

Interventions to tackle the economic needs of deprived areas

Analysis of six policy case studies

David North, Stephen Syrett and David Etherington

This study examines six policy initiatives aimed at tackling the economic and employment needs of people living in deprived areas.

Drawn from the six study areas (see main report), these initiatives are selected as good practice examples of joint working between different levels of governance and of effective linking of the economic and social objectives:

- The Acumen Community Enterprise Development Trust (North East region)
- Camborne Pool Redruth (CPR) Works (South West region)
- Local Alchemy (East Midlands region)
- Brent into Work (London)
- South Lanarkshire Routes to Inclusion (Scotland)
- Want2Work (Wales).

The case studies demonstrate the importance of employer engagement, identifying entry-level jobs, and the use of person/client-centred methods, as well as difficulties arising from existing governance and funding arrangements.



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**David North, Stephen Syrett, David Etherington and
Ian Vickers**



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Introduction

The research project

This is the third of three volumes presenting the findings of research into the impact of devolution and regional governance in the UK since 1997 on policies for tackling the economic needs of deprived localities. The research was undertaken between 2005 and 2007 and had the following four aims:

- 1 to assess the actual and potential impact on the economic and employment needs of disadvantaged places of new and emerging governance structures at the regional and sub-regional scales
- 2 to assess the degree of compatibility between strategies at the regional and sub-regional levels concerned with economic development and job growth, and policies at the local and neighbourhood levels concerned with tackling economic and social exclusion
- 3 to identify and critically evaluate examples of good practice where integration between different levels of governance and economic and social policy agendas has benefited deprived localities and the people who live and work within them
- 4 to generalise lessons from such good-practice examples, paying particular attention to the importance of regional differences in governance arrangements and the relative benefits of different kinds of interventions.

The research was conducted in two sequential stages. The first focused on aims (1) and (2) above, and involved a review and analysis of strategies and policies at the regional and sub-regional level in relation to the needs of disadvantaged places and people. The study areas were characterised by a range of different devolved and regional governance arrangements as well as different types of deprived areas (i.e. inner cities, coalfields and rural areas). They comprised four English regions – North East, South West, East Midlands and London – Scotland and Wales. The second stage focused on aims (3) and (4) and examined six different examples of policy interventions aimed at tackling the economic needs of deprived localities – one from each of the study areas – in order to consider the possible influence of different models of devolved governance.

Volume 1, which presents the main findings of the research, is supplemented by two further volumes: Volume 2 presents the detailed findings relating to governance for the four English regions, Scotland and Wales; and Volume 3 presents the analysis of each of the six policy case studies examining good practice.

The case studies

This volume comprises separate chapters on six case studies of particular schemes seeking to promote employment, self-employment and business start-up within deprived localities, one drawn from each of the four English regions, Scotland, and Wales:

- Acumen Community Enterprise Development Trust (Easington, North East): a social enterprise supporting social and economic regeneration through learning, employment and enterprise initiatives in a former coalfield community
- Camborne, Pool, Redruth (CPR) Works (West Cornwall, South West): an Urban Regeneration Company that aims to link the workless to jobs created through physical and economic regeneration
- Local Alchemy (various locations, East Midlands): a project that promotes enterprise and community-led economic development that is also socially and environmentally sustainable
- Brent in2 Work (Brent, London): a partnership that encourages the strategic co-ordination of employment and training provision to help residents make the transition from welfare to work
- South Lanarkshire Routes to Inclusion (South Lanarkshire, Scotland): a partnership that strategically co-ordinates labour market programmes to help excluded people back to work
- Want2Work (Merthyr Tydfil, Wales): a locally co-ordinated approach to employment and health services that delivers intensive assistance to long-term benefit claimants to help them find and stay in a job.

These case studies were selected as a means of examining initiatives where some degree of joint working between the national, regional/sub-regional and local levels of governance was apparent within areas suffering high levels of worklessness. As well as the need for partnership working between different levels of governance, the case

selection also identified those initiatives that linked and integrated economic growth/development with tackling economic and social exclusion, and were examples of good practice in terms of community participation. The aim was to examine a varied mix of case studies, including interventions that were focused on place (e.g. physical regeneration schemes) and those focused primarily on the people that live within deprived areas (e.g. young unemployed people, minority ethnic groups, incapacity benefit claimants), in order to explore the multiple and different ways in which people and place are interrelated.

Research methodology

Information relating to each of the case studies was obtained from the following.

- 1 Assembling and analysing relevant written material, including policy statements, funding bids and the results of any monitoring and evaluation exercises undertaken.
- 2 Visits to each case study location to conduct face-to-face interviews with key players and stakeholders involved with the initiative. The aim here was to obtain the perspectives of a range of people with first-hand knowledge and experience of the location and community that the initiative aimed to benefit in order to achieve a critical understanding of its development and implementation (e.g. representatives of the local authority, the Local Strategic Partnership [LSP], voluntary and community sector, Jobcentre Plus, local regeneration project, etc.). The interviews focused on the relationships between different levels of governance and the extent to which the needs of disadvantaged localities have been taken into account at higher levels, as well as the scale and nature of benefits in terms of transforming disadvantaged places and their resident populations.
- 3 A focus group or individual interviews held with a number of beneficiaries/clients of each case study initiative. The purpose here was to obtain their experiences of the initiative and the extent to which it addressed their needs/situation, their own assessment of the help that they received including the strengths and shortcomings of the initiative, and how their ability to obtain employment, enter self-employment or start their own business had changed as a result. Names of participants have been changed in reports of their experiences to protect confidentiality.

Structure of case study analysis

This report seeks to assess critically the difficulties and positive aspects experienced in each of the six case study interventions presented. The objective is not to provide comprehensive coverage of all aspects of these interventions but rather to focus particularly on those issues relevant to the purposes of this project – namely, issues of co-ordination between agencies operating within and across spatial scales, the integration of economic and social objectives, and bridging the divide between strategy and delivery.

In order to facilitate comparison, the case studies follow a broadly similar structure:

- an introduction to the policy case study
- an overview of the socio-economic context in which the initiative operated
- an overview of the wider governance and policy context pertinent to the development of the initiative
- a detailed description of the policy intervention
- an analysis of the outcomes and factors critical to achieving these
- a critical evaluation of the challenges and limitations of the policy intervention
- some overall conclusions.

The intention is that practitioners and policymakers can use this as a reference resource to sample individual case studies, and look at the details of the schemes and the lessons they provide. General messages from across the six case studies are incorporated into Volume 1 (Chapter 5), the main report for this study.

1 Acumen Trust, Easington, County Durham

Introduction

Acumen Trust – a Community Development Trust – was formed in 2003 in response to the need to develop a more community-oriented approach to tackling deprivation in East Durham. Acumen serves primarily the Easington and Horden communities, and sees its role as plugging a gap in existing services that were not always accessible to the ‘hardest to reach’ groups. The main purpose of Acumen is to act as an umbrella and infrastructure body for a variety of community organisations that stimulate self-help through, for example, self-employment, social enterprise and training/access to employment schemes for people who are economically inactive.

A driving force behind the development of Acumen is a former employee of Jobcentre Plus who previously worked for the Action Team for Jobs. With the Action Team winding up its activities in 2006, the local policy community, including the Easington and Horden Neighbourhood Pathfinder (EHNP), anticipated that the area would be lacking both community and outreach approaches in the areas of employment and enterprise where the Action Team had previously played an important role.

Socio-economic context

Easington District, where Acumen operates, has a number of key characteristics relating to the labour market situation and extent of deprivation.

- Although the district has a low unemployment rate of 2.4 per cent, its employment rate is also low, at 57.3 per cent, compared to the North East, at 68.5 per cent, and Great Britain, at 74.3 per cent (2004).
- This in part reflects Easington’s high economic inactivity rate, which is 37.4 per cent, compared to 26.5 per cent in the North East and 21.8 per cent in Great Britain.
- Over 20 per cent of the working-age population claim Incapacity Benefit (IB), compared to 11 per cent in the North East and 7.5 per cent in Great Britain (2005).

- With low employment rates and a strong concentration of worklessness, Easington has been identified by the Social Exclusion Unit as one of four worklessness hotspots in England (ODPM, 2004).

The health of the labour market can also be measured by the extent of deprivation in the local economy. On the basis of the Index of Multiple Deprivation, which measures multiple indicators of deprivation at a local level, Easington ranks as the eighth worst local authority area out of the 354 English local authorities. On the basis of measures of deprivation at the smaller geographical scale of Super Output Areas (SOAs), 82.5 per cent of SOAs in Easington are among the 30 per cent most employment deprived, with 33.3 per cent ranking among the 10 per cent most deprived. The wards that constitute the immediate catchment area for Acumen Trust (Easington Colliery, Horden North and Horden South) are among the 10 per cent most deprived in England.

Employment and income deprivation is closely related to low levels of enterprise development. The Durham Local Enterprise Growth Initiative (LEGI) bid (see 'Governance and policy context section' below) highlights the findings of the Bank of England (2003) research, which shows that self-employed residents in deprived areas are twice as likely not to have a personal bank account and less likely to own their own home or hold significant financial assets than those living in more affluent neighbourhoods. Self-employment rates are much lower in Easington (5.6 per cent) compared to the North East (7.9 per cent) and the national average for England (12.4 per cent).

Governance and policy context

Regional Employability Framework

One NorthEast Regional Development Agency embarked on the development of a Regional Employability Framework (REF) in 2005 (See Volume 2, Chapter 1). Its focus is to:

- produce a shared awareness of current investment in welfare to work, the returns from this and how the returns can be increased
- create an explicit strategy commitment to join up activities through joint procurement

- generate an agreement on local infrastructure to enhance performance and commitment to jointly manage its performance.

As one stakeholder pointed out:

... the REF is in essence a move at the regional level towards greater co-ordination of labour market programmes and to highlight areas – including geographical ones – for intervention by appropriate agencies.

The Chief Executive of Acumen, as a member of the One NorthEast Board, has played an active role in shaping the REF both at the regional and sub-regional levels, and in relation to the East Durham Employability Strategy.

Economic partnerships and the County Durham Local Economic Growth Initiative

Acumen plays an important role in policy development within the sub-regional and local partnerships (Durham Economic Partnership and East Durham Local Strategic Partnership), although it is the Durham Local Economic Growth Initiative (LEGI), approved in 2006, which is likely to play a central role in Acumen's future development. The LEGI involves Derwentside District Council (DC), Easington DC, Sedgefield DC, Wear Valley DC, as well as Durham County Council. It is steered by a management group comprising all the relevant local authorities operating within the Durham Economic Partnership. It will form part of the fourth block of the 'emerging' Local Area Agreement covering economic development and enterprise in County Durham.

The LEGI strategy themes that are of particular relevance to the Acumen Trust comprise the following.

Theme 1: increasing total entrepreneurial activity in deprived areas

- Extending the Start-up Network is seen as a key means to support disadvantaged groups. This aims to provide a comprehensive and tailored package of advice, grants, loans and aftercare for residents in deprived areas who are considering self-employment. This includes piloting a 'hub and spoke' approach to target hard to reach groups via voluntary and community sector (VCS) intermediaries such as Acumen. More will be done to develop networks and new delivery routes relating to under-represented groups such as women.

Interventions to tackle the economic needs of deprived areas

- Within this theme, an enhanced package of financial support, including grants and loans (ranging from £300 to £3,000), will be offered for all start-ups tied to business planning, marketing and other advice.
- Enterprise Education will be extended, including the network of Enterprise Advisers, to help secondary schools, provide enterprise courses in FE colleges and strengthen out-of-school awareness raising, including new, community-based delivery channels for the Aspire programme.
- Improving access to accommodation, including an incubation programme and the provision of various forms of work space in deprived areas.

Theme 2: supporting sustainable growth and reducing the failure rate of locally owned businesses

This involves more targeted action in relation to particular clusters and economic sectors. It builds on the national Pathways to Work programme and Easington's Aim High Routeback initiative by developing a brokerage programme that matches employers' needs with economically inactive residents in order to fill vacancies.

Neighbourhood Renewal Strategy: Easington Colliery and Horden Neighbourhood Management Pathfinder

The Easington Colliery and Horden Neighbourhood Management Pathfinder (referred to as 'Pathfinder') has played a key role in the development of Acumen. As the Pathfinder 2006–09 Delivery Plan states:

The Neighbourhood Management Pathfinder was set up to give a local focus to the regeneration of Easington Colliery and Horden. The aim of Neighbourhood Management is to improve the quality of life in deprived communities by offering joined up solutions to real problems associated with crime, health, old people, education, young people, housing, unemployment and the environment. By concentrating upon deprivation issues Neighbourhood Management addresses problems by having staff on the ground whom residents can turn to and who can pull together people, skills and resources to deliver solutions.
(Easington Colliery and Horden Pathfinder, 2006)

The Pathfinder aims to play a key role in bending mainstream programmes. Its Delivery Plan sees a key role for Acumen in the realisation of its economic development and enterprise aims:

In conjunction with Acumen Trust and Jobcentre Plus the Neighbourhood Management Pathfinder has instigated a number of initiatives designed to support enterprise and employment such as a start up fund and self employment and business advice. Programmes like Aim High and the Youth Employment Premium have been instrumental in getting long term unemployed back into the jobs market through tailored training. (Easington Colliery and Horden Pathfinder, 2006)

Organisation, functions and activities

Organisation structure and aims

Acumen has grown from having six staff in its first year (2003) to now having around 50 employees and a senior management team of five. There is a board of trustees and a management committee. There are 12 members of the board of trustees including local councillors, Groundwork East Durham, Durham County Council, private sector bodies, and a variety of community and voluntary/non-profit organisations.

Its aims are to:

- build an enterprise society where small firms can survive, reach their potential and employ others
- increase the numbers of people starting their own business within disadvantaged communities
- increase employment rates and the 'skills for life' levels of adults
- improve access to learning and employment for local people through removing barriers to entry and raising confidence, skills and self-esteem
- improve the physical appearance of the coalfield villages through bringing vacant buildings into use and increasing community spirit

Interventions to tackle the economic needs of deprived areas

- overcome the geographical, social and cultural barriers to regeneration by engaging with the community
- work in partnership with agencies and stakeholders to improve the lives and economic prospects of the residents of Easington District.

According to its founder and Chief Executive, Acumen is concerned with both the social and economic aspects of regeneration, but with a leaning towards employment and enterprise. In other words, it tries to join up tackling unemployment and worklessness with helping to create new enterprise and self-employment:

... building 'enterprise' into the employability framework.

Funding

Most of the income is derived from grants and contracts. The organisation was established on a sound financial footing by a grant from the Northern Rock Foundation of £750,000 spread over three years. According to Acumen's Chief Executive, the Foundation has been totally behind the venture, providing advice when needed (particularly with regards to finance and the governance structure of the Trust) but not interfering with policy or the direction of Acumen. Acumen also secured a £1.6 million European Social Fund Objective Three contract from Jobcentre Plus for the 'Reachout Team for Jobs' project in 2006, as well as Neighbourhood Renewal and Enterprising North East Funding (£60,000). As a result of winning several large contracts, the annual turnover of Acumen has grown from £400,000 in its first year (2003–04) to around £2 million in 2006–07.

Functions and activities

The organisation is structured around the following three basic functions: learning and skills; employment; and enterprise.

Learning and skills

Aim High brings together the existing outreach services operating in Easington District. When the project was set up, all the key bodies were contacted and an assessment was made of how relevant agencies could fill gaps in service provision. A development co-ordinator was appointed to run the project.

In the area of skills, a Skills for Life outreach team has been involved with the more deprived people who for various reasons do not have contact with training agencies. Some clients are referred by other agencies and some are contacted through 'knocking on doors'. People are encouraged to learn new skills on a one-to-one basis in an informal setting, such as libraries and community centres. Learning can involve a variety of activities such as helping with reading, filling in forms, letter writing, sorting out bills and budgets, improving self-confidence and raising self-esteem.

Perhaps the most important element of the approach to learning is the use of various techniques to get people involved and participating as a first step to building their confidence and social skills. The emphasis here is about making learning fun. Some examples of this approach include organising courses such as growing and showing leeks, fun days, international evenings, dancing salsa, playing bingo, community gardening (see section on 'Examples of achievements' below) and organising a Community Pop Idol competition, which included a confidence-building course and singing lessons. The focus on personal development is underlined by the introduction of a programme, 'Steps to Excellence for Personal Success'. This is essentially a programme to provide participants with:

... information, understanding and tools that are immediately relevant to the challenges they face, but which they can take and use beyond the seminars.

A Steps course co-ordinator is employed to run the programme throughout Easington.

Acumen is an approved Learning and Skills Council (LSC) provider, accredited to deliver a range of qualifications, including City and Guilds Skills for Life (literacy and numeracy), City and Guilds Profile of Achievement and the Chartered Institute of Environmental Health's Level 2 in Hygiene in Catering. It runs a European Social Fund (ESF) project, co-financed by County Durham LSC, developing learners' literacy and numeracy skills.

Linked to the outreach approach, Acumen has been involved with setting up the *Easington Testbed Learning Community* (TLC) under the title 'Easington: Every Village a Learning Community'. This is part of a national government-funded programme to increase participation in learning how to use community development methods. The TLC initiative aims to support the capability of communities to develop their collective base of adult skills and learning, and link this to local opportunities, including employment. The idea is to encourage connectivity of learning – linking schools, colleges, businesses (including social enterprises) and the wide range of

skills development and informal learning. In this way different members within a community can both contribute to, and be helped by, the learning and skills of others.

Specifically, the Testbed Learning Community aims to:

- develop the engagement of additional larger employers in community-based programmes and mentoring
- help people to overcome barriers that prevent them from accessing learning and employment, and encourage them to use community venues and the services they offer
- engage with members of the community who are not currently being reached and help them to become less socially excluded
- provide one-to-one basic skills support to give individuals the confidence to progress
- make use of the Aim High Centres to promote the Learning Community.

Acumen has taken a lead in the delivery of the Easington TLC in collaboration with Jobcentre Plus, East Durham Business Service, Durham Local Education Authority Lifelong Learning Service and East Durham Partnership.

Employment

In the area of employment, the Acumen Trust is involved with developing outreach and community development approaches to delivering employability services. It is a partner in the high-profile Northern Way Flagship Pilot, *Aim High Routeback*, aimed at tackling worklessness and getting people on Incapacity Benefit back into employment. This receives £1.6 million funding from One NorthEast and is managed by Durham Primary Care Trust. It aims to complement the Jobcentre Plus Pathways to Work and is the first of three pilots, with others planned for Sunderland and Middlesbrough. The aim of Routeback is to gather information about effective ways of helping people leave Incapacity Benefit. Potential candidates attend an assessment to establish the severity of their health problems and their job goals. Community advisers (sponsored by Acumen) offer referral advice in relation to activities such as training, volunteering, further education and other activities that help to build confidence. The Aim High network of centres is used as 'drop-in centres' for potential beneficiaries (see the section on 'Examples of achievements' below).

Acumen was also awarded the contract from Jobcentre Plus in late 2006 to undertake the Reachout Team for Jobs. This builds on the previous work of the Action Team for Jobs initiative by engaging with people who wish to access the labour market but are faced with barriers (e.g. low skills, health/disability problems, being a lone parent, etc.). Set up in November 2006, it operates over the geographical area of County Durham, Sunderland and South Tyneside and uses a holistic approach to help individuals overcome their barriers and gain employment. The type of support offered is aimed at people who normally do not engage with the welfare to work programmes and is intended to break down the barriers clients face, including signposting to relevant initiatives, helping with interviews and application forms, and general counselling. There are four workers operating in West Durham and seven in East Durham.

Enterprise

Acumen has also been involved with supporting enterprise development through the use of the BizFizz model. The BizFizz approach was developed jointly by the New Economics Foundation (NEF) and the Civic Trust in 2001 to provide business support to people in communities experiencing economic disadvantage and to challenge the misconception that there is a lack of entrepreneurs and enterprising ideas in these communities. NEF and the Civic Trust have piloted and tested the approach in 13 communities across England.

The approach was piloted in four communities for two years from April 2001 to March 2003, with the support of the Small Business Service's Phoenix Development Fund. The areas were in Easington and Horden, County Durham; Jarrow, Tyne and Wear; Thetford, Norfolk; and Tuxford, Nottinghamshire. Within Horden and Easington, the Pathfinder has been involved with developing BizFizz using the Aim High Centres. A full-time worker has been employed by the Easington Action Team for Jobs and the worker identifies suitable training and residents in Easington Colliery. The Aim High Centre provides services such as basic skills support, information, advice and guidance and access to Connexions, community learning partners, outreach youth support and community education. To support these activities, the Pathfinder has established a grants and loans fund of £200,000 (£100,000 from the Pathfinder and £100,000 in matched funding) for supporting local enterprise.

Acumen also employs five *business coaches* who operate throughout East Durham from different locations to ensure good geographical coverage. The coaching business model is a fluid one with a number of distinct stages. This model defines the personal journey of individuals and evaluates success by the changes and choices

that people make. It is a person-centred approach, which recognises that starting a business is only one aspect of success. The model recognises the small steps that transform people's thinking and that personal success could come in the form of increased confidence, higher self-esteem, a change in attitude or a decision that starting a business is the wrong choice for them. It will allow the client to access, under personal guidance from the business coach, information and learning that will enable them to make a better informed decision on the future actions they should take. The primary responsibility is to accept where the client is and to enable him/her to overcome barriers and make decisions with appropriate support.

Acumen also plays an important role in the delivery of the Neighbourhood Management Pathfinder initiatives in the area of enterprise. It has worked closely with the Pathfinder in the establishment of ACE, a community business that offers sales, marketing and administrative support services to those interested in starting up their own local enterprise.

Outcomes and achievements

With regard to employment, between 2003 and 2006, Acumen claims to have helped 4,200 people into work, although detailed data on this was not available. In relation to numeracy and literacy skills, to date, 225 learners have left the 'Skills for Life' project and 183 have achieved their learning goals. The Test Bed has taken the lead in setting up workplace learning centres in 12 local businesses as part of the Employer Training pilot. In addition it has worked closely in setting up the Walkers Learning Centre, based at Walkers Peterlee site, which is an accredited adult numeracy and literacy test centre where employees and members of the local community can sit City and Guilds Certificates on line. The Walkers Centre recently won the Business in the Community 'Skills for Life' Award for Excellence. Equipment includes a suite of internet-connected PCs and a number of training rooms with interactive white boards and video conferencing. In addition, Acumen won a Learning and Skills Council Working in the Community Award and was awarded the Kitemark, which recognises high-quality informal learning.

It is perhaps in the field of enterprise development that Acumen has achieved its most transformational results. In its first two-and-a-half years, Acumen claims to have helped over 140 people into self-employment when, prior to Acumen, there were only five business start-ups each year in the area. Overall, 750 clients have used Acumen's business coaches and over 300 of them are now self-employed, including plumbers, joiners, electricians, cake makers, decorators, chiropodists, fitness instructors and complementary therapists. One area of success has been

the higher percentage of women setting up businesses in Easington than nationally. Another has been that many business premises have been brought back into use and the appearance of the shopping areas has greatly improved. A number of social enterprises have also been formed and are supported by Acumen. Acumen directly runs five enterprises in the area and is itself a social enterprise employing 55 members of staff with a current turnover of £2 million.

Acumen's positive impact on enterprise development led to it winning the North East Enterprising Britain Award in 2006, which recognised:

... its success in creating an all-inclusive strategy for enterprise. Acumen has successfully encouraged and supported people to develop their business ideas and stimulated an entrepreneurial culture in the deprived area of Horden and Easington Colliery, East Durham.
(DBERR, 2006)

Examples of achievements

Developing social enterprises

Acumen has assisted with the development of three social enterprises, a nursery, café and transport business. *Bloomin' Marvellous Landscapes* (BML) provides a landscape gardening service, which then subsidises a community plant nursery. According to one Acumen worker, the nursery:

... brightens the local area and makes it a better place to live and work by cultivating plants and flowers to fill the local planters and to sell to the community at reduced rates.

The business has been closely linked to the community activities of Acumen and has played a central role in both the design of and the supply of plants for the Bloomin' Marvellous events (Box 1). Bloomin' Marvellous received funding via Acumen and a plea was made on the programme *Fortune Million Pound Giveaway* for the 'good of the community', which produced a grant of £23,000 to fund the Bloomin' Marvellous event in 2008.

Box 1 Bloomin' Marvellous

Bloomin' Marvellous was conceived originally as a kind of garden festival and its development has 'had far-reaching ramifications'. It is an event that involves a community gardening initiative and has had the effect of galvanising the community, with volunteers working together to clean up and brighten the streets of Horden. In addition it has led to the formation of a social enterprise.

A second business is the *Green Leaf Café* located in Horden Welfare Park, which opened in 2005 and provides customers with 'healthy home-cooked food' as well as a meeting place for local residents. The manager of the Green Leaf Café has attempted to provide an educational role in terms of promoting healthy eating through the café's own cooking, menus and recipes, and it has received funding to promote its healthy eating campaign. It is now looking to diversify and extend its range of services into outside catering.

The third social enterprise is *Wheels for Work*. This comprises nine transport businesses, which provide a range of services, including forklift truck training, driving lessons, motorcycle car and bike maintenance, and scooter and van hire.

What is interesting about the establishment of the social enterprises and their sustainability is how those involved have developed their own roles through previous employment and training experience – all three managers of the social enterprises have now also obtained a Level 3 line management qualification. They all have close links to the day-to-day activities of Acumen Trust. However all the enterprises face issues relating to their future sustainability. Funding for the café runs out in 2007/08 and this will mean making adjustments to opening hours, making savings on purchases and doing more meals on wheels. Outside catering is being considered, although the business is too small to undertake large-scale events. *Wheels for Work* is contemplating becoming a private business that sells its services to local companies to undertake training, possibly in partnership with an existing haulage company.

Despite the successful establishment of these social enterprises, Acumen's Chief Executive admits that they are fewer than originally intended and that Acumen overestimated the capacity and ability of the local population to set up and run social enterprises:

... they have found that the dependency culture of the population has shown through.

Moreover, those social enterprises that have been established require a lot of support.

Aim High Routeback

Aim High Routeback is a 'flagship' pilot or 'demonstration project' funded by Northern Way and run by Durham Primary Care Trust in close partnership with Acumen. It aims to test whether it is possible to encourage Incapacity Benefit claimants to seek and enter work using an enhanced Pathways to Work model. While complementing the roll-out of the Pathways to Work programme in Easington, it strives to provide evidence to inform future policymaking decisions and hopefully warrant its own mainstream funding in the future. The project started in November 2006 and is due to finish at the end of March 2008. Aim High Routeback receives £1.6 million and employs 11 staff including a project manager, three health case workers, three employment advisers, three engagement staff and one administrator.

Routeback is seen as having the potential to change mainstream working practices in the same way as the Action Team for Jobs did with regard to Jobcentre Plus services delivered in communities experiencing high levels of deprivation. The project is designed on the basis that the voluntary and community sector (VCS) will embrace the engagement model and readily refer its clients to the project. As part of the Aim High network of organisations within the District, the Primary Care Trust (PCT) has been encouraged by the interest shown locally by the VCS and its endorsement of the project. This network is likely to be the 'gateway' for many clients and the project manager has been invited to become part of the Aim High steering group. In return, the chairperson of Aim High is part of the project's executive group.

The PCT links into all its internal networks to publicise the project and capitalise on the 'Aim High' network. At present, Jobcentre Plus IB pilots are recruiting to their 'condition management' programme via mandatory interviews, self-referral and referral from community advisers, although numbers from the last two groups are low. Routeback is seen as the first project to utilise the influence of the PCT, its staff and its contractors (GPs) and community and voluntary groups within the Aim High network to recruit potential IB clients who wish to return to the labour market. According to a PCT official, research shows that this client group trusts health professionals, the voluntary sector and a community network such as 'Aim High' more than the Government and its agencies and, as such, may be more receptive to the programme on offer. Referrals are also accepted from participants themselves and a leafleting campaign has accompanied the introduction of the service in addition to regular press articles (see Box 2). Acumen plays an important role in

ensuring that the Aim High Centres facilitate engagement by hard to reach groups with the Routeback services. By May 2007, 300 people had contacted the project, 250 people had joined the programme and over 70 people had started work. In addition 12 clients are in supported work.

Box 2 Aim High Routeback client profile

John used to work in the shipyards and spent 11 years on Incapacity Benefit suffering a nervous breakdown. After hearing about Routeback, he applied to join the scheme and received occupational health support, in addition to health and employment advice. John was one of 45 people who applied for four health trainer posts with Easington Primary Health Care Trust. He was successful with his application and has received part-time training in terms of helping people and community groups with health issues such as diet and stopping smoking. Prior to his contact with Routeback, John had tried for three years to obtain employment but without success.

Aim High Routeback has been a unique project in that it has been initiated and managed by the Durham Primary Care Trust, with health service professionals providing personal adviser roles so that health barriers to employment are seen as a priority. This is the key to its success, although there are questions about whether funding will be made available to continue the service when current funding finishes in 2008.

Challenges and barriers

It is possible to identify two (interrelated) barriers to Acumen's performance and development. One relates to its capacity to sustain its organisation, staffing, funding and expertise to deliver complex and specialist services and programmes in a highly competitive environment. The other relates to the challenges thrown up by deep-rooted economic and social problems in the area in which Acumen operates.

Too great an emphasis on supply-side policies

Organisations such as Acumen, according to one senior worker, encounter difficult and complex labour market conditions. A recent study has suggested that, although there has been a 'turnaround' in the economic fortunes of coalfield areas, there are

important caveats in relation to interpreting these changes (Beatty *et al.*, 2005). First, job placement itself tends to be in low-paid service and public sector activities. Second, new jobs that were traditionally viewed as women's work are now being sought after by men, thus increasing competition for them. Third, problems of large-scale unemployment have long-term roots that date back over decades. This underlines the importance of a more demand-oriented regional policy to balance the current focus on employability frameworks. A senior local government officer interviewed for the project suggests that the East Durham Local Economic Growth Initiative may stimulate business investment, but there is a strong view in the local policy community that more inward investment is needed to support the small businesses with which Acumen engages.

Lack of employer engagement with people with disabilities

Acumen advisers have identified that placing people into employment can be affected by employer attitudes to people with disabilities. According to Jobcentre Plus, 80 per cent of people in the North East on Incapacity Benefit have some form of secondary mental health problem and depression. However, as one adviser pointed out:

In the past many employers didn't want to know about recruiting long-term unemployed, ex-offenders, etc.

And as another stakeholder commented:

Employers are more reluctant to employ them compared to those who are physically disabled because they associate mental health problems with violent behaviour.

