



Understanding and Tackling Worklessness Volume 2:
Neighbourhood Level Problems, Interventions, and
Outcomes

Evidence from the New Deal for Communities Programme



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October 2009

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The findings and recommendations in this report are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.

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Abbreviations

ABI	Area-Based Initiative
BME	Black and Minority Ethnic
CLG	Communities and Local Government
CLIO	Construction Labour Initiatives Officer
CRESR	Centre for Regional Economic and Social Research
CSCS	Construction Skills Certification Scheme
DBERR	Department for Business, Enterprise & Regulatory Reform
DWP	Department of Work and Pensions'
ERDF	European Regional Development Fund
ESF	European Social Fund
ESOL	English for Speakers of Other Languages
GOR	Government Office in the Regions
IAG	Information Advice and Guidance
IB	Incapacity Benefit
ILM	Intermediate Labour Market
JCP	Jobcentre Plus
JET	Jobs, Enterprise and Training
JSA	Jobseeker's Allowance
LAA	Local Area Agreement
LEGI	Local Economic Growth Initiative
LSC	Learning and Skills Council
LSP	Local Strategic Partnership
MBC	Metropolitan Borough Council
NDC	New Deal for Communities
NEET	Not in Education, Employment and Training
NVQ	National Vocational Qualification
NWDA	North West Development Agency
PCT	Primary Care Trust
PMF	Performance Management Framework
RDA	Regional Development Agency
RES	Regional Economic Strategy
SDA	Severe Disablement Allowance
SRB	Single Regeneration Budget
WBYP	West Bowling Youth Initiative
WNF	Working Neighbourhoods Fund

Executive summary

Chapter 1 – The NDC Programme: setting the scene

Tackling worklessness is one of the key objectives of The New Deal for Communities (NDC) Programme – an area-based initiative (ABI) aimed at reducing the gap between 39 deprived neighbourhoods and the rest of the country across six broad themes of crime, housing and the physical environment, community, health, education and employment and finance. Using evidence from six case study NDC areas, Bradford, Knowsley, Lambeth, Newcastle, Newham, and Walsall, this report examines issues surrounding the implementation of worklessness strategies at the neighbourhood level. It draws on qualitative interviews with NDC officers, project managers, key partners, stakeholders, and project beneficiaries to consider the nature of the worklessness problem in each NDC area and the extent to which interventions have proved effective in tackling worklessness. A complementary report to this ***Understanding and Tackling Worklessness Volume 1: Worklessness, employment and enterprise: patterns and change*** examines quantitative data in relation to worklessness, employment and economic activity across the Programme as a whole¹. The research informing this report was carried out in mid 2008 before the full scale of the economic recession became apparent.

Chapter 2 – The scale and nature of the worklessness problem

These six NDC areas have experienced different trajectories of worklessness over the lifetime of the Programme, although all have seen a reduction in claimant unemployment² with an accompanying growth in the ratio of the economically inactive to the unemployed. Worklessness in these areas is increasingly a problem of economic inactivity. It is also disproportionately concentrated among certain groups including ethnic minorities, older and younger working-age adults, women, individuals with health problems and those with low skills.

Evidence from case study NDC areas shows how worklessness reflects the complex interplay of a number of supply-side, demand-side and institutional barriers. In terms of supply-side barriers, a lack of skills stands out as a crucial constraint. On the demand-side, job quality rather than job quantity has hitherto been the most commonly identified barrier to work. These factors are in turn underpinned by institutional barriers of which the benefits trap is the most pressing. The research finds no conclusive evidence to support the notion that an endemic 'culture of worklessness' is a key contributing factor to high levels of worklessness. Local labour

¹ The quantitative report is referred to as the '*complementary Programme-wide data report*' in the remainder of this report.

² Claimant unemployment refers to individuals who are out of work and claiming Jobseekers Allowance. It does not include individuals who are out of work and looking for work but not claiming benefits. For more detail on the administrative data sources used to calculate worklessness rates in this report, see sections 1.14–1.27 of the complementary Programme-wide data report.

markets in all NDC areas have been generating new employment opportunities, although not all of this is seen as attractive work. The scale of the current recession is likely to impose additional, possibly acute, demand-side barriers.

Chapter 3 – Tackling worklessness at the local level: strategies and interventions

In relation to strategic approaches, NDCs have used local and national data sources as well as other local intelligence to plan strategies to tackle worklessness. This has proved to be an iterative process with Partnerships continuing to revise and plan interventions in the light of new evidence, including the growing recognition that worklessness is increasingly accounted for by economic inactivity rather than unemployment. Some NDCs, especially those in traditionally less buoyant labour markets, have tended to focus on, usually job-ready, JSA claimants. Other Partnerships especially those in London have targeted resources on those most distanced from labour markets or who fall outside the remit of existing mainstream provision. Health problems, a key factor in explaining the increase in economic inactivity, have not generally received a great deal of attention. Strategies have tended to focus on supply-side interventions aimed at improving the employability of residents rather than demand-side projects to stimulate economic growth. Spend varies considerably across NDC areas, with those areas with the highest levels of worklessness tending to allocate more to worklessness interventions.

In terms of the nature of interventions, NDCs deploy similar suites of initiatives with an emphasis being placed especially on brokerage and Information, Advice and Guidance (IAG) projects, often delivered through a 'one-stop shop' model. Projects are designed to plug gaps in mainstream provision by offering flexible, voluntary and holistic services through accessible venues within NDC neighbourhoods. One of the defining features of many NDC projects is that they do not duplicate JCP interventions: differentiation from the mainstream model is important given residual mistrust among residents of mainstream providers. Whilst NDC projects display a number of innovative features relative to their mainstream counterparts, few represent genuinely radical departures from office-based employment service models: there is little evidence that these NDCs have attempted to instigate fundamentally new interventions through which to engage workless residents.

Chapter 4 – Working with partners, aligning strategies

Partnership working is an important component in approaches adopted by NDCs to tackle worklessness. Successful partnership working depends on good communication between committed partners through which to plan and monitor interventions. With a few exceptions, public sector agencies have proved to be the most cooperative partners for NDCs. By contrast, the private sector is not engaged to any great extent other than as a recipient of support or as a contracted provider of services. Some employers lack the time or the inclination to get involved but perhaps too NDCs have not always maximised opportunities for working with the

private sector. There is perhaps more that could be done to understand and respond to the needs of employers. The third sector is sometimes involved in delivering services under contract or used as a channel for accessing clients but there is less evidence that it has been engaged as a strategic partner in tackling worklessness in NDC areas. This may be a missed opportunity. The local community has tended not to get involved in planning and shaping workless interventions, principally because worklessness is not generally given the same priority by local residents as are other outcomes notably crime and housing.

These NDCs share the view that it is important to work with programmes and institutions operating at wider spatial scales in order to tackle worklessness and to stimulate economic growth. This is easier to achieve at the district level: NDCs are committed to working with their parent local authorities, Local Strategic Partnerships (LSPs), and other district-level initiatives. This type of engagement can provide valuable intelligence, assist in strategic planning, avoid duplication of provision, and open up potential sources of funding through which NDC projects might be sustained in the longer term. NDC involvement in, or influence over, sub-regional, regional and national debates and initiatives is more limited.

Chapter 5 – Tackling Worklessness: outputs and outcomes

NDCs have developed monitoring and evaluation frameworks informed by a broad range of output and outcome indicators in relation to levels of employment, worklessness and household incomes. But there have been difficulties in measuring 'soft outcomes', as well as the sustainability of employment outcomes. In terms of outputs and outcomes, local evidence suggests most NDCs are meeting their targets and there are some notable successes at the project level. Where projects have not met targets, this is often due to underestimating the challenges involved in engaging more marginalised groups.

Local informants are positive about the effectiveness of projects. Many think they deliver services that enhance the employability of clients in terms of skill levels, confidence and self-esteem. NDC projects also have a number of advantages over the mainstream including the flexibility and resources to provide personalised, neighbourhood-based services. Such services allow for a better understanding of local needs and for more tailored support mechanisms to be put in place in order to help clients through all stages of the job search process. Some of the most innovative projects have also had notable successes in accessing hard-to-reach groups. Nonetheless, many projects struggle to engage those groups most detached from the labour markets. This is partly a consequence of target-based contracts encouraging 'creaming' of clients closest to the labour market by partner agencies contracted to deliver services. It may also be due to the voluntary nature of schemes which, whilst attractive to clients, also means that it is not possible to compel clients to attend projects.

Chapter 6 – Project beneficiaries: attitudes, aspirations and change

Project beneficiaries have a variety of employment needs. Some use services to help find work after a short period of unemployment, whilst others are looking to re-enter the labour market after an extensive period of full-time parenting. A handful of beneficiaries are already in work and looking to change career or find what they consider better work. They access a wide variety of services including IAG, support with job search and training or education according to their employment needs. Each beneficiary has a different story, underlining the importance of tailored support. But most respondents have a history of stable employment, albeit sometimes punctuated by occasional spells of worklessness. They are generally motivated workers with a proven ability to secure and hold down employment. With some exceptions, they also tend to have worked in low-skilled, low-paid occupations and are now seeking similar work. This leaves them vulnerable to insecurities associated with this type of employment.

Beneficiaries are overwhelmingly positive about the support they have received. NDC projects are seen as delivering friendly, accessible, personalised services which help clients become more job-ready or assist them in securing work. At times, the support received extends to a mentoring role, with project advisers providing intense and sustained emotional support in addition to employment advice and guidance. Beneficiaries also compare NDC services favourably with both mainstream providers and private recruitment agencies. Job Centre Plus (JCP) is often seen as not sufficiently interested in meeting clients' needs and aspirations when compared with similar NDC interventions. The ability to access NDC services on a voluntary basis is also valued in contrast to the mandatory requirements of attending JCP as a condition of receiving benefit. Locality-based research uncovered some notable examples of projects successfully engaging with hard-to-reach groups, particularly young people, and helping them to find sustainable work.

Chapter 7 – NDC worklessness strategies and interventions: sustaining the benefits

The sustainability of employment and training projects is a key concern of all NDCs. Partnerships are generally keen to ensure projects continue beyond the lifetime of the Programme. Four main strategies have been adopted, or are under consideration: creating a neighbourhood-based facility that will continue to host worklessness projects; developing a portfolio of income-generating assets; transforming projects into social enterprises; and, most crucially, working with mainstream agencies to sustain projects after NDC funding ceases. Local authority district-wide strategic initiatives such as LSPs and the WNF provide frameworks which may help to sustain key projects once NDC Programme funding ends.

Whilst NDCs are largely positive about the possibilities of sustaining projects to tackle worklessness, they also face a number of challenges. These include securing long-term commitment from partners and funders; the loss of community channels

through which to engage clients; the impact of new sources of target-based funding on the nature of projects; the changing policy environment; and the impact of the current economic downturn. These challenges collectively raise the more general issues of who 'will speak up' for these deprived neighbourhoods once NDCs cease to exist. It is unlikely there will be one single 'champion', responsibility instead being shared across a number of providers including local authorities, JCP and any successor regeneration bodies. Despite these uncertainties, the prospects for sustaining at least some projects remain positive. NDC may prove more successful than previous ABIs in leaving behind a long-term legacy sustained by mainstream commitment.

Chapter 8 – Tackling worklessness at the neighbourhood level: key lessons and policy implications

Change data from the companion report, ***Understanding and Tackling Worklessness Volume 1: Worklessness, Employment and Enterprise: patterns and change***, shows that NDC areas have not seen a great deal of change in levels of worklessness, when compared with similarly deprived comparator areas. There is a need to be cautious, therefore, in identifying lessons from the local experience of tackling worklessness. It may well be that local observers are justifiably positive about strategies and interventions developed at the local level. It is not possible, however, to say that the net effect of these kinds of interventions across all 39 NDC areas is culminating in identifiable change at the Programme level. Projects explored in this report may well be having positive effects on individuals and groups of people at the neighbourhood level. These effects are however relatively insignificant when compared with trends in the labour market as a whole.

Nevertheless, the NDC experience provides evidence in relation to what local stakeholders consider is working in relation to planning and implementing supply-side initiatives at the local level. Key lessons include:

- flexible, local, tailored employment services can play a valuable role in addressing gaps in mainstream provision in order to improve the employability of workless residents; but this approach can be constrained by local labour market conditions and institutional contexts
- establishing good relationships with clients based on trust and support is vital; but accessing more hard-to-reach groups continues to prove difficult
- partnership working is an essential component in the NDC approach to tackling worklessness; but NDCs have not always maximised opportunities to make links with both the private, and the third, sectors
- planning for sustainability is critical; but exit strategies must remain aware of, and be in a position to respond to, key risks.

The policy context is evolving rapidly. Welfare reform, institutional change, the 'Sub-National Review' and the 'Transforming Places' agendas will all impact upon the design and delivery of strategies to tackle worklessness in deprived neighbourhoods. Evidence from the NDC Programme shows that neighbourhood-based supply-side interventions are, unlikely of themselves, to raise levels of employment to

any significant extent. For this reason, the shift in focus within regeneration and worklessness agendas towards emphasising the importance of addressing economic development and worklessness at different spatial scales seems appropriate. Tackling worklessness in deprived neighbourhoods such as NDCs will depend upon a continuing commitment towards aligning worklessness, skills, regeneration and economic development agendas through multi-agency, cross-thematic approaches, operating at different spatial scales. The neighbourhood level may be an entirely appropriate locale within which to implement specific projects, but these need to be informed through partnership-driven strategic planning, devised at local authority district, or even sub-regional, scales.

1. The NDC Programme: setting the scene

Worklessness, deprived areas and regeneration

- 1.1. Increasing emphasis has come to be placed on prioritising the broad worklessness agenda within regeneration. This was perhaps first flagged up in the government's 2007 'Sub-national review'³ and then in turn developed in more detail in CLG's 'Transforming places; changing lives'⁴. This latter strategy indicated that regeneration needs to be more tightly focused on improving economic outcomes in deprived areas. To achieve this overall objective three priority outcomes have been identified: improving economic performance in deprived areas; improving rates of work and enterprise; and creating sustainable places where people want to live and can work, and businesses want to invest. The NDC narrative is of considerable interest to debates surrounding regeneration and economic policy in deprived areas, including those likely to revolve around the proposed local authority economic assessment duty⁵. It is not clear that any other ABI has ever been in a position to develop worklessness initiatives over such a long period of time, or that any ABI evaluation has ever had access to so much relevant change data.
- 1.2. It is also important to flag up here the broader national economic context within which the NDC Programme has evolved. In particular the ten year period up to 2007 was one of considerable, perhaps unprecedented, economic growth in the UK. This provided an extremely helpful context within which to address aspects of worklessness in deprived areas such as NDCs. Clearly as the Programme begins to wind down the wider economic environment is likely to prove much more challenging. But on the broad canvas it should be accepted that the worklessness agenda within NDCs has largely played out within an especially favourable economic context.

The New Deal for Communities Programme

- 1.3. The New Deal for Communities (NDC) Programme is one of the most important Area-Based Initiatives (ABIs) ever launched in England. **The Programme's primary purpose is to reduce the gaps between some 39 deprived neighbourhoods and the rest of the country.** In these

³ HM Treasury, BERR, CLG (2007) *Review of sub-national economic development and regeneration*. www.hm-treasury.gov.uk/d/subnational_econ_review170707.pdf

⁴ CLG (2008e) *Transforming places; changing lives; a framework for regeneration*. www.communities.gov.uk/documents/citiesandregions/pdf/896104.pdf

⁵ CLG, BERR (2008) *Prosperous places: taking forward the review of sub-national economic development and regeneration: the government response to public consultation*. www.communities.gov.uk/documents/citiesandregions/pdf/1073344.pdf

39 areas, each on average accommodating about 9,800 people, NDC Partnerships are implementing approved 10 year Delivery Plans, each of which has attracted approximately £50m of Government investment. This translates to an NDC average per capita investment between 1999 and 2006 of about £400 per annum.

- 1.4. These 39 areas are 'relatively' deprived. On the basis of the 2007 Index of Multiple Deprivation, 26 NDC areas would fall in the most deprived decile of neighbourhoods, the remaining 13 in the second most deprived decile. Many of these areas show considerable population mobility. Overall about 23 per cent of all residents (around 89,000) moved either within, or out of, NDC areas between 2002 and 2004. In one NDC area that figure rose to about 44 per cent⁶. This high level of mobility is important to consider as population turnover can affect rates of worklessness if the aggregate levels of employment among those moving in differ from those moving out.
- 1.5. **The NDC Programme is based on a number of key principles:**
- the 39 NDC Partnerships are carrying out 10 year strategic programmes designed to transform these deprived neighbourhoods and to improve the lives of those living within them
 - decision-making falls within the remit of 39 Partnership Boards, consisting of agency, and community, representatives
 - the community is 'at the heart' of the Programme
 - in order to achieve outcomes, the 39 Partnerships are working closely with other delivery agencies such as the police and PCTs
 - the Programme is designed to achieve the holistic improvement of these 39 areas by improving outcomes across six areas:
 - three '**place-based**' outcomes: crime, the community, and housing and the physical environment
 - and three '**people-based**' outcomes: education, health, and worklessness.

The National Evaluation

- 1.6. In 2001 a consortium headed up by the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University was commissioned to undertake the 2001–2005 Phase 1 of a Programme-wide evaluation. This work culminated in the 2005 Interim Evaluation⁷. The first 2001–2005 phase of the evaluation also produced a large number of other public outputs which can be accessed via the national evaluation team's website⁸.

⁶ The national evaluation team has recently reported on population mobility across the Programme: CLG (2009a) Residential mobility and outcome change in deprived areas: evidence from the New Deal for Communities Programme.

⁷ NRU/ODPM (2005) *New Deal for Communities 2001–2005 An Interim Evaluation: Research Report 17* www.neighbourhood.gov.uk/publications.asp?did=1625.

⁸ <http://extra.shu.ac.uk/ndc/>

- 1.7. In 2006 CRESR was commissioned to undertake Phase 2 of the national evaluation working with a similar, albeit smaller, consortium.⁹ **Key objectives to Phase 2 of the evaluation include:**
- identifying outcome change across the 39 NDC areas
 - assessing the Programme's overall Value for Money
 - identifying lessons to inform future approaches to neighbourhood renewal.
- 1.8. The evaluation team either has explored, or is addressing, each of the Programme's six key outcome areas referred to in 1.5 above. These studies involve a synthesis across quantitative data, complemented by qualitative evidence drawn from detailed case study work in six NDC areas (see 1.10 below). Two of these reports have already been published on community engagement¹⁰ and crime¹¹. During 2009 an overview of Housing and the Physical Environment will also be published. Work undertaken in 2009 on health and education will inform the national evaluation's final reports due to be published in 2010. The evaluation's methodology and final reports will be peer-reviewed prior to publication.
- 1.9. The sixth outcome area, worklessness, is being addressed in a slightly different way. A brief policy and practice update in relation to worklessness was published in 2008¹². Two more substantial reports have now been completed. This one is designed to explore how worklessness has played out at the local level. Using evidence from six case study NDC areas, Bradford, Knowsley, Lambeth, Newcastle, Newham, and Walsall, **this report is designed to explore issues surrounding the implementation of worklessness strategies at the neighbourhood level.** How have Partnerships organised their interventions? Who have they worked with and how do they embed their activities within wider strategies? What do beneficiaries think of worklessness projects? And how do Partnerships intend to sustain activity once NDC funding dries up in the next couple of years?
- 1.10. Table 1.1 contains a brief outline of each of the NDC case study areas. A fuller description of the case study NDCs, and their comparator areas is contained in the report *Challenges, interventions and change: an overview of neighbourhood renewal in six NDC areas*¹³.

⁹ Consortium members are: Cambridge Economic Associates, European Institute for Urban Affairs at Liverpool John Moores University, Geoff Fordham Associates, Ipsos MORI, Local Government Centre at the University of Warwick, School of Health and Related Research at the University of Sheffield, Social Disadvantage Research Centre at the University of Oxford, Shared Intelligence, and SQW.

¹⁰ CLG (2008b) *Community Engagement: Some lessons from the NDC programme*. http://extra.shu.ac.uk/ndc/downloads/general/community_engagement_NDC_programme.pdf

¹¹ CLG (2008c) *Delivering safer neighbourhoods: experiences from the NDC Programme*. www.communities.gov.uk/documents/communities/pdf/737976.pdf

¹² CLG (2008d) *Tackling worklessness in NDC areas: a policy and practice update*. www.communities.gov.uk/documents/communities/pdf/1086559.pdf

¹³ For more details of case study areas see: CLG (2008a) *Challenges, interventions and change: an overview of neighbourhood renewal in six NDC areas*. http://extra.shu.ac.uk/ndc/downloads/general/NDC_challenges_interventions_change.pdf

Table 1.1: Case Study NDCs

Case Study NDC	Area description
Bradford	The NDC is an area of approximately one square mile on the outskirts of Bradford city centre and is made up of three of the most disadvantaged neighbourhoods within Bradford: Little Horton, Marshfields and West Bowling. Over 50 per cent of the population from these distinct communities are of South Asian heritage. Housing stock dates from the Victorian and Edwardian eras but also includes newer properties and more than a third of residents live in social rented accommodation.
Knowsley	The NDC is located in the centre of the Borough of Knowsley and is made up of three large social housing estates. Much of its rationale can be traced back to slum clearance programmes in Liverpool carried out from the 1930s onwards. Its population of around 9,500 is predominately white with just over 1 per cent being from black and minority ethnic backgrounds. Although renewing housing is a key objective for the NDC, it is not within a Housing Market Renewal Area.
Lambeth	The NDC sits at the intersection of Clapham, Streatham and Balham, a short bus ride from the centre of Brixton, which has overshadowed the estate as a regeneration priority in the past. The area is bisected by the South Circular and includes the largest council estate in the borough. The area contains two local shopping areas and is close to centres of commercial activity and employment opportunities. Almost 70 per cent of the population are from black and minority ethnic communities.
Newcastle	The NDC is situated in a predominantly residential area west of the city centre. The area consists of homes of various types and tenures in the Arthur's Hill, Cruddas Park, Elswick and Rye Hill areas. The NDC area has a relatively high proportion of black and minority ethnic communities, which are spatially concentrated towards the north of the area. It is in a Housing Market Renewal Pathfinder area.
Newham	The NDC is situated along the western boundary of Newham, bordered by Stratford to the north and Canning Town and the Royal Docks to the south. The area divides into three distinct neighbourhoods, each with its own identity, and combines terraced and interwar housing with blocks of social housing flats. All three areas are predominantly residential with few commercial or community facilities. The area is ethnically diverse. It can be anticipated that opportunities will arise in the area as a result of major developments planned for east London, notably the 2012 Olympics.
Walsall	The NDC covers the Blakenall, Bloxwich East and Leamore area in north Walsall, characterised by low-density local authority and former local authority ('Right to Buy') housing stock in varying states of disrepair. The NDC area is overwhelmingly white and has strong familial links, with many residents having extended family in the immediate vicinity. The economy of the area has suffered from a decline in traditional manufacturing industry, although there are employment opportunities within and adjacent to the NDC area.

1.11. The evidence used in this report is drawn from:

- 53 interviews with key stakeholders in six case study NDC areas including NDC officers and board members, worklessness project managers and employees of partner organisations such as JCP, LSCs, and colleges of further education
- semi-structured interviews with some 68 beneficiaries of 15 NDC funded worklessness projects (See Appendix A for details)
- statistical data relating to each of these six areas
- evidence from other reports including evaluations of other ABIs designed to tackle worklessness including Action Teams for Jobs, Employment Zones

and the Working Neighbourhoods Pilot as well as previous evaluations of aspects of the NDC approach towards tackling worklessness¹⁴.

- 1.12. A complementary report to this, *Worklessness, employment and enterprise: patterns and change*, examines quantitative data in relation to worklessness, employment and economic activity across the Programme as a whole¹⁵. This quantitative report is referred to as the '*complementary Programme-wide data report*' in the remainder of this report. This approach of producing two worklessness reports has been adopted for the simple reason that there is more evidence in relation to this outcome area than any of the other five.
- 1.13. The remaining chapters of this report are laid out as follows:
- Chapter 2 looks at the scale and nature of the problem in each of the six case study NDC areas
 - Chapter 3 examines strategies, spend and interventions adopted by the six case study NDCs
 - Chapter 4 considers how these six case study NDCs work with other partners operating in the broad area of worklessness and how they align their strategies to meet those operating at wider spatial scales
 - Chapter 5 explores the apparent success of interventions according to local observers and locally collated data
 - Chapter 6 considers the views of project beneficiaries in relation to their use of, and benefits arising, from NDC interventions
 - Chapter 7 focuses on questions surrounding the sustainability of interventions and strategies
 - Chapter 8 provides a concluding overview, including a discussion of key policy implications arising from this evidence.

¹⁴ Key documents include: Casebourne, J., Davis, S. and Page, R. (2006) *Review of Action Team for Jobs*; Griffiths, R. and Durkin, S. (2007) *Synthesising the Evidence on Employment Zones*; Dewson, S., Casebourne, J., Darlow, A., Bickerstaffe, T., Fletcher, D. R., Gore, T. and Krishnan, S. (2007) *Evaluation of the Working Neighbourhoods Pilot: Final Report*; several NDC reports are referred to and a full list of previous evaluations can be found on the National Evaluation website at http://extra.shu.ac.uk/ndc/ndc_reports.htm.

¹⁵ CLG 2009 Understanding and Tackling Worklessness Volume 1: Worklessness, employment and enterprise: patterns and change url for worklessness report..

2. The scale and nature of the worklessness problem

- 2.1. This chapter considers the nature of the workless problem in the six case study areas¹⁶. It begins by looking at levels of worklessness in each area, exploring change over time. It then examines the disproportionate concentration of worklessness among certain groups of working-age adults. This is followed by a discussion of barriers to work identified by interviews with stakeholders in the case study areas. The chapter concludes with reflections on prospects for economic development in each area.

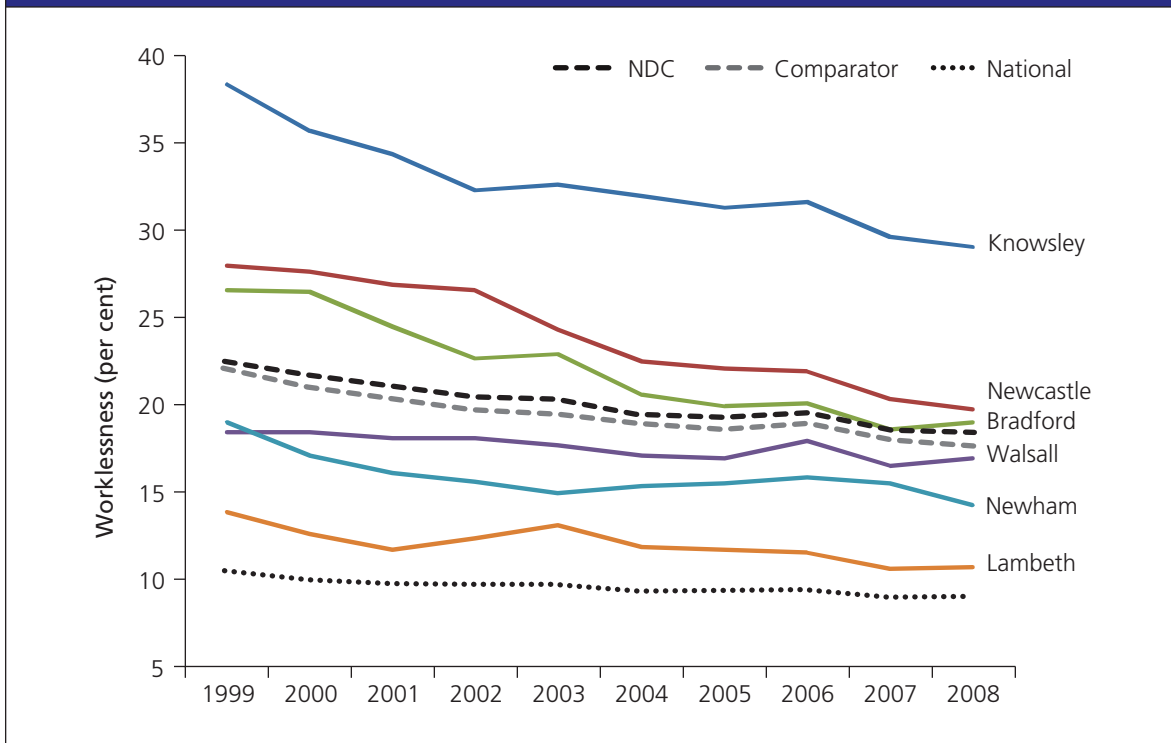
The scale of the workless problem

- 2.2. Economic restructuring, and in particular the decline of dominant industrial sectors, has left a legacy of high levels of worklessness in many of the case study areas. Tables and Figures 2.1 to 2.3 provide NDC-level administrative data in relation to worklessness as a whole and with regard to its constituent elements: JSA and IB/SDA for the period 1999 to 2008. Tables are ranked by the highest claimant rates at the end of the period. Data is provided for the six case study areas and the NDC Programme as a whole. Change is contextualised by incorporating two benchmarks:
- national averages for England
 - an average for the 39 comparator areas: similarly deprived, but non-adjacent, neighbourhoods in the same local authorities as the 39 NDC areas.
- 2.3. **A number of key trends can be drawn from this evidence. First, the six NDC case study areas started from very different positions relative to each other in terms of overall levels of worklessness.** In 1999, the worklessness rate (Table 2.1) in the NDC case study area with the highest level of worklessness (Knowsley at 38.4 per cent) was almost 25 percentage points higher than the NDC area with the lowest rate (Lambeth at 13.8 per cent). Indeed, Knowsley had the highest rate of worklessness of all 39 NDCs in 1999. Whilst the three NDC areas with the highest levels of worklessness in 1999 (Knowsley, Newcastle and Bradford) all narrowed the gap with the area with the lowest level of worklessness (Lambeth) by 2008, their relative ranking compared with other case study areas remained unchanged: differences in levels of worklessness across the case study areas have persisted. Indeed, across all 39 NDC areas relative levels of worklessness are persistent with a very strong correlation (>0.9) between rank in terms of worklessness in 1999 with that for 2008¹⁷.

¹⁶ A detailed overview of the six case study areas, and the rationale for selecting these six NDC's for case study work is presented in an earlier report produced by the national evaluation team: CLG (2008a) http://extra.shu.ac.uk/ndc/downloads/general/NDC_challenges_interventions_change.pdf

¹⁷ See Worklessness vol 1 report.

