

Enduring change: The experience of the Community Links Social Enterprise Zone

Lessons learnt and next steps

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Community Links

Community Links is an inner-city charity running community-based projects in East London. Founded in 1977, we now help over 30,000 children, young people and adults, every year, with most of our work delivered in Newham, one of the poorest boroughs in Europe. Eighty per cent of our front-line services are delivered by people who were originally service users. Within our network of projects we have pioneered new ideas and new ways of working. We share this good practice nationally through publications, training programmes and policy work.

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The need for change

“People who experience a problem, understand it best.”
(Founding principle of Community Links)

The challenge for regeneration

In October 1998, the Joseph Rowntree Foundation published *Social Enterprise Zones: Building innovation into regeneration* (Robinson et al, 1998). It presented a proposal for tackling generations of poverty and disadvantage.

The proposal had been developed at Community Links, a multi-purpose social action centre in the London Borough of Newham, which for 27 years has been designing and delivering ways of tackling needs in East London.

Today, from the roof of Community Links' main building in Canning Town, it is possible to see all sorts of impressive developments going on in East London: gleaming new Jubilee Line trains on their way from the rejuvenated Stratford town centre to central London; passenger jets shuttling to and from City Airport; London's largest new conference centre, ExCel; and, rising over all this, the skyscrapers of Canary Wharf.



And yet for all the new developments, 95% of Newham's population still live in some of the most deprived wards in the country (Indices of Multiple Deprivation, see DETR, 2000). Two thirds of the children living in Newham live in poverty, over 9,000 people in Newham live in houses that they cannot afford to heat adequately, over 17,500 people can only afford second-hand clothes, residents of Newham who work full time earn significantly lower wages than those working outside the borough, and almost 12,000 people meet their friends and relatives less than once a month (Buck, 2003; Platt, 2003; Taylor, 2003). Meanwhile, Newham

has been the recipient of every regeneration initiative since the 1960s: Community Development Project, the Urban Development Corporation, Capital Challenge, Urban Aid, City Challenge, the Single Regeneration Budget, New Deal for Communities and the Neighbourhood Renewal Fund. Despite years of spending, regeneration has been slow, far slower than the transformation of Canary Wharf a tantalisingly short distance away.

This cartoon by Steve Bell was published in *What if...?: Fifteen visions of change for Britain's inner cities*, a book which invited friends of Community Links to consider their visions for the community (Carpenter et al, 2000, p 75).

Newham from a fresh perspective

Regeneration policy in the 1980s and early 1990s was based on the belief that targeted programmes of funding in deprived areas could spur economic growth, and that the returns from this investment would trickle down to surrounding communities. At the same time, a second strand of policy, which was more modest in scale and ambition, funded a range of useful social projects that improved the quality of life for some people but did not transform the community as a whole. One of the implications of this regeneration policy was to divert attention away from the impact that government spending on other public programmes was having on tackling deprivation.

An analysis of Newham's economy in 1997 conducted by local government finance expert Tony Travers revealed that public sector resources accounted for 65-75% of the local economy (in more affluent parts of the country this percentage would be nearer 40%). Of these resources, 98% was spent on mainstream public services, such as the benefits, housing, education, health and crime prevention budgets, while only 2% was dedicated to regeneration (Robinson et al, 1998).

This is illustrated by an analysis of the spending on one of the most recent regeneration schemes in Newham: the New Deal for Communities programme in West Ham and Plaistow was launched in 1997 to bring in an additional £50 million from the public purse over the following 10 years. While this is a substantial amount of money, it was calculated that if benefit payments remained at their current level, 24 times that amount would be spent over the same period of time in this area on benefit payments alone.

Such a disparity between mainstream and regeneration expenditure revealed how successive governments had treated regeneration as *additional* rather than *central* to their main task of providing services such as health, education and welfare. Various initiatives came to be stacked on top of each other and perpetuated a regeneration strategy that just tinkered at the margins.

A popular phrase at the time was 'the silo mentality', used to describe the lack of communication between agencies and

departments and the resulting lack of coherence in public policy on tackling deprivation. Another shortcoming of the prevailing regeneration agenda was that it was detached from those best placed to shape it: the people living and working in areas experiencing multiple deprivation. Previous regeneration strategies and the policies of core government departments had been devised without input from the people they were designed to help. Both the users and front-line staff responsible for delivering mainstream services have ideas about how to improve the effectiveness of public spending, and yet no mechanisms were in place to capture and test those ideas.

It was in this context that Community Links devised the model of the Social Enterprise Zone (SEZ). Its name reflected the principles behind the Business Enterprise Zone (BEZ), where a designated area was freed from a range of statutory regulations and controls deemed to be obstructing local economic growth. If flexibility could be granted to spur economic growth, could this approach be applied to the way community services were designed and delivered?

The idea was first explored in an article in *The Guardian* in 1996 (Robinson, 1996): "Suppose the Prime Minister called you to Downing Street the day after the next election and invited you to change the rules", the article asked. "And suppose you did manage to come up with ideas and the PM then decided to try them out in an area where there is considerable deprivation.... The test-bed would be newly designated – a Social Enterprise Zone. Would you know what to say if the PM's call came? If you would write to me immediately at Community Links ... as many ideas as you like."

The response to the article was encouraging, and with help from the Joseph Rowntree Foundation, the Institute for Public Policy Research, Business in the Community and other like-minded friends, work began on turning the idea into a practical policy proposal.

Introducing the SEZ

By the time of New Labour's victory in May 1997, the thinking behind the SEZ was well developed. The momentum generated by the election of the

new government gave Community Links confidence that the policy environment was open to new ideas such as the SEZ.

In his first major speech outside the House of Commons at the Aylesbury Estate in South London, Tony Blair reinforced this sense that anything was possible:

Unless government is pragmatic and rigorous about what does and does not work, it will not spend money wisely or gain the trust of the public. The last government did little serious evaluation of its policies for poverty.... Its policies were driven by dogma, not common sense.... Our approach will be different. We will find out what works, and we will support the successes and stop the failures. We will back anyone – from a multinational company to a community association – if they can deliver the goods. We will evaluate our policies and ... where appropriate we will run pilots, testing out ideas.... We will, in short, govern in a different way. (Peck, 1998, p 16)

In October 1998, the Joseph Rowntree Foundation report, *Social Enterprise Zones: Building innovation into regeneration*, was launched by the then regeneration minister Richard Caborn. In it, a SEZ was defined as:

... an area of multiple deprivation where a consortium of agencies and local people work together identifying and subsequently changing statutory rules or laws wherever such changes are likely to progress the social and economic regeneration of the community. (Robinson et al, 1998, p 1)

The report stressed the importance of involving those who use and those who deliver services in driving the work programme. This principle had always been important to Community Links, where 80% of services are delivered by people who first became involved as users of those services. It was particularly relevant to the SEZ where policy development was to be based on “total dependence on active community involvement in planning and managing the process of change” (Robinson et al, 1998, p 26).

The main features of a SEZ were described as:

- A focus on harnessing all areas of government in the attempt to solve deprivation.
- Licence from central government to change rules and regulations that frustrate regeneration.
- Partnership across public sector agencies and with the private sector and community organisations.
- Involvement of both users and staff of public agencies.
- Freedom and willingness to innovate.
- Creation of a positive, forward-looking cooperative culture rather than the sometimes negative, depressed, defensive, cynical culture that currently exists.
- Reinvestment in the SEZ of savings gained by operating more efficient public services.
- A long-term project 20 years in the completing. (Robinson et al, 1998)

Like the BEZ, where statutory regulations had been relaxed to make the area more attractive to business, the SEZ would be an area in which local agencies would be given powers to bend the rules blocking regeneration. The SEZ sought a clean sheet. No rule should be inviolable if a genuine case could be made for changing it. Through a detailed and sustained questioning of the rules and procedures which govern the way public policy on social and economic progress is applied, the SEZ sought to reassert the principle that the state should be judged by the extent to which it served the needs of *all* its people.

It was anticipated that the impact of the SEZ would be:

- A higher proportion of mainstream spending contributing to regeneration.
- A higher proportion of mainstream policy designed by users of services and workers who deliver services.
- Greater diversity in the local economy as reflected by more typical distribution of GDP derived from the private, public and voluntary sectors.
- Greater opportunity for community participation in local renewal both as volunteers and as staff of local public agencies and regeneration schemes.

Funding secured from the Joseph Rowntree Foundation and venture capital firm 3i in April 1999 then paid for a development worker to develop a pilot project.

In subsequent initial meetings with officials from government departments, including HM Treasury, the Cabinet Office, the No 10 Policy Unit and the newly created Social Exclusion Unit, those involved with the SEZ felt there was an unprecedented willingness to listen and a genuine sense of shared purpose. Community Links and its users were consulted by HM Treasury officials on the detail of the embryonic New Deal programmes being set up to tackle long-term unemployment, and contributed ideas to wider policy development on tackling poverty, public service reform and neighbourhood renewal.

Other policy developments

The excitement for the SEZ continued to pick up pace once the policies and priorities of New Labour came to be known and understood in the first few months of its administration. These included the following.

The Social Exclusion Unit and its Policy Action Teams

The Social Exclusion Unit at the Cabinet Office was set up to work across government departments and across the public, private and voluntary sectors coordinating a wide programme of research and consultation. Its 18 Policy Action Teams were asked to explore a host of issues, from housing management to enterprise, and to develop concrete proposals for changes. Described by the Rt Hon Hilary Armstrong MP as the “biggest example to date of joined up government [representing] a significant departure from the usual policy making models” (SEU, 2001a, p 4), the brief and the style of working seemed to demonstrate the government’s willingness to listen to experience and to respond to the practical policy proposals that would be generated.

The era of zones

The new government gave designated areas limited flexibilities and a range of resources to tackle particular problems through Health Action Zones, Employment Zones and Education Action Zones. One of the principles underpinning these zones was partnership working. Zones were required to develop with input from a range of public, private and voluntary organisations in an attempt to overcome barriers built up as a result of previous policies (DoH, 1997).

Voluntary sector thinking

The voluntary sector was moving in the same direction. For instance, the Joseph Rowntree Foundation was developing its area-based regeneration programme covering aspects of regeneration policy and practice on understanding urban disadvantage, developing innovative partnerships, empowering neighbourhoods, enabling city-wide and regional strategies (Campbell et al, 2000).

The voluntary sector was also given a greater role in shaping central government policy and thinking than had been the case with the previous government. Voluntary sector representatives were appointed to the Policy Action Teams and greater use was made of long-term secondments of voluntary sector staff to positions within government.

At the time, Chancellor Gordon Brown summarised the objective in a speech at Centrepoint in December 1997:

If the 1980s are remembered for social exclusion I want the 90s to be remembered for inclusion – when individuals, the voluntary sector, and government worked together with shared purpose for a common endeavour. (Brown, 2003)

Local government’s ‘new commitment’

In 1998 the Local Government Association launched the New Commitment to Regeneration, which aimed to provide a “means of marshalling the totality of public expenditure in an area in support of regeneration strategies.... Its primary focus is the mainstream budgets of government departments, local authorities and other public

bodies. A specific regeneration budget would be only one element of a local package, and a relatively minor one at that” (LGA, 1998, p 1).

