can better serve both the client and the employer. Any employer who admits to or shows an obvious tendency to take subsidised placements to offset general recruitment will not have any further clients placed with them.

In most cases, however, the ILM's experience has been that employers are more interested in getting the right person to have as a placement with a view to them potentially filling a future or existing vacancy.

**Groundwork** continues to build a growing network of local employers and will work to maintain good links with them during periods when no placements or vacancies may be available. As the needs and aspirations of the ILM's clients are diverse, a good network of employers and placements assists in the aim to tailor training and work placements to suit this diversity.

Groundwork believes it is important to achieve the right mix of employers in light of the local economy and the Heywood community. Private sector companies, the Councils, and community regeneration projects all operate in the local area. For Groundwork, a successful ILM will always be aware of, and concentrate on, the needs and characteristics of their local area. In this respect, some Groundwork clients are placed in the private sector and some with community organisations.

The ILM Green Team operates in the local community doing regeneration work as well as working with local schools. But Green Team clients who have gained the confidence or relevant training will then be often placed with private sector employers. Groundwork is sure that its ILM provision would suffer if they could only place clients in community-based organisations.

**At a recent meeting held at the Manchester Chamber of Commerce, a number of private sector employers told the Groundwork ILM Director that they would not seek further New Deal referrals because of the bad experiences they had had with previous clients. Yet, these employers did become interested in the ILM placement approach. For Groundwork, if a potential placement is 'sold' correctly - namely, as a supported process where the ILM provides the suitable training and any personal client support necessary - private sector employers are usually willing to become involved. What is more, Groundwork presents their previous outcomes to prospective employers to show them that the ILM is a tried-and-tested approach.**

As the sole employer of their **Achieving Diversity ILM** clients, Sunderland Council's Cultural Services Department has been in the main very pleased with their experience of it. For the Project Manager, having seen the clients gain skills and increased confidence has brought its own reward; and in terms of results, she feels that the project could easily become a mainstream corporate initiative within the Council - budgets permitting.

## **Partnerships and Networking**

As well as continuing to work with their NDC and Jobcentre Plus, **Preston Road Works!** has sought to develop external relationships with other organisations. One notable collaboration has been with the local credit union. As the majority of Preston Road residents do not have a bank account, the credit union offers membership to the ILM clients and, if necessary, arranges short-term loans. The ILM also acts as a further 'underwriter' if a client should default on their credit union repayments.

The ILM also continues to work closely with its partner project, PROBE, a Jobshop service for local residents that has been operating for two years. ILM clients can access PROBE provision which includes: information about the latest vacancies notified to Jobcentre Plus, help with job applications and CVs - as well as access to further training opportunities.

**Groundwork** has also developed new relationships. For example, with the local providers of ESOL (English Speakers of Other Languages) who also offer basic skills provision. Sharing their premises with the ESOL providers ensures that Groundwork clients can access the provision for free. The CLAIT qualification is also provided free of charge to ILM clients at the local community centre. Groundwork have also developed links with Early Break, an organisation seeking to help people with drugs and alcohol issues, so that the ILM can call upon support from them should a client need it.

The main partnership for the **Achieving Diversity ILM** was the local college where the clients attended courses on day-release. There were some problems with the college provision in relation to the NVQ Business Studies due to the summer teaching break, which put a hold on the ILM clients' projects and led to confusion as to who would take over their tutoring and assessment. However, meetings with the college resulted in an assessor visiting the Cultural Services Department to provide work-based assessment.

#### 4. Outcomes and Impact

Available Management Information from the three case study ILMs relating to job and training/qualifications outcomes are presented in the tables below.

##### Preston Road Works!

**Table 1: Beneficiary Job Outcomes (June 2001 – March 2004)**

Full-time	Part-time	Temporary	Apprenticeships	Total
270	28	16	38	352

**Table 2: Beneficiary Job Outcomes by Industry (June 2001 - March 2004)**

IT/ Admin	Health/ Nursery	Construction/ Engineering	Catering	Retail	Management	Manufacturing/ Warehouse	Other	Total
109	36	65	22	26	16	72	6	352

Of these 352 Job Outcomes achieved between June 2001 and March 2004, 163 beneficiaries also gained recognised qualifications.