Figure 2.1: Worklessness rate: working-age JSA, IB or SDA claimants



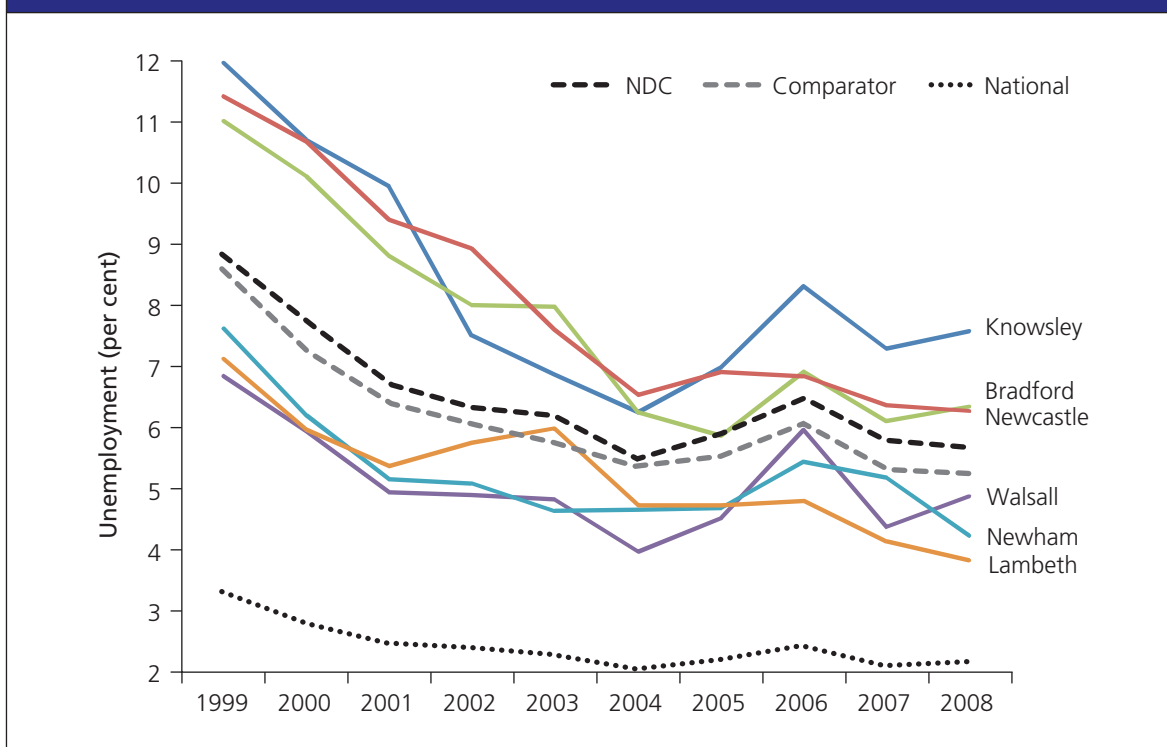
Source: SDRC, NOMIS

Table 2.1: Worklessness rate: working-age JSA, IB or SDA claimants

	Worklessness (per cent)										Change 1999–2008
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Knowsley	38.4	35.7	34.4	32.3	32.7	32.0	31.3	31.6	29.7	29.1	-9.3
Newcastle	27.9	27.6	26.8	26.5	24.3	22.4	22.0	21.8	20.3	19.7	-8.2
Bradford	26.5	26.4	24.4	22.6	22.9	20.6	19.9	20.0	18.6	19.0	-7.5
Walsall	18.5	18.5	18.2	18.1	17.7	17.1	16.9	17.9	16.5	16.9	-1.6
Newham	19.0	17.1	16.1	15.6	15.0	15.4	15.5	15.9	15.6	14.3	-4.8
Lambeth	13.8	12.6	11.7	12.4	13.1	11.8	11.6	11.5	10.6	10.7	-3.2
NDC average	22.4	21.7	20.9	20.4	20.2	19.4	19.2	19.5	18.6	18.4	-4.0
Comparator average	22.1	21.0	20.3	19.8	19.5	19.0	18.6	18.9	18.0	17.7	-4.4
National	10.5	10.0	9.8	9.7	9.6	9.3	9.3	9.4	8.9	8.9	-1.6

Source: SDRC, NOMIS

* Final column indicates 'worst improvement' and 'best improvement' achieved across the 39 Partnerships, rather than 'change in worst' and 'change in best'

Figure 2.2: Unemployment rate: working age JSA claimants


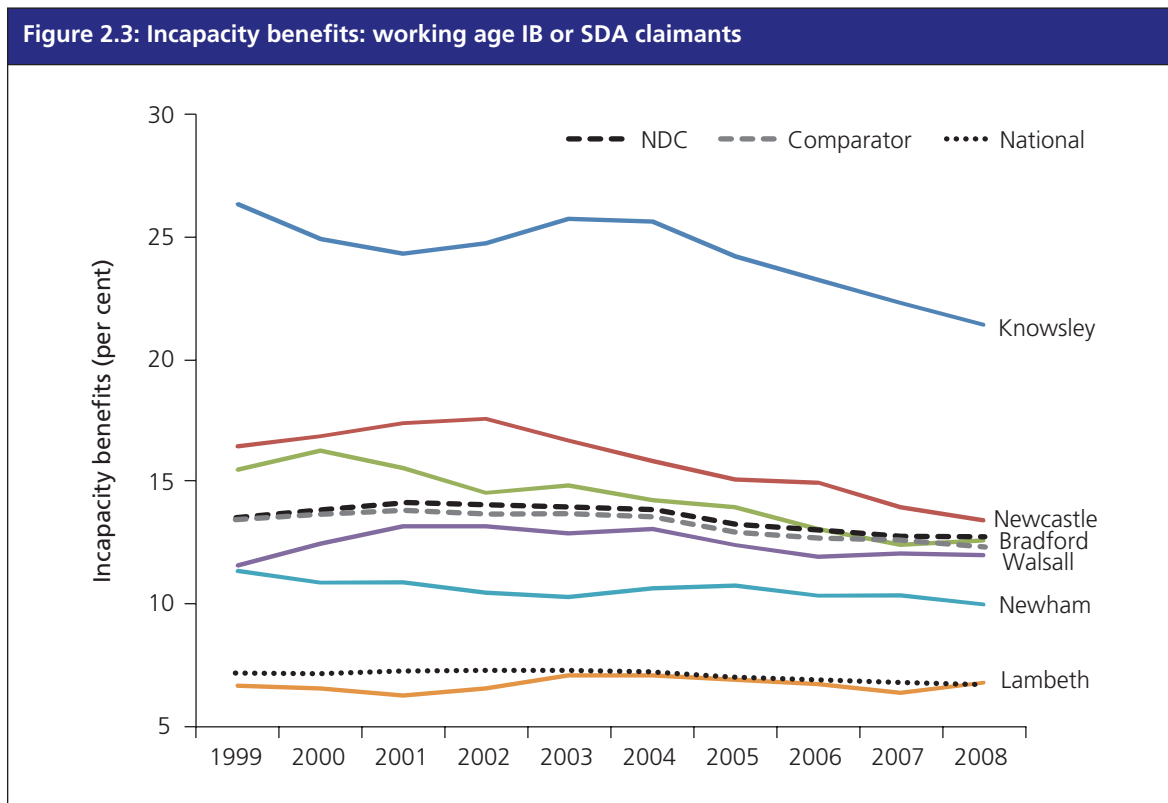
Source: SDRC, NOMIS

Table 2.2: Unemployment rate: working age JSA claimants

	Unemployment (per cent)										Change 1999–2008
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Knowsley	12.0	10.7	10.0	7.5	6.9	6.3	7.0	8.3	7.3	7.6	-4.4
Bradford	11.0	10.1	8.8	8.0	8.0	6.3	5.9	6.9	6.1	6.4	-4.7
Newcastle	11.4	10.7	9.4	8.9	7.6	6.5	6.9	6.9	6.4	6.3	-5.2
Walsall	6.9	6.0	5.0	4.9	4.8	4.0	4.5	6.0	4.4	4.9	-2.0
Newham	7.6	6.2	5.2	5.1	4.7	4.7	4.7	5.5	5.2	4.3	-3.4
Lambeth	7.1	6.0	5.4	5.8	6.0	4.7	4.7	4.8	4.2	3.8	-3.3
NDC average	8.8	7.8	6.7	6.3	6.2	5.5	5.9	6.5	5.8	5.7	-3.1
Comparator average	8.6	7.3	6.4	6.1	5.8	5.4	5.6	6.1	5.3	5.2	-3.4
National	3.3	2.8	2.5	2.4	2.3	2.1	2.2	2.4	2.1	2.2	-1.1

Source: SDRC

* Final column indicates 'worst improvement' and 'best improvement' achieved across the 39 Partnerships, rather than 'change in worst' and 'change in best'



Source: SDRC, NOMIS

Table 2.3: Incapacity benefits: working age IB or SDA claimants

	Incapacity benefits (per cent)										Change 1999–2008
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Knowsley	26.4	25.0	24.4	24.8	25.8	25.7	24.3	23.3	22.4	21.5	-4.9
Newcastle	16.5	16.9	17.4	17.6	16.7	15.9	15.1	15.0	14.0	13.4	-3.1
Bradford	15.5	16.3	15.6	14.6	14.9	14.3	14.0	13.1	12.4	12.6	-2.9
Walsall	11.6	12.5	13.2	13.2	12.9	13.1	12.4	12.0	12.1	12.0	0.4
Newham	11.4	10.9	10.9	10.5	10.3	10.7	10.8	10.4	10.4	10.0	-1.4
Lambeth	6.7	6.6	6.3	6.6	7.1	7.1	6.9	6.7	6.4	6.8	0.1
NDC	13.6	13.9	14.2	14.1	14.0	13.9	13.3	13.0	12.8	12.7	-0.9
Comparator average	13.5	13.7	13.9	13.7	13.7	13.6	13.0	12.8	12.6	12.4	-1.1
National average	7.2	7.2	7.3	7.3	7.3	7.3	7.1	6.9	6.8	6.8	-0.4

Source: SDRC

* Final column indicates 'worst improvement' and 'best improvement' achieved across the 39 Partnerships, rather than 'change in worst' and 'change in best'

2.4. The same pattern of persistence is observable when comparing the case study areas with the average for comparator areas. In addition, all of these NDC areas had higher rates of worklessness than the national level during the nine years for which data is available.

- 2.5. **Second, all NDC areas had JSA claimant unemployment rates (Table 2.2) significantly above the national average in 1999.** One cluster of Walsall (6.9 per cent), Lambeth (7.1 per cent) and Newham (7.6 per cent) had rates over twice the national level (3.3 per cent). Another cluster consisting of Knowsley (12.0 per cent), Newcastle (11.4 per cent) and Bradford (11.0 per cent) experienced rates almost four times the national level. Unemployment rates fell at least two percentage points in all case study areas between 1999 and 2008 to narrow the gap with the national level, although rates still remained above the national level. The most dramatic falls occurred in NDC areas with the highest levels of unemployment in 1999. Knowsley, Newcastle and Bradford all experienced declines of more than 4.4 percentage points, although all three still remained above both the NDC Programme and comparator area averages in 2008. By contrast, Walsall, Newham and Lambeth consistently registered lower rates of unemployment than the NDC and comparator area averages.
- 2.6. **Third, all NDC areas except Lambeth had incapacity benefits (IB/SDA) claimant rates (Table 2.3) significantly above the national average in 1999.** Whilst four of the case study areas narrowed the gap with the national average by 2008, all NDCs except Lambeth continued to exhibit rates significantly above the national average. A clear North-South divide exists with Newcastle and Bradford experiencing rates nearly twice the national average (13.4 per cent and 12.6 per cent respectively), whilst in Knowsley (21.5 per cent), the rate was over three times the national average. It has consistently had the highest rate for all 39 NDC areas. Knowsley also stands out as the area that has an incapacity benefits claimant rate significantly above the NDC Programme average of 12.7 per cent and the comparator average of 12.4 per cent. By contrast, Lambeth, Newham and Walsall remain consistently below NDC and comparator average, with Lambeth having the lowest rate among all 39 NDCs. It is likely that these differences reflect the contrasting strengths of relevant regional economies, particularly in terms of their recovery from the decline of key industries and hence the ability of local economies to absorb workers with health problems. The complimentary programme-wide data report¹⁸ shows that falling IB/SDA rates are associated with improving local authority employment rates between 2002 and 2006. This suggests NDCs located in stronger labour markets are more likely to see IB/SDA claimants move back into the workforce than are districts with weaker levels of labour demand.
- 2.7. **Fourth, it is notable that most of the fall in worklessness rates experienced by NDCs is accounted for by a decline in JSA claimant unemployment rates.** Incapacity benefits claimant rates are at least twice as high as the unemployment rate in all case study areas except Lambeth. Worklessness is increasingly a problem of economic inactivity among those with health problems.
- 2.8. The evidence developed above is based on individual-level benefits data. A second major source of evidence, the IPSOS MORI NDC Household Survey data illustrates patterns of employment in NDC areas (Table 2.4). This survey

¹⁸ See section 8.20 of complimentary programme-wide data report.

is held every two years, each round of which involves at least 400 individuals being interviewed in all of the 39 NDC areas. In 2002, all of these six NDC areas had employment rates significantly below the national average. To put this in perspective, this survey evidence suggests that six out of every ten working-age adults were out of work in Knowsley, Bradford and Newcastle compared with less than three in ten nationally.

- 2.9. By 2006, all six case study NDC areas had seen a narrowing of the gap with the national rate with the greatest improvements occurring in the northern NDC areas. Differences with the national level remain stark nonetheless. In 2006 the NDC area with the highest working-age employment rate (Lambeth) still showed an employment rate 11 percentage points lower than for England as a whole. In Knowsley, this rose to 32.4 percentage points.
- 2.10. Once again, there is a clear regional divide with the three case study areas in the North registering significantly lower levels of employment than Walsall, Newham or Lambeth. By contrast, the two London NDCs had higher employment rates than both the Programme and comparator average across both waves of the survey (2002 and 2006). These differences almost certainly reflect contrasting degrees of labour market buoyancy in different regions.

Table 2.4: Working age employment rates			
	In employment (per cent)		
	2002	2006	Change 2002–2006
Knowsley	33.1	42.3	9.2
Newcastle	36.6	45.0	8.4
Bradford	36.0	47.8	11.8
Walsall	49.7	50.7	1.0
Newham	55.1	55.8	0.7
Lambeth	61.6	63.3	1.7
NDC average	51.5	53.6	2.1
Comparator average	58.7	60.3	1.6
National	74.8	74.6	-0.2

Source: Ipsos MORI NDC Household Survey

Base: All respondents of working age

Source national: Labour Force Survey Spring 2002; Quarter 2 (April-June) 2006

* Final column indicates 'minimum improvement' and 'maximum improvement' achieved across the 39 Partnerships, rather than 'change in minimum' and 'change in maximum'

Who are the workless in these NDC areas?

The Ipsos MORI household survey data for working-age adults identifies those groups least likely to be working as:

- **older workers:** only 49 per cent of adults aged 50–59/64 living in all NDC areas work compared with 58.5 per cent of adults aged 25–49; in

Bradford and Newcastle, the employment rate for older workers is less than a third, 28.5 and 28.8 per cent respectively

- **younger workers:** the employment rate for adults aged 16–24 in all NDC areas (43.5 per cent) is 15 percentage points below the Programme average for 25–49 year olds (58.5 per cent); there are large differences across the case study NDCs with the highest employment rate for young adults (55.8 per cent in Bradford) significantly above the lowest employment rate (33.9 per cent in Newham)
- **women:** female employment rates vary considerably across case study NDC areas from 35.4 per cent in Knowsley to 59.6 per cent in Lambeth; all case study NDCs bar Lambeth have a female employment rate that is between 10 and 20 percentage points lower than for men; in Lambeth, the difference is 7.3 percentage points
- **ethnic minorities:** Programme-wide rates of employment for ethnic minority groups are generally lower for both Black and Asian residents than for white residents; in Newham, the employment rate for Asian residents (31.2 per cent) is 33.4 percentage points lower than for white residents (64.6 per cent); this pattern is reversed in Bradford, albeit less dramatically, with 52.1 per cent of Asians residents in work compared with 42.2 per cent of white residents
- **the low-skilled:** only 35.7 per cent of NDC residents without formal qualifications are in employment, compared with 61.4 per cent of those with qualifications; in Newcastle and Knowsley just over a fifth of those without qualifications are in work (20.2 and 22.4 per cent, respectively), less than half the equivalent rate for Lambeth (44.9 per cent).

- 2.11. Clearly socio-demographic characteristics affect the chances of an individual being in or out of work. But it is important too to stress that there are distinct local features to these national patterns of worklessness and employment. Bradford, for example, bucks the trend with higher levels of employment among Asian residents and young people. On the other hand, Newham, which has one of the higher overall rates of employment, fares less well in terms of worklessness among young people.
- 2.12. Informants in the case study areas are sometimes able to help explain these local patterns by identifying specific barriers impacting on certain groups in the labour market. In Knowsley, relatively large cohorts of young people have been coming onto a weak labour market. Lack of jobs has done little to encourage educational attainment or aspirations and the area has seen a corresponding growth in the number of young people not in education, employment or training. Connexions data for North Huyton, a slightly larger area than Knowsley NDC, shows it has the highest concentration in the borough. In Bradford, many older workers lost employment following the decline of older manufacturing industries such as engineering and textiles. They have consistently faced difficulties in finding work due to a lack of confidence and the 'benefits trap'. One informant working for an IAG service felt that older workers often lack functional skills but are sometimes '*culturally less happy*' to acknowledge and address this than are

younger workers. Older candidates are also seen as more difficult to place in employment due to apparent preferences on the part of some companies for younger, fitter employees.

- 2.13. As part of a rapid increase in the proportion of black and minority ethnic residents (an 11 percentage point rise between 2002 and 2008), Newcastle has received a number of new arrivals including migrant workers, refugees and asylum seekers. These groups can face multiple barriers to work including insufficient language skills and a lack of knowledge of processes involved in looking, and applying for, work in England. Observers in a number of NDC areas with a significant proportion of Asian residents also identify cultural norms which construct women as 'homemakers', as one factor explaining lower labour market participation among Asian women. Even though economic necessity increasingly means this group are becoming more likely to seek work, particularly if male wages prove inadequate to sustain households, the lack of work experience and skills among Asian women tends to limit their ability to compete in the local labour market. The extent to which NDCs have targeted groups most prone to worklessness, and the degree to which they have been effective in so doing, is discussed in more detail below (3.10).

Barriers to work

- 2.14. The section immediately below lays out the key barriers to employment identified both by key stakeholders in the six NDC areas and also by project beneficiaries. Very much reflecting evidence from other research¹⁹, evidence from these case studies suggests there are three major sets of barriers, each of which is discussed below:
- **supply-side** factors: the skills, attributes and the attitudes of the workless
 - **demand-side** factors: conditions in the labour market including the volume, type and location of jobs; recruitment practices of employers; and levels of entrepreneurship in the local economy
 - **institutional** factors: the external infrastructure which can constrain or enable the search for work including the dynamics of the housing markets, effects of the benefits system, and the availability of childcare and transport facilities.

Supply-side barriers to work

- 2.15. Concentrations of worklessness in deprived areas are often explained with reference to the attributes of those without work and, by extension, to the household and the communities in which they live. These supply-side barriers to work can be categorised as:

¹⁹ See Syrett, S. and North, D. (2008) *Renewing neighbourhoods: Work, enterprise and governance*; and Sanderson, I. (2006) *Worklessness in Deprived Neighbourhoods: A review of Evidence, Report for the Neighbourhood Renewal Unit*.

- **human capital** barriers relating to a lack of skills or training, limited job search capabilities, and poor health
- or **social capital** barriers revolving around aspirations, spatial horizons and the impact of the informal economy.

Human capital barriers

- 2.16. The first of the three human capital barriers is lack of skills and training relative to the demands of employers, or what is often referred to as a 'skills mismatch'²⁰. Issues raised include a lack of:
- basic skills in terms of functional literacy or numeracy
 - vocational skills for certain occupations
 - language skills for residents for whom English is a second language
 - social skills seen as increasingly necessary for the workplace
 - some older workless residents were regarded as having out-of-date skills or a lack of basic skills, with many receiving little if any formal training for a number of years; as noted in 2.12 older workers may also be more averse to recognising and addressing their training needs after years of employment in manual industries which traditionally placed little emphasis on formal credentials or skills development.
- 2.17. This lack of formal skills among workless groups is a cause for concern bearing in mind the growing demand for credentials in lower level occupations such as construction. This tends to exclude individuals without skills or formal qualifications who may have been able to secure such employment in the past. One training provider in Knowsley explained how, *'we get lots of [clients] saying "I just want to be a labourer on a building site; I need my CSCS Card"²¹.' But again, the way things are going now, just to be a labourer on a building site you still need an NVQ2'*.
- 2.18. At the same time, local observers point out that low-skilled workers can fail to recognise this growing demand for formal skills and hence have inappropriate expectations of the type of work they can secure. One IAG provider in Bradford observed that male clients often express an interest in occupations such as plumbing and gas fitting without possessing the basic skills required to access vocational courses. These findings reflect other research²² into the growing difficulties that the 'long-tail' of low-skilled workers face in competing for diminishing quantities of low-skilled work.
- 2.19. Informants also highlight ways in which limited work experience means individuals sometimes lack the social skills expected in the workplace or do not have basic 'work habits' such as timekeeping or an appropriate sense

²⁰ Green, A. E. and Owen, D. (2006): p6 *The geography of poor skills and access to work*. www.jrf.org.uk/knowledge/findings/socialpolicy/0046.asp

²¹ CSCS is the Construction Skills Certification Scheme which accredits construction workers who have completed basic health and safety training. Most construction sites will not employ individuals without an appropriate CSCS card.

²² See Faggio, G. and Nickell, S. (2003) The rise in inactivity among older men, in: Dickens, R., Gregg, P. and Wadsworth, J. (eds.) *The Labour Market under New Labour: The state of working Britain*; Nickell, S. (2005): C9 *Poverty and Worklessness in Britain*.

of dress. This reflects both the damaging effects of long periods out of the labour market as well as difficulties individuals can face in responding to increasing demands for 'soft' skills, particularly in interactive service environments. Older male workers with past experience of manual work on the 'shopfloor', or younger workers looking to emulate the experience of their parents' generation, can find the cultural transition to customer-facing work problematic²³.

- 2.20. Project beneficiaries tend to support the views of stakeholders in prioritising their apparent lack of skills, experience or qualifications. Barriers tend to be especially apparent for those without formal qualifications or work-related skills²⁴ and also for new arrivals who may face language and cultural barriers as well as problems in having their non UK qualifications recognised²⁵ (Box 1). Personal problems including criminal records and homelessness can accentuate these barriers. In practice supply-side issues impacting on individuals tend often to be aggravated by the inter-related impact of lack of demand in the local economy and by institutional barriers as is evident from individual narratives (Box 2).
- 2.21. A second barrier in terms of human capital relates to the job seeking skills or knowledge of opportunities of those looking for work. Informants often identify a lack of awareness and information about employment opportunities as a critical barrier to work. Many job seekers have only a limited knowledge of the labour market, often lacking an awareness of current vacancies. For many of those with low skill levels, a growing formalisation of the application process even for lower occupational levels can further constrain access to work. This can be especially true when online application forms are used which may exclude people without access to IT. One respondent working for an employment service suggested that the complexity of generic forms that are '*the same for a managing director as for a cleaner*' deter less confident and skilled applicants.
- 2.22. A third human capital barrier identified by local observers is poor physical or mental health. Problems surrounding physical health are seen as applying especially to older workers with a history of manual work which can place them at a disadvantage when competing for jobs alongside younger, healthier workers. Alcohol and substance misuse are also sometimes cited as contributing to health problems inhibiting access to the job market. Overall, however, there is comparatively little mention of physical or mental health as barriers to work. This is perhaps surprising given the considerable evidence on the role of health in explaining labour market detachment (see Table 2.3.). One possible explanation is that the labour market exclusion of those with more severe health problems is so entrenched that they remain largely invisible to service providers. Certainly, other studies on labour

²³ See for example McDowell, L. (2003) *Redundant masculinities: Employment change and white working class youth.*; Nickson, D., Warhurst, C., Witz, A. and Cullen, A-M. (2001) '*The Importance of Being Aesthetic: Work Employment and Service Organisation*' in Sturdy, A. et al. (eds) *Customer Service*.

²⁴ See also Syrett and North (2008): p112.

²⁵ Meadows, P. (2008): p8 *Local initiatives to help workless people find and keep paid work.*

market detachment suggest that this group tends not to seek work or use employment services²⁶.

Box 1: Difficulties in getting overseas qualifications recognised

One beneficiary interviewed in Newham found her qualifications as an accountant in her home country had no currency in the UK. She went to evening classes to get NVQ qualifications in accountancy so that she would be able to work in her chosen profession but she said she “nearly died of boredom”, because she already knew everything she was being taught and after ploughing through level 2 and 3 qualifications she decided not to go on with level 4. She now feels she is only qualified for a lower-paid job.

Box 2: Lack of qualifications: two personal narratives

Two interviewees in Bradford highlight the difficulties of getting work without the right skills. Nadia, a young woman in her late twenties, has not worked since leaving school at the age of 18 because of responsibilities as a full-time parent. She recently decided she wanted to start work as a hair stylist and went to Bradford College to study for an NVQ Level 2 qualification in hairdressing. She has since realised that the job market for hair stylists is highly competitive and considers it unlikely that she will find a job until she returns to college and gains a Level 3 qualification. She has not been able to gain a place at college, however, as the course is oversubscribed and the college prioritises school-leavers. Nadia is currently working on a voluntary basis at a local salon to gain experience while continuing to claim benefits. She hopes either that the voluntary work turns into a job offer or that she will be given a place at college for the next academic year. The local job brokerage, Jobs@, helped Nadia to find her voluntary work placement and is currently assisting her with another application for college although the prospects of success remain uncertain.

Paul has worked as an auditor for a local manufacturer for the last 12 years but is due to be made redundant. He wants to continue working as an auditor but learnt his skills ‘on the job’ and has no formal auditing qualifications. Paul believes he will struggle to get a new job on the basis of past experience alone and wants to enrol on a course that would equip him with the necessary vocational qualification. The course costs of £1,000 are prohibitive, however, so he visited the IAG service (Careers Bradford) to enquire about the possibilities for receiving financial help. Careers Bradford have put him in touch with the LSC and he is currently waiting to hear if he is eligible for any financial support.

Social capital barriers

- 2.23. The first of the three key social capital barriers revolves around the role of aspirations in explaining worklessness. Local opinions tend to polarise between those who subscribe to, and those uncomfortable with the concept of, a ‘culture of worklessness’. This has been defined as ‘*a distinctive set of attitudes, norms and values to work that lies outside those of mainstream*

²⁶ Alcock, P., Beatty, C., Fothergill, S., Macmillan, R. and Yeandle, S. (2003) *Work to Welfare: How Men Become Detached from the Labour Market*; Beatty, C., Botterill, K., Fothergill, S. and Powell, R. (2008): p5 *Knowsley’s Incapacity Claimants*.

society'²⁷. Among those in the six case study areas who support this idea, one informant spoke of 'sub-cultures of worklessness' and an NDC officer of a 'hardcore' of about a quarter of the workless population who 'sit at home' and '**get used to a lifestyle** ... [who] don't want to work [and are] making do ... happy with that ... the cushy life'. In some cases, this was attributed to inter-generational worklessness in families where no adult has worked for two or three generations. An Enterprise Support Manager in Knowsley observed:

'[worklessness] is symptomatic. In certain areas communities felt they were being left, nothing was happening, big industries left ... and this filters down to children "me dad doesn't work, me mum doesn't work, why do I need to work?" A lot of young people are interested in getting out of school, because they don't see the point in staying if they're not going to work'.

- 2.24. Young people especially are often identified as lacking the motivation or willingness to look for work. This view tends to be held even by those who were otherwise sceptical of the notion of a culture of worklessness. In Newham, low levels of labour market participation among young men are attributed to unrealistically high expectations, particularly about the money they expect to earn. Advisers spend a lot of time talking with young people about career pathways and the relationships amongst training, experience and money. There is often little understanding about what it means to go to work. As one local authority officer put it:

'They don't understand that the boss does have a right to tell you what to do, that you can't take time off when you want to and that being late does have consequences. Advisers spend a lot of time on soft stuff with young people'.

- 2.25. Other informants are more sceptical about the notion of a culture of worklessness. One skills provider in Bradford felt it was '*very difficult*' to say there was a culture of worklessness and noted that there '*was not a shortage of people coming through the doors*' when they had had run a recent Fair Cities²⁸ job matching initiative. In his experience, people wanted to work. Other respondents qualified their belief in the existence of a culture of worklessness by highlighting the motivation of at least some residents to work. To a training provider in Knowsley:

'You'll come across people who don't want to work, we've come across a number ... we've had cases where at the end of the programme we've had employers lined up to give them a job and they wouldn't take that job or they've made lame excuses not to take that job. But [on the other hand] we've had people who haven't had a job for say twenty years and they've taken that job and it's turned their lives around'.

²⁷ Syrett and North (2008): p81.

²⁸ Fair Cities was a three year employer-led pilot programme with the aim of helping disadvantaged ethnic minority residents to gain steady work and new careers. There were three pilot sites in operation, located at: Birmingham, Brent and Bradford (<http://www.faircities.org.uk/>).

- 2.26. Some stakeholders make the observation that a lack of aspiration in relation to jobs can arise from factors other than the existence of a prevailing culture of worklessness. For instance personal barriers such as long-term illness and the debilitating effects on motivation of long periods without work may distance individuals from the labour market. Worklessness can itself generate additional barriers if it induces a loss of confidence and self-belief. An NDC board member in Newcastle also related a lack of motivation to the quality of work on offer:

'Lots of people want to work. They lack experience and need a chance to get on the ladder. They are being offered un-skilled jobs as glass collectors; this puts people off – why bother? The hospitality sector often pays below the minimum wage.'

- 2.27. In a similar vein another observer in Newcastle suggests that there is a reluctance to take up the kind of interactive service work which has emerged in the wake of deindustrialisation. Low-wage, low-skilled work is often considered unattractive by jobseekers and motivation may, therefore, be linked to a willingness to perform certain types of work rather than work per se. An informant in one agency describes how the experience of temporary, irregular work can impact negatively on clients' willingness to work. Similarly a Bradford training provider suggests that short-term or intermittent employment provides little incentive to go back to work, especially for claimants of incapacity benefits who will not give up the security of benefits for the uncertain prospect of *'three months of temporary work'*. Another employment adviser also in Bradford expressed concerns about the high level of *'churn'* among JSA claimants who go into *'transitory'* work and then are recycled back onto benefits. Unattractive and insecure work can reduce motivation and militate against progression in the labour market. In line with evidence from other research²⁹, work in these six areas suggests that prevailing perceptions in relation to the quality of work in the lower sections of the labour market can deter jobseekers from taking up certain forms of employment.
- 2.28. Evidence from these NDC case study areas does not point to any consensus regarding the notion that worklessness has become a way of life. Some findings reaffirm Syrett and North's view that individuals do have *'reduced expectations and aspirations of work derived from socialisation into cultures with high levels of worklessness and facing limited opportunities'*³⁰. But this does not appear endemic and, crucially, often appears linked to other factors such as health, the experience of job loss and perceptions of employment opportunities. In effect there is as much a tendency on the part of these local observers to emphasise the willingness of some, even most, people to look for work as there is to suggest the applicability of a culture of worklessness.
- 2.29. In this context it is intriguing therefore to see that project beneficiaries are rather more inclined to the view that a proportion of those out of work are

²⁹ Fletcher, D. R., Gore, T., Reeve, K., Robinson, D., Bashir, N., Goudie, R. and O'Toole, S. (2008): p40. *Social housing and worklessness: Qualitative research findings*; TUC (2008) *Hard Work, Hidden Lives: The Short Report of the Commission on Vulnerable Employment*; Sanderson (2006): p43–45; McDowell, L. (2003): esp. Chapter 2.

³⁰ Syrett and North (2008): p81.

reluctant to find a job and content to get by on benefits. One beneficiary from Walsall, for example, spoke of how: *'they are happy to stay at home, many have been like this for a long time, they can't see any other way of living'*. Another interviewee in Bradford commented that young peers, *'were not prepared to travel [to find work]. They just want to sit on cars and watch TV. You could tell em Jobs@ [the local job brokerage] was just around the corner and they wouldn't want to go.'* On balance, beneficiaries seem more likely to subscribe to notions surrounding the culture of worklessness than do other local observers.

- 2.30. A second social capital barrier highlighted by local observers is the narrow spatial horizons of many workless individuals. This *'local mentality'* as one interviewee described it prevents some residents from considering vacancies outside their immediate neighbourhood. This reluctance to travel features to a degree in all six case study areas including those which are peripheral to centres of employment such as Knowsley and Walsall as well as NDCs located close to buoyant and accessible labour markets such as Newham and Lambeth. Anecdotal evidence indicates that some individuals in Lambeth, for example, are reluctant to consider working in Brixton despite it being only a ten minute bus ride away. And of course for Newham and Lambeth, central London and the wide range of employment opportunities it offers is also accessible in about 45 minutes by public transport. However, local practitioners and NDC staff suggest some residents do not consider this a realistic proposition. It is difficult to determine, however, whether this is a cultural propensity to seek work close to home, as other evidence suggests³¹, or a more practical concern with the cost or accessibility of public transport (see 2.51 below).
- 2.31. The third social capital barrier concerns the informal economy which is sometimes identified as a barrier in that it can divert residents away from formal employment. According to local observers, an informal economy operates in all of these six areas. Crude estimates as to the scale of the informal economy range from *'significant'* in Walsall to *'exaggerated'* in Knowsley. Those interviewed in these areas suggest that the informal economy tends to consist of two components:
- **'cash-in-hand' work** (the 'grey economy') undertaken by those claiming benefits or 'working on the side' alongside formal employment
 - an **illegal economy** (the 'black' economy) based on the sale of drugs or stolen goods and sex work.
- 2.32. One study carried out in Newham by a community-based organisation whose services include training and employment support³², interviewed 100 workers in the grey economy and found that the main motivations for getting involved were low benefit rates, low wages and benefit rules limiting hours that people can work before offsetting kicks in. These findings complement evidence from other research showing that engagement in the informal

³¹ SEU (2004): p35 *Jobs and Enterprise in Deprived Areas*; see also Sanderson (2006): p42; Green, A. E. and White, R. J. (2007): *pix Attachment to place: Social networks, mobility and prospects of young people*.

³² Community Links (2006) *People in low-paid informal-work: 'Need not greed'*.

economy can be used as a strategy for supplementing low incomes obtained from benefits or participation in low-paid work³³. The Newham based research also points to the role of debt in motivating people to seek informal work:

'Debt was a key reason given for taking up informal employment as some people facing financial crisis felt compelled to take up the first job that became available to them. Participants also turned to informal work in response to a sudden change in family circumstances. At times of crisis, the fear of being caught for benefit fraud seemed a less threatening prospect than the immediate risk of being without food, heating or being confronted by debt collectors.'

- 2.33. Clearly, for some informal work can be an ad-hoc response to an immediate crisis rather than a long-term strategy to supplement household income.
- 2.34. Not all of those motivated to enter the informal economy do so because of problems associated with low incomes. In Lambeth, one respondent stated that young people were attracted to the *'get rich quick'* lifestyle promised by illegal activities such as drug dealing. In Newham, participants also spoke of a blurred line between *'employees'* and *'volunteers'*. Some voluntary organisations want to pay people for their contribution, but cannot afford to pay a living wage. By keeping this *'semi-employment'* informal, people could carry on claiming benefits while working in a semi-voluntary capacity.
- 2.35. There is a widespread belief that those working in the informal economy are at least as likely to be employed as claiming benefits. In Bradford and Knowsley, informants make the comment that skilled activities such as building and plumbing require formal vocational training and appropriate tools. This type of work is only feasible, therefore, for those already working in the trade, thereby effectively excluding the workless from such activities. This confirms other evidence indicating that informal work is often undertaken by those who are already in employment³⁴. One project manager of a community employment scheme in Bradford points to the case of three residents who combine formal but low-paid employment in call centres and sales jobs in the day-time, with *'top-up'* cash-in-hand work as pizza delivery men in the evenings. The dividing line between formal and informal work can be hazy. The informal economy tends not to exist as a separate world outside the formal economy. Rather it often appears to be bound up with conditions in the wider labour market in that it helps individuals manage low pay and instability associated with some legitimate forms of work.
- 2.36. There is little moral condemnation of such activity. Most local observers tend to be more concerned by the potential exploitation of workers in the informal economy rather than its illegality. But there is a concern to try and formalise activities through support for self-employment as a means of maximising income for residents. As one NDC officer in Bradford noted,

³³ CEEDR (2006): p91 *Informal Economic Activities and Deprived Neighbourhoods*; North and Syrett (2006): p23 *The dynamics of local economies and deprived neighbourhoods*; Fletcher et al. (2008): p43; Smith, D. (2005): p200 *On the margins of inclusion: Changing labour markets and social exclusion in London*.

³⁴ CEEDR (2006): p91.

despite the extra tax liabilities this would impose, many workers operating in the grey economy are vulnerable to the low wages paid by unscrupulous employers.

Demand-side barriers to work

- 2.37. Local observers point to three key demand-side barriers:
- lack of jobs
 - lack of appropriate jobs
 - discrimination by employers.
- 2.38. In three NDC case study areas local observers and project beneficiaries regard an absolute lack of jobs as key to understanding worklessness. In Bradford, one adviser working for a job brokerage project observed that there are insufficient unskilled jobs in occupations such as warehouse and packing work to meet the level of demand among people with low skills³⁵. Over the last six years, he has noticed that this section of the labour market has become '*quite competitive*'. A careers adviser working in a local high school thought that young people found it '*really hard*' to find work or secure apprenticeships in the city, even for those with qualifications. A skills provider in Bradford also claimed that graduate '*underemployment*' is '*a big problem*' with a lack of skilled work having a '*drill-down effect*' where graduates were forced to take low-skilled Level 1 or Level 2 jobs, thereby crowding lower-skilled workers out of the labour market, a '*bumping down*' process which other research has also identified³⁶. Knowsley and Walsall were the two other NDC areas where informants regard a lack of employment in the local area as a barrier to work for workless residents.
- 2.39. The perceived barrier of a lack of jobs in Walsall, Knowsley and Bradford is likely to be a reflection of regional imbalances in demand, with the workless in the North and Midlands facing a less buoyant labour market than their counterparts in the London NDC areas³⁷. Perceptions of a lack of jobs may also reflect deteriorating economic conditions in the wake of the credit crunch. One beneficiary in Bradford, who had lost his job as civil engineer claimed that the construction industry was making swingeing cutbacks: '*Balfour Beatty have just laid off over a quarter of their staff, all the way through to the managers, that's the way industry is going. The job market is not good.*' As a consequence, he has considered '*lowering [his] sights*' but is currently still holding out for work paying a similar amount to previously held employment. As all interviews were completed by September 2008, it is highly likely that a lack of jobs has become a more significant barrier as

³⁵ Information in the companion volume suggests that across the Bradford local authority district as a whole, the number of employees jobs per 1000 working age population is below average for NDC parent local authorities. The same is true for Walsall and Knowsley.