In the same year, the London Borough of Newham became one of 22 pathfinder areas for the New Commitment to Regeneration. An Executive Officers’ Group was set up to drive forward its work on crime, health, housing, education, regeneration, industry and welfare. This has since developed into the Newham’s Local Strategic Partnership.

From the publication of *The Guardian* article in 1996, to the publication of the proposal report in 1998 and the start of development work in 1999, the policy context for SEZ had significantly changed. The new government had ushered in a period of intense policy development activity and new flagship programmes for tackling long-term unemployment and poverty. The SEZ had to adapt to this new political environment.

As easy as 1➔2➔3

In 1999, the SEZ brought together a Development Group to advise on developing the pilot project and, in the new policy environment, on how the project would deliver the principles described in the original proposal. The first model the Development Group explored was the framework detailed in the 1998 report. This had borrowed from the BEZ model as the vehicle for delivering flexibility. However, the Development Group reached the conclusion that a prescribed list of flexibilities may have been appropriate for achieving the narrow economic focus of the BEZ, but would not work for the much broader agenda of the SEZ.

What particularly interested those involved with the project was the extent to which the SEZ could be a mechanism for controlling mainstream budgets. The second model investigated in the 1998 report was the proposal for power to be given to a range of local agencies for them to exercise flexibilities collectively. By 1999, this model was being explored through the Executive Officers’ Group of the New Commitment to Regeneration, of which the SEZ was a leading member. While there was a willingness to work together on some softer areas of common interest such as PR and recruitment, the Group quickly discovered that public agencies, including the

Benefits Agency and the Employment Service, did not have the authority to alter policies laid down in legislation or over resources allocated by central government. Submissions to central government by the local authority requesting a range of flexibilities were also unsuccessful. This route, therefore, also seemed to have limited potential. Rather than *control* budgets, the question for the SEZ became one of how effectively it could *influence* the way mainstream resources were being used.

The third potential mechanism for securing flexibility was to establish a single point of contact within government where requests could be considered on a case-by-case basis. This needed to be at a sufficiently senior level for ensuring that ideas and evidence would be seriously considered and, if agreed, implemented enthusiastically. In his response to the 1998 report, then Minister for Regeneration Richard Caborn recommended that the Government Office for London was appropriate. Alternatives included the Social Exclusion Unit or the No 10 Policy Unit. Discussions within the Development Group expanded the idea of a single port of call into a process for identifying and developing a network of contacts from across government. It was suggested that the project, rather than being daunted by the prospect of having to convince ‘government’ of the need for particular policy changes, would instead actually have to convince about 10 people from different levels of government departments. These contacts would be strategically located within the policy development and policy delivery chain, and could jointly secure the results being sought. This research and development process suggested abandoning the first two approaches to pursue the third; making the path as we walked along it.

The SEZ began to take the policy proposal ideas being developed to people in specific departments, such as the Department of Social Security, Department for Education and Employment and especially HM Treasury, which emerged as particularly important given its authority over spending departments and its new central role in developing strategies for tackling poverty.

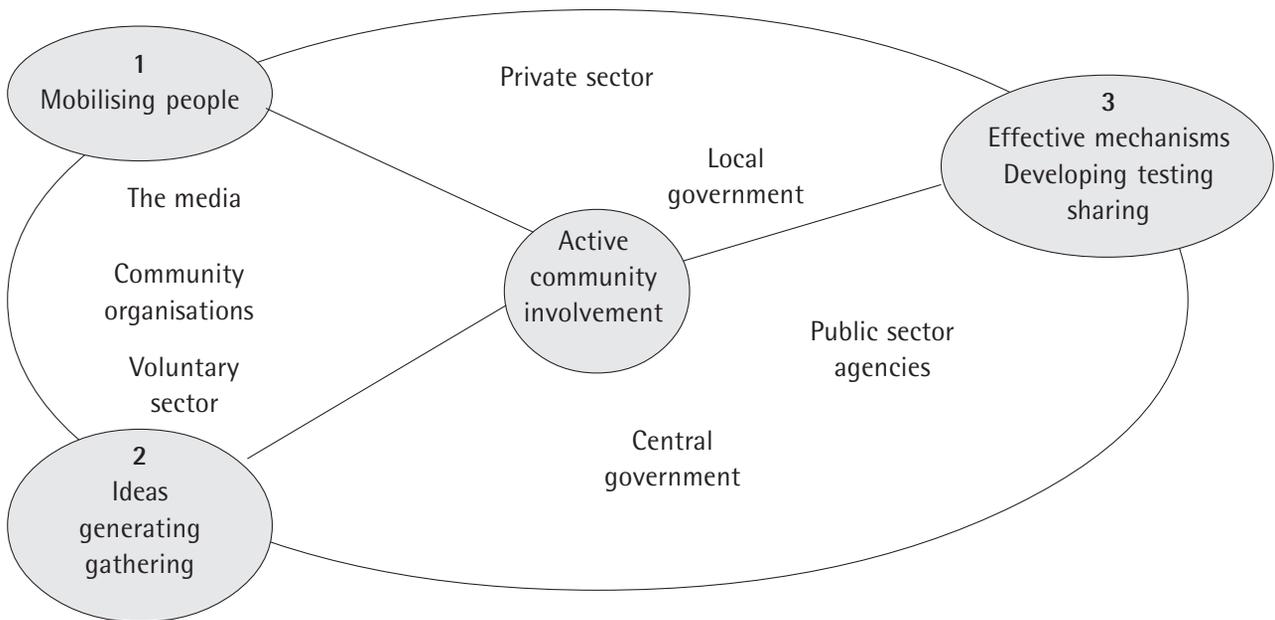
The SEZ developed a framework that recognised that the approach to government had to be strategic and opportunist. Ideas would have the

same origins but be developed via a number of routes. Three broad stages in this process were identified as being common to all ideas, and were drawn together under a simple catchall term called 1➔2➔3.

1. Mobilise local people, the public sector and private sector organisations.
2. Generate and gather innovative ideas for changing rules and procedures to make public sector resources more effective.
3. Ensure mechanisms are in place to test, monitor and share these ideas.

As Figure 1 sets out, at the centre of all the activity is the active involvement of the local community. The SEZ would need to build networks of individuals across local residents, community organisations, local agencies and central government, establishing itself as a catalyst for generating and testing new ideas.

Figure 1: The principles of 1➔2➔3



The tools for change

He was a good engineer. He had always been good at sums. He sat at his desk with the surveyor's figures, doing the site plans and working out specifications. The plans for the Bent Bridge were rolled up in his hand now. Out on site, you were never parted from your plans. They were your Bible. They got dog-eared, yellowed, smeared with mud, peppered with little holes from where you had unrolled them on the ground. But although so sacred, the plans were only the start. Once you got out there on the site everything was different. No matter how carefully done, the plans could not foresee the variables. It was always interesting, this moment when you saw the actual site for the first time rather than the idealised drawings of it. He knew men who hated the variables. They had their plans and by golly there were going to stick by them. If the site did not match the drawings it was like a personal insult. He himself liked the variables best. He liked the way that the solution to one problem created another problem further down the line, so that you had to think up something else, and that in turn created another problem to solve. It was an exchange, backwards and forwards. Some men thought of it as a war, but to him it was more like a conversation. (Grenville, 2000, pp 62-3)

In January 2000, long-term funding was secured to convert the pilot into the country's first SEZ. A new Single Regeneration Budget 5 (SRB5) programme was being established in two neighbourhoods in the north west of Newham, Forest Gate and Plaistow. The aim of the programme over the following seven years would be for Forest Gate and Plaistow to "become a first class, first choice locality with thriving ... neighbourhoods supporting high quality residential, commercial and leisure facilities" (London Borough of Newham, 1999, p 1). The SEZ was a major element of delivering this objective. The area covered by the SEZ would follow the boundaries of the SRB5 programme for the next seven years.

This long-term commitment to the project reflected the scale of the task. Equally important was the fact that the local SRB5 Board and the Government Office for London agreed to give the SEZ unusually flexible outputs. These were designed to reflect the process of research and development that the project needed in order to allow the local community to decide what the practical activity of the SEZ should be.

Recruiting the SEZ team

The funding enabled the SEZ to recruit two development workers. Both workers lived in the area covered by the SEZ and were graduates of Community Links' course in Advice and Guidance. This course had been established to address the constant need for skilled advice workers in Newham as well as provide training for local residents who wanted careers in community development and legal advice.

Recruiting workers from the local community was considered important on two counts. First, it provided direct opportunities for local people to benefit from regeneration spending by supporting them through volunteering and training to employment that reflected their skills and expertise. Second, it ensured that the new recruits brought personal experience and local credibility that made them best placed to do the job.

'What if...?'

The success of the SEZ was dependent on the mechanisms put in place to engage residents and gather their ideas for change.

While the notion of ‘consultation’ was deeply embedded in the language of regeneration, those involved with the development of the SEZ felt that practice often fell short of genuine involvement. It was possible even in 2000 when the SEZ was being set up (indeed it is still possible) to attend a consultation evening consisting of a meeting in a large hall, with residents sitting in rows of seats in front of a top table of professionals who had already made all the important decisions.

The SEZ needed an approach that built on Community Links’ founding principle that those who experience a problem understand it best. The implication of this for policy makers is that service users must be involved in policy development and delivery if policy is to meet needs and expectations. This principle sits closely with those underpinning participatory research carried out in some international development practice and developed into practical tools by departments such as the Institute of Development Studies at the University of Sussex (Chambers, 1997). These tools are based on a belief that decision makers and policy makers conceive of problems within their own terms of reference. These terms of reference are largely shaped by education as opposed to direct experience, and by the administrative needs of centralised bureaucracy as opposed to the needs of people. This can lead to policies that make sense on the statute book, but are ineffective and inappropriate in reality. A man who was interviewed as part of the SEZ research into informal employment provided an insightful analogy for this, echoed by the quotation at the start of this chapter. He had been working as a labourer on building sites in Newham and reflected that architects’ drawings which looked good on paper often did not work on site when confronted with local conditions and circumstances. Solutions to these problems had to be found there and then in response to these conditions and using the skills available on site.

The SEZ developed a simple and practical tool for gathering people’s ‘site experience’, called ‘What if...?’.

‘What if...?’ is an exercise carried out by a development worker with an individual or group of people. It is essentially a structured conversation about ambitions, whether personal, professional, economic or social. The

conversation begins with background and the development worker confirms that any personal details given will not be shared with a third party. This helps to ease concerns people may have about giving information about, for example, paid work or voluntary activity in relation to benefit status. The conversation then moves on to listing the barriers and frustrations people experience in trying to realise their ambitions.

By using the mindset inspired by the phrase ‘What if...?’, these barriers are turned into practical ideas for change. For example, in the first of many ‘What if...?’ exercises to focus on Housing Benefit, a participant noted “I can’t get a job because I’ll lose my Housing Benefit and if the job doesn’t work out it will take ages to get it back, I can’t take the risk”. In the end, this frustration became expressed using ‘What if...?’ as “what if Housing Benefit continued to be paid at its current rate for a period of time after getting a job. This would make Housing Benefit part of the solution and not part of the problem”. The SEZ development workers at the time remarked that for many people thinking about what could be changed was a welcome shift from just believing nothing could be done. One SEZ development worker recalls how a woman she conducted a ‘What if...?’ exercise with had been despondent about crime and prostitution on her estate. Bumping into her a week later, the woman’s first words were “what if we...”. The ‘What if...?’ approach, as well as generating ideas, was also helping the people who took part to feel more included in society.