This point is underlined in the response of Voluntary Organisations' Network North East (VONNE) to the Department of Work and Pensions (DWP) Green Paper on Welfare Reform:

The Government must focus on the role of employers in the worklessness agenda. A survey of employer attitudes in the North East conducted by Jones and Coates last year highlighted the need to change employer perceptions of people with health problems and disabilities. Some of the respondents believed that people on Incapacity Benefit were physically disabled, unable to drive, from residential areas to be wary of, often incapable of handling money, have modest skills and not genuinely ready for work. Effort must go into changing these attitudes.
(VONNE, 2006)

However, an Economy Group established within East Durham Local Strategic Partnership, which included the council, college, Learning and Skills Council and Jobcentre Plus with a business broker, did initially have some positive impact on the private sector:

Once this scheme ended, services reverted to the local authority and as a result, businesses became disengaged. There was also a Business Forum (including joint procurement work) but this has now lapsed. (VONNE, 2006)

While it is recognised that reluctance to employ people on IB may be related to discrimination, it is also apparent that reasons may be more subtle, such as risk averseness and lack of understanding about what physically disabled people and those with mental health problems can do. As one interviewee pointed out:

Many people on IB and who have been out of work for a considerable period have rich and varied work histories and skills to offer.

Overcoming barriers to enterprise and employment in deprived communities

Acumen's business coaches have identified numerous barriers that the people they are assisting face, which affect Acumen's capacity to meet its performance targets in relation to enterprise development programmes. The most important are:

- *health problems* covering a wide range of ailments, the most common being mental health problems and back problems for people on Incapacity Benefit; however, they can also include problems related to different forms of substance misuse, including drugs and alcohol
- *childcare and caring for other family members*, including issues related to the availability of childcare, its cost and shortage of jobs providing family-friendly working arrangements
- *lack of skills* including basic skills, job specific-skills, confidence and personal and social skills
- *accessibility and transport* including personal mobility issues as well as low car ownership rates, poor public transport and low levels of access to services that can help people to overcome barriers

- *cultural and motivational barriers* including ‘second-generation unemployment’ where unemployment is the norm in some households, negative attitudes to undertaking certain types of work and a lack of trust in the benefits system
- *financial and debt problems* experienced by unemployed people
- *the informal economy*, which can exercise a strong pull factor for some people who are unemployed
- *records of offending*
- *benefits system rules*, which affect the way people go in and out of the labour market and include the ‘benefits trap’ during the transition into work.

The coaches have stressed the importance of interagency working to tackle these barriers. A key challenge is therefore to overcome the lack of joined-up/interagency working that exists in relation to enterprise development, employment and training. The role of Local Strategic Partnerships is seen as important here, but other forms of interagency working also need to be addressed.

Short-term and unsustainable funding for community engagement activities

The growth of Acumen has arisen primarily from the Neighbourhood Renewal Fund and activities of Easington Colliery and Horden Neighbourhood Management Pathfinder. In the risk assessment as part of the Combined Strategic and Delivery Plan 2006–09 for the Pathfinder, a series of issues were raised:

Withdrawal of expected monies would prejudice programme viability and credibility.

Uncertainty over LAA (Local Area Agreement) funding regime and the ability to undertake proper forward planning based on agreed budget.

The new single pot LAA regime presents significant threats and opportunities to the NMP operational budget.
(Easington Colliery and Horden Pathfinder, 2006)

In order to mitigate these threats, it is seen as important to align the Neighbourhood Management Pathfinder (NMP) to the Local Area Agreement (LAA) priorities and achieve better integration with the LEGI. The Reachout Team for Jobs ‘co-financing’

contract with Jobcentre Plus relating to outreach work provides considerable opportunities for Acumen to do what it does best – engage with hard to reach clients. However, this service is not a net addition to existing provision for hard to reach groups because, in many respects, it fills the gap left by the demise of the Jobcentre Plus Action Teams. As one Case Worker observed:

We have gone from being the Action Team (and we were part of that) who worked in the area and have gone and now we are selling the Acumen name and people are saying ‘who are they?’ I think that it takes time and, even there, you go into community centres who have had dealings with the Action Team and you have got that barrier to come across ... and we do not have the resources that the Action Team had. I really don’t think that the Action Team was finished properly ... it did not have a proper exit strategy, and the feeling in the community is that they thought the Action Team was going to go and then be resurrected.

The level of resources to tackle the deep-seated problems of deprivation and the short-term nature of funding remains a constant issue, particularly with respect to community-based outreach activities that are relatively expensive to run. This is well exemplified by Aim High Routeback, which was established initially as a pilot, and in a relatively short time is now making an impact in the area and reaching people who would not qualify to join Pathways to Work. Yet this type of community approach is set to be discontinued in 2008, just after it has become established. Given there is also a substantial winding-down period, as one interviewee pointed out: ‘Routeback will need to stop taking on new clients by the end of the year’ unless alternative funding via County Durham Primary Care Trust can be arranged.

Routeback also demonstrates the problems of uncertainty that arise because of the difficulties of co-ordination between government departments. As a joint initiative between the Department of Health and the Department of Work and Pensions, it may become the victim of the differing objectives of the two departments. By bringing people off benefits there are obvious savings to the DWP, but the savings on health are more difficult to quantify. Given current pressures on health spending, this type of scheme is not seen as a priority, although there are cogent arguments that the ‘condition management approach’ offered by Routeback provides preventative health intervention and, as such, may reduce pressures on other health services – in particular, prescription drugs.

Barriers to engaging IB claimants and unemployed people with welfare to work programmes

One of the difficulties faced when signposting and persuading people to approach the Jobcentre Plus is that many people have negative attitudes and resistances to dealing with public authorities and certain Jobcentre Plus Offices, as some staff reported. Recent research in Easington involving focus groups of IB claimants found that:

Some staff in Job Centres also give out negative messages to claimants and are thus not seen as approachable or helpful. Such negative attitudes were identified by staff working from within Jobcentre Plus and by other participants who came into contact with Job Centre staff through the course of their work. Such attitudes were seen as reinforcing stereotypes; they are also seen as feeding the problem of high levels of Incapacity Benefit claims in Easington. As a result of these negative attitudes, people often end up being passed around the system and being referred to potential sources of support inappropriately. This can lead to confusion and can also mean people give up trying.

(Crosland, 2005, p. 9)

Competitive tendering and welfare to work

Within a relatively short time, Acumen has developed the ability, credibility and know-how to bid for large contracts. However, the current challenge and perhaps dilemma for Acumen is how it can build on its strengths and retain its role in assisting people who are experiencing problems of poverty and deprivation, given the current changing policy landscape within the region and at a national level. As one of its staff points out:

The contracting process is often long and complex and places huge demands on contractors both in terms of the preparation of tenders but also in the financing of the delivery. At present we have very few VCS organisations in the region that are capable of bidding for and gaining a prime contract. The public sector is therefore contracting with large national organisations that do not have a particular commitment to the region and very often do not have a delivery base in the North East. The Regional Strategic Employability Group is supportive of growing the capacity of the VCS in the North East to become prime contractors.

Changes are currently occurring in the procurement process and the way contracts are put out to tender by the DWP, favouring larger consortia. The Voluntary Organisations' Network North East (VONNE) sees this as a threat to the VCS involved in welfare to work programmes:

Jobcentre Plus must ensure that its procurement process allows the VCS to fully participate. The DWP and Jobcentre Plus are under pressure from some larger providers to exploit economies of scale in procurement by rationalising the number of contracts. We fear that fewer, larger contracts will 'squeeze out' many smaller community active labour market schemes. (VONNE, 2006)

Organisations delivering services that are *not* originally based within the region and localities do not have the same commitments or set of accountabilities as those organisations that have grown out of local community responses to deprivation.

Conclusions and future developments

The Acumen Trust is a rapidly growing organisation that has successfully mobilised resources from a wide range of funding sources. It operates on the basis of needing to grow to survive and consequently has many plans for further diversification. These include: the development of a centre of excellence Enterprise Centre, with negotiations currently in place to secure the old colliery school building in Easington Colliery; a project to provide affordable housing in collaboration with Centrepoint and Accent Housing; and a proposal to establish a youth-based social enterprise that will employ local young people. However, there are fears that Acumen is growing too fast and the key challenge is to sustain growth in its core functions and activities. In this respect, the Durham LEGI will be an important source of funding for the business coach and enterprise support activities.

Acumen's successful development is to a large extent the result of its close links to One NorthEast Regional Development Association (RDA) and in particular to the Regional Employability Framework, allied to its strong local foundations. As an important player in a variety of partnerships at the regional, sub-regional and neighbourhood level, Acumen has been able to shape the policy agenda and realise funding opportunities. In this respect, the development of governance arrangements at the North East regional level has undoubtedly helped its development. It has been able to link into traditions of partnership working within the region, particularly through the focus of work around employability, which was promoted via the Northern Way pilot. However, the organisation's success can be attributed also to a dynamic

and enterprising Chief Executive who has been able to exploit opportunities for delivering employability services in an increasingly cut-throat and competitive environment. In the words of one interviewee:

She has brought hope to the Easington area – people had lost hope but the work of the Acumen Trust is helping to restore it.

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Organisations interviewed

Acumen Trust

Jobcentre Plus North East Region

Durham Learning and Skills Council

Easington and Horden Neighbourhood Pathfinder

Easington District Council

One NorthEast Regional Development Agency

East Durham Local Strategic Partnership

Durham Primary Care Trust

2 CPR Works, Camborne, Pool, Redruth Regeneration, West Cornwall

Introduction

CPR Works is a relatively small employment project linked to CPR Regeneration, which is an Urban Regeneration Company that was formed in 2001 to regenerate a former tin-mining and industrial area in West Cornwall. While there is a strong emphasis on physical regeneration, concentrated on a number of brownfield sites, the aim has been to adopt a more 'people-based' approach, which aims to link opportunities to community needs. CPR Works seeks to ensure that the new employment opportunities resulting from inward investment and business expansion are used to address the employment needs of the local community, particularly the long-term unemployed and those on Incapacity Benefit. A distinctive feature of this pilot initiative is that it tries to integrate the demand and supply sides of the labour market. By adopting a partnership model of working, it brings together sub-regional and local agencies, and includes representation from the private sector.

Socio-economic background

Social deprivation

West Cornwall, comprising the local authority districts of Kerrier and Penwith, is not only the most peripheral part of the South West region (with the exception of the Isles of Scilly) but also the most deprived part of Cornwall and the South West region as a whole (Penwith, ranked at 56, being the most deprived local authority area in the region). Kerrier was ranked 87 out of 354 local authorities on the 2004 Index of Multiple Deprivation (ODPM, 2004) and, within Kerrier, the two most deprived estates, Pengegon (Camborne South ward) and Close Hill (Redruth North ward), are both ranked within the 10 per cent most deprived wards nationally (West Cornwall Together, 2006). It is a low-income area, with average incomes in April 2006 in Kerrier being £337 per week (the third lowest local authority for weekly pay in Cornwall, where the overall average weekly pay was £348) compared with £450 nationally (ONS Annual Survey of Hours and Earnings [ASHE], 2006).

Labour market change

The Camborne, Pool and Redruth (CPR) conurbation in Kerrier has a combined population of 46,750. The processes of deindustrialisation over the last three decades have seriously impacted on the local economy and the employment prospects of the working-age population. Traditionally, this area housed the workers from the tin mines and associated manufacturing industries, particularly engineering, but the mines have now closed (the last tin mine at South Crofty closed in the mid-1990s) as have many of the larger manufacturing plants.

A decade ago, the unemployment rate in the CPR area was almost 7 per cent (compared to just over 5 per cent nationally) but, in recent years, it has moved closer to the national average, falling to 2.4 per cent (compared to 2.1 per cent) by November 2004. There are currently around 600 unemployed people on Jobseeker's Allowance. However, while unemployment has come down, there are high levels of economic inactivity within the CPR area, with a further 5,500 people who are not in employment but who are claiming benefits (e.g. Incapacity Benefit). Therefore, there is a large pool of jobless people who are potentially available for work, most of whom are likely to require varying degrees of assistance in order to re-enter the labour market. In 2005, 5.9 per cent of the population of the CPR area was claiming Incapacity Benefit (IB) compared with 3.2 per cent in the South West region and 3.9 per cent in England as a whole (Amion Consulting, 2005). And, by May 2006, 13.6 per cent of the CPR working-age population (aged between 16 and 59) were claiming IB/Sickness Disability Allowance (SDA), according to the NOMIS IB/SDA count.

A recent audit of skills among the population of the CPR area (Hughes and Opie, 2006)¹ found that the sectors in which the highest number of unwaged participants had previous experience were catering/hotel/bars/cleaning and retail/selling/buying. In terms of job preferences, there was still a clear gender split between men who preferred jobs in manufacturing, engineering and distribution and women who preferred social work and the care sector. The study found that the most frequently mentioned barrier to work was caring for children (a third of interviewees) and just under a third mentioned not having the right skills. A fifth cited health problems (mostly men), just under a fifth mentioned having no money to train (mainly young unemployed) and just over a sixth said transport was a barrier.

As well as the high level of worklessness within the CPR area, another concern is the extent to which the existing workforce has the skills sought by new employers moving to the area. Analysis based on 2001 census data indicated that a relatively high proportion of the working population of the CPR area is in occupations likely to decline (particularly administrative, clerical and secretarial services, skilled trades,

machine and transport operatives, and elementary occupations) and far fewer are in those expected to grow (managers, professional and technical occupations, and sales and customer services), leading to the conclusion that this is likely to be a constraint on future business growth and could undermine the success of attempts to regenerate the local economy (Amion Consulting, 2005). Recent business surveys in the CPR area have indicated that employers' skill requirements are dominated by employability skills, especially communication skills, people skills and IT skills (CPR Regeneration, 2005, 2006).

Currently, the largest employers within the CPR area are public sector organisations, notably the local authorities, police, the health sector, Jobcentre Plus and Cornwall College. A recent relocation into the area has been Consumer Direct, which is a contact centre that is part of the Department for Business Enterprise and Regulatory Reform (DBERR, formerly the Department for Trade and Industry [DTI]) and employs 40 people. The largest private sector employers are Roach Foods (part of the Tulip Group) with a workforce of 550, and Contico, a plastic moulding company with 100 staff. There are several other firms, each employing around 100 people, including a printer's, a furniture manufacturer and a creamery. Apart from these, the majority of businesses are very small. The most recent count of enterprises registered for VAT and PAYE indicates that more than 78 per cent of them have fewer than five employees in Kerrier, compared to 75 per cent in England as a whole.

Project description, rationale and aims

CPR Regeneration

The Camborne, Pool and Redruth Urban Regeneration Company (URC), known as CPR Regeneration, was established in December 2002 with the task of physically regenerating the seven most deprived wards in North Kerrier.² Unlike the original pilot URCs in other regions, which centred on an unpopulated area comprising large brownfield sites, CPR Regeneration covers an area with an existing population interspersed with brownfield sites.

Following the closure of South Crofty Mine in Pool, growing local concerns and protests about the lack of jobs in the area led to the creation of the Camborne-Pool-Redruth Partnership Advisory Board. The membership of the Board included local community representatives, local councillors, the local MP, South West Regional Development Agency (SWRDA), the Prince's Foundation and representatives of local colleges. Discussion of ways of attracting investment and employment to the area led

to the conclusion that no single existing agency had the remit or priorities to deliver the necessary projects. The Partnership Board subsequently published an Urban Framework Plan in 2001 including physical plans for the regeneration of key sites and suggesting the creation of a URC to bring the funders together. In its first year, CPR Regeneration commissioned separate master plans for several sites such as the Camborne Industrial Area and Pool Area (where much of the brownfield land is), as well as undertaking a more in-depth study of the local economy.

Like other URCs, CPR Regeneration is concerned with bringing together a range of regeneration players with a view to attracting private developers and investors to the area. A third of its funding comes from SWRDA, a third from English Partnerships, with the remaining third being evenly split between Kerrier District Council and Cornwall County Council. SWRDA is prioritising delivering workspaces for businesses and offices, and wants to transform the area into a 'knowledge economy' based on key sectors such as marine and ICT, with a view to attracting higher-skill jobs to the area. It also emphasises the importance of skills development to increase productivity within the local economy. English Partnerships prioritises the reuse of derelict land and housing development.

Initially, in common with other URCs, CPR Regeneration's work was not focused overtly on the needs of local people, but there was a growing concern from various community groups and interests that it would be in-migrants rather than the local population who would benefit mostly from new job creation. For example, members of the Local Strategic Partnership (West Cornwall Together) had discussions with the then Chief Executive of CPR Regeneration about their concern that local people would be left out of the regeneration of the area and the need for planners and regeneration practitioners to understand the characteristics and dynamics of the various communities comprising the CPR area; in the words of one interviewee:

... it always seems easier to do the physical stuff whereas the community side is more complex.

CPR Works

The origins of CPR Works (CPRW) therefore lie in the consensus that emerged between CPR Regeneration and other local organisations about the importance of ensuring that local people, including the most disadvantaged would benefit from the jobs created as a result of new business investment to the area. In other words, it was seen as a way of maximising the benefits to local people, particularly those experiencing social and economic exclusion, of existing and planned inward

investment and related regeneration initiatives. CPRW was set up as a policy experiment alongside an associated initiative called CPR Skills. It was started through a seconded post from Jobcentre Plus, but this led to a small team being appointed to manage and deliver the initiative.

CPRW focuses on the labour market issues affecting the residents of the seven most deprived wards in north Kerrier and is aimed specifically at assisting jobless people into work. It is believed that many of these people need external assistance to help them back into work and that some will be able to do so. This is dependent on them receiving appropriate training and support to overcome basic skills deficiencies and barriers, such as lack of self-esteem and confidence, as well as concerns about travel to work issues and loss of benefits (e.g. issues of whether employment will involve an initial loss of benefit income, or is simply not worthwhile, as the person will be financially no better off).

CPRW is modestly resourced, with a budget of £264,000 to cover staffing (comprising the project manager, an employment engagement co-ordinator, training co-ordinator, employment support/welfare co-ordinator and administrative support) and a further £89,000 for its Back to Work fund, for a 20-month period, which started in April 2006. It is funded from the European Social Fund, under the co-financing arrangement administered by Cornwall Jobcentre Plus, and has been tasked with assisting 200 people resident in the CPR area who are either on Primary Benefits (i.e. Incapacity Benefit) or have been unemployed on Jobseeker's Allowance (JSA) for at least 12 months, including the partners of those who are eligible. Out of the 200 contracted to receive assistance, the target is for 80 to receive job qualifications and for 50 to go into employment of at least 16 hours per week, giving a combined target of 130 individual outcomes.

CPRW is described by the project manager as seeking to overcome the multiple barriers to work often facing its clients by means of an outreach and client-focused approach that is sensitive to the needs of each client. Clients are initially met at whatever location works best for them, which may be their own home, Jobcentre Plus offices, community centres or CPRW's own offices. CPRW has been promoted via networking with local organisations and advertising using local press and promotional flyers to target neighbourhoods and key community areas.

Unlike some previous initiatives focused on assisting the transition from unemployment into employment, such as Pathways to Work run by Cornwall Neighbourhoods for Change, the prime focus of the CPRW project has been to integrate the demand and supply sides. As well as focusing on the needs of clients, it engages with local employers to establish their vacancy requirements and how

these might match the skills of jobless people. It actively involves employers in the programme and it is the role of the Employment Engagement Co-ordinator to liaise with existing and new employers to try to make these links. This might involve arranging placements where employers can try out clients without the client losing their benefit status or delivering specific employer-led training. Another distinctive aspect of ESF co-financed projects is the Back to Work Fund, which can provide bridging finance for purchases of equipment, clothing, childcare and transport to help people start work, and to cover the gap between coming off benefits and the first wage packet.

The CPRW steering group also acts as the steering group for the CPR Skills initiative, an LSC-funded programme aimed at identifying the skills need for employees of local small to medium-size enterprises (SMEs) (LSC/ESF funded via the Local Learning Partnership). This also helps with the process of identifying vacancies and opportunities for work. It comprises 11 members, including the business broker from West Cornwall Together (the LSP), the community regeneration manager from SWRDA and three local employers covering the care sector, a local radio station and a developer, some of whom are also involved with other regeneration initiatives in the area. A local care home owner first became involved with CPR Works as a representative for Redruth Chamber of Commerce and a member of West Cornwall Together. In her own words:

... it is the same people on everything around here, as a lot of business people do not have time, particularly if they run self-employed businesses with no other staff.

In addition to members of the steering group, one local employer interviewed, who runs an arts and graphics retail business, became involved as a result of her work with the Federation of Small Businesses and West Cornwall Together. Among other responsibilities, she is a CPR Regeneration Board member, and works closely with the project over a range of areas.

Engagement with employers

Role of the Employment Engagement Co-ordinator

In trying to interest employers in the CPR Works initiative, the Employment Engagement Co-ordinator draws on her previous experience at Jobcentre Plus in working with employers in particular sectors. This involves forming links with

employers, exploring where skills gaps exist and seeing how CPRW can overcome local skill shortages and recruitment difficulties, while at the same time assisting CPRW clients into work locally. She sees part of her role as educating local employers who often cannot understand why they experience recruitment difficulties when so many local people are out of work. She also receives updated information about job vacancies from Jobcentre Plus and sends out a weekly letter to local employers asking for their recruitment updates. Various avenues are used to try to interface with business owners and managers, including presentations to the West Cornwall Business Network (which has a membership of around 800 businesses) and to the Joint Chambers of Commerce meeting. The focus is on businesses located in the CPR area rather than those elsewhere in West Cornwall or Truro. According to interviewees, CPRW clients are unlikely to want to travel more than a mile or two and longer distances by public transport would be unaffordable on the low wages paid by most employers. This aspect also fits in with the wider aim to encourage the development of sustainable communities.

Targeted sectors

The approach adopted is one of targeting employers within those sectors that are experiencing recruitment difficulties on the one hand, and providing suitable employment for those experiencing long-term unemployment and economic exclusion on the other. One sector that has been identified as having growth potential and a high demand for staff locally is the care industry. This led to CPRW running a 'Care Industry Day' with the intention of involving employers from the sector, the local college and Jobcentre Plus. This was followed by a two-week programme of key short courses, including health and safety, food hygiene and first aid, in order to enable local jobless people to upskill into this sector.

Construction has been identified as another sector that is going to experience substantial job growth as a result of CPR Regeneration's physical regeneration plans for the local area. The proposed Construction Initiative will involve working with Cornwall College and construction companies themselves to introduce suitable training schemes and guaranteed interviews in order to help local people enter the industry and benefit from the jobs that will be created. Some CPRW clients already have relevant skills and require updated 'top-up' certification in order to get back into work. It is recognised that the training needs to be done in advance of most of the jobs appearing, to avoid them being filled by 'outsiders' and workers that the construction companies may want to 'bus in' from elsewhere.

A third sector that has been identified as showing some growth locally is retail. The recent opening of a Tesco's Extra store in Pool led to the organisation of a job preparation course. CPRW intends to tap into the community development requirements of section 106 planning agreements to ensure that steps are taken to interview and appoint some CPRW clients in future retail and related developments.

Apart from construction, rather than delivering specific qualification-led courses, CPRW delivers more generic-style training aimed at improving clients' chances of employment in a variety of settings; for example, the Customer Care course aims to help clients applying for jobs in retail, telesales, customer services and reception work. Employers have been directly involved in the design and delivery of the courses.

Arguably of more relevance to the needs of those who have been out of work for many years and are lacking in basic and specialist work-related skills is the possibility of employment in the voluntary/community sector. The CPRW team recognises that this sector can provide an important first step (back) into the workplace and West Cornwall has a sizeable voluntary service/non-profit sector. It is therefore concerned with raising people's awareness of the opportunities that exist in this sector, e.g. for volunteering as a first step and what it can lead to.

Partner organisations

Other stakeholders

A key stakeholder of CPRW is *Jobcentre Plus Cornwall* – the principal funder – which has drawn on Objective One ESF monies and its own discretionary funds. The CPRW Project Manager describes the JCP as 'forward looking' and has a good relationship with them. JCP seconded one of its own Action Team for Jobs managers to set up CPRW and she subsequently became the Employment Engagement Co-ordinator. On a practical level, the local Jobcentre Plus Incapacity Benefit officer works closely with CPRW's Training and Employment Support Co-ordinators and, over the first six months of the initiative, referred between 15 to 20 IB clients to CPRW. CPRW is seen as helping to address the training needs of IB clients, especially now that Jobcentre Plus is unable to provide training directly.

As one of the main funders of CPR Regeneration, *SWRDA* provides support for CPRW through its representation, via its Community Regeneration Manager for Cornwall, on the joint steering group with CPR Skills. However, SWRDA's interests

appear to sit more comfortably with the work of CPR Skills, particularly as they relate to the skills needs of new and micro businesses, than to that of CPR Works.

The Local Strategic Partnership, *West Cornwall Together*, focuses on the 10 per cent most deprived wards in both Penwith and Kerrier districts, with a concentration of its resources on the four worst housing estates, two of which (Redruth North and Pengegon in Camborne) come within the CPR area. Although West Cornwall Together (WCT) was originally set up with Single Regeneration Budget funding from SWRDA, the bulk of its funding has come from the Neighbourhood Renewal Fund (NRF), with about £2 million in total in 2005 (about £1 million allocated for Kerrier). However, since the 2004 revisions to the Index of Multiple Deprivation, none of the wards in Kerrier falls into the worst 10 per cent nationally, so there is now less funding available, decreasing by one third in 2006 and a further third in 2007. WCT has a number of working groups of which the 'Economy and Enterprise' group has a mandatory requirement to tackle 'worklessness' and to focus on the most deprived communities. CPR Works is regarded as 'an ideal partner' by WCT in addressing this issue in the two targeted estates within the CPR area. It is seen as providing an extra level of focus and support, with a more in-depth and flexible approach to engaging with individual workless people than that of other agencies. The WCT business broker will help to bring a small-business dimension to CPRW's work, for example in helping to match employer expectation to the potential and needs of the local labour market. Joint working between WCT and CPR has been made easier by the co-location of the two organisations in the same building.

The other main stakeholder is *Kerrier District Council*, which provides a sixth of the funding for CPR Regeneration. With regards to CPRW, the main linkages are with the Council's Community Regeneration Team, which focuses on a number of community development projects on the most deprived estates and across North Kerrier. On the Pengegon estate, for example, NRF funding is being used to appoint a Neighbourhood Manager and the possibility of a new community building is being investigated. This could help facilitate closer integration between, for example, community health services and the kind of help CPRW can provide in accessing training and employment.

Related initiatives

Given that worklessness is often associated with physical or mental health problems, a criminal record or family breakdown, CPRW aims to work with a number of other agencies in the CPR area so that those seeking to enter the labour market receive the other kinds of support that they require. It also means that CPRW refers

individuals to other agencies when it feels unable to help (e.g. when an individual has a drug problem that needs to be sorted out first) and vice versa. CPRW has also identified local voluntary sector and community-based organisations that can help find and assist the targeted workless/jobless people. 'Link into Learning', which is an adult-based learning agency that also assists people onto support schemes dealing with housing problems and substance abuse, is one such organisation. CPRW adds value through focusing specifically on getting people into work; in the words of the project manager:

... an overarching add-on service ... working with other established organisations in the local area.

An example of a voluntary organisation that CPRW operates alongside is *Gwellheans*, which specialises in providing support to people suffering from drug or alcohol abuse. Using ESF money, Gwellheans runs a Cornwall-wide Progress to Work programme aimed at those who are looking to move forward and to go into training and/or gain employment. Clients have to be unemployed people (although not necessarily on benefits) and recovering from drug abuse. Some of Gwellheans' clients have been referred to CPRW in order to go on the six-week self-esteem course or to obtain first aid and health and safety certificates.

A second example is *New Connection*, a church-based organisation that provides crisis accommodation for homeless people and day centres for the socially excluded, tackling issues of mental health, solvent abuse and the rehabilitation of ex-offenders. New Connection is also starting a job club, including ICT training funded through ESF monies. The project manager estimates that only about 5 per cent of its clients are 'job ready', most of them being a long way from being able to get back into work. In fact only 8 per cent of its clients in the six months prior to the interview with the Client Development Co-ordinator had entered employment, whereas 31 per cent had gained access to training and 16 per cent had been referred to CPR Works. A number of New Connection's clients had taken the self-esteem course run by CPRW. For example, one client that New Connections was helping with his drinking problem became very committed to CPRW's self-esteem training and also attended a number of other courses. As a result, his likelihood of a successful job outcome is now considered to be high and he wants to go into care work to help younger people suffering from disabilities and substance misuse. He is now being referred to CPRW so that he can be provided with the practical job training support and requirements to get into work.

Project analysis

Client outcomes

At the time of the interview with the project manager, eight months since the start of the CPRW project, 70 people had started on the programme, of whom eight (11 per cent) had gone on to start work. A further 30 people who either contacted CPRW direct or were referred by other agencies were ineligible for CPRW assistance because they lived outside the area or were on the wrong benefits. Some clients are further away from being ready to enter the labour market than others, but most have gone onto training and support schemes, including the six-week self-esteem course. Others have specific needs that can be facilitated more readily, allowing them into employment. For example, CPRW was able to assist a motor mechanic who had become disabled and unemployed and had been referred to them by Jobcentre Plus by providing travel funding for him to attend a course in Exeter to train as an MOT supervisor. CPRW has also been able to help other clients in obtaining HGV licences and accessing training to become forklift truck operators.

In July 2007, CPRW was able to provide further evidence of its achievements. By this time, CPRW claims to have achieved its target of 200 clients, 45 of whom (23 per cent) had been found jobs. Just under a half of them (49 per cent) had been out of work for less than 12 months, while a quarter (24 per cent) had been out of work for three years or more. Interestingly, 40 per cent were lone parents, perhaps indicating that the kind of support provided by CPRW is particularly helpful to women with young children who are looking to return to the labour market.

Employer engagement

The Employment Engagement Co-ordinator reported that there had been a mixed response to CPRW from local companies. A few firms clearly understand the purpose of CPRW and are willing to co-operate closely with the Employment Engagement Co-ordinator to employ its clients and provide job placements. One of the most positive responses CPRW has received has been from a local property development company, employing around 250 people in a range of IT- and property-related activities. Other firms seem to have difficulty appreciating the kinds of problems that CPRW clients face in returning to the labour market, such as those firms that readily provide details of vacancies but with a high expectation of CPRW being able to fill them with suitable people more or less immediately. The most reluctance tends to be found among owner-managers of small businesses because

of the risks involved in taking on someone with a poor work history, given the impact it could have on the rest of the workforce if it does not work out.