³⁶ Buck, N. and Gordon, I. cf. Watt, P. (2003): p1770 *Urban Marginality and Labour Market Restructuring: Local Authority Tenants and Employment in an Inner London Borough*.

³⁷ For evidence on regional imbalances in labour demand see Turok, I. and Edge, N. 1999 *The Jobs Gap in Britain's Cities: Employment Loss and Labour Market Consequence*; Martin, R. 2000 cf. from Ritchie, H., Casebourne, J. and Rick, J. 2005: p47–48 *Understanding workless people and communities: A literature review*.

labour market conditions deteriorated significantly in the final quarter of 2008.

- 2.40. In contrast, the local labour market in Newham is considered so strong that the NDC only focuses its resources on those regarded as most detached from the labour markets including women returners, BME groups, people with mental health problems and those receiving incapacity benefits. Jobseekers without significant barriers are expected to find work without additional support. Nonetheless, some informants in Newham believe low-skilled jobseekers face competitive pressures following the arrival of migrant workers, mainly from Eastern Europe and Africa. In Newham, 12.3 per cent of the working age population of the borough registered for National Insurance in 2007. This total of 20,510 is higher than for any of the other five NDC case study areas (Table 2.5). Clearly as would be expected more non-UK nationals appear to be seeking work in London than elsewhere. It is difficult to assess the effect of this trend on labour supply. Informants in both Newham and Bradford suggest that it has intensified competition at the lower end of the labour market, placed downward pressure on wages, and raised levels of worklessness. These perspectives need to be interpreted with caution, however. Other research suggests that the recent spike in the number of migrant workers in the UK has not impacted on wage levels or unemployment³⁸. As the complimentary Programme-wide data report also suggests (see 6.15), it is difficult to identify the impact of rising numbers of migrant workers on labour market competition. This is because individuals may register for work within a local authority but seek or take up work elsewhere.

2.41.

Table 2.5: National Insurance Number Registrations: non-UK Nationals in NDC parent Local Authorities; 2002/03 and 2007/08				
LA	Count		Percentage of LA working age population	
	2002/03	2007/08	2002/03	2007/08
Newham	8,750	20,510	5.3	12.3
Lambeth	7,020	11,130	3.6	5.6
Newcastle	1,770	4,400	1.0	2.5
Bradford	2,790	6,170	1.0	2.0
Walsall	790	1,300	0.5	0.9
Knowsley	170	230	0.2	0.2
38 NDC LAs	120,900	233,830	1.8	3.3

- 2.42. It is striking, however, that most observers in case study areas do not identify a lack of jobs as a key barrier to work. The Shop for Jobs project manager in Newcastle stated there were plenty of jobs available, highlighting the approximately 800 vacancies available through their service or JCP at the time of interview in summer 2008. In Walsall, one NDC officer expressed confidence that if a person '*has a reasonable aspiration for a job for which*

³⁸ Lemos, S. and Portes, J. (2008) *The impact of migration from the new European Union member States on native workers.*

they have training or are able to absorb training relatively reasonably, then we can get them a job.' Another stakeholder in Walsall claimed *'the number of jobs from time to time is difficult, but generally speaking there's more jobs than there are people'*. However, this picture is already changing with the downturn in the economy. Observers in Walsall for example point out that this had already started to cut off the supply of job vacancies to the local job brokerage project during 2008.

- 2.43. A second, and far more insistent demand-side barrier to employment relates to the quality of available work. This view is based on four considerations.
- i) A considerable amount of low-paid work is seen as inherently unattractive. This can play out in various ways. According to observers in Bradford the low-paid nature of jobs on offer restricts the job search horizons of local young people. Although nearby Leeds has a more buoyant labour market, one community project manager points out that it does not make economic sense to commute to jobs paying minimum wage. Some young men he worked with had been encouraged to apply for retail jobs in Leeds by other job brokerage schemes but the costs of commuting had proved prohibitive. One caveat noted by an informant in Lambeth, however, is that workless residents sometimes underestimate the financial gains of returning to work. The complexity of the tax and benefits system means individuals do not always have a clear picture of how returning to work will affect their financial position, a point reflected in other research³⁹. Many project beneficiaries also identify the inherent unattractiveness of many jobs because of factors such as poor pay, the temporary or part-time nature of work and poor working conditions. One respondent in Knowsley, for example, claimed that:

'There's factory jobs in the [local] area ... but it's boring just doing the same thing all day ... anything decent you need to be able to drive to.'
 - ii) There is an issue about the sustainability of availability work. In Walsall, a TK Maxx⁴⁰ distribution centre has been built on a site left vacant by the recent closure of a major manufacturing plant. The jobs created by TK Maxx require different skills than those possessed by many residents and are mostly part-time, poorly-paid, and seasonal. Economic restructuring can deliver new forms of service-based employment to replace traditional industries, but such activity does not always provide secure, permanent, full-time work likely to appeal to all jobseekers. Despite a general sense that many local jobs are not especially attractive most project beneficiaries are seeking work in low-skilled occupations such as nursery nurses, drivers, the retail sector, call centre work, wholesale, cleaning, security, support worker for those with learning disabilities, administration, care work and restaurant and catering. Beneficiaries tend to seek work in precisely these occupations where low-paid, insecure work is more prevalent. This raises issues about the likely sustainability of work they are seeking, and their susceptibility to the *'low-pay, no*

³⁹ SEU (2004): p90; Meadows (2008): p12; Fletcher *et al.* (2008): p59.

⁴⁰ TK Maxx is a major clothing retailer.

pay'⁴¹ cycle evident at the lower end of the labour market. Only a small minority express an intention to secure more highly-skilled occupations including teaching and mechanical engineering.

- iii) Available work often involves unsocial hours. For example, call centre work in Walsall and Bradford tends to be unpopular because it requires working weekends and evening shifts. This can prove particularly difficult for parents with young children.
- iv) Some employers fail to provide adequate in-work training. Newcastle Futures⁴² describes a weak 'culture of learning' with people stuck in low-paid, low-skilled employment, often secured through employment agencies, with few opportunities for workforce development. Similarly, one skills provider in Bradford expressed frustration that his organisation had been unable to '*break down barriers*' to employers investing in ESOL provision despite the lack of proficiency in English constituting a key barrier to work for the area's BME population. Moreover, the failure of many employers to provide adequate training for those gaining Entry Level 1 jobs contributes to high levels of churn as employees have no opportunity to develop new skills necessary to progress.

2.44. These findings regarding the perceived unattractiveness of work reflect research from elsewhere on the poor pay and conditions on offer in the lower end of the labour market⁴³. It also supports Syrett and North's observation that '*it is not a case of there being insufficient number of jobs in many local labour markets but rather an insufficient number of kinds of jobs that those seeking work are prepared to accept, on the one hand, or have the skills for, on the other.*'⁴⁴

2.45. A third demand side barrier is potential discrimination by employers. This does not emerge as a major consideration on the part of most stakeholders, but is seen, not surprisingly as a larger problem by project beneficiaries. In two areas, respondents identify growing discrimination against Asians, particularly young Asian men, in the wake of the terrorist attacks. A small number of young Asian men interviewed in Bradford, for example, think it has become more difficult to secure work in the wake of the 9/11 attacks in the US and the 7/7 bombings in the UK. This appears to be more of an issue in industries such as construction where Asians tend to be under-represented. Criminal records are also considered to present a barrier for ex-offenders looking for work in the Newham area. And 'postcode discrimination' was identified as a barrier to work in Lambeth and Bradford, with one informant in Bradford asserting that employers deliberately reject job applications from residents of the NDC area. He recalled one interview for a customer service job at a major retailer that had gone well until asked where he lived, at which point the attitude of the interviewers changed and '*they didn't want to know*'. This example aside, there was little evidence from

⁴¹ Smith, N. and Middleton, S. (2007) *A review of poverty dynamics research in the UK*.

⁴² Newcastle Futures is the organisation created by the local LSP to design and co-ordinate strategies for tackling worklessness in the local authority.

⁴³ Fletcher *et al* (2008): p40; Sanderson (2006): p43–45; TUC (2008); McDowell (2003); Syrett and North (2008): p62; Watt (2003).

⁴⁴ Syrett and North (2008): p108.

either stakeholders or project beneficiaries that ‘postcode discrimination’ presents a real barrier for the workless, challenging one of arguments often used to support the ‘area effects’ thesis⁴⁵.

Institutional barriers to work

2.46. Five institutional barriers to work emerged from this case study research:

- the dynamics of the housing market
- the influence of the benefits system: the ‘benefits trap’
- a lack of appropriate child care provision
- spatial mobility
- lack of training opportunities through the local educational infrastructure.

First, the dynamics of the housing market, particularly in terms of population turnover, is seen as impacting on worklessness in some areas. This is perhaps most evident in the widely held notion that ‘*those who get on, get out*’. In Knowsley, the overall decline in population from 11,500 in 1991 to 8,800 in 2006 is seen to reflect the out-migration of those in work or searching for work, whilst those on benefits tend to stay behind. In Newcastle, the recent expansion of black and minority ethnic, migrant worker, asylum seeker and refugee populations taking advantage of the availability of cheap rented accommodation has changed the nature of the workless problem. Not only can these new populations place additional demands on employment services, but being more transient they are also more likely to move out of the area if their economic circumstances improve. A separate report by the national evaluation team has shown that those leaving NDC areas are more likely to be in employment than ‘inmovers’⁴⁶. The net effect can be to raise levels of worklessness.

2.47. Low levels of mobility can also contribute to adverse worklessness outcomes however. A lack of turnover is identified by some informants in Walsall as a problem in that there is little in-migration by those in work, a trend which might help raise levels of employment in this high worklessness area. This immobility is also seen as limiting opportunities to raise aspirations or to construct new social norms around the benefits arising from economic activity, although this view needs to set against the mixed evidence on the existence of cultures of worklessness (see 2.28 above). A recent NDC report on mobility does indeed show there has been more positive change in high mobility NDC areas in relation to some indicators of worklessness⁴⁷. Compared to NDCs with low and mid levels of residential mobility, those

⁴⁵ For more on the area effects debate see Sanderson (2006): p55; SEU (2004); Atkinson, A. and Kintrea, K. (2001) *Disentangling Area Effects: Evidence from Deprived and Non-Deprived Neighbourhoods*; Buck, N. (2001): p2271 *Identifying the area effects of social exclusion*; CLG (2008f): p16–17 *Why place matters*; Fletcher et al. (2008): p96.

⁴⁶ CLG (2007) *The Moving Escalator? Patterns of Residential Mobility in New Deal for Communities areas*. [http://extra.shu.ac.uk/ndc/downloads/reports/The%20NDC%20moving%20escalator\[1\].pdf](http://extra.shu.ac.uk/ndc/downloads/reports/The%20NDC%20moving%20escalator[1].pdf)

⁴⁷ CLG (2009b) *Residential mobility and outcome change in deprived areas: evidence from the New Deal for Communities Programme*. URL

with high levels of mobility achieved at least two percentage points more positive change in terms of the percentage of residents that claim benefits. It does not seek to explain, however, why these differences are observable.

- 2.48. A second institutional barrier, the 'benefits trap' is seen as a critical issue in these areas and, indeed, in other recent research on worklessness in NDC areas⁴⁸. As noted above (2.42), the perceptions (real or otherwise) of limited financial gains in returning to work may prevent some individuals from considering employment opportunities. This perspective is based not only on generally low pay rates, but also on the 'hidden costs' of returning to work: loss of benefits, the need to pay council tax, the loss of free prescriptions, having to work a week in hand, transport costs, and the purchase of work clothes. One informant in Walsall noted how the loss of certain benefits made individuals wary of re-entering employment:

'I mean one of the biggest nightmares for us is council tax and housing, because once somebody gets a job, they've got to pay council tax, they've got to pay their rent and there's no way ... at the moment of phasing that in.'

- 2.49. Without denying the existence of these hidden costs, some observers also think however that some residents underestimate the financial benefits of returning to work, particularly once tax credits are factored in. In Newham, the ELITE job brokerage project has sought to overcome this by working closely with JCP to provide tailored calculations for individuals to establish the degree to which their financial position would change before they apply for a particular job.

- 2.50. A third institutional barrier concerns childcare. This emerged as an especially significant barrier in the London NDCs. In Newham, most project beneficiaries know of parents who want to work but who cannot afford childcare. One gave an example of her neighbour who worked as a nursing assistant in a care home at night and looked after her children during the day:

She gets home in time to get the children up and make their breakfast and get them to school. She comes home and gets the baby off to sleep for a couple of hours and that is when she sleeps. When the baby wakes up, she is up again and that's it. She does it for about three months and then has to stop because she's exhausted. But then she does it again.

- 2.51. Similarly, a project beneficiary in Bradford explained that she was looking for a part-time cleaning job to fit around her daughter's school hours as she could not afford childcare. Recent research on the barriers to work in NDC areas also identified child care as a potential constraint on entering work⁴⁹
- 2.52. A fourth institutional barrier revolves around spatial mobility. In Newcastle, the lack of transport links has proved a barrier to work. Many vacancies are

⁴⁸ Dickinson, S., Clarke, C., Delahunty, L., Duggett, J., Earnshaw, A. and Williams, M. (2008): p4 *Tackling worklessness in NDC areas – a policy and practice update*.

⁴⁹ Dickinson, et al. (2008).

located in business parks on the city's outskirts which entails a two-stage journey into, and then out of, the city centre. Vacancies in Gateshead and North Tyneside are also poorly served by transport links for NDC residents. Inevitably this is more of an issue for those without cars who are reliant on public transport. A lack of a driving licence or access to private transport seemed a particular barrier in some NDC areas including Knowsley, where its peripheral location as an 'overspill' estate works to restrict access to areas where employment opportunities are increasingly clustered. This evidence supports the view that the cost, convenience and availability of public transport can all restrict the ability to find work⁵⁰.

- 2.53. However, on balance, transport difficulties do not feature strongly in accounts of the barriers to work. This may reflect the proximity of four of these NDC areas (Lambeth, Newham, Bradford and Newcastle) to urban centres which remain key sources of employment opportunities. Interestingly, most beneficiaries express a willingness to travel to work, with a number of respondents suggesting that a commuting distance of between five to ten miles or a journey up to one hour would be acceptable. There were exceptions at both ends of the scale. In Walsall, one interviewee expressed a reluctance to consider any workplace more than one mile away, whilst another respondent in Bradford currently studying for a degree in mechanical engineering was willing to work anywhere in the world. However, there was little evidence of a cultural aversion to travel as implied in notions surrounding '*narrow travel horizons*'⁵¹. Most beneficiaries seem willing to travel some distance to work, with only practical constraints such as child care and the availability of transport limiting the geographical scope of job search.
- 2.54. A fifth institutional barrier, lack of training and educational provision, is identified as an important factor in constraining access to jobs in Bradford. A number of respondents had first-hand experience of not being able to secure training opportunities for their clients. This was emphasised by those working with young people looking to gain entry onto vocational courses at college or some form of apprenticeship. Under the current system, young people are expected to find their own placement for college courses or apprenticeships. This can prove difficult due to low levels of labour market demand in the Bradford economy and a corresponding shortage of placements for popular occupations such as plumbing, construction and working as an electrician.

Interactions across barriers to work

- 2.55. Other work has highlighted the complex interaction between barriers to work within debates about multiple disadvantages⁵² and the relative importance of supply-side and demand-side factors⁵³. Evidence from these six case study

⁵⁰ North and Syrett (2006): p19; Gore, T., Fothergill, S., Hollywood, E., Lindsay, C., Morgan, K., Powell, R. and Upton, S. (2007) *Coalfields and neighbouring cities: Economic regeneration, labour markets and governance*; Fletcher, et al. (2008): p35.

⁵¹ SEU (2004): p35; see also Sanderson (2006): p42.

⁵² Berthoud, R. (2003) *Multiple disadvantage in employment: A quantitative analysis*.

⁵³ The government tends to emphasise supply-side explanations of worklessness in terms of the need to improve individual employability (see HM Treasury and DWP (2003): p46 *Full employment in every region*; SEU (2004): p39. Critics suggest that the government have failed to adequately acknowledge that a lack of suitable jobs on the demand side is also a key explanatory factor (see Fothergill, S. and Grieve Smith, J. (2005) *Mobilising Britain's Missing Workforce: Unemployment, incapacity benefit and the regions*; Webster, D. (2006) *Welfare Reform: Facing up to the Geography of Worklessness*;

areas offers further useful reflections on some of these issues. Certainly, this evidence confirms the notion that many individuals face multiple barriers to work. One respondent in Walsall, observed how:

'it's dealing with the other barriers to employment like the job isn't necessarily downstairs from where you sleep so there'll be transport issues, sometimes there'll be people who come bounding in and say I want a job and they don't have anything like the right skills, or I want a job but I've got seven children all under school age and a sick mother'.

- 2.56. The 'additive effect' of multiple barriers, each making it that bit harder to find work, is well documented in the research of Berthoud⁵⁴. This interplay of factors means that every individual has subtly different needs.
- 2.57. In terms of interactions between supply-side, demand-side and institutional factors, there is a clear sense that all three matter. A lack of skills is by far the most frequently identified barrier on the supply-side, whilst the quality of work features strongly in terms of demand-side constraints. This is underpinned by further institutional barriers, of which the 'benefits trap' is generally perceived as being the most important. This suggests that emphasising either supply-side or demand-side explanations for worklessness is perhaps misplaced. It is not exclusively an issue of a lack of jobs or a lack of suitable workers which explains levels of worklessness, but rather the interplay between these, and other contributing, factors. These interactions across employment barriers also underline the importance of collating, and understanding, locally sensitive evidence. An absolute lack of jobs, for example, remains a key barrier in Bradford and Knowsley but less so elsewhere, whilst workless residents in Newham seem to experience particular difficulties with childcare. The 'local' matters.

Prospects for growth: economic development in the case study areas

- 2.58. Earlier sections of this chapter address barriers relating to the quantity and quality of work. However, it is important to locate these barriers within the context of evolving labour markets. Local economies change and emerging landscapes of opportunity will have significant impacts on the ability of NDCs and successor agencies to reduce levels of worklessness. There are significant variations across the six case study areas.
- 2.59. In **Bradford**, the NDC area is home to a sizeable business base including retailers and a significant number of small and medium-sized companies involved in manufacturing, warehousing and distribution. Nonetheless local stakeholders believe that low-skilled production and warehouse work is

Theodore, N. (2007) *New Labour at work: long-term unemployment and the geography of opportunity*. Others argue that both demand side and supply side barriers need to be addressed to reduce worklessness (see for example Sanderson 2006: p8).

⁵⁴ The six disadvantages Berthoud considered were living alone or as a single parent; having a health impairment; being aged over 50; living in an area of low labour market demand; being from an ethnic minority; and having low levels of skills. Each additional barrier to work increased the likelihood of being out of work in a linear rather than an exponential fashion.

steadily being replaced by service-based employment at both ends of the occupation scale. Comparatively low-skilled work in retail, hotels, catering, administration and leisure is experiencing growth at the same time as is higher-skilled work in finance and the digital and media industries, although the balance remains skewed towards the low-skilled, low-paid end of service sector occupations. One implication of this shift towards customer-facing roles is that the physical appearance, presentation and social skills of candidates have become much more important to potential employers.

- 2.60. Interviewees highlight two forthcoming developments as potential sources of new jobs. First, Marks and Spencer are building a new distribution centre at the end of the M606 motorway, on a site which is easily accessible from the NDC Trident area. This promises to deliver 2,600 jobs, mainly in warehousing and distribution. A consortium of training providers has been set up to carry out pre-recruitment activity, including two projects operating in the Trident area (Jobs@ and Careers Bradford). Second, the Westfield development comprising a major new retail and commercial office space in the city centre is also planned. Difficulties in the current financial climate have meant that the project is currently delayed. If these difficulties are overcome, this development will provide a number of new jobs in both retail and construction sector. The prospect of both the M&S and Westfield development led one employment adviser to comment that they were *'quietly optimistic that Bradford is well-placed to withstand any economic downturn'*. Another skills provider noted, that securing effective section 106 planning agreements⁵⁵ which might, for example, guarantee interviews for local people will be essential in maximising benefits for Trident residents.
- 2.61. **Knowsley** has been seriously affected by job losses in relation to semi-skilled and manual work associated with the decline of manufacturing in the 1970s and 1980s. Much of this employment had originally been attracted to Merseyside as a result of post-Second World War regional policy. More recently the local authority has put in a significant effort to attract inward investment as a result of which its six business parks house corporations such as Jaguar, Kodak, Goodrich, QVC and CDMS (Littlewoods). In 2002 the local authority was awarded Beacon status for its 'Fostering Business Growth' programme, and, two years later for its 'Removing Barriers to Work' programme. Yet linkages between this growth and jobs for residents in disadvantaged neighbourhoods like North Huyton, where the NDC is sited, are still weak, as worklessness statistics demonstrate (see Tables 2.1–2.4). The Council's own *Employment and Skills Strategy for Knowsley* recognises this:

*'Residents working in Knowsley earn an average of £398 per week, although the average weekly earnings in the wider local area is £448.40 per week, suggesting that people with higher qualifications from outside the borough are travelling to Knowsley to work.'*⁵⁶

⁵⁵ Section 106 agreements are legal agreements between local authorities and developers that are linked to planning permission. They can be used to gain promises from developers to guarantee interviews or jobs for local people.

⁵⁶ Knowsley MBC (undated, p4) *Employment and Skills Strategy for Knowsley, 2005–2010*.

- 2.62. Most informants feel that the local labour market has been more buoyant in recent years. Nevertheless, there is a concern that many jobs are likely to be in service sectors such as retail, catering and hospitality. These tend to be relatively poorly paid, temporary and part-time jobs, which do not generally appeal to male unemployed residents.
- 2.63. In **Lambeth**, the NDC area largely consists of housing with only a small number of private sector businesses, often individual sole-traders. Away from the NDC area Brixton, Streatham and Clapham provide a significant number of opportunities in the service sector including jobs in retail, security, hospitality, leisure, tourism and travel. There are also opportunities in the public sector especially within the council and the local PCT. There is also a healthy demand in construction, both within the borough and in surrounding areas, although consultees think that this demand may have stalled given the recent down-turn in the national economy.
- 2.64. In **Newcastle**, the NDC area is referred to as locally as 'the hinterland', a reflection of the fact that it has tended not to benefit from employment growth in the city centre. The area does not accommodate any significant major employers. Larger employers such as British Airways and AA call centres are based in the city's business parks but these have not yielded major employment opportunities for NDC residents. The NDC area does house an industrial park which accommodates local businesses including a timber yard and a garage, enterprises which are seen as being more likely to employ local labour. One worklessness project, Acumen, has seen a decrease in manufacturing and warehouse work. Key sources of employment growth tend to be in service industries including cleaning, hospitality and retail, much of it low-paid requiring low entry qualifications. There is also evidence that employers in expanding sectors are anyway wary of committing to permanent employment, preferring instead to use temporary contracts. Some significant economic development projects are in the pipeline with which the NDC is attempting to link, including the development of the hospital site by Tesco and the Scotswood Expo Science Park.
- 2.65. In **Newham**, transport links between the NDC area and Canary Wharf and the City are now good. In addition the NDC also sits within an area of very considerable employment and business opportunity, including the 2012 Olympics site. This and other major construction projects in east London such as the new transport hub at Stratford and the Thames Gateway have helped '*... shift the borough employment rate from the mid fifties to the low sixties*' according to the local JCP manager. However, accessing jobs connected with the Olympics is problematic. To avoid competition between boroughs for access to these jobs, the developers of the Olympics village and other sites are encouraged to post all employment opportunities with a central hub run by JCP for the Olympics Development Authority. These are ring-fenced for the five London Olympics boroughs, but only for 1 day before being released, first to other London boroughs, and then to the rest of the country. There is no guarantee jobs will go to local people.

- 2.66. In **Walsall**, the manufacturing sector remains robust despite recent major closures including the loss of Stirling Tubes which employed 6,000 employees, a large number of whom lived within a five mile radius, which encompasses the NDC area. A TK Maxx distribution centre has been developed on this land, but this has sought different skills than those prevalent among people made redundant from manufacturing. Most of these new posts are part-time, poorly paid, and seasonal. At its annual peak between August and November the distribution centre will only employ 2,000 people. Moreover, skilled jobs for TK Maxx are filled by individuals from outside Walsall who *'train them in their other distribution centre'*. Other economic development projects include call centres near TK Maxx. However local observers consider that shift times tend to impose difficulties on local residents as work is often geared towards evening shifts which can create problems in relation to access and child-care. Moreover call centres, in common with other newer industries to the area such as warehousing and distribution, require low-cost and low-skilled labour, providing few possibilities for the enhancement or development of personal skills. There is also a perception that northern parts of Walsall outside the NDC area are increasingly likely to attract investment given better transport links to the motorway system.
- 2.67. A number of overarching conclusions can be drawn from these pen portraits:
- all six of these NDC areas are close to sources of employment growth, including those NDCs most affected by the decline of traditional industries
 - the primary source of employment growth is likely to be in low-skilled, low-paid service work; this has important implications for worklessness in these areas bearing in mind earlier observations (2.27) that insecure or low-paid work can itself act as a barrier to employment
 - higher skilled opportunities are emerging in new sectors such as the digital and creative industries; but it is not clear that many NDC residents are likely to be in a position to access these; in addition there may well be a 'leakage' of such jobs to those with higher level skills who opt to commute from suburban locations into cities and other employment growth zones
 - growth in service sector work is more likely to favour younger and female workers given the greater demands it places on interpersonal presentational skills
 - the less favourable current economic climate may well impose temporary breaks on many planned retail and construction projects.

A concluding observation

- 2.68. These six NDC areas have experienced different trajectories of worklessness over the lifetime of the Programme, although all have seen a reduction in claimant unemployment with an accompanying growth in the ratio of the economically inactive to the unemployed. Worklessness is disproportionately

concentrated among certain groups including ethnic minorities, older and younger working-age adults, women, individuals with health problems and those with low-skills. In this respect, NDCs reflect local authority-wide and, indeed, national employment patterns. But there are positive signs too. For instance all six of these areas have experienced reductions in worklessness and more marginalised groups have also seen their employment prospects increase.

- 2.69. Evidence from these case studies shows how worklessness reflects the complex interplay of a number of supply-side, demand-side and institutional barriers. Amongst these, a lack of skills stands out as crucial constraint. On the demand side, job quality rather than job quantity is the most commonly identified barrier to work. These factors are in turn underpinned by institutional barriers of which the benefits trap is the most pressing. It is important to appreciate the inter-relationships across these barriers. A reluctance to work, for example, can be a rational response to the lack of financial gain to be derived from accepting poor paid work.
- 2.70. A number of issues are likely to impact on economic development on these areas in the near future. The economic downturn is stalling the development of important sources of employment growth. At the same time, economic restructuring is delivering new forms of work which will resolve the labour market difficulties for only some workless residents. For example, the growth of high-skilled work such as employment in the knowledge economy may well exclude low-skilled residents. Whilst many NDC residents may be better placed to compete for lower-skilled jobs in service industries, this work can often be insecure, paying only relatively low wages. This type of employment may also exclude groups such as older men with manual work histories who find it difficult to adapt to the emphasis which many new employment sectors place on interpersonal skills. New employment opportunities will impact differentially on NDC residents: some groups will tend to benefit, others not.

3. Tackling worklessness at the local level: strategies and interventions

3.1. The previous chapter outlined key barriers impacting on residents in these six NDC areas. This chapter explores approaches adopted by NDCs in tackling worklessness within two broad themes:

- strategic approaches adopted by the six NDCs
- worklessness interventions instigated by these case study Partnerships.

Strategies for tackling worklessness

3.2. These six case studies have adopted a strategic approach towards tackling worklessness based on six themes each of which is explored below:

- analysing needs
- setting strategic objectives
- targeting clients
- balancing supply and demand led initiatives
- evaluating and modifying strategies
- Partnership-level spend.

Analysing needs

3.3. All six NDCs have carried out a needs analysis on worklessness to create an evidence base to inform their worklessness strategies and to act as a baseline against which to monitor the effectiveness of interventions. Sources of evidence included administrative data on benefits claimed, survey data (including the biennial NDC Ipsos MORI Household Survey), local intelligence, consultation with communities and service providers, and locally commissioned evaluations. Typically needs analyses examine:

- levels of worklessness including an analysis of sub-groups by benefit type and socio-demographic characteristics
- individual and household income and debt levels
- skill levels of local residents
- skills gaps

- barriers to employment
 - existing provision for local residents seeking to return to work
 - the scope and adequacy of supporting infrastructure such as training, transport and child care provision.
- 3.4. These analyses all identify high levels of worklessness as a key driver of deprivation in all NDC areas. Tackling low levels of labour market participation has therefore become a priority in efforts to reverse neighbourhood decline.
- 3.5. This process of using data to guide strategic planning has continued throughout the lifetime of the Programme with some NDCs still drawing on new evidence to inform future developments. In Newcastle, for example, the NDC 2008 Year 9 Action Plan points to a need to repeat the Business and Skills Audits carried out in the initial phase of the Programme. This new evidence will help to understand business needs following the growth of the local BME population in recent years. The Action Plan recognises that population change may make it necessary to *'have front line staff in business support organisations with the ability to speak community languages'*.

Setting strategic objectives

- 3.6. Strategies drawn up in case study areas outline a number of core objectives which typically include:
- reducing levels of worklessness among NDC residents
 - raising household incomes
 - increasing skill levels
 - increasing levels of entrepreneurship within the NDC area
 - removing key barriers to work such as a lack of childcare facilities or transport links
 - raising work aspirations and tackling negative perceptions of locally available work
 - reducing participation in the informal economy through 'formalisation' of activities in the grey economy
 - linking up with economic development strategies operating at wider spatial scales.
- 3.7. Whilst case study NDCs tend to share most of these strategic objectives, there are local variations. In Newham, one of the central barriers to work identified through initial needs analyses was the lack of good quality, affordable childcare. The NDC has responded by providing accredited training for local people in childcare, establishing nurseries within its three resource centres and funding additional nursery provision in two local primary schools. This approach has the additional benefit of providing local

jobs. In Bradford and Walsall, the formalisation of informal work is a priority and their respective business support projects explicitly target individuals working in the informal economy who could be encouraged to set up their own businesses legitimately.

- 3.8. These case study NDCs all adopt one other overarching aim: plugging gaps in mainstream provision. Many local respondents consider that JCP has only a limited ability to tackle worklessness in these six areas because it:
- lacks flexibility due to its output-driven culture
 - may have no office or outreach centre in the heart of these communities
 - spends insufficient time with each client because of the limits imposed on the length of client meetings
 - does not provide comprehensive support through the job search and application process
 - has reduced contact time between clients and advisers through the introduction of new technologies such as computer terminals, Job Points, which are designed to encourage self-directed job search among clients.
- 3.9. These shortcomings were acknowledged by a JCP employee who noted that *'JCP is a central, national agency with a one size fits all approach. There is an increasing use of new technology in an attempt to reduce staff.'*

Targeting clients

- 3.10. Strategic planning involves the identification and targeting of priority client groups. These can vary considerably. For instance, in Knowsley, the NDC has made a decision to target JSA claimants rather than economically inactive claimants. One key informant explained:

'Our main aim is to bridge the JSA claimant gap to the borough average ... We stayed focused on JSA because this had not dropped significantly [prior to 1999] ... We left the IB and IS claimants to JCP and the MBC [Metropolitan Borough Council], who'd got NWDA⁵⁷ funding to work with the IB and IS group [locally]'

- 3.11. In this case, focusing resources on those closest to the labour market may well make sense as funding and support is available through mainstream service providers to address the needs of those groups who are more detached from the labour market.
- 3.12. In contrast, both Lambeth and Newham operate within a much more buoyant economy and therefore target hard-to-reach groups rather than the claimant unemployed. In Newham, this strategic focus is derived from the initial needs analysis which showed that the local economy was sufficiently buoyant to enable more job-ready NDC residents who were

⁵⁷ The NWDA is the Northwest Regional Development Agency.

out of work to access employment without the need for intensive support. With improved transport links and the Jubilee line extension connecting the area to the major centres of employment and economic growth in London, the NDC thinks that those closest to the labour market do not need additional support. Instead, the Partnership focuses resources on those facing significant disadvantages in the labour market including women returning after an extended period of caring for young children, black and minority ethnic groups, people with mental health issues, and people receiving incapacity benefits.

3.13. Targeting can also reflect the local population mix. NDC areas with significant proportions of black and minority ethnic residents or comparatively high numbers of new arrivals have implemented initiatives targeting black and minority ethnic groups including:

- the West Bowling Youth Initiative in Bradford provides educational, training and employment support for young Asian men aged 13–25
- the JET project in Newcastle offers careers advice and employment support for recent arrivals from countries outside the UK with ESOL needs
- the Community Interpreting 'Centre of Excellence' in Newham which trains bi-lingual speakers in the community to become community interpreters (see Box 3).

Box 3: Community Interpreting 'Centre of Excellence' (Newham)

The Community Interpreting project ran from September 2004 to March 2006 and trained local bilingual residents and clients of the Homeless Persons Unit, particularly those from new migrant communities, as community interpreters to give them alternative employment opportunities in an area known to require their skills. Beneficiaries were given accredited training and support and an opportunity to gain work experience through placements in local agencies. At the end of the course they were given guidance on further training or accessing work and assistance to apply for jobs. Key partners in the project included:

- Making Training Work
- the Newham Language Shop
- ELITE
- the Newham Homeless Persons' Unit and Housing Needs department
- NHS Bilingual Health Advocacy Service.

During the lifetime of the project 42 participants qualified as interpreters. Of the 25 participants for whom destination data is available, 16 now work as interpreters with the remaining nine employed in other fields. Some participants have gone on to do further qualifications including the Diploma in Public Service Interpreting and a social work degree. Most participants also completed the national test for literacy in English at Level 1 or 2. One positive outcome of the course was that it provided participants with an insight into how to access public services (e.g. how to use the health service) which has helped them to navigate local services and to pass on this knowledge to others in their community.

Balancing supply and demand-led initiatives

- 3.14. In terms of the balance between supply-side and demand-side considerations, all of these case study NDCs focus most of their effort on improving the employability of residents and access to jobs through supply-side initiatives. These initiatives are discussed in more detail below (3.30–3.35.).
- 3.15. There is logic in this approach. Other evidence suggests that there are at least two reasons why demand-led initiatives do not, and perhaps should not, figure prominently in local strategies to tackle worklessness. First, there are difficulties in establishing and supporting new enterprises in deprived areas. One evaluation on the potential for '*business-led regeneration*' concluded that⁵⁸:
- there is very little evidence on the impact of business support (such as Business Link) in deprived areas
 - assistance for start-ups and micro-businesses in deprived areas may need to be more targeted and selective; start-up projects funded under the SRB, for example, tended to be marginal businesses characterised by low survival rates and high levels of displacement
 - the limited evidence available on the take-up of business support in deprived areas indicates that assistance from mainstream business support agencies tends to be lower than elsewhere.
- 3.16. A more recent review on the potential for supporting enterprise in deprived areas suggests that this approach is also of limited value because:
- 'enterprises created within deprived areas are subject to a high rate of failure and are unlikely to make any significant impact on levels of unemployment and worklessness. Because those in disadvantaged areas and social groups are more likely to be 'pushed' into self-employment or setting up a new enterprise by the lack of alternative employment, they often lack the market knowledge, self-belief and innovative capacity necessary to make the business venture a success.'*⁵⁹
- 3.17. A second difficulty with demand-led interventions is that the neighbourhood-level is not always the most appropriate scale at which to simulate economic development. Localised, targeted job creation schemes can displace existing public and private sector activity⁶⁰ whilst posts can be filled by in-migration or commuting unless successfully ring fenced⁶¹. In addition, deprived neighbourhoods face significant difficulties in attracting inward investment which is why previous localised job creation schemes have had '*remarkably little success*'⁶². Other research has stressed the importance

⁵⁸ North, N., Smallbone, N., Lyon, F. and Potts, G. (2003) *Business-led regeneration of deprived areas: a review of the evidence base*.