“If I feel negative now, it is only because I am NOW on full drive to do things but have to wait for others to respond – I’m now impatient.” (‘What if...?’ participant)

The challenge for the SEZ workers, as with workers in any community-based project, is to listen to and to understand those the project is there to support. Many factors make this difficult: different assumptions about society and its institutions, different expectations of life and work, different life experiences and difficult current circumstances can all put distance between projects and people. This means that without the right approach and the right tools for talking to people, projects can fail to capture what really matters.

One way the SEZ has tackled this is by basing ‘What if...?’ on a very basic framework that provides a structure for the conversation but allows the participant to shape its content and direction. Second, the SEZ worked hard to recruit workers who lived locally, were heavily involved in local groups, were well known to their neighbours, knew the local context and had experience of the benefits system through their own lives and their work. A third way to minimise distance is by establishing the right environment for the ‘What if...?’. It takes time. Nothing reinforces a person’s sense that a consultation process is spurious than a quick survey, or a rushed chat. It also has to be convenient. Development workers visit people’s homes, meet them at the community centres they use, or in a café or launderette, at team meetings at work, at away days, at conference workshops and over the telephone. Childcare is provided or paid for and good quality refreshments offered. In many cases, taking part in the ‘What if...?’ was transforming itself. People took confidence from the dedicated time and interest shown in their lives and the opportunity to think about ambitions and have their ideas nurtured and supported.

“‘What if...?’ has had a big impact on me returning to work because it helped me think about the independence I used to have.” (‘What if...?’ participant)

“... it’s good to think that people will listen to my ideas.” (Citizens’ Jury participant)

Another tool the SEZ explored was the Citizens’ Jury model. In April 2001 SEZ commissioned a Jury of 11 Newham residents to spend four days investigating how to make finding and keeping a suitable job easier. The Jury heard from 19 witnesses including government officials, unwaged people and support workers. The detail of the Jury’s deliberations was extraordinary and the level of understanding that quickly developed was reflected in the quality of the recommendations (Gray, 2001). The message from the Jury and from ‘What if...?’ is that there is a wealth of knowledge and commitment stored in communities all over the UK, but without mechanisms to capture it, it remains largely untapped.

“Government should not make assumptions about people living in poverty. They should endeavour to experience the problems themselves.” (Citizens’ Jury participant)

“There seem to be so many hurdles and barriers in the benefit system and the past four days have made me see just how many people the system is failing.” (Citizens’ Jury participant)

“Thank you for providing me with this wonderful opportunity.” (Citizens’ Jury participant)

Allowing people to set the agenda, listening, valuing people’s time, may all sound like common sense, but it is remarkable that traditional consultation can still fail to meet these basic criteria. Putting these things in place can quickly prove to the participant that their views are valued and that their time is respected. The SEZ has not encountered the ‘consultation fatigue’ that many regeneration professionals talk about. Not a single person resents our questions, begrudges us the time, or feels that the process is pointless. The SEZ carries out this work believing that new insights and good ideas will be revealed. If, conversely, a consultation process is carried out with a suspicion that nothing new will be uncovered, it will fulfil its own prophecy.

The first year of the SEZ pilot focused on developing and carrying out ‘What if...?’ exercises. The aim was to generate the ideas that would establish the work programme of the SEZ throughout its lifetime.

During the first year, the SEZ met and involved more than 1,000 people living and working in the area. This included knocking on 400 doors on one estate, holding sessions with local JobCentre and Benefits Agency staff, visiting local community organisations and targeting delegates at regeneration and community finance conferences. Funding from the Carnegie Trust allowed the SEZ to take the programme to 120 young people in local schools, youth groups and employment programmes. ‘What if...?’ was incorporated into Personal and Social Education (PSE) lessons with Year 10 pupils at Forest Gate Community School.

During this time, ‘What if...?’ participants attended meetings with local public sector agencies and officials from central government departments. They were also involved in designing and carrying out research. Today, many are directly involved with the actual delivery of local pilots testing out SEZ proposals. The fact that many of the relationships forged at this time are still in place today, three years on, has been important in evaluating the extent to which the SEZ has engaged local people.

Daniel Farman had been employed in customer services at the Millennium Dome for 12 months when it finally shut its doors to the public at the end of 2000. Daniel recalls that he was unsure where to go next. “I lacked direction and didn’t know where to get advice”, he says.

When visiting Community Links in Canning Town, an adviser suggested he should consider enrolling on the Advice and Guidance course they offered. The course, which was developed to provide a route for users of advice to become advice workers themselves, appealed to Daniel.

While on the course, Daniel met the SEZ development workers who were recruiting volunteers to help establish a Claimant Support Service in local JobCentres, one of the pilot projects being developed by SEZ with JobCentre Plus. The voluntary work offered a useful opportunity to develop skills from the course – working with clients, filling out benefit forms, providing advice on opportunities – and Daniel was able to use his language skills for interpreting.

Daniel impressed staff in the JobCentre and they soon invited him to apply for a post on their staff. SEZ supported him through the interview process and he secured a job. “Without the SEZ I wouldn’t have got into full-time employment”, he says. Daniel is now employed by a local training provider called Ozone Friends. “My job enables me to give other volunteers and service users the same sorts of opportunities SEZ gave me”. As an outreach worker he visits local JobCentres to offer training to people in the same position he was in just 18 months before. His work keeps him in close contact with the SEZ.

‘What if...?’ exercises generate sketches and outlines of ideas. The SEZ developed a template to explore ideas in greater detail and to see how they might work. The template sets out the background to the idea (the context of the idea, related policy debates), the implementation stages (what might have to be put in place in order to test the idea), the specific role of the SEZ in taking this idea forward (what the SEZ can bring to the process, whether the SEZ is the catalyst for another agency to take on the idea, or whether it can have a role in supporting work to pilot the idea), any changes in legislation or local delivery arrangements that would need to be secured, and a description of how the impact of the idea might be monitored. The final section covers links with other initiatives in order to identify other groups, organisations and departments with an interest in the particular area of policy.

When the SEZ first began to complete templates in 1999, the government’s new Public Service Agreements setting out departmental objectives were helpful. These statements enabled the SEZ to introduce ideas for achieving policy goals that the government had already identified as priorities. For example, proposals for promoting enterprise in the SEZ were able to be presented alongside Public Service Agreement objectives such as joint HM Treasury/Department of Trade and Industry Public Service Agreement performance target (xiv) “to secure an increase in the number of successful high growth business start ups”; HM Treasury objective 4 to “increase productivity of the economy and expand economic and employment opportunities for all, through productive investment, innovation and enterprise”; and Department of Social Security performance target “to promote opportunity and work instead of dependence, working on the principle that barriers to work are removed from the system” (HM Treasury, 1998).

Idea templates were completed for about 60 ideas with varying degrees of detail. It was possible to establish a connection with a Public Service Agreement objective for every single one.

Realising change

People living in poverty and their organisations should be empowered by encouraging and assisting [them] to organise ... and ... involving them fully in the setting of targets, and in the design, implementation, monitoring and assessment of national strategies and programmes for poverty eradication and community-based development. The full participation of people living in poverty is a fundamental and equally obligatory part of the process. (Statement from the Copenhagen Declaration and Programme of Action at the UN World Summit for Social Development in 1995, signed by over 100 countries, in Lister, 2002, p 37)

Generating new ideas is just part of the SEZ's job. From the outset, the aim has also been to test these ideas so that they could be put to relevant government departments as working alternatives to existing policies and procedures.

Having generated ideas, the SEZ team has to choose which to take forward. The most important criteria is the potential impact on the local area. Many of the ideas meet this criteria but lack an additional and deciding factor, namely the potential for the idea to affect mainstream change. The SEZ actively chooses ideas that require a high degree of partnership with local public sector agencies and central government. Otherwise, the project could generate useful outcomes, but would not be tackling its primary objective.

While 'What if...?' began with a broad agenda to talk about ambitions, objectives and barriers, a number of themes and priorities have emerged. Ideas have tended to focus on the benefits system rather than the other large mainstream budgets for health or education. Dominant themes have been supporting enterprise, tackling unemployment, promoting volunteering, building bridges between informal and formal economies, improving access to benefit entitlements and support services, and improving the efficiency of local delivery agencies. Case studies in this chapter set out the activity and impact of a selection of ideas implemented by the SEZ.

Ideas fall into three broad policy types, each necessitating different practical responses.

The first types of ideas are those that are actually **already part of existing policies** but are unknown or not fully understood by service users or the staff delivering them; second are ideas for better ways of **delivering existing services**; and finally are ideas for specific **changes to the rules**.

Ideas that are already part of existing policy

At the start of the project, it was anticipated that the majority of ideas would be for policy changes. In fact, a large proportion of ideas are for proposals that are actually already part of policy. These sorts of ideas themselves fall into three broad categories: unknown entitlements, unexplored entitlements and hidden entitlements.

Unknown entitlements

First there are those entitlements that are not known or fully understood by those using or delivering services. The main component of this work has been to encourage the take-up of benefits. Latest official figures estimate that £4.5 billion of means-tested benefits go unclaimed in the UK every year (*The Economist*, 5 April 2003). Such resources have been designed and made available to meet needs. If people do not know about them, these resources cannot begin to do their job. Provision in the statute book is useless

if it is not matched by a commitment to universal application. For the SEZ, given its focus on making mainstream resources more effective, helping these resources to reach those who need them is a first priority.

Take-up campaigns have been, and remain, a staple of anti-poverty strategies throughout the

UK. Such campaigns focus on unclaimed cash. The case study below describes a project the SEZ has delivered in partnership with the Inland Revenue to encourage the take-up of the new tax credits among excluded groups. The SEZ was keen to work on this project as in our experience it was the first time a mainstream department had taken responsibility for local take-up.

The new tax credits pilots in Newham and Bradford are designed to help us go beyond the groups reached by media campaigns, directly by government or, indeed, by the mainstream voluntary services. Quite often those that these channels fail to reach will be among the least privileged members of our communities, whom we are most concerned to reach. Over the years Community Links has gained keen insights into the needs of communities in East London and how these are – or could be – best served by various government initiatives. In the early stages of the development of the new tax credits, Community Links was willing to come and talk to officials about the new credits, and it was through these links that discussions began which led to the establishment of this pilot. The pilot could not have got off the ground without close collaboration between Community Links and Inland Revenue officials. I understand that there has been an excellent working relationship and the Revenue staff have praised the professionalism and dedication of the Community Links team. (Rt Hon Dawn Primarolo MP, the Paymaster General to HM Treasury, speaking at the launch of the new tax credit pilot project at Community Links' building in Newham, 30 January 2003, in Primarolo, 2003)

“On one occasion while doing outreach advice work for the new tax credit project, I came across a father who was a single parent of two children. He had heard about the new tax credits but thought that it was a benefit for single parent mothers. One month after I helped him to complete a new tax credit form, to his delight he received an award of £4,000.” (Rosslyn Rodney, tax credit project volunteer)

Case study 1: Maximising the take-up of new tax credits among excluded groups

‘What if...?’