With regards to the Care Industry Day (see section on ‘Engagement with employers’ above), 16 care-related businesses participated (including care homes and related agencies) but the response from the public was low, with just 25 people attending, not all of whom were eligible for CPRW assistance anyway, according to one of the care home managers who attended. One client received a job offer in the sector, but did not take it up, as they were more interested in moving onto a course related to another sector. Two other clients were described as progressing towards working in the sector. Despite this being one of CPRW’s target sectors, the interviewed care home owner (who was also a member of the CPRW steering committee) was sceptical about the suitability of this sector for most CPRW clients. This was partly because care homes had to be particularly careful about who they employed, making it unlikely that they would take on an ex-offender or someone with a history of substance abuse, and partly because the nature of shiftwork undertaken in care homes does not lend itself to lone parents or people with children but without an extended family support network.

Views of partners

As might be expected, most of the interviewed stakeholders were very supportive of what CPRW was trying to do and felt it was developing an approach that was distinctive from that of other initiatives aimed at workless people. For example, the Jobcentre Plus interviewee considers the CPRW model to be better than previous ‘pathways to employment’ initiatives because it aims to engage local businesses in the process based on the idea of ‘business champions’ to encourage employers on board. Other interviewees also highlighted the work with employers to seek a skills match as a distinctive aspect of CPRW’s approach, seeing it as being more likely to provide longer-lasting outcomes than the quick-fix solutions and ‘ticking the box’ approach of some previous initiatives:

... it is the bridge between employers and workless people that did not previously exist ... at least, in such a specialised, in-depth manner.

CPRW is seen as being a more focused initiative that breaks out of some of the limitations of mainstream approaches in tackling the barriers to work.

However, the experimental nature of CPRW’s approach was also accepted. In the words of one interviewee:

... there is a lot of learning to be done and CPRW's activities offer an opportunity to do this.

While a lot is known about why people may not be able to work (e.g. they are on health benefits), less is known about how many of these people will be able to work. The CPRW model, therefore, is seen as a good model to test out the extent to which it is possible to match employers' expectations of the labour market with the work capabilities of the current workless. It is also recognised that the challenge is to involve a wide range of employers in the initiative, rather than just the 'usual suspects'.

CPRW's Back to Work Fund was also highlighted as an important and distinctive feature by several interviewees, as this could help individuals with the costs of accessing training and also funding the transition from coming off benefits into the early stages of employment. The ongoing nature of the support provided to individual clients was also welcomed, this being seen as crucial to building up trust and confidence. The interviewed advisers in a voluntary sector agency particularly liked the sympathetic way in which the clients that they referred to CPRW had been treated, commenting that their clients tended to be daunted by having to deal with officials, but felt more at ease dealing with CPRW advisers. The Jobcentre Plus IB Employment Adviser also commented that the clients she had referred to CPRW valued the 'customer-oriented' and helpful approach of the advisers.

While most of the comments from the interviewees were positive and supportive of CPRW, one of the employers interviewed felt that the client group was too narrowly defined and should be widened to include other unemployed people who were not working but were not claiming benefits or on Jobseeker's Allowance. She knew personally of other people who needed help in getting back into work, but who did not claim benefits, as they were ashamed to do so. These were all people who were suffering from attention deficit disorders and needed intensive support to help them gain confidence in a workplace environment. The ESF/Jobcentre Plus (JCP) co-financing criteria, however, clearly identify the client eligibility criteria for CPRW and the project must operate within these rules.

Examples of beneficiaries

The following cameos (Boxes 3 to 5) are of three of CPRW's clients who were interviewed face to face. As such, they are illustrative of the kind of needs that CPRW is able to address and the type of assistance that can be provided. While they differ in terms of the problems they have experienced, all three have been in employment

previously so CPRW is helping them to return to work. In that sense they are people who are closest to entering the labour market but require help with training and confidence building. These are the kind of people who CPRW is most likely to be able to assist. There are others, however, that CPRW is unable to assist, such as those whose aspirations do not match up to reality. In the words of the project manager:

... we try to set client aspirations at appropriate levels, but sometimes it is not possible.

Box 3 A single parent in her thirties

Helen is a single parent with two young children who has not worked for three years, but returned to the CPR area where her parents lived following her marriage break-up. Previously she had lived in different places with her husband who was in the RAF and had picked up various jobs, including some community care work. These gaps in work and not being able to develop a career resulted in her losing confidence in herself. For Helen, the key barrier to getting back into work has been the length of time that she had been out of work, leading to low expectations and low levels of confidence.

Helen had not taken part in any previous initiatives aimed at those out of work and had not been told about CPRW in her dealings with Jobcentre Plus. She heard about it from someone who had attended the Care Industry Day run by CPRW and then enquired about joining the two-week training course aimed at employment within the care sector. This covered health and safety, manual handling, interview training and writing a CV. Helen gained certification as well as a lot of confidence from this. The course also included talks from private sector organisations, including nursery nursing and care industry information. She found the course to be hard work, requiring long days of input, but ultimately very rewarding. She needed family support for her children while she was on the course, although she was also offered childcare support by CPRW if required.

The course helped to restore her confidence and led to her receiving two job interviews. She never realised that there were opportunities available to her for training and good job opportunities. While she likes care work and was interested initially in this, she concluded that shift work was unsuitable for a single parent. Helen is now exploring the opportunity to become a teaching assistant and, with Cornwall County Council help in funding along with some top-up funding from CPRW, she is planning to complete a NVQ Level 2 course:

Continued

I would never have thought that I could have been capable of doing such a role.

The head teacher of the school that her children attend has agreed to take her on as a voluntary worker for six to 12 months while she does her training. The teaching assistant role will suit her commitments to looking after her young children, but she would like to do further NVQ teacher training at some stage in the future.

Helen met people on the course who were experiencing a variety of problems in returning to work. They included a former bricklayer on IB because of damage to his elbows who was now looking at care work, a landscape gardener on IB looking to work with children with learning difficulties and a chef who now wants to work as a chef in a care home. She knows of many people, including some of her relatives, who suffered physical injuries as a result of working in the tin-mining industry and have spent much of their working lives on IB.

Helen considers all the assistance she has had from CPRW has been very helpful. She hadn't realised that this kind of assistance was available to people in her situation. She would certainly recommend this course and CPRW's assistance to other people in similar circumstances. She feels there are other single parents looking for this type of support locally, including her sister.

Box 4 Unemployed, middle-aged male

After spending 14 years in the army, Mike had made a living out of doing relief bar work anywhere in the country, before becoming unemployed. During the 18-month period he had been unemployed, the EU regulatory requirements changed, so that he was no longer able to do this type of work without the new certification introduced by the British Institute of Innkeepers. He knew that he required this updated certification at Level 2 if he was going to stand a chance of employment in the drinks trade again.

Mike has considered various 'back to work' initiatives, but always encountered difficulties. He had tried New Deal but describes his experience of it as 'dire' and he learnt nothing from it. He came across Learn Direct and, although it claimed to help people to improve their skills, it did not direct him to anything suitable and did not show any understanding for his training requirements. He also contacted Cornwall Neighbourhoods for Change, but it was unable to help him, probably

Continued

because it didn't have any funding at the time. He attended Redruth Jobcentre Plus regularly, but no one could help him. He feels that its frontline staff are not aware of his needs and do not want to help: 'they don't really want to know'. It was when he was chatting to another Jobcentre Plus client that he heard about CPRW. Within two weeks of contacting CPRW he had been referred onto several appropriate courses, including a one-day course for retail work, which would have cost £130, and courses in food hygiene, retail alcohol sales (St Austell Brewery), health and safety, business first aid (at Truro College) and cellar management. He already had NVQ1 ICT for handling computerised tills, so CPRW was able to organise all of his required certification within an eight-week period and was able to cover the costs involved, including travel and certification. It also helped Mike with CV preparation, interview technique and how to promote himself to employers. CPRW is still helping him, contacting him regularly with job opportunity updates.

Ideally, Mike would like to work in West Cornwall and he had an offer of four weeks' assistant manager bar work, but the business lost its licence before he could start properly. At the time of the interview, Mike was still unemployed, despite having made around 30 job applications. He is dependent on public transport and feels that he has missed out on some job opportunities because of this. He is keen to get an assistant bar management position with a 'live-in' role. While job opportunities exist locally for bar staff, wages do not rise above the minimum wage. However, the pay is slightly higher for assistant bar management work (£6 per hour) and this is what he is seeking, but thinks he may well have to travel elsewhere (to the east or north of Plymouth) to get a full-time position with a live-in role.

Mike is very pleased with the support he has received from CPRW and says that it always responded quickly to his requests for help. He says that a high proportion of local people go into low-skilled occupations and then drift out of work altogether, looking for something different that is better paid and more satisfying. He is convinced there is a need for the kind of help CPRW can provide and he has already recommended it to six people. However, he thinks CPRW needs more publicity so that more people become aware of the services it can provide for the long-term unemployed. There is a lack of awareness, which requires more publicity:

... more people could be helped out if they know about CPRW.

Box 5 Sixty year old on Incapacity Benefit

Although originally from London, Terry has lived and worked in West Cornwall for many years. He has been in employment for most of his working life, including working for Portland Cement, as a coach driver in London and as a driving instructor after moving to West Cornwall. He then became a trainer/assessor for motor mechanics at a local college for three years until 2005. He then suffered from a massive pulmonary embolism (he had had a heart attack previously) and has been off work and on IB ever since. His doctor does not want him to go back to his previous job, as this work is too stressful and physical. Terry's doctor referred him to the Disability Employment Adviser at Jobcentre Plus with the aim of matching him to suitable lighter work that would not be too stressful or physically demanding. Terry is keen to get back to work and has never been out of work previously. It was the Disability Employment Adviser who referred him to CPRW.

Terry is receiving ongoing help from CPRW and feels it is addressing his needs. It has suggested that he finds work as an MOT examiner and that he could achieve this if he took a refresher course. MOT work appears to be ideal, as it is not too stressful and doesn't involve physical work. Assuming he passes the entrance exam to become an MOT examiner, he will require MOT certificate training. Terry is confident that he can work locally at £12 per hour, as there is a shortage of people undertaking this type of work in the area. He has already been nominated as an MOT tester by a local garage, but has grounds for thinking that the manager of the garage is operating using malpractice. He is, therefore, not sure that he wishes to work for this person, but believes that he will be able to find a job with a more reputable local garage.

CPRW will fund the MOT course for Terry, which might involve going to Exeter. Terry cannot afford to pay for his course or the travel and overnight accommodation, so CPRW has offered to use its 'bridging funds' to help with the costs involved.

Terry recognises that the kind of help CPRW provides is unique in the area and is just what he was seeking:

... their help has been very good and I have received assistance for everything that I have asked for. They have told me that they will continue to support me during my initial work period, when I may need to take further training courses and buy some work clothes.

Continued

With regards to his perception of the CPR area, Terry much prefers living in West Cornwall and has no desire to move back to London, even though he feels that West Cornwall is a forgotten, declining area. He describes local wages as being very low, many jobs just paying the minimum wage, yet house prices are comparatively high and rising and out of reach of a large proportion of the local population. Despite all the talk about the creation of new jobs in the CPR area, Terry does not see any sign of these as yet, apart from in retailing. He really wants to work until he reaches retirement age in five years' time and believes that he should do so. He would consider undertaking other work if he doesn't qualify as an MOT tester (he mentioned introductory computer training for example), but not if he is no better off than being on IB. His partner's family are also out of work and are not prepared to work for low wages:

... they do not feel that work is worthwhile because they are better off on benefits, because the local wages are so low.

Challenges and barriers

CPRW is illustrative of many of the difficulties faced by initiatives aimed at overcoming the barriers to work experienced by the long-term unemployed and those on IB. Several of these are likely to be experienced by all such initiatives, although they are inevitably shaped by various local circumstances.

Improving integration

First, there is the problem of joining up effectively with other initiatives concerned with dealing with the causes of multiple deprivation. The CPRW team themselves recognise the need to create a much more embracing project, which would provide links to a chain of other projects that are currently not joined up. They want to provide personal development work for their clients and to stick with these people through their development process. However, in the words of the CPRW project manager, 'the system doesn't like crossover between organisations due to difficulties with funding streams', making it difficult to provide the range of support that an individual needs. This has prevented CPRW being able to help some New Connection clients, for example. Thus CPRW has to operate within the limitations set by its funding organisations, i.e. Jobcentre Plus and the rules of the European Social Fund.

A related problem is the difficulty of gaining the co-operation of those responsible for dealing with other aspects of deprivation, such as those providing health care or

housing. Despite the strong association between worklessness and health-related problems, there has as yet been relatively little connection between the CPRW team and GPs, the PCT and various housing associations. However, new initiatives such as the Healthy Neighbourhoods project of WCT, which is focused on some of the most deprived estates, is likely to provide greater opportunities for linking with CPRW and improving the employability of those experiencing economic exclusion.

Affordable public transport

Second, the lack of affordable public transport has been recognised as a barrier to work for those living on some of the most deprived housing estates. While around 6,000 people commute in and out of the CPR area daily, many workless people are not prepared to consider employment unless it is within a relatively short distance of where they live and public transport is available. For example, according to the interviewed JCP manager, many residents of Camborne are not prepared to consider employment in Redruth, even though it is only a couple of miles away, and vice versa. Much hope is being placed on a new bus service linking local estates to employment areas and colleges to help overcome this problem, the project being jointly funded through Objective One monies, Cornwall County Council and the Department for Transport.

Benefit dependency

Third, as mentioned in the previous section, it is not clear at the present time what proportion of CPRW's targeted client group are employable and will be able to hold down a job. Several interviewees spoke about the embedded culture of living off sickness and incapacity benefits that there is in the area, which is often intergenerational, and how difficult it is to break into this cycle within the space of just a few years. Doubts were also expressed about the willingness of people to come off the security provided by benefits in order to enter jobs with low wages at the lowest rungs of the work ladder and which are often insecure.

Attracting additional employment

A fourth concern is where the new jobs are coming from. CPR Regeneration aims to attract somewhere in the region of 6,000 to 8,000 new jobs to the CPR area by 2026 and, as discussed above, the underlying rationale for CPRW is to try to ensure that this is used to reduce the present high level of worklessness in the area. However, at

the time of undertaking this study (November 2006), there was little evidence (other than in retail) of businesses relocating into the area and of additional employment being created. While Cornwall Enterprise claims to have attracted more than 20 businesses to Cornwall, very few have located within the CPR area. To a large extent, this is because the development has yet to take place on the brownfield sites, delays having occurred because these former mining and industrial sites turned out to be more contaminated than originally thought. However, it does mean that CPRW is having to work mainly with the existing employers and their job vacancies rather than with incoming employers. There is a sense in which the expectations of local people have been raised, but it is proving difficult to realise them at present. On the other hand, there is an argument that it is better to get people involved in work now rather than wait for the new jobs to appear, as it helps them to build up confidence and to acquire basic transferable skills. There are already many skilled jobs in the area and the ability to hold a skilled job is dependent on an individual's skill levels. In other words, by starting CPRW before the new jobs materialise, an individual can help themselves progress into a new job when they do materialise. Thus, at the present time, CPRW is really about filling current vacancies or assisting self-employment flexibility, the primary aim being to get people active and into the employment market.

A related concern is that, when businesses do start relocating to the area, they will want to bring skilled staff with them, thereby limiting the jobs that are open to local people. While accepting that it may be necessary for a relocating business to bring some key workers with them, some interviewees felt strongly about the need to build in a requirement that incoming businesses make a commitment to employ and train local labour. However, others felt that it was hard enough to get a company to move to such an isolated area without imposing any restrictions.

Conclusions and future developments

CPRW is essentially a pilot initiative, currently with 20 months' funding, taking it to December 2007. Already the wider policy context is changing, which has implications for the future direction and funding of CPRW. First, there will be a substantial tranche of European funding available for initiatives aimed at tackling unemployment and worklessness as a result of Cornwall's successful bid for EU Convergence Funds from 2007 until 2013. Jobcentre Plus and the Learning and Skills Council are likely to continue to act jointly as co-financers for ESF monies, with the aim of pulling ESF-type projects together into a more cohesive network. There is also a desire to focus funding on more natural neighbourhoods, in order to tackle concentrations of worklessness, rather than being constrained by administrative boundaries.

The second development is the roll-out nationally from October 2007 of the Pathways to Work programme, which will target new IB claimants since October 2006. The aim is to help those who have been on IB for at least six months back into work, thereby breaking into the vicious circle of decline that many IB claimants find so hard to get out of. CPRW is currently working locally with appropriate delivery organisations to make sure that it is part of the Pathways to Work Partnership.

And, third, the Local Area Agreement for Cornwall has launched its own Cornwall Works initiative in an attempt to reduce levels of worklessness throughout the county, but focusing particularly on the most deprived areas using NRF funding. Jobcentre Plus is leading on this initiative and aims to encourage existing projects to sign up to Cornwall Works, including CPRW. The aim is to draw on the experience of the CPRW model by adopting a similar approach in other deprived areas of the county. It is also thought that this new initiative could add value to CPRW's activities, enabling it to move to a wider jobless target audience, taking in a wider geographical area (such as the whole of West Cornwall) and with broader jobless target selection criteria.

It would appear therefore that, with recent developments, there has been a shift of other, larger-scale policies aimed at tackling worklessness, closer to the CPRW model. Perhaps there is a danger that CPRW could become subsumed within these wider developments and lose its focus on the area covered by CPR Regeneration and its physical and economic regeneration projects, which in some respects would be regrettable. To quote from the CPRW project manager:

... clearly there is uncertainty associated with the short timescale of projects, but they have built some strong foundations, getting the trust of partner organisations locally and putting into place a coherent and co-ordinated approach that could be sustained and developed.

Notes

- 1 The survey was based on interviews with 115 employees and 310 people who were in receipt of a personal benefit or who were not in work or considering work or training to seek their views on their skills, employment aspirations and the barriers they faced.
- 2 It should be noted however that, while CPRW operates over the seven deprived wards, the area of CPR Regeneration does not fit the ward boundaries.

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Organisations interviewed

CPR Works

CPR Regeneration

South West of England Regional Development Agency

Jobcentre Plus Devon and Cornwall Office

Jobcentre Plus Redruth Office

West Cornwall Together

Kerrier District Council Community Regeneration Team

Progress2work, Gwellheans

The New Connection

Anson Care Services (on CPR Works Steering Group)

Arts and Graphics (on CPR Regeneration Board)

3 Local Alchemy in the East Midlands

Introduction

Local Alchemy is an innovative initiative, developed jointly by the New Economics Foundation (NEF) and the East Midlands Development Agency (emda). It provides a practical framework for analysing and encouraging the recirculation of local spending within local economies, and for promoting enterprise and community-led regeneration that is also socially and environmentally sustainable. It is particularly concerned to reduce dependence on mainstream ‘top-down’ approaches to regeneration and to challenge institutions and agencies to think differently about communities experiencing economic disadvantage.

Project description

Rationale and aims

The concept of Local Alchemy is informed by long-standing critiques of economic orthodoxy, notably the alternative tradition of ‘economics as if people and the planet mattered’ (Schumacher, 1973; Ekins, 1986; Hines, 2000). A particular starting point is that one of the failures of regeneration policy has been that ‘communities have things done to them rather than being enabled to harness the resources, skills and passion that exist in all communities’ (<http://www.local-alchemy.net/>). The ‘Plugging the Leaky Bucket’ framework (NEF, 2002a, 2002b) draws on a simplified version of Keynesian multipliers to demonstrate the benefits of maximising the amount of local spending that circulates locally and minimising the amount of money that ‘leaks’ outside the local economy. This is achieved by creating economic links between local businesses, labour and public bodies, enabling poorer communities to improve the viability and sustainability of their local economies.

Local Alchemy has particular relevance in the context of the wider policy debate relating to models of development and the role of different social groups. Thus, regional/local economic development policy and practice in the UK has tended to be narrowly concerned with competitiveness and productivity, as determined by the economic imperatives of globalisation and the priority attached to promoting the interests of corporate business and the ‘knowledge economy’. However, the EU, UK Government and RDAs are also formally committed to promoting sustainable development – a policy agenda that, although contested and subject to different

interpretations, gives greater emphasis to social, environmental and 'quality of life' criteria.¹

The New Economics Foundation (NEF) approached the East Midlands Development Agency (emda) with the original idea for Local Alchemy. NEF considered emda to be one of the more progressive RDAs, prepared to question fundamentals and adopt a learning approach. Emda views its collaborations with NEF as innovative and adding a particular dimension to its thinking about economic and social inclusion. Local Alchemy can be seen to be particularly relevant to the Achieving Equality theme of the East Midlands Regional Economic Strategy (RES) (see Volume 2, Chapter 3).

Emda agreed to support the further testing of the concept and its practical development, and Local Alchemy was subsequently implemented in 13 localities in the East Midlands with the aims of:

- supporting individuals and groups to challenge the economic 'status quo' and to 'reinvent' their local economies to deliver solutions that address their needs in ways that are environmentally sustainable and socially useful
- bringing about an attitudinal shift by encouraging a 'can-do' attitude, drawing on the resourcefulness, skills and passions of local people, based on the principle that people who live and work in an area are well positioned to find and implement solutions, as well as reaping the benefits
- challenging existing institutions and agencies (e.g. local authorities, regeneration agencies) to think differently about communities experiencing economic disadvantage and about the importance of adopting approaches that harness resources, skills and passions within local communities rather than imposing top-down external solutions.

Local Alchemy in the East Midlands is funded by emda (£8 million between 2003 and 2008), with the overall process being managed by NEF on behalf of emda. In pursuit of the above aims, the Local Alchemy programme comprised a number of components and resources.

- An *Enterprising Communities Framework* of what a sustainable enterprising community could look like, comprising seven main elements:
 - 1 a responsible enterprise and business sector, with a diverse range of businesses and enterprises responding to market demands
 - 2 positive local money and social environment consequences
 - 3 strong local asset base – attitude, skills, knowledge, physical, financial services, natural

- 4 responsive public and business sector – working to strengthen and invest in the local economy
 - 5 strong community and civic voice – activism, leadership, cohesion, volunteering, political voice, engagement in debate
 - 6 environmental sustainability – positive social and economic change with minimum environmental damage
 - 7 interdependence – increased understanding of economic, cultural and ecological interconnections that link communities and span the globe, drawing on networks for transformation.
- A *Local Alchemy toolkit* to help pilot an area's vision, map and implement a new local economy and develop 'economic literacy'. Tools/aids include workshops, events, stakeholder and asset mapping, money flows mapping, networking and action planning.
 - A *Local Alchemy coach* assigned to each pilot area to help empower individuals and groups to become involved in enterprising activities, and to facilitate workshops and provide practical business and project development guidance, including the development of networks to support entrepreneurs.
 - *Seedcorn funding* – the Alchemist Fund, which is managed by the Community Foundation and is provided to help kick start economic ideas that have a positive 'triple bottom line impact', i.e. on environmental and social, as well as economic criteria.

Implementation – programme phases and action learning

There have been two phases to Local Alchemy in the East Midlands. *Phase 1* commenced in 2003 and involved three pilots (a further pilot – Sneinton – dropped out to enter Phase 2) based on a more formal, fixed process. The three pilot locations were Gainsborough in Lincolnshire, Beaumont Leys and Mowmacre in Leicester North West, and Kingswood Estate in Corby. Initially, £250,000 was available per area through the Alchemist Fund (i.e. a total of £750,000 for the three areas). *Phase 2* involved ten pilot areas in the East Midlands and the adoption of a rather different approach, being less structured and therefore allowing for more local variation and debate and incorporating learning from Phase 1. The ten areas were selected out of 23 applicants through a three-stage process that involved local authorities and renewal trusts. Selection criteria included that projects should be spread across the East Midlands and include different types of community (i.e. inner city, urban fringe, rural and ex-coalfield) and that there should be evidence of

sufficient motivation and capacity to take local action to support change in the local economy. The ten Phase 2 areas, all of them small/sub-district scale (e.g. housing estate size), were: Cotmanhay and Somercotes in Derbyshire, East Shilton and New Parks in Leicestershire, Mablethorpe and Sutton Bridge in Lincolnshire, Delapre and Eastfield in Northampton, Warkton in Kettering and Sneinton in Nottingham. In terms of resources, Sneinton was allocated £250,000 (as a hangover from Phase 1), while a much smaller amount was made available in the other areas (about £45,000 per area).

There has been some variation in the approaches adopted, as will be shown in relation to the case study analysis below, which is focused on Sneinton and Cotmanhay/Somercotes. To give a brief flavour of experiences in other areas: in Northampton, the focus has been education and activity has been based around a local school and a community centre; in New Parks (Leicester), Local Alchemy helped to support the start-up of 27 new enterprises, operating as a network supporting each other (e.g. sharing skills such as bookkeeping, marketing); in Lincolnshire (Mablethorpe), the main entrepreneurial initiative has been a marathon, following the lead of a local enthusiast, and a marina and hotel (in Sutton Bridge). Anecdotally, Local Alchemy appears to have been less successful in areas where there is a lot of seasonal labour; thus it has proven particularly difficult to engage local people and change attitudes in Lincolnshire, with particular resistance experienced from gangmasters hiring cheap labour to work on farms.

In order to help draw out and disseminate the learning from the experience of Local Alchemy in practice, an Action Learning Panel was established, involving leading 'thinkers and doers' in the field of regeneration, with five such meetings held during the course of the programme to date.²

Future direction and support

The funding for Phase 2 ended in March 2007 and the Local Alchemy programme manager believes the short time frame for the programme has posed one of the biggest challenges, further commenting that, if there is to be reinvention of local economies, the timeframe has not been sufficient for action within communities to be more than the initiation of a longer-term process towards this. The situation at the end of March 2007 was that emda had agreed to a limited level of further coaching support to existing projects within the 13 Local Alchemy areas, including with respect to accessing funding (although seedcorn funding will no longer be available through the Alchemist Fund). NEF is also charged with sharing learning and mainstreaming in the East Midlands, which has involved it in delivering a series of Coaching for

Regeneration Practitioner Workshops during May 2007 to March 2008. These aim to disseminate the approach (including coaching and economic literacy tools) to frontline agencies working in deprived communities across the East Midlands and offer support through the sub-regional strategic partnerships (SSPs) to take on the Local Alchemy approach and continue offering it in other areas. In addition, NEF is sharing the Local Alchemy approach and learning with other regions and making it available to them.

Analysis of Local Alchemy in Sneinton, Cotmanhay and Somercotes

Local contexts and resources

Box 6 *Sneinton* socio-economic characteristics

Sneinton (population 10,097) lies immediately to the east of Nottingham city centre. Key characteristics include:

- relatively low levels of qualification, with an above-average proportion of people aged 16–74 with no qualifications (37 per cent compared to the East Midlands average of 32 per cent)
- high levels of unemployment: 6.3 per cent compared to 5.3 per cent in Nottingham as a whole
- relatively diverse ethnicity, with 14 per cent Asian and 8 per cent ‘other’ minority ethnic groups; the population is highly mobile with, most recently, a rapidly growing Polish population reported (ONS, 2001 Census).

Sneinton is part of the Nottingham Eastside designated regeneration area, with planning permission granted for a £900 million development scheme on the edge of Sneinton, providing a prestige environment for offices and housing. Plans include a canal basin, where pleasure craft can moor next to bars and restaurants. Regeneration efforts were seen by interviewees as particularly driven by the concerns of the property development sector to capitalise on the proximity of Sneinton to Nottingham city centre, the attractiveness of the riverside locations and the high market value of the new properties. A key concern is therefore the extent to which these developments will also benefit the residents and local economy of Sneinton.

Box 7 *Cotmanhay* socio-economic characteristics

Cotmanhay (population 4,394) is an outlying estate on the fringes of Ilkeston, north west of Nottingham. Key characteristics are:

- in terms of ethnic background of the population, it is predominantly white (98.61 per cent)
- low levels of qualification, with an above-average proportion of people aged 16–74 with no qualifications (43 per cent compared to the East Midlands average of 32 per cent)
- unemployment – 4.35 per cent compared with the East Midlands average of 3.27 per cent (ONS, 2001 Census).

Box 8 *Somercotes* socio-economic characteristics

Somercotes (population 5,745) is a former mining village in the Amber Valley, Derbyshire. Key characteristics are:

- predominantly white (99.06 per cent)
- low levels of qualification, with an above-average of people aged 16–74 with no qualifications (45 per cent compared to the East Midlands average of 32 per cent)
- high unemployment – 5.07 per cent compared to the East Midlands average of 3.27 per cent (ONS, 2001 Census).

Sneinton was originally selected as a Phase 1 pilot in 2003 but it was not fully implemented until a year later. This delay appears, in part at least, to be attributable to disagreements about the use of the funding and the role of the local agency granted accountable body status, the Renewal Trust. The Renewal Trust is an independent, not-for-profit partnership established in 1998 with the aim of helping to regenerate the communities of St Ann's and its neighbouring ward, Sneinton.³ As provided for under Phase 1, a bursary of £80,000 was made available, for which the Renewal Trust acted as the accountable body, with a local action group developing the action plan to direct how this money was spent. In addition, £250,000 was made available to support projects into action through the Alchemist Fund managed by the Nottingham Community Foundation.

It appears that some early disagreements over the use of the Local Alchemy funding and the role of the Renewal Trust were fuelled, in part at least, by previous

experiences of regeneration initiatives in the area and the concern of some local activists to avoid a repetition of this. One interviewee, for instance, referred to disillusionment that had resulted from the experience of the City Challenge initiative during the early 1990s, including its over-reliance on external consultants purporting to bring 'solutions'; a tokenistic approach to involving local people; an emphasis on spending money quickly (often on projects seen as inappropriate); and the competitive and low-trust dynamic that this gave rise to between those individuals and agencies involved. City Challenge had also been particularly oriented towards the neighbouring ward of St Ann's, this being reflected in the subsequent focus of the Renewal Trust. The experience of City Challenge therefore appears, for some participants at least, to have coloured expectations of Local Alchemy and the role of the Renewal Trust, contributing to the delayed implementation. An action group was eventually formed during 2004. It was agreed that Local Alchemy in Sneinton would be co-ordinated on a one day a week basis by one of the Renewal Trust business advisers, who would work closely with the Local Alchemy coach.