Some of Preston Road's recent success in achieving job outcomes is seen as a direct result of the knowledge and experience gained from operating a dedicated ILM and a more general Support into Employment programme. The ILM provides a package of supported employment, training, work placements and Jobsearch, whereas the Support into Employment aspect provides more simple interventions to help clients overcome immediate barriers to work. As both these elements of the programme involve job brokering and share an emphasis on long-term support for clients, the project managers consider this maximises the opportunities and interventions available for local residents – whatever their personal or employability circumstances might be.

##### Groundwork

**Table 3: Clients on Placement Job & Qualifications Outcomes (to Feb 2004)**

Beneficiaries completing Work Placements	Beneficiaries achieving Training/Qualifications	NVQ Units or equivalent	NVQ Units Still being worked towards	Job Outcomes
21	16	40	24	13

**Table 4: Green Team Job & Training Outcomes (to March 2004)**

Beneficiaries completing Green Team project	Beneficiaries achieving Training/Qualifications	Total number of Training Days provided	NVQ Units achieved	Job Outcomes
23	11	141	6	10

The internal evaluation by Groundwork Oldham & Rochdale highlights the increased performance of the Green Team in terms of training and job outcomes in the six months to March 2004. These improved outcomes draw particular attention because of the lack of any qualifications or work experience that the majority of Green Team clients have had upon joining the programme. The evaluation also highlights the evident improvement in the ILM's job outcomes by noting that ninety per cent of the Green Team's total to date was achieved in the six months to March 2004.

### Achieving Diversity in the Workplace

**Table 5: Job & Training Outcomes for Cohorts 1 & 2**

Number of Beneficiaries	Beneficiaries achieving Training/Qualifications	Job Outcomes (Council)	Job Outcomes (External Employers)	Beneficiaries Progressing on to Higher Education
20	20	7	4	2

Notable aspects of the Diversity ILM - including offering the clients inclusive employee status, comparable wage rates with permanent staff, and access to all employee benefits - contributed to the programme receiving a national award as Best Quality Employment & Equality Initiative from the Association of Public Service Excellence.

### Outputs

As well as their successes in relation to their project strategies and job outcomes, Preston Road Works! and Groundwork can boast other, less apparently measurable, outputs. For the Preston Road estate, having a local 'one-shop-stop' offering potential training and job placements has also provided a focal point for other less-formal initiatives aimed at neighbourhood regeneration. A notable case in point is the recent gathering of volunteers, organised via the ILM, who helped with the building of a shop premises next door to the ILM offices to help secure the opening of a Co-op store. At Groundwork, there has been quite significant positive feedback concerning the visible improvement of the local environment as a result of the work of the Green Team. As part of the ILM project, the Green Team have undertaken a variety of assignments, including: litter clearing, weedkilling and hard landscaping. They have also taken on the clearing of rear alleys and open spaces in residential areas - much to the delight of local residents. More recent projects have included the repairing of damaged boundary walls at a local school and arranging disabled access to a local church.

### Beneficiary Experiences

In total, seventeen ILM beneficiaries were interviewed as part of three focus groups conducted at the respective projects. Their relevant responses are presented below for each of the main aspects of the ILM approach.

**Benefits advice/calculation** - All the clients interviewed who had need of benefits advice or help before joining their ILM were broadly positive about the way this was presented and applied. A lone-parent Groundwork beneficiary said they have recommended the ILM to friends who are also lone-parents partly because the ILM offers a wage to all project clients without threat to any passport benefits. For some of the Preston Road beneficiaries, the fact that the ILM could help with any immediate income problems in the

period between coming off personal benefit payments and the receipt of their first wage, was an important aspect of their decision to join the programme.

**Induction/pre ILM support** - Some of the respondents explained that they had learned about the support and guidance offered by their ILM through word-of-mouth recommendation or through conversations with friends already on the programme. One respondent from the Diversity ILM applied to join upon hearing a presentation about the project at their community centre; another respondent, from the Preston Road ILM, was a receptionist working for the local NDC but decided to voluntarily drop down to a lower employee grade in order to access the ILM-related training and support.

All the respondents indicated that their ILM inductions were helpful and informative, and several spoke of the positive engagement they received from the ILM staff. In the case of Preston Road and Groundwork, the fact that clients could receive help with basic skills issues, discuss the appropriate kind of work-placement to suit their needs and aspirations, and that the ILM staff were prepared to help, if possible, with personal problems that might affect their training or work placement, was considered to be a particularly good aspect of the programme by several respondents.