⁵⁹ Syrett and North (2008): p236.

⁶⁰ Martin cf. Campbell (2001): p34 *New Deal for Communities: National Evaluation Scoping Phase: Worklessness: The Evidence Review*.

⁶¹ Ritchie et al. (2005): p51; North and Syrett 2006: p41, 78.

⁶² North and Syrett (2006): p78.

of tackling demand-side issues at the sub-regional or regional levels given difficulties with interventions at local spatial scales⁶³. One study found the less-skilled only begin to do as well as, or better, than other workers when employment rates in the sub-region exceeds 75 per cent⁶⁴. In addition, initiatives supporting small business start-ups such as Business Link tend to be organised at the level of the local authority district or sub-regional economy in recognition that residents from deprived neighbourhoods often have limited skills, work experience and financial resources with which to enter self-employment or business start-ups⁶⁵.

- 3.18. Evidence from these NDC case study areas tends to support these findings, with a number of informants highlighting constraints associated with the implementation of demand-led initiatives. First, business support projects may not make a great deal of sense where the existing business base is small. Whilst most NDCs have some kind of business support project within their suite of interventions, Lambeth NDC has committed little time, effort or finance in encouraging enterprise in the NDC area. The area is primarily residential with only a small business community and no major service providers, so is unlikely to be fertile ground for new business start ups. Moreover, the primary challenge for many residents is to ensure that they aspire to work and are job-ready. Thus local context can militate against the setting up of business support projects in some neighbourhoods.
- 3.19. Second, demand-side interventions are expensive. As an NDC officer in Bradford noted, given higher levels of demand in the labour market in other areas of Bradford and in Leeds, it was decided that it would be more cost-effective to encourage people to seek out these opportunities rather than to try to create jobs on the doorstep.
- 3.20. Third, there are problems with leakage. One NDC officer in Bradford felt that any new developments are always vulnerable to leakage as jobs often went to people living outside the area. He estimated that Trident residents only fill approximately half of the 50 jobs provided by a supermarket chain that has recently opened a new store in the area, noting that employers could not be forced to recruit Trident residents as *'businesses will invariably look for the best candidates who may not be local'*.
- 3.21. A fourth constraint is the widely held sentiment that inward investment could be more effectively pursued by agencies working at higher spatial scales. An NDC employee in Bradford observed that the local authority was better positioned to influence the location decisions of large employers looking to set up, or to expand, in the city. Bradford City Council has been instrumental in supporting Marks and Spencer in expanding its premises in the city centre and in building a new distribution centre just outside the boundary of the NDC.

⁶³ North and Syrett (2006): p14.

⁶⁴ See SEU (2004): p40.

⁶⁵ North and Syrett (2006): p130.

- 3.22. Finally, demand is not seen as a critical issue in all of these six NDCs. Although the Newham NDC initially supported a business development function through its ELITE project, this was not continued as there was not a great demand for this service. The buoyancy of the local labour market means economic development is not afforded the same priority here as has been the case for NDCs located in areas with more sluggish labour demand.

Evaluating and modifying strategies

- 3.23. The evolution of worklessness strategies has not always run smoothly. One NDC officer claimed, for instance, that early pressures to spend and deliver tended to weaken effective planning. That NDC felt bounced into reliance on advice from consultants and project proposals from external organisations. The NDC chair observed that: *'In the early years the Board was cajoled. We had money but little knowledge'*. A private sector representative who sat on the worklessness theme group also claimed that *'the NDC relied too much on consultants and consultations ... [An agency contracted to provide job brokerage services] promised the world and didn't deliver. NDC had to buy expertise and people took advantage of our inexperience.'*
- 3.24. It is not surprising then that preliminary strategies to tackle worklessness have sometimes been revised over time as knowledge or circumstances changed. In Knowsley, plans to establish an 'Employment and Enterprise Hub', a capital project to bring together managed workspace and JET facilities, were shelved when it was realised that the facility would end up competing with a similar one being developed by the Council in nearby Prescot. It was decided, therefore, to investigate the potential for creating a dedicated training facility instead to be managed by a local third sector training agency, Huyton Churches Training Services. This training facility is now a crucial element in the NDC's exit strategy and legacy. Similarly in Bradford, the NDC originally placed considerable emphasis on demand-side interventions in terms of creating new jobs in the area to be accessed by residents⁶⁶. It was quickly realised that initiatives to create jobs were difficult to implement at the neighbourhood level. Evidence from these case study NDCs shows, therefore, that strategies need to be flexible in order to respond to changing circumstances and emerging evidence and also to avoid duplication with existing facilities and programmes.

Partnership-level spend

- 3.25. Spend allocated to the employment and business theme has helped fund the strategies outlined above. The budgets allocated to this theme in the period up 2005–06 varied considerably across the six NDCs from a fifth of all spending in Newcastle to just 5 per cent in Walsall (Table 3.1). Two of the NDCs in the North of England spend absolutely and relatively more

⁶⁶ For more details of this change in strategy see Green, A. and Sanderson, I. 2004 *Employment Strategies: NDC Case Studies*. Available at: <http://extra.shu.ac.uk/ndc/downloads/reports/RR37.pdf>

per capita on this theme (Table 3.2) and for these NDC Partnerships this reflects higher levels of worklessness in Newcastle and Bradford. Interestingly however this does not come through so much in relation to Knowsley which also has high levels of worklessness. Walsall has clearly allocated less resource to this theme than the other case study Partnerships. The reasons why spend varies so much is difficult to explain. In practice within any NDC, patterns of expenditure across outcomes will vary considerably and priorities often change through time. This is because of factors such as the attitudes of boards as a whole and of key players thereon, the strategic vision of key NDC officials, the role of the local authority in informing and guiding strategic planning, the extent to which partner agencies support strategies and interventions, and so on. It would be unwise to assume that expenditure necessarily reflects rational response to known problems: local politics and the role of individual players matter, and politics change and individuals move on.

Table 3.1: Spend: case study NDCs

	NDC total spend 1997 to 2005/6 (£)	Amount spent on employment and business theme (£)	Percentage spent on employment and business theme
Newcastle	31,638,452	6,456,270	20
Bradford	37,797,371	5,603,629	15
Knowsley	21,284,507	2,105,456	10
Lambeth	23,353,995	2,261,620	10
Newham	43,932,116	2,467,517	6
Walsall	25,294,345	1,228,678	5
NDC total	1,023,730,391	110,296,265	11

Source: System K, CEA

Table 3.2 Spend per capita and spend per working-age resident

	Spend: employment and business 1997 to 2005/6	
	£ per capita	£ per working age resident
Newcastle	583	839
Bradford	462	721
Newham	271	408
Lambeth	285	406
Knowsley	240	403
Walsall	107	185
NDC total	286	443

Source: System K, CEA; SDRC

- 3.26. It would also be unwise to look for relationships between spend and change. As the complementary Programme-wide data report makes clear, it is only towards the end of the Programme that relationships are beginning to

appear between spend and change⁶⁷. In the case of these six areas, it could be argued that greatest change in relation to worklessness is tending to occur in those NDC areas which have allocated more to this theme: Bradford and Newcastle. But similar rates of change have also occurred in Knowsley where there has been less absolute and relative spend. In any event it is implausible to imagine that the scale of spend, at less than £1,000 per capita in all of these NDC areas, is likely to impact on trends in worklessness often driven by sub-regional, national or even international factors.

- 3.27. Training and education projects account for the majority of spend on worklessness in Knowsley (54 per cent), Walsall (52 per cent) and Newcastle (38 per cent), whilst job search and IAG services accounts for the highest proportion in Newham (59 per cent), Lambeth (42 per cent) and Bradford (40 per cent). These figures reflect the strategic emphasis on supply-side interventions aimed at improving the employability and job prospects of workless residents. That said, spend on support for business start-ups in relation to either private sector firms or social enterprises still accounts for a sizeable proportion of spend in Bradford (37 per cent), Lambeth (20 per cent) and Newham (18 per cent).

The nature of worklessness interventions

- 3.28. The second major issue addressed in this chapter is a consideration of worklessness interventions which are explored below within three themes:
- supply and demand side interventions
 - connecting with other outcome areas
 - innovations in delivery.

Supply and demand side interventions

- 3.29. These case study NDCs have supported different types of either supply and demand side interventions to tackle worklessness each of which is explored in greater detail below:
- in relation to **supply**:
 - combined job brokerage and IAG projects to help workless individuals access employment and training opportunities
 - recruitment and job matching services for local businesses, often facilitated through dedicated employment liaison officers
 - skills development projects offering training, often through dedicated facilities, or funding for participation in approved courses, sometimes with a sector-specific focus

⁶⁷ See paragraph 8.15 in complimentary Programme-wide Data report.

- and on the **demand** side:
 - Intermediate Labour Market (ILM) projects creating short-term jobs to provide participants with the skills and experience to gain sustainable employment in specific sectors, especially construction
 - ringfencing jobs for local people through section 106 agreements⁶⁸
 - business support projects to promote enterprise within the NDC area
 - encouraging inward investment.

Supply-side interventions

- 3.30. First, NDCs have sought to address shortcomings in relation to mainstream services by implementing neighbourhood-based job brokerage and IAG services for individuals seeking work. In Bradford, a job brokerage (Jobs@) and an IAG project (Careers Bradford) have been set up to provide services not available through JCP including CV preparation, skills training and interview preparation. According to one NDC officer, the projects have been carefully designed to ensure there is no duplication with JCP. Similarly, Walsall NDC quickly sought to address the lack of a JCP in the north of the borough by establishing the Work on the Horizons 'one-stop shop' employment service. As one project manager in Walsall explained, *'the strategic focus of the project was 'written in the loosest of terms possible ... it's about having that flexibility to actually plug that gap and to make that service available.'*
- 3.31. These brokerage or IAG projects facilities aim to enhance the employability of local residents as the basis for entry into employment. Some projects comprise a single provider delivering IAG or employment services from a community venue used for other purposes or a purpose-built facility. More commonly, a number of services delivered by different providers have been brought together into a 'one-stop shop' in the form of dedicated facilities where residents can access careers and training advice as well support with job search. One-stop shops exist in Bradford (the Opportunity Centre), Lambeth (Shop for Jobs) and Walsall (Work on the Horizons). These facilities are based in the heart of the NDC area, often with a visible 'shop-front' alongside other shops or community facilities. Services tend to be delivered by a combination of public, private or third sector organisations that are wholly or partially funded by the NDC. Whilst most agencies are located in the one-stop shop, some mainstream service providers such as JCP are also invited in on an outreach basis. Typically, a number of services are co-located within each facility with many operating a 'drop-in' service which clients can access at any time. In Bradford, for example, the Opportunity Centre comprises a single building with an accessible shop front which provides three different services:

⁶⁸ Section 106 agreements are legal agreements between local authorities and developers that are linked to planning permission. They can be used to gain promises from developers to guarantee interviews or jobs for local people.

- a local authority-led job brokerage (Jobs@)
- a not-for profit IAG service funded primarily by contracts from the LSC (Careers Bradford)
- a self-esteem and confidence building project (The Crime Reduction Initiative) that aims to prepare ex-offenders or those with alcohol or drug dependencies for entry into training or work.

3.32. The range of services that can be delivered through the one-stop shop model is illustrated through the example of the Work on the Horizons Project in Walsall (Box 4).

Box 4: Work on the Horizons (Walsall)

Work on the Horizons is a one-stop shop in a retail centre in the NDC area. It provides a range of services to assist the workless into employment and to increase their employability through training including:

- jobs brokerage
- funding for training courses and work equipment
- childcare assistance
- retention bonuses
- job outcome bonuses
- training and CV advice and guidance.

Key Partners include:

- Steps to Work (main contractor)
- Walsall Metropolitan Borough Council (MBC)
- JCP
- Chamber of Commerce/Business Link
- Citizens Advice Bureau
- Connexions
- PCT
- Steps 2 Work
- Prospects
- Walsall Deaf People's Centre.

The main achievements in the two years between 2005 and 2007 were:

- 238 people into employment
- 511 people accessing careers advice
- 131 adults accessing qualifications through NDC projects.

- 3.33. Second, NDC funded projects may employ *dedicated employment liaison officers*. As one employment adviser in a job brokerage scheme in Bradford explained, this type of post had three functions:
- to identify vacancies with local employers
 - to understand the needs of employers in order to appreciate how best to prepare clients for potential openings in the local labour market
 - to make employers aware of the capabilities of clients and to encourage companies to consider less job-ready clients or those with fewer formal credentials who were, nevertheless, keen and able to work.
- 3.34. Whilst this recruitment function is usually developed on a limited scale within brokerage projects, two NDCs directly employ liaison officers. In Walsall, the Leamore Park Co-ordinator liaises with 250 firms based on the Leamore Park industrial estate to identify recruitment or training opportunities which are subsequently relayed to employment services operating in the NDC area, including the Work on the Horizons project. As the co-ordinator explained, the main objective is to bring employers and brokerages together to raise job outcomes: *'I team them up together and so hopefully they can source the right vacancies for the business'*. Similarly, a Construction Labour Initiatives Officer (CLIO) was employed between June 2004 and December 2006 in Newham to identify employment opportunities for local people in the construction industry. The CLIO maintained links with site contractors, especially on the local Brooks Estate, to understand their recruitment requirements. He also organised training and recruitment drives to connect workless residents to available vacancies.
- 3.35. A third type of supply-side intervention is the provision of training opportunities for workless residents. These tend to be delivered through one of two models. The first is to create a dedicated training facility. This is the approach taken by the Knowsley NDC which has funded the Huyton Churches Training Centre completed in late 2008. It provides a purpose-built training centre to co-ordinate the work of a number of organisations in order to deliver training and employment opportunities for NDC residents. The second model is to fund training through projects. Examples include:
- the Construction Training Scheme in Walsall is designed to support residents in obtaining employment within the construction industry; the scheme provides a limited number of residents with the opportunity to attend college to obtain an NVQ level 2 qualification and to obtain work experience in the industry
 - the Shop for Jobs project in Newcastle provides training and recruitment for residents seeking work in the retail sector (see Box 5)
 - the Volunteer Scheme is a Lambeth-based project which uses volunteering as a platform to enable workless individuals to gain the skills and experience necessary to get them into work (see Box 6).

Box 5: Shop for Jobs (Newcastle)

Shop for Jobs is a dedicated facility providing a unique training and recruitment service for residents seeking employment in the retail sector. The aim is *'to upskill unemployed and employed residents of the NDC area in retail and customer service-related skills to [enable them] to develop a career in the retail sector either with local NDC employers or those in Newcastle City Centre and Gateshead areas'*. Shop for Jobs, while located in the City Centre, has a community link worker funded by the NDC. Services include:

- providing information on employment opportunities
- IAG on careers in the retail sector
- workforce development training and NVQs up to Level 3
- support with job search for those seeking employment in the retail sector
- recruitment services for employers based in the retail sector.

The project is delivered through the Newcastle City Council Employment Development Division with the city council acting as the accountable body for funding and as the lease-holder for the premises. The facility is overseen by a steering group comprising a mix of local residents and agency representatives. Key providers offering services through the facility include:

- Jigsaw Training (a training organisation)
- Newcastle Futures (caseload management of the economically inactive)
- New Pathways (IAG for adults).

Other partners acting in an advisory capacity include the LSC, JCP, Business Link, the North East Employer Coalition, One North East (the regional development agency), Government Office North East and the NDC. Key achievements between May 2005 and June 2007 included:

- 141 residents receiving job training
- 68 residents entering sustainable employment
- 65 residents achieving nationally recognised qualifications.

Box 6: The Volunteer Scheme (Lambeth)

This volunteer scheme has been designed to co-ordinate voluntary activities within the NDC area. A central register of volunteers and vacancies has been set up and the scheme seeks to match individuals to suitable opportunities. The project aims to increase routes into paid employment by providing opportunities for practical learning and skills development that also boost confidence levels.

Key partners include voluntary sector organisations, schools, a local play scheme and employers. The project has a high profile amongst residents and as a result it has matched a number of residents to volunteering opportunities who in turn have then progressed to find paid employment.

Demand-side interventions

- 3.36. There are four major types of demand side interventions. First, some NDCs have provided employment opportunities through Intermediate Labour Markets (ILMs). These schemes place workless individuals in specially created temporary jobs in order to equip them with the skills; training and experience which will later assist them find unsubsidised work. In this sense, they also fulfil a supply-side function of improving employability. Examples within these six NDCs include:
- the Green Team in Bradford which employed local people as part of an environmental and clean-up and maintenance programme; these jobs have since been mainstreamed into local authority provision
 - the ILM Classroom Assistants project in Newcastle which trained dinner ladies in six local primary schools to work as classroom assistants
 - Walsall created an ILM project to provide work experience with a local construction company as a way of gaining experience of the building trade.
- 3.37. A second type of demand-side intervention is to ring fence jobs for local people through section 106 agreements. The Revive project in Knowsley successfully negotiated local labour market clauses with key developers working on the physical regeneration of the NDC area (Box 7).

Box 7: Revive (Knowsley)

Knowsley NDC wanted to maximise the number of local people benefiting from the ten year investment programme to physically regenerate the area. Ten-year, legally binding clauses were negotiated with developers to ensure that local people were employed. A team of staff experienced in construction was set up to liaise with contractors to ensure that they recruited locally. As part of the Revive project NDC staff sourced vacancies and secured employment positions for local people within the construction sector. Key partners in the project included JCP, Huyton Churches Training Centre and the North Huyton Partnership. The achievements of the project include:*

- 279 local residents received guidance and advice regarding careers and training
- 65 local residents secured jobs in the construction industry
- 63 entered further training and/or learning courses.

- 3.38. A third type of demand-side intervention relates to business support projects intended to stimulate the creation, or growth of, small businesses. For instance:

- the Ucan2 project in Newcastle offers support to local people to set up their own business

* The recent downturn in the housing market has, however, affected this project as the private sector developers are no longer able to meet commitments to employ local people as they are having to make redundancies among existing staff.

- the GRID project in Bradford provides advice and loans to local people looking to start their own company
- the Supporting Enterprise project in Knowsley (Box 8).

Box 8: Supporting Enterprise (Knowsley)

Despite initial scepticism amongst NDC community representatives over the appropriateness of an enterprise-related employment project because of the perceived lack of 'business culture' within the local area, the NDC successfully established one such initiative: 'Supporting Enterprise'. The NDC Employment Team felt it was important to challenge the prevailing, and somewhat discouraging, view on self-employment and enterprise. The Supporting Enterprise project provides awareness raising and workshop events to highlight opportunities available through self-employment. The project also provides a one-to-one personal support service to existing and potential entrepreneurs in the North Huyton area. Key partners include the Kirkby Unemployed Centre and the Prince's Trust.

Achievements to date from its inception in June 2004 include:

- 150 local residents considering self-employment or a business start-up who have received one-to-one advice
- 98 local residents participating in workshops or awareness raising events
- 42 local residents progressing into self-employment or business start-up
- 29 existing local micro businesses helped and advised.

- 3.39. Helping individuals working in the informal economy to formalise their activities is an explicit component within some business support projects. In Walsall, the strategic focus is on individuals on the '*fringes of the black economy*', who might be undertaking some work but are still receiving benefits. This is described by the project manager as a difficult task because these individuals are often reluctant to engage with mainstream agencies. A pro-active approach is essential, therefore, to target individuals:

'If you've got to target the informal economy you've got to go and find them, and you don't find them standing on street corners with a board round their neck, you've got to go deep into it. [We have done] everything short of knocking on doors because I mean, well obviously we have to ensure the safety of the advisors.'

- 3.40. NDCs also provide support to existing businesses including:

- schemes to provide assistance in securing premises against business crime such as the 'Trade Safe' scheme in Newcastle which offers discretionary grants to businesses for security and environmental improvements
- a Business Forum set up by Bradford to encourage networking between local businesses

- improvements through other thematic areas such as the renewal of physical infrastructure and crime reduction initiatives, including business crime, have helped to improve the reputation of some NDC areas as a place to do business; in Bradford, an NDC officer suggests that businesses may have previously been deterred from locating their activities within the Trident area before the NDC started but that this is no longer the case.
- 3.41. Finally in relation to demand-side interventions one case study Partnership, Bradford, has attempted to attract inward investment. Working with the local authority, the NDC encouraged the Lidl supermarket chain to build a new outlet in the area. This type of economic development activity does not feature prominently, however, within either Bradford's overall strategy, or indeed in the approaches adopted by the other case study NDCs. Inward investment is not a strategy for which local renewal partnerships are well-equipped, nor is it generally an appropriate policy to consider at the neighbourhood level (see discussion above: 3.21). Nevertheless, taking a wider perspective, these six NDCs have been active in implementing some, albeit often limited, demand-side activities. And of course the very fact that each NDC is investing £50 million into their areas over ten years will itself also generate local demand through capital spend and revenue funding for projects.

Connecting with other outcome areas

- 3.42. There can be mutually reinforcing links between projects designed to enhance worklessness with those primarily designed to achieve change in other outcome areas. There are often, for example, close links between education and employment interventions. Opportunities for training and skills development play an integral part in helping people to access work. In Newham, graduates from the Community Interpreter's training scheme have been recruited by local health providers in order to improve access to services for individuals for whom English is not the first language. Projects targeting youth unemployment such as Revive in Knowsley and the West Bowling Youth Initiative are also seen as playing a role in reducing crime and supporting community cohesion by engaging with young people at risk of becoming involved in criminal activity.
- 3.43. Housing projects can also play a role in tackling worklessness through at least two routes:
- the physical development of NDC areas provides opportunities for training and employment in construction as demonstrated by the Revive project in Knowsley
 - and as one NDC officer in Bradford observed, promoting social mix through new housing developments can help raise aspirations in the area by providing positive 'models'.

- 3.44. Finally, some health projects contribute towards reducing worklessness. The Hat-Trick project in Newcastle engages young people in sport while providing opportunities for gaining football coaching qualifications thus enhancing the employability of participants. Evidence on the positive impact of work on health⁶⁹ suggests that projects which move local residents into work are likely to contribute towards improving health outcomes.
- 3.45. However, some informants are of the view that it has not been possible fully to exploit potential cross-outcome links. In one NDC, a project manager of a job brokerage scheme commented that her organisation is looking to develop links with housing providers. She expressed 'surprise' that this was something the NDC has not contemplated given the current political interest in the role that housing associations can play in tackling worklessness among tenants⁷⁰. In another NDC, the employment theme manager observed that it had been difficult to make links with other outcome areas, particularly health and crime due to limits on time and resources necessary to explore the possibilities for developing joint initiatives to tackle worklessness.

Innovations in delivery

- 3.46. It can be argued that NDCs have been innovative in delivering services to NDC residents in at least six ways. First, these six NDCs have innovated in order to fill gaps in mainstream provision of employment services. Brokerage schemes in particular provide a tailored, flexible, individualised service compared with JCP provision which is seen as adhering to strict eligibility rules. As one stakeholder in Walsall suggested, the difficulty with accessing mainstream services is that:
- 'You know, you've either got to be twenty five plus, unemployed for x amount or eighteen to twenty-four, unemployed for so long, or you've got to be working for an SME if you want skills development. But it doesn't deal with all of the ... the whole package for individuals.'*
- 3.47. By contrast NDC brokerage projects were seen as less constrained by the rules limiting access to more intensive support. As one employment adviser in Bradford commented, *'they can work to the needs of the client rather than the needs of funding'*.
- 3.48. Second, advisers working for NDC projects often have more time to work with clients: they are not so tightly bound by output targets as are JCP advisers. Staff working for NDC projects usually have opportunities to undertake longer interviews which provide greater scope for working intensively with clients to address all of their barriers. One important element in the client relationships evident in many projects is the allocation of a dedicated adviser to help build trust over time. Many NDC projects are often also in a position to respond rapidly to barriers to work. In Newham, clients have access to Personal Job Accounts consisting of discretionary pots of

⁶⁹ Waddell, G. and Burton, A. K. (2006) *Is work good for your health and well being?*

⁷⁰ See Hills, J. (2006) *Ends and Means: The future roles of social housing in England.*

money which can be made available more or less immediately, thus providing a swift, individualised solution to problems which would often be beyond the capabilities of mainstream providers.

- 3.49. A third innovation apparent in relation to many NDC projects is their location in accessible and visible premises in the heart of the community. A local presence can be especially useful in breaking down barriers relating to the narrow spatial horizons of potential users. One NDC officer in Bradford noted there is a *'need to deliver stuff on people's doorstep as people aren't willing to travel ... it has to be community-based, grassroots as people don't want to travel 2-3 miles into town'*. This proximity to residents often compares favourably with JCP whose offices can be located in urban centres some distance from NDC areas.
- 3.50. A fourth innovation is the voluntary nature of services. A number of respondents remarked that clients often mistrusted JCP due to its role in administering benefits and enforcing job search. One brokerage worker expressed relief they did not have to perform this *'policing'*. Another project manager in Walsall observed that, *'gentle encouragement and confidence building is going to do a lot more than threats of losing benefit'*. Similarly, one skills provider in Bradford noted that a *'locally-branded'* service has a critical advantage over mainstream counterparts as it can wield *'more carrot than stick'*. Not having to wield this *'stick'* also helps brokerages create a more relaxed and welcoming environment than JCP where the presence of security staff is also sometimes seen as intimidating by clients. Apparent changes to the way JCP now operates are summarised by one project manager in Walsall:

'If you look at Jobcentres, they've changed dramatically in the last four years. They actually don't want people dropping in to see them, to talk to them about, you know, can you talk to me about this afterwards sir; the day of advisors being able to see their clients, you know, because something's come up, those have gone and they're no longer welcoming places, you've got ... I know they're not called security, but you've got security on the door, you know, and what do you want, you know, well if you want to know more about that go and use the phone. That's fine for some people, but other people need a lot more help than that. And they need to feel that somewhere is welcoming and they can go somewhere and somebody's actually going to take the time to listen to them.'

- 3.51. A fifth innovation especially characteristic of the *'one-stop shop'* model (3.31) is the ability to provide an holistic service to a range of clients with a wide variety of needs. For example, IAG services can help clients gain skills and qualifications before cross-referring to brokerage functions for placement in work. This suite of flexible support delivered by a number of organisations from a single location contrasts with the more rigid offer delivered by JCP which is unable to offer important services such as careers advice, CV writing, completing application forms and interview preparation. Some NDCs have also set up services that help clients to address non-employment related barriers to work. In Knowsley, initiatives to help residents needing support

with benefit problems, debt problems and general money management issues have been established, of which the Money Advice and Budgeting Service (MABS) was the first of its kind in the country. As one project manager in Walsall also observed:

'It goes beyond worklessness ... although our main focus is worklessness, a lot of issues they are all linked, so for example we have some of our partners, at the moment we have Citizens Advice Bureau, I know that they are doing an awful lot of work with local people in regards to debt, but that is also linked to worklessness asking somebody to come off benefit and they've all this debt and they're not going to have housing benefit and council tax benefit, it is all linked and we also have recently got the PCT in, the local Care Trust, and they're looking at all sorts of things such as, healthy eating, stop smoking, weight, you name it.'

- 3.52. This broad range of services is essential in tackling multiple barriers to work. Another stakeholder in Walsall commented: *'it's like an onion, and you've got to work at it to get all the layers and sort them all out.'*
- 3.53. Finally, there are also examples of NDCs innovating in terms of delivery models. One example was the secondment of officers from the local Action Team for Jobs to the NDC in Knowsley. This was central to the development of the whole programme in that area. The team provided employment and training expertise and brokered partnership working between employment agencies and training providers from inside the NDC rather than these being commissioned from outside agencies.
- 3.54. Whilst accepting that local observers are generally positive about the innovatory nature of many NDC strategies and interventions, two caveats should be made here. First, many local observers remain positive about services provided by JCP in supporting workless people back into employment. As is explored in Chapter 4 below, NDCs work closely with their local JCP. Furthermore, differences between NDC funded brokerage projects and JCP services should not be over-emphasised. Whilst NDCs certainly have the capacity to innovate in terms of flexibility, location and the design of services, they still tend to function, in the words of one respondent as a *'mini Jobcentre'*. In the end the primary role of NDC brokerage projects is to assist residents into work with the support of advisers based in dedicated facilities which generally look and feel like conventional offices. Only a few brokerages depart significantly from this model, of which the West Bowling Youth Initiative⁷¹ in Bradford is one example (Box 9).

⁷¹ The Joseph Rowntree Foundation has recently published a report on the WBYI: Santok, S.G. (2008) *Lessons from West Bowling Youth Initiative: Then, now and the future*. www.jrf.org.uk/bookshop/eBooks/2318-ethnicity-youngpeople-community.pdf

Box 9: Innovative practice: The West Bowling Youth Initiative

WBYI is a community-based project providing sport-related activities, training opportunities and employment services for young Asian men from a community centre in the Trident area. Whilst the 'Job Shop' that the WBYI runs once a week mirrors conventional services in providing job search assistance alongside help with CVs, applications and preparing for interviews, the project is unusual in the way that it nurtures and develops participants over long periods of time. As the project manager explained, many of the 'lads' will start using the facility in their pre-teens, mainly to take part in cricket and football sessions or to go on 'away days' to outdoor centres. As participants enter their teens, they are encouraged to start thinking about taking responsibility for running some of the activities themselves. This can include coaching younger members in football and cricket and the most committed participants will be funded to gain formal coaching qualifications. Through a Youth Action Project, other participants are supported in bidding for small pots of money to run community-based projects such as environmental improvement schemes. Once attendees reach the end of compulsory schooling age, they are encouraged to think about their options in terms of remaining in school to take A-Levels or pursuing a more vocational route at local colleges. At the end of their education, the project supports them through the job search process. As the project manager explained, *'it's an holistic approach – you take them through all the stages ... it's not enough to just do jobs'*.

Critically, the project manager seeks to develop participants from whatever point they become involved in order to help them develop a set of sustainable and transferable skills that will enable them to develop a 'career'. He values volunteering and community work as it provides young men with the confidence and skills to enter sustainable forms of employment, rather than move straight into less stable forms of work at the lower end of the labour market such as call centre and retail work which is often *'low-paid and short term'*. In this respect, WBYI is unusual in its long-term, community-based approach to developing the skills and aspirations of young people. Mainstream service providers simply do not have the time and resources for this kind of organic development which nurtures young people from pre-teens to adult life through involvement in long-term projects.

WBYI purposefully creates a different environment to agencies such as JCP where, according to the project manager, young people feel alienated by the *'suits and ties'* and the feeling that job placement is a *'tick-box exercise'* for staff who are not genuinely concerned about their long-term development. Indeed, the project manager claimed to have a *'deliberate strategy'* of avoiding JCP and similar mainstream organisations:

'I don't see any value in working with them, they're very target and outcome focused. You can't look to get results at the beginning. To get genuine results, jobs may not always be the solution as they may only last a short time. It may make more sense to get people involved in some sort of activity, doing project work and give them more a chance of becoming an active citizen.'

He felt that the target-driven approach of mainstream agencies left them unable to provide the intensive, community-based support which he felt was necessary to 'grow' the skills and abilities of young people in the area. Moreover, as a community-based project located in the neighbourhood it serves, WBVI has 'created an approach where you can walk in off the street and do something in your own time'.

This project has gained respect and credibility among young people in West Bowling, including individuals who may not have been engaged through more conventional employment services. The project counts successes in terms of supporting individuals into well-paid, skilled work such as youth work, community development work and health work (see Box 15 for comments from individual beneficiaries).

- 3.55. A second caveat is that it is important to set innovation within the context of other ABIs: the NDC experience appears far from unique. Evaluations of Action Teams for Jobs, Employment Zones, and Working Neighbourhood Pilots reveal that a flexible, localised approach, with an emphasis on good advice, accessible and welcoming premises and a holistic range of services are all important in developing effective programmes to attack worklessness⁷². Similarly assessments of the earlier City Challenge programme are also positive about neighbourhood-based employment services plugging gaps in mainstream provision⁷³. NDCs may well appear innovative when compared with mainstream provision but perhaps less so when assessed against other ABIs.

Concluding observations

- 3.56. In relation to **strategic approaches** adopted by these NDCs towards worklessness several key issues should be stressed:
- NDCs have used local and national data sources as well as other local intelligence to plan strategies to tackle worklessness
 - planning worklessness strategies has been an iterative process with Partnerships continuing to revise and plan interventions in the light of new evidence
 - strategies have tended to focus on supply-side interventions aimed at improving the employability of residents in order to allow them to compete more effectively for work
 - some Partnerships, generally located in less buoyant regional economies have tended to target those closest to the labour market; operating in a more favourable environment the London NDC case studies have tended to target more marginalised groups

⁷² Casebourne, et al. (2006) *Review of Action Team for Jobs*; Griffiths and Durkin (2007); Dewson, et al. (2007)

⁷³ DETR (2000) *Final Evaluation of City Challenge*.

- spend varies considerably across NDC areas, with those areas with the highest levels of worklessness tending to allocate more to worklessness interventions.

3.57. In relation to **interventions**:

- NDCs tend to deploy similar suites of initiatives with an emphasis being placed on brokerage and IAG projects, often delivered through a one-stop model
- projects are designed to plug gaps in mainstream provision by offering local, flexible, voluntary and holistic services through accessible venues at the neighbourhood level
- one of the defining features of many NDC projects is that they do not duplicate JCP interventions: differentiation from the mainstream is important given residual mistrust among residents of mainstream providers
- NDCs have looked to other outcome areas such as the provision of training and improving crime rates in order to create holistic strategies addressing the totality of worklessness issues; there remains scope to develop these links further however
- whilst NDC projects display a number of innovative features relative to their mainstream counterparts, few represent genuinely radical departures from office-based employment service models: there is little evidence that most NDC worklessness projects have attempted something fundamentally new in engaging workless residents.

4. Working with partners, aligning strategies

- 4.1. The previous chapter explored strategies and interventions adopted by Partnerships to tackle worklessness at the local level. In this chapter the focus of attention shifts to two related themes. The first part of this chapter explores ways in which these six case study NDCs have worked with partners in planning and delivering interventions, and how effective these partnership arrangements have been. A later section considers the degree to which NDCs have sought to align their approach with interventions and institutions operating at district, regional and national levels. Although these two issues are of considerable importance in their own right, it is important to recognise too that many of the debates explored in this chapter have applicability to questions surrounding sustainability and which are examined in Chapter 7.