By comparison with Sneinton, the background to Local Alchemy in Cotmanhay and Somercotes appears more straightforward. In part this reflects the more flexible approach adopted for the Phase 2 areas, building on the learning gained from the Phase 1 pilots. Rather than a local agency being selected to act as the accountable body, a single coach was primarily responsible for leading the process in both locations, with a smaller amount of money – around £45,000 – made available via the Alchemist Fund to support project ideas and managed by Nottingham Community Foundation. Other important resources included the use of the facilities of the Enterprise Centre in Cotmanhay and the support of the manager and staff of the Centre (made available by the local authority free of charge); and the support of the Enterprise Development Officer with Ripley local authority (responsible for the area that includes Somercotes).

Projects supported and operational issues

The process by which individual projects were developed and submitted to the Alchemist Fund involved a number of stages, with most project ideas elicited initially through the coaching and related activity, followed by the completion of a business plan and application form that included a triple bottom line impact statement identifying the anticipated economic, social and environmental impacts. Projects were then vetted and selected locally, prior to submission to a panel comprising representatives from emda and other agencies, which met every two months. Once the money had been spent, beneficiaries were required to complete a form identifying what had been achieved and performance against the triple bottom line criteria.

In Sneinton, over 100 projects were supported in one way or another, including both start-ups and existing businesses/social enterprises of which 22 were directly funded. In Cotmanhay/Somercotes, fewer projects were directly funded (about 15 – two-thirds of those that applied) reflecting the more limited funding available to Phase 2 areas. It is important to bear in mind that the Alchemist Fund was intended as providing seedcorn funding only, and that, in the case of the more substantial projects in particular, there was an expectation that other sources of income/funding would be needed in order for them to be fully realised and to be viable over the longer term. Hence a number of projects were signposted to other sources; in Cotmanhay, for instance, the Credit Union was assisted in securing £156,000 from the Coalfields Regeneration Trust; the Community Leisure project in Somercotes received £25,000 from the National Lottery. Also, while the availability of funding to help initiate projects was clearly important, responses from some interviewees emphasised that this needed to be seen in the context of the other important elements of Local Alchemy, notably the coaching and networking activity, which was felt to have been of greater importance.

Box 9 Examples of good work

Cotmanhay

- *Cotmanhay Gold Magazine*: developed initially as a Young Enterprise project by teenagers at the local school with the aim of highlighting the positive aspects of Cotmanhay and to help counter its negative image and encourage the use of local shops. Funded by Alchemist, donations from local people and advertising from local businesses (about £2,000 in total). One issue of the magazine was produced and distributed to all local households – it is hoped that further issues will be produced with the help of some money carried over.
- *Development of school facilities/gym project*: Local Alchemy worked with the school to help them upgrade the standard of facilities, including the gym – some Alchemist funding and £10,000 from the Community Foundation.

Somercotes

- *Community facility project, Somercotes Leisure Development Group*: development of a new multi-use community facility in the only green/park area in the middle of Somercotes. Alchemist Fund supported a needs analysis (£5,000) and production of business plans for the project (£8,000). Local Alchemy also facilitated a community consultation day at the local primary school with the consultants appointed to conduct the needs analysis.

Continued

The Development Group was recently awarded a £25,000 grant from the National Lottery to go to the next stage.

- *Leabrooks Art Gallery/Conference Centre*: a conference/meeting facility for local businesses and the community in an established centre for local arts/crafts. Alchemist Support (£15,000) for IT-related aspects.
- *Food co-op* (assisted by Local Alchemy coach but not Local Alchemy funded): a group of volunteers who were going to work with an agency felt that there was not enough good-quality fresh fruit available locally, so they started a co-op and applied for money for a skilled development worker to support them in their first year, then worked through Groundwork agency to have somebody working alongside.

Sneinton

- *Sneinton Community Traders Ltd*: formed with the help of the Alchemist Fund (£12,000) as a social enterprise to take over the running of Sneinton retail market, following the City Council's decision that it could no longer support the market and therefore had to close it, with ensuing loss of jobs in the area and loss of amenity. From an early stage, Sneinton Community Traders was able to obtain a licence to operate the market for ten years. It has been in operation for 12 months and is judged to have been quite successful, with 48 jobs on the market over the Christmas period.
- *Sneinton Business Forum*: developed out of an evening event that was set up specifically for established local businesses and subsequently developed as the 'business sub-group' of Local Alchemy in Sneinton, with 43 members.
- *NECTA Ltd*: an established (eight years) construction and construction training social enterprise located in Sneinton – received £15,000 to develop an accredited NVQ centre to deliver construction-related NVQ Level 2s to people from disadvantaged backgrounds. This project was aimed particularly at helping local people to benefit from employment opportunities associated with substantial construction projects on the fringes of Sneinton.
- *The Dragon of the East*: sculpture made by a local artist and located on the edge of Sneinton as a welcome to visitors and as part of the drive to create a distinctive identity for the area.
- *Sneinton Credit Union*: received £1,400 from the Alchemist Fund (matched with £943 from the European Regional Development Fund [ERDF]), which was used to fund promotional costs, including time and travel expenses of the development officer and manager in researching the area.

Continued

- *Main Ingredients:* a community-centred food consultancy for people looking to set up food businesses and food-based community initiatives. Builds on the prior experience of a project supported by the Phoenix Fund. Received £15,000 from the Alchemist Fund to set up the business, put systems in place and provide wages during set-up. Has also developed a mobile food school – a ‘real’ food training programme giving first-hand experience of running a food business.

The availability of funds was described by some interviewees as something of a ‘mixed blessing’, insofar as it had also provoked a certain amount of ‘grant-chasing’ behaviour, seen as contrary to the spirit of Local Alchemy. There were a number of examples given by different interviewees in Sneinton of the ‘wrong sort’ of projects, i.e. where the primary motivation was to access funding rather than addressing a specific barrier in order to realise a project that would genuinely contribute to regenerating the area. At the same time, it was noted that the approval process had been refined over time in order to reduce this problem. Related to this, interviewees emphasised that small amounts of money (i.e. £100 to £500) had been shown to ‘go a long way’ in terms of removing barriers to individual projects; in Sneinton, the size of grants was deliberately scaled down from the larger amounts given out at the beginning of the process.

Regarding the triple bottom line audit, Local Alchemy coach/co-ordinators emphasised that all applicants to the Alchemist Fund had been compelled to address social/environmental as well as economic impacts in the application in order to be able to proceed and that this was key to the philosophy of Local Alchemy. It is not known, however, how trade-offs between criteria were made in practice.⁴ It is further worth noting that an evaluation of the operation of the Alchemist Fund during Phase 1, which was conducted by the Centre for Local Economic Strategies in 2005, found that the fund had been operating poorly across the pilot areas because of a number of problems inherent in its design.⁵ This was found to be related to the evolving nature of the fund during its pilot stages, resulting in it having become overcomplicated and confusing for those involved and that five principles relating to transparency and clarity; simplicity; consistency; links to the local economy and Local Alchemy; and communication needed to be observed in order to improve the process. These findings resulted in the process being revised in Phase 2.

Finally, interviewees reported a number of experiences of good projects being blocked or delayed due to factors beyond the control of those involved in Local Alchemy, including with respect to planning procedures and ‘red tape’, and the influence of local ‘gatekeepers’ (local authorities, LSPs and neighbourhood renewal groups). This applied particularly in the case of the larger group projects

and was experienced as frustrating, given the energy and enthusiasm of the local residents proposing these projects and the danger of this being dissipated and lost. Examples include: in Sneinton, plans for a community café being held back by the local authority controlling access to the premises that were seen as suitable; in Somercotes, a community/leisure centre development, which had to be delayed for a year in order to fit with a neighbourhood management project.

Person-centred coaching

The coaching element was introduced during Phase 2, with five coaches operating across the ten areas (facilitators rather than coaches were used for the economic literacy work in the Phase 1 areas). The coaching role and the philosophy that underpins it has become fundamental to Local Alchemy,⁶ in terms of outreaching to identify and support individuals with ideas; helping communities to identify opportunities, local assets and other potential sources of funding; and engaging with and involving key local agencies to facilitate ‘joined-up’ working. At the same time, there has been some turnover of individuals in the coaching role; in Sneinton, for instance, three different coaches were involved at different times over the space of two years. It is also important to note that the coaching role has been applied to complement conventional approaches to business support rather than substituting for them. Hence, in practice, the two Local Alchemy coaches interviewed had both worked closely with existing business support advisers, according to the needs of individual clients and their stage of development.

The approach to coaching individuals and groups developed by NEF involves a radically different stance to that normally adopted by mainstream support and advisory services, in that it is concerned particularly with encouraging and enabling by indirect means, rather than advising and directly prescribing according to a set agenda. The coaching entails an emphasis on stimulating individual ‘passions’ and ‘visions’ through listening, questioning and empathising, rather than ‘telling’ and ‘pushing’. This is consistent with a positive view that all individuals, in all social classes and walks of life, are resourceful, creative and have entrepreneurial potential, but that people from more disadvantaged situations lack confidence and therefore need particular empathy (but not ‘sympathy’) and a more listening, questioning and supportive mode of interaction in order to help remove barriers. People experiencing disadvantage are less likely to approach mainstream support providers and are often suspicious of and deterred by officialdom. When they do access mainstream providers, they are often deterred by the more ‘business-like’ and ‘systematic’ approaches to support offered. The much more positive Local Alchemy approach is well illustrated by the account given by one of the coaches:

... it comes from a different approach to anything I've worked with before, which starts with the assumption that people in the community are creative, resourceful and whole ... we are coming in on a peer-to-peer basis, and we are assuming that the person knows what they want and how they want to go about doing it. So ... by posing a couple of questions and by opening out a few avenues to explore for the client we follow and identify the passion or idea that the client has ... it's all internalised learning in the client ... so that, by the time we've finished, the client tends to be extremely clear in their mind of what they want to do ... I don't think there is anyone I've worked with using this coaching method where a light hasn't come on – there is an internal motivation that kicks in, such as I have never experienced before in nine to ten years of working in areas like this, where I always made the assumption that there is a need for building of social capital. And I've been quite astounded to find out, first of all, that there is a huge amount of social capital present if you give it the chance, and secondly that people develop so quickly if approached in the right manner ... we don't try to motivate or push – that's the other crucial thing about what we do – the energy has to come from the individuals or groups and, if it doesn't, we don't progress it ... the more the understanding comes from us, the less it's going to continue once it's gone and the more it creates or reinforces dependency and the whole deficit approach to economics which we are trying to avoid.

This coach further related his experience of how many development/support agencies tended to systematically underestimate the potential of the people and communities they are ostensibly there to help:

Agencies in areas of deprivation will say that 'there just aren't enough people who want to do things' – they'll hold meetings and no one will come to give their opinions – it's very common in the areas that I've worked ... But what I've discovered over the last two years is that it's the approach that's at fault ... those individuals are, in fact, blocked by the standard approach taken by development agencies, which tends to be a 'rescuing' approach or 'do it for' approach, and also tends to be based on a belief that people really haven't got it in them to do it. That's not deliberate, but it sort of comes about through working in those posts, which I did for a long time ... So someone will suggest an idea, and you will hear agency people saying 'they will never be able to do it – we will do this, this and that' ... they then step in and do it so that the person themselves doesn't get the opportunity to develop the ideas that they came up with.

The skills, experience and personal qualities of the individuals involved in the coaching appear to have been crucial.⁷ In the case of Sneinton, the fact that a number of different coaches were involved over a relatively short space of time was felt by some interviewees to have contributed to a lack of continuity and coherence in the Local Alchemy process (see also next section). In Cotmanhay and Somercotes, on the other hand, one coach was involved from the beginning, this being somebody with considerable prior experience in business, the voluntary sector and, in recent years, within local government in the East Midlands, including with respect to accessing funding for community-based projects. These experiences proved invaluable in terms of understanding how the voluntary and local government sectors work and the different perspectives involved. As one participant commented:

I think the concepts and the principles and where it comes from are excellent but ... the right person has to be identified for the area, with local knowledge and drive and enthusiasm for that area. [*The coach*] had worked in the area, he understood what was available and knew what could and could not be delivered – that's a pretty key element. Sometimes you bring somebody from outside in – you say: 'well, they are not so insular and they can look at it from a different platform', but I just think that there has got to be some sort of connection, somebody with a drive and local knowledge and awareness.

(Somercotes participant)

Table 1 presents a simplified typology that compares and contrasts mainstream approaches to employment/self-employment and business support with alternative person/community-centred approaches as represented by Local Alchemy and, increasingly, other recent initiatives. Hence, for instance, other initiatives examined in this report have also adopted approaches that could be described as more person- or client-centred (e.g. CPR Works, Brent in2 Work).

Table 1 Typology comparing approaches to employment and enterprise support

	Mainstream employment support/advice	Mainstream enterprise support	Alternative person- and community-centred approaches
Providers	Jobcentre Plus.	Business Link and numerous enterprise/ community development agencies.	Local Alchemy and BizFizz programmes. ^a
Dominant philosophy	Driven by central government agenda. Tends to be dominated by narrowly economic concerns translated into agency targets.	Driven by central government agenda. Tends to be dominated by narrowly economic concerns translated into agency targets.	Localisation/sustainability – ‘triple bottom line’ criteria. View that local people themselves are best positioned to diagnose and ‘reinvent’ their local economies.
Attitude to context/place, social capital	Limited scope to adapt to local conditions due to nationally set policies and targets. Sceptical of potential/social capital in disadvantaged groups.	More adaptive to local conditions but may be sceptical of potential/social capital in disadvantaged areas/groups?	View that social capital and local assets are systematically underestimated. Also placing high value on historical/cultural/ environmental assets and seeking to increase community recognition of these.
Approach	Bureaucratic/prescriptive advice. Limited responsiveness to individual needs. Sometimes perceived by clients as unhelpful and punitive (threat of withdrawal of state benefits).	Systematic/prescriptive advice, but able to exercise expertise/tacit knowledge and some responsiveness to individual needs. ^b	Person-centred – attitudinal change + outreach work/networking within communities to build trust and stimulate bottom-up change. Relationship-based continuity – listening, questioning, stimulating right-brain activity through sensory work. More inclusive, accepting and client-centred; eliciting ‘visions’ and ‘passions’ through internalised learning.
Measures of success	Getting people off Income Support.	Self-employment/business start-ups + existing businesses assisted.	Measurable outputs likely to be inadequate – more concerned with long-term process of attitudinal change and removing barriers.
Resource/skill implications	Tending to depend on less skilled staff.	Generally more skilled/ experienced advisers.	Dependent on highly skilled/ experienced practitioners resourced to devote more time to outreach and individual coaching than is the norm.

a Some community-based agencies are also more attuned to the needs and potential of individuals and more sensitive to disadvantaged/minority groups (e.g. see Vickers *et al.*, 2006).

b Mole (2002) observes that Business Link’s personal business advisers have both technical expertise and closeness to delivery (tacit knowledge), which means that, in practice, they are able to exercise discretion in how central government policies are implemented, such as with respect to targeting.

Engaging local people and agencies around a local economic vision

As well as supporting individuals, Local Alchemy is concerned with encouraging 'enterprising communities', which has involved coaches/co-ordinators engaging key local agencies and stakeholders; helping communities to identify opportunities, local resources and potential sources of funding; and generally facilitating the development of 'local economic visions'. The Local Alchemy process was effectively initiated through holding a *Local Money Flows Workshop* within each area, facilitated by NEF staff (more recently the coach) and involving local people and agencies in mapping local money flows/assets and developing 'economic literacy'. In Phase 1, the process of developing a local economic vision, including the identification of issues to be addressed and projects to be taken forward, was then continued through a *Local Alchemy steering group* consisting of residents, community groups and representatives from key agencies in each pilot area. In Phase 2, the coach worked with groups of local people to hold economic literacy events. Further to this, and as part of the process of promoting awareness of Local Alchemy to as many people as possible, a number of larger events and special meetings were held, and leaflets and newsletters were distributed at public venues and to households.

How to engage people and focus energy and commitment around actions, projects and local economic visions, and the roles/contributions of other agencies is clearly a key issue. In practice, and unsurprisingly perhaps given the aim of Local Alchemy to 'challenge the status quo', some tensions were experienced in this respect. In fact, the experiences of the steering groups during the first two years led to a change of approach being adopted, particularly in Phase 2 areas. Some insight into the sort of difficulties experienced was provided by the coach for Cotmanhay and Somercotes and interviewees in Sneinton.

Problems experienced across the initial three pilot areas during the first two years of the programme led NEF to conclude that how the steering groups had been operating in practice was significantly inhibiting bottom-up development and that their use should therefore be discontinued. In Somercotes, early attempts were made to involve the Erewash Partnership (comprising Groundwork, Community Concern Erewash, Three Valleys Housing, the Primary Care Trust and a few individual residents) in the steering group. The Local Alchemy coach for Somercotes recounted how members of the Local Strategic Partnership, apparently disappointed at not being able to play a more determining role in Local Alchemy, had repeatedly blocked initiatives brought by local people rather than encouraging and supporting them. It appears that members of the Partnership were of the view that Local Alchemy was duplicating their role, further contributing to their not being fully committed to supporting the initiative.

It was found that, in Phase 1, the steering groups running the things eventually began to block all sorts of new ideas that were coming out because they didn't particularly like them or they didn't particularly suit what they wanted to do. And they found, over the two years, that it became a very serious problem and NEF believed that actually it was a major inhibitor to internal development of sustainable communities ... as a person used to networking and running businesses, I felt quite a strong resistance, quite a strong block There was no desire to support or join in – no desire to work with you, with the exception of this leisure project that concerned Erewash – when she got involved she got everyone else involved and they did a fantastic job – brilliant ... there was a comment made to me from one person ... which basically laid it on the line to me that what we were doing was just duplicating what the partnership did ... they don't accept that we are doing anything different.

(Coach, Cotmanhay/Somercotes)

It appears that the initial positive attitude of existing agencies/partnerships was based on an impression that Local Alchemy would be a source of funding for their own organisations and that they would have more of an active role in its implementation, including with respect to the coaching role. Attitudes changed, however, with the growing realisation that this was not the case.

The same coach further related his more general experience from years of working within the sector of a widespread tendency for community development agencies and workers to compete for funding and outcomes, thus limiting the extent of co-operation and progress that could otherwise be made.

But I need also to say that, in my past experience, this is the thing that always became the biggest frustration – that, whenever I tried to set up partnerships working in areas, people would compete and they didn't want anyone else to get the credit ... My perception is that what always happens in every area I've worked in is that the agencies compete for the outcomes because they need the funding, even if there is a level of co-operation ... the partnerships and institutions work quite well together in this area and they are very capable, but ironically their very strength causes the problem to be worse.

Sneinton had a steering group during the first months of Phase 1 and a local action group when it joined Phase 2. About 70 people were listed as being on the local action group, but actual attendance at meetings was generally not more

than 20 people. Many individuals attended a meeting only once, although some of these subsequently went on to develop projects and maintain some contact and association with Local Alchemy in the area. Most Sneinton interviewees felt that the local action group had not functioned as well as it could have. Interviewees referred to the limited representativeness of those who attended the meetings on a regular basis, despite efforts made to involve community groups and residents (e.g. including from the Asian community and also the local artists' group). Comments made by a number of interviewees also suggest that there was a particular tension between two groupings, which can be characterised in terms of an 'inner group', including representatives from the Renewal Trust and the more organised business constituency (as formalised in the shape of the Sneinton Business Forum)⁸ and a more informal 'outer group' of generally younger local resident individuals who were initially attracted by the broad community-based vision of Local Alchemy. It also appears that debate within the meetings had been inhibited by a combination of (a) the dominance of more confident individuals (generally white and male) who were more used to expressing themselves in meetings, which resulted in less confident individuals (particularly female) often not being heard and (b) the competitive context, with attendees who were intending to bid for funding not wishing to be seen to be 'too challenging' lest this were to be counted against them in the application process.

Some interviewees also pointed to the limited extent to which local councillors and politicians had been involved in Local Alchemy in general, although it appears that this situation changed for the better over time.⁹ Also noted as a positive development was the involvement of the local police who attended a number of meetings and listened to the concerns of members about the high crime rate in the area; subsequent developments have involved the establishment of a multi-agency task force to tackle this issue (although not directly as a result of Local Alchemy). Interviewees' experiences of the Sneinton local action group are represented by the following quotes:

Local Alchemy is about everybody mixing in the same room so we have now got some genuine conversation ... But we haven't had really good links with the community groups and residents. They started off, but were put off by this business bias ... there is this theme of people coming to a meeting of the steering group getting [*discouraged*] because they don't like the business-corporate-round-the-desk-committee look and they don't come back.

(Sneinton coach)

We weren't all that happy about the way the meetings were run ...
[certain people] tended to be much into meetings and tended to dominate and that put off a lot of people who were less confident ... so many people have come to a meeting or two and got so disappointed and then gone out and there are lots of people who feel quite angry, who aren't around at the moment because they gave up on it ... and certainly I know that women felt that it was very much male-dominated, certainly Asian women ... there weren't many involved from the Asian community.
(Sneinton participant)

Other issues relating to engagement with local people and agencies, and developing a local economic vision arose in relation to the Local Money Flows Workshop and the varied approaches brought by different coaches/facilitators. This appears to have been particularly contentious in Sneinton – a contributory factor being the three consecutive coaches, each with a somewhat different style, who were employed here. In relation to the initial Money Flows Workshop, for instance, one interviewee felt that the approach adopted had been too simplistic, with insufficient attention given to building on previous experiences and existing potential, and that some of the ideas subsequently pursued had been unrealistic and overly utopian. This suggests the potential danger of raising expectations that cannot realistically be met, given the limited resources and timescale of Local Alchemy in practice and, more generally, the need for bottom-up regeneration initiatives to balance 'vision and passion' with 'realism and focus', building on previous local experiences (including failures).

On the other hand, it was argued by the Local Alchemy programme manager that all the coaches had operated with the same framework, with the aim of providing a forum for people to explore ideas and, in so doing, build capacity and skills. Some ideas are inevitably not taken forward by local people if there is insufficient motivation to do so:

Local Alchemy is for people to explore actions they are prepared to take – if actions are not taken forward, then that is the decision of local people. The outside agency's job is not to control expectations – it is to support actions that people are passionate about. If actions were not taken forward, then this is a result of no one locally wanting to see it happen ... People have to have the opportunity to explore ideas. Local Alchemy through this process builds capacity and skills and places decision making at the heart of the community.
(Local Alchemy programme manager)

Views on achievements and future potential

A key consideration is how long Local Alchemy and related interventions will be needed in a local economy before the process of bottom-up reinvention that is envisaged becomes self-sustaining. This is not easy to assess, given the less tangible nature of the processes involved and particularly with respect to changing attitudes. It appears that experiences have varied considerably across the pilot areas, particularly in terms of measurable outcomes, reflecting the varied characteristics of the localities involved, the different approaches adopted and the skills and experience of those directly involved in the process.¹⁰ At the Local Alchemy Action Learning Panel held on 21 May 2007, Corby (Kingswood Estate) was identified as the one pilot area where the achievements had been most evident and which appeared to be approaching a 'tipping point' where bottom-up regeneration/ reinvention was becoming more self-sustaining.

A series of 'Look Back Move Forward' events were held in all ten Phase 2 areas during March 2006 to February 2007 to take stock of changes in the local economy since the beginning of the process and their impact on 'people, the economy and the environment'; and to identify future actions needed to continue the process of positive change, including who would need to be involved. The meetings were facilitated to enable discussion in small groups, the outcomes of which were then fed back to the whole room. The main themes and issues to emerge from the events in Sneinton and Cotmanhay (involving about 20 local residents in each case) are summarised in Table 2.

Table 2 Look Back Move Forward: summary of events in Sneinton and Cotmanhay

	Sneinton	Cotmanhay
Context	Held at the Greenways Centre, Sneinton, 26 February 2007. About 20 residents present – mixed gender, some minority ethnic; range of age groups – particularly young.	Held at the Baptist Church Hall, Cotmanhay, 8 March 2007. Twenty residents present – mixed gender but fewer young people and less ethnically diverse than Sneinton event. Introductory presentation given + film on the role of arts in regeneration, particularly exploring local history/environmental assets, etc.
Highs	<p>Fun day event, but poor attendance (weather?).</p> <p>Sneinton festival – best event in last two years.</p> <p>Relaunch of Sneinton market.</p> <p>Business Forum established.</p> <p>Establishment of Sneinton branch of Nottingham Credit Union.</p> <p>Sneinton Health Centre.</p> <p>Much more collaboration and networking.</p> <p>Artists' community.</p> <p>Dragon sculpture – a symbol of local creativity and skills and sited to welcome visitors to Sneinton.</p> <p>Some new shops – increased variety of shopping.</p> <p>Sure Start.</p> <p>'Rubbish Days Out' – organised by a vibrant group of young people to make recycling fun.</p> <p>Plans for expansion of nearby waste incinerator delayed by campaigning local residents.</p> <p>More police on the beat + CCTV.</p> <p>Change of attitude of leader of local council – now supporting Local Alchemy.</p>	<p>New Sure Start building opened in May 2006.</p> <p>Completion of new housing estate (Three Valleys).</p> <p>Improvements to local school.</p> <p>Improvement in local atmosphere + more passion.</p> <p>Making new friends and contacts.</p> <p>Being able to share and talk about ideas for improvement.</p> <p>Increase in police presence.</p> <p>Credit Union started in 2006.</p> <p>Cotmanhay Gold Magazine – led by a young person.</p> <p>Launch of 'cooking on a budget' cookbook.</p> <p>Events – visioning visit to Mark Eaton Park in Derby; canal event, 'Cotmanhay by the sea'.</p> <p>Cotmanhay Cobras football team.</p>
Lows	<p>Decline in fortunes of Sneinton market (before the relaunch).</p> <p>Small shops still disadvantaged by supermarkets; more junk food shops.</p> <p>Selling off housing association properties.</p> <p>Sneinton still a crime hot spot.</p> <p>Alcoholics' refuge/soup kitchen near Sneinton market – ongoing nuisance caused by alcoholics on nearby streets.</p>	<p>Cotmanhay still has poor image with outsiders.</p> <p>Local shops and businesses still struggling.</p> <p>Rubbish still dumped in canal.</p> <p>Ongoing antisocial behaviour.</p> <p>Increasing crime rate.</p> <p>Financial insecurity of Enterprise Centre.</p> <p>Closure of Cotmanhay Community Centre – building going to ruin.</p> <p>Lack of facilities for children.</p>

Continued

Table 2 Look Back Move Forward: summary of events in Sneinton and Cotmanhay – Continued

	Sneinton	Cotmanhay
What has changed – people?	<p>A lot of passion in Sneinton.</p> <p>Sneinton has become a better place to live.</p> <p>Recent influx of new people (particularly Polish) contributing to diversity; but a transitory population? Some staying longer due to more vibrant community.</p> <p>Local Alchemy has provided focus – Sneinton residents, community associations and local businesses previously lacked a coherent voice.</p>	<p>Greater involvement in local decision making.</p> <p>Clearing of Erewash canal – most volunteers were from Canal Society, only two local people participated.</p> <p>People look after each other more.</p> <p>Children/young people: negative feeling towards them in the area ('hoodies'), but not much for them to do – need for more tolerance. Young people face a lot of challenges.</p> <p>More mini-motorbikes on streets since shifted off the canal.</p> <p>More drug addicts hanging around derelict Community Centre.</p> <p>Too much talking, not enough action.</p> <p>More opportunity.</p> <p>More people in the area due to new housing.</p>
What has changed – economy?	<p>Alchemist Fund has supported a lot of new businesses.</p> <p>New supermarket driving out other retailers.</p> <p>Shop premises being converted into houses.</p> <p>Lots of pubs closing.</p> <p>Lots of inward investment including new mixed public/private housing + good student accommodation.</p> <p>Demise of KwikSave; bigger Co-op.</p> <p>Asian clothes store.</p> <p>Old student accommodation being converted back to family homes.</p> <p>Developments in Eastside regeneration area – good if Sneinton residents/businesses can tap into the supply chain.</p> <p>Business Forum – supporting local jobs for local people.</p> <p>Labour market – problem of low-skill workforce not taking low-skill jobs (taken by migrant workers instead).</p>	<p>More money around, but doesn't necessarily benefit local people.</p> <p>Local shops closing/in decline – attributed to massive Tesco store on edge of Cotmanhay.</p> <p>Pubs closing.</p> <p>More people in area – better for local economy?</p> <p>Unemployment above average – not enough jobs.</p> <p>Credit Union – now more sustainable.</p>

Continued

Table 2 Look Back Move Forward: summary of events in Sneinton and Cotmanhay – Continued

	Sneinton	Cotmanhay
What has changed – environment?	<p>Tram – good if it comes to Sneinton (still at planning stage).</p> <p>Incinerator – more local awareness of the issues; can it be done better or are there greener alternatives?</p> <p>Pointless new park near windmill (lot of money spent on this).</p> <p>Empty, run-down properties.</p> <p>Parks generally run down and underutilised – need for a community garden?</p> <p>Market traders get blamed for rubbish but alcoholics' refuge/soup kitchen contributes a lot.</p> <p>Roads increasingly dangerous.</p>	<p>General appearance of area has improved.</p> <p>Clearing of the canal.</p> <p>Problem of mini-motorbikes using canal towpath resolved.</p> <p>Green spaces not used/cared for properly – need a proper park.</p> <p>Lot of dumping – but council has had a campaign to reduce this.</p> <p>People would like more environmental improvement projects.</p> <p>More collaborative working.</p> <p>Local Alchemy acted as catalyst for different groups, provided a forum for networking, worked with Sure Start, contribute 'buzz' + working together.</p>
Solutions – what can be done in three years, five years?	<p>Need to keep Local Alchemy going – but uncertainty about future sources of funding.</p> <p>Numerous ideas for future projects.</p> <p>Need to be focused, but difficult to get small grants necessary to get things going.</p> <p>Need to revive heritage/history as a local asset – guided walks, etc.</p> <p>Need to develop focus on the arts and local artists' group.</p> <p>Need to get local enterprises involved with schools.</p> <p>Realise community café project.</p> <p>High-quality space for mothers with young children.</p> <p>More children's green areas, pedestrian ways/cycling routes.</p>	<p>Need for ongoing Local Alchemy type project – to continue to remove barriers and develop more activities.</p> <p>Need to secure funding for Enterprise Centre.</p> <p>Need to access funding for community development – network with local agencies.</p> <p>More local shops and businesses.</p> <p>Grow Credit Union – need to drive out loan sharks.</p> <p>Community café.</p> <p>Need proper park + more leisure projects.</p> <p>Facilities for young people – drop-in centre + a proper strategy.</p> <p>Better street lighting.</p> <p>Redevelopment of Community Centre (target council to do this).</p> <p>A safer, stronger community for everybody.</p> <p>Changing attitudes to the young (e.g. hold a Fun Day).</p> <p>Use land/green space in a positive way – as opposed to ad hoc.</p> <p>Cotmanhay Cobras – winning the cup!</p>

The strong feeling coming from participants at both events was that Local Alchemy had been of great benefit to their communities and that a key concern for them was how to sustain the process and build on the achievements of the previous two years. All individual participants interviewed were also highly positive in their comments about the concept of Local Alchemy and the real benefits experienced over a relatively short period of time, including those people who were critical of some aspects of its implementation in practice. The coaches/co-ordinators interviewed were particularly keen to emphasise that Local Alchemy in the East Midlands needed to be understood as a research and action learning programme and, in this respect alone, it had been a success, with feedback from the experiences of the initial pilots contributing to the process and tools being refined in practice. Individuals whose projects had been supported particularly emphasised the value of the coaching and its contribution to their confidence, networking and learning with others, making new business contacts/partnerships and identifying opportunities.