*Before, you never got any help from anywhere.*

Preston Road Beneficiary

*I didn't have to work because I got everything paid for through benefits. But I was bored, so I decided to do this.*

Groundwork Beneficiary

*I was pleased because we had a wage from the start. I have a house and need the money. I'm not sure if I would be eligible for benefits because my boyfriend works.*

Diversity ILM Beneficiary

*I have a son and was on benefits and did need the money, but I would've come on the project even if it didn't pay. I left school without qualifications and wanted to get some skills.*

Diversity ILM Beneficiary

**Development of an Individual Training Plan** - Each of the respondents who commented on their ILM Training Plans spoke of their individual needs and experiences. Common to all responses was the view that there is flexibility in the ILM approach that importantly does not result in a client's development being dependent upon a single work placement or training course.

Although there was no evidence of the Diversity ILM clients changing their training programme or their chosen department (with all citing the departmental 'taster' days as the reason for this), in the cases of several Preston Road and Groundwork respondents the ability to take further, or change existing, work placements or training was considered to be very important.

*They made it clear that if one thing doesn't work out, there's always going to be something else.*

Preston Road Beneficiary

*You have a written test and then a practical test [for the ILM Construction programme] - you've got to know what you're doing and have the knowledge before you get to do the practical stuff. They helped me with IT.*

Groundwork Beneficiary

*We had to go to College to do a full day training course, which had different elements to it - like, IT training. We went each Wednesday and had a choice of subjects that were relevant to our work placement.*

Diversity ILM Beneficiary

*I got a job through here working for a dock company for 18 months. But I lost my job because of personal problems and trouble at home. But they [Preston Road ILM] still kept in touch with me and tried to help me back into work. They've been really supportive.*

Preston Road Beneficiary

Each of the three ILMs conducted monthly training reviews with the clients interviewed. This could range from a phone call to check on general progress, to a meeting to discuss a client's situation regarding an upcoming training or educational assessment.

### **Regular In-Placement Reviews**

*I've never had a job before and it was good to know that there was someone to talk to if you were having trouble.*

Diversity ILM Beneficiary

*I rang here [Preston Road ILM] when I had a problem and got my placement changed.*

Preston Road Beneficiary

The in-placement support aspect of the ILM programme came into quite sharp relief in the responses offered by the clients. None reported feeling isolated or unable to seek advice from their mentors or the ILM staff during their placements. Some would speak on the phone to the ILM staff; others would go to the ILM offices in order to seek help with a placement-related issue, or just to speak in person with the relevant staff member.

For the Diversity ILM clients, they would have regular contact with their departmental Line Manager or allocated mentor, and would individually see the Project Manager every month.

For Preston Road ILM, monthly in-placement client reviews also gives them the ability to discover what the employer is doing to guide or train the client. In one case, negative reports from several clients about a particular placement employer, led to discussions between the ILM Managers and the employer in question. The ILM believed that the employer was not giving the clients the training or support they had pledged, and so no further work placements were arranged with them.

**Personal Support** - Again, responses from the clients were largely positive. In the cases of Preston Road and Groundwork clients, the local aspect of the ILM - in terms of the location of the ILM offices and the local knowledge of the staff - was mentioned by most respondents. Comments like: 'They know what its like for people round here', were common. One respondent admitted to having been a client of the ILM for over two years without a permanent job outcome. Despite the personal problems he admitted to having, he was convinced that the ILM would enable him to get a job in the future.

*I don't think I'd have gone into town [to the Jobcentre]. Here, you're not just another face. They get to know you.*

Preston Road Beneficiary

**Jobsearch** - All of the respondents reported that their ILM had sought to provide them with the skills and guidance to successfully apply to job vacancies. Examples of this assistance ranged from help with basic skills issues, to CV writing and interview techniques. Beneficiaries of the Diversity ILM project also received customer service training, which all of the interviewees considered a particularly useful transferable skill. None of the Groundwork Green Team respondents had received interview skills training but all were aware that there were local vacancies in construction work and they believed that having the right skills was the key to a successful job outcome in the industry.

**Post-Placement Support** - Preston Road Works! runs an 'open door' policy for all current and past clients. Three of the respondents interviewed are now in full-time work but are still periodically contacted by the ILM project staff to enquire about their progress. One respondent has had several placements and a period of full-time work but has returned to the programme to seek further help after being made redundant. Those respondents currently in full-time work stated that their work placement experiences and the support of the ILM had made a real impact on their employment opportunities.