Working with partners

- 4.2. Partnership working lies at the heart of the NDC approach to tackling worklessness. Key partners include organisations from the public, private and third sectors (Table 4.1). In addition some NDCs have also sought to engage local residents to help develop and monitor the impact of projects. Sections immediately below explore this theme of partnership working within the following debates:

- the nature and value of partnership working
- working with the private sector
- working with the third sector
- community engagement.

Table 4.1: NDC Worklessness Strategies: partner engagement

Sector	Key partners
Public sector	JCP Connexions Local Authorities Colleges of Further Education Schools The Learning and Skills Council (LSC) Government Office Business Link
Private sector and business-related agencies	Employment agencies Employers including sector specific sources of training and employment such as construction companies The Chamber of Commerce
Third sector	Church-based groups Not-for-profit employment service providers Community and voluntary sector organisations

The nature and value of partnership working

- 4.3. Informants are generally positive about the benefits of partnership working. At one level for instance NDCs maintain links with key organisations in order to share expertise and provide critical oversight of worklessness strategies. Partners for this kind of work include JCP, local authorities and, in some areas, LSCs.
- 4.4. On the delivery side, NDCs work alongside or directly commission public, private and third sector organisations to deliver employment services in the local area. The one-stop shop model (3.31) is a prime example of how partnership working can bring together a number of complementary services within a single facility. In Bradford, one skills provider based in the one-stop shop Opportunity Centre from which a number of services operate describes collaboration as *'absolutely essential'*. In commissioning and funding services through this single dedicated office, the NDC has encouraged organisations to work together and with external mainstream providers such as JCP to ensure the delivery of a wide range of complementary services. Similarly in Walsall, the employment theme group is considered a useful forum where organisations come together to discuss worklessness issues and the projects in place without spending *'a lot of time squabbling about trivia.'* Part of the success of this theme group, according to one NDC officer, lies in its ability to attract senior managers from partner organisations such as the local authority. According to one key stakeholder who attends the theme group, there is:

'bloody good partnership working. Everybody agrees that. We actually work with one another. We don't work against one another and we all seem to have our eye on the same ball.'

- 4.5. Partnership working can also provide a channel for mainstream providers to deliver services in NDC areas. In Walsall, the Work on the Horizons one-stop shop facility accommodated JCP on an outreach basis when they were unable to find replacement premises for a site that closed in the north of the borough. As the project manager observed, *"they're quite happy to work with us. And that's been a key element of our operation that we get Jobcentre staff engaged in it on outreach'*. NDC facilities can therefore provide vital outlets for mainstream providers to deliver services at a neighbourhood level.
- 4.6. Formal partnership structures can also enhance information sharing between agencies. In Walsall, one member of the steering group for the Horizons project commented that:

'I think, while it's good to bounce ideas off people who are directly involved on the day to day because they might spot things, the other thing is it is very good to get everybody together, we do a lot of information sharing and there is such a diverse group that there's always something you can pick up so, it's not just to do with steering here, it's also to do with the partnerships themselves and the information sharing.'

4.7. The value of partnership working across agencies was affirmed in the local evaluation of ELITE⁷⁴ project in Newham:

'... ELITE has good links with other local providers in terms of providing ESOL training, work placement opportunities and childcare support. Partners have also indicated that ELITE has good relationships with other providers in terms of the cross-referral of clients between programmes ... client file reviews and client interviews also demonstrate good service provision and integration of services in terms of referring clients onto other training or work placement opportunities.'

4.8. Similarly in Lambeth, organisations delivering employment projects have sought to create a culture of *'no wrong door'*: clients can approach any organisation and be signposted or referred to the most appropriate partner. The value of this approach has also been identified in other research on worklessness in NDC areas⁷⁵.

4.9. A number of factors are widely identified as contributing towards good partnership working:

- open and effective communication amongst partner organisations
- the active participation in steering groups and thematic working groups of key organisations such as JCP and local authorities
- the identification of clear roles and responsibilities for all partners
- quick resolution of any competitive tensions that arise; in Newham ELITE and JCP agreed to share outputs for clients with which they both worked to avoid disputes over who could claim successful outcomes
- new statutory responsibilities placed on local authorities to measure progress on tackling worklessness as well as programmes such as the WNF means that employment policy is no longer seen as the preserve of JCP: local authorities are becoming key players in this broad agenda
- a willingness to share what one informant called *'a can do, will do attitude rather than a can't do, won't do, it's not my job anyway.'*
- the fact that NDCs have formal structures, the NDC boards, within which to organise and stimulate partnership working; in addition there are also often separate thematic working groups to oversee the delivery of worklessness projects
- informal channels of communication such as ad-hoc meetings through which partners keep NDCs informed of developments in their own organisations and within which personal relationships can be built between NDC officials and representatives from partner agencies.

4.10. However, partnership working does not always runs smoothly. Key supportive contacts in delivery agencies can move on. There can be problems in developing and sustaining relationships with particular agencies. One NDC

⁷⁴ Greater London Enterprise (2005) *Evaluation of the ELITE Employment Project*.

⁷⁵ Dickinson, et al. (2008).

reported problems in working with Connexions, the organisation responsible for meeting the education and employment needs of 14–19 year-olds. Constant organisational changes within the local Connexions service as well as a territorial *'tendency to grab your funding'* for their projects meant that partnership working had been strained and limited.

- 4.11. The need to meet targets built into contracts can also act as a disincentive to joint working as, in the words of one stakeholder, *'agencies hold onto people in order to meet their targets.'*, a view also reiterated in other recent research on worklessness in NDC areas⁷⁶. Reflecting on this *'target culture'* the manager of one community-based employment project also suggests that partnership working is not always desirable as the target-driven approach of some providers can alienate hard-to-reach clients. In seeking to engage young men from black and minority ethnic communities, this project therefore deliberately eschews links with mainstream providers that have a more conventional *'suit and tie'* approach. The project continues to work closely with the NDC and local third sector organisations to enhance opportunities for young people to develop skills and gain experience. But this project's approach to partnership remains selective: it only liaises with organisations which will not compromise its good relationships with young people.
- 4.12. Of course problems associated with partnership working are not always the responsibility of partner agencies: NDCs are not viewed entirely positively by external organisations. Stakeholders from external agencies identify instances where partnership working with NDCs has not worked as well as it might have done. One respondent felt that the NDC is not always good at listening to external advice: *'NDC Directors have great passion but are not always pragmatic and don't always listen. They can't write off the Council; they can't do it all on their own.'*
- 4.13. And there is now too a sense that partnership working is being undermined by a relatively new concern. There is a perception amongst some case study NDCs that some partners are beginning to lose interest as NDC funding dries up. One NDC officer described how:
- 'In the early days all the agencies came to the Jobs and Business Focus Group [such as] the enterprise and employment agencies. They got what they wanted for their projects and pilots, used NDC as a testing ground then moved on to new pastures. They are parasites, not partners.'*
- 4.14. Whilst this was an unusually strong view, there is a clear sense among NDCs that partners are drifting away as the Programme winds down. This can be a two-way process, however, as experienced by one stakeholder based in a training and job brokerage project that had been provided with an NDC-funded link worker to make contact with other local organisations as a way of accessing clients. They noted that links with the NDC were severed once funding for the post was discontinued:

⁷⁶ Dickenson, et al. (2008).

'We now know less about the NDC since funding for the link worker ended. Communication seemed to stop and there's no direct contact. Why stop the links when the funding stops? Our provision still applies to NDC clients and we could be giving them more help.'

Working with the private sector

- 4.15. Whilst there is ample evidence of NDCs working with public sector partners, notably local authorities and JCP, the extent of partnership working with the private sector is less intensive or consistent. In principle there are a number of reasons why NDCs might want to engage with the private sector including:
- seeking inputs into worklessness strategies through inviting employers to participate in formal governance mechanisms such as NDC boards
 - contracting the private sector to deliver services
 - securing job interview guarantees and placement opportunities for those finishing training courses
 - providing placement opportunities as part of ILM or training initiatives
 - supporting business development through initiatives such as establishing business forums to encourage local businesses to exchange ideas and develop commercial relationships; providing assistance in reducing levels of business crime; and encouraging entrepreneurship through business support projects
 - enhancing the effectiveness of brokerage functions by liaising with employers to identify vacancies and training opportunities that could be filled by workless residents
 - eliciting funding to support community activities; in Newcastle, local businesses paid for 360 reflective bibs to promote road safety among local schoolchildren.
- 4.16. There are notable examples of successful partnership working with the private sector:
- in Walsall, the Work on the Horizons project manager points to the growing number of vacancies offered through the project as evidence of the development of stronger relations with the private sector
 - the Revive project in Knowsley signed 10-year legally binding local labour clauses with a consortium of three private sector developers (Keepmoat, the MJ Gleeson Group and Lowry Homes) to ensure local people would be employed on the construction projects taking place in North Huyton. Unfortunately the economic downturn has left the consortium unable to continue to meet these commitments
 - in Newham, the CLIO Project facilitating access to employment in the construction industry was led by ROK, a leading local construction industry employer (Box 10).

Box 10: Construction Labour Initiatives Officer (Newham)

The Construction Labour Initiatives Officer (CLIO) role was set up to assist local people to access employment in the construction industry. The focus of the role was to work with unemployed and under-employed people seeking sustainable employment in the construction sector. The CLIO established links with site contractors, especially on the Brooks Estate, to establish their recruitment requirements, and timetable training and recruitment drives. The CLIO worked closely with ELITE (the NDC job brokerage scheme) and Newham's Access to Jobs team and also established links with other construction recruitment agencies to identify work placement opportunities. The project was led by ROK, a leading local construction industry employer. Key partners included:

- ROK – building supply chain manager
- Newham Housing Team
- Mullaley, Braddons, Bargad, Bellstep, Galliford Try Partnerships and Community Housing (contractors working on the Brooks Estate)
- ELITE: referring suitable clients to the scheme
- Newham's Access to Jobs Team: referring suitable clients to the scheme
- Sector Skills Council for the construction industry
- Building London Creating Futures: a European funded training initiative.

The project was ground-breaking in Newham in the way that it brought together private and public sector providers. Although there were issues between the two, all stakeholders praised the project and would support a similar one. The project overachieved on many of its targets including residents progressing to higher level training, number of unemployed residents accessing work, and residents receiving careers advice.

4.17. However, the dominant view from most observers is that, for a number of reasons, private sector involvement has been limited:

- four of the case study NDCs, Lambeth, Walsall, Newcastle and Knowsley, contain little commercial activity: there is not a large local business community with which to engage
- the supply-side focus of NDCs has generally left little time or resources for supporting and developing links with the private sector
- a lack of suitable premises or vacant land for commercial development in Newcastle has restricted the capacity for supporting new business growth
- some businesses have comparatively little interest in the NDC Programme because it is perceived as a community-based project, or because it does not provide them with any direct funding or 'rewards' to justify the time spent in what many in the business community would see as 'talking shops'
- employers often lack the time to get involved with what they can perceive as the bureaucracy surrounding NDCs

- companies already have well-established recruitment channels through private agencies or advertising in the press
- in one NDC there was evidence of duplication of activities with JCP, contracted agencies delivering employment services, and the local authority all seeking to engage with local employers in order to identify vacancies; in this context the local NDC has felt crowded out by existing partnership activity
- private sector organisations are not always considered suitable partners by NDCs because of perceived poor terms and conditions and the lack of in-work development opportunities for employees
- a reluctance among some employers to consider local people for vacancies, especially those from 'hard-to-reach' groups; in one NDC, a private sector board member commented that *'when [a major retail chain] opened up there were fine words [about] local employment but eventually only 3 residents got jobs. Employers promise the world but when it comes to shortlisting and sifting cvs they don't follow through'*.

4.18. Some of the criticisms were countered by private sector representatives. In one NDC, a private sector board member claimed that the NDC has been *'slow to respond to the need for micro start-up units'*, claiming *'there's nothing available for the one-man band who wants to set up a web consultancy'*. He felt the NDC board had a negative perception of the private sector: *'they assume that the private sector are out to profit from NDC; it is difficult to get private sector viewpoints heard as it's taken to be motivated by private gain.'* There was also a perception that NDCs do not fully understand the needs of employers and that worklessness projects do not always prepare clients accordingly. One NDC officer in London suggests that brokerage schemes need to act more like *'recruitment agencies'* by liaising more closely with employers to identify vacancies and field suitable candidates. Another informant claimed that training had got *'stuck at the level of soft skills [and] confidence building'* and did not equip clients with the vocation-specific skills and experience employers wanted.

4.19. Moreover, it is not always clear that views from private sector representatives have a great deal of purchase within NDC governing structures. Whilst most NDC boards have at least one private sector member, they often exert only a limited influence. To the employment theme manager in one NDC it seemed that *'we have a local employer on the board who attends my theme meetings and obviously he gives us an employer's point of view. Sometimes we don't want his point of view, or at least we don't like it when we hear it'*. It may be that in common with other government initiatives the largely public sector driven ethos of the NDC Programme may inhibit effective partnership working with the private sector. An evaluation of Employment Zones shows that private-sector led Zones proved more effective in making links with the private sector than their JCP counterparts⁷⁷. Public and private sector organisations are not always natural partners.

⁷⁷ Casebourne, et al. (2006); Meadows, (2008): p16.

- 4.20. There is a feeling among some local informants that limited engagement with the private sector has been a missed opportunity, a view reflected in evaluations of other ABIs⁷⁸. One interviewee who has been closely involved with an NDC's worklessness activities reflected that:

'... employers in the private sector have been involved to a small extent but not as much as they could have been. There were good links with the hospitality industry both in terms of placing people in jobs and in terms of employers offering work placements and training places. The [NDC job brokerage project] never really had the resources to work with employers in the private sector. When the project started, it was very client focussed. It was only about half way through that it was realised how important links with the private sector were. In retrospect, we should have employed specialist recruitment staff who could 'sell' the services of the project to the private sector and get them on board as partners. There was not really any in-house expertise and it would have been difficult to have made inroads in the timescale.'

- 4.21. In a similar vein, a job brokerage adviser in Bradford sees a need to develop a better understanding of the needs of the private sector. To achieve this, the brokerage scheme has embarked on an '*employer-led*' strategy of proactively contacting local businesses through dedicated employer liaison staff to ascertain their recruitment needs. Presently, the brokerage project is looking to develop links with a number of key sectors including manufacturing; the creative, media and digital industries; retail; leisure; and hotels and food. This would enable the project to prepare clients more effectively in terms of equipping them with the skills and competencies demanded by local employers. This approach also allows employer liaison staff to '*educate*' employers on the capabilities of jobseekers, including those who are more detached from the labour market. These findings reflect previous evaluations of other ABIs introduced to tackle worklessness which show that private-sector led services are often more effective in liaising with the private sector than are their public sector counterparts⁷⁹. Liaising with employers has not played a central role in the strategic approach taken by NDCs in tackling worklessness.

Working with the third sector

- 4.22. Third sector involvement in NDC strategies mainly comprises the direct delivery of projects. Examples include:
- the Support Enterprise project in Knowsley run by the Kirby Unemployed Centre, a social enterprise

⁷⁸ Dewson *et al.*'s (2007) Evaluation of the Working Neighbourhoods Pilot found that some pilot managers considered the limited engagement with employers a '*wasted opportunity*' (p6).

⁷⁹ Griffiths and Durkin's (2007) evaluation of Employment Zones found that private-sector run Employment Zones built effective relationships with employers and were more attuned to the concerns of employers than Employment Zones managed by JCP (p7); similarly Casebourne *et al.*'s (2006) review of Action Teams for Jobs reported that private-sector led (PSL) teams had better links with employers including dedicated liaison staff than JCP teams.

- WBYI in Bradford is a grassroots, voluntary sector organisation
 - the community interpreters' project in Newham was delivered by Making Training Work, a company limited by guarantee with a not-for-profit constitution.
 - the new £5.9 million Training Centre in Knowsley is owned and operated by Huyton Churches Training Services (HCTS), a third sector faith-based training provider; the NDC was instrumental in providing a loan to enable HCTS to move into purpose-built premises in the area as they see the Training Centre as a key part of their succession strategy.
- 4.23. A less significant role has been played by the third sector in providing training or employment opportunities for residents looking to access work. In Lambeth, the Construction Training Scheme has developed strong links with Clapham Park Homes, a community-led housing association, providing work placements for trainees through their contractors. In addition, third sector organisations sometimes provide a channel through which worklessness projects can access hard-to-reach clients. Careers Bradford, an IAG project based in the one-stop shop, conducts outreach work through local community centres and community groups to publicise the service and to help identify residents with training and employment needs.
- 4.24. Despite these examples, the extent of partnership working with the third sector is generally limited. In one NDC, there has been no third sector involvement in the design or delivery of worklessness projects. Another NDC which has only had a limited degree of contact with third sector organisations sees it as something of a missed opportunity. This view is echoed by an informant working for a voluntary sector organisation funded to deliver worklessness services in the same NDC. He suggested that NDCs could do more to engage the third sector. In his view, too much money has been used to support the NDC bureaucracy which had, in effect, become *'like the council'* with only *'the crumbs on the table'* filtering down to grassroots, community organisations. He suggests NDC money would be better spent funding *'traineeships'* through existing community and voluntary sector organisations. This form of *'grass-roots job creation'* could provide more sustainable outcomes than allocating funds to set up new projects which will not all survive once NDC funding comes to end. There was consensus, therefore, that the lack of partnership with the third sector was a missed opportunity. Certainly, evidence from elsewhere including the evaluation of the Working Neighbourhoods Pilots⁸⁰, suggests that the third sector can be a valuable partner if effective working arrangements can be put in place.

Community engagement

- 4.25. Community involvement in the planning, delivery and monitoring of worklessness projects has taken on a number of forms including:

⁸⁰ Dewson, et al. (2007)

- initial consultation at the beginning of the NDC Programme, mainly through surveys and focus groups, often contributed to strategies on tackling worklessness; in Newham, feedback from residents led to the creation of Personal Job Accounts, discretionary pots of funding for back-to-work costs for clients of ELITE
- approval and monitoring of worklessness projects by community representatives sitting on NDC Boards or on theme groups responsible for employment
- and, rarely, direct involvement in the operational side of projects, such as individual Resident Board Directors acting as mentors to young people in the Team North Huyton Project in Knowsley.

4.26. There are also examples where community residents have directly influenced the shape of worklessness projects. In Walsall, one project manager clearly valued the input from residents in providing insights into the concerns and needs of the local community:

'people who actually live in the area and are actively involved in it, I think they need to have their say about how things are run, I mean that's the whole point, we're here for their benefit and ... you can't ever lose sight of that, so I think having the board members and reps on the theme groups, I think you need them there, I think sometimes people can go off on a tangent and I think you need somebody who is local and who knows what the main issues are to go, hang on, sort of bring them back down to earth'.

4.27. There are also examples of residents getting actively involved in strategic decisions. In Knowsley, there was strong opposition from residents members on both the Board and the relevant theme group to the winding down of the Road2Work project⁸¹ which had to be terminated because of funding issues.

4.28. However, on balance, most NDCs report that community involvement in worklessness projects has been limited because of factors such as:

- the theme has less resonance with residents than have other issues, especially those surrounding community safety where projects are more visible and affect more residents⁸²
- there can be a lack of identification between residents and the local business community
- cross-thematic working within Partnerships between community engagement teams and employment teams has often been limited.

This finding is supported by another NDC study that found little evidence of significant community involvement in worklessness projects or strategy development in one case study NDC⁸³.

⁸¹ The umbrella service through which many training and employment services were provided.

⁸² A similar finding was made by Dickenson *et al.* (2008).

⁸³ CLG (2009) Improving outcomes: Engaging communities in the NDC programme. Add URL.

- 4.29. Stakeholders also point out that there can be problems in getting residents involved who are not fully conversant with policy drivers and the structure of employment services. One JCP representative noted for example that:

'I have to admit sometimes it [community involvement] does elongate the meetings and that ... I think there has to be general acceptance that they don't fully understand, sometimes, the implications of what suggestions they're making, because – and again, I don't mean to be rude – but sometimes it's very simplistic, "Well, you just put that there and that'll solve it". And it's not quite as simple as just taking a Jobcentre and plonking it in the middle of a New Deal for Communities area. The ins and outs and the negotiations and the funding, and everything that then needs to happen in order to get that to the point that they would like it, either isn't feasible sometimes or isn't possible.'

- 4.30. Nonetheless, he valued the role that community representatives could play in 'coming up with something that best fits' the needs of workless people living in the area.

Aligning NDC worklessness interventions with wider strategies

The appropriate scale for intervention

- 4.31. There clearly is a debate about the degree to which the neighbourhood is an appropriate environment within which to tackle worklessness. In terms of the rationale for neighbour-level interventions, three arguments can be made. First, it may make sense to target resources on the worst affected areas. As a government report notes, '*many problems are of a more local nature, and can only be tackled at the level where concentrations of worklessness occur: the very local level*'⁸⁴. This allows the most efficient targeting of resources to vulnerable groups concentrated in particular places⁸⁵. Second, there is a view that mainstream programmes have often failed the poorest neighbourhoods⁸⁶, based for instance on the perception that universal, national programmes such as the New Deal for Young People have often been least effective in the most deprived areas⁸⁷. By contrast, local interventions have the potential to address worklessness through their strategic and operational capacity to respond flexibly to local conditions:

*'Worklessness is not the same problem everywhere and there is no single approach to tackling it. Local solutions are required based on local knowledge and understanding of the problem in any given place backed up with the flexibility, autonomy and the capability to devise and implement the most appropriate response'*⁸⁸.

⁸⁴ HM Treasury and DWP (2003): p46.

⁸⁵ CLG (2008f): p10.

⁸⁶ See Syrett and North (2008): p19–20 for reasons for why mainstream policies have often failed deprived areas.

⁸⁷ SEU (2004): 72–3; see also Sunley, P., Martin, R. and Nativel, C. (2001) *Mapping the New Deal: local disparities in the performance of welfare-to-work*.

⁸⁸ CLG (2007): p10.

4.32. This ability to harness the knowledge and skills of a wider range of local stakeholders to tackle employment issues is thus seen as 'adding value' to national policies by adapting policies to local conditions, engaging key stakeholders, and enabling a partnership approach to be taken⁸⁹. Third, there is an argument that additional resources need to target those areas where concentrated poverty or worklessness could lead to additional, and adverse effects for residents such as for example post-code discrimination (2.44) or prevailing cultural norms limiting exposure to opportunities in the wider labour market (2.30)⁹⁰.

4.33. But it would be hard to argue that the neighbourhood level should be the sole arena within which worklessness strategies play out. This is acknowledged within a 2008 CLG report:

*'the best level to tackle a problem is not always the spatial level at which it manifests ... tackling neighbourhood deprivation requires recognising the connections between neighbourhood and a wider economy and understanding the factors that constrain people in disadvantaged areas from taking advantage of opportunities in the wider labour market'*⁹¹.

4.34. The reality that economic development needs to be managed and encouraged at different spatial scales is reflected in the range of economic development initiatives and strategies operating at contrasting levels. Responsibility for promoting economic competitiveness rests in part of course with national government, most notably through the DBERR, and RDAs. One criticism of this approach is that focussing on wider national and regional institutions and agendas may lead to the needs of economically marginalised neighbourhoods being overlooked. There is a view for instance that the Regional Economic Strategies (RES) produced by RDAs have tended to focus on *'how to promote economic and business competitiveness, performance and growth within the region/sub-region, with only a more marginal concern as to whether more disadvantaged groups and communities directly benefit from this growth'*⁹². One example of this is the emphasis on *'creating a 'knowledge economy', based on high-skilled, high-value-added sectors while routinely ignoring lower-value-added, low-skill service sectors that are crucial to enhancing labour market participation among marginalised groups. This has prompted claims that, 'the fundamental relationship of poor neighbourhoods to the wider local/urban economy within which they are situated was a neglected feature in New Labour's initial neighbourhoods renewal agenda'*⁹³.

4.35. Recent efforts to emphasise the role of economic development in stimulating neighbourhood renewal through the 'Transforming Places'⁹⁴ agenda suggests there is now a growing recognition of the importance of integrating regeneration policy with economic development. Local authorities are likely

⁸⁹ Campbell (2001): p17–18.

⁹⁰ Tunstall, R. and Lupton, R. (2003) *Is Targeting Deprived Areas an Effective Means to Reach Poor People? An assessment of one rationale for area-based funding programmes.*

⁹¹ CLG 2008f: p41.

⁹² Syrett and North (2008): p197.

⁹³ Syrett and North (2008): p 23, 198.

⁹⁴ CLG (2008e).

to become key agencies in this through their role in managing worklessness programmes as a result of their pivotal status in a suite of initiatives including LSPs, LAAs, Area-Based Grants, the WNF, and the LEGI. These interventions may well see a strengthening in programmes specifically designed to benefit workless residents in deprived areas. By bringing local authorities more centrally into the policy process too there is every possibility of avoiding the *'fetishisation'* of scale where problems such as worklessness are regarded as internal to certain neighbourhoods without understanding their interplay with wider spatial structures⁹⁵.

- 4.36. All of this poses important questions for NDCs. In particular, how will they sustain interventions at the neighbourhood level whilst also aligning their programmes with these wider institutional frameworks? It may be that the key role assigned to local authorities in developing the 'Transforming Places' agenda will benefit NDCs as they feel comfortable working in partnership at this district scale. Understanding how NDCs respond to this growing devolution of worklessness policy to the local level is a critical question to address.

Aligning with district level strategies

- 4.37. There is evidence that NDCs have been relatively successful in aligning their worklessness programmes with other strategies and institutions operating at the local authority district level. This can operate in at least three ways: integrating NDC interventions with other district-wide funding mechanisms, notably the WNF; looking to work with other organisations to establish which client groups NDCs should prioritise; and seeking to align NDC policies with those adopted by district-wide institutions, notably LSPs.
- 4.38. In relation to working with other district-wide funding streams, several respondents identify the WNF as a potentially important channel for planning, delivering and sustaining interventions to tackle worklessness in deprived neighbourhoods once NDC funding ends. In Walsall, the NDC has agreed with key partners that WNF outreach workers will refer potential clients to the NDC-funded one-stop shop employment brokerage. This agreement is driven, in part, by a joint need to work together in order to meet LAA targets. The project manager of the one-stop shop also hopes this alignment with wider worklessness strategies will make the decision to continue funding the project through other streams a *'no-brainer'* in a post-NDC environment. The WNF has nevertheless attracted some negative comment. One NDC officer in another area observed that WNF funding is allocated to local authorities and therefore liable to be **'top-sliced'** by other departments: there *'will not be a lot left for [tackling] worklessness'* at the neighbourhood level. Another informant from a different NDC also notes that funds had not yet been allocated and feared the eventual allocation could leave a *'funding gap'* at the neighbourhood level as NDC resources dry up.

⁹⁵ Syrett and North (2008): p12.

- 4.39. Partnerships can also work with other agencies at the district level to establish which groups of clients NDCs should focus on. In Knowsley this has seen the NDC focus on unemployed JSA claimants because of its view that economically inactive groups are better catered for by JCP and the local authority which can deliver a better-resourced mainstream strategy. This view was vindicated in 2006 when Knowsley local authority received £1 million from the Northern Way to support its 'Knowsley Works' worklessness programme designed to help up to 3,000 people move from incapacity benefits into employment.
- 4.40. NDCs have also sought to engage with, and align their policies towards, district-wide institutions. In particular NDCs tend to regard LSPs as useful forums for partnership working around issues of worklessness. Across the Programme, 33 Partnerships are involved with their Local Strategic Partnerships and 35 with their Local Area Agreements⁹⁶. These Programme-wide trends are reflected in practice within these case study NDCs. In Walsall for instance, the role of LSPs and LAAs in reducing worklessness and supporting economic development is viewed in positive terms because it brings organisations together to discuss and identify issues as well as plan appropriate interventions. Informants think that growing devolution of responsibility has substantially increased the impetus for partnership working. The NDC is currently working with partner organisations to identify the likely impact of welfare and institutional reforms on funding for local projects. If any gaps are revealed, the NDC plans to draw these to the attention of the LSP's worklessness group as the basis for co-ordinating strategic local responses to address potential shortfalls. Likewise in Lambeth, there is a view that the LSP and the process of drawing up LAA targets have encouraged agencies to work in partnership and to avoid duplication. Respondents identify a need for co-ordination across the borough on worklessness issues and consider the LSP, through the agreed LAA, as being the best vehicle for providing a strategic steer. Informants in Knowsley similarly consider the LSP a vital mechanism in ensuring a '*joined up approach*' across key agencies in order to address priorities identified across the Borough including young people not in education, training or employment; worklessness and anti-social behaviour. These findings are supported by evidence from other recent research on tackling worklessness in NDC areas which also showed that NDC are increasingly seeking to align strategies with LAAs and playing an active role in LSPs⁹⁷.
- 4.41. There are signs too that LSPs recognise the importance of working at sub-district scales. In Knowsley, the LSP has created six sub-district Area Partnerships, one of which, North Huyton, is larger than, but includes all of, the NDC area. Whilst it is unlikely that LSPs will adhere to geographies as small as NDC areas, this suggests there is an awareness of the need for localised interventions in tackling thematic priorities. The ability and willingness of LSPs and indeed other partner agencies to shape policy at the neighbourhood level may thus not be entirely lost once NDCs cease to operate. The importance placed on working within these wider strategic

⁹⁶ CRESR (2008) *The 2008 NDC Partnership Survey* (URL needed)

⁹⁷ Dickenson, et al. (2008): p84.

frameworks is illustrated by one NDC officer: *'I would say half my time is spent in engagement with non-New Deal [for Communities] activity in Walsall. That's our commitment to the wider agenda.'*

- 4.42. Although informants are generally positive about their experience of LSPs and LAAs, it has not always been plain sailing.
- 4.43. In one area the LSP had failed to establish a good working relationship with the local NDC. This was attributed to the heavy workload of the appropriate contacts within the Partnership and a perception that the LSP was ineffective, slow and bureaucratic. It was also felt that the LSP had not drawn on the NDC's knowledge and experience of tackling worklessness as part of negotiations to set up the LAA. As a result, the NDC withdrew from the organisation set up by the LSP in 2007 to develop a city-wide strategy for tackling worklessness. Instead, it approached a development trust to set up a recruitment agency in the NDC area. Whilst the NDC justified this approach as a means of bypassing what it saw as ineffective district-level policymaking, some local stakeholders criticised this decision to *'go it alone'* on the grounds that it could lead to a duplication of provision put in place through the WNF and the forthcoming Local Employment Partnership. One agency representative also claimed it highlighted the lack of commitment to partnership working by the NDC which had *'a tendency to need to manage, control, replicate'*. According to this informant, the NDC had apparently failed to recognise that *'the landscape has changed over the 8 years'* and had retained its tendency to work in isolation rather through partnerships. It should be emphasised however, that this apparent rupture in partnership working at the district level was unique among these six case study areas. But the reality is as one agency representative noted when commenting on a Partnership's role within local authority district agendas, the *'NDC is [just] another strand in a much bigger picture.'*

The wider spatial scale: sub-regional, regional and national agendas

- 4.44. Although much of the debate about aligning with other strategies focuses on the local authority district level, difficulties have cropped up at the sub-regional level where some NDCs are involved in City Strategy partnerships designed to co-ordinate programmes to tackle worklessness across one or more local government areas. One informant working in an NDC observed that a sub-regional strategy *'doesn't necessarily translate down to a more local level ... when it comes to trying to put things into practice.'* However, despite these concerns, this NDC is keen that its priorities align with those of the City Strategy in order to help in the future funding of projects. Moreover, there are examples of successful partnership working at the sub-regional level. In Newham⁹⁸, a number of stakeholders commented on the value of the NDC's membership of DWP's East London City Strategy Pathfinder, one of 15 set up in 2007 to explore ways of improving employment rates through better inter-agency working.

⁹⁸ The city strategy in East London is based around the five host Boroughs of Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest.

- 4.45. NDCs tend to have little if any involvement with regional initiatives such as the development of Regional Economic Strategies. In one NDC area, it was acknowledged by informants that it is difficult for a neighbourhood-based organisation to exert influence on strategic development at this wider spatial scale. One interviewee suggested, however, that the local authority could act as a *'conduit'* through which the NDC might make its case at the regional level. Another skills provider operating at the sub-regional level reaffirmed this by asserting a need to *'challenge the management'* of the NDC to play a role in wider strategic development. He claimed the NDC could do more to make the RDA aware of the NDC's challenges and priorities, which might in turn exert influence over the shape of the RES. At the same time, he acknowledged that the RDA could do more to consider the needs of deprived areas when promoting employment growth, reflecting concerns expressed in other research about the general neglect of the urban deprivation agenda by regional bodies⁹⁹.
- 4.46. In terms of fit with national agendas, one informant felt that central government implemented policies were too rigid and failed to create a sufficiently flexible context:

'the problem is that sometimes you've got government agencies who like the DWP who set a national strategy because that's what they think is best, and they don't have the local flexibility, and that's the problem. And sometimes you need that little bit of flexibility in a local area to understand what is going on and how you can address it'.

Concluding observations

- 4.47. Partnership working is an important component of approaches adopted by NDCs to tackle worklessness:
- successful partnership working depends on good communication between committed partners through which to plan and monitor interventions
 - with a few exceptions, public sector agencies have proved to be the most cooperative partners for NDCs
 - the private sector is not engaged to any great extent other than as a recipient of support or a contracted provider of services; but perhaps too NDCs have not always maximised opportunities for working with the private sector; there is a sense that more could be done to understand and respond to the needs of employers
 - the third sector is sometimes involved in delivering services under contract; but there is less evidence that it has engaged independently with the worklessness agenda in NDC areas
 - there has been limited involvement from local communities in planning and shaping workless interventions.

⁹⁹ Syrett and North (2008): p197.

- 4.48. NDCs are generally of the view that it is important to get involved with programmes and institutions operating at wider spatial scales:
- this works best at the district level: NDCs are committed to working with their parent local authorities, LSPs, and other district level initiatives; this engagement can help avoid duplication of provision and, from the point of view of NDCs, opens up potential sources of funding through which to sustain projects in the longer term
 - but there is, perhaps not surprisingly, only limited NDC involvement in, or influence over, sub-regional, regional and national debates and initiatives.