I found the Alchemist and *[coach]* very approachable. Some of my ideas at that time that may have not been realistic were challenged – so, for somebody in Sneinton who wants to make a start, this a great place to be sitting in here, listening to others, having that personal touch of a coach to show you the various stages of reaching that bigger picture.

(Sneinton participant)

[Without LA] we would have made fewer strategic partners in the area, we would not have had the opportunity of that great funding round, which really helped us to actually set up the business, because, aside from that, there was not really much available to help us ... the great thing about having a group like this is that you end up having a joint focus and support and networking opportunity and I think every town or area could do with that.

(Sneinton participant)

Apart from the specific issues concerning the management/delivery (i.e. particularly in Sneinton), the main concerns related to continuity/sustainability in terms both of individual projects/enterprises that had been supported and of maintaining and extending the engagement of local people in the overall process initiated by Local Alchemy. Regarding the longer-term viability of enterprises, including existing small retail businesses, an issue in both Sneinton and Cotmanhay was the ongoing negative impact of the supermarket chains. This is clearly a concern that cannot be fully addressed at the local level, although NEF has been campaigning on this issue, including in the context of the current Competition Commission inquiry to examine the extent to which there are negative consequences for consumers of the current dominant position of the supermarket chains (Simms *et al.*, 2005; Simms, 2007).

How to continue the overall process initiated by Local Alchemy was also a key concern of interviewees and in the Look Back Move Forward events. In Sneinton, part of the legacy of Local Alchemy has been institutionalised in the form of the Business Forum and its particular concern to tap into the substantial developments on the edge of Sneinton:

[The Business Forum] will preserve the ideals of Local Alchemy and we want to keep the money churning round in Sneinton because there is about £2 billion worth of development on the edge of Sneinton ... we've got to ensure that a lot of that money goes into Sneinton ... I don't want it spent on subcontract bricklayers from Northampton or wherever and I want the supply chain to be local ... and we are talking with developers and they are hearing sympathetically.

(Sneinton Business Forum, NECTA representative)

While recognising the value of this, some interviewees nevertheless felt that the Forum was too narrow in its membership and concerns to be able to carry forward the process alone, and emphasised the need to make Local Alchemy in Sneinton (or whatever might succeed it) more inclusive; one also suggested the need to widen its scale to include the neighbouring ward of St Ann's. The views of interviewees on the contribution of Local Alchemy, including some mixed feelings and concerns about the future, are further represented by the comments in Box 10.

Box 10 Participants' views on the achievements and future potential of Local Alchemy

I do think it is a really positive thing and I am really glad that people have come to hear of it ... from a social point of view you meet more friends potentially and you get to feel that you are part of a community, which is very important because we are quite fragmented in lots of other ways and it is quite nice to feel that you are part of it.

(Sneinton participant)

It just can't end – that would be my main criticism. There should be some alternative set up before they depart ... I just worry that a lot of this is going to be dumped at the end of it and there needs to be something, even if it's only one co-ordinator for the region, or somebody who takes on a minor role as a contact point.

(Somercotes participant)

Continued overleaf

Local Alchemy in itself can't really give you anything – it's something that's almost not there, but it is, and if it can lead you, signpost you towards resources, small pockets of funding to help you out, contacts, give you ideas – that's all you need, the stimulus to move forward ... there is gold at the end of the rainbow if you can get to it! ... Since it started nobody has really mentioned the NEF as such, so people have not really identified it with some big organisation – it might have been mentioned at the beginning but it's never been thrust down people's throats, so people are looking at it as being local and identified as local and I think that's the key strategic element of it.

(Somercotes participant)

Any local initiative such as Local Alchemy with funding attached to it can only do good ... the biggest obstacle is apathy or lack of awareness ... there were plenty of newsletters posted to all the households in Sneinton and the St Ann's areas – it's just whether the issues or topics that are advertised just go above the head of most people ... Obviously it's there as an opportunity, particularly for people interested in setting up as self-employed or social enterprise type businesses, but nobody can force people to attend the meetings. It's just through occasional word of mouth ... The low level of active participation is the biggest obstacle, despite there being some fantastic people on board – obviously very passionate and with time on their hands and they act as a focal point ... You have leaders and followers and it's a matter of getting the right ratio of leaders to followers.

(Sneinton participant)

Getting the message across, I don't think was done particularly well. All the aims and ideas I think are really good and they are working and I think they've had a very positive impact ... If we seem a bit negative about it – fair comment – but really I think it's because it is such a good idea and it could have been done a hell of a lot better. That's with hindsight.

(Sneinton participant)

I feel quite critical but I do see it as a great thing and I'm glad that it happened but I think that there were some fundamental things that could have been done differently, which would have made it much more effective ... And not to be overambitious, saying it can change everything – acknowledging that there is a limit to what you can do ... maybe geared more to what is appropriate in a given area. Because otherwise a lot of people are going to get disappointed and disillusioned.

(Sneinton participant)

Conclusions

Local Alchemy is a particularly innovative and ambitious response to the economic needs of deprived areas, involving a distinctive vision of what local economic development should constitute and a practical framework for engaging with individuals, communities and relevant agencies in order to stimulate the bottom-up 'reinvention' of local economies. Innovative tools developed to support the process include the use of person-centred coaching to stimulate 'visions' and 'passions' through internalised learning, and the application of triple bottom line assessment criteria – social and environmental, as well as economic.

Achievements have been variable across the pilot areas involved, particularly in terms of measurable outcomes, reflecting the socio-economic characteristics of the different localities, the varied approaches adopted, and the skills and experience of those individuals most directly involved in the process. There is also evidence, in some areas at least, however, of less tangible/measurable benefits beginning to be realised, including the raising of aspirations and confidence levels of individuals and communities, and their ability to have a greater influence on their local economies.

The programme in the East Midlands has been a rich action learning experience from which a number of ongoing challenges can be identified.

- 1 How to sustain the momentum of bottom-up reinvention/regeneration and related uncertainties as to how long Local Alchemy and other interventions will be needed before the process becomes self-sustaining.
- 2 How to balance 'vision and passion' with 'realism and focus', building on previous local experiences (including failures) of regeneration initiatives – the key here being the identification of actions that local people wish to be actively involved in and avoiding the 'dependency mode' that Local Alchemy aims to challenge.
- 3 How to engage with local people beyond the 'core activists' and also with respect to reconciling tensions between different groups/interests.
- 4 Success in catalysing bottom-up development appears to have been particularly dependent on the qualities of individual coaches, who need to be sufficiently skilled and committed, and capable of engaging with both local people and other agencies/practitioners. Local knowledge gained through prior involvement in an area has also been shown to be a great advantage.

- 5 The appraisal and selection of projects for support, including how triple bottom line criteria are integrated in practice.
- 6 How to build constructive linkages with the LSP process of community engagement.
- 7 The extent to which the problems of many disadvantaged areas can be fully addressed at the local/regional level given systemic/structural barriers to enterprise and localisation/sustainability, which may require further enabling and redistributive measures by government, including for example:
 - with respect to the negative impact of superstore chains on small businesses and the diversity of local economies
 - that environmental issues are likely to require further fiscal/regulatory reforms and infrastructural changes to promote the 'low carbon economy' and environmental conservation.¹¹

With regard to governance, good-practice elements include: the commitment to seek to engage with a wide range of relevant agencies to maximise joined-up thinking and working (e.g. with police in Sneinton, local authority in Somercotes); effective signposting to other sources of support/funding (e.g. Coalfields Regeneration Trust, National Lottery); and effective collaboration between Local Alchemy coaches/coordinators and the existing business support services. Inevitably, however, through its aims of 'challenging the economic status quo' and stimulating 'passion' and 'vision', the Local Alchemy process in practice has given rise to tensions between different groups and agencies, including with respect to regeneration delivery roles/responsibilities and decisions as to which specific projects to support. Thus, in some localities at least, it has not been possible to build joined-up and constructive relationships with some agencies and Local Alchemy has chosen not to work through steering groups involving local agencies where they have been perceived to be acting to block the efforts of local people.

NEF is currently seeking to extend Local Alchemy to other regions, reflecting its belief in its relevance and further potential. The full realisation of the ambitious aims of Local Alchemy to 'reinvent' local economies, however, will clearly require long-term commitment involving other agencies and also supportive changes in government policy, as well as support and commitment to making things happen from local people.

Notes

- 1 See Morgan (2004) and Pike *et al.* (2006) for recent discussion of these issues and the local/regional governance challenges involved; SDC (2005) for an assessment of sustainable development in the English regions.
- 2 Findings from this case study were presented and discussed at the eighth Action Learning Panel held on 21 May 2007.
- 3 The Renewal Trust building is located on the border between St Ann's and Sneinton.
- 4 Members of the assessment panel were not interviewed.
- 5 http://cles2005.live.poptech.coop/C2B/document_tree/ViewAdocument.asp?ID=192&CatID=71&Search=true.
- 6 Also to the BizFizz programme run by NEF in partnership with the Civic Trust.
- 7 As also found in studies of personal advisers in mainstream enterprise/business support (Mole, 2002).
- 8 Sneinton Business Forum, established with help from the Alchemist Fund and with approximately 40 members, has developed as the business sub-group of Local Alchemy and latterly as an autonomous organisation.
- 9 In Somercotes, on the other hand, one interviewee referred to the very positive help given by representatives at Derbyshire County Council in relation to the community leisure development project, commenting that: 'councils don't have money, so they leaped to help this project since it fits their criteria well'.
- 10 An external evaluation of Phase 2 was due to be completed by Autumn 2007.
- 11 The Government White Paper *Planning for a Sustainable Future* (HM Government, 2007) includes measures to make it easier for small businesses and households to proceed with minor developments, potentially facilitating sustainable local enterprise. Concerns have been raised by some NGOs (including NEF), however, that changes relating to major infrastructure proposals will undermine the role of local people in shaping their communities and result in increased environmental harm (<http://www.planningdisaster.co.uk/>).

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Websites

Local Alchemy: <http://www.local-alchemy.net/>; <http://www.pluggingtheleaks.org/>

New Economics Foundation: <http://www.neweconomics.org/gen/>

Nottingham Regeneration Limited: <http://www.nottinghamregeneration.ltd.uk/eastside.html>

Renewal Trust: <http://www.renewaltrust.org.uk/>

Organisations interviewed

Local Alchemy programme manager, New Economics Foundation

Sneinton

Local Alchemy Co-ordinator/Renewal Trust business adviser

Local Alchemy coach

Sneinton Business Forum

Sneinton Business Forum/NECTA

Sneinton Credit Union

Community consultant

Main Ingredients (food business)

Catering training business

Area Learning Partnership facilitator

Cotmanhay and Somercotes

Local Alchemy coach/co-ordinator

Manager of Cotmanhay Enterprise Centre

Enterprise Development Officer, Ripley Council/Erewash Partnership

Cotmanhay Gold Magazine

Leabrooks Gallery, Somercotes

Somercotes Leisure Development Group

Ironville food co-op

Two 'Look Back Move Forward' events organised by NEF and held in Sneinton (26 February) and Cotmanhay (8 March) were also attended by the researcher.

4 Brent in2 Work

Introduction

Brent in2 Work (Bi2W) was set up by Brent Council in 2002 with the aims of reducing levels of unemployment and deprivation within Brent and developing a strategic overview of provision to address the employment needs within the area. It is a partnership-based approach, which seeks to encourage strategic co-ordination across a wide range of employment and training organisations and providers that aim to help residents make the transition from welfare to work. The central tenet that informs the work of Bi2W is the view that getting people into work, and once in a job to help them progress, is the best means of taking people out of poverty and revitalising the Borough's poorest neighbourhoods. It aims to be a client-driven service, responding to the needs of unemployed individuals and of employers.

The socio-economic context in Brent

Social deprivation

The London Borough of Brent (LBB) has suffered from long-term problems of social deprivation and disadvantage focused particularly in five wards: Carlton (South Kilburn), Harlesden, Roundwood, Stonebridge and St Raphael's. The population of Brent (268,000) is highly diverse, with 55 per cent black, Asian or other minority ethnic (BAME) residents, and with increasing diversity apparent in the number of different BAME groups present in the Borough.

Although Brent's deprived wards demonstrate some important differences, they share a number of characteristics.

- High unemployment: unemployment in Brent in 2006 was 4.4 per cent, but levels were up to double this in wards such as Harlesden (8.8 per cent) and Stonebridge (8.1 per cent). Unemployment is particularly an issue for men and is higher in BAME groups, although there are significant variations between ethnic groups.
- Low employment rates: against a Brent average of 61 per cent (West London average of 66 per cent), the employment rate in Harlesden was 54 per cent and in Stonebridge 50 per cent.

- Low economic activity rates: against a Brent average of 70.7 per cent (West London average of 73.9 per cent), the economic activity rate in Harlesden was 66 per cent and in Stonebridge 63 per cent, with rates for women notably lower.
- Highly diverse population: the composition of BAME groups varies significantly between areas. As a higher proportion of the population were born outside of the UK than for any other local authority in England and Wales, English is a second or additional language for the majority of school pupils.
- High percentage of households with one or more dependent children and above-average proportions of single-parent households.
- Highly mobile population, with population inflows and outflows reaching 10 per cent in some wards (against a London-wide average of 3 per cent) as officially measured in the 2001 Census.
- Low levels of qualifications, with an above-average number of people with only Level 1 skills and a significant number of residents, particularly older people, lacking any qualifications.

In deprived areas, these characteristics translate into a number of important labour market issues, related to the low level of skills and qualifications of residents, limited English language skills and a lack of work experience. There are particular needs related to basic skills education, English language teaching (ESOL) and the need for childcare, as well as the need to track individuals into employment given the highly mobile nature of the population.

Labour market change

Within the local economy, despite the presence of a small number of larger companies, small and medium-size enterprises (SMEs) predominate, many exhibiting relatively low levels of productivity. Between 1998 and 2006, there was a 6 per cent increase in the number of firms in the Borough. In terms of employment, the most significant sectors are construction, wholesale, retail, hotels and restaurants. Sectors where employment is growing include finance, hotels and catering, transport and communication, real estate and construction. In contrast, the manufacturing, wholesale and retail sectors, traditionally important sources of employment, have experienced some decline.

In recent years LBB has seen a fall in unemployment to a current rate of 4.4 per cent. The major regeneration project for Wembley has led to a stabilisation and subsequent quadrupling in land prices and increased demand from inward investors. Employment growth is predicted at 3,000 jobs per year in the Wembley area, principally in retail, creative industries, food and drink production and transport and logistics (SQW, 2006). The majority of these jobs are predicted to be at NVQ Level 2 and above, and even entry-level jobs are likely to require some form of basic qualification. There will also be an estimated 10,000 employment opportunities generated by labour turnover in existing companies and these are likely to generate a larger number of jobs requiring low-level qualifications or no formal qualification.

There are expected to be three main employment sites in forthcoming years. First, the Park Royal Estate, an existing major employment zone comprising an estimated 1,900 companies employing around 40,000 people. Second, Wembley National Stadium (WNS), which will provide 6,100 jobs (4,000 full-time equivalents), some 1,500 more than associated with the previous stadium. Third, the Quintain Estates development around the WNS, a 42-acre development that will produce an estimated 6,100 jobs, principally in finance and business services, creative industries, retail, leisure, entertainment and hospitality. The majority of these jobs will become available after 2010. As part of the section 106 agreement signed between LBB and Quintain in 2004, £21.6 million of local benefits were secured, including £1.5 million towards construction employment, £1 million towards end-user employment and 8,200 square metres of floor space for community facilities.

Policy context

London Borough of Brent

Bi2W was created to take forward the goal of reducing high levels of worklessness and deprivation within Brent. In this respect, its activities relate directly to the objectives set out in LBB's 20-year Regeneration Strategy (2001–21) (London Borough of Brent, 2000), specifically to:

- 1 reduce the gaps between Brent's deprived communities and the rest of London, and in particular to focus on the neighbourhoods of South Kilburn, St Raphael's/Brentfield, Roundwood, Church End, Stonebridge and Harlesden
- 2 reduce unemployment levels across Brent to below the London average, concentrating efforts on those most in need

- 3 increase income levels across Brent to above the London average and promote measures to retain wealth within the Brent economy.

It also relates closely to a fourth objective:

... to promote a landmark development of regional and national significance at Wembley creating an identity for the Borough and ensuring substantial local benefit.

(London Borough of Brent, 2000)

Of these objectives, it is objective 2 that is seen as the primary focus of Bi2W.

To deliver this strategy LBB has produced a series of two-year Action Plans, which describe the specific activities the Council is currently undertaking. The 2004–06 Action Plan (London Borough of Brent, 2003) identified a wide number of issues that needed to be addressed, including: the need to achieve a greater impact from the large amount of public money currently going into the Borough's most deprived wards; the need to achieve local benefit from the large-scale job opportunities arising from new developments; the lack of employment-driven training programmes; the need to enhance the effectiveness of complex mainstream employment provision; and the lack of a strong public–private interface. The Bi2W programme is seen as a principal vehicle for tackling these types of issues.

London-wide strategies

The policy objectives of Bi2W fit closely with those of the Mayor's London-wide spatial and economic strategies (see Volume 2, Chapter 4). In terms of development, the London-wide spatial development strategy identifies 'areas of regeneration' related to the most deprived wards in London, including those in Brent, and 'opportunity areas', capable of accommodating increased numbers of jobs and homes, which include the Wembley and Park Royal areas. London's economic development strategy identifies nine priority areas for intervention, which target resources to areas of deprivation and with the potential for development, with Wembley and Park Royal seen as major strategic areas for investment and employment growth. As a result, Brent has received a variety of London Development Agency (LDA) funding streams, which have included the Wembley, Park Royal and White City Area Programme (2004–07), Wembley Regeneration and Development, Destination Wembley Single Regeneration Budget (SRB), as well as Bi2W and associated projects.

National policies

In terms of national policies, there are five wards – Carlton (South Kilburn), Harlesden, Roundwood, Stonebridge and St Raphael's – currently in receipt of Neighbourhood Renewal Funding due to their ranking among the 10 per cent most deprived wards nationally. As an area with long-recognised problems of deprivation, Brent is also host to a number of other spatially focused initiatives funded by central government. These include: the New Deal for Communities (NDC) initiative in South Kilburn; the Housing Action Trust (in Stonebridge); the Sure Start programme; the Fair Cities programme funded by the Department for Work and Pensions (DWP), which focuses on getting black and minority ethnic (BME) groups into employment; and, until recently, the area had a designated Employment Zone. Brent is also part of the DWP's West London City Strategy which commenced in 2007. In addition, Brent has a complex mainstream employment provision including New Deal for Young People (18–25), Older People (50+), Partners and Lone Parents.

Programme development and description

Programme development

The development of Bi2W was stimulated by two principal factors. First was the need to reduce complexity and improve the performance of the vast array of employment and training providers operating within Brent. By 2001, there were an estimated 700 different organisations operating within Brent that were involved in some way with employment-related issues. This provision had developed in an ad hoc manner in relation to funding availability and the severe nature of employment problems within the area. This situation not only produced problems of complexity, co-ordination and competition for funds, but also meant that the quality and effectiveness of providers was widely variable. Second, the building of the Wembley National Stadium (WNS) and the related major regeneration of the surrounding area provided a unique opportunity for new employment opportunities for local people. Taken together, these factors prompted the need for a strategic overview of what employment initiatives were needed within Brent and a rationalisation of what provision was supported in order to achieve an integrated system that met client needs.

The Bi2W programme has attempted to provide a strong centre for the development of local strategy by drawing together disparate funding streams to become the central repository for public funding related to non-mandatory employment provision. It has built on a number of existing activities including the Brent Local Labour Agency,

created in 2000 and funded under a six-year SRB programme, as well as other partnership initiatives such as the Building One Stop Shop (BOSS), the development of which had required LBB, Jobcentre Plus (JCP) and the College of North West London (CNWL) to formally work together. Underwritten by a clear political mandate, from the outset, it built on close working relationships with key strategic partners to develop a strategy that sought to identify the needs of employers, job-seeking residents and gaps in existing provision. This was facilitated by regular ‘away-day’ meetings every six months between the LBB, JCP, the CNWL, the managers of the Employment Zone and other key partners.

By identifying the various stages involved in getting people into sustained employment – from initial engagement through to getting them into work, and then keeping and progressing them when in employment – and comparing this with existing provision, a number of issues became apparent. First, that much existing activity was focused on a very narrow part of this process (i.e. identifying and overcoming barriers and finding a job), but very little on initial outreach and engagement at the start, or on the latter stages of getting, keeping and progressing people within a job. Second, that much existing training provision was not sufficiently targeted on getting people into employment. Third, that across the huge number of existing providers there was great variation in their effectiveness.

As a partnership-driven organisation, Bi2W has sought to bring together the expertise and resources of the full range of employment organisations operating within Brent to help local job-seekers and local businesses. However, the development of Bi2W out of a wide range of pre-existing projects has meant that creating a clear sense of purpose and rationalising provision has been a long-term process. Its development has also been strongly influenced by ongoing changes in funding arrangements. For example, when the DWP ended funding to Action Teams and shifted resources to the series of New Deal programmes, this left certain gaps in provision, which Bi2W has subsequently tried to fill.

Programme description

Bi2W seeks to achieve its objectives through a number of related activities.

- Maintaining a strategic overview for residents and employers through working closely with major employment organisations via monitoring, evaluation and promoting best practice and responding to gaps in provision.

- Promoting strong partnership and collaboration between local providers to ensure good referral routes for job-seekers and a flow of candidates matched to employers' needs. Currently, there are over 40 such providers, representing a mix of private, public and public-private organisations.
- Maximising local jobs for local people.
- Promoting workforce development through helping residents to improve skill levels and employers to reduce skill shortages and employee turnover.
- Obtaining sustainable funding from a range of sources to deliver quality employment initiatives and refocusing ineffective spending.

The programme's clear focus is on 'hard to reach' groups and 'hard to fill' jobs. The target population is very diverse. As one project manager commented:

Some are highly motivated and just need to be given direction. But, for those who have been out of work for a long time, they need to build up their confidence, and often they have real problems, which means they are a long way from the labour market.

Central to the approach of Bi2W is a belief that: 'all the so-called socially excluded have names'. Through a focus on the unemployed as individuals, the key criteria are whether a person is, first, eligible to work and, second, wants to work; and then to provide discretionary, voluntary projects to help this to happen.

The projects

As well as signposting to other providers, Bi2W currently comprises a number of projects – some delivered in house (e.g. Households in2 Employment; Language 2 Work) and others contracted to other providers (e.g. Employment Outcome Project).

- *Households into Employment Initiative (HEI)*: an outreach employment service for unemployed residents of Brent's priority areas. Through teams of community-based advisers it provides one-to-one support and information on employment and training opportunities to assist clients enter sustainable employment. Clients are helped to identify employment ambitions and develop an action plan. They are provided with assistance on personal development, job searching and confidence building, and referred to other local organisations that provide necessary training and job-related support.

- *Refugees into Jobs*: this project targets unemployed refugees and asylum seekers and seeks to find employment equivalent to their skills levels. Established in 1997, the project initially targeted professionals, such as doctors, teachers and engineers, but has since broadened its focus to include all refugees and asylum seekers regardless of their skills levels. The programme provides information, advice and guidance, the development of training action plans, and support with job search and applications.
- *Building One Stop Shop (BOSS)*: developed in 1999, BOSS provides training and brokerage in the construction industries for West London residents, particularly those hardest to reach. Located in the College of North West London as part of the Construction Centre of Vocational Excellence, BOSS is a partnership between the College, LSC, LBB, JCP and local housing associations. It runs a variety of projects including health and safety qualifications (e.g. Construction Skills Certification Scheme), funding for training courses to develop skills linked to needs/shortages and workplace skill training. The project has outreach workers based in Fortunegate and Hillside, and one based on the WNS site.
- *Recruitment and Training Service*: specialises in retail, leisure and hospitality sectors to deliver training to job-seekers customised to employers' needs. Pre-employment courses are designed in conjunction with specific employers, with clients guaranteed an interview on course completion. This service has worked with a variety of employers including Wembley Plaza, Tesco, BAA Retail, Park Royal Partnership and the Fire Brigade. It has worked with contractors for WNS to prepare staff for catering, security and cleaning employment.
- *Language 2 Work*: an innovative programme designed to improve English skills, provide practical advice on how to develop job-finding skills and encourage integration of students from different backgrounds and ages. The course is an intensive, holistic language programme, where the team of tutors and consultants work closely with clients to develop individual support packages to help them into employment. Language teaching is combined with support for job search; writing of CVs and application forms; development of interview skills; counselling for career development; access to other sources of support, advice and guidance; and ongoing support for a 13-week period after clients have entered employment.
- *Employment Outcomes Project*: funds local delivery organisations to provide support and training to assist unemployed Brent residents into employment with focus on the long-term unemployed (12 months+), as well as short-term unemployed at risk of becoming long-term unemployed. This project commissions local training providers (such as New Challenge, Work Direction) who have good

employer engagement and experience of supporting unemployed job-seekers into employment, with the objective of avoiding duplication of provision and linking up with other services (e.g. Households into Employment Initiative [HEI]).

- *Local projects:* there are a number of small-scale projects within Brent that target specific hard to reach groups with specialised support, training and rehabilitation to help them become active in the labour market. Each project has been developed in response to an identified local need and has run only since 2005. These projects comprise an ex-offenders project, a homelessness project and an Incapacity Benefit project.

Table 3 provides a brief summary of the projects, budgets, funding, job outcomes and estimated costs of employment outcomes.

Organisation of Bi2W

Bi2W seeks to allocate provision on the basis of utilising the most effective provider regardless of their sector (private, public, voluntary and community). Central to the Bi2W ethos is that the projects listed above, as well as employment and training initiatives of other providers, should refer clients on to appropriate provision and provide a 'seamless' service, avoiding the barriers that can exist between different initiatives. In order to achieve this, Bi2W runs a quarterly Provider Forum, which brings together the different community, voluntary, public and private organisation providers to update partners on new developments and opportunities, to stimulate networking and share knowledge of what other providers are doing, in order to avoid duplication and improve co-ordination and the transfer of best practice.

In order to encourage an improved tracking of clients, a new software system was introduced in 2006 (Cognisoft) so all clients will be recorded on one database. This system will allow tracking of progress from one project to another and allow systematic recording of actions, as well as the ability to share information and identify how the referral system works in practice to better target resources. While data from this system is not yet available, initial findings suggest that clients from hard to reach groups are commonly moving through four to five projects before entering employment.

Table 3 Brent in2 Work: projects, budgets, funding and outcomes, 2005–06

Programme/ projects	Budget (£'000s)	SRB (£'000s)	Single programme (£'000s)	Other funders	No. of clients into employment	Cost per employment outcome (£)
Operating costs	392	41	301	LBB		
Households into Employment Initiative (HEI)	577		251	LBB, ESF/LSC	97	5,948
Building One Stop Shop (BOSS)	698			S106, JCP, CNWL, ESF/LSC	175	3,987
Recruitment and Training Service	116			S106	100	1,158
Language 2 Work	354		229	S106	63	5,621
Employment Outcomes Project	342	234		S106	406	1,170
Refugees into Jobs	1,200		300	Home Office (50 per cent), HM Treasury (25 per cent)	69	8,815
<i>Local projects</i>	350		350			
Incapacity Benefit					20	17,504
Homelessness					4	17,504
Ex-offenders					10	17,504
Total	4,029	275	1,431		944	4,268
CNWL	College of North West London					
ESF	European Social Fund					
JCP	Jobcentre Plus					
LBB	London Borough of Brent					
LSC	Learning and Skills Council					
S106	Section 106 development funds					
SRB	Single Regeneration Budget					

Source: SQW (2006).

Future plans include the establishment of the Wembley Works one-stop shop that will provide a high-profile first port of call for employers, employees and the unemployed who are seeking employment and training provision. This will comprise a joint office of Bi2W and the CNWL and, from mid-2008, will be prominently located in one of the new offices currently under construction by Quintain as part of the Wembley regeneration scheme.

Programme analysis

Programme outcomes

Bi2W has managed to rationalise and strategise provision, and has successfully engaged key strategic partners and a host of delivery organisations in an ongoing process. As Table 3 above shows, in 2005–06 the programme placed 944 people into sustainable employment (defined as remaining in employment for over 12 weeks), around 85 per cent of whom were from BAME groups. Such results demonstrate the critical mass that Bi2W has achieved as well as its track record for delivery, which has made it attractive to funders. Although the average cost per employment outcome of £4,268 is significantly higher than mainstream programmes, this represents good value for money given that the Bi2W programme focuses on hard to reach groups. However, the outcomes of many of Bi2W's projects, such as the Households into Employment Initiative and Language 2 Work, go beyond merely getting clients into employment to include a range of 'softer' outcomes. These are strongly valued by clients who consistently comment on how participating in projects has given them the 'confidence to look for employment' and 'developed their independence', taking them out of often restrictive household or community situations and moving them towards a new set of employment and life possibilities (see Boxes 11 and 12).

Box 11 Client experiences

When I came to Britain from India, I was afraid of the country and didn't know where to start in order to find work. I was scared to apply for jobs and use the telephone and, when I did apply for a job, I got no reply. This project has really helped me improve my confidence. I did mock interviews and was given help to apply for jobs and my English improved too – and now I have a job as a hotel receptionist.

(Female, 35 years old, Language 2 Work programme)

Once I had got refugee status I wanted to work, perhaps driving or in a factory, but my English was not good and I kept being turned down for jobs. Learning English was really important to me and I went on an English course and also to computer training classes. But I still did not get a job and I became less sure I could get one. This project helped me look for work and supported me – my adviser helped organise job interviews and we talked over what was needed. I got a job working in a warehouse and, after, got a job driving.