*After I finished the ILM I went to work in a factory. I was confident that I could do a different job there and now I've got one with extra money.*

Preston Road Beneficiary

*I was on minimum wage and since I finished my ILM, I'm on 12k. I wouldn't have been able to do that on my own as it's hard to get into the NHS.*

Preston Road Beneficiary

Groundwork's policy is to offer post-placement support for three months for all clients successfully achieving a job outcome. But support will continue for any client needing or seeking it beyond the three month period. One of the beneficiary respondents is now in full-time employment but still regularly visits the ILM offices to discuss their recent work experiences and seek advice about personal issues that might affect their employment progress.

As the Diversity ILM has no dedicated general project staff, as such, those clients who have achieved employment with firms other than the Council have not been contacted by the Project Manager. Those clients now working full-time for the Cultural Services Department can access the existing employee support structures offered to all those employed by the Council. Two of the beneficiary respondents achieved job outcomes at the Council before the ILM project officially ended and so were able to seek support from both their Line Managers and the ILM Project Manager.

## **Employer Experiences**

### **Example 1**

An SME working in the Hull engineering sector discovered the Preston Road ILM through a recommendation by another engineering firm who had taken on an ILM client. At the time, the company were looking for someone to undertake secretarial duties and another client to work in the engineering 'shop'. The company were impressed with Preston Road's knowledge about the needs of local employers and Hull's general labour market context, and so agreed to interview a number of ILM clients for the two placements. The employer stated their local sector currently has entry-level vacancies but suitable candidates with the correct entry-level skills are quite difficult to find. Given that Preston Road ILM offers suitable training to clients before and, when necessary, during placements convinced the employer that a relationship with the ILM could be mutually beneficial.

A suitable candidate for the secretarial placement was identified quickly but the employer was less impressed with the suitability of most of the candidates for the engineering shop placement. However, they did select a client and agreed a trial period for the placement. The secretarial client left the company before the end of the placement because of personal issues. And this despite the fact that the company were happy with her work and after the ILM had intervened to arrange counselling for her. Unfortunately, as no other ILM client with the suitable entry-level skills was available at the time, the placement was discontinued.

The engineering shop client had basic skills issues and the ILM arranged for him to attend suitable evening classes. His progress and general commitment impressed the employer and they provided him with machinery, forklift and welding training. The client successfully finished his placement and has now achieved a full-time engineering position within the company.

In general, the employer was impressed with the regular client support offered by Preston Road ILM. This included regular workplace visits and telephone contact.

At the present time, the company is seeking suitable new work premises. The company anticipates that a successful relocation will allow them to seek 6 new potential employees. They intend to offer new work placements for Preston Road ILM clients once this relocation process has been completed. The company states that over 50% of their current full-time employees come from a similar background to those seeking work and training through the ILM, and so they see the Preston Road programme as a practical way to match disadvantaged but committed jobseekers with available but often unfilled entry-level sector vacancies.

## Example 2

A large construction and building services company, based near Warrington, was approached by Groundwork shortly after having been awarded a six-year contract by Rochdale Council to refurbish over 1000 local houses. The company agreed to take on five ILM clients from the Green Team for a six-week experimental work placement arrangement.

The company was impressed with the general quality of the placement clients - not least because they had all received sufficient entry-level training from Groundwork to ensure that they could immediately begin contributing to the refurbishment work. This started with the repair of garden walls and the replacement of flagstones but soon progressed onto other tasks. The company was also impressed with the fact that although existing full-time employees required training in certain generic skills (most notably, health and safety) all the ILM clients had already received and been accredited for these skills. The company also felt that the Groundwork ILM managers were efficient, knowledgeable, and supportive.

When the placement ended, two of the ILM clients were taken on by the company as apprentices. The remainder went on to placements with other employers.

The refurbishment work is due to take place over a number of 'phases', and the company state that they will seek to take more ILM placements when the next phase is due to begin.

## 5. What Works & Lessons Learned

As each of the three case studies included in this report operate in different labour markets and different local contexts, the preceding sections have sought to highlight their individual approaches, developments, and characteristics. The published findings from the Phase 1 research into the case studies identified key lessons that could be learned from the development of the projects at that time. Similarly, this section seeks to identify common key lessons learned by the case studies and, where appropriate, places recent project developments alongside some of the main observations made in the Phase 1 report.