5. Tackling worklessness: outputs and outcomes

- 5.1. The previous chapter considered issues surrounding partnership working and aligning NDC programmes with strategies operating at wider spatial scales. This chapter moves the debate forward by exploring the degree to which it is possible to assess the success of NDC interventions. It begins by considering ways in which NDCs measure outputs and outcomes and the extent to which projects are apparently meeting targets. A second section presents the views of key informants on the degree to which interventions are succeeding.
- 5.2. A word of caution is needed at the outset here. The evidence developed in this chapter is largely drawn from the views of stakeholders in the six NDC areas. In general terms much of it is relatively positive. However as is made clear in the complementary Programme-wide data report, in general terms change data does not suggest that NDC areas saw more in the way of positive movement in relation to worklessness between 1999 and 2008 than did similarly deprived comparator areas in the same parent local authority districts. Local observers may point to positive outcomes. However, to a large extent this view is not supported by 'harder edged' change data benchmarking what has happened in NDC areas with what occurred in other deprived neighbourhoods. Whilst all NDC areas have seen overall reductions in levels of worklessness, the degree of change is no greater than in comparator areas. In grappling with this dilemma it is critical to remember that these two reports are largely dealing with two different types of evidence:
- the Programme-wide overview of change uses national administrative data and results from the large scale Ipsos MORI surveys to provide a 'top-down' overview of change across all of the 39 NDC areas and their comparator areas
 - whereas in this report the evidence is largely drawn from interviews with key local stakeholders working in, or with, NDCs, or managing or benefiting from specific interventions; the generally positive perspectives from these informants might be a perfectly legitimate response to how they perceive their work; however the change data suggest that the effects of locally-devised strategies and interventions may simply be swamped by other local, regional and national processes.

Measuring outputs and outcomes

- 5.3. NDCs tend to use two sets of indicators to measure progress in reducing worklessness:

- **output indicators**, usually project specific measures relating to the number of clients assisted with looking for work, being trained or placed in employment
- **outcome targets** relating to changes in levels of worklessness and employment across NDC areas.

Output indicators

- 5.4. Output indicators measure the particular achievements of projects such as number of residents trained or given careers advice. These targets can also measure achievements that fall short of overall aims. Residents may, for example, successfully complete a training course but remain unable to find work. This would be counted as an output rather than an outcome.
- 5.5. Output targets tend to relate to the number of employment opportunities made available; access to advice; access to training; and the number of interviews and jobs secured (Table 5.1). Targets are generally monitored using project-level data. Nevertheless, in line with the ethos of the Programme as a whole, these case study NDCs tend to see outcomes, not outputs, as more appropriate in measuring effectiveness in tackling worklessness: this is an explicitly outcome driven ABI.

Table 5.1: Output indicators: indicative examples

Employment provided	<ul style="list-style-type: none"> • jobs created • jobs safeguarded.
Advice	<ul style="list-style-type: none"> • clients provided with initial advice, guidance or counselling.
Skills/Training	<ul style="list-style-type: none"> • residents receiving training • training weeks provided • residents completing course or qualification • trainees on work placements.
Interviews/Jobs secured	<ul style="list-style-type: none"> • interviews secured • jobs secured • sustainable jobs secured (those lasting more than three weeks) • number of people from disadvantaged groups who obtained jobs.
Other	<ul style="list-style-type: none"> • residents in voluntary work • visitors to one-stop shop project.

Measuring outcomes

- 5.6. The most common outcome targets relate to worklessness and employment levels, skills and household income (Table 5.2). NDCs measure progress not simply in terms of reducing numbers of people out of work and raising levels of employment, but also in relation to reducing barriers to work and

ensuring that work contributes towards improvement in household incomes. Targets are often expressed in terms of narrowing gaps with some form of spatial benchmark. For example, Newcastle aims to reduce the proportion of JSA claimants to, at least, the citywide average. Alternatively, targets are sometimes couched in terms of reaching a particular threshold. In Newham, the aim is to reduce the percentage of unemployed residents who identify the lack of affordable childcare as a barrier to work to 5 per cent.

Table 5.2: Outcome indicators: indicative examples

Worklessness targets	<ul style="list-style-type: none"> • to reduce unemployment rates • to reduce benefit dependency rates (measured according to the numbers claiming Jobseeker's Allowance <i>and</i> incapacity benefits). • to reduce the number of households where no-one works.
Employment targets	<ul style="list-style-type: none"> • to raise employment rates • to raise economic activity rates (the number of people in work or seeking work) • to raise levels of self-employment or business start-ups.
Skills targets	<ul style="list-style-type: none"> • to reduce the number of working age people with no skills • to raise the number of employed people from within the area who have an NVQ.
Income targets	<ul style="list-style-type: none"> • to reduce the percentage of residents with no savings • to reduce the percentage of people who suffer anxiety about bills and debts • to increase the use of credit unions • to reduce the percentage of households with an income of below £10,400 per year (£200/week).
Other targets	<ul style="list-style-type: none"> • to reduce the percentage of unemployed residents who identify the lack of affordable childcare as a barrier to work.

- 5.7. Most outcome targets are monitored using data from the biennial NDC Ipsos/MORI Household Survey or appropriate administrative datasets. Monitoring tends to take place on a regular basis, usually annually. Outcome targets are often those included in the periodic Performance Management Framework exercise through which NDCs report to GORs. Partners are often key sources of outcome data. In Knowsley, the NDC relies on locally-tailored worklessness data from JCP for measuring progress. This data has been relatively accessible in the past, although its availability has become more problematic given recent public concerns over data transfer.
- 5.8. Although most NDCs have tended to retain largely consistent outcome and output targets throughout the Programme, there are examples of Partnerships revising targets to reflect emerging priorities. This usually occurs as result of developing a more nuanced understanding of the worklessness problem. In Bradford, success in tackling worklessness was initially monitored through using levels of unemployment as the primary outcome indicator. It was soon acknowledged, however, that this was an inadequate measure as it excluded economically inactive groups such as lone parents on income support, incapacity benefits claimants, and those who were neither looking

for work nor claiming. Accordingly, outcome monitoring has been revised to include economic activity rates and benefit dependency levels in terms of combined claimant rates for JSA, IB and Income Support. In 2008, the Newcastle NDC Board approved revisions to the Performance Indicator framework including adopting an indicator measuring the number of NEETs to reflect growing policy concerns over the number of young people not in education, employment or training.

- 5.9. NDCs have experienced difficulties in measuring some targets. For instance, monitoring the sustainability of outcomes has proved challenging in Lambeth where the NDC has struggled to keep in contact with clients after they have found work. To monitor more accurately what was happening to clients finding work, the Partnership has had some success through the use of a prize draw, whereby clients submit evidence of their employment status on a regular basis in order to qualify for entry into a monthly draw to win £100. A related difficulty can emerge when there is a lack of appropriate data to monitor key concerns. In Newcastle, the intention to monitor levels of participation in further education as one of the worklessness and education performance indicators was shelved as it proved impossible to obtain accurate data from local FE providers.
- 5.10. However, perhaps the greatest difficulty in monitoring progress relates to the measurement of 'soft outcomes' in terms of improvements in employability which cannot readily be captured by standard indicators. For example, a project may help an individual who has been out of work for a considerable period of time to re-build confidence to the point where they contemplate looking for work. But this trajectory will not be reflected in conventional monitoring frameworks. Whilst NDC projects recognise the importance of measuring this type of progress, they have struggled to realise this in practice. Most make no attempt systematically to measure soft outcomes. This can generate frustrations locally in that qualitative successes will go unrecorded. One project manager in Walsall explained how:

'unless you are here that would be very difficult to show evidence of, to see the difference in somebody over the course of weeks, and sometimes months, and as their confidence builds, so does the type of jobs that they're applying for; I mean, we have clients who have been out of work for, for a while, who you can get a call on an afternoon [and who say] I've got an interview tomorrow and I'm really nervous and you spend half an hour talking to them on the phone and calming them down and, how do you measure that?'

- 5.11. Some projects have used indicators such as numbers helped with CVs, given benefits advice or participating in voluntary work as appropriate proxy measures. Even then it could be argued that these are outputs rather than genuine 'soft outcomes'. Partnerships are fully aware of this issue, however, and continue to address issues surrounding the measurement of these soft outcomes. In Newcastle, one of the funders of NDC projects, Newcastle

Futures¹⁰⁰, is encouraging project managers to use a database that will, eventually incorporate a diagnostic tool allowing case managers to record the confidence of clients.

Project level outputs and outcomes

- 5.12. Chapter 2 provides an overview of employment trends using key worklessness indicators. These provide a useful reflection of change in each of these six areas. However, it would be unrealistic to attempt to attribute this change in worklessness outcomes to specific Partnership interventions and the national evaluation was not set up to do this. (It is only relatively recently that the national evaluation team has been able to identify any relationships at all between what the 39 NDC Partnerships as a whole spend on worklessness and associated change in worklessness outcomes.)¹⁰¹ However according to the views of local observers, there have been notably strong performances in terms of project level outputs:
- 5.13.
- in Knowsley, the JET Team helped 741 clients into work by 2007
 - in Walsall, 1,154 new clients visited the one-stop shop Work on the Horizons project in 2006–07, nearly double the number forecast
 - in Newcastle, due to limited engagement by Business Link in the west of the city, the NDC introduced a pilot business support scheme which has now been mainstreamed into Business Link services; this has supported 35 business start-ups, with 15 of these entrepreneurs from BME backgrounds.
- 5.14. Despite this apparently positive evidence of success, three larger brokerage projects in three different NDC areas have apparently failed to meet targets in terms of residents placed in work. This should not be interpreted as failure as, between them, the three projects have helped about 950 people into work to date. Reasons given for failing to meet their full targets include:
- some targets were always overambitious given the distance of many of the hardest-to-reach clients are from the labour market; NDCs have perhaps underestimated the time and effort it takes to prepare the most marginalised individuals for employment
 - a focus on sustainable job outcomes can make it more difficult to hit targets as some clients find work, but may not be able to keep it
 - despite advice on financial gains arising from a return to work, some clients still encounter difficulties when benefits are cut which can impact on their employment status; for other clients, the fear of losing benefit alone is sufficient to deter them from taking work.

¹⁰⁰ Newcastle Futures is the strategic body set up through the Local Strategic Partnership to oversee worklessness interventions. It is funded through discretionary funds, primarily WNF.

¹⁰¹ See section 8.15 in the complimentary Programme-wide data report.

- 5.15. On the other hand local evidence also suggests that some outcome targets have been achieved before their target date:
- Newcastle’s target of reducing the proportion of JSA claimants to the city-wide average (in 1999 it was 10 percentage points higher) by Year 10 was achieved in Year Six
 - Knowsley is on target to reduce the level of unemployment to the Borough average by 2011; administrative data shows that the unemployment gap between the NDC and the Borough average reduced from 12.2 to 3 percentage points between 2001–07
 - Bradford achieved 101 business start ups by 2005, thereby not only exceeding its target of supporting 75 new start-ups, but achieving this five years earlier than planned
 - Newham has met its end milestone target of reducing the proportion of residents who identify access to childcare as a barrier to employment to 5 per cent; this has been achieved through an increase in childcare places provided partly as a result of new capital resources to the area, such as ‘the wrap around childcare facilities’ provided at Gainsborough and Star schools and additional nursery places within new community resource centres.

The effectiveness of local interventions to tackle worklessness: views of local stakeholders

- 5.16. This section presents findings from discussions with NDC officers, stakeholders and project workers about the success of local interventions to tackle worklessness. These views are explored within four themes:
- engaging ‘hard-to-reach’ clients
 - raising employability by increasing skill levels or improving confidence
 - plugging gaps in mainstream service provision
 - placing clients in sustainable jobs.

Engaging the hard-to-reach

- 5.17. The extent to which projects engage hard-to-reach clients varies both across, but also within, each of these six NDCs. Some informants think NDCs have been successful in engaging hard-to reach clients. In Knowsley, one training provider noted that the NDC has made a difference in reaching those more distanced from the labour market. While this Partnership’s focus on unemployed residents means that clients are ‘*closer*’ to employment than the economically inactive, individuals assisted are still relatively distanced from the labour market, given their qualifications, social skills, confidence and aspirations:

'What they [the NDC] wanted to do was to take people right at the bottom who had a hell of a lot of problems ... If we'd have just been running the programme and the NDC hadn't have been involved, some clients from the NDC area wouldn't have gone onto the programme ... they were fetching them from a more challenging level than we were and they were working to overcome some of the barriers and problems to keep them on the programme and keep them on track. So they used to do an awful lot of work and they had some funds as well which they could use to support those clients a little bit more.'

5.18. Another project regarded as effective in engaging hard-to-reach clients is Mental Health Matters in Newcastle. This employs a Development Link Worker to provide support to local residents with mental health problems who are looking to access training and employment. The project links with other service providers including GPs, community mental health teams and social workers to help clients build their self-esteem and confidence through work-related activities. The WBYI in Bradford is also considered highly effective in its ability to engage with young Asian men in diversionary activities and help them into sustainable employment (see Box 9). Finally, in NDCs where many residents do not speak English as a first language, employing staff able to speak one or more community languages is seen as a pre-requisite of engaging some individuals. This finding was also highlighted in other recent research on worklessness in NDC areas¹⁰².

5.19. Given the evidence about difficulties in stimulating enterprise in deprived areas (see 3.15), it is noteworthy that one business support project, the Business Incubator and Support Project in Walsall, also claims success in engaging with more disadvantaged groups. One stakeholder noted that the project has been successful in preventing people moving onto IB:

'there might have been examples where people who have, would have gone onto benefits due to their disability, but we have kept them away from that and they've looked, they've successfully taken on self-employment as sort of a realistic option.'

5.20. On balance, however, most informants consider that NDCs have struggled to engage more marginalised individuals. There are a number of components to this argument. First, there are suggestions of creaming, with projects taking on clients closer to the labour market. A JCP employee in one case study area observed that two NDC projects were regarded as engaging people that were *'near enough job-ready and putting a bit of polish on them'*. Indeed, this was acknowledged by the project manager of the service concerned who expressed the view that, *'to a certain extent the people we work with are job ready' ... generally they are not miles and miles away ... We meet all our targets but I wonder how many clients are really hard-to-reach'*.

5.21. In three NDCs, this type of creaming was considered a consequence of a strategy of focussing on those closest to the labour market such as the unemployed. One NDC Chair questioned whether *'the NDC [has] reached*

¹⁰² Dickenson, et al. (2008)

some of the most isolated parts of the community such as people with disabilities'. Some informants, however, sought to validate this approach. One employment theme manager suggested that targeting the short-term unemployed played a preventative role that stopped worklessness becoming more entrenched. Despite the appearance of cherry-picking, it remained important *'that the people who can get a job get one more quickly'*. This view is, indeed, supported by other evidence indicating that the longer an individual is out of work, the harder they find it to get back into employment¹⁰³.

- 5.22. One consequence of helping those closest to the labour market in the early stages of the Programme, is that Partnerships can later find themselves dealing increasingly with those having more significant barriers to work. In one NDC area, the Employment Theme Manager suggests that whilst significant inroads have been made in reducing worklessness, the pace of progress is beginning to slow as they are effectively left with the *'hardcore 25 per cent'* of the working-age population who still do not have work. In his view, the *'easy cherries have been picked'* and despite optimism that it is possible to make further inroads into worklessness, there is a sense this will become an ever greater challenge in the context of a looming economic downturn. As this informant commented, *'the job market is not as big as it once was, jobs will become a problem as credit crunch bites...the jobs aren't there.'* There is quantitative evidence from both the Ipsos MORI Household Survey and administrative data to support the contention that the NDC workless population has become more marginalised over time¹⁰⁴:
- in 2002, 71.4 per cent of those registered unemployed had been so for six months or more; by 2006 this had risen to 77.8 per cent
 - the ratio of IB/SDA to JSA claimants which measures the number of those not seeking work with those who are, increased from 1.5:1 in 1999 to 2.2:1 in 2008.
- 5.23. NDCs are therefore likely to be left with the challenge of engaging the most marginalised groups at precisely the time that the economy is deteriorating. Given evidence of employer reluctance to recruit individuals with health problems or with previous experience of spells of worklessness even in more buoyant labour market conditions¹⁰⁵, these difficulties are likely to become more acute through time.
- 5.24. Some informants suggest that targets built into contracts encourage cherry-picking. In Knowsley, one training provider argued forcefully that outcome targets disadvantage hard-to-reach clients:

'There's loads of [NEETs] out there that have lots of issues that have got to be addressed, they are, let's say, 'high risk clients'. The LSC put on a continuing hike in outcome targets and if you don't hit that target you

¹⁰³ See Ritchie, et al. (2005): p27 for a review of the evidence on the effects of worklessness on employment prospects.

¹⁰⁴ See sections 2.23 and 6.2 of complimentary Programme-wide data report for more detailed discussion of how the workless population has become more disadvantaged over the lifetime of the Programme.

¹⁰⁵ Devins, D., Halliday, S. A., Bickerstaffe, T., Hanson, S., Darlow, A. (2004) *Availability of Jobs: The recruitment and retention practices of employers in two NDC areas.*

don't get that contract. So, consequently the contract holder, then us [as a sub-contractor], starts cherry-picking who they're going to take on to make sure we're going to hit our outcomes. And those people that need the help and support of the programme, why it was designed, we're not taking on because they're too high risk, otherwise we're going to lose our contract ... and it's the same again with perhaps the adult unemployed."

- 5.25. This view was echoed in Bradford where one training provider observed that the increasingly demanding targets set within their LSC contracts will reduce their capacity for precisely the kind of costly outreach work needed to reach marginalised clients. It would also encourage them to expand the geographical remit of their work so that fewer benefits would accrue to workless residents in the NDC area.
- 5.26. In terms of the groups that NDCs find it hard to target, an evaluation of the ELITE job brokerage and training project¹⁰⁶ in Newham reports that the project has experienced difficulty in recruiting speakers of languages other than English, married Asian women, and young people. In Walsall, stakeholders acknowledge that addressing the long-term unemployed and those on IB has been difficult. This is particularly the case with those aged 45 and over who are perceived by one informant to be *'very reluctant, no matter what you throw at them, to actually get a job ... they ain't worked for so many years.'*
- 5.27. Even when hard-to-reach groups are successfully engaged, sustaining commitment can be hard to achieve. In Lambeth, the *Construction Training Scheme* gave residents the opportunity to attend college to obtain an NVQ level 2 qualification and to gain work experience in the industry, including placements with Clapham Park Homes¹⁰⁷. The project sought to ensure sustainable employment by providing both practical and academic skills. However, it struggled to maintain engagement with clients as the emphasis on learning in the classroom, rather than the workshop or on site, has resulted in a significant drop out rate, with only three out of an initial 14 participants remaining to the end. Whilst these three successfully completed training and secured apprenticeships, this gave the project a cost per job ratio (assuming all three go on to find employment) of £23,729, well above the expected ratio of £5,084. Raising skill levels is rarely straight-forward. Excessive amounts of formal learning can, for instance, discourage trainees with few formal qualifications. There can be formidable social and cultural barriers to raising skill levels among some more detached groups. And there may be particular problems in up-skilling young people who may well have left school without any qualifications precisely because they felt excluded by the experience of education¹⁰⁸.

¹⁰⁶ Greater London Enterprise (2005) Evaluation of the ELITE Employment Project.

¹⁰⁷ A community-led housing association formed to take over the ownership and management of homes on the Clapham Park Estate

¹⁰⁸ See McDowell (2003) for examples of how young, working-class school leavers in Sheffield and Cambridge feel alienated by formal learning in schools.

- 5.28. In line with other ABIs¹⁰⁹ evidence from these case studies indicates that Partnerships have struggled to engage those most marginalised from the labour market. This is not surprising. It takes time, effort and ingenuity to involve the most disadvantaged individuals. Whilst NDCs have additional resources to tackle such entrenched problems, there can be a tendency to seek quick gains by engaging those closest to labour markets.

Raising employability

- 5.29. A number of respondents take the view that NDC projects have made clients more job-ready through providing a tailored, flexible approach that improves employability. In Walsall, the project manager of Work on the Horizon expressed confidence that:

'Nobody has come through the door of Work on the Horizon who can't be helped if they genuinely want to be helped. And we do a lot of work with basic skills training, we can do a lot of work with confidence building: writing a CV, how to conduct yourself at a job interview.'

- 5.30. Other local informants believe that this intensive approach to the job search process has contributed to its success as measured by the fact that it has led to more than 400 people being helped into employment.
- 5.31. One important element in improving the employability of residents is to provide opportunities which can act as 'stepping stones' into work. A particularly innovative example is the Volunteering Scheme in Lambeth which is highly successful in using volunteering to help clients access employment by:
- breaking down barriers to employment such as a lack of confidence, work experience or even references
 - providing a 'work-like' routine
 - developing practical skills such as time-keeping
 - providing experiences that could be discussed in interviews.
- 5.32. Projects can also have the flexibility to tailor employment support to help clients respond to changing recruitment practices. As the manager of the Work on the Horizon project in Walsall explained, the recruitment process for low-skilled service sector work has become far more demanding. This is something the project has set out to address:

'we're actually setting up training courses for people to cope with Asda or TK Maxx's recruitment process because it isn't a simple one to one interview; they're using group interviews, psychometric analysis, they're using all sorts of techniques which if you've not been in the job market for

¹⁰⁹ This is true of Employment Zones (Griffiths, R. and Durkin, S. (2007): p7); the Working Neighbourhoods Pilot (Dewson et al. (2007)); and Action Team for Jobs (Casebourne, et al. (2006)).

ten years you wouldn't expect, and people go to pieces when they find themselves in that situation if they're not ready for it.'

- 5.33. Evidence from one beneficiary of the ELITE job brokerage scheme also offers a good example of the advantages which can flow from an intensive, highly personalised, one-to-one approach (Box 11).

Box 11: The ELITE job brokerage (Newham)

'John' is an Afro-Caribbean man in his late twenties, who was unemployed for some years, and described himself in this period as *'settled'* in a vicious circle of being content on benefits, staying up very late at night and therefore sleeping into the afternoon, and lacking in motivation to change his life. The only jobs available given his low qualifications were minimum wage, and he saw no point in leaving benefits. Once he made contact with ELITE, however, the intense personal support enabled him to move at his speed in accessing a wide range of courses. This restored both his confidence and motivation. He used elements of the ELITE service for *'about four years'* before finding permanent employment as a support worker in a hostel for homeless young people. John has also become a committee member of a local voluntary organisation and recently was appointed to the NDC Board.

Plugging gaps in the mainstream offer

- 5.34. Local observers pointed to four ways in which NDC interventions can help plug gaps in mainstream employment services. First, as has occurred for example in Newham with its ELITE project, it is possible to use outreach techniques to engage with hard-to-reach client groups. Another striking example of outreach work is the Community Mentor project in Knowsley, through which a well-respected local resident has been recruited to encourage hard-to-reach groups to consider employment. Whilst other NDC projects often contain an outreach component, such as advertising of services or delivering drop-in sessions at a community venue, the Community Mentor scheme is set apart by the willingness of the post holder to 'hang out' in the street to engage with local people (Box 12).
- 5.35. Second, another crucial element distinguishing some NDC projects from their mainstream counterparts is enhanced accessibility because of their location in facilities within the NDC area. In Lambeth, the neighbourhood-based *Shop for Jobs* enables clients to 'drop in' when it suits them. In Walsall, the local JCP representative recognises that people seeking work in the NDC area are *'more likely to go into the Work on the Horizon shop because it's more local to them'* than the local JCP office.

Box 12: Knowsley's NDC's Community Mentor

The appointment of a 'Community Mentor' to work on 'Team North Huyton' and 'Road2Work' is indicative of the NDC's proactive, community-based approach. A former boxing coach and known throughout the community by his nickname, 'Tosh' was recruited from the adjacent estate, Stockbridge Village, where he had been involved in voluntary community work. His role is to help inspire and motivate local residents, initially with young people for Team North Huyton but eventually with all ages, to move onto training and employment. Tosh sees no such thing as a 'hard-to-reach' group:

"They're not no-hopers, they're there to be worked with and I want to work with them. They say they're the hardest to reach ones, but they're the easiest to reach cause they're there, they're on the street corners, I know where they are. They're hanging around the chippy or the off-licence, or Sayers [bakers] or the bookies. That's where they are and that's where you've got to go amongst them. You've got to sit on that wall in front of the shops ... and that's where the seeds grow, where the rapport starts ... [You can get people off Incapacity Benefit] ... because half of them don't want to be on it ... But they don't think they've got the skills or the confidence to go and get a job. They're happy in their comfort zone. But once you've got the service in the community, in the heart of them, and working alongside them, that's when you see the knock-on effect and the differences."

He sees the work as very much about confidence building and developing a rapport with young people and their families, and also with adults he works with. It is then possible to introduce them to training and work opportunities with, crucially, ongoing support. One 52-year old resident interviewed was helped by Tosh to come off Incapacity Benefit to take what eventually became full-time work with a supermarket chain. He is adamant that he would not have got the job without the help of Tosh and the Road2Work Team as they helped build his confidence:

"Tosh's secret is his positivity. He treats everyone the same. It's one-to-one advice ... He says 'if there are obstacles, I'll knock 'em down or find someone who can' ... He calls a spade a spade. There's no bullshit".

Tosh has also developed contacts with local businesses for placements – sometimes initially on a trial basis – and has become a trusted source of employees for these businesses. When the funding for Road2 Work ran out, Tosh moved on to work in the same capacity for the borough-wide 'Knowsley Works' programme based in Stockbridge Village.

- 5.36. Third, a further advantage which NDC projects enjoy over mainstream counterparts is their ability to spend more time with clients in order to understand their needs without the restrictions on interview length that JCP staff have to adhere to.
- 5.37. And fourth, local evidence also highlights the importance of the voluntary nature of services. In Lambeth, for example, because attendance is not

a “compulsory” requirement for receiving benefits, clients view services differently from mainstream provision. They are less defensive and more open to considering different options, as they can turn down employment opportunities if they do not suit their situation: there is no pressure to accept jobs. A project manager here also notes, however, that there is an inherent tension in this approach. Whilst the security offered by removing the threat of benefit sanctions appears to make some clients more open to new suggestions, it also enables others to be ‘picky’ about what they do. On occasion, therefore, this approach can remove the incentive to take work.

Placing clients in sustainable work

- 5.38. Issues concerning the sustainability of projects are considered at length in Chapter 7. But a brief comment is made here because this is seen by many observers as a critical success factor for many NDC funded projects. Helping to find good quality, sustainable work for clients is a demanding challenge bearing in mind the fact that many jobseekers who find employment leave work before the end of their first year of employment¹¹⁰. But as one project manager in a Walsall project explained:

‘I think it needs to be tackled a lot better than from the Job Centre, you see, you have to look at, it isn’t just a case of getting somebody into a job, you work in the Job Centre, you can force somebody, pretty much, to go for an interview or to take a job or they lose their benefit. That job is an agency or whatever and lasts a day, well that’s okay because the Job Centre’s got an output for it. That hasn’t helped that client one little bit, in fact it could push them ten steps back. They weren’t suitable for the job, you need to look at the whole thing, you need to look at sustainability.’

- 5.39. This objective of trying to achieve sustainable employment is seen to confer a distinct advantage for NDC projects over JCP whose target-driven culture and enforcement of work-focused activity as part of eligibility rules for benefit is regarded as encouraging a ‘work-first’¹¹¹ approach.
- 5.40. A number of projects across the six NDC case studies have identified sustainability targets:
- in Bradford, the core brokerage project monitors employment outcomes in terms of jobs sustained beyond three months
 - in Newcastle, People Acumen measures sustainable job outcomes according to the number of posts providing more than 16 hours work a week and which offer career development opportunities.
- 5.41. Achieving targets sometimes relies on active interventions by employment service providers to help clients sustain work once placed in jobs. This post-employment support is vital for, as one project manager in Walsall observed:

¹¹⁰ Social Market Foundation (2008) *The Flexible New Deal: Making It Work*.

¹¹¹ Peck, J. (2001) *Workfare states*.

'It ain't just about banging them into any old job, it's about making sure that when they go into a job, that they are fully supported and they're fully aware of what support measures are out there to help them ... , if you've started somebody and there is an issue, we'll come, we'll see what we can do, can we work with the client, can we work with the employer to keep that person in work? It isn't about getting a job outcome, they're easy, it's keeping people in work, and raising expectations and skills.'

- 5.42. Again, this is seen locally as demonstrating advantages over JCP who are not equipped to provide this kind of in-work support
- 5.43. Of course, not all clients do secure well-paid, more highly-skilled, or sustainable, work. In Lambeth, beneficiaries predominantly find work in relatively low-skilled jobs including construction, cleaning, administration, receptionists, school assistants, security and catering, although a handful of beneficiaries, predominantly migrants from other countries with higher level qualifications, have found managerial or professional employment. There is also evidence from Newcastle that much of the work secured tends to be in low-skilled, low-paid occupations. Whilst this is less surprising in the case of low-skilled workers, informants in Newcastle observe that sections of the BME community and also new immigrants from outside the UK often fail to find work commensurate with their skills. It is important generally not to overstate the degree to which NDC projects support clients in 'leapfrogging' less attractive occupations. Many workless residents lack skills and qualifications, and indeed often the 'cultural capital' such as the appearance, demeanour, confidence and social ease needed to access more desirable work.

A concluding comment

- 5.44. NDCs have generally developed monitoring frameworks which tend to include a broad range of indicators in relation to levels of employment, worklessness and household incomes. These have been used extensively to assess progress in relation to outputs and outcomes. But there have been difficulties in measuring soft outcomes as well as the sustainability of employment outcomes. In terms of outputs and outcomes, local evidence suggests most NDCs are meeting their targets and there are some notable successes at the project level.
- 5.45. Local informants are positive about the effectiveness of most projects. Many think they are delivering services which add value to existing mainstream provision. They also generally consider that interventions have a number of advantages over the mainstream including the provision of personalised, neighbourhood-based services with the flexibility and resources which allow them fully to understand client needs through all stages of the job search process. Some more innovative projects have also had notable success in accessing hard-to-reach groups. Nonetheless, most projects struggle to engage those groups most detached from the labour markets. This may be due in part to the voluntary nature of schemes which, whilst attractive to clients, also means that individuals cannot be compelled to attend.

6. Project beneficiaries: attitudes, aspirations and change

6.1. The previous chapter explored the apparent success of projects according to local outputs and outcome assessments and the perceptions of local observers and project managers. But how do project beneficiaries view their experiences? This chapter presents findings from interviews with 68 users of 15 projects across the six case study areas (see Appendix 1 for more details). The views of beneficiaries are explored within six overarching themes:

- contact with, and use of, projects
- work status
- past experiences of worklessness and work
- help from, and use of, NDC projects
- beneficiary perceptions of NDC projects
- assisting beneficiaries into work?

Contact with, and use of, projects

6.2. Clients became aware of NDC projects through a number of routes including:

- word-of-mouth, particularly through positive recommendations by friends and family
- walking past and noticing 'shop-fronts'
- advertisements in shops, community venues or local newspapers
- leaflet drops through letter boxes
- through use of some form of 'NDC centre'
- visits to hubs to use other services
- referrals from other projects or mainstream employment services including JCP.

6.3. Of these potential methods word-of-mouth is mentioned most frequently. Two beneficiaries in Knowsley illustrate how this works:

'A lot of my mates had used them and got jobs so I decided to try.'

'My mum had been there and they'd helped her ... she told [the brokerage] I was looking for work ... and they sorted me out as well.'

6.4. Most clients started using the project in the previous two years. In one instance a client had been in contact with a service for six years without

finding work. Some beneficiaries attending the WBYI first started using the service as teenagers over ten years ago, although initially only to take up sports, leisure and cultural opportunities.

- 6.5. In terms of reasons for initially deciding to use projects, some cite recommendations from friends and relatives who had found employment through the service. This tended to act as an incentive for them to use the project. Many also felt the service would help clarify their options in terms of a return to work: they were attracted by the IAG component of the scheme.

Work status

- 6.6. Most beneficiaries are short-term unemployed in that they are claiming JSA and looking for work. The majority of this group were out of work for less than 12 months when they first contacted the relevant project. A minority have been unemployed for longer periods; one individual in Knowsley has been unemployed for ten years. Clients tend to be unemployed because of factors such as:
- ill-health, both as a cause, and consequence, of job loss
 - a previous job ending through redundancy, end of contract or dismissal
 - leaving work voluntarily because of issues such as unreasonable demands from employers, inconvenient hours of work, parenting and caring commitments, and instability/homelessness.
- 6.7. A minority of workless beneficiaries are, or have been, economically inactive. This group mainly comprises full-time parents, usually mothers, who are looking to return to work after a prolonged period out of the labour market. Interestingly only four of these economically inactive beneficiaries left work for health reasons. Whilst the sample of 68 beneficiaries cannot be taken as representative of all project beneficiaries, it does suggest that projects may not be prioritising clients with health problems. In view of the prevalence of IB claimants within the workless populations of all the NDC areas, this may work to limit the impact of NDC interventions: the '*hidden unemployed*'¹¹² do not appear to be accessing services.
- 6.8. A minority of beneficiaries already had jobs. This included low-skilled occupations such as retail, cleaning, catering and security as well as higher-skilled employment including community development work and interpreting. Some of those working are looking to find a new job; others were interviewed as examples of those who have successfully found work. Of those seeking to change employment, some want to work longer hours or, in the case of parents, to work more child-friendly hours. In certain cases, especially among beneficiaries who had qualified through the Community Interpreters project (see Box 1), there was a desire to secure work at higher skill levels than previous occupations. A small number of those in work had

¹¹² Beatty, C., Fothergill, S. and Macmillan, R. (2000) *A theory of employment, unemployment and sickness*.

been served redundancy notices and were looking for work before their current job ended. In the case of one project, the ILM Classroom Assistants scheme in Newcastle, all participants had previously been employed as dinner ladies in primary schools and had taken up an opportunity to re-train for more highly skilled work.

- 6.9. Beneficiaries gave a number of reasons for looking for work which vary according to current employment status. Those out of work are seeking to return to the labour market after a period of prolonged full-time parenting; to raise household incomes; or to utilise an existing skill. Those in work want a new job in order to develop new skills and take on new challenges; to increase hours worked for financial reasons; or to access better paid or more highly skilled work.

Past experiences of worklessness and work

- 6.10. Most beneficiaries have experienced at least one period out of work in recent years prior to the current spell of worklessness, although these were rarely lengthy. A handful had never worked, usually because they had looked after a family or household after leaving school. Despite these intermittent experiences of worklessness, most clients have spent the majority of their working-age life in employment and some have never been out of work. Many have experience of steady long-term employment, with some older workers holding down one or two jobs for much of their working life. Other beneficiaries, especially younger workers, have worked sporadically, relying on temporary work and often having to juggle two part-time jobs at once. A handful of younger interviewees recounted difficulties in holding down jobs as a result of walking out on employers, often when working in low-paid service work. Some were certainly accustomed to labour market instability.
- 6.11. In terms of the type of employment held, beneficiaries have experience of low-skilled work such as:
- market traders
 - kitchen porters
 - sales assistants
 - cleaners
 - security officers
 - warehouse workers
 - drivers
 - dinner ladies
 - bar workers.
- 6.12. There are also, however, examples of beneficiaries educated to graduate level who have held professional posts including a teacher and bank manager.

Two projects targeting new arrivals, Community Interpreters in Newham and the JET project in Newcastle, have attracted some well-qualified clients with experience of high-skilled work in their country of origin.