(Male, 25 years old, refugee from Iraq, Households into Employment Initiative)

Box 12 Project performance

The Households into Employment Initiative (HEI) has been effective in engaging hard to reach and isolated residents, helping them make contacts with appropriate services and supporting them towards job readiness and employment (Parkinson, 2006). The numbers of clients who have been enabled to find and sustain employment increased from 16 (in 2003–04), to 28 in 2004–05, to 99 in 2005–06, reflecting a growth in case load and advisers. Of the 99 who went into employment in 2005–06, 67 entered full-time employment either in unskilled or low-skilled jobs. To date, performance in terms of ‘employment outcomes’ has been solid, with 13 per cent of all clients having been helped into employment. Yet, given that the journey towards employment for the target groups served is often a long one, much of the most valuable work undertaken by the HEI project (e.g. building confidence, engaging with hard to reach groups, improving employability, encouraging clients’ independence) is not reflected in such a narrow measure of outcome.

Language 2 Work succeeded in getting 63 learners into sustainable employment in the 2005–06 period, accounting for 35 per cent of its clients (against a target of 40 per cent). The average cost was £5,621, a figure comparable with other cost per job figures within Bi2Work. Aside from employment outcomes, the project provides an important role in moving clients on to other types of provision as necessary (e.g. longer-term ESOL training) and prides itself on achieving major ‘soft’ outcomes related to building self-confidence, often among those who feel ‘locked in’ their households and communities, and developing social integration among Brent’s highly diverse communities.

Success factors

Bi2W is characterised by a partnership approach that recognises that tackling unemployment and deprivation requires a full range of employment and training organisations to work together to deliver effective programmes to their target populations. A number of factors have been central to its overall success.

Bi2W has an approach that combines both strategic development and effective project delivery to their mutual benefit. The strategic component has been central to providing clarity of vision to the rationalisation of provision and a strong co-ordinating centre. The delivery component has been important in developing credibility and critical mass with local providers and funding agencies.

- *Strong focus on employment and client needs:* the Bi2W scheme is notable for its strong and narrowly defined focus on the agenda of getting residents into employment. From this starting point, it has been possible to strategically think about the various stages on the way to employment and identify specific needs related to these, as is exemplified by projects such as Language 2 Work and the Households into Employment Initiative. A strong client focus, defined in terms of both unemployed individuals and employers, underwrites all aspects of the programme (see Boxes 13 and 14).
- *Funding: creating space for autonomous action:* drawing in funding from a wide range of sources (via the SRB/ESF/LDA, etc.), combined with money from S106, has provided sufficient funds to develop a diverse, coherent and extensive range of provision to complement that available from mainstream funders. The existence of this funding has also enabled the development of a dense network of competing providers, which has given clients a degree of choice, kept costs down and led to locally based expertise. Bi2W has used the narrow employment targets that relate to many funding streams to its own advantage, taking these as its objectives and developing programmes related to priority areas/groups to maximise a range of incoming funding. Coupled with this is the achievement of a critical mass in delivering a high level of employment output related to some of the 'hardest to reach' target groups. This has given Bi2W credibility with funders (e.g. JCP, LDA) and made it attractive to them in meeting their own targets related to such groups. Bi2W has also benefited from the importance of the development of Wembley within wider West London/London strategies, which has made it a priority area for funding.
- *Relationship management:* Bi2W has encouraged an open and co-operative working culture. With regard to major agencies, there are strong working relationships with JCP, CNWL and the LDA that have developed over time and generated a degree of trust. Importantly, these organisations were involved in the original strategy formulation, which has ensured a degree of genuine partnership commitment. Bi2W has also been responsive to collaboration with all types of partners on the basis of their ability to develop and deliver appropriate programmes. With regard to providers, there are regular meetings (quarterly) in which they are encouraged to share experiences. An emphasis on the ability of providers to deliver and the use of employment outputs as a means of funding providers has enabled the renewal of contracts to be closely linked to performance, with providers of employment and training services changed if their performance was inadequate. With key organisations, such as CNWL, the relationship has developed to become more structural in nature, as seen in the current Wembley Works initiative.

- *Complementary approaches:* non-mandatory provision. Bi2W has sought to avoid duplicating and competing with existing providers. With regard to JCP, the approach has clearly been to develop services that add value to what JCP does (i.e. more intensive and time-consuming work with clients to get them into employment/closer to the labour market). The lack of engagement of many individuals with the services of JCP and other state agencies relates to the mandatory nature of the provision and the fear that this will lead to a loss of benefit. As one project adviser commented: 'Many groups – some refugees, asylum seekers, young men – just do not trust state agencies. For refugee groups, the State has often been the major source of oppression. So they need to learn to trust government organisations and services.' The fact that, within Bi2W, engagement with projects is voluntary and that the advisers' role is to help and support (and not to punish) is essential in developing the trust-based relationships between clients and advisers that is central to the journey into employment.
- *Quality of staff:* the projects delivered by Bi2W are strongly 'people based' and are characterised by good-quality and highly motivated and committed staff working effectively in small teams. Staff require a variety of skills, including employment preparation and search skills, an ability to relate to a highly variable population on a one-to-one basis, belief in the ability of their clients to find employment and an extensive knowledge of local provision with an array of local contacts. Staff have a wide variety of ethnic backgrounds in keeping with their client population and a number come from backgrounds (e.g. as refugees) that enable genuine understanding of the particular issues faced by clients and commitment to their work. Many staff have worked for a variety of providers of employment and training services and hence have varied experience. That a number of projects have been operating in the area over a number of years has permitted the development of local staff. There are a number of particular individuals who have played a key role in driving forward the development of Bi2W.
- *Client-centred holistic approach:* a client-centred approach requires building relationships with unemployed people and firms on an individual basis. For unemployed people within Bi2W a significant amount of work is done in the form of one-to-one advice and support (see Boxes 13 and 14). This generates the development of trust-based relationships, which is not possible under schemes where there is little or minimal client contact. This approach also requires understanding of the multiple needs of individuals and that, for the most disadvantaged, the path to the labour market can be a long one. Bi2W attempts to provide a system where clients can be referred to a wide variety of employment

and non-employment services according to how their needs develop over time, yet keep them engaged and moving forward. For employers, too, there is an attempt to build relationships to gain a better understanding of their workforce needs and to overcome preconceptions and discrimination towards unemployed groups.

- *Outreach – proactive engagement:* in order to connect with hard to reach groups, Bi2W provides a variety of examples of strategies designed to proactively engage with them through the use of a range of outreach activities and ensuring staff are closely located and accessible to target groups. However, such outreach work is difficult for staff and requires appropriate training, and there is the potential for closer working with other agencies that have similar functions.

Box 13 Client-centred approaches: views from advisers

We are not telling clients to pull their socks up and get into work – rather we provide support based on what the client and their family circumstances needs and what is practical. It's important to develop some trust.

There is a real psychology to helping clients. You do not want to be pursuing clients, but you cannot be woolly either. If need be, we are upfront with clients about what they need to do – a sort of 'tough love'. If they don't turn up for appointments we stick with them, but we point out their responsibilities too.

Although clients will often at first say that they 'just want a job and are willing to do anything' – in reality this is rarely the case, and what they really want and are willing to do needs to be found out.

We should not be turning around to somebody who wants to be a tipper driver and saying 'you should go on a Learning Direct course'. It's not just about being shunted from provision to provision. Just because there is a computer course running doesn't mean that people actually need it, or that it is going to be of any practical value to them as a means into employment. If they want to be a tipper driver then they want to be a tipper driver.

Box 14 Client-centred approaches: client views of advisers

The way they [*advisers*] talk to you is good, you feel they are there to help you and understand when you have got problems, like recently when my son was ill.

They helped to push me on – I needed that – someone to keep me going looking for jobs and who I could talk to, otherwise you feel all on your own.

When I went to see them and showed them my CV they immediately knew of some possible jobs. They rang me later and said they had arranged an interview. After I had the interview they were interested in what had happened – they gave me some hope.

They got me onto this course for door supervision and security and then organised a placement for me – this turned into a job and I have been working there for six months.

Challenges for Brent in2 Work

Despite the successes of Bi2W, there are a number of challenges that remain critical to its development.

Employment and training

A major strength of Bi2W has been its clear and narrow focus on getting people into employment as the principal route to take them out of poverty. This focus was shaped by doubts as to how important training is within the process of getting people into employment and a judgement that much existing training provision was largely ineffective because it was not sufficiently focused on getting people into work. The ongoing relationship between employment and training therefore provides a number of fundamental challenges, particularly given the development of the local labour market and the need to better integrate provision.

Labour market change

Despite job growth in the local labour market and evidence of certain labour market shortages, access to entry-level jobs for the unemployed and hard to reach groups remains difficult. This reflects changes in the nature of the labour market such

that, increasingly, entry-level jobs require basic literacy and numeracy skills, and completion of interviews or tests. In-migration, including that from relatively highly skilled workers from the EA (European Accession) states, has ensured a competitive local labour market, particularly for jobs with perceived 'good' employers such as Tesco or the Council. It is also apparent that certain employers remain wary about taking on those who have poor English skills, have been unemployed for long periods or are resident in certain areas. As a result, where relatively good jobs are offered, as for example under the Fair Cities programme (e.g. Ladbroke's, Transport for London, Hilton, Black Taxis), these often remain out of reach for many in the target groups living in deprived areas because of their lack of basic skills and qualifications. This can lead to demoralisation about the types of jobs and pay levels of the jobs that are available.

Gaps in provision: pre-employment training

Against this background, labour market access is closely bound up with skills development. However, there are currently some notable gaps related to pre-entry level training within Brent. In relation to 'basic skills' provision, many individuals have very low reading, writing and numeracy abilities and there is currently a lack of sufficient provision in this area. With regard to ESOL provision, in a highly diverse area with a constant inflow of individuals who do not speak English as a first language, the lack of basic English language capabilities – and the lack of confidence often associated with this – is a major barrier to entering the labour market. Current ESOL provision is insufficient, principally because of the lack of available funding for such courses, but also because of a lack of co-ordination and unevenness in the quality of provision. As a result there are long waiting lists (over six months) to enter language courses. Given that such individuals can do little in the absence of English language capabilities, such a lack of provision is a fundamental barrier to their advancement and there are current attempts by CNWL and Bi2W to promote a more coherent system. However, in both cases, the lack of provision reflects a lack of local flexibility given current LSC national priorities are for training at Levels 2 and 3, resulting in a lack of available funding for pre-employment/Level 1 training.

Workforce development

Once individuals are in employment, there is a recognised need to promote their development, not only to develop their skills but also to encourage improved productivity of employers. Such activity is also important to retaining workers within

Brent, given the current high level of 'churn' in the labour market and that a significant element of residents who do enter work subsequently move out of the Borough. While the championing of workforce development is a principal objective of Bi2W, it does not feature in any of Bi2W's current projects. To date, attempts to develop work in this area have been unsuccessful and this work is left to the LSC and the Sector Skills Councils.

Developing provision

Where there has been specific vocational training for employment as part of Bi2W (e.g. for security staff for WNS) and the Fair Cities project (e.g. health and social care training with a guaranteed job at the end if individuals pass the NVQ), this has been effective and popular with clients who get a job and a qualification. The growth of such provision has been helped by the development of a more strategic and complementary relationship with CNWL, and Wembley Works will further advance joint working to identify skill needs. However, further development requires not only working more closely with employers, but also a stronger relationship between Bi2W and the LSC, a relationship which has to date been weak.

Employer engagement

Central to Bi2W is a commitment to recognising employers, from both the private and public sector, as key clients. Its constituent projects consistently demonstrate successful employer engagement (e.g. BOSS, the Recruitment and Training Service), as do other initiatives such as Brent's Employer Partnership and the Fair Cities initiative. This emphasis has been supported by the approaches of other key local agencies, such as the CNWL, which shares a similar commitment to employer engagement. Yet, overall, employer engagement remains partial and restricted in a number of ways.

SME engagement

Employer engagement is heavily restricted to larger employers. Local employment is dominated by SMEs in many key sectors, yet there is limited contact with them. The majority of SMEs continue to recruit principally via word of mouth and for providers it is easier, and more productive, to develop relations with larger companies, which reinforces the neglect of the SME sector.

Complexity of provision/lack of integration

With multiple providers engaged with activities related to job brokerage within Brent, there are issues concerning how information on job opportunities is best obtained and shared to avoid duplication of effort. There is also the danger that employers are confused as to what is the best point of contact and may consider it wasteful of their time to have multiple contacts with providers. At the same time, individual relations between advisers/projects do have an important role in building up trust with employers to get them to take on individuals who have been unemployed. The need for clear communication with employers is undermined by a lack of integration between initiatives – something that has been evident with regard to the DWP Fair Cities programme and with key employer membership organisations (i.e. Park Royal Partnership) that are also involved in job brokerage activity.

Selling the benefits to employers

Engagement with employers has been limited because of the lack of practical benefits apparent to employers. Employers, who are only really interested in recruiting the best person available for their vacancy, often remain unconvinced about the benefits of taking on unemployed people and, where they do, often require considerable pre-screening before accepting people for employment. There is therefore a need to tackle negative perceptions of this potential workforce and to convince employers of the positive benefits in so doing. The Brent Employer Partnership has sought to advance the corporate social responsibility agenda. In seeking to demonstrate a clear benefit, the underdeveloped area of workforce development is potentially a key element, as this provides the scope for ongoing employer relationships on the basis of clear benefits to employers.

Enterprise support

The strong employment focus within Brent's strategy has been accompanied by a lack of emphasis on other activity related to economic development. This is most apparent in the area of enterprise support, where activity has been limited in terms of either conventional enterprises or social enterprises. Brent's regeneration department is unapologetic over this focus, arguing that economic development activity is best done at the sub-regional/regional level, as Brent is part of the wider London economy and that there is little evidence to suggest enterprise activity delivers concrete benefits to residents of deprived areas, in contrast to well-targeted employment initiatives. However, this position does not recognise that enterprise support can provide a further means of developing engagement with SMEs and that enterprise does provide a route into self-employment, albeit for a minority of individuals.

Funding

Bi2W has been successful in drawing down funding in order to support the development of an extensive range of employment-related activity that is complementary to mainstream provision. However, this activity is comparatively costly, characterised as it is by outreach work and personalised support, and presents issues related to its ongoing sustainability, as well as to the funding criteria and targets that drive its development.

Funding availability

At present, Bi2W is heavily reliant on funding from the LDA. While this provides advantages in terms of avoiding the tensions and bureaucracy created by having a cocktail of funding, it does raise issues over its longer-term sustainability. At the time of research, the lack of certainty over future LDA funding from April 2007 was causing considerable insecurity and worry among providers. Furthermore, in the short term, further SRB and NR funding is set to disappear. Although further LDA funding has now been confirmed, such uncertainty and changes in funding regimes did have unsettling impacts in terms of retaining the staff base and ensuring continuity of relationships between clients and providers. Loss or change of funding creates pressures to providers to modify their programmes in order to conform to new funding requirements (which may lead to a loss of focus), or to develop their services elsewhere, with the consequent loss of local knowledge and contacts with clients, employers and other providers. The prospects of providers acquiring funding from mainstream organisations appear limited at the current time. Engagement with bodies such as JCP and the LSC is a particular problem for smaller providers, as these bodies prefer to work with a smaller number of larger providers to keep project management costs down.

Funding criteria and targets

To date, the Bi2W funding model has been dominated by payment on the basis of employment outputs; that is, putting someone in receipt of public funds into 'sustainable employment' (normally defined as remaining within a job for at least 12 weeks). In addition, some projects have funding payments related to priority wards (i.e. a higher amount is received for placing a resident from a priority ward into employment) and some to training outputs. The use of result-driven funding based principally on employment outputs has produced a tendency to focus resources on those who it is easier to get into the labour market – the so-called 'picking of low-hanging fruit'. There is also a danger of providers competing against each other,

although Bi2W has attempted to encourage a co-operative working culture between providers. As one practitioner commented:

We try to rise above targets and competing for who gets an 'output', but there is some competition where a client moves between different parts of a service.

These limitations, combined with falling unemployment levels within Brent, mean that those remaining out of employment are progressively more difficult to place into employment, and demonstrate the need for revised targets and funding criteria. These need to incorporate recognition of the considerable amount of work required to get such individuals ready for employment and to provide ongoing support for them once they are in some form of employment. However, as one manager stated: 'There is not enough recognition of the value added'. The JCP has recently moved to a new system based on the number of people who start paying tax (rather than employment outputs) and this appears to provide a more outward-looking, flexible system, with payments to intermediaries related to the numbers of referrals. It should also remove problems of double counting. However, there remain difficulties in ensuring that the differing targets between funders are aligned. For example, while the objective of the LDA is the rather vague 'to support people towards employment', Bi2W has the rather more specific objective 'to get people into employment'. Such differences matter when translated into funding criteria, with the Bi2W objective requiring a higher level of funding given it requires more labour-intensive projects. Bi2W is currently moving towards a funding model that seeks to prioritise the interests of clients, with overall employment targets at the level of the programme rather than for individual projects. It remains to be seen whether this will deliver improved co-operation between providers and limit narrow target-seeking behaviour.

Integration

A driving force for the development of Bi2W has been the rationalisation of provision and the strong degree of integration between a range of employment and training-related providers. As the programme has evolved from a complex set of existing activities, it has taken some time to achieve clarity over what the programme was trying to do and provide a strong centre to offer the necessary direction. The sheer profusion of activity in an area like Brent and the constantly changing nature of policies, provision and institutions makes ensuring integration and co-ordination a challenging and ongoing project. Consequently, there remain a number of examples where particular key partner/policy initiatives have not been integrated as fully as might be expected. For example, it was not until 2005 that Neighbourhood Renewal

(NR) and South Kilburn New Deal for Communities (NDC) employment initiatives were co-ordinated into the Bi2W's overall programme. Similarly, despite a generally strong relationship with the CNWL, ESOL provision remains poorly co-ordinated, while a strong relationship with JCP has not prevented occasions when opportunities for co-operation and integration have been missed (e.g. the belated linking up of the Children's Centres for employment-related activity).

There are a number of specific areas where problems of integration are particularly apparent.

Integration with sub-regional initiatives

There has been a notable lack of integration at the sub-regional level in two particular instances. The first relates to the Park Royal estate, an important employment site of 40,000 employees including major employers (e.g. McVitie, John Lewis Partnership distribution) and numerous smaller companies, and the work of the Park Royal Partnership (PRP). As one provider observed, the PRP has 'traditionally treated its employers as its own private property'. Despite the huge employment potential of the Park Royal Estate, linking these opportunities to the unemployed of Brent has not been as actively explored as could have been possible, although this situation has begun to change. The second relates to the DWP Fair Cities programme. Despite this programme having very similar objectives (of job brokerage), the decision not to use the existing Bi2W initiative caused a degree of duplication with existing services and a resentment that this funding stream did not benefit local providers and build on their understanding of local clients and the local employment market. To a significant extent these difficulties reflect the programme funding requirements – it will not fund those in receipt of New Deal funding or who have below Level 1 English, effectively excluding a large proportion of Brent's BAME population. There are fears that the current West London city strategy, which is under development and has similar objectives, may similarly create a stand-alone initiative.

Carousel effects and tracking individuals

Within the context of a highly mobile and often transient population, the progress of individuals through the labour market is often complex and difficult to track. Given the existence of many providers, and that it often takes some time to get individuals into employment given their personal circumstances, it is likely that people may pass through a variety of schemes. This presents difficulties in keeping track of an individual's progress as well as the possibilities of 'double counting' of outcomes

by providers, and a lack of knowledge concerning the precise routes taken both by those who enter employment and, indeed, by those who remain unemployed. While there has been the recent introduction of the Cognisoft system to track individuals within certain Bi2W projects, the operation of a wider system remains problematic, not least because of data protection issues, which limit the sharing of information with other agencies.

Bi2W and other Brent services

The focus on developing relationships within a network of employment providers led to a relative neglect relating to integrating services within the London Borough of Brent. The need to improve links with the provision from other key council services (such as housing, social services, probation, etc.) to ensure better referral processes, possible co-ordination of outreach activities and that such services are more aware of how employment issues relate to their service provision has begun to be recognised.

Voluntary and community sector

Within Brent, it is notable that the VCS has been marginal to the development of Bi2W and there exists considerable animosity within the VCS towards Bi2W and, more broadly, towards the LBB.

The emphasis of Bi2W on contracting with providers that can deliver has limited opportunities for smaller VCS bodies with more restricted capacities to compete for such contracts. As a result Bi2W has contributed little in the way of capacity building within the VCS sector. Allied to this has been a lack of emphasis on social enterprise development within Brent's wider regeneration strategy, despite the fact that service providers could have adopted this form and such enterprises could have an important role within deprived areas.

Ensuring local benefit from investments

Ensuring local people benefit from major investments is an objective of Bi2W and Brent's wider regeneration strategy. However, it is apparent that to date the construction of the WNS has not generated many employment opportunities for the local population, although it is accepted that it will be the future regeneration of the area that surrounds the Wembley Stadium that will generate the larger number

of jobs (approx 6,000). The construction of the stadium has produced very little employment for local workers, despite the section 106 agreement that promoted the use of local labour. In reality, the key role of subcontractors in the construction process and the specialist elements of an international sporting stadium meant that such an agreement has been largely unenforceable. Subcontractors have preferred to use known workers, often brought in internationally, who had the appropriate specialist skills to ensure work was completed to deadline.

In terms of employment opportunities generated by the operation of the stadium, benefits have been limited by the delay in its completion and the types of jobs generated. The opening of the stadium in April 2007, after a year-long delay, meant that some of the employment preparation and training schemes undertaken (e.g. catering, security, stewarding) were unable to feed into employment as intended. Furthermore, the majority of the employment that will be generated (catering, hospitality, stewarding, security, etc.) will be temporally variable (related to the number and timing of events). Such erratic, part-time and low-paid employment provides few attractions for those seeking to move off benefit. While there will be some more permanent jobs created, for example related to security, overall the benefits with regard to target groups will be limited and dependent on the scale of the programme of activities that WNS can generate.

For the wider regeneration of Wembley, it is expected that greater local benefit will be achieved as a result of the close working relationship that exists with the developer Quintain, particularly in the development of training and employment opportunities related to the lower-skilled jobs that will be created in the retail, leisure and catering sectors. The CNWL has developed a specialist training centre, operating at the pan-London level, related to the retail sector in response to this projected job growth. The section 106 agreement will deliver a new high-profile location for Bi2W as part of Wembley Works, which should enable a better joining up of provision and a clearer external presence. However, it remains to be seen whether clauses requiring the use of local labour will have any greater force in the future than they have had in the past.

Reaching those furthest from the labour market

The successful Bi2W schemes have worked effectively with that element of the unemployed local population who have some motivation to enter the labour market and who have voluntarily entered projects. However, there remain problems of engaging certain groups and individuals. Among some youth groups, for example, there remains a major problem of motivating them to conform to work discipline in exchange for a minimum wage. In such cases, expectations of wage levels and

types of employment bear little relation to individuals' skill levels and qualifications. How to engage such groups remains extremely challenging. There is often a strong lack of trust of state agencies and actors, and mandatory activity is likely to lead only to withdrawal into informal networks. The role of well supported outreach workers operating out of locally based community/voluntary organisations appears a necessary first step for successful engagement. The recent development of Bi2W local projects that seek to work with specific groups (e.g. ex-offenders, homeless people, those on Incapacity Benefit) represents another strategy for taking such work forward. However, activities remain strongly reactive, with little attempt to prevent problems arising in the first place. This is particularly important with regard to young people, where earlier actions when they were in formal schooling could seek to encourage career aspirations and prevent individuals entering the labour market with a lack of qualifications and skills.

Conclusions

Bi2W provides evidence of an approach to economic inclusion that focuses on supporting individuals into employment as the best route out of poverty (see Volume 1, Chapter 5). It demonstrates that, for such an approach to be successful, it requires employment and training services to be oriented towards clearly identified local needs with the flexibility to tailor provision accordingly. Through mobilising relatively high levels of funding, Bi2W has been able to develop a degree of co-ordination between services and an array of initiatives that complement mainstream provision on a scale that has provided a degree of autonomy and the development of innovative actions.

At the same time, Bi2W faces constraints related to the scale of the problems it is seeking to deal with and the difficulties of integrating a complex web of provision. Economically, Brent demonstrates the structural challenges and particularities of the wider London labour market (see Volume 2, Chapter 4), where employment growth exists alongside high levels of worklessness. While jobs are being created, certain sections of the population are unable to compete effectively for them. Given the scale of London's worklessness problem, combined with the particular ethnic dimension to poverty and the existence of a highly diverse, growing and mobile workforce, local initiatives clearly require integration with central government employment, training, education and welfare programmes if any significant change is to be effected. That Bi2W was needed in the first place was largely due to the existence of a confusing array of government programmes, variably effective multiple providers and short-term initiatives. While some strategic rationalisation has been achieved within Brent, wider governance arrangements and central government policy initiatives continue

to reproduce such complexity and instability, resulting in ongoing problems in co-ordinating activity locally.

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Organisations interviewed

Brent in2 Work

New Challenge (provider)

Households in2 Employment

Clients/students, Households in2 Employment

West London Development Team, LDA

Language 2 Work

Clients/students, Language 2 Work

College of North West London

Working Links

Jobcentre Plus

London Borough of Brent

Employer Partnership

BRAVA

5 South Lanarkshire Routes to Inclusion Partnership

Introduction

Since the 1970s, deindustrialisation and employment loss in manufacturing industry has been particularly prominent in the West of Scotland. In the early 1990s, the closure of the Ravenscraig steel works in Motherwell and the consequent adverse social and economic impacts galvanised national and local governments and communities to respond. The South Lanarkshire Routes to Inclusion (SLRTI) Partnership was therefore established because of the need to develop a co-ordinated approach to the employment crisis. As the name signifies, 'inclusion' reflects the orientation of the partnership towards addressing the pressing issue of economic inactivity, 'worklessness' and the high numbers of people claiming Incapacity Benefit.

The SLRTI Partnership in its present form was developed from a comprehensive review of services to unemployed people in South Lanarkshire undertaken in 1997 and 1998. A formal partnership mechanism was established, which included representation from key agencies and a clearly defined role for providers was set out within an overall process that ensured people disadvantaged in the labour market had access to employment and training opportunities. The SLRTI Partnership has adopted a 'seamless' approach to labour market intervention, with a reputation for innovative and effective working that has been cited in Scotland's National Employability Strategy Workforce Plus as a model of an effective partnership.

Socio-economic context

Deprivation in South Lanarkshire is concentrated spatially, with one in eight (50,758) living in the communities of Hamilton and Rutherglen/Camburslang, some of the most deprived areas of Scotland. In 2006, South Lanarkshire had the third highest number of employment-deprived people (29,212) and the fourth largest number of income-deprived people (46,878) in Scotland.

Some key characteristics include the following.

- There has been significant growth in business activity, although the number of businesses per head of population remains comparatively low. In 2001, there were 17 VAT-registered firms per 1,000 population, compared to 23 per 1,000

population for Scotland as a whole. As the Lanarkshire Local Economic Forum (LLEF) Economic Strategy points out: 'to emulate the Scottish business rate, an extra 4,000 firms need to be created – representing an increase of 37 per cent' (LLEF, 2006).

- Of the inactive seeking work, most have long-term sickness and disability issues, and South Lanarkshire has a greater proportion of those aged under 35 claiming Incapacity Benefit than elsewhere in Scotland.
- An employment gap in Lanarkshire has been identified whereby, to match the employment rates of Scotland, an additional 9,000 Lanarkshire residents would need to enter the labour market.
- A high proportion of the working-age population in Lanarkshire (22.5 per cent) do not possess a qualification.
- There are significant numbers of people experiencing financial exclusion and debt. The number of people claiming Income Support and Incapacity Benefit amounts to around 50,000 in South Lanarkshire and there are well evidenced links between those claiming long-term benefits and those living in poverty.
- South Lanarkshire has the second highest percentage (18 per cent) of people of working age reporting a limiting long-term illness for all Scottish local authorities, compared to 15.5 per cent for Scotland as a whole.

The governance and policy context

National policies

The Scottish Executive has produced an Employability Framework for Scotland, Workforce Plus, seen as a key vehicle for meeting its target for 'closing the opportunity gap'. Workforce Plus aims to: 'increase the chances of sustained employment for vulnerable and disadvantaged groups in order to lift them out of poverty' (Scottish Executive, 2006, p. 6) – (see also Volume 2, Chapter 5). Its purpose is to share knowledge and data on the workless client groups and help more of them take up opportunities for sustained and well paid work. It addresses three groups: those routinely excluded from the labour market; those who are closer to employment but still may need some help; and those in low-paid and/or low-skilled work.

Workforce Plus has set targets for seven local employment partnerships in Glasgow, North and South Lanarkshire, Dundee, Renfrewshire, Inverclyde and West Dunbartonshire. The importance of how these Partnerships perform is underlined in the report, which states that:

... the development of their action plans and the lessons learned from these local areas will help all other areas across Scotland to plan and develop a coherent range of services which will meet the needs of their local labour market.

(Scottish Executive, 2006, p. 6)

This means that SLRTI is of national significance in relation to policy development aimed at reducing economic inactivity and increasing employment rates within deprived localities.

Lanarkshire Local Economic Forum

The Lanarkshire Local Economic Forum (LLEF) covers the local authority areas of North and South Lanarkshire and has produced an economic strategy, *Changing Gear towards 2010* (LLEF, 2006). This focuses on a number of interventions, of which skills and learning, employability and job access are of specific relevance for tackling economic inclusion. The LLEF's priorities comprise the following.

- *Skills and learning*: this involves a raft of measures including encouraging work-based training, enhancing the delivery of the Apprenticeship and Skills Seekers programme, promoting bespoke training initiatives within growth sectors (construction, care and health) and improving the delivery of learning information and guidance.
- *Employability and jobs access*: the focus here is on raising overall participant rates in learning programmes, as well as exploring the possibilities of introducing a more flexible approach so as to reflect 'employability needs'.

South Lanarkshire Community Planning Partnership

The key role of the South Lanarkshire Community Planning Partnership (CPP) is to implement the Regeneration Outcome Agreement (ROA), which sets the priorities for regeneration funding. The priorities of the ROA as set down by the Scottish Executive are: increasing educational attainment; getting people into work; building strong,

safe and attractive communities; engaging young people; and improving health. The funding is targeted within the most deprived areas in South Lanarkshire: Blantyre/ North Hamilton, Cambuslang, Rutherglen and Larkhill.