In February 2002 the SEZ was invited by officials from the Work Incentives and Poverty Analysis Team in HM Treasury and the Inland Revenue to share thinking on the delivery of the new tax credits to be launched in April 2003. The SEZ Benefit Support Service pilot was discussed at this meeting (see the next section) as evidence of the need for practical support with form filling. In May 2002, the SEZ received an invitation from the Personal Tax department of the Inland Revenue to work with them on developing a pilot project to encourage the take-up of new tax credits among excluded groups. A seven-month secondment to SEZ from the London East Inland Revenue worked with the SEZ team to recruit and train volunteers who ran clinics in outreach locations helping to raise awareness of the tax credits and helping people to complete applications. A local freephone line was created to provide information and support. This work has also involved the London Borough of Newham’s Social Regeneration Unit and built on their work on tax credit take-up.

Impact

511 people received practical help with filling in application forms or receiving advice over the telephone between December 2002 and April 2003. The estimated average tax credit award per year is approximately £99 per week, resulting in an additional £2.6 million being paid to Newham residents on low incomes.

January 2004 statistics on tax credit take-up reveal that Newham has the highest number of tax credit claimants in inner London boroughs (Inland Revenue, 2004).

21 people were employed in voluntary work for a total of 122 hours between December 2002 and April 2003.

Nine voluntary organisations were supported through training provided to staff and volunteers running clinics in their centres.

Six training days were delivered by the Inland Revenue and SEZ team to project volunteers. The SEZ was invited to join the National Tax Credit Advisory Panel.

The SEZ has since passed membership on to the Legal Service Team at Community Links to develop the relationship between this delivery department at Community Links and the Inland Revenue.

SEZ has disseminated the results of the work in a number of ways including a presentation to the Child Poverty Action Group national Tax Credit conference in September 2003, and publication of a practical 'how to' guide (Cargill and Barbour, 2004a) and an article in a relevant social policy journal (Cargill and Barbour, 2004b).

The Community Links Advice Team is working with the Inland Revenue London East District Office to continue Tax Credit take-up services. SEZ will help to train and advise the Advice Team on best practice and approach.

Change to mainstream practice

The pilot ended in April 2003. The Inland Revenue Board has expressed its strong support for applying the model across the country. The work also offered SEZ the opportunity to work with the Inland Revenue on other issues (see below).

The work has informed development within the Inland Revenue of a new department with responsibility for working with the voluntary sector on future projects. The SEZ continues to be involved in supporting this initiative. The Inland Revenue secondee has returned to the department with practical knowledge about how to run a local take-up campaign for excluded groups. The London Borough of Newham's Social Regeneration Unit has built good working relationships with the Inland Revenue and is sharing good practice on encouraging take-up.

On completion of the project the Inland Revenue Board expressed their strong support for the pilot. In October 2003, SEZ spoke at the national Inland Revenue planning day on Tax Credit take-up for their 7 regional offices, which has subsequently influenced the implementation of local take-up projects across the UK.

'What if...?' exercises also revealed the need to focus on unclaimed flexibility in the rules. For example, one woman in receipt of Incapacity Benefit told the SEZ that she wanted to do voluntary work but thought that this was against the rules. In fact Incapacity Benefit rules state "you can do as much voluntary work as you like" (DSS leaflet, Wk1, April 2001). There is a similar

widespread lack of knowledge about entitlement to undertake therapeutic work among claimants, benefits staff and health professionals. As described below, one of the ways the SEZ sought to combat this was by taking up the 'What if...?' suggestion for a hotline for local agencies to speak to a named contact in the Benefits Agency.

Case study 2: Providing a named contact

'What if...?'	First Line Supported Employment Agency, a local agency providing support to people with learning difficulties, shared their frustration that if clients experienced problems with, in particular, Incapacity Benefit, it was difficult to talk to the right person at the Benefits Agency to get problems resolved quickly. A 'What if...?' session generated an idea for the Benefits Agency to make a named contact available via a dedicated hotline for advice agencies to contact with problems that clients were experiencing.
Impact	<p>First Line said that the hotline that was established was a "fantastic short cut to getting the right answers for people with learning difficulties claiming under the therapeutic earnings rule. Having a named contact rather than talking to different people every time shortened the delivery process and got people into work within days".</p> <p>The Incapacity Benefit department reports a measurable increase in the number of Incapacity Benefit claimants taking up therapeutic work.</p>
Change to mainstream practice	Better links have been established between local organisations and this important mainstream agency.

However, beyond making people aware of the rules, 'What if...?' revealed that the method of providing information is as important as the information itself. While non-governmental organisations and groups can support people to access these resources, in the end the statutory provider has to recognise that the presentation and style of delivery shapes user perception and is as important as the substance of the provision. This leads into the next category in this section.

Unexplored entitlements

As part of helping people to take up entitlements, an important role for the development workers is to tackle issues surrounding low self-confidence, literacy and language. Such support is also found to help

ease claimants' mistrust of public sector agencies. In particular, there are widespread fears that any enquiry about taking up a particular flexibility, such as therapeutic work while in receipt of Incapacity Benefit, will prompt an investigation into the person's circumstances. The rules state that "you may undertake voluntary work without being treated as capable of work" (CPAG, 2002, p 712). However, stories are told of people's entitlement to Incapacity Benefit being removed because the Benefits Agency doctor had judged that if a person was well enough to volunteer, they were well enough to go out and get a job. While staff at local JobCentres and the Benefits Agency are always adamant that this would never happen, the fear is real and pervasive. The following case study describes one of the ways SEZ sought to tackle this.

Case study 3: Setting up an Incapacity Benefit freephone line

'What if...?'	'What if...?' exercises with people claiming Incapacity Benefit revealed that many did not know about existing flexibility in the rules. If they did know, they were often fearful of contacting the Benefits Agency for more information in case this triggered an investigation into their benefit entitlement. One 'What if...?' participant suggested setting up an independent and confidential telephone line that claimants could contact without fear of investigation to get information about volunteering and therapeutic work opportunities.
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Impact	58 people called the line in the first three months of operation: 98% said they found the service 'very useful' and used the information to pursue volunteering and work opportunities. The Incapacity Benefit department of the Benefits Agency has reported an increase in the numbers of Incapacity Benefit claimants taking up volunteering opportunities and therapeutic work. Two jobs (one full time and one part time) were created to staff the telephone advice line.
Change to mainstream practice	A Neighbourhood Renewal Fund grant of £60,000 has been secured for a telephone advice line and home visiting service building on the experience of the Incapacity Benefit line. The SEZ is passing the delivery of this line on to Community Links' Legal Service Team. Newham Primary Care Trust is committed to the longer-term funding of this service.

Hidden entitlements

Not taking up existing entitlements can be partly explained by lack of knowledge or lack of confidence. However, the SEZ has also encountered an apparent reluctance in some public sector agency staff to deliver certain rules, and concluded that this is a symptom of their deeper suspicions that these rules do not work and should therefore not be explained. The most telling example of this unofficial censorship is the advice given to claimants on the rules governing volunteering while claiming benefits such as Jobseeker's Allowance or Incapacity Benefit.

The '16-hour rule', which prohibited claimants from volunteering for more than 16 hours a week, is still frequently cited by front-line staff, managers, civil servants and claimants as the reason for restricting claimants' voluntary work. In fact, the rule no longer exists. This is not to say there is a concerted effort on the part of staff to mislead anyone, but more that a change in central government thinking on the value of volunteering has not filtered down to front-line staff who, in the SEZ's experience, widely believe that volunteering does not lead into paid employment. The SEZ has challenged this view

by working closely with local JobCentres on a volunteer project discussed in the next section. This has helped JobCentre staff witness the value of volunteering and the SEZ now receives regular referrals of new volunteers from JobCentre advisers. All four local JobCentres now regularly recruit staff from among SEZ volunteers – seven in January 2004 alone! The SEZ has also repeatedly raised this issue in submissions to government (SEZ, 2000a, 2001).

New ways of delivering services

Some 'What if...?' ideas concern the way services are delivered. These sorts of ideas offered the SEZ a way of testing without needing to secure permission from central government to change rules. Instead, implementation activity has focused on building working partnerships with local public sector agencies. In some cases, the SEZ has agreed to organise and coordinate the delivery of pilot projects. As described in the case study below, the SEZ has worked with local JobCentres to deliver a pilot project, testing what impact providing practical, on-site help with filling in claim forms would have on customer service and JobCentre efficiency.

Case study 4: Establishing a benefit support service in local JobCentres

'What if...?' In a meeting with JobCentre managers to present the results of local research and 'What if...?' exercises, an idea was proposed to provide on-site practical assistance to JobCentre clients completing claim forms for Jobseeker's Allowance and other benefits. This aimed to tackle the problem that there is no facility within local JobCentres for clients who have low levels of literacy or who speak English as an additional language. The pilot was launched in April 2002 in Stratford JobCentre and later rolled out to JobCentres in Plaistow and East Ham. Having piloted this idea, SEZ has secured funding to develop this service with JobCentre Plus throughout Newham.

Impact	<p>Between April 2002 and January 2004 over 1,200 people received support with filling in claim forms. 99.4% of customers found the volunteer service useful.</p> <p>There has been a reduction virtually to nil of the number of forms that have to be returned by the processing team due to errors.</p> <p>The numbers of people returning to the JobCentre with queries related to late payment of benefits has reduced from an average of 167 per week to an average of 35.</p> <p>1,277 hours have been saved by Jobcentre staff not filling out claim forms.</p> <p>There has been an increased recognition by JobCentre staff of the value of volunteering. The project is now receiving referrals of potential volunteers from JobCentre advisers.</p> <p>A part-time job has been created for a volunteer coordinator for a benefits support service. One of the project volunteers succeeded in securing this post.</p> <p>Four training weeks have been delivered to local volunteers. 35 people trained have gone on to obtain employment. All were previously unemployed.</p> <p>Over 80 people have been employed in voluntary work for a total of over 3,000 hours.</p>
Change to mainstream practice	<p>A Neighbourhood Renewal Fund grant of £25,000 has been secured to extend this pilot. JobCentre Plus is committed to taking on funding for the service from 2004, and is investigating an East London roll-out.</p> <p>Findings from this pilot were discussed with the Work Incentives and Poverty Analysis Team at HM Treasury in February 2002, and in a paper to the Office for Public Service Reform and JobCentre Plus in January 2003. Findings demonstrated the need for JobCentres in areas with high numbers of clients from minority ethnic groups to have additional resources to provide the necessary level of support.</p> <p>In April 2003 the Chancellor announced in his Budget “extra support to help people from ethnic minorities, including a new policy fund of £8 million over the next two years to help JobCentre Plus managers help people from ethnic minorities into jobs and specialist advisers in areas with high ethnic minority populations” (HM Treasury, 2003).</p>

“The volunteers certainly make a difference to the JobCentre by taking away a time-consuming role from advisers and other interviewing officers. The JSA [Jobseeker’s Allowance] customers like to have an independent ‘third party’ involved. They cover a number of different languages that would be very hard to find in any one office. The positive thing about this partnership is that both the clients and the volunteers benefit.” (JobCentre manager in Newham)

This work has enabled the SEZ to build relationships at all levels of JobCentre Plus, which has resulted in further ideas and pilots. SEZ and JobCentre Plus have since worked on putting the idea below into practice.