- 6.13. Nevertheless, most beneficiaries have formerly been employed in low-skilled work and this has two important implications. First, the insecure nature of some forms of low-paid service employment render them vulnerable to churning through unstable forms of employment. This is particularly the case given the historic tendency of UK employers to offer low-skilled workers few opportunities for training or progression which might in turn enhance upward occupational mobility¹¹³. Second, it illustrates the limited nature of labour market opportunities generally accessible to individuals with low skills living in NDC areas. As Green and Owen note in their research on the low-skilled, '*geography matters most*'¹¹⁴ for those with the lowest skills as their short commuting propensity and lack of qualifications leaves them with only limited options in the labour market.

Help from, and use of, NDC projects

- 6.14. Help received by beneficiaries varies according to the nature of the project. Those accessing job brokerage or IAG projects are seeking:
- guidance on job options
 - information on local job vacancies
 - access to computers for online job search or CV writing
 - help with writing CVs
 - signposting to training or educational opportunities
 - help with completing application forms
 - interview preparation
 - help with accessing child care
 - advice on the financial gains of returning to work
 - financial support in relation to the initial costs of returning to work including assistance with new clothes, transport costs, and the bridging the gap between benefits and the first wage.
- 6.15. Those newly arrived in the UK received assistance with:
- improving language skills through ESOL
 - advice on the transferability of qualifications obtained overseas
 - information on the legality of work or volunteering in the UK
 - producing a CV according to UK conventions.

¹¹³ Leitch, S. (2006): p11 *The Leitch Review of Skills: Prosperity for all in the global economy – world-class skills*.

¹¹⁴ Green, A. E. and Owen, D. (2006) *The geography of low skills and access to work*.

- 6.16. A number of clients also received support in relation to training, either as result of signposting from NDC brokerage projects, or through participation in sector-specific training projects. Examples include:
- NVQ Level 2 courses in child care
 - bricklaying and carpentry
 - security training
 - health and safety
 - IT skills
 - motivational training
 - first aid
 - HGV training.
- 6.17. Sector-specific training schemes provide a broad range of support to enable beneficiaries to access work. In Knowsley, the North Huyton Churches Training Centre in Knowsley hosts a Floor Laying Academy providing clients with a City and Guilds Key Skills (literacy and numeracy) in addition to the vocation-specific City and Guilds NVQ Level 2 in floor laying, City and Guilds Technical Certificate and CSCS card (health and safety card). Sector-specific training projects can also help beneficiaries address a number of other barriers to work including a lack basic skills which may not be directly related to the industry concerned.
- 6.18. The frequency of contact between clients and projects varied considerably. At one extreme it can be as little as twice a year, although many clients visit projects on a much more regular basis from several days a week through to weekly or monthly visits. In some instances beneficiaries access services and projects more on an ad-hoc basis as and when they need help in the job search process. In most cases, beneficiaries tend to see the same adviser each time they used the service.

Beneficiary perceptions of NDC projects

- 6.19. Beneficiaries are overwhelmingly positive about the support they received from projects for a number of reasons. First, many are positive about the support received from employment advisers who were described variously as *'helpful'*, *'friendly'* and *'kind'*. Most projects allocate dedicated advisers to each client and this continuity is highly valued. Beneficiaries often comment that regular contact with the same adviser helps develop a relationship based on trust and enables advisers to get a full picture of their needs, particularly in terms of the type of work they are looking for. This personal approach helps advisers to tailor support to individual needs. In Newham one beneficiary explained how their adviser played a vital role in helping them find employment fitting their child care commitments. If a suitable job came up, the adviser would ring the employer to find out if there was any help with childcare before even suggesting the job to her.

- 6.20. Personal advisers can also help boost client confidence. Respondents spoke positively about their adviser's ability to build their confidence and give them motivation to think positively about seeking work. Project beneficiaries are generally motivated to find work. But there can be exceptions. One 52 year-old Knowsley resident argued that the '*negativity*' he felt after years of unemployment had to be addressed before he could consider taking up work.
- 6.21. Beneficiaries also appreciate the way advisers support employment aspirations. One beneficiary of the Acumen project in Newcastle spoke of how advisers '*are interested in you as a person*', whilst another in Newham felt that advisers '*went the extra mile*' to help. Beneficiaries tend to the view that advisers want them to fulfil their potential.
- 6.22. Second, clients value the ease with which they can access a service that is '*local*' and '*just around the corner*', with many living a short walk or bus ride away from the project. As one client in Knowsley observed, '*I was walking past there ... most days ... so it was really easy [to use].*' In many cases, projects are closer than the nearest JCP. One Asian man now in work explained how when he first started looking for work after leaving school, '*I wouldn't have gone to JCP [a mile and a half way] I wouldn't have walked down there, I didn't have to make that decision, I felt safe, felt comfortable [in the project premises], already had links [with project workers]*'. Such comments resonate with views expressed by interviewees in Green and White's research into the spatial horizons of young people in Hull¹¹⁵. Younger clients in particular can live highly spatially circumscribed lives, hence the value of services on their doorstep.
- 6.23. Third, clients value advice and information designed to enhance their employment prospects. Some individuals note how projects have made them aware of sources of potential vacancies, such as online websites. Beneficiaries of the JET project in Newcastle indicate that the service not only made them more aware of employment opportunities in the area, but also provided valuable advice on legal restrictions and cultural barriers they faced as asylum seekers and refugees. One beneficiary described how the project '*cut through all the misunderstandings*'.
- 6.24. Fourth, some clients benefit from financial support to cover the costs of training or returning to work. In Walsall, one beneficiary was appreciative of funding received to complete an HGV course. In Newham, clients noted that advice about money was good and that requests for financial support through their Personal Job Account were quickly met. This type of financial support can prove essential in facilitating a return to work (Box 13).

¹¹⁵ Green A. E and White (2007).

Box 13: Supporting the financial costs of returning to work

Clients of the Road2Work project in Knowsley can receive assistance with basic living costs during their initial weeks back in work. This assistance has been crucial in persuading some to make the transition from benefits into work. One notable example is Dave, a 52 year-old who had been unemployed for 10 years. He has three dependants including a wife who was long-term unemployed. Although he was desperate to return to work, a key barrier had been the perceived financial 'risk' of transferring from benefits into paid employment, particularly during his first weeks back into work prior to receiving the first pay cheque.

This presented a real dilemma when Dave was offered a temporary job with the possibility that this might become a permanent contract, although this was not guaranteed. Having a dependent family made this a precarious decision. Consequently, the NDC project paid for his bus pass (which he needed in order to travel to work), rent and council tax during his first month back in full-time employment. This assistance proved instrumental in his decision to return to work. His initial temporary contract – in retail – has subsequently been made full-time. The job has changed his life: *"I've got my self-respect back. I feel valued again. People say how well I'm looking, I've put on a bit of weight. I've got a more positive attitude. Now we might see if my wife can get a job."*

Financial support in the initial stages of returning to work can encourage individuals to leave the security of benefits for the perceived 'risk' of employment. Such support is vital given how the interplay of the benefits system with the nature of employment at the lower end of the labour market is often cited as a barrier to work¹¹⁶. This can help overcome perceptions identified in other research on worklessness in deprived areas that 'work [does] not pay'¹¹⁷ or is a risk not worth taking¹¹⁸.

- 6.25. Fifth, beneficiaries highlight the importance of being able to access a wide range of services. In Newham, interviewees felt their advisers took a personal interest in their needs and tried to help them with anything that might prevent them from working including training, access to childcare, transport and even housing referrals. Clients value the capacity of services to help them address their full range of needs. This can be essential given evidence as to how multiple barriers increase the risk of worklessness¹¹⁹. For clients with multiple disadvantages, addressing these in combination can significantly increase their prospects of finding work.
- 6.26. Sixth, one particularly striking finding from this case study research into beneficiary attitudes is the widely held view that NDC projects offer a better service than comparable mainstream providers. This applied to JCP but to private recruitment agencies as well. The perceived advantages of NDC projects over JCP include:

¹¹⁶ Sanderson (2006):p 6.

¹¹⁷ Fletcher et al. (2008): p4.

¹¹⁸ Smith (2005).

¹¹⁹ Berthoud (2003).

- advisers being more friendly and helpful than their counterparts at JCP; some beneficiaries think Jobcentre Plus advisers are not interested in their circumstances and one claimed that they *'did not treat [clients] as people'*
- a more personalised service with advisers able to spend more time with clients than JCP where clients are expected to use self-directed job search computer terminals ('Job Points') to explore vacancies
- advisers who are more effective in raising aspirations and confidence amongst those looking for work
- a welcoming, informal and non-threatening environment compared with JCP which was described as *'soulless'* and, for some respondents, *'intimidating'*
- a less patronising and interrogatory approach because NDC projects do not have to check if beneficiaries are meeting obligations to engage in work-related activity; one older man in Bradford who had recently lost his job expressed frustration about being asked by *'kids'* at JCP what he *'is doing to look for work ... I just look at them and say I've been working for the last forty years'*
- projects often provide access to either facilities such as the internet or to services such as completing application forms and writing CVs that are not available at JCP
- a greater willingness to support clients' employment aspirations by helping beneficiaries find a job they wanted; JCP staff are seen as more focused on getting clients into any work, which often amounts to low-skilled routine employment, regardless of clients attitudes; one respondent in Knowsley observed that NDC projects worked hard to ensure that *'you're not just been stuck in any old job ... they get you something you're actually going to enjoy and like doing.'*
- access to better quality job vacancies more appropriate to skill levels and experience than those offered by JCP.

6.27. Similarly beneficiaries point to a number of advantages which NDC projects appear to have when compared with private recruitment agencies:

- a more accommodating and responsive service: private providers tend to be less inclined to find work meeting client needs such as child care commitments
- a more reliable service, in that NDC advisers are less likely to cancel or double book appointments
- a more proactive approach by NDC advisers in identifying vacancies and keeping clients informed about possible opportunities.

6.28. Only a handful of beneficiaries counter these views in commenting that either JCP or private recruitment agencies have proved to be more effective and responsive in helping them find work. The vast majority of beneficiaries believe that NDC projects offer a better service more appropriate to their

needs than that delivered by JCP or private employment agencies. Some of these views are strongly held (Box 14).

Box 14: NDC services compared with JCP

Ali is in his early twenties and recently returned to his hometown of Bradford after working in the financial sector in London on a salary of £50,000 for two years. He used a number of agencies to help him look for work including JCP, the NDC job brokerage function (Jobs@) and private employment agencies. He is very negative about his experience of JCP

'I don't like [JCP], it's not a good place to go', I would never go back... they don't help you move on, they just put you on dole and don't help you get the sort of work you want, the Jobcentre's a disgrace, they treat you like a number and tried to make me apply for work I didn't want like secretarial jobs for 11k'.

By contrast, he had a very positive experience of using the NDC-funded brokerage:

'Jobs@ are a hundred times better, a million times better than [JCP], they're supportive of your aspirations, it's somewhere you can go to interact with people face-to-face ... they don't just want you go to any job, they want you to get the job you want'.

Eventually Ali found a job as financial planner with a firm based in Leeds through a private recruitment agency. Whilst Jobs@ were not directly responsible for helping him to find work, he valued their service highly and felt their help in writing CVs, making applications and preparing for interviews had played an important role in finding work: *'They helped a lot, they're amazing, they gave me everything I wanted'.*

- 6.29. It does appear that the local, flexible, informal approach adopted by NDCs pays dividends. It is almost universally the case that clients are willing to recommend NDCs services to others, many already having done so. Few identified ways in which existing services could be improved in any significant way, although, for one NDC project, there were comments that opening hours could be longer, including through lunchtimes when the office currently shut its doors. This relatively minor comment aside, feedback from beneficiaries is overwhelmingly positive.

Assisting beneficiaries into work?

- 6.30. But do these NDC interventions help clients find work? When asked if interventions had increased their chances of finding jobs, many beneficiaries expressed confidence that using the project had indeed enhanced their labour market prospects.

- 6.31. First, there are examples of how beneficiaries think projects help move them closer to successful job applications. Some had secured one or more interviews through brokerage projects which, although unsuccessful, had helped them reach this critical stage. Indeed, beneficiaries of the JET project in Newcastle commented that the good reputation of the project and the calibre of candidates it forwarded had been instrumental in securing them interviews.
- 6.32. Second, beneficiaries who had taken part in training or skills development through NDC projects express confidence that this has enhanced their employment prospects:
- three beneficiaries of the Construction Training Scheme in Lambeth were mid-way through apprenticeships and very satisfied with this support, seeing it as an essential stepping stone for a career in construction
 - one interviewee in Walsall who received funding to attend an HGV training course expressed confidence that this had enhanced his job prospects
 - clients of the Community Interpreting course in Newham felt that they had acquired a qualification that could be used to find employment
 - sector-specific training is seen as enhancing job prospects; in Knowsley, one participant on the floor laying course commented: *'I'm pretty confident I'll get a job when I've finished ... My mate did [the course] before and he got a job straight away ... [and] good money too'*.
- 6.33. Third, beneficiaries also believe NDC projects have improved their 'soft skills'. Beneficiaries of the ILM Classroom Assistants project in Newcastle that trains local residents currently working as dinner ladies to become classroom assistants in NDC schools¹²⁰, identify a number of benefits arising from the training they received. These include overcoming a deep-seated, long-held aversion to learning; greater self-confidence; a sense of becoming a role model for their children; and a realisation that age is not a barrier to learn. Innovative projects can, therefore, engage individuals who may not have had a positive experience of learning in the past and who may as a result have limited confidence in their ability to retrain. This is important given that a lack of confidence and self-esteem can often prove a significant barrier to work¹²¹.
- 6.34. Fourth, a number of interviewees also credit projects with directly helping them to find work. Examples include:
- young Asian men in Bradford who participated in the WBYI were unequivocal in crediting the project with helping them secure good jobs (see Box 15)
 - three beneficiaries of the Work on the Horizons project in Walsall had had been helped to secure work as, respectively, an administrator at a centre for the deaf in Walsall, a courier and a driver

120

121 Working Links (2008) *Breaking down barriers*.

Box 15: Helping beneficiaries find work

The WBYI provides a wide range of services to young Asian men in the NDC area including participation in sport and cultural activities, volunteering opportunities and support in finding employment (see Box 9). Two beneficiaries of the project directly attribute their current employment to help received via the project and, in particular, the support of the project manager. Moreover, they feel this work is more highly-skilled and better-paid work than they would otherwise have secured through their own efforts. At the same time, they credit the project with diverting them from criminal lifestyles in which some of their peers are now involved.

Nazir is 21 and works as a plumber for a local housing association. He first started using the project as a teenager when the project helped him revise for his GCSEs. With encouragement and support, he gained a place at a college as well as the work placement necessary to study for the NVQ 2 Plumbing qualification. Nazir described how: *'it's not easy getting a placement and it's hard to get up and go to college every day...these guys pushed me through it ... If this weren't about, I would have been on the streets'*. Nazir is adamant that he would not have completed the college course without the support of the project as it involved a long commute and he did not feel comfortable at first as one of the only Asian students among a predominantly white intake. Nazir considers himself fortunate to have permanent, secure work as many of his peers are engaged in low-wage, temporary work in retail or call centres.

Shazad is 23 and works both as a health development worker and a youth project worker. He began visiting the project as a teenager to play sport and then became involved in coaching other young people in cricket and football, as well as volunteering. His experience of volunteering made him realise *'there's a whole other world out there'*. With the support of the project manager, he enrolled on a degree course for community development work. Soon after graduating, Shazad got a job with a local charity as a health worker. He is full of praise for the WBYI:

'they go out of their way to help, they're very inclusive If I hadn't come here, I wouldn't have been in this field, I wouldn't have been in education, I wouldn't be employed, it kept me out of trouble. I learnt a lot ... patience, not to go down that route [selling drugs], I had somewhere to go every night, others [my age] now are selling drugs, sat at home, signing on, a lot of people I know are not established, selling drugs ... I feel very lucky, my story's not typical, a lot of people are forced into work they don't want to do like working in call centres. That and selling drugs or taxi-ing.'

These case studies illustrate the role projects can play in diverting young men away from criminal activity, and helping them gain good qualifications and skilled jobs in local economies dominated by low-paid, insecure employment. Although it may be difficult to reach some groups in society, it is possible.

- one user of the Acumen project in Newcastle secured a job at a hotel within 2 weeks of registering
- half the beneficiaries interviewed in Lambeth successfully found work through the Shop for Jobs project including employment in retail, schools, cleaning, and security
- in Knowsley, apart from those in full-time training, all beneficiaries had secured full-time employment as a direct result of using NDC brokerage services and, most had sustained these jobs for more than six months.

6.35. Fifth, one important element in the service received by some employees is post-employment support. In Knowsley, the after-care service provided by the Revive project staff is identified by beneficiaries as vital in helping them to stay in work. Advisers stay in touch with beneficiaries after they have secured employment, either by telephone or email, to ensure they are happy with their work, and if not, attempting to deal with emerging problems. Follow-up support is highly valued, not least because it can boost confidence and motivation through what is potentially a difficult and stressful period:

'They didn't just get me a job and then forget about me ... They were always in touch with my employer and me to see how I was getting on ... They still send me emails now to see how I'm getting on.'

6.36. Sixth, beneficiaries accessing business support projects were particularly positive about the role which their advisers had played in sustaining confidence and morale during the tricky initial phase of setting up a new enterprise. In Knowsley, the support and enterprise adviser acted as a mentor, providing step-by-step guidance on how to establish a new business. Beneficiaries really appreciated this community-based business support service with its tailored, personalised and client-centred approach:

'The [project] was only across the road from where I live and [the adviser] would always drop what he was doing to help me ... The door was always open ... When you're a sole trader you can feel alone ... They were there to support you and gave you the motivation and encouragement to keep going.'

'The [adviser] supported me one hundred per cent ... he motivated you to give it a go and gave you the confidence to keep going.'

6.37. It can be vital to provide intense support in that initial phase in order to help clients gain confidence and sustain the motivation necessary to set up a successful business (Box 16).

Box 16: Supporting Enterprise beneficiary (Knowsley)

Kyle left school without any qualifications (having been expelled prior to taking his GCSEs) and worked within the construction industry, gaining some basic industry qualifications. He gradually became disillusioned with the poor wages on offer and visited the Supporting Enterprise project for advice about setting up his own business following a recommendation from a friend. He was buoyed by the encouragement and support offered by the advisor:

'He told me to go for it ... If I was prepared to work hard there was nothing stopping me ... He gave me the motivation and the confidence to do it ...'

Kyle was given practical guidance on how to set up a business and was also supported in applying for funding. He subsequently received a £2,500 Prince's Trust business loan and a £500 start-up grant from the NDC, both of which were crucial in helping him set up a business **as** a general building traders contractor: *'That money was really important ... because I was able to buy tools for the business to get it all going.'*

In addition to financial assistance, the practical guidance and support provided by the adviser were crucial in making the business a success:

'I didn't have a clue what I was doing ... He told me how to register self-employed and put me in touch with the inland revenue ... [The adviser] told me ... 'anything you get stuck with or are not sure of just come and see me straight away' ... He's been my back bone.'

By September 2008 the business had been running successfully for five months and has recently won a lucrative Ministry of Defence fencing contract.

- 6.38. Not surprisingly there are examples of projects receiving rather less favourable comments from beneficiaries. In one instance, users felt a training course had enhanced their skills, confidence and motivation, but there had been little support in finding work afterwards. Although the local NDC did support a brokerage scheme, links between projects were not sufficiently developed to cross-refer those completing training to relevant brokerage services. Overall, however beneficiaries are overwhelmingly of the view that projects significantly enhance their prospects of finding work and, in some cases, boost their confidence and self-esteem.
- 6.39. However, although beneficiaries may think projects enhance their ability to gain and retain employment, to what extent is it possible to validate this assumption? This question was specifically addressed by the national evaluation in work exploring the degree to which those individuals who participated in projects, including worklessness interventions, actually do experience more positive outcomes. And on average those who engage in projects are statistically more likely to see positive gains in relevant outcomes than those who have not so benefited¹²². At the level of the individual it

¹²² CLG (2009a): Chapter 8 *Four years of change? Understanding the experiences of the 2002–2006 New Deal for Communities panel.*

does seem that those who participate in NDC worklessness, and other, interventions gain from them.

Concluding observations

- 6.40. Beneficiaries are overwhelmingly positive about the support they have received. NDC projects are seen to deliver friendly, accessible, personalised services which help clients become more job-ready or which assist them secure work. At times, support received extends to a mentoring role with project advisers providing intense and sustained emotional support in addition to employment advice and guidance. Beneficiaries also compare NDC services favourably with both mainstream providers and private recruitment agencies. JCP is often seen as not sufficiently interested in meeting clients' needs and aspirations when compared with NDC interventions. There is certainly a view amongst beneficiaries that tailored, flexible services delivered on a voluntary basis at the neighbourhood level can work in plugging apparent gaps in mainstream provision. This message is relevant to future programmes seeking to raise employment levels in deprived neighbourhoods.

7. NDC worklessness strategies and interventions: sustaining the benefits

- 7.1. The previous chapter explored the attitudes of project beneficiaries. This chapter examines questions of sustainability which are beginning to figure far more prominently in the thinking of NDC Partnerships as Programme funding begins to run out. Of these six case studies, three are Round 1 (Bradford, Newcastle and Newham) whose funding will run out at the end of 2009–10. The other three (Lambeth, Walsall and Knowsley) Round 2 NDCs will cease to operate at the end of 2010–11. Issues surrounding sustainability are explored through two main themes: an assessment of how NDCs are seeking to sustain activity in the longer run including the critical issue of working with mainstream agencies; and a consideration of the risks and uncertainties involved.

Sustaining NDC strategies and projects

- 7.2. Because of funding and other operational issues, a small number of NDC projects explored as part of this locality based research were always to be time-limited including:
- the CLIO and Community Interpreters project in Newham
 - in Knowsley, the NDC's popular community drop-in shop, set up as part of their overall Road to Work initiative.
- 7.3. In the main, however, these Partnerships want to sustain projects beyond the lifetime of the NDC Programme. A number of strategies have been adopted or are being considered to ensure longer-term sustainability. Some of these have already been discussed. In particular Chapter 4 considers questions surrounding partnership working and the degree to which NDCs have sought to align their programmes with strategies operating at wider spatial scales. Clearly one of, although by no means the only, rationale for adopting these approaches is to sustain activity once NDC funding ceases. This chapter focuses on four additional strategies whose main rationale is to enhance sustainability:
- creating a neighbourhood-based facility that will continue to host worklessness projects once NDC funding ends
 - developing a portfolio of income-generating assets that can be used to continue funding projects beyond the end of the Programme
 - transforming projects into social enterprises

- and most critically, working with mainstream agencies to sustain projects after NDC funding ceases.

Neighbourhood-based facilities

- 7.4. There are examples of NDCs seeking to leave behind a neighbourhood-based facility that can continue to host worklessness services after the end of the Programme. In some cases, such as the Opportunity Centre in Bradford and the Work on the Horizons facility in Walsall, the infrastructure is already in place. Similarly, Newcastle is hoping to develop an initiative to provide managed workspace. The intention is to use a three-storey building as a hub for employment, training and business support services. This planned development will also provide multi-conferencing facilities, 10,000 square feet of office space, a training restaurant, an artisan's mall and incubator units. It will also benefit from the location of a new Tesco supermarket across the road. Crucially, this development is intended to generate income, especially through the renting out of business incubator units. This income will, in turn, be used to sustain projects and partnerships which contribute to the economic development of the area.

Income generating assets

- 7.5. A second approach is to acquire assets through which to generate income in order to support projects. In Bradford, the NDC has established an asset portfolio containing plots of land worth £12m which in turn generates an annual income of £500,000. As one informant commented, the NDC is '*planning well ahead*'. What is not so clear, however, is the extent to which income will be used to support employment projects. One local IAG provider suggests that it is essential they receive some portion of this asset income in order to maintain an effective presence in the area. Presently, it is only cross-subsidy from their more profitable office in the city centre which enables them to continue operating out of the neighbourhood-based Opportunity Centre:

'We have made a commitment to stay in the Trident area even though it doesn't make financial sense. It doesn't stack up; we would pull out if it was a purely financial calculation. We have to compensate through the other centre.'

- 7.6. Hence, in this instance a partner organisation is saying that its longer-term involvement in the area may depend to some extent on access to funds generated through legacy portfolios. This may well prove to be a pattern across other NDC areas: partner organisations may not continue to operate in NDC areas unless there is some continuing support from legacy projects. Few agencies will feel able to 'go it alone' in areas previously benefiting from NDC resources, bearing in mind competing demands from other disadvantaged neighbourhoods.

Social enterprises

- 7.7. A third possible approach is to transform projects into self-sustaining initiatives as social enterprises. Although theoretically possible, there is little evidence of it actually occurring to any great extent. In Newcastle the NDC has looked into the possibility of translating both the JET and Acumen projects into social enterprises capable of sustaining themselves through income generation, However prospects for success appear uncertain.

Working with mainstream agencies

- 7.8. The most frequently mentioned mechanism for sustaining worklessness projects after NDC funding ceases is working with mainstream agencies to enhance the longer-term sustainability of projects. This approach can take on subtly different forms. Previous work by the national evaluation team has shown how 'mainstreaming' can mean different things to different stakeholders¹²³. So it is not surprising to see that in this context local observers have different interpretations of what mainstreaming can mean. To some it implies that NDCs have been successful in drawing in funding from mainstream providers to fund or part fund interventions originally launched by Partnerships. The Opportunity Centre in Bradford is a one-stop shop offering brokerage (Jobs@) and IAG (Careers Bradford) services. The NDC initially funded a private sector-led brokerage function (At Work) but this was dropped as it was not meeting the Partnership's aims. To replace this, the NDC set up the Opportunity Centre and invited two service providers, Jobs@ and Careers Bradford, to delivery job brokerage and IAG from the centre. The NDC directly funded some posts in the first year of operation (2007–08). This level of support has now been reduced so that the NDC only subsidises the rent paid by the two organisations as well as the costs of running the Centre. The two organisations are now supported through ESF and local authority funding as well as through contracts with the LSC, DWP and LEGI secured through competitive bidding processes. The NDC has moved from directly contracting services to providing operational support to delivery organisations that are almost wholly reliant on other sources of core and discretionary funding.
- 7.9. Some interventions have been mainstreamed in the sense that NDC innovations have been rolled out across wider areas, sometimes indeed entire local authorities. Examples include:
- the mainstreaming of the NDC business support function across Newcastle
 - one of the Knowsley's NDC's initiatives to help residents experiencing benefit and debt problems, the Money Advice and Budgeting Service has been mainstreamed and is funded by central government via the DBERR

¹²³ Stewart, M. and Howard, J. (2004) *Mainstreaming in NDC areas: evidence from the national evaluation; Research report 66*. <http://extra.shu.ac.uk/ndc/downloads/reports/RR66.pdf>

- in Newham, the ELITE brokerage has been mainstreamed into the local-authority run Workplace scheme (Box 17).

Box 17: Mainstreaming NDC services (Newham)

The NDC realised as it developed its succession strategy that the costs of the ELITE job brokerage project were unsustainable once NDC funding ended. ELITE was subsequently mainstreamed into the local-authority run Workplace programme, although the NDC still contributes some funding. Workplace represents 'sustainability' in some respects for ELITE as it continues to deliver neighbourhood-based employment services plugging gaps in the JCP offer. Geographically however, new arrangements are not so convenient for NDC residents, as the nearest Workplace branch is on the edge of the NDC whereas ELITE was located in the centre of the area. Moreover, the service offered by Workplace is, by design, different from that offered by ELITE: available resources do not afford the same depth and flexibility of support that ELITE could offer clients.

A new London wide initiative, the Mayor of Newham's Employment Pilot, is also now delivered through Workplace offices. Key elements to this pilot resemble many of the elements central to the ELITE model. These include a 'workcoach' to help individuals find work as well as guidance and financial support to assist clients with additional costs in the first stage of returning to work. It is targeted at workless individuals fearful of the loss of benefits. As such, it continues to provide some of the most valued elements of the original ELITE model.

- 7.10. A further variation on mainstreaming is where providers are invited into NDC areas to deliver services using their core funding. In Walsall, the Horizons centre provides a base from which JCP delivers job brokerage functions and advertises job opportunities. This fills an important vacuum as there is no Jobcentre facility in the area.
- 7.11. The scale of support from mainstream agencies can be considerable. In Knowsley NDC, the Employment and Local Economy theme has a programme allocation of £4m (a fifth, for example, of the housing allocation). In part however, this relatively limited allocation reflects the ability of this theme to bend mainstream resources into the area and to lever in European funding. The funding of the Road2Work programme that brings together all training and employment initiatives illustrates how this process of leverage can work in practice. Between 2003 and 2006, the total cost was £3.8m but the NDC only contributed £420,000 (11 per cent), with the remaining funding coming through other agencies:
- NRF and NWDA funding provided £363,000 (10 per cent)
 - mainstream (non-cash) contributions totalled £2m (52 per cent)
 - ESF and ERDF funding contributed £1m (27 per cent).
- 7.12. Mainstreaming can also mean NDCs working with delivery agencies to secure a guarantee that some form of activity survives once NDC funding comes to an end. In Knowsley, one element of the NDC's Succession Strategy for the employment theme is to commission JCP to continue allocating a dedicated

team member to help JSA claimants living in the area. This approach relies on NDCs maximising the benefits from partnerships developed throughout the lifetime of the programme by persuading partners to continue tailoring provision to the needs of workless residents once NDC funding comes to an end. Similarly in Walsall, negotiations are taking place with services currently operating out of the Work on the Horizons one-stop shop about sustaining a presence in the area. There has already been a commitment from JCP to provide services including an adviser and a JobPoint for as long as the centre remains. One NDC officer describes this development as *'really encouraging.'* Undoubtedly, the lack of existing JCP provision has helped cement this commitment, with one JCP employee explaining that, *"we always knew we needed a Jobcentre north of the town centre; we couldn't have it but [the NDC] provided it. And it's much more than a Jobcentre. It's much more an individualised service"*. What makes this partnership easier to implement is that there is a clear alignment between the NDC's desire to maintain local employment services and JCP's on-going need to have a presence in this part of the borough.

Sustainability: risks and uncertainties

- 7.13. Despite a clear desire by NDCs to sustain worklessness interventions after funding ceases, informants identify seven types of risks and uncertainties which could jeopardise succession strategies:
- failing to find effective partners
 - loss of local provision
 - sustaining physical assets
 - employers and local residents
 - short-term funding and targets
 - policy change and institutional uncertainty
 - the economic slowdown.
- 7.14. First, there is a risk that NDCs will not find effective partners to continue delivering projects in the future. This may be especially problematic where partnership working is strained or limited. In one area, key informants from non-NDC agencies note the difficult relationship the NDC has had with some mainstream providers. This was attributed to the disestablishment of the NDC Jobs & Business Theme Group and the reduction in size of the NDC staff team. Informants suggest that unless the relationship with the local authority and key service providers improves, the NDC will struggle to find partners to deliver services when funding ends. One JCP representative noted that, *'when the funding stops they'll have to get on board with the mainstream'*.
- 7.15. Even where partnership working is effective, there is no guarantee that partners share NDCs' visions of sustainability. One Partnership has outlined

plans to establish four one-stop shops for employment across the district along the lines of the model successfully operating in the NDC area. However, it is not clear that this vision is supported by the local authority, or how such a model might be funded, especially if it is to deliver the same level of provision as currently provided. In another NDC area, there is concern that projects will not prove sustainable as they are unlikely to benefit from any continued bending of mainstream funding. This view stems from the apparently high costs of NDC projects relative to the outputs they deliver; the limited geographical focus of activities; and a general sentiment that the NDC area is not the most deprived area in terms of worklessness in the district. Without commitment from mainstream providers, there is a genuine danger that some NDC areas will lose their neighbourhood-based employment services.

- 7.16. A second risk is that if NDC projects are in future funded by mainstream delivery agencies this could lead to the loss of local employment and training provision. Mainstream providers with a wider geographical remit who take over services currently funded or part-funded by NDCs may not feel the need, or may not have sufficient funding, for a continued presence at the neighbourhood level. Even if they do so partner agencies have often relied heavily on NDC-funded community interventions as channels for outreach, signposting and referrals. There is a danger that as NDC support for community activity comes to an end, mechanisms through which to engage with local residents will disappear.
- 7.17. A third concern is that there is no guarantee that any legacy of physical assets such as managed workspace can be sustained. In Walsall, one informant noted how dedicated facilities provided through the City Challenge programme proved unsustainable once that programme's funding ceased:
- 'If you don't keep the momentum going in that area, then it will go backwards. Now that's been proven by City Challenge. City Challenge in Walsall had a unit, and when the central government funding, which paid for the rent, the heat, the light and what have you, pulled out and the college took the programme over, it closed very quickly.'*
- 7.18. A fourth risk is that the end of the NDC Programme removes an important source of pressure on employers to recruit residents. Informants express concern as to how projects such as *'the local employment'* clauses in the housing renewal programme in Knowsley could be maintained and overseen once the NDC Programme came to an end. It is unclear who will continue to *'speak up'* for deprived areas once the Programme ends.
- 7.19. A fifth risk is that the reliance of projects on new sources of short-term, competitive funding, often underpinned by demanding targets, will force changes in the nature of services provided. In one NDC, projects operating out of a one-stop shop facility are confident of medium-term sustainability but uncertain about how the demands of new contracts will affect the shape of the service they deliver in the longer run. The IAG provider in the facility is now dependent on a Next Steps contract with the LSC to provide IAG and

skills training for the over 20s. Whilst a vital source of funding, targets laid down in that contract are extremely demanding (over 300 per cent higher than those laid out in NDC contracts). This will militate against the kind of intensive outreach work which has previously been undertaken. This latter type of work imposes considerable demands on time, and produces fewer attributable outcomes, at least in the short run. Moreover, the new approach compels the project to seek clients from outside the NDC area which means funding leaks out of this deprived neighbourhood. As is evident from the discussion of sustainability strategies outlined above, it seems unlikely that the termination of NDC funding will lead to a 'cliff-edge' effect whereby all employment projects come to an abrupt end. Nevertheless, the need to seek longer-term funding from mainstream agencies may well prompt changes in the nature of projects and the type of clients they are designed to access.