### Working with Clients:

- the importance of ILMs to be sufficiently **flexible** in meeting the needs of residents in NDC areas was highlighted in the Phase 1 research. And there is evidence that in the cases of Preston Road Works! and Groundwork particularly, that the need for flexibility is recognised and provided wherever possible. Preston Road's decision not to pursue certain co-financing or contracting streams with Jobcentre Plus and the LSC because of the eligibility restrictions this would lead to, provides a case in point. As does Groundwork's recent negotiations with their NDC to expand the eligibility criteria for the Green Team ILM based upon their developing knowledge of their client groups. Both of these projects also recognise that, in terms of project flexibility, a funding-led ILM is in danger of putting the cart before the horse
- the **importance of outreach** work has also been recognised by the projects. A Youth Outreach programme has recently been developed at Preston Road to work alongside other pro-active awareness-raising activities. And at Groundwork, the recent widely-advertised Lone Parents awareness event was the first step for the ILM to target this local client group. The Achieving Diversity ILM also conducted outreach work in the local community for both cohort intakes
- all three case studies displayed a **good understanding of their client group**, which has been learned as much through actually working with local clients as through local research. In the cases of Preston Road and Groundwork, the projects have now gained two or more years' experience of working with local residents and they have drawn upon this experience to improve their service to new clients
- this improved understanding has also benefited the ILMs' ability to **tackle all of the barriers** their clients may be facing in accessing employment. Existing and developing links with personal counsellors, training providers, education institutions, credit unions, as well as the services offered by their local NDC and other agencies, were evident with all the case studies
- this range of support also ensures that clients with particularly challenging barriers can receive a **personal and tailored service** to help meet their particular needs. In the cases of Preston Road and Groundwork, there was evidence of several clients who had or were receiving on-going personal support and had had work placements at two, or occasionally more, employers
- experience of clients with particularly challenging barriers to employment has also informed Preston Road and Groundwork as to the importance of management in the workplace. Regular site visits to existing placement clients and face-to-face discussions with potential placement employers are considered vital to Preston Road and Groundwork
- the 'open door' policies of Preston Road and Groundwork have resulted from the projects' recognition of the importance of post-placement support for clients. And this support may be needed beyond the usual three-month period allocated for this purpose. Another example of the ILMs' flexible client-centred approach, post-placement support can range from informal discussions and confidence-building, to further more formal interventions

## Working with Employers

- determining the **level of support required by employers** is an important aspect of building and maintaining good relations with them. It also helps to maximise opportunities for positive job outcomes. This support can range from tailoring training provision to help ensure that this achieves recognised industry relevance, to demonstrating to the employer that the placement client will be fully supported by the ILM for the period of the placement - and beyond if necessary. Preston Road and Groundwork both stressed the importance of correctly 'selling' the placement idea to employers
- part of this 'selling' will necessarily include ensuring that the employer has a **good understanding** of the project and its aims. Employers must also be made fully aware of what will be expected of them in terms of taking on an ILM client
- as an ILM develops, the ability to attract and maintain an adequate **network of committed employers** becomes increasingly important. A successful work placement with an employer in a certain sector can help attract other local employers from the same sector. Moreover, if a successful work placement leads to a job outcome for the client at the placement company, it may nevertheless mean that no further placements can be made at that particular employer for some time. In this respect, being able to access other employers to arrange placements can be very important to ensure that other clients are able to progress on the ILM

## Working with Partners

- as well as their **key partners** (Jobcentre Plus, training providers, local educational institutions), the ILM case studies have sought to establish **effective partnerships** with a number of organisations. For example, in the case of Preston Road, the local credit union; and in the case of Groundwork, the partnership with a local organisation helping people with drugs and alcohol issues

## Operational Issues

- The importance of **good management and administrative processes** was stressed in the Phase 1 report, and this aspect was also raised by the ILM case studies. Preston Road Works! accepts that it did not fully appreciate the importance of monitoring, measuring and evaluating outcomes in the early stages of the ILM, largely because efforts were concentrated on establishing relationships with employers and attracting clients. Rectifying this aspect has not only ensured more efficient internal processes but has also helped with identifying certain common characteristics among clients with similar barriers to employment - and consequently has enabled the ILM to target provision more effectively. Groundwork too has recognised the importance of this. In their case, this is particularly important with Jobcentre Plus referrals, which require full records to be kept on each client. These records must include all aspects of the client's progress - including documentation regarding the ILM's progress in ensuring the client attends their placement at the correct times agreed with the employer
- **Getting and retaining the right staff** has proved critical to the ILM's success. The ability for the ILM to engage effectively with their client groups, partners, and placement employers is key