Case study 5: Establishing a JobCentre advisers' Discretionary Fund

'What if...?'	This idea was suggested in a 'What if...?' session held at a JobCentre advisers' away day. Advisers were frustrated that a number of their clients are unable to access certain types of work because a small amount of expenditure is required 'up front' to enable them to start. This could simply be for transport fares to get to an interview (existing schemes only pay travel-to-interview costs for interviews outside the M25), or for necessary equipment or clothing. Resources are so restricted for many people on benefits, that a one-day travel card (£4.20) is simply unaffordable. In some cases, JobCentre advisers were offering to pay these amounts from their own pockets. A Discretionary Fund already exists for New Deal clients. Advisers suggested that the idea should be extended for advisers to use with all clients.
Impact	JobCentre advisers have resources that enable them to respond more flexibly to clients' needs when tackling the barriers to employment. A Neighbourhood Renewal Fund grant of £4,000 has been secured to test this idea during 2003/04. A target of 36 people will access employment in 2003/04 through this assistance.
Change to mainstream practice	JobCentre Plus will use the results of this pilot to inform funding decisions for 2004/05. This idea was submitted in a paper to the Office for Public Service Reform and JobCentre Plus in January 2003, calling for advisers to be given more discretion over how to support individual clients they work with. The April 2003 Budget announced that "a new discretionary fund will give JobCentre Plus district managers enhanced flexibility to direct resources, including to address specific barriers to work affecting the local community" (HM Treasury, 2003).

"I think the funding we have received is an excellent way of helping those clients that do not fit in the normal rules of advisers' Discretionary Fund." (JobCentre manager in Newham)

In other cases, the SEZ has brought other agencies together to share ideas and support them in delivering new work.

Case study 6: Delivering careers advice in JobCentres

'What if...?'	A young person on the New Deal for Young Unemployed People suggested this idea. Research by volunteers carried out with people using the Benefits Support Service in local JobCentres revealed 83% of people thought this was a good idea. This was discussed in a round table convened by SEZ in March 2002 involving JobCentre Plus, Connexions and Futures (formerly the Careers Service). Futures and JobCentre Plus agreed to pilot this and made a successful bid to the Neighbourhood Renewal Fund to secure funding.
Impact	A target of 140 residents will receive careers advice in JobCentres in 2003/04. A grant of £65,000 has been secured from the Neighbourhood Renewal Fund for Futures to deliver this pilot. Three jobs have been created at Futures.

	Local JobCentres are able to respond to the needs of their clients.
	Services will be more responsive to people's needs.
Change to mainstream practice	Futures is a mainstream public sector agency and is committed to using the results of the pilot to inform funding decisions for 2004/05.

Case study 7: Opening a youth house run by young people for young people

'What if...?'	This idea grew out of the desire of the Youth Fundraising Committee at the Newham-based charity Newmartin Community Youth for a base to extend their activities. SEZ staff took the group on a weekend residential to develop a project plan. The group has identified an unused building, Parr Road Community Centre, and secured permission and funding to bring it back into community use as a youth house.
Impact	Newmartin Community Youth raised funding of £930,000 to deliver the programme in 2003/04. Young people's ideas for improved services are being supported and brought to fruition. A new location for young people's activities has been provided.
Change to mainstream practice	This local authority is committed to funding this project.

Ideas for specific changes to the rules

The third type of idea has required changes in government policy. This has been by far the most time-consuming aspect of the work programme. The SEZ has adopted a range of methods for submitting and discussing ideas.

Evidence Papers papers have attempted to identify the unintended effects of certain policies, for example where benefits rules make it difficult to move into employment (SEZ, 2000a, SEZ 2000b), or where legislation is so far removed from attitudes and behaviour as to have become largely irrelevant, for example in policies to tackle informal employment (Travers, 2001).

Evidence-based policy contributions

The Community Links Evidence Paper series began as a vehicle for sharing experience and ideas. The SEZ has contributed seven papers to the series since its launch in 2001 and has used these to present local experience and quantitative and qualitative evidence. When the SEZ was first launched, there was a feeling that suggesting good ideas to government would almost be enough such as the sense of shared purpose, the dynamism in policy making and the apparent consensus on the problems that needed tackling. In fact, the SEZ has had to work hard on some issues even to prove that there is a problem with a particular area of policy. Increasingly, the

Evidence Papers have been disseminated in a number of ways, including making targeted submissions to relevant politicians and officials, convening larger 'round table' meetings to bring together departments with an interest in the particular policy area, responding to individual invitations from civil servants to discuss new policy areas such as tax credits, and contributing to broader consultation exercises. Subsequently, the SEZ was advised to focus on identifying any 'unintended effects' of particular policies or evidence of the need to 'level the playing field', which was an interesting insight into the sort of reasons why policy makers would be compelled to investigate a policy.

Building networks in government

At the start of the project, politicians and government officials were warm to the principles and aims of the SEZ. Again, there was a sense that anything was possible, and the speed in which major policies such as New Deal had been implemented was hugely encouraging. Increasingly, however, the SEZ realised that while the project could propose some policies that would be implemented quickly (see below), others, which perhaps did not fit so closely with current thinking or priorities, would struggle. This brought home the challenge set at the start of the project by the distinction between *controlling* or *influencing* how resources are used.

The SEZ encountered a range of strategies for slowing progress from the formal, such as calls for further evidence of problems, to the informal, such as telephone calls not returned, responses to submissions promised but not sent. The good fortune of catching the right person at the right time should not be underestimated. Whether these are the result simply of people being busy, or the more conscious effort to use the apparatus of delay is impossible to know. Some people have continued to respond warmly and remain keen to explore options for changing policies where a good case can be made. Others have taken ideas as criticism, perhaps a reflection of previous experience of extra-parliamentary relations that have been combative and even gladiatorial. The SEZ has dealt with this challenge by constantly seeking to extend its network in a variety of ways.

Interchange: the SEZ has made use of the government's interchange scheme, which places officials on secondments with voluntary organisations. To date, SEZ has hosted five long-term secondees from central government. All have made good use of the opportunity to learn through personal experience. The secondees have played invaluable roles within the project team, bringing good skills and experience of how government works. Another advantage of interchange is the potential for a continued relationship once the secondee returns to their department. Unfortunately, only two of the secondees to the SEZ have so far returned to departments that have close links with the substance of the SEZ's work programme. Once the period of interchange is over, it is generally a case of secondees taking what posts are vacant, and the perfect fit is not always available. In the longer term, some may move into posts that do have closer links. To tackle this, the SEZ is now targeting particular departments offering shorter-term attachments to staff who will not have to leave their jobs to come on secondment. This will help to ensure that learning and new experience are applied directly.

"This secondment has been an eye opener. It helped me see how action at the centre does not always translate into action locally – experience that I can take back to government at a time when ministers and officials are keen to listen to projects like the SEZ." (government secondee to SEZ)

Joint projects: the local pilots SEZ has delivered in partnership with JobCentre Plus and the Inland Revenue have provided opportunities to work with these departments on new areas of work.

Project visits: the SEZ has organised visits for central government officials from all levels to see services in action. Even those civil servants who would be considered to be outward looking and well informed find such trips surprisingly useful.

Cross-sector meetings: the SEZ has made use of round tables and the Citizens' Jury model, and has invited local authority colleagues to join meetings with central government. These have aimed to draw together a range of interests in an environment that is conducive to developing and owning ideas collectively.

Throughout this process the SEZ has tried hard not to appear as if it were lobbying government, seeking to work by standing shoulder-to-shoulder, not nose-to-nose. It was hoped that making it clear how particular ideas could help achieve Public Service Agreement targets as well

as objectives stated in wider policy statements would prove to politicians and officials that the starting point for meetings was common ground. The SEZ has worked in all its contact with government to create an environment in which different perspectives would be equally valid and

where the combination would create well-grounded and practical public policy which took account of government's wider objectives. This approach has enabled the SEZ to build relationships with officials, including at the most senior level, which we feel would not have been possible if a more combative approach had been adopted.

Building networks of practitioner organisations

The SEZ has boosted the credibility and detail of its submissions to government by building national networks of practitioner organisations. In some cases, these networks are growing to become single-issue coalitions, for example around supporting the transition from unemployment to self-employment. Implicit in this progression is more of a campaigning role.

One difficulty in evaluating this element of the work is to measure the extent to which the SEZ's contributions have led to decisions to change policy. In some cases, the contribution is direct and acknowledged, in others proposals have been part of a number of similar contributions.

The SEZ has made a significant contribution to the development of the National Strategy for Neighbourhood Renewal. The suggestion to focus on mainstream budgets rather than regeneration spending is the cornerstone of the

strategy. It spells out government's desire to "harness the hundreds of billions of pounds spent by the key government departments, rather than relying on one-off regeneration spending" (Tony Blair, in SEU, 2001b, p 5). The Local Strategic Partnership model as envisaged in the strategy builds on the SEZ concept of a consortium of agencies drawn together to identify common areas of interest and to facilitate new ways of working. Similarly the role of local communities has been given priority: "What marks this approach out from many previous attempts is the recognition that people, not bricks and mortar, are at the heart of renewal. The [National Strategy] action plan is built on the belief that local people must lead change if it is to be meaningful and lasting" (Blunkett, 2001).

SEZ has also been one of a number of voices suggesting particular changes to benefits legislation. A series of proposals has been formally submitted, for example to the Chancellor of the Exchequer at his request during a visit to Community Links in September 2000. The Chancellor subsequently acknowledged that "your work inspires us all" (personal communication). The following list sets out some of the policy changes SEZ has contributed to. Listed in the first column are the Evidence Papers in which the SEZ made recommendations alongside details of the subsequent relevant policy statements.