Project description

Activities and functions

The Routes to Inclusion model comprises a process in which people pass through a number of identified stages on the way from being out of work towards employment and beyond. By establishing this type of model, stakeholders have stressed that it is possible to identify clearly the type of activities required for each stage and the particular roles and responsibilities of agencies in delivering the relevant services within each stage. This has the advantage of reducing duplication and competition, and achieves a much greater transparency about 'who does what'.

The stages comprise: personal development, community intermediary, work preparation, employer intermediary and employer, and are illustrated in Figure 1.

- *Personal development* is concerned with identifying and tackling barriers in the labour market. It draws primarily on three areas of activity: Healthy Working Lives, a programme implemented by the Scottish Executive, which provides work-based support for people with health problems; Pathways to Work, which involves welfare to work for people claiming Incapacity Benefit (IB) and signposting to relevant activities (training, New Deal for Disabled, work-focused interviews, etc.); and social housing interventions and services provided by the local authority.
- *Community intermediary* offers a range of services including interviewing people to find out about the type of work they want to do, providing information about employment, assisting with the production of a CV and application forms, helping people prepare for interviews, and providing work placements and customised training. In relation to these priority areas a community intermediary organisation, Routes to Work South (RTWS) (see under heading 'Management, co-ordination and delivery' below), provides services for 'workless' people who have health difficulties and who reside in the priority data zones. Healthy Working Lives South Lanarkshire (HWL) funds interventions such as physiotherapy, occupational therapy and stress counselling. In addition, RTWS delivers Training for Work, which provides training support for people who are unemployed and actively looking for work. This programme, funded by Scottish Enterprise, allows people

to go on company placements and tap into formal training. In many cases, the trainees move into a full-time job. The focus here is on developing core skills, such as oral communication, customer handling, problem solving, team work, as well as customised training, for example the Fork-lift Certificate, PC Passport, European Computer Driving Licence, LGV and the SQA Progression Award in Care.

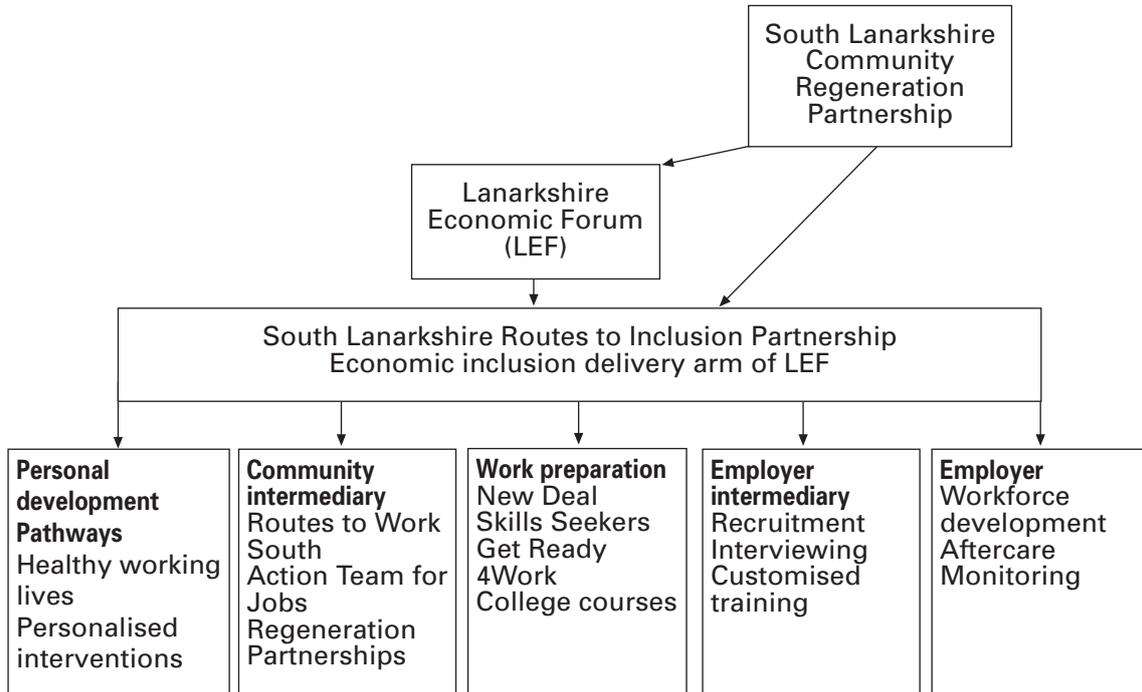
- *Work preparation activity* involves a training element, which includes the New Deal, FE sector courses, Modern Apprenticeships, improving job-search skills, Training for Work (see above) and Skills Seekers. One particular training initiative that has been developed to target both deprived areas and groups is the Workplace Initiative. This focuses on one-to-one work, mainly in the North Hamilton/Blantyre Social Inclusion Partnership area, and has a strong emphasis on confidence building, pre-vocational and vocational courses.
- *Employer intermediary* recognises the importance of demand-side interventions and this involves employer engagement through a variety of projects, including labour market intelligence, customised training and sectoral and non-sectoral research.
- *Employer* focuses on aftercare for people who have obtained employment and workforce development. In this latter category, a Routes to Inclusion Employer Engagement Group has been established, with particular attention to key sectors where employment growth is occurring, including health/care, construction, retail, and call and contact centres.

Management, co-ordination and delivery

A steering group comprising Scottish Enterprise, the local authority, Jobcentre Plus, Communities Scotland, Careers Scotland and voluntary sector bodies runs Routes to Inclusion (RTI).

A large number of the outreach services closely linked to community organisations are provided by Routes to Work South (RTWS). RTWS is a Community Intermediary Organisation, which has a dual purpose both to develop an outreach approach and to play a key role in signposting and helping people to overcome barriers in the labour market. It provides a range of services that cover all stages in the Routes to Inclusion process and its activities and services tend to be concentrated in the more deprived areas.

Figure 1 Routes to Inclusion economic development map



RTWS originated from the community in an attempt to assist local unemployed and people on low pay into employment and training. The organisation was formed from a merger of two schemes, Prospects for Employment and The Workplace Initiative. Prospects for Employment ran activities concentrated in the Cambuslang and Rutherglen Social Inclusion Partnership (SIP) areas. The Workplace Initiative, which developed and delivered a client engagement service mainly in North Hamilton/ Blantyre SIP area and Clydesdale, focused on one-to-one work with clients preparing them for, and providing them with, vocational training. The creation of RTWS facilitated the provision of services to target groups, but with wider geographical and service delivery coverage to embrace the whole of South Lanarkshire. It is therefore a key part of the SLRTI Partnership in terms of dealing with those people identified as 'hard to reach' or 'furthest away' from the labour market.

Further developments relating to Workforce Plus

As part of its bid for Workforce Plus funding in March 2007, the SLRTI has proposed a number of changes and improvements to the services and programmes provided by the Partnership. These proposals include the following.

- A more sophisticated and rigorous analysis of the labour market, including the size and nature of client groups as well as a review of potential employment opportunities.
- Improving ‘early interventions’ through case management as deployed in the Pathways to Work programme. Case management involves clinical assessment and counselling to identify the health care and other support mechanisms needed for each individual.
- Improving client-focused interventions through intermediate labour market (ILM) programmes concentrating on the health and social care sectors.
- Employer engagement through improvements to public sector recruitment practices so that opportunities are increased for those who are furthest away from the labour market.
- Developing an employer intermediary function that will act as a broker between employers and the support infrastructure, assisting individuals back into the labour market. To make these more effective, activities will be co-ordinated by an Employer Engagement Group. Its main function will be to target key sectors and to establish and maintain contact with key employers to secure employment/ placement opportunities.

Routes to Inclusion performance, outcomes and success factors

Overall performance

Table 4 demonstrates the scale of the SLRTI programme, with 2,347 clients engaged in the 2005–06 period. Performance in this period was broadly in line with the employment and training targets set by Workforce Plus. In addition, the ‘other positive outcomes’ category, which relates to ‘softer targets’, is seen as equally important by the Partnership. These wide-ranging outcomes include persuading people to take their medication, reducing drug users’ dependency on methadone, increasing people’s overall confidence and self-esteem, and increasing involvement in voluntary activity. Table 5 provides information on the wide range of projects that form part of SLRTI and demonstrates that the projects have generally performed better than predicted.

Table 4 South Lanarkshire Routes to Inclusion performance, 2005–06

Outcomes	Target number of clients	Actual number of clients	% of clients
Into employment	822	838	36
FE/training	683	625	27
Other positive outcomes	895	884	37
Total clients engaged	2,400	2,347	100

Source: South Lanarkshire Council (2006).

Embedding equalities within the projects and programmes is seen as an important outcome of SLRTI, as shown in the range of projects implemented (see Table 5). Priority is also given to designing projects that ensure all groups benefit from regeneration activity, as clearly stated in the Partnership’s documentation:

By assessing in the early stages of development, the Council will, on behalf of the Partnership, be able to identify any adverse impact on different groups. In this way we will be able to improve the Council’s ability to deliver suitable and accessible services that: meet varied needs (or where appropriate, pass these responsibilities and duties on to providers); identify any potential inequalities in outcomes and consider other ways of achieving the policy aims to minimise or remove any possible adverse impact; and help to avoid claims of unfair discrimination.
(South Lanarkshire Community Planning Partnership, 2007, p. 7)

Key success factors

Joining up with Pathways to Work

The Lanarkshire and East Dunbartonshire Jobcentre Plus District has been the top-performing district in Scotland in relation to welfare to work programmes (Pathways to Work and New Deal for unemployed people). One significant reason for this according to a Jobcentre Plus representative on the RTI group is:

... the development of key strategic and operational partnerships with external players such as the NHS and the Routes to Inclusion Group ... and the signing up of all partners to resourcing programmes and services to assist in the welfare reform agenda via the RTI Group.

Table 5 South Lanarkshire Routes to Inclusion programme update for 2006–07

Description	Predicted outputs	Actual outputs
<i>Youth Start</i> : supporting homeless and vulnerable people aged 16–24 years into education and training	Work with 220 young people, 50 per cent into employment, 20 per cent into further education, training or intensive support.	Programme engaged 214 people, 79 people into employment and 111 into FE and training.
<i>Equal – CreditCare</i> : the project aims to assist people with full-time caring responsibilities for an older person or people with disabilities into employment	Twenty beneficiaries each provided with a home computer with internet access. All gaining ICT skills and extended networks.	Programme benefited 14 people.
<i>Future Opportunities Construction Industry skills</i> : linking excluded groups to construction training	Thirty-five beneficiaries, 70 per cent gaining full-time employment.	Programme engaged 50 beneficiaries including 23 into employment and 39 people leaving the programme with enhanced employability.
<i>Construction Sector Action Plan</i>	Construction Academy targeting excluded groups and service delivery to construction sector to support future growth.	Plans have progressed and alternative funding options are being evaluated for a revised Construction Academy model.
<i>EQUAL Advancing Women’s Employability (AWE) and Older Workers’ Learning (OWL)</i>	AWE: challenge stereotypes in relation to older women’s employment. OWL: 25 beneficiaries aged 50 plus, accessing learning and career development opportunities.	OWL engaged with 60 beneficiaries and helped 28 people progress into training and FE outcomes. The AWE programme has engaged with 36 beneficiaries and a number of promotional activities have been initiated via delivery partner Strathclyde University.
<i>Positive Options for Women</i> : targeting lone parents with moderate mental health issues to improve employability	Thirty clients engaged on a seven-week pre-vocational programme designed to address issues of confidence and provide work experience, job-search support and aftercare.	Programme engaged with 24 clients, helping 20 people progress into a mix of employment, training and further education.
<i>Routes to Work South</i> : Community Intermediary Organisation linking training to employment	Engaging with 1,600 beneficiaries with 800 ‘positive’ outcomes, progressing 500 into work and 300 people into FE or training	Engaged with 1,677 clients: 533 into employment, 192 people into ‘soft’ activities, 115 people into further education.
<i>Job Rotation</i>	Support 20 SMEs, 103 staff trained, 33 unemployed people being given training and employment opportunities.	A total of 51 SMEs have been assisted by the programme and help has been provided to 189 new beneficiaries. Of these, 37 are unemployed people.

Source: South Lanarkshire Council (2006).

The comments in Box 15 indicate how this synergy between Jobcentre Plus (JCP) and other partners has led to a more integrated approach, with positive outcomes in terms of dealing with people with health problems and claiming Incapacity Benefit. These comments reflect the importance of all partners buying into the RTI model and the commitment by JCP is indicative of this, and notable, given that the track record of JCP involvement with local partnerships tends to be uneven. In essence, it can be argued that the historically positive role of JCP in working locally in Lanarkshire since the early days of the New Deal Partnerships has been an important factor behind the relative success of RTI.

Box 15 Jobcentre Plus perspectives

I can give a very pragmatic example [*of integrated working*]. Via the Healthy Working Lives Steering Group, Routes to Health and Healthy Working Lives South were born. JCP is a major referral source for both these initiatives and the two Routes to Work companies. As a result of the introduction of Pathways to Work and supporting mainstream programmes, such as Condition Management, referrals from JCP have reduced significantly.

A meeting was held in order that we as partners review our processes and service delivery in order that all provision could meet their objectives. The outcome of the meeting was positive for all partners: a clear referral process, which will result in a win-win situation for all involved and particularly the customer; a clear understanding for all partners of what mainstream provision provides and how their services can complement this; and a clear understanding of anticipated volumes for both new claims and volunteers leaving a very definite 'pool' from which non-mainstream services can 'fish'.

(Jobcentre Plus stakeholder)

Strong 'buy-in' by partners

The existence of strong 'buy-in' from partners is well exemplified by three cases. The first relates to including all stakeholders within the Partnership in decision-making processes. In particular, the establishment of the Community Intermediary Organisation, Routes to Work South, ensures that the voluntary and community sector plays a role in shaping SLRTI agendas and can deliver a more socially inclusive labour market service (i.e. through more outreach work and targeting

'hard to reach' groups). The second example is the development of a strong gender and equality perspective in terms of its labour market programmes, exemplified by its partnership with Engender and Caledonia University in the implementation of Genderwise Lanarkshire (see the following section of this chapter). The third example is the work undertaken by Scottish Enterprise with local trade unions in relation to the Union Learning Fund and the Lanarkshire Learning Forum, as a means of connecting the trade unions with the work of the SLRTI.

Being transparent is important to the Partnership and is achieved through the circulation of publicity material incorporating experiences of beneficiaries; SLRTI has successfully promoted the services of Routes to Work South by relating the beneficial experiences of participants in the various schemes.

Positive impacts on people's employability

The positive impacts of SLRTI projects are evident in a number of respects.

- *Women returners*: there are significant numbers of women who are economically inactive who cannot access the services necessary to gain employment. As one beneficiary, Hazel, commented:

When my daughter started school I wanted to do something but I wasn't sure what. I picked up a leaflet about Routes to Work South in a local community centre. I made an appointment and the adviser took me through options they could help me with. We agreed a plan to get me a job in admin-type work. The training took a few months but it was worth it and I'm now working as a customer representative for Homebase.

- *People with health problems*: the high numbers of people on Incapacity Benefit has necessitated a focus by the Partnership on health support combined with employment counselling. Joseph, a client, described his situation:

I'd left my job for health reasons but I did want to work. I spoke to Routes to Work South and they said they could get me a health assessment and some treatment. I was a bit unsure, but they explained the assessment was a chat and not an examination. They were able to help me with counselling sessions and I'm now working as a care assistant.

- *People who lack confidence*: sometimes a lack of confidence can be a primary barrier to accessing work. Isobel explained:

I felt ready for work, but I was a bit nervous because I hadn't worked for a while. Routes to Work South suggested a short work placement to get some experience. They arranged a four-week placement for me with Thermocool. This gave me the confidence I needed and best of all I ended up getting a job with them.

Routes to Inclusion case study projects

One indicator of effective partnership working is the capacity to develop innovative projects with a strong focus on economic inclusion. Two projects stand out in this respect and have been chosen as case studies because of their capacity to reach disadvantaged groups and their innovative approaches in terms of design and delivery. The *Engendering Policy Project* is an attempt to address gender in mainstream policy making and implementation, recognising that women are particularly vulnerable to poverty and disadvantage in the labour market. *Job Rotation* (see Table 5 above) is designed to assist people from excluded groups to access employment in small businesses, while at the same time supporting the upskilling of workers already employed in these firms.

Gender and economic inclusion: South Lanarkshire Engendering Policy Project

Background: raising the profile of gender inequality and poverty

A recent Equal Opportunities Commission (2006) report, which formed part of the Scottish Affairs Committee Inquiry 'Poverty in Scotland', highlighted the causes of women's poverty being related to:

- the difficulties in marrying domestic and work patterns with long breaks for childcare and other caring responsibilities – one implication is that women with low educational attainment are heavily penalised
- pay discrimination with a continued pay gap between men and women
- occupational segregation, with many of the sectors in which women dominate being poorly paid
- lack of childcare and flexible working arrangements, which can create barriers, particularly for women who live in rural areas.

Project aims and description

The project aims to maximise the positive impact of regeneration activities on the lives of women and men living in poverty in South Lanarkshire. The approach taken is gender mainstreaming, which identifies the consequences of a policy on different groups of women and men, through the everyday work of officers involved with policymaking and implementation.

There are few anti-poverty strategies in place that reflect the different experiences of women and men in poverty and, specifically, the different ways in which they build and sustain their livelihoods in order to survive and escape poverty. The project is built around the central theme of paid work in which to mainstream gender. Using the expertise of local policymakers, gender considerations are built into regeneration activities.

Key themes and activities

- Work experience and careers advice: concentrates on the role of schools in offering a broader curriculum and careers service to pupils. The aim is to offer a wider choice of work and career opportunities that challenges occupational segregation.
- Employment and training: attempts to signpost women into training programmes where women are under-represented.
- Unemployment and economic inactivity: raises awareness among social and employment services of the fact that women who are lone parents and take on the role of carers tend to be disadvantaged in the labour market. Increased awareness promotes the formulation of appropriate actions to remove barriers.
- Employment patterns and pay: involves key service providers in understanding the implications of job segregation and examining whether their own activities are perpetuating it.

The project has attempted to 'gender mainstream' five employability initiatives:

- Routes to Work South (see the section headed 'Project description' above)
- Pride of Place: a job placement service for 18–25 year old unemployed people

- **What's With Work:** which allows selected pupils to study for a vocational qualification together with their standard subjects
- **Work Experience:** a scheme that is designed to give high school students a taster of their chosen vocations
- **Skill Force:** an instruction programme for 14–16 year olds who are in need of 'enhanced motivation' in order to increase their employability.

Project outcomes

The principal outcome is that a number of issues have been identified relating to barriers to mainstreaming and appropriate courses of action recommended in relation to the five employability initiatives. These include: data disaggregating and analysis by gender; induction training on gender awareness for new employees of South Lanarkshire Council involved with regeneration; incorporating a measurement of action on gender equality into future performance development processes; and approaching the Community Regeneration Partnership Working Group about ways to embed the project's work more systematically into South Lanarkshire's regeneration work.

Job Rotation, Lanarkshire

Background

Job Rotation is a labour market tool that originated in Scandinavia in the early 1990s as a way of enhancing the skills base of organisations, while at the same time providing the means by which unemployed people could obtain work-based experience and vocational qualifications. Unemployed people would 'replace' people who were released for training so that production or service delivery could be maintained. The European Union funded a major transnational network (EU Job Rotation) to promote and develop the initiative across Europe. The Workers' Educational Association Scotland (WEA) has been an active member of this network and has played a key role in developing projects in Scotland.

Project description

The Lanarkshire Job Rotation programme was developed in partnership by South Lanarkshire Council, North Lanarkshire Council and the WEA Scotland. The programme seeks to overcome barriers to training within small and medium

Interventions to tackle the economic needs of deprived areas

enterprises (SMEs) by promoting a training culture and by upskilling of the existing workforce to create new employment opportunities for unemployed people.

The programme offers the following support mechanisms:

- assisting firms to identify training needs and develop a company training plan
- implementing a company mentoring system where unemployed people recruited as 'substitutes' receive support by people who have themselves received mentoring training
- companies receive a wage subsidy of £2,025 for Job Rotation substitutes and £750 for training
- companies receive £2,000 towards training costs of company learners (existing staff).

The SME employs Job Rotation trainees at the standard rate for the job, preferably above the minimum wage and, where possible, retains these people in full-time employment on completion of the six-month subsidy period.

The programme is co-ordinated by a steering group with representatives from North and South Lanarkshire, and the WEA. Full-time staff dedicated to the programme include a programme manager, three programme workers and administrative support.

Project outcomes

Between 2001 and 2003, 91 SMEs were assisted and 470 people received training. The proportion of unemployed who received training and were retained in employment was 75 per cent. The programme had a considerable impact on women's access to training with 259 women receiving some form of training through Job Rotation. Since 2003, a further 51 SMEs have been assisted (see Table 5 above).

Challenges and barriers

Overview and summary of challenges

Stakeholders identified a number of issues and challenges relating to the pursuit of economic and social inclusion via SLRTI that still remain. These include the following.

- The shortfall in childcare provision in some areas.
- Key agencies operating to different geographical boundaries (e.g. health authorities, Jobcentre Plus and the local authority), which is a barrier to making strategic decisions.
- The different targets that organisations operate to, which can hinder partnership working.
- The different types of problems evident in the rural area of the southern end of South Lanarkshire. Problems of rural deprivation are not sufficiently recognised by the Scottish Index of Multiple Deprivation.
- Programme funding timescales are often too short to make any meaningful impact. Securing sustainable funding is therefore a key issue.

In addition to these issues, a number of key challenges are particularly apparent in relation to funding, labour market demand, the low pay and quality of new jobs being created, and the role of competitive tendering in service provision.

Funding issues

There is considerable concern about whether future levels of funding will be sufficient to continue the range of services currently provided to unemployed people. South Lanarkshire Council has predicted that it will in future attract only 45 per cent of previous levels of funding from the European Structural Funds. Given that between 2002/03 and 2006/07 the Council received £9.5 million from this source, reduced funding over a similar time frame would amount to a loss of £5.2 million for employability programmes. As the Community Planning Partnership states this:

... is a significant reduction in the amount of money available to spend on employability programmes and will obviously impact on our ability to continue to provide employability services at current levels.

(South Lanarkshire Community Planning Partnership, 2007, p. 34)

Weaknesses relating to demand-side interventions

Fothergill (2005), in a paper to Scottish Enterprise, argues that the existence of large numbers of people on Incapacity Benefit reflects the difficult nature of the labour market. Although there are seemingly plenty of vacancies and new jobs being created in South Lanarkshire, labour-demand conditions compared with more buoyant areas are still depressed. Fothergill identifies a close correspondence between the estimates of hidden unemployment and figures from the Labour Force Survey on the share of economically inactive working-age adults with ill health or disabilities who say they want to work. The report concludes that:

... to absorb Glasgow City's estimated hidden unemployed would require 40,000 new jobs. North and South Lanarkshire, together, would require nearly a further 30,000. These are huge numbers in the context of these areas.

(Fothergill, 2005, p. 12)

There is an added dynamic to the labour market and that is the role of in-migration. The opening up of Eastern Europe has in effect extended the geographical scale of job search. Stakeholders have noted that many of the in-migrants are skilled and job ready and tend to be moving into entry-level jobs that could potentially have been available for those who were formerly on Incapacity Benefit. The overall effect of welfare to work programmes, including the Pathways to Work, combined with in-migration is to increase the supply of labour and make the labour market more competitive.

Low-paid employment

Workforce Plus recognises that low pay also contributes to poverty. It is estimated that, in Scotland, 22 per cent of all workers are low paid, based on the definition of a rate of pay that is less than two-thirds of the median hourly pay. Only 8 per cent of low-paid workers have earnings that, on their own, are sufficient to avoid poverty. Two-thirds of low-paid workers are female and the distribution, hotel and restaurant sectors have the highest incidence of low pay.

Although there are policies in place to combat low pay (minimum wage, tax credits, return to work credits), it is argued, for example by the Scottish Low Pay Unit (SLPU), that the thresholds to qualify for tax credits are too low, there are age restrictions in terms of eligibility and the current definition of low pay as used by Workforce Plus underestimates the scale of the problem. SLRTI operates within these constraints to

provide a range of services that assist in lifting people's incomes, including advice about tax credits, aftercare services for people who have entered employment and improved access to training while being paid 'the rate for the job' via the Job Rotation project. However, there is a view among some stakeholders that there is still not enough weight being given to the issue of low pay and the quality of employment, and more could be done to include the trade unions within the development of SLRTI strategies. It is also clear that there are gaps in the knowledge about the extent of low pay in South Lanarkshire.

Competitive tendering in service provision

Routes to Work South (RTWS), like similar service providers, faces challenges relating to the increasing deployment of competitive tendering in service provision. As one respondent explained:

Contracts awarded by South Lanarkshire Council, e.g. Progress 2 Work or Working for Families, are increasingly subject to competitive tender and of particular significance, even concern, is the increasing likelihood that the services covered in our Service Level Agreement will be put out to tender from April 2008.

The current trend towards the 'regionalisation' of service provision, with organisations required to provide services across a wider geographical area, is likely to involve more potential bidders and advantage larger organisations. This trend is already being encouraged in terms of the delivery of welfare to work programmes, as a respondent from RTWS explained:

Indications are that future contracts for Pathways to Work will be similarly attractive, and are likely to be tendered across a larger area than South Lanarkshire; at a minimum this will be Lanarkshire; at a maximum this will be Lanarkshire and East Dunbartonshire but could be even wider. To compete for any contracts, RTWS would therefore need partners in the other areas covered or be willing and able to deliver in these areas.

This change raises a challenge for these organisations to improve the quality and focus of the services that they deliver. However, if organisations such as RTWS are unsuccessful, the experience and expertise acquired by the organisation could be lost in relation to the SLRTI Partnership.

Conclusions and future directions

South Lanarkshire Routes to Inclusion pre-dates New Labour's devolution programme for Scotland and it has been suggested that its inception is embedded in some form of national Scottish politics. The closure of Ravenscraig and the massive economic and social traumas that resulted required an effective response, which placed both North and South Lanarkshire under the national (Scottish) spotlight. Ravenscraig symbolised the industrial heritage of Western Scotland and its closure came at a time when there were a series of job losses occurring in many manufacturing firms in the area. As one stakeholder commented: 'The partnership had to succeed and create some form of credible response'. However, the SLRTI Partnership also had to respond to a period of growth and inward investment that required creating effective local employment services. The introduction of New Labour welfare to work programmes after 1997 ensured that the JCP bought heavily into the Partnership in order to take advantage of this programme for the benefit of South Lanarkshire.

Although SLRTI is located within the dominant policy strand of promoting economic inclusion through employment, a striking feature is its strong commitment to a social justice agenda. In part, this reflects a strong heritage of Labour and trade union politics within the area, which influenced the overall approach taken by the SLRTI Partnership. However, it also stems partly from the equalities framework that the Scottish Executive has provided in relation to its regeneration programmes – a reflection of how devolved government is increasingly important in shaping the economic development and regeneration agenda within Scotland.

In this respect, the future direction and success of SLRTI lies in its close relationship with Workforce Plus and how its partnership evolves with the Scottish Executive and other influential players and stakeholders. The Partnership faces many challenges, particularly in relation to the deep-rooted problems of poverty and social exclusion that exist in South Lanarkshire, the recent government welfare reform agenda, the restrictions in EU funding and what may lie ahead as a result of the political changes within the Scottish Parliament that arose from the May 2007 elections. This underlines a point common to other case studies, that the environment for regeneration and renewal is both turbulent and highly complex.

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Organisations interviewed

- South Lanarkshire Council Routes to Inclusion
- Scottish Enterprise South Lanarkshire

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Jobcentre Plus Lanarkshire and East Dunbartonshire

Routes to Work South

Scottish Enterprise (National)

South Lanarkshire Community Planning Partnership

South Lanarkshire Job Rotation

6 Want2work pilot, Merthyr Tydfil

Introduction

Following the pit closures and the large-scale job losses in manufacturing industry that occurred in the 1970s and 1980s in South East Wales, there is a legacy of relatively large numbers of long-term unemployed people, many of whom are claiming health-related benefits. It has been in response to this labour market situation that the Welsh Assembly Government (WAG) has set a key priority of increasing employment rates throughout Wales. The Want2Work (W2W) pilot initiative, which commenced in 2004, arose out of the Assembly Government's strategy, Raising Economic Activity Rates, which aimed to reduce the number of people claiming benefits who wish to move into employment.

Want2Work is organised on an outreach basis within local communities and involves workers seconded from Jobcentre Plus (JCP) and the health services to provide advice and support to those who are not engaged with mainstream welfare to work programmes. The W2W pilot programme is delivered by Jobcentre Plus in three local authority areas – Cardiff, Merthyr Tydfil and Neath Port Talbot – for a period of two to three years. These areas were selected on the basis of high levels of inactivity and the distance of JCP clients from the labour market. The target set was to engage with a minimum of 4,000 people and help 1,000 into work (WAG, 2005a).

Socio-economic context of Merthyr Tydfil

Poverty in Merthyr Tydfil

Merthyr is the most deprived area in Wales with the proportion of children living in income poverty in excess of 30 per cent compared to the rest of Wales. There are persistently lower economic activity rates in Merthyr and the Valleys for both men and women compared to the rest of Wales and comparator English regions (see Table 6). Those in the 50–59 year age band are the worst affected. Two-fifths of the economically inactive that want work are long-term sick or disabled. Self-reported sickness and disability is the main reason for inactivity among working-age men and women, with the Valleys recording figures above Wales and comparator areas. Poor health is therefore an important aspect of economic inactivity in Merthyr. In 2005, 83 per cent of working-age people (160,000 people) who received an out-of-work benefit for two years or more were classified as sick or disabled.

Table 6 Socio-economic characteristics of Merthyr Tydfil

	Merthyr	SE Wales	Wales
Population change since 1992 (%)	-6.6	0.6	1.5
BME group (%)	1.0	2.2	1.5
Lone-parent households (%)	9.6	-	7.3
Economic activity rate (%)	65.0	73.0	73.0
Inactive working-age population (%)	35.0	27.0	27.0
Jobseeker's Allowance claimants (%)	3.5	2.7	2.6
ILO unemployment rate (%)	6.8	6.0	5.4
Without qualifications (%)	27.0	22.0	21.0
With Level 2 and over (%)	48.5	55.1	56.0
In workforce development training (%)	10.0	12.1	11.5
<i>Indicator ranking by intensity (i.e. 1 scores the worst in Wales)</i>			
Child poverty	1		
Childcare places	3		
Low birth rate	1		
Premature death	1		
GP numbers	3		
GP single-handers	2		

Source: ELWa (2004); Kenway *et al.* (2005).