- 7.20. A sixth risk surrounds policy change and institutional uncertainty. As is developed in Chapter 4 a range of new spatial initiatives have been introduced in recent years, with implications for neighbourhood-level worklessness strategies. In addition major new welfare reforms such as the introduction of the Flexible New Deal and the Employment and Support Allowance will change the landscape of benefit delivery¹²⁴. Disbanding the LSC and introducing the new Adult Careers Service will also dramatically alter the structure of skills provision. These institutional shifts and policy innovations will have implications for neighbourhood level worklessness initiatives:
- they generate uncertainty as to the future shape of worklessness provision for deprived areas; in Walsall, one informant noted that the policy landscape is becoming more '*challenging as the DWP are going with the Flexible New Deal and LSCs are being broken up*'
 - there are particular uncertainties about funding for worklessness projects through WNF; until these are clarified, it is difficult to assess the likely impact of WNF in terms of its capacity to continue funding interventions in NDC areas
 - there is concern that the needs of NDC areas will be overlooked as local concerns are 'swamped' by the wider district focus which LSPs have to address; once Programme funding ends, NDC areas may lose their capacity to shape local responses to worklessness.
- 7.21. A final, and increasingly acute, risk is the possible impact of the current economic downturn. It is difficult at this stage to be precise as to how this will all play out. Research informing this report was carried out in mid-2008 at a time when the full impact of the recession was not appreciated. But even then there were concerns with regard to training projects in industries likely to be particularly affected by the downturn. In Knowsley, for example, the focus on construction-related training is a concern given the severe cutbacks construction companies were already having to make in mid-2008. But even in such a difficult environment there was a sense too that initiatives

¹²⁴ See DWP (2007) *Ready for Work: full employment in our generation*; DWP (2008a) *No One Written Off: reforming welfare to reward responsibility*; DWP (2008b) *Raising expectations and increasing support: reforming welfare for the future*

should not simply be abandoned because of what was still hoped would be short-term difficulties. Informants felt that the construction industry would eventually emerge from any recession, at which point there could well again be a shortage of workers with particular skills such as floor-laying.

A concluding comment

- 7.22. The sustainability of employment and training projects is a key concern of all NDCs. Partnerships have given considerable thought in attempting to ensure projects continue beyond the lifetime of the project. Four main strategies have been adopted or are under consideration: creating a neighbourhood-based facility that will continue to host worklessness projects; developing a portfolio of income-generating assets; transforming projects into social enterprises; and working with mainstream agencies to sustain projects after NDC funding ceases. The last of these, working with mainstream agencies is the most frequently cited approach. This is not surprising given NDC's experience of working with mainstream partners and of trying to bend mainstream spend. Local strategic initiatives such as LSPs and the WNF also provide frameworks designed to encourage agencies to work together, which may therefore help to sustain better projects once NDC Programme funding ends.
- 7.23. Whilst NDCs are largely positive about sustaining projects to tackle worklessness, they face a number challenges. These include securing long-term commitment from partners and funders; the loss of community channels through which to engage clients; the impact of new sources of target-based funding on the nature of projects; the changing policy environment; the ability to sustain key relationships with local employers; and the impact of the current economic downturn. These all present risks to the sustainability of projects. Collectively these challenges raise the issue of who 'will speak up' for these deprived neighbourhoods once NDCs cease to exist. It is unlikely there will be one single 'champion', with responsibility instead being shared across a number of providers such as local authorities, JCP and any successor regeneration bodies. Despite these uncertainties, the prospects for sustaining at least some projects remain positive. NDC may prove more successful than previous ABIs in leaving behind a long-term legacy sustained by mainstream commitment.

8. Tackling worklessness at the neighbourhood level: key lessons and policy implications

8.1. This final chapter addresses two key issues: pulling together key policy issues arising from evidence collated throughout this report; and, later, briefly commenting on the degree to which this evidence informs current policy agendas. Initially however policy and practice lessons arising from this review of worklessness in six NDC case study areas are developed within seven themes:

- strategic approach
- emphasising supply-side policies
- design and delivery models
- supporting clients
- engaging 'hard to reach' groups
- partnership working
- sustainability.

8.2. Before discussing these it is important to express a word of caution here. As the complementary Programme-wide data report makes clear, across the Programme as a whole there has not been a great deal of relative change in relation to many aspects of employment and worklessness. Aggregate Programme-wide figures do not suggest that the 39 NDC areas are experiencing greater change than similarly deprived comparator areas. This finding has implications when teasing out the policy lessons emerging from the largely qualitative evidence on the six case study areas, outlined in previous chapters of this report. The themes developed below reflect widely held sentiment amongst those working in, or with, NDCs or who have benefited from their interventions that NDC interventions are making a positive impact. However, this impact is not reflected in Programme-wide 'top-down' change data.

8.3. Nevertheless, policy issues which can be drawn out of the qualitative evidence explored in this report merit detailed consideration. This is because many of the interventions discussed in this report may well help achieve individual-level success by moving people closer to employment. However change data on worklessness for any NDC area, even more when all 39 areas are taken together, reflect a large number of individual-level changes as people move into, and out of, employment, change jobs, leave, or move into, these areas. Area level figures thus provide a 'gross' overview of the myriad of individual-level changes and choices. Moreover much of the 'harder edged' Programme-wide data is based on how individuals change in relation

to the benefits system. Such evidence will not pick up positive changes arising from NDC interventions for those who are not on worklessness benefits at all or those changes which help shift individuals closer to employment without moving them entirely off benefits. Quantitative data on benefit recipients will not reflect changes in those softer outcomes which many of the interventions discussed in this report are seeking to achieve. Many of these interventions lead to a relatively small number of individual-level gains, which, at the area level, will tend to be swamped by the scale of changes occurring in NDC neighbourhoods as a whole. But this does not mean lessons cannot be learnt from such interventions.

Strategic approach: plugging the gaps

8.4. Strategically, the most important function of NDCs probably lies in their ability to plug gaps in mainstream service provision through delivering or commissioning local, flexible schemes to support workless individuals back into employment. In developing their strategies to plug these gaps, these six NDCs have, to varying degrees, placed an emphasis on:

- understanding the local context in terms of the local labour market (location, type, quantity of jobs, etc), and key socio-demographic features of the workless, especially their skills, attitudes and experience
- fully auditing the scale of existing services delivered by mainstream providers
- appreciating those complex and evolving relationships between demand and supply considerations and their implications for addressing neighbourhood level worklessness issues
- ensuring as far as possible an effective exploitation of potential links between worklessness and other outcome areas such as crime, health and housing¹²⁵.

8.5. Neighbourhood level worklessness strategies need to be fully informed by the nature of worklessness within the area, the scale of existing service provision, and an evidenced-based understanding of relationships between supply and demand side considerations.

Emphasising supply-side policies

8.6. The strategic decision of NDCs to focus largely on supply-side interventions designed to raise the employability of clients appears sensible. Supply-side interventions are much more likely to reap benefits for individuals living in NDC areas, and as is discussed below, neighbourhood-level supply-side initiatives may be especially suitable in engaging those most distant from the

¹²⁵ The role that housing associations can play in tackling worklessness is one of the most important themes developed in the Hills report (Hills, J. (2006) *Ends and Means: The future roles of social housing in England*. <http://sticerd.lse.ac.uk/dps/case/cr/CASEREport34.pdf>).

labour market. The strategic decision not to focus significant resources on attempting to stimulate job creation seems largely to be vindicated. The cost of demand-side measures and the risk of 'leakage' renders them problematic.

- 8.7. None of this is to suggest demand-side considerations are irrelevant to neighbourhood-level strategies. Evidence developed in this report points to at least four ways in which demand-side interventions remain relevant in addressing worklessness at the neighbourhood level:
- local business support projects can provide continuing assistance through those difficult processes involved in setting up a business
 - if contracts are carefully negotiated at an early stage local people can benefit from job opportunities arising from area and housing regeneration schemes
 - demand matters in terms of a lack of suitable jobs; poor quality, poorly-paid jobs can deter some from returning to work given the small financial gains involved and the potential insecurity such employment is still seen as likely to create in relation to the benefits system; there is still a widespread perception that work does not always pay
 - some NDCs are now beginning to point to lack of demand in the local economy as constraining the employment prospects of the workless; this can result in a 'bumping-down' effect as more skilled people take on low-skilled posts leading to 'overcrowding' in some sectors of the local labour market; it can confidently be predicted that problems arising from lack of demand in local economies will become far more prevalent in the immediate future.

The design and delivery of services

- 8.8. A number of lessons emerge regarding the most appropriate delivery models for providing neighbourhood level services to tackle worklessness. First, evidence points to the importance of a holistic approach wherein a range of services is provided to tackle different barriers to employment. In order to make them work-ready, clients may need help with the job search process, access to IAG and opportunities for training, education and work experience as part a comprehensive package of support. Difficulties with child care, debt, benefits, housing and transport may also need to be addressed if individuals are to be supported back into work. Whilst it is not always possible to provide every service under one roof, there is a widespread sentiment that demonstrable advantages arise from a 'drop-in' one-stop local facility. Evidence from these case studies indicates that such facilities have been managed effectively by, in the words of one informant, '*good commissioning*' on the part of NDCs to bring together a range of complementary services into a single workspace.
- 8.9. Second, neighbourhood-based delivery is a key feature of many interventions. Local, accessible facilities can play an important part in

increasing take-up by individuals reluctant, or unable, to travel to more distant mainstream employment services. This local focus can help projects obtain referrals from other local service providers. A local presence can also enhance an awareness on the part of local projects of both client and employer needs. Projects can thus be well placed to exploit local labour market opportunities. Such synergies are more difficult to achieve from a distance.

- 8.10. Third, one of the lessons to emerge from these case studies is the need for projects to differentiate themselves from mainstream providers. In general JCP has a relatively poor image when compared with NDC projects because of the widely-held perception that its advisers are ineffective or unwilling to help clients meet their employment goals. By contrast, advisers working for NDC projects were, almost universally, seen as friendly, helpful and genuinely concerned to work with clients in order to meet their longer-term aspirations. The voluntary nature of involvement has played a critical role in building trust. At the same time, it should be recognised that local, voluntary models of employment support do not necessarily attract high numbers of local residents looking for work. People are more likely to come through doors if their benefits payments depend upon it. Individuals may respond better to voluntary services tailored to their needs; but they are more likely to attend compulsory sessions.
- 8.11. Fourth, one of the lessons to emerge from these case studies is that it is not always easy to monitor the impact of interventions, particularly those designed to achieve 'soft outcomes'. This can be especially problematic when working with those furthest from the labour market. Improvements in their confidence or motivation may not be picked up through output or outcome indicators: some important gains may not be captured systematically. There is scope for more imaginative approaches towards monitoring the trajectories of those most distant from the labour market.

Supporting clients

- 8.12. The effectiveness of local services depends on the nature of relationships advisers develop with clients, and the role they play in supporting them to find work. Building effective relationships has a number of components. First, according to beneficiaries one of the key characteristics of good advisers is that they are receptive to the employment aspirations of clients. This consistently emerged as a crucial factor in distinguishing NDC projects from JCP services. Such an approach helps engender the trust needed to build confidence and broaden aspirations among clients.
- 8.13. Second, advisers can play a role in helping clients understand the benefits of returning to work. These include likely financial rewards as well as possible non-monetary benefits such as health improvements, increased self-esteem and greater quality of life. Equally, advisers can manage expectations especially in terms of potential wages, the ease of finding work and the distance clients are willing to travel. Clients may have unrealistic expectations

of salaries they can command in the labour market and how close to home they can expect to find work.

- 8.14. Third, there is evidence of the value of providing in-work support after clients have found employment. This may amount to no more than the occasional friendly phone call. Nonetheless, it may play an important role in helping some individuals sustain work and thus help reduce the scale of churning common at the lower end of the labour market.

Engaging hard-to-reach clients

- 8.15. There is some evidence that projects can struggle to engage hard-to-reach clients and that there may be a tendency for projects to cream off more job-ready individuals from the workless population. Conventional brokerage or IAG projects often seem to find it difficult to engage 'hard-to-reach' groups: the more a project looks and feels like JCP, the less marginalised its client base is likely to be.
- 8.16. Nevertheless, lessons can be learnt from projects which appear to have been successful in reaching more marginalised groups such as young people and certain black and minority ethnic groups. They tend, for instance, to place more emphasis on outreach work. Recruiting individuals through non-traditional channels such as sports and leisure activities or simply through 'hanging out' on the street seems to yield more positive results than relying on clients dropping into established facilities. There is often a strong mentoring element to projects as is evident in relation to both the Community Mentor scheme in Knowsley and WBYI in Bradford. The qualities of mentors matters too. Charismatic and well-respected individuals with roots in the local community can be especially effective in engaging individuals who might not consider using more conventional employment services. Outreach work appears also to be more effective in recruiting clients or delivering services when based in well-established community facilities. But there are no simple short cuts in trying to engage some groups. Effective engagement work can be costly, time-consuming and resource intensive: interventions can take years to bear fruit.
- 8.17. However it is not always easy justifying and sustaining longer-term projects. What is widely seen as an increasing tendency towards a short-term, target-driven culture can restrict opportunities for effective engagement with more marginalised groups. And meeting the needs of those most marginalised from the labour market will generally be relatively expensive. Working with more marginalised groups may also involve an increase in outreach and marketing in order to access individuals who are not ready to walk through project doors, which will also tend to increase costs. In this context, NDCs often identify a need to engage in more preventative work with young people to help those at risk of becoming 'NEETs' (not in employment, education or training). But such work is resource intensive in that it can involve plugging gaps in services for 6–14 years olds, as well as working with Children's Centres and other partners on the child poverty agenda.

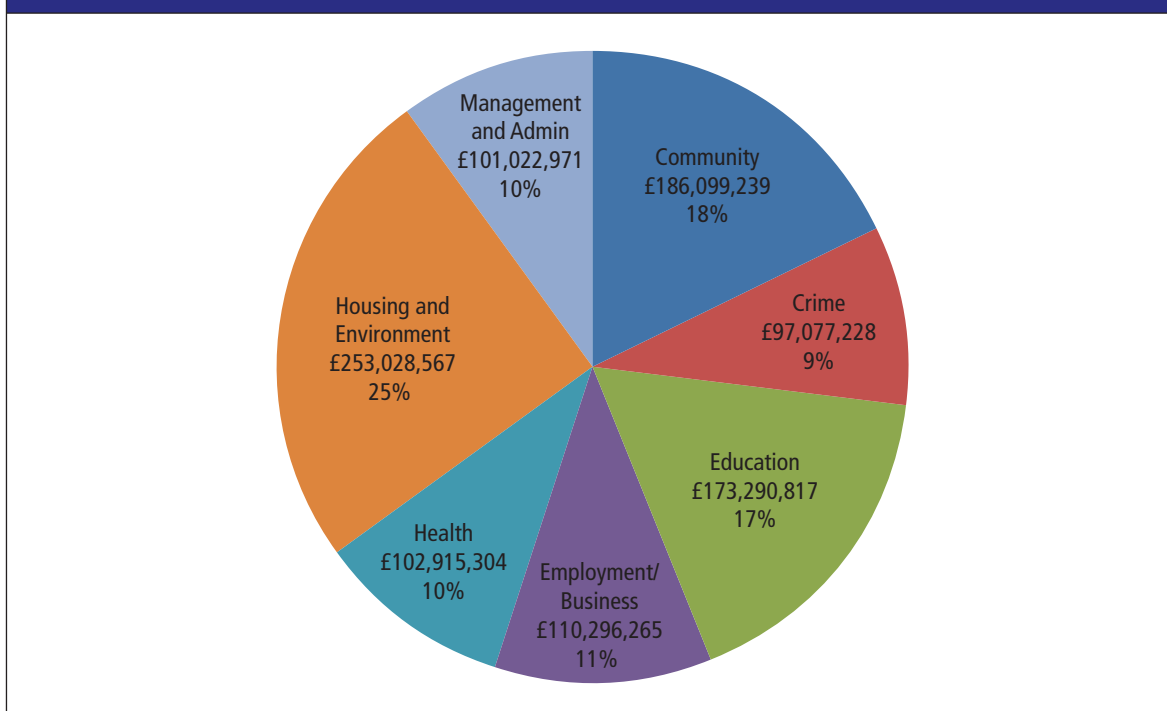
- 8.18. NDCs have considerable experience in attempting to engage hard-to-reach groups. This experience points to the importance of developing projects which place a major emphasis on outreach work, use highly-qualified and locally embedded mentors, and provide holistic, neighbourhood-based facilities. But this type of work does not always sit easily within a short-term target driven culture and addressing the needs of hard-to-reach groups is demanding and expensive.

Partnership working

- 8.19. Local observers are overwhelmingly of the view that good partnership working is essential in tackling worklessness in NDC areas in that it:
- enables NDCs to work with a number of different providers to plan and deliver an integrated employment offer to local residents
 - allows partners to contribute their knowledge and expertise
 - assists in understanding the needs of employers, and hence in preparing clients to compete for work in the labour market
 - encourages collaborative working towards the common goal of reducing worklessness
 - maximises benefits of funding and helps avoid service duplication
 - offers opportunities through which to sustain NDC interventions after Programme funding runs out.
- 8.20. However issues have emerged in relation to partnership working. Working with mainstream providers jointly to support specific interventions can create problems because more disengaged individuals often retain residual suspicions of mainstream agencies, particularly of JCP. There is a sense too that mainstream agencies are simply not always delivering enough for clients in NDC areas. For example local informants point to an apparent shortage of training opportunities at colleges and apprenticeships in some NDC areas. There is also evidence that the private sector is not always a committed partner, especially if local employers are of the view that few direct gains will be made by working with NDCs. This limited relationship may also reflect the view of some local observers that NDCs have not always fully exploited potential opportunities for engagement with local businesses. In particular NDC-funded supply-side initiatives do not always prepare participants adequately to meet the demands of local employers. NDCs could also perhaps have done more to harness expertise in the third sector, especially as such organisations are often well-regarded by the communities in which they are located. Finally it is generally the case across all NDCs that worklessness has not proved to be a priority for local community representatives. One of the messages to emerge from the national evaluation is that residents have tended to place a greater emphasis on place-based outcomes notably crime, community development, housing and the physical environment, rather than

on people-based outcomes such as health, education and worklessness¹²⁶. To some extent this is reflected in spend across the Programme with the employment/business theme, dominated by worklessness projects, only accounting for 11 per cent of spend compared with, for instance, 25 per cent for housing and 18 per cent for community-related projects (Fig 8.1).

Figure 8.1: Programme-wide NDC spend by theme: to 2005/6



- 8.21. There is little doubt that partnership working has been central to worklessness strategies adopted by these six NDCs. There is a strong view locally that this mode of operation is essential in meeting the diverse and challenging needs of local residents. But it has not always been plain sailing. Not all mainstream agencies have consistently supported NDCs, the private sector is often largely absent, third sector organisations might have been more involved at least in some neighbourhoods, and as a theme worklessness has not attracted the same interest on the part of community board representatives as have other outcome areas. Whilst there is total unanimity from observers in all of these six areas that partnership working is essential in delivering effective worklessness strategies, the more the operation of partnership working is explored in detail, the more complexities it throws up. Not all partners are willing, able or committed substantially to improve the delivery of ten-year worklessness programmes in arbitrarily defined neighbourhoods. Some partners have other over-riding objectives whether these are mainstream agencies delivering national targets, private companies wishing to see their enterprises thrive, third arm agencies charged with 'non-spatial' targets, or local communities prioritising other outcomes.

¹²⁶ See CLG (2009c) Improving outcomes? Engaging local communities in the NDC programme.

Sustainability

- 8.22. It is too early to speculate on the likely success of initiatives designed to sustain worklessness projects and strategies. But, as is explored in the previous chapter, it is clear that NDCs are attempting to sustain activity into a 'post-NDC' world. As WNF projects and other neighbourhood-based worklessness schemes may in the future be faced with similar issues, it is worth highlighting the key policy lessons arising from the NDC experience:
- the importance of putting in place an effective exit strategy as early as possible
 - in an uncertain economic climate where the delivery of welfare is going through a period of intense and sustained institutional change, NDCs have shown the need to secure links with other strategies and programmes to ensure that deprived areas continue to benefit from interventions to tackle worklessness after ABI funding ceases
 - working with the full range of relevant agencies, institutions and funding streams: NDCs have developed good links with devolved initiatives such as LSPs, the WNF, City Strategies and Local Employment Partnerships
 - accepting that NDCs, or indeed any other neighbourhood regeneration agency, do not have the resources or the capacity to fill all of the gaps in mainstream service provision; much can be gained by working to 'bend mainstream' funding to help support or, directly deliver, employment services into deprived areas
 - in certain contexts there may be a case for neighbourhood-level agencies to acquire physical assets in order to generate longer-term returns to help sustain local initiatives after programme funding is withdrawn.
- 8.23. But experience from these six case study areas also points to a number of constraints which are likely to impact on the continuing sustainability of NDC interventions, of which the most important may well prove to be:
- a reluctance on the part of some agencies to continue allocating additional investment into NDC areas: some agencies will prefer increasingly to work at wider spatial scales such as local authority districts; and some organisations may wish to prioritise investment within other deprived areas after NDCs have had their share'
 - a shift away from guaranteed NDC funding to a short-term reliance on large contracts underpinned by challenging targets may prove inimical to effective outreach work; pressures to meet targets may increasingly mean that projects are forced to cream off more accessible, 'job-ready' clients whose change in employment status will contribute to output targets; this will do little to help those most distanced from the labour market.

Concluding observations: reflecting on the evolving policy context

- 8.24. Any long-term ABI, such as the NDC Programme, is faced with an intriguing policy dilemma. Being given such a long time horizon, ten years, is widely seen as a distinct advantage for this Programme when compared with previous regeneration initiatives. But exactly because of this time frame, all NDCs have had to face up to the reality that policies, debates, institutions and funding streams will change considerably over ten years. Some of these changes may have little if any implications for neighbourhood renewal. But others will. So, for example, NDCs have had to mould their interventions and strategies to meet changing institutional structures such as the restructuring of PCTs, the emergence of new institutions such as LSPs, and the creation of new funding streams such as those covered by LAAs.
- 8.25. But as is discussed in Chapter 1 (1.10) there have also been considerable changes in the worklessness 'policy landscape' in recent years. Spearheaded by the 'Sub-National Review'¹²⁷, 'Transforming Places'¹²⁸ and 'Raising expectations and increasing support'¹²⁹, the government has substantially modified the policy context within which neighborhood-level worklessness strategies and interventions will play out. In this policy environment it seems therefore important to use evidence arising from this research to reflect on key components to this new, and rapidly evolving, national worklessness agenda. It should be stressed here that the NDC experience cannot inform all aspects of these complex policy debates. And evidence does not always consistently point to simple, overarching conclusions. In particular, and as is discussed in 8.2 above, although local observers tend to be positive about their experiences in implementing, or benefiting from, NDC interventions, these perspectives are not always generally underpinned by top-down change data.
- 8.26. Nevertheless, case study evidence developed in this report, together with other findings from the national evaluation, informs three debates:
- the neighbourhood as a focus for worklessness interventions
 - the neighbourhood within the wider economic context
 - the nature of worklessness.

The neighbourhood as a focus for worklessness interventions

- 8.27. The regeneration agenda outlined in 'Transforming Places' places a stronger emphasis on economic development and work than ever before. This framework argues that the three priority outcomes guiding government

¹²⁷ HM Treasury, BERR, CLG (2007).

¹²⁸ CLG (2008e).

¹²⁹ DWP (2008b) *Raising expectations and increasing support: reforming welfare for the future.*

expenditure on regeneration are likely to be: improving economic performance in deprived areas; improving rates of work and enterprise; and creating sustainable places where people want to live and can work, and businesses want to invest.

8.28. Experience from the NDC Programme provides an opportunity to reflect on the challenges raised by the 'Transforming Places' agenda. This Programme has sought to address worklessness as part of a holistic programme of interventions. But as is outlined in Fig. 8.1, total spend across the Programme amounts to about £110m¹³⁰ or £443 per capita of working age population between 1999–00 and 2005–06. This is equivalent to just £379 per workless individual per year¹³¹. These are modest resources and, of course, the Programme is not an explicit 'worklessness initiative'. Nonetheless, this experience of focusing on neighbourhood-level supply-side interventions helps inform these three priority outcomes:

- it would seem sensible to place an emphasis on improving economic performance to benefit deprived areas by encouraging economic development at higher spatial scales; the NDC experience suggests that a supply-side, neighbourhood focus, is not enough of itself to generate substantial change in rates of worklessness
- neighbourhood based services can complement mainstream provision designed to get people back into work; however, measurable improvements in rates of work and enterprise can be hard to achieve as is demonstrated in the complementary report, 'Worklessness, Employment and Enterprise: patterns and change'; this again points to the importance of focusing on wider economic development beyond the neighbourhood level if levels of employment and enterprise are to be raised in deprived neighbourhoods
- there is evidence to suggest that the NDC Programme has been successful in relation to the third objective, creating sustainable places where people want to live and can work, and businesses want to invest; for instance:
 - in 2008 42 per cent of NDC residents thought their area had improved over the past two years, an increase of 18 percentage points since 2002; the equivalent figures for the comparator areas are 28 per cent and 11 percentage points.

8.29. Perhaps the most important lesson from the NDC Programme is that supply-side, neighbourhood-level interventions can generate individual successes but do not necessarily raise aggregate levels of employment and enterprise to any significant degree. One of the major constraints is a lack of appropriate jobs in the local economy. This indicates that the new emphasis on economic development in the Transforming Places framework is a timely recognition that demand also matters, particularly at wider spatial scales. It therefore seems entirely appropriate that the 'Transforming Places' agenda suggests

¹³⁰ This includes all spend on employment, training and worklessness initiatives, some of which may have been spent on individuals in work.

¹³¹ This is calculated by dividing the total spend on worklessness by the sum of all workless residents across all years for which data is available. This gives a figure of £379 per workless individual per year.

that: *'in future, regeneration will need to be aligned with economic activities that strengthen the wider economy, to create places where people want to live and help residents into jobs'*¹³². Raising employment rates in deprived areas depends not just on overcoming personal barriers to work but also on the availability of appropriate and attractive employment opportunities. This view is also supported by the recent Tackling Worklessness Review that advocates using a 'Challenge Fund' to create meaningful, temporary jobs ringfenced for workless individuals living in areas most affected by previous recessions¹³³.

- 8.30. Simply because 'top-down' survey data points to only limited Programme-wide change in relation to worklessness, it should not therefore be inferred that local experience in developing neighbourhood interventions as outlined in this report is irrelevant to wider debate. As is pointed out in 8.2 the limited scale of many of the interventions discussed here and their focus on softer outcomes may mean that their impact will simply not be picked up in Programme-wide surveys or through administrative data. If this argument is accepted then the NDC experience can be seen as useful in informing the nature of local level worklessness interventions central to the 'Transforming Places' agenda. In particular the NDC experience as discussed in this report points to:
- the value of locally-sensitive, neighbourhood-based, flexible interventions to tackle worklessness in deprived areas
 - the need to focus primarily on supply-side barriers, whilst accepting that it is doubtful if measurable change can be introduced without demand-side considerations as well; in that sense the specific identification of economic development as an outcome to urban regeneration is timely
 - the suggestion from this Programme that ten years is not enough significantly to reduce high levels of worklessness: engaging the hardest to reach can take years
 - clients face multiple barriers to work, not all of which are directly employment-related; addressing issues relating to housing, health and transport, for example, may be essential in making individuals ready for work
 - concerns that promoting enterprise as a catalyst for economic development does not have a great deal of purchase in deprived localities; evidence from these deprived neighbourhoods points to a small business base and there appears to be only limited demand for business support projects
 - doubts as to whether some mainstream approaches to economic development are likely to be sensitive to the needs of residents in deprived areas; for instance, promoting the growth of high-skilled sectors in the knowledge economy may exclude residents with limited skills and qualifications looking for low-skilled work.

¹³² CLG (2008e): p34.

¹³³ Houghton, S., Dove, C. and Wahhab, I. (2009) *Tackling Worklessness: A review of the contribution and role of English local authorities and partnerships*, p56.

The neighbourhood within the wider economic context

- 8.31. Clearly the entire NDC experience is rooted in the notion that neighbourhood-level institutions are well placed to instigate and sustain worklessness strategies and interventions. Some aspects of the NDC experience suggest that this is indeed a plausible assumption to make. As is developed in this report for example, there is considerable variation in the nature of worklessness across deprived areas. Devolving power and funding to the local level to tackle worklessness might therefore be seen as a sensible approach in ensuring services meet local needs. In that context new initiatives such as City Strategy and the WNF may well prove to be vehicles through which the 'NDC model' can be sustained in that they offer a partnership framework for tackling local concentrations of worklessness.
- 8.32. But not all of the NDC experience necessarily supports the assumption that neighbourhood-level organisations are appropriate institutions through which to tackle worklessness. There are two areas of concern. First, evidence from these case studies indicates that NDCs as institutions have not always totally understood, or appreciated the implications of, the dynamics of local labour markets. This experience raises the question as to whether neighbourhood-level organisations can ever fully understand the 'fit' between the skills of workless residents and the demands of employers. There is a strong argument that this kind of work needs to be undertaken at district-wide or even sub-regional scales. In that context the proposed duty on local authorities to undertake a Local Economic Assessment presents a real opportunity for ensuring the planning of all aspects of worklessness at the neighbourhood level is better informed than hitherto.
- 8.33. Second, the evolving nature of the governance of worklessness suggests that there will be a number of both 'bottom-up' and 'top-down' challenges in co-ordinating work across different spatial levels: regional, sub-regional, local authority district and neighbourhood level. In relation to 'bottom-up' issues, for instance, is it realistic to expect small ABIs such as NDCs to exert any influence beyond their immediate remit? Even at the local authority level the impact of strategies and interventions adopted by NDCs, or indeed by any ABI, on the district-wide planning of worklessness and economic development is likely to be limited. And with regard to 'top-down' considerations, there is a real risk that the neighbourhood 'voice' will be swamped by initiatives and strategies managed by agencies operating at wider geographical scales. Will these agencies remain sensitive to the needs of deprived neighbourhoods? Perhaps local authorities will need more explicitly to become champions of deprived areas. This view is certainly supported by the recent Tackling Worklessness Review that suggests in the current economic downturn that '*Local authorities with local partners should focus their efforts on the most disadvantaged people and neighbourhoods.*'¹³⁴

¹³⁴ Houghton, S. et al. (2009) p65.

- 8.34. Ultimately it is not possible to use the NDC experience definitively to point to an optimal model through which to manage regeneration policies majoring on aspects of worklessness and economic development. The NDC Programme is of its time: it is not a worklessness initiative per se; and its roots lie in the principle of holistic, community-driven, regeneration. But taking NDC evidence as a whole it would probably be fair to say that some types of interventions, notably neighbourhood-level brokerage and IAG projects, are widely seen as appropriate for implementation at the neighbourhood level.
- 8.35. However, there is some scepticism as to whether NDCs, or indeed any locality based organisation, can ever fully appreciate, or respond to, the nature of wider labour markets operating at local authority, or sub-regional, scales. This points to there being a logic in setting strategies at wider spatial scales. Informed by this labour market evidence there is an argument for the implementation of specific projects at the neighbourhood scale. In essence, set the strategy at the local authority scale, and use this evidence to embed and sustain neighbourhood level interventions designed to equip local residents with skills necessary to meet demand in the economy.

The nature of worklessness

- 8.36. Finally evidence from the evaluation is able, if only at the margins, to inform emerging debates on proposed reforms to the welfare system as laid out in the recent White Paper¹³⁵. Reflecting on the welfare system has not been a primary objective of this locality based work. Nevertheless a number of lessons can be drawn from this research of which the most important are:
- attempting to address worklessness through initiatives to reduce levels of working in the informal economy may have limited purchase; it is doubtful if the informal economy is contributing significantly to high levels of worklessness
 - the proposed focus on bringing together employment and skills through the Work Skills agenda provides a timely opportunity to consider how best to structure the provision of training and education to ensure a shortage of places is not a barrier to work, as it appears to be in some of these areas
 - there is little evidence that NDCs have made inroads into reducing worklessness among residents with health problems; any future spatially-targeted initiatives to reduce worklessness need to make this group a priority; making links through the Pathways to Work programme would seem an obvious route to take
 - the white paper proposes moving to a contract-based model based on 'results'; this research shows that a target-driven culture can encourage creaming as service providers come under pressure to demonstrate results; a shift towards contract-based delivery models may limit the scope for

¹³⁵ DWP (2008b).

delivering precisely the kind of local, flexible, intense support that clients value

- the welfare reform white paper promotes training and skills development as a means of helping individuals to bypass low-paid, low-skilled work; this is a laudable ambition but not all workless individuals are willing or able to upgrade their skills; policymakers need to be realistic about the kinds of work residents in deprived areas are likely to accept, it may be just as important to improve the terms and conditions attached to employment at the lower end of the labour market as it is to raise skill levels and aspirations
- the ability to access services and make employment choices on a voluntary basis is highly valued by beneficiaries; conditionality is widely resented, especially when associated with being compelled to take up unattractive work: there are financial and moral issues about the kind of work it is reasonable to expect workless individuals to accept; however, at the same time, it is apparent that voluntary services tend to attract more job-ready individuals; it is doubtful whether the hard-to-reach can be engaged without some element of conditionality.

Appendix 1: Project beneficiary interviews: sample size, demographics and emerging findings

This note provides a brief overview of the composition of beneficiaries interviewed as part of this report. All fieldworkers managed to access beneficiaries of at least one project in each of these six NDC case study areas. The projects for which beneficiaries were interviewed cover the full range of types of worklessness interventions:

- 7 job brokerage projects
- 2 IAG projects
- 1 volunteering project (as a stepping stone into work)
- 3 training projects
- 1 ILM project
- 1 business support project.

Three of these projects targeted BME groups and/or residents for whom English was not their first language.

Socio-demographics of interviewees

A total of 68 interviews were achieved, 22 short of the original target of 90. The shortfall in interviews was mostly accounted for because of projects ending and/or difficulties in contacting former beneficiaries. Fieldworkers experienced difficulties in trying to engage projects or indeed NDCs as a whole at a time when the Programme is beginning to wind down.

Only one case study area, Walsall, failed to achieve more than two thirds of the original target sample size. Many of the issues pertinent to Walsall, a predominantly white-working class area on the periphery of key sources of employment also emerge in the Knowsley interviews. The less buoyant labour market in Walsall compared with the two London NDCs is also a feature of labour markets in Bradford, Knowsley and Newcastle.

The sample size and demographics of the beneficiaries interviewed:

	Total interviews	Total projects reviewed	Male	Female	Non-BME	BME	16–24	25–49	50+
West Ham	11	2	4	7	3	8	0	11	0
Lambeth	15	3	9	6	5	10	3	10	1
Knowsley	10	3	9	1	10	0	6	3	1
Bradford	14	3	11	3	4	10	10	3	1
Newcastle	13	3	5	8	8	5	2	8	3
Walsall	5	1	4	1	5	0	0	5	0
Total	68	15	42	26	35	33	21	41	6

- approximately 60 per cent were male
- just under half were from black or minority ethnic groups.
- 30 per cent were under 25, 60 per cent 25–50 and 10 per cent 50 and over.

The higher proportion of males is explained by the focus on young men and the construction industry within two of the projects. The high number of black and minority ethnic beneficiaries reflects both the large BME population in four of the case study areas (Bradford, Newcastle, Lambeth and West Ham) and the exclusive focus on black and minority ethnic/non-English speaking residents by three projects. Crucially, the interviewees comprise a diverse range of individuals from those with no skills through to those with degrees, although a majority of beneficiaries had no or limited skills.

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