'What if...?': welfare to work, October 2000	Reinstate automatically all benefits at their previous levels where a job comes to an end within a specified period of time, for example, six months.
Budget 2001	From April 2002 the process for reclaiming benefit for people on Jobseeker's Allowance and Income Support returning to benefit after taking up full-time work for periods of up to 12 weeks will be streamlined.... The government is also attracted to the principle of introducing a similar arrangement for Housing Benefit.
'What if...?': welfare to work, October 2000	Make the existing Housing Benefit run-on of four weeks automatic.
Budget 2001	From April 2001 the rules of the Housing Benefit Extended Payment scheme for recipients of Income Support and Jobseeker's Allowance ... will be simplified to ensure that payments are as near automatic as possible, reducing the likelihood of rent arrears building up while claims for in-work support are processed.
'What if...?': welfare to work, October 2000	Extend the principle of benefit run-ons to include mortgage interest payments for a specified period of time, for example, six

	months followed by a staged decrease to nil over the following six months.
Budget 2001	The Income Support Mortgage Interest (ISMI) scheme will be extended to provide a four-week ISMI run-on for those entering work. The existing linking rules will also be improved so that everyone receiving ISMI will be able to requalify for it directly if they return to benefits within one year of taking a job.
'What if...?': welfare to work, October 2000	Small advance payments made by voluntary organisations to cover volunteer costs, such as transport, should not affect benefit entitlements.
Blunkett 2001	"The DSS will extend the current disregard of volunteers' reimbursed expenses in the calculation of benefits to include payments made in advance. This will mean that volunteers receiving income-related benefits need not be out of pocket while volunteering."
'What if...?': welfare to work, October 2000	Change the 48-hour rule and allow claimants to volunteer a notice period of two weeks or even one month (the normal required notice period) which not only gives voluntary work equal status with paid work, but also opens up the possibility further for volunteers to have a greater stake in more challenging and involved voluntary work.
Blunkett 2001	"We will relax the current rule that requires volunteers to be available to take up employment at 48 hours notice and instead allow them to give a week's notice."
For whose benefit: Conclusions of a Citizens' Jury, June 2001	When someone who is unemployed succeeds in getting a job, they should continue to receive their current rate of Housing Benefit until a reassessment can be made.
Budget 2003	Housing Benefit will be paid at the previous out-of-work rate until the new benefit level is recalculated, even if this goes beyond the four-week run-on period.
For whose benefit: Conclusions of a Citizens' Jury, June 2001	Treat reports of changes of circumstances as a revision to an existing Housing Benefit claim rather than a new claim.
Budget 2003	From April 2004, claimants will no longer be required to submit a new claim each time they return to work and will need only to report their change of circumstance to the local authority instead.
'What if...?': employment tax credit, June 2001	Improve the financial incentive of moving into work by ignoring Housing Benefit and Council Tax Benefit when calculating tax credit entitlement.
Budget 2003	The calculation of Housing Benefit will disregard the first £11.90 of earnings for all tenants who are claiming, or are entitled to claim, the Working Tax Credit.

Meanwhile, other ideas, have made frustratingly slow progress. In 2000 SEZ worked with the London Borough of Newham on the submission of a local Public Service Agreement focusing on reducing unemployment. This included a stretch target that could be met if a number of flexibilities in the rules were permitted. The only flexibility granted by government related to methods of collecting and presenting data. The flexibilities that could have had most impact, such as testing a reduction in the number of hours a person must work in order to qualify for tax credits, were refused, with no formal reasons given. At best, such ideas have simply generated piles of paperwork on civil servants' desks. When we shared frustration with one senior civil servant about the slow progress of one particular theme of work, he tried to convince the SEZ staff that we *were* influencing their thoughts, and illustrated this by holding his hand two-and-a-half feet above the meeting table, and telling us that the paperwork generated by SEZ work was about 'this high'. One challenge is to decide whether by continuing to work on a particular theme we will just waste trees, or whether we are building a case for ideas whose time will come. Knowing when to give up and divert our

resources to another issue and when to persevere can be a difficult judgement.

The following case study describes the SEZ's work on improving the transition from unemployment or a low income to sustainable self-employment. SEZ believes that this is an important piece of work in a policy area that has been neglected by government. A great deal of evidence has been gathered, involving many micro-entrepreneurs and support organisations, and yet still government has been slow to move.

"The Social Enterprise Zone has developed a sophisticated and practical understanding of the issues surrounding how to assist people to make the transition from benefits into business. They are working in good partnership with us and many other organisations carrying out in-depth research and developing practical pilot proposals. Prowess very much supports the leadership the SEZ has taken in opening up a real debate on this issue." (Erika Watson, Chief Executive, Prowess)

Case Study 8: Supporting people to move from benefits or a low income to self-employment

'What if...?'

A series of 'What if...?' exercises revealed the barriers to self-employment faced by people who are on benefits or a low income. A range of proposals has been developed with the involvement of Community Development Finance Institutions (CDFIs) and shared with government over the past three years, including the Labour Market Policy Team in the Department for Work and Pensions, the Labour Market Policy in HM Treasury, the Council of Economic Advisers, the National Employment Panel, the Small Business Service and the Social Exclusion Unit.

A funding proposal was submitted to the Phoenix Fund (SBS/DTI-administered national funding pot) in September 2003, in partnership with SEZ, WM Enterprise Ltd and Prowess, to test possible solutions to arrangements in the New Deal for supporting self-employment. Although unsuccessful, the DWP took on board the fact that the current policy and practices need to change.

Impact

Significant interest has been generated in this issue in government. The first round table prompted HM Treasury to carry out an internal review of existing provision for people moving into self-employment.

The Social Exclusion Unit has been commissioned to carry out a research study on jobs and enterprise in deprived areas which will report in Spring 2004. The SEZ and its partners have been consulted. The interim findings mirror our original research and findings submitted before their review started. They have also included several of our solutions into their recommendations.

The Small Business Service in the Department of Trade and Industry is undertaking a wide review of all government support programmes for unemployed people who are seeking to become self-employed. The review, which will report later this year to the Secretary of State for Trade and Industry, Secretary of State for Work and Pensions and the Chancellor, was announced in the 2003 Pre-Budget Report and the government's Action Plan for Small Business.

One job created – SEZ Research and Development Worker with support from the Hadley Trust.

7 voluntary organisations supported including the East End Micro-credit consortium comprising Account 3, Environment Trust, Homeless Alliance and Street Cred, Prowess, Street (UK), Wester Hailes Rep Council, who are working closely with SEZ on developing proposals and working with government to develop new policy to support self-employment.

Consultancy work provided for two local business women.

The SEZ provided advice and feasibility work for the Forest Gate and Plaistow SRB5 team on how to achieve target output for 'start up businesses'. Micro-credit services will be made available to Forest Gate and Plaistow residents as a result of this work.

SEZ was a contributing partner to the Prowess/New Economics Foundation report *Who benefits?* (Marlow et al, 2003).

SEZ contributed to the consultation that led to the development of the National Strategic Framework for Women's Enterprise, in collaboration with Prowess and the Department for Trade and Industry.

Change to mainstream practice

Two changes have been made to the Work-based Learning for Adults programme to extend the period of time for the 'test trade' period to six months and enable unemployed people to enter the New Deal self-employment option from day one of unemployment rather than wait for 18 months.

Government reviews of support programmes for people seeking to become self-employed are underway and due to report this year. Feedback suggests that a 'big and bold' step will soon be taken by the government to support unemployed people into self-employment in Newham and the whole of the UK.

Other ongoing work programmes on policy changes have involved detailed programmes of research. The case study below describes work on building bridges between the informal and formal economies. It was felt that more work needed to be done on exploring the problem before making formal policy proposals to

government. The SEZ has worked with Dr Andrew Travers from the University of Exeter to investigate the motivations people have for working informally (Travers, 2001), and carried out research on public attitudes towards people who work and claim benefits (SEZ, 2001).

Case study 9: Building bridges between the informal and formal economies

'What if...?'

A series of 'What if...?' exercises revealed the barriers faced by people who are forced by circumstance to work informally, that is, work for cash and not declare this to benefits or tax authorities. Following the success of the Tax Credit take-up project (see case study 1)

SEZ used the links with the Inland Revenue Personal Tax department to submit this research to Inland Revenue officials.

This project has built on previous work carried out by the SEZ in 2000/01 with Dr Andrew Travers from the University of Exeter, investigating the motivations of workers in the informal economy; and two public attitude surveys about the informal economy conducted in Newham and Oxford Street, Central London, which revealed a greater degree of compassion and understanding towards those who work informally than current policy assumes.

The Inland Revenue seconded a senior member of staff from the Cross-Cutting Policy Team to SEZ, from September 2003-February 2004 to carry out research and report findings to the Inland Revenue Board. Over 100 interviews have been conducted to explore people's motivations, attitudes and perceptions of informal employment. A report and action plan will be published in Summer 2004. The work was carried out in partnership between SEZ, Inland Revenue and Street UK. Concurrently SEZ submitted evidence to the Social Exclusion Unit's research into Worklessness in Deprived Neighbourhoods (SEU, 2003). The Social Exclusion Unit plans to publish their report in Summer 2004 with recommendations.

Impact

A greater understanding has been gained by the Inland Revenue and other relevant government departments of the circumstances that lead people into informal working. The secondee has returned to the Inland Revenue to develop new Inland Revenue policy for the UK on the informal economy. This new post has the backing of the Inland Revenue Board and brings with it a substantial budget to take the work forward.

1 voluntary organisation has been supported – the secondment was shared with Street (UK).

Change to

A cross-government working group has been established to develop joint strategies and policies, and test specific changes to different elements of the current system.

The Inland Revenue have taken the findings and proposed solutions seriously as demonstrated by the creation of a senior position for the returning secondee.

"I was eager to accept a period of secondment to Community Links to work as Inland Revenue's representative on a joint project. The focus of my pre-secondment briefing was on the benefits to Community Links and to Inland Revenue. These were broadly identified as developing a better understanding of the personal motivations of people operating in the informal economy and the barriers they face in emerging from it, within a community suffering a high level of social exclusion, and developing Inland Revenue's relationship with Community Links."

"As my secondment progressed, my focus on the benefits of the secondment shifted. Not only did I identify the expected mutual benefits of building networks, opening dialogue with other organisations, gathering evidence and broadening horizons, but I also discovered the challenge of exploring different views and perceptions of the policy-making process. I found it interesting after over 20 years working for the Inland Revenue to 'see

ourselves as others see us'. Most of all, I found it exciting that I was allowed to be part of both 'sides' of the policy-making process, by my involvement in evidence-based research in the community and the knowledge of my eventual return to the Revenue to consider possible policy changes based on the findings of our work. The report of the findings from our research is evidence to Community Links and Street UK that their efforts in this research project have been in a good cause."

"I would heartily recommend anyone who is offered the chance to participate in an opportunity for interchange to accept the challenge, to set aside their preconceptions and to gain a fresh outlook on their work." (Izzie O'Hara, secondee to SEZ from the Inland Revenue)

The final chapter will reflect on this work programme and the lessons learnt, and set out how SEZ will build on this in the future.

Enduring change: lessons, challenges and next steps

“If you think you can do a thing, or you think you can’t do a thing, you’re right.” (Henry Ford)

The previous chapters have described how the SEZ has generated ideas for making more effective use of public sector resources. The case studies demonstrate the impact that this work has had through piloting new ways of delivering local services and contributing to national policy changes.

Writing this report has provided an opportunity to reflect on the experience so far, which has been both exciting and frustrating, and draw out conclusions on where to go from here. In that spirit, this chapter examines issues that SEZ has come to consider as fundamental to the challenge of harnessing mainstream resources, in particular the role of evidence-based policy, the value placed by government on information generated by users of public services and front-line workers and the barriers that exist within the structures and practices of the public sector that frustrate efforts to solve this complex policy imperative. The chapter argues that evidence-based policy is a helpful concept; however, it remains a process that is controlled by the centre and as such offers no inherent guarantee that policy will reflect local needs. For evidence-based policy to be useful, the practice of involving those who have direct experience of using and delivering services needs to be reinvigorated. This chapter will end by setting out an alternative model of policy development that would build in capacity for centrally administered programmes to reflect local needs.