There are marked spatial concentrations of poverty within Merthyr. In Gurnos, for example, only 37 per cent of the population are in employment, while over 13 per cent of the population have never worked.

Barriers to employment in Merthyr Tydfil

In their studies of poverty and worklessness in Merthyr Tydfil, Buck *et al.* (2006) and Phillips *et al.* (2006) identify four main barriers to accessing employment: structural, psychological, sociological and health related.

- 1 *Structural barriers* relate to the availability of jobs and the quality of employment in the local economy. The degree of competitiveness within the local labour market is important because it influences employers' expectations of what people can do and their performance within the workplace. For example, people with health problems possess performance difficulties and there is a perception among unemployed people that, because the labour market is competitive in Merthyr, there are pressures to adapt to poor pay and conditions. People feel that employers have an attitude that individuals are easily replaceable and that there are few incentives to make provisions for special needs.
- 2 *Psychological barriers* stem from experiences of long-term unemployment and health problems. This results in low confidence and self-esteem, and significant numbers of people that suffer from mental health illnesses.

- 3 *Sociological barriers* include the role of the family and those events that have traumatic effects on family life, such as family breakdown or bereavement, which can result in people finding it difficult to cope with finding work. Furthermore, people who are long-term unemployed living in close-knit communities look to role models and expectations are shaped by what others do or do not achieve.
- 4 *Ill health* is the single most frequently stated barrier to work by both men and women, with half of men and a quarter of women giving this as a reason for not working.

In addition, the JRF report *Monitoring Poverty and Social Exclusion in Wales* (Kenway *et al.*, 2005) identifies a number of other barriers to employment. An often cited factor is low pay and a lack of access to jobs that can make work pay. Furthermore, poor qualifications increase the risk of both unemployment and low pay. Those aged 25–50 with no qualifications face a 25 per cent chance of economic inactivity, an 8 per cent chance of unemployment and a 60 per cent chance of low-paid work. For women, after poor health, the most frequently stated reason for not being able to work is caring responsibilities and childcare. Finally, young people in Wales, particularly women, lack career advice, work experience placements and training opportunities that would help them make genuine career choices and get jobs that attract higher pay. Instead, young people are channelled into traditional jobs according to gender, with traditional notions of men's and women's work still dominant.

Policy context

National strategies

The strategic agenda for the Welsh Assembly Government, *Wales: A Better Country* (WAG, 2003), has an objective of 'more and better jobs', in recognition of the relatively low employment rates and high levels of economic inactivity within Wales. WAG has produced a Strategic Framework for Economic Development, a consultation document that will provide the basis for a future economic strategy (WAG, 2005b) (see Volume 2, Chapter 6). Within this broad strategy framework, there are a number of specific strategies and initiatives that shape the development of Want2Work.

- *The skills agenda*: low skill levels are seen as major barriers to making the transition to work, with a considerable proportion of those who are economically inactive lacking not only basic skills and specific work-related skills, but also more generic skills. WAG has developed: the Skills and Employment Action Plan for Wales 2005; the National Basic Skills Strategy for Wales, Extending Entitlement; and 14–19 Learning Pathways.
- *Health strategies*: in addition to economic strategies, the performance of the health service and how it meets the needs of disadvantaged groups in the population is of crucial importance. Given the large numbers of people who suffer from work-limiting health conditions, WAG gives priority to developing closer links between health and employment policy. The general thrust of thinking about improving health provision is contained in the Health and Well-being Strategy, which seeks to improve the efficiency and effectiveness of provision and offer better access for those in need. The UK Government has established a framework for occupational health in *Securing Health Together: A Long-term Occupational Strategy for England, Scotland and Wales*, published by the Health and Safety Executive (Health and Safety Commission and Health and Safety Executive *et al.*, 2000). This focuses on practices that stop people being able to work, to help people who are being made ill at work to return to work and to improve work opportunities for people who for health reasons are not in work.
- *Welfare to Work*: an important element in the WAG involvement with the Welfare to Work agenda is the development of Jobcentre Plus Wales as a way of providing a national Wales dimension to active labour market policies. W2W's development should be viewed in this context. The most recent development in the UK Government's welfare to work strategy is the roll-out of the Pathways to Work programme. Pathways bring together Jobcentre Plus support and a referral framework, financial incentives to return to work, a condition management programme delivered by the NHS (to assist people in managing their health and disabilities condition) and a referral system into training programmes. Work-focused interviews are mandatory for people making new claims for Incapacity Benefit and people who have been claiming Incapacity Benefit for the previous two years have been brought into the programme. Pathways to Work was established in Merthyr Tydfil in 2006 and runs alongside the W2W programme.

Regional and sub-regional context

The Cardiff city region is seen as the major 'engine' of economic growth for South East Wales and a central thrust of policies is improving connections between Cardiff

and the Valleys. This is in line with the wider government agenda through Core Cities and other city region growth strategies. Explicit within this thinking is that Cardiff's economic growth will have spill-over effects into its hinterland, including the Valleys.

A strategy for the Upper Valleys entitled 'Turning Heads – A Strategy for the Heads of the Valley 2020' and the South East Wales Economic Forum's (2005) *South East Wales Development Strategy* are combined strategies for regenerating the capital city region, of which the Heads of the Valleys comprises the northern part. A key orientation of the regeneration is through infrastructure investment to support businesses, transport and communications, and also to tackle labour market exclusion and inactivity. A key prerequisite is the collaboration of the local authorities that form the Heads of the Valleys Partnership: Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taff and Torfaen.

Links with local and neighbourhood regeneration

The W2W pilot is closely linked to the Welsh Assembly Government's Communities First Programme (CF) (see Volume 2, Chapter 6). CF is the Welsh Assembly Government's flagship long-term strategy for tackling poverty and deprivation within localities. The main focus of activity is to develop partnerships and design projects that will tackle social exclusion. In this respect, it might be described as a hybrid between the English New Deal for Communities and Local Strategic Partnerships.

CF was first implemented in 2001 with the following key aims: to enable disadvantaged communities and local people to articulate their needs and be able to understand the underlying causes of these needs; and to connect and work with local services in a way that can better address people's needs. The W2W pilots, wherever possible, will refer beneficiaries to services provided by Community First Partnerships. The CF programme operates in 142 deprived areas, as defined by the Welsh Index of Multiple Deprivation.

Programme description

The Want2Work process

Want2Work targets people who are claiming sickness-related benefits and the long-term unemployed, although all economically inactive residents, are eligible to join the programme. The programme involves four phases.

Interventions to tackle the economic needs of deprived areas

- *Phase 1: targeted engagement and promotion* includes developing outreach work and publicising the initiative within the target area.
- *Phase 2: diagnosis/assessment* involves caseload interviews with Incapacity Benefit and other claimants to identify barriers to employment and develop 'Action Plans'. Advisers signpost individuals to relevant services such as New Deal for Disabled People (NDDP), Adult Programme Centres, New Deal for Lone Parents, Disability Employment Advisers, Work Preparation, etc. In this phase, health professionals provide advice relating to health matters and how health issues can be managed. If existing provision is inappropriate the initiative will fund other forms of support.
- *Phase 3: activity* involves the implementation of the Action Plan where needs have been assessed and appropriate activities identified. These could be community and voluntary work, part-time employment, further education, job search and training. A Job Preparation Premium funds relevant activities at £20 per week, which is paid in addition to Incapacity Benefit.
- *Phase 4: in-work support* relates to people entering employment from Phase 3 who can apply for a Return to Work Credit (RTWC), which covers the costs associated with a return to employment (similar to the Pathways to Work). Advisers provide guidance on in-work benefits and health care professionals advise and counsel in relation to managing health in the workplace. Obstacles that may arise as a result of the return to work are also tackled.

Services provided

Want2Work clients can access a wide range of services. These include the following.

- *Health:* a professional health adviser is attached to the team and provides leadership/mentoring for advisory staff, and contributes to their ongoing development and understanding of health-related issues and how they impact on work. The health adviser participates and contributes to case conferences and review meetings of clients, and forges links and collaboration with colleagues across disciplines and agencies (voluntary, statutory and private). Another key role for health advisers is to develop partnerships across primary and secondary care with voluntary organisations, the local authority, other appropriate health and social care sectors and employers to facilitate developmental, condition management and employment opportunities. One key objective of W2W is to get the co-operation of GPs and practice nurses, which has necessitated health advisers developing closer links with GP practices.

- *Job coaching*: this involves supporting clients through their first 12 months of employment, including assistance towards the cost of travel to work, equipment and counselling in relation to work problems. W2W advisers liaise with clients' employers to help with progress and retention, and the overcoming of any barriers. This can include working with external agencies and providers to ensure that financial needs are met while in work (e.g. benefit and tax credit advice). Advisers also assist with providing relevant information and advice to employers, as well as helping unemployed clients with their job applications and interview skills.
- *Training*: personal advisers, through drawing up a Client's Action Plan, identify relevant training and skills requirements. This essentially involves signposting to a range of schemes funded by the Department for Education, Lifelong Learning and Skills (DELLS), including mainstream programmes such as work-based learning, Skillbuild, Modern Apprenticeships, further education and community education, and specialist preparatory courses, consisting of pre-vocational skills, and informal and non-formal learning. In addition to these programmes, specific training opportunities that are not available through core provision are offered, such as on-site safety certificates, fork-lift truck licences, food hygiene certificates, etc.
- *Link with the New Deal for Disabled People (NDDP)*: New Deal for Disabled People is geared to helping people who are claiming Incapacity Benefit or other associated inactivity benefits to move into employment. However, the capacity within New Deal for Disabled People contracts limits the service to just a percentage of the total number of individuals claiming these benefits. W2W reaches a greater number of customers in local communities within which it operates. Essentially, the nature of the NDDP broker service is to cast the net over a wide area to engage participants. W2W targets a small area using 'saturation tactics' to engage the highest percentage possible.

Promotion

W2W is actively promoted and marketed in Merthyr using a variety of methods (see Table 7). Personal advisers are often placed within community centres and other community facilities as part of the outreach work. Although there is an emphasis on a return to work, getting people involved with activities that are on offer is seen as important in terms of building confidence and providing recognition that they are making a contribution to society. As Table 7 shows, the greatest response has come from invite letters and mailshots, while 'word of mouth' is also important.

Table 7 Promotion of Want2Work

	Total	Percentage
Referrals from Action Teams	2	0
Referral from NDDP	12	1
Referral from other brokers	8	1
Drop in	15	2
Attendance at event	40	5
Referral from health professional	21	2
Referral from Jobcentre Plus	36	4
Response to leaflet/poster	27	3
Response to mailshot	98	11
Invite letter	372	43
Other	83	10
Response to press advert	4	0
Referred by third party	28	3
Word of mouth	123	14
Total	869	

Source: Merthyr Jobcentre Plus Want2Work team.

Funding and partnership

Want2Work has emerged from a unique partnership between the Welsh Assembly Government and Jobcentre Plus Wales making use of EU Objective One funds. The project is funded using ESF funds (£11.4 million) for the four areas with WAG/JCP providing matching funds. Thus the total budget for four years amounts to £22.8 million. The Department for Education Lifelong Learning and Skills (DELLS) has committed £2 million towards bespoke training during the lifetime of the project.

A national steering group has been established including JCP, Wales Health Board, the Welsh Assembly Government, Wales Employment Advisory Panel and the voluntary sector. A local steering group has also been established in Merthyr with representatives from the Local Health Board, North Glamorgan NHS Trust, Communities First and JCP and employers' representatives. The steering group meets quarterly. The JCP team comprises personal advisers (PAs) seconded from JCP working from a W2W Office. There are six to eight advisers (who receive special training prior to secondment) and a dedicated health professional working from the office.

Outcomes and success factors

Profile of beneficiaries

Between May 2005 and June 2006, a total of 702 people participated in the programme (Table 8). Of these, 63 per cent were on some form of health-related benefit (Incapacity Benefit or Income Support with a disability premium), while 28 per cent were in receipt of Income Support, a benefit for the long-term unemployed. Key characteristics of beneficiaries included the following.

- *Age and length of unemployment:* the majority were in the older age group (over 26 years), and over 36 per cent had been unemployed for over five years.
- *Health:* the largest proportion of beneficiaries with health complaints suffered from mental health problems (49 per cent) followed by those experiencing musculoskeletal problems (42 per cent). This follows national trends with respect to the majority of Incapacity Benefit claimants suffering from mental illness, but the high figure for musculoskeletal problems reflects the legacy of mining employment.
- *Benefits:* all people who are economically inactive are eligible to join the programme, with 56 per cent claiming Incapacity Benefit and 28 per cent claiming Income Support.
- *Skills:* over half (53 per cent) of beneficiaries have no qualifications and 90 per cent are qualified only at NVQ Level 2 and below.
- *Gender:* the majority of beneficiaries are women (418) with 284 men participating on the programme.

Table 8 Beneficiaries, Want2Work, Merthyr, May 2005 to June 2006

	No.
<i>Benefits</i>	
Incapacity Benefit	391
Income Support with disability premium	49
Income Support	198
None	36
Other	28
Total	702
<i>Age</i>	
25 and under	141
26–49	474
50 and over	87
Total	702
<i>Length of unemployment</i>	
Under 6 months	82
6–12 months	58
13–24 months	86
2–5 years	219
6–10 years	137
11–15 years	69
16–20 years	28
20+ years	23
Total	702
<i>Qualifications</i>	
None	373
NVQ1/equivalent	117
NVQ2/equivalent	140
NVQ3/equivalent	45
NVQ4/equivalent	14
NVQ5/equivalent	4
Higher qualifications	9
Total	702
<i>Basic skills</i>	
Declared	28
<i>Disabled</i>	
Declared	490
<i>Health problems</i>	
Cardiovascular	25
Hearing/speech	6
Mental health	197
Musculoskeletal	171
Respiratory	6
Other	89
Total health problems	494

Source: Merthyr Tydfil Jobcentre Plus Want2Work Team.

As Table 8 shows, W2W has reached the main target groups of the long-term unemployed and those suffering health problems. There are two striking features to the beneficiary data. First is the numbers of women who have become involved. This is quite significant because the numbers of women on the mainstream welfare to work programme (i.e. New Deal for unemployed people) tend to be lower than men. Second, the skills profile highlights the significant numbers of beneficiaries with no or low-level qualifications.

Employment outcomes

It was not possible to obtain precise figures relating to employment outcomes. However, data on those entering employment and in receipt of Return to Work Credit (RTWC) was available. Between July 2005 and August 2006, 100 people gained employment – 60 per cent in jobs paying less than £10,000 and 34 per cent in jobs with salaries of between £11,000 and £14,000. Nearly 50 per cent of these had no qualifications and 7 per cent had qualifications above Level 2.

These figures indicate that those moving out of W2W into employment obtained employment with initially very low rates of pay. Some of this work is part-time and it is important to note that less skilled work with lower hours suits some people moving from Incapacity Benefit. These figures also demonstrate the importance of the Return to Work Credit as a means of easing the transition from welfare to work and making work sustainable.

Soft outcomes

Central to W2W is its role in signposting people to a range of services (see Table 9). While the ultimate goal is for beneficiaries to obtain employment, placing beneficiaries into the appropriate services is seen as an important outcome. As one adviser explained:

We do not see work as necessarily an immediate goal for people who come onto the programme. Some people we refer to other activities, which for example help them cope with their health problems; build their confidence and so on. To be able to do this is considered a success.

Table 9 ‘Soft’ outcomes and referrals of beneficiaries

	Soft outcomes/referrals
In-work training	19
Voluntary work	55
Work-based learning for adults	37
Other training	256
Further education	17
Basic skills training	14
Work placement	10
Community group	8
Work preparation	27
Referral to New Deal for Disabled People	100
Health/fitness-related activity	161
Motivation and confidence building	51
Work Step	6
Programme centre	18
In-house health	99
Other	228

Source: Merthyr Tydfil Jobcentre Plus W2W Team.

Key areas where beneficiaries were referred to other services as part of the process of returning to employment included training, with the majority participating in pre-employment and non-vocational training (many provided through Communities First), improving health and fitness, and confidence building. The importance of these latter activities to beneficiaries is clearly apparent (see Boxes 16 and 17). W2W also assisted many clients experiencing debt, which is common after a long period on benefits, and provided welfare rights and referred them to a local Credit Union. Those that became more ‘work ready’ relatively quickly were signposted to the New Deal for Disabled People (NDDP).

Box 16 Client profile

Anne joined the Want2Work project in December 2005. She had been claiming Incapacity Benefit for four months because of a brain injury. She had previously been employed in management roles but, because of her health condition, was looking for a job with less responsibility and hours. She also developed a back problem and, with gym membership provided by the project, improved her condition, which in her words ‘has helped me return to work’. She also attended the ‘Purple Hat’ course, which built her confidence and gave her some tips on interview skills and ‘dressing to impress’. She returned to work in August 2006 in a job that has really made use of her skills.

Box 17 Beneficiaries' views: improving confidence and overcoming health barriers

Two things have helped me a lot with Want2Work – one is confidence building. Jane, she's the Health Nurse – we talked a lot about my anxiety and depression and things like that and how to cope with it. The second thing was about losing weight. They paid for me to use a gym and I lost three-and-a-half stone in three months! So that gave me confidence and self-esteem.

(John)

I got out of the house, put the babies in care in nursery; got out and focused on other things, and I left school without any qualifications, and now I have got degrees and things and I lacked confidence. But it's done so much for my confidence it's unbelievable. I go to meetings, interviews and things and because we, I was saying this to you wasn't I, try a little course to start off with, something that you're interested in.

(Want2Work beneficiary, Buck et al., 2006)

After my third child they found something wrong with my hips and I couldn't walk. I went back to work but something happened to my back and I couldn't go back to work. I had to lift boxes ... I am going to see a specialist tomorrow to find out what is wrong. That is why Want2Work is really good ... to talk about things and get my confidence back ... before I was in the house and bored and I thought nobody wanted to know and I couldn't go out of the door. I went to see the Adviser (Want2Work) and decided I wanted to go back to work. I am now doing computers and I get a qualification at the end of it. I am also involved with Victim Support. I am really enjoying helping other people. They are also paying for me to do driving lessons so, if I could drive, I could get to work myself and not have to rely on other people.

(Susan)

Success factors

A number of factors can be identified that have been critical to the relative success of the W2W pilot in Merthyr.

- *Holistic, person-centred service:* those not in work participated in W2W, as it offered something different to the normal services provided by Jobcentre Plus, including a wide variety of possibilities of support and participation that did not involve compulsion and the threat of sanctions.
- *Community engagement:* W2W has successfully reached its target groups through an active marketing strategy. As one adviser stated:

It takes three to four months to build up a trust and a rapport, as there are still quite tight communities who have had in the past projects parachuted in and have left quite quickly and that's left a bad taste in the mouths of a lot of residents ... so you must be there and turn that around to your advantage. You're in it for the long term ... People want to know you are in it for the long term, as a lot of projects have come and gone and a lot of promises have been made – and I think Want2Work has proved itself.

- *Local partnership working:* the initiative is built around strong collaborative working with Jobcentre Plus, alongside other local agencies, particularly those from the health sector. This has taken some time to get established and the focus has been on the issue of building credibility and support from different partners and, in particular, community 'buy-in'. The Communities First partnership has been involved in terms of assisting with publicity of W2W and has provided some input into the design of the programme and the provision of community facilities.
- *Employer engagement:* W2W personal advisers have attempted to build close relationships with existing and incoming employers. The public sector is the largest employer in Merthyr and hence a focus for W2W clients for new jobs, work experience placements and pre-employment training courses. The opening of a new retail store in September 2006 has provided new employment opportunities for W2W beneficiaries.
- *Links between the local and national steering group:* as a pilot for a national programme, it has been possible to feed back problems nationally to initiate change. An example of this was the problem of engaging with local GPs who had not exploited the possibility of referring patients claiming sickness and IB to W2W. Pressure from the Wales National Health Board led to a significant improvement in GP engagement with W2W.

Challenges and barriers

Limited community development perspective

The involvement of Communities First with W2W has encountered some difficulties relating principally to two factors. First, there is the problem of alignment of objectives between W2W and Communities First. As Cornwall (2006) identifies:

The Communities First programme is meant to tackle poverty and ensure social justice. Not only are its own performance indicators not aligned with those devised to monitor poverty and social justice, few if any of the supply side programmes are aligned effectively to Communities First.

Second, community workers have expressed concern that the opportunity to use the outreach activities of W2W as a vehicle for promoting community engagement activities within the wider Communities First programme has largely been missed. Community organisations could have been used in a more proactive way in terms of the promotion and delivery of the W2W pilot, although such a role has been limited by the fact that the Communities First initiative has had limited engagement with the economic inactivity agenda. This suggests the need to develop a more integrated community development approach that allows community workers to have a greater input in developing W2W's outreach activities.

Too many welfare to work initiatives

Concern has been expressed about the fact that there is now a proliferation of active labour market initiatives in Merthyr. The Pathways to Work was rolled out in autumn 2006 adding to the myriad of programmes tackling economic inactivity, such as the New Deal for Disabled People (NDDP), Action Team for Jobs and mainstream New Deals. This is causing difficulties of integrating multiple initiatives and ensuring clear accountability to local partnerships in terms of their design and implementation. It also raises the wider issue of the extent to which WAG can harmonise the development of its own employment agenda with the UK-wide programmes administered via Jobcentre Plus.

Over-reliance on supply-side measures

The creation of new employment opportunities in Wales requires a significant net increase in sustainable jobs (Kenway *et al.*, 2005), but there is currently little focus

on demand-side measures. The Welsh Assembly Government has relocated some of its administrative functions to Merthyr, which should have a positive impact on the local labour market in the longer term. However, as the largest employer in the local economy, the public sector, in areas such as health and local government, could do more in terms of providing training and work opportunities. Beneficiaries had a particular view of the local labour market, citing the poor quality of jobs being made available in terms of pay and conditions and the lack of potential career prospects as a barrier to re-engagement.

The limits of work as a route out of poverty

The nature and intensity of multiple disadvantage in Merthyr Tydfil cannot be underestimated. As long-term dependency on benefits results in financial poverty and debt, even with access to the Return to Work Credit, there is a question about how far employment can overcome income poverty:

There is considerable poverty both in children and adults in the area, and health status is poor relative to the rest of Wales, as highlighted in the Wellbeing in Work Partnership Study Final Report (Phillips *et al.*, 2006). The comments from people in the focus groups reflect their personal experiences of incapacity for work and multiple disadvantages they have experienced, suggesting that they face a variety of obstacles to return to work, and are in genuine need of financial support.
(Buck *et al.*, 2006, p. 34)

The biggest challenge in Merthyr is for people to receive enough of an income to live from. To move those Incapacity Benefit claimants into work requires jobs that offer some stability and decent levels of pay.

Challenges of policy co-ordination

W2W poses many challenges in terms of policy co-ordination and integration in relation to health and social services, as well as to employment and training provision. The quest to provide a person-centred approach that links into a wide range of service provision poses evident problems relating to the extent of co-operation and integration. For example, this is particularly evident with regard to co-ordination with skills and training provision, which does not necessarily address the needs of the most disadvantaged groups. As Buck *et al.* (2006) state:

There are few if any incentives for employers to provide training and skills acquisition beyond the need to discharge the job in hand. Socially excluded elements of the population exhibit limited skills, work experience and qualifications which place them well away from the labour market, leaving the majority in the unenviable position of no effective support or encouragement to gain new skills and competences.

There is evidence that W2W is making some headway with respect to getting people into some form of training but, given this wider picture, the challenges for upskilling and in-work development of beneficiaries are considerable.

Conclusions and future developments

Want2Work is a pilot project, but, even in this trial period of operation, it has had a positive impact in Merthyr Tydfil, where it has attracted a significant number of people who would not otherwise have engaged with existing welfare to work programmes. Local community workers emphasise that many people not in work are reluctant to claim benefits, because of either the complexity of the system or the conditions attached to benefits, and this acts as a barrier to their use of employment services. As Want2Work provides an environment in which people are not under the threat of sanctions and access to a range of services, it is reaching those groups who would normally be poorly engaged by existing provision.

A feature of the Want2Work pilot is a strong focus on experimentation with outreach and community development initiatives and geographical targeting – features shared with a number of the projects analysed in this volume. This is partly in response to the recognition of the limitations of the mainstream programmes, such as the New Deal for unemployed people and the Pathways to Work programmes, which are currently being rolled out in most of the deprived areas in the UK. However, it was also a reaction to the phasing out of the Action Teams for Jobs in Merthyr Tydfil, which left a vacuum for a more locally based employment outreach service.

The Want2Work programme is a clear response by WAG to the limitations of UK-wide employment policies in relation to the particular needs in Wales – high rates of economic inactivity allied to large numbers claiming health-related benefits. Alongside seeking to develop employment services that are more clearly oriented to the needs of Wales, WAG is attempting to forge its own health agenda in the shape of the Wales Centre for Health and the Assembly's NHS Plan. This advocated the development of more collaborative partnerships on a multi-agency level, and was followed up by the Designed for Life strategy, which involves planning for health

services until 2015, as well as the Health and Well-being Strategy. Given the high numbers, and spatial concentrations, of Incapacity Benefit and health-related benefit claimants in Wales, these attempts to adapt employment and health services to meet local needs and tackle social deprivation clearly reflect the evolution of the Welsh national policy agenda under devolved government.

There are two key challenges for the development of this agenda in the future. The first relates to the extent to which WAG can shape the operation in Wales of Jobcentre Plus to national and local needs, in a manner that harmonises this activity with the development of its own anti-poverty and employment agendas. The second concerns the nature of its integration with WAG's Communities First programme, which attempts to develop a genuinely 'bottom-up' approach to tackling social exclusion at the neighbourhood level. Many community-based workers point to a tension between this capacity building and community empowerment agenda of Communities First, and the 'rights and responsibilities' agenda incorporated into most welfare to work programmes. The fear of community activists is 'dilution and co-option of community politics' if community empowerment becomes integrated into mainstream social policies. Yet, they recognise that community-based activities have to date had little influence on wider economic strategies. This suggests that, if Want2Work is introduced on a national basis within Wales, there will be a need for some critical reflection on the orientation of the Communities First strategy and the nature of community engagement within the delivery of Want2Work.

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Organisations interviewed

Want2Work team, managers and advisers, Merthyr Tydfil

Communities First, Gurnos, Merthyr Tydfil

Beneficiaries of Want2Work

Employment Division, Welsh Assembly Government

Department for Education, Lifelong Learning and Skills, Welsh Assembly Government

Primary Care Trust, Merthyr Tydfil

Regeneration Department, Merthyr Tydfil Council

7 Conclusions

The case study initiatives presented in this volume demonstrate that effective co-ordinated action is possible, although often in spite of complex governance arrangements rather than because of them. In this respect, the role of committed teams and individuals who are able to mobilise resources and deliver high-quality, outward-looking projects is crucial in overcoming the constraints, and indeed exploiting the spaces, within a highly complex governance system.

The initiatives analysed have responded to the manifestation of wider economic processes within particular areas through locally based and designed interventions that are sensitive to local particularities, although their orientation is strongly structured by the objectives and funding of central government policies. To the extent that they have achieved some success, this is largely down to two factors. First, their ability to integrate economic and social objectives, primarily through promoting employment as a route out of poverty and linking the economic needs of deprived areas and populations with employment opportunities in the wider local/regional economy and, less prominently, in terms of the development of wider place-based community interests and assets. Second, this relates to their ability to get key agencies to work effectively together to deliver common objectives and outputs, and complement other mainstream provision.

In relation to both of these factors, the place-based nature of these interventions is important in diverse ways – whether in terms of the delivery of personalised support to residents of deprived areas, or the challenge of linking deprived areas into wider labour markets, or in the broader sense of strengthening place-based communities to make them desirable places to live and work.

Integration of economic and social objectives

There are a number of ways in which the case studies exhibit elements of good practice in terms of linking the economic development and social exclusion agendas.

- *Employer engagement*: in terms of understanding employers' needs and working with them to encourage recruitment of those individuals currently out of work.
- *Identifying entry-level jobs*: finding jobs appropriate to those who have never worked or have been out of work for a long period of time.

- *Personalised approaches*: the use of ‘person/client-centred’ methods that recognise there are a range of needs that have to be met if those who are currently highly marginalised from the world of formal work are to enter sustainable employment.
- *Strong leadership and a skilled and committed staff team*: the key role of dedicated and committed staff is common to the success of different projects.

However, there are also a number of key challenges to linking economic development and social inclusion common to most of the case studies.

- *Difficult local labour market conditions*: despite employment growth in all the case study areas, labour market conditions are such that competition for ‘entry-level’ jobs is strong and/or that there are not enough such jobs of sufficient quality to ‘make work pay’.
- *Problems with engaging smaller employers*: this is particularly apparent in terms of engaging small and medium-sized enterprises, which numerically dominate in the case study local economies.

Developing an integrated and co-ordinated approach

An important element to the efficiency and effectiveness of many of the case studies is that partnership working operates in an integrated and co-ordinated way to reduce duplication and competition between different agencies and to maximise the impact of funding sources. Two aspects are particularly noteworthy here.

- *Strong commitment from Jobcentre Plus*: all the case studies demonstrate dependence on strong buy-in from several key players; however, it is noticeable that a strong commitment from Jobcentre Plus has been crucial to the success of several case studies.
- *Involvement of VCS organisations*: developing strong partnerships with VCS organisations is particularly important when it comes to winning the trust and confidence of disadvantaged individuals and deprived communities.

The case studies also demonstrate that complex and fragmented governance arrangements present a number of challenges to achieving a more ‘joined-up’ approach.

- *Lack of effective joining up between programmes and initiatives:* Although the case studies demonstrate viable and successful partnership working, they also illustrate the lack of integration and co-ordination that can exist between programmes (e.g. health and employment services, neighbourhood programmes and mainstream provision).
- *Funding cuts and uncertainties:* concerns over the sustainability of funding and budget cuts affecting associated services are commonplace in all case studies, with short-term, unstable funding creating problems of staff retention and maintaining ongoing relationships between clients and providers.
- *Privatisation and contracting out of employment services:* the movement towards the contracting out of all services to the unemployed to achieve efficiency savings is creating uncertainty and competition for locally based, community-oriented organisations from larger providers.

A fuller and more detailed discussion of the general messages from the case studies is presented in Volume 1 (Chapter 5), the main report for this study.