## Strategic Issues

- the ability for ILMs not to be insular but to be linked into **wider employment and/or regeneration strategies** was a key recommendation of the Phase 1 report. Evidence from Groundwork and Preston Road shows that this has been an important strategic element in targeting priority groups and addressing skill shortages. In the case of Preston Road, a growing understanding of local labour market and skills issues has helped to ensure that the ILM runs relatively little risk of job displacement in the private sector. For their part, Groundwork have strived to strike a balance between the ILM's operations contributing to community need and addressing the needs of the individual client. Whilst the environmental work of the Green Team does have a visible impact on the community, the ILM's top priority is to increase skills and reduce unemployment in the local area. Groundwork are certain that if the ILM restricted its work placements to the Third Sector, its job outcomes would be much lower than other local employment programmes
- given the available evidence, the Phase 1 findings drew the conclusion that the design of an ILM should pay careful attention as to whether the programme would focus more on **supply-side or demand-side issues**. In this respect, a supply-side ILM might typically be small-scale, operating with a client group some distance from the labour market. On the other hand, a more demand-side focused ILM might respond more to the needs of employers and concentrate its training and work placements in an area or sector where there are identifiable skills shortages. It is interesting therefore to note that both Preston Road Works! and Groundwork have sought to strike their own balance in this regard - balancing their efforts as equally as possible between increasing the employability of hard-to-reach clients and the skills needs of local employers

**For both in-house programmes, experience has convinced them that a successful ILM must seek to address both local supply-side and demand-side issues. Put simply, intended job outcomes are unlikely to be met if a supported client does not gain the skills local employers need and does not gain the experience to enter, and remain, in their local labour market.**

## 6. Conclusions

This report presents the findings from the second phase of research undertaken on the Intermediate Labour Markets element of the Worklessness Theme. The research updates the early findings from the design and implementation of three case study ILM projects within NDC areas, and includes beneficiary experiences of induction, work placement and post-ILM support.

In this respect, this second phase research has examined how the three case studies have sought to address some of the issues and tensions, highlighted in the first phase findings, which need to be considered in the design and development of ILM projects. These conclusions relate to:

- **flexibility in eligibility criteria and client development based on evolving knowledge** - An ILM operating in a particular locality or community must understand the needs and disadvantages of their target groups. Despite what may be collective disadvantage in terms of such aspects as available employment, poor educational achievement and low skills, an ILM's client group will not be homogenous. Varying dimensions of disadvantage can and will affect ILM clients in different ways. As two of the case studies discovered, eligibility criteria designed to be as inclusive as possible require considered induction and client development processes. Moreover, an ILM may need to consider how its funding sources or agreements on contracted provision could determine its pool of eligible clients, and therefore may need to negotiate or alter these arrangements accordingly
- **adaptability in support processes to meet client needs** - In working with disadvantaged clients, an ILM may need to develop a range of interventions from informal job-matching to quite intensive post-placement support. Evidence from the case studies revealed client support ranging from a few weeks to more than two years
- **a pragmatic approach to training and skills** - As well as providing 'in-house' or signposts to basic skills provision, an ILM needs to develop training programmes that take due account of local demand-side priorities. An ILM that is aware of the skills needs of local employers is likely to increase the number of work placements available to clients and better prepare them for the realities of their local labour market
- **an evolving network of committed employers** - An ILM with good local labour market knowledge and relevant training programmes will also need to establish relationships with employers from both the private and third sectors
- **pro-active networking can increase the number of work placements for clients and inform the ILM as to the future skills requirements of employers** - thereby enabling suitable training programmes to be developed to take advantage
- **an evolving network of partners** - Formal and informal relationships with suitable partners can benefit both client development and the ILM's skills provision
- **good management and administration** - Getting the right team of ILM project staff cannot be overemphasised. Whether dealing with clients, training providers, partners or employers, an ILM team need good personal and professional skills to advance and administer the project's development