Mainstreaming

Still now, people new to the project are astonished by the statistics that up to 75% of GDP in Newham is derived from the public

sector, and that 98% of public expenditure is spent on mainstream programmes and only 2% spent specifically on regeneration. One civil servant told us that a senior colleague was still reporting these statistics to others in the department nearly a year after our first meeting. Despite the policy statements about the effort being focused on ‘harnessing the mainstream’, from the perspective of this project in Newham, there is still a long way to go before this is achieved. Regeneration conferences are likely to include a session on mainstreaming, but even though the benefits budget, for example, is one of the largest mainstream budgets in any deprived area, it is rare for a senior representative from the Department for Work and Pensions to be present. At the 2003 Urban Summit organised by the Office for the Deputy Prime Minister to “take stock of progress on urban policies and programmes ... and establish and reconfirm a government-wide commitment to urban renaissance” (ODPM, 2003) there was *no* conference session on mainstreaming. At one conference workshop, a regeneration professional finished a 30-minute long presentation about how to achieve success in regeneration and having sat down, quickly jumped back up again and said “Oh, and don’t forget about mainstreaming – that’s really important”.

The challenge remains to get a greater volume of delivery and policy ideas incorporated into mainstream budgets, in order for these budgets to become genuinely *transforming*. This is still not a word that would one would associate with the benefits budget.

The term ‘mainstreaming’ has been sufficiently well used over the past four years as to become

another policy buzzword. There are a number of elements to the term:

- it describes a policy of encouraging a move away from special funding to a reliance on mainstream services to improve conditions in deprived areas;
- it encompasses the need for ‘flexibility’ and instructions to ‘bend mainstream resources’. As such it is considered a fundamental shift in approach to tackling deprivation;
- at the local level, agencies are encouraged to change their policies, services, patterns of resource allocation and ways in which services and facilities are accessed in order to reflect a neighbourhood’s needs;
- a fundamental principle is that some areas need to receive different services or a different level of service in order to tackle problems.

Locally, SEZ has encountered managers who are perplexed about how to operate in different ways at the same time as delivering programmes designed and monitored against strict targets by central government. Via pilot projects, the SEZ has been able to tackle this by providing some of the human and financial resources necessary to facilitate new ways of working. In work with central government, SEZ has focused on the role of the benefits budget and the New Deal programme arguing that these resources are already available in some format and under certain conditions. Changes to certain rules would help these resources to achieve improvements in short-term conditions and longer-term outcomes (see case studies 8 and 9).

Given the fact that policy statements consistently promote mainstreaming as the way forward, why has making any progress been so frustrating? The first reason relates to the issue of evidence.

Evidence-based policy

Public policy making has been increasingly dominated by the concept of evidence-based policy. This reflects the theme for the Labour government, expressed by Tony Blair in his speech at the Aylesbury Estate, quoted in Chapter 1, to “find out what works and support the successes and stop the failures” (in Peck, 1998, p 16). The assumption is that close attention to evidence will result in sound

judgements about action and increased accountability to the public.

The Social Exclusion Unit and the Performance and Innovation Unit were set up to develop policy in a more research-based way, and the need to improve the quality of policy making was an important element of the *Modernising government* White Paper published in March 1999 (Cabinet Office, 1999). The desire for evidence is eminently sensible. But the current practice of evidence-based policy poses a number of dilemmas.

The term ‘evidence-based policy’ appears to describe an almost scientific process of uncovering information and simply applying it to policy. However, the reality is a more piecemeal process shaped by past practice and driven by pressures such as the time available, political imperatives and cost. And in this process, less one of science more one of muddling through, some of those involved have considerably more power than others (Nutley and Webb, 2000). Who decides whose problems are investigated, who sets the research questions, who carries out the research, who decides what is sound evidence, whose evidence counts, are the findings politically consistent and what values and assumptions are informing the whole process?

These questions highlight the distinction for SEZ between *control of* and *influence over* policy and delivery. The bold vision for the SEZ described in the 1998 report (Robinson et al, 1998) was for the project to be a mechanism for controlling the way mainstream resources are governed and delivered. From the moment that the report was launched it became clear that while the principles behind the approach struck a chord with, and contributed to, thinking going on elsewhere in the public and voluntary sectors, the political landscape had changed so rapidly with the new policies of the Labour government that SEZ had to re-think how it would contribute. At best the project would be able to influence change, and so the question has become one of how successfully the project can do this.

At the second round table on self-employment, the SEZ and its partners were invited by officials from HM Treasury to ‘find more evidence’. Part of this was to help boost the case, but perhaps also it was a way of slowing the process without

needing to give a definite refusal to change policy. In either case, this underlines the fact that evidence-based policy requires projects such as the SEZ to feed information into a *centrally driven* policy process. The *centre* decides what to do with it. Davies et al conclude that “the aims of many of those promoting the role of evidence are rather more modest than the term ‘evidence-based’ might imply. Many would argue that evidence *influenced* or evidence *aware* is the best we can hope for” (2000, p 11). So, if evidence-based policy is to be truly of value, then there is a need to rigorously examine *how* evidence is gathered, *who* decides the priorities and to *what extent* evidence generated by those with direct experience of services is reflected in the policy making.

Without this, policy driven from the centre will continue to be relatively weak in understanding and responding to the local contexts in which it is implemented. There is little point in asking ‘what works?’ if it is not accompanied by the follow-up question ‘in what context?’. The SEZ pilot with local JobCentres works because it is primarily a response to the demands of the local context, in this case the high proportion of people who do not speak English as a first language and the low levels of literacy which make it difficult to negotiate the complex process of applying for unemployment benefits (see case study 8). An approach driven by the language of targets and goals driven from the centre overemphasises the content of policy in isolation from context and makes the translation from policy into action more difficult (Newman, 2002). This is an important consideration for the government in its desire to achieve improvements in public service delivery.

And so the SEZ would argue that without approaches such as ‘What if...?’ that ensure policy is driven by practical experience of the problems, evidence-based policy offers no inherent guarantee that it will produce policies that work. The question for this agenda is how the local communities and the front-line staff who generate evidence for the SEZ gain more control over the process of deciding what works, what does not work and what would work better instead.

Despite government rhetoric, local communities remain detached from this process, which perhaps is a reflection of what central

government *really* thinks about the value of involving those with practical experience of services.

Involving those with practical experience of services

The government has put great emphasis on listening to communities. Former Health Minister Lord Hunt, speaking at a conference on user involvement in research in 2000, expressed the common desire that “this is not to be a token involvement. It has to be a genuine partnership” (in Beresford, 2002, p 98). As well as generally being considered a ‘good thing’ for policy, user involvement is also seen as part of the broader issue of addressing the restricted citizenship of people who are poor. The government’s Department for International Development argues in its 2000 Annual Report that “human rights provide a means of empowering all people to make decisions about their own lives rather than being the passive objects of choices made on their behalf” (in Lister, 2002, p 38). This point certainly came through in comments about the ‘What if...?’ process quoted in an earlier chapter, that “if I feel negative now, it is only because I am NOW on full drive to do things but have to wait for others to respond – I’m now impatient” and “I’ve always had ideas about how things could be done differently, but this time it’s good to know my ideas are really going to get somewhere” (‘What if...?’ participants).

Another important resource is front-line staff. “Front-line staff are key to improving services”, declared a recent Cabinet Office press release announcing a new review seeking views on the best opportunities for improving efficiency (Cabinet Office, 2003).

In order for this to be a genuinely useful process, the government has to ask itself why it is involving those with direct experience of the problems in the first place. Are people being involved because public services are a ‘product’ which can be improved by market testing and feedback, or because there is a genuine attempt to give people more control over their lives and the institutions they use? Peter Beresford calls this the difference between the ‘consumerist’ and the ‘democratic’ approach, and has pointed out the important distinctions. The first approach

focuses on the components of a service in isolation from people's lives and aspirations. Both approaches are seeking some sort of subsequent change to services, but the first goes no further than inviting ideas on issues chosen by the agency concerned and with no commitment to take suggestions up. Who has control over services is not a concern. The second approach, meanwhile, ensures that participants have the opportunity to make change happen, and is committed to personal and political empowerment (Beresford, 2002).

The SEZ work has been characterised by the second approach: from beginning the 'What if...?' exercise with statements about life aspirations, to designing, delivering and evaluating services with front-line workers, users of services and residents. A common image for failures in public service is to portray people as 'falling through the cracks in the system'. A consumerist approach focusing on specific aspects of a service will identify single cracks, but starting with people's lives reveals that in most cases, people are falling through several cracks at once. On their own, these cracks do not create an impossible situation, but taken together they mean people have fallen a long way.

The concern is that, while the rhetoric *talks* about the 'democratic impulse' which "needs to be strengthened by finding new ways to enable citizens to share in decision making that affects them" (Blair, 1998, p 15), the practice goes no further than seeking the views on the basis that people are only consumers of public services, in much the same way as supermarkets invite customers to fill in satisfaction questionnaires. This is not to say that the SEZ, and other voluntary sector projects, have been excluded from policy circles. The greater involvement of community-based projects in policy discussions and pilot delivery is a significant and welcome departure from the practice of previous governments. In the tax credit take-up and JobCentre pilots, the role of the public sector agencies involved has been to support and enable the work rather than initiate it and control it (see case studies 1 and 8). The SEZ would argue that this approach has generated the desired immediate improvements in service and policy effectiveness, but also informed longer-term development of ways for JobCentre Plus and Inland Revenue to work with local communities on ways to improve performance.

However, while government is at best unable to make widespread use of practical mechanisms for putting its democratic impulse into practice, or at worst, is in fact unconvinced that communities genuinely do have useful ideas and a right to see them tested, user involvement will be just what Lord Hunt hoped it would not be, a token. Another way of putting it, perhaps, is that we still need to put the public back into 'public policy'.

Challenges in the public sector

The case studies presented earlier in this report set out the practical improvements in policy and delivery generated by the project so far. However, it is difficult not to be left with the feeling that even though the SEZ has worked hard to identify which of its objectives are shared with government, and on this basis has been careful to build constructive working partnerships, these achievements have been harder to secure than they should have been. For example, in the work on improving support for people seeking to become self-employed, SEZ and its partners have presented pages of seemingly incontrovertible evidence to government demonstrating that current policies are not working. Lots of paperwork has been generated on civil servants' desks. Even so, in asking policy makers the question 'Do you think there is a problem with the way the government supports people into self-employment', it has taken nearly two years to get anyone in a position of responsibility in government to answer with an unequivocal 'yes'. Having finally got to this point, policy changes are underway, and future pilots are being planned, but we could be two years into these changes rather than just about to start them. At the local level, agency managers and staff have been enthusiastic about ideas for changes to ways of delivering services and keen to test them. Managers like the fact that these ideas have come from their users and their staff. It reflects a belief that the 'What if...?' process has generated useful ideas. After this initial expression of enthusiasm, however, barriers quickly appear. The next section sets out some of the issues that are frustrating progress.

Them and us

There is an ongoing perception in work with public sector staff of a sense of ‘them and us’. This is certainly not true in all cases; the SEZ has profited from a number of constructive and honest relationships with public sector staff at all levels, but even so this remains a dominant sense. It reflects a distrust of information generated outside the system. In a meeting with one junior minister in October 2001, project staff were setting out the background to the SEZ. This included asserting the principle that people who experience a problem understand it best. The minister pounced on this, stating that this was not true at all. It sidetracked the meeting, and little progress was made on the substance of the submission. In April 2002 the SEZ was invited to join local JobCentre staff at an away day to carry out a ‘What if...?’ exercise. The SEZ contribution was explained on the agenda as “the Social Enterprise Zone will come and tell us what our clients think of us”. You can imagine what sort of reception the project staff received! In the end, the session was extremely productive once it had been made clear that while we had talked to people who used the JobCentre, it was equally as important to talk to staff about their ideas too. One of the ideas generated by the session was the JobCentre advisers’ Discretionary Fund, now being piloted in Newham as described in Chapter 3 and announced as a new national fund by the Chancellor in the April 2003 Budget (see case study 5).

Short-term goals

Public sector agencies, and particularly front-line staff, are invariably focused on achieving short-term goals. This can give rise to policy paradoxes. For example, while central government promotes the value of volunteering in promoting employability, faced with placing someone in any job and meeting a target or permitting a Jobseeker’s Allowance claimant to continue in their voluntary work, it is clear which option the adviser will normally take. This focus on short-term targets also leaves little time to think about and develop better ways of delivering services. While policies continue to be driven from the centre, with only a limited appreciation of local circumstances, they will continue to be cumbersome. Again, some parts of the government know this well already: the

Social Exclusion Unit wrote in the 1998 National Strategy for Neighbourhood Renewal that “Too much has been imposed from above, when experience shows that success depends on communities themselves having the power and taking the responsibility to make things better” (SEU, 1998, p 7).

Cumbersome budgets for funding innovation

The budgets which are available for encouraging innovation do not work if the application and monitoring processes are lengthy and cumbersome. The SEZ found that the enthusiasm for ideas was sometimes crushed by the weight of the bureaucracy involved in raising the resources to test them. As described in the case studies, the SEZ has got around this by offering to deliver pilots itself, using its own project budget, raising money through the Neighbourhood Renewal Fund, and by drawing on the contribution of volunteers. The idea of piloting was to enable the SEZ and its partners to demonstrate by direct implementation. It was hoped that as well as making a direct contribution locally, it would focus attention on the benefits of testing ideas gathered from people with direct experience and boost the credibility of the approach. It has enabled data to be collected on the impact of the service and a case to be made to departmental or other public sector budgets for continued support.

Fear of taking risks

The ideas which emerge from the ‘What if...?’ process are, almost by definition, based on principles which sit uncomfortably with public sector culture. They require a willingness to take risks, to trust individuals to exercise discretion, rather than follow systems and guidelines. This contrasts with the sort of view expressed by one ‘What if...?’ participant from a local agency, who said: “I tried using my discretion once! I got my wrists slapped, so I haven’t done it again. Now I just do my job and follow the rules”. The ideas may be localised and limited but they run against a culture which is centralised, tightly controlled and deeply entrenched. The SEZ can be the vehicle for piloting new ways of delivering services because it can absorb risk at a distance from services.

Negative expectations of change

Public sector staff are constantly being encouraged to improve performance and change their ways of working. The SEZ pilots have enabled this to happen, but without adding to staff workloads; in fact they have done much to lighten them. One conclusion is that better performance and new ways of working will be achieved by adding resources in the short term, to facilitate and identify effective ways of redeploying resources in the long term. But more importantly resources have been added where users and front-line workers have identified the need. So, new ways of working are driven by local needs and staff can see the sense in them and they have quickly made an impact. This contrasts with the perception and often the previous experience of change led from above that increases workload but does not help increase performance. The bureaucracy surrounding the New Deal programme for tackling unemployment is consistently given as an example.

Knowing when the timing is right

As the case studies showed, some of the policy proposals submitted by SEZ jumped on to the statute book. Others, such as the work on informal employment, have had to wait to get on to the political agenda. This has been less to do with the quality of the idea and more to do with perceived public sentiment, political mood and personal interest.

Flexibility or discretion?

At one 'What if...?' session, a police officer talked about the issue of flexibility. He gave an example of a colleague who was instructed to arrest a woman for non-payment of a fine. The police officer knew the woman and the many problems in her life and believed that arresting her would not only, of course, be terrible for the woman, but also it would not actually achieve the objective of getting the fine paid. Rather than arrest her then, he and the woman agreed that she would pay him 50 pence every week, which he would keep in a box at the police station until the fine was paid. While clearly not in the rules, this officer felt this was a much more effective way of dealing with the matter. And it

was. The fine was paid and the woman avoided an arrest. The police officer telling this story did not use the term flexibility, but rather discretion.

The distinction is interesting. Flexibility is something that has come to be associated with bending the rules. As such the attempt to find ways of being flexible focuses on the design of systems and procedures. It also means then that flexibility has to be *built into* the system. Yet the act of trying to *formalise flexibility* gives rise to something of a contradiction. Discretion, however, places more emphasis on the role of the individual operating the system, enabling them to deliver resources in response to local circumstances and on the basis of professional judgement. The SEZ has often encountered public sector staff like this police officer who admit to using their discretion, but the majority never admit it to managers. Even senior managers admit that they have never felt that they could or should tell their superiors about occasions when it has been useful to use discretion. There is no incentive to do so. And yet this means that this wealth of experience about 'what works' remains hidden, and the rules remain the same.

Next steps: recommendations for a new policy-making process

On coming to power in 1997, the Labour government created an expectation that the policy development process would be revolutionised: policy would be based on the knowledge of those with practical experience. It would back anyone. Doors were open. Since then the government has struggled to put this into practice and is increasingly aware of the need to demonstrate progress in the face of an increasingly disappointed electorate.

A new debate has begun, centring on the concept of 'new localism' and its potential to improve the performance of mainstream programmes. A range of definitions and emphases have emerged including:

- passing total control of services from centrally based bureaucrats to citizens gathered together in mutual associations (Blears, 2003);
- strengthening regional and local government (Prescott, 2002);

- developing quasi-autonomous neighbourhood/community-based associations (Cole et al, 2000);
- giving local public sector agency managers greater flexibility to make decisions within a framework of nationally set standards (Corry and Stoker, 2003);
- conferring freedom from central control on local agencies selected on the basis of good performance – earned autonomy (Clarke, 2003).

In this final section of the report, we set out a model of policy making that we believe would harness mainstream budgets in line with local needs.

The following sets out this process in more detail and suggests the practical steps needed to deliver each stage.

1. Public policy should be designed at the centre but in collaboration with and based on evidence generated by those with direct experience of the issue policy is aiming to tackle.

- Make much greater use of secondments and short-term attachments from central government to public sector agencies and community organisations. These should be undertaken with the objective of developing new policy, refining specific policies or to participate in delivering pilot projects. It means that policy questions are relevant and ideas for new policies are highly practical with a particular contribution to make to addressing the challenges of local implementation.
- Make greater use of ‘back to the floor’ techniques, even incorporating a requirement to spend a certain proportion of time based in front-line offices into job descriptions. This would be aimed at increasing policy makers’ practical experience of the issues faced by users of public services and front-line staff.
- Use methods such as ‘What if...?’ to capture in a systematic way how staff currently use their discretion but do so quietly and with a concern that it is against the rules.
- Use methods such as ‘What if...?’ to generate and gather ideas for enhancing existing policy or developing new policy. Crucially, this is not about token consultation.
- Give evidence generated at the local level equal status with research generated within departments, by university departments or research agencies.
- Policy design must be receptive to lessons from pilots based on a firm commitment to incorporate the principles of research and development into the practice of government.

2. National minimum standards should be set out to reflect the expectation for a policy and monitored from the centre.

- Embrace the opportunity presented by the Public Service Agreements to establish a conversation with central government on the best ways of meeting these objectives. The principle behind Public Service Agreements is sound, although the practice is only worthwhile if government is open to dialogue.
- The standards that are identified should be measurable, broad and few in number. Emphasis should be given to objectives that are shared across departmental boundaries in order to encourage joint working and allow objectives to be met in a variety of ways.
- Methods such as ‘What if...?’ have a role to play in monitoring the delivery of policy, and identify where expectations are not being met as demonstrated by the volume of work SEZ has done on supporting people to take up opportunities already made possible by policy.

3. Policy budgets should contain an element which is designated for local managers with responsibility for policy delivery to allocate on the basis of local needs.

This creates the mechanism, resources and capacity for:

4. Policy to take account of local distinctiveness and be able to respond to changing local conditions and demands.

- Make large-scale use of methods, such as ‘What if...?’, to gather evidence about the needs and aspirations of people locally and practical ideas for making existing services more effective.
- Make greater use of pilots to test ideas and generate evaluation data. Locally controlled budgets will increase the capacity to run pilots without the need to seek permission from the centre so that ideas can be tested quickly. By working with external agencies such as the SEZ, much of the burden of planning and delivering pilots can be delegated. Furthermore, by making the SEZ the vehicle for testing new ways of working, pilots can take place at one step removed from a public sector culture anxious about risk. Practical successes from pilots will reinforce the message that local experience will deliver the goods.
- Use the funds designated for local use to ensure that piloting new services does not add to the existing workloads of public sector staff.
- Use channels created by greater collaboration between central government and local areas to share results of pilots and incorporate successes into future design of core policy.

This helps to create an environment where:

5. Public sector workers are motivated by achieving policy objectives rather than paralysed by the minutiae of the policy delivery process.

- Staff must be encouraged to use their discretion where this will help to improve performance against agreed objectives and to share the results of this with colleagues.
- Staff should be given time to participate in exercises such as ‘What if...?’ in order to contribute their proposals for policy and delivery improvements.

6. Establish a network of SEZs across the country to facilitate the delivery of this process based on the following approach adopted by the Community Links SEZ.

- The project is based within a well-established community organisation:
 - It has developed extensive networks of local residents, community organisations, public sector agencies and officials from central government.
 - Participants in the project dictate the work programme.
 - Local residents work and volunteer in the project, ensuring that there is deep understanding of local issues and access to the necessary local knowledge and skills such as languages.
- Project staff bring experience in community development, policy development, research, campaigning and fundraising.
- Project staff think laterally and practically, and are willing to try new ways of doing things. They have a ‘let’s do it’ attitude.
- The SEZ has built its own reputation as an effective project by delivering successful projects and building strong contacts and networks.
- The project is the catalyst and facilitator enabling it to apply this approach to a range of issues.

To conclude, the activity described in this report is based on the work of a small staff team, albeit one that has boosted its capacity through partnerships, secondments and contributions from volunteers. Essentially, however, the project remains small scale. The SEZ will be seeking to work with others to put the process set out above into practice.

The SEZ is a mechanism for a rigorous, sustained and, above all, constructive, questioning of the way the public sector manages our resources. If government does not change, we are entitled to ask why not, who is resisting change, and for whose benefit?

"Some doors are closed and although you might hear someone moving about behind it when you knock, they won't answer. Some doors are open, but they are on elastic so swing shut when you push them. Some doors are revolving so you feel like you're making headway only to find there is actually no opening into the lobby so you keep going round and find yourself back where you started. Even the open doors have ranks of security guards waiting to greet you...." ('What if...?' participant)

Postscript: please do get in touch with the project team if this report has interested you and you would like to talk about a future contribution to enduring change.

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