

Department for Work and Pensions

Research Report No 411

Evaluation of the Working Neighbourhoods Pilot: Final report

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Del Roy Fletcher, Tony Gore and Shuba Krishnan**

A report of research carried out by the Institute for Employment Studies,
the Policy Research Institute, the Centre for Regional Economic and Social Research and
GfK NOP on behalf of the Department for Work and Pensions

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Summary

This report presents the findings from the evaluation of the Working Neighbourhoods Pilot (WNP). The WNP was established in April 2004 to test new approaches to offering intensive support to help people to find and remain in work. The pilot was targeted towards people who are without work, including claimants of Jobseeker's Allowance (JSA), Income Support (IS), Incapacity Benefit (IB), partners of claimants and workless non-claimants. The pilots, which have operated in 12 sites in England, Scotland and Wales, were selected because of very high levels of worklessness and deprivation, and have been delivered by a combination of Jobcentre Plus and private Employment Zone (EZ) contractors (WNP/EZ). Essentially, the pilots have tested very local approaches to overcoming worklessness: delivery organisations, Jobcentre Plus and WNP/EZ providers were charged with working within the framework of Local Strategic Partnerships (LSPs) to determine how best to overcome barriers to work, and move local people into jobs.

Aims of the research

This evaluation aimed to test the extent to which:

- a programme of local level intensive work-focused action (the WNP), in co-operation with local partners, is effective in addressing long-standing barriers to work experienced by residents of deprived areas;
- the pilot increases the number of individuals moving into work, and as far as possible, the extent to which it decreases the overall workless rate within the pilot areas.

Method of approach

The evaluation was undertaken through a combination of quantitative and qualitative research methods and comprised four main components:

- A literature review which explored the concept of worklessness, at the level of the individual and the community.

- A comprehensive analysis of secondary and administrative data, undertaken in-house by the Department for Work and Pensions (DWP) analysts, involving statistical profiling of WNP sites, and analyses of employment and unemployment statistics, benefit on- and off-flow data, and records from the Work and Pensions Longitudinal Survey (WPLS) database.
- Detailed case study work with stakeholders in the pilot and comparison areas, providing baseline information on the areas' social and economic characteristics, and updates in two further waves of fieldwork on the progress of the pilots and their impact on area changes during the lifetime of the pilot.
- An Eligible Residents Survey (ERS) involving face-to-face interviews with approximately 1,200 residents across the 12 pilot sites in two waves. The surveys sought to explore attitudes and motivations towards work, and importantly, to determine people's experiences of the pilots. The surveys were supplemented by approximately 40 in-depth interviews at each wave to explore issues around the 'culture of worklessness' in more detail.

Key findings

Characteristics of the pilot sites

Analysis of the 2001 Census of Population shows that the pilot sites were noticeably different to the 'norm':

- Unemployment levels were up to three times higher than national levels in each of the pilot sites and economic inactivity was at least ten percentage points above the average in almost all the WNP areas. Over half of the pilot sites had economic inactivity rates of over 50 per cent.
- Sick leave and disability is also much higher in the pilot sites than nationally and at least one in ten people in most of the pilot areas were unable to work because of health problems. Many more people in the WNP areas were also inactive because of caring responsibilities when compared to national averages.
- Many of the pilot sites have relatively high numbers of households headed by a single person compared to national figures. Rates of lone parenthood are also greater in many of the WNP areas compared to the rest of the country.
- Most residents in WNP areas live in rented accommodation, and most properties are flats or terraced houses. Rates of owner occupation in the pilot sites are markedly lower than national figures.
- In terms of human capital, over half of all residents in most of the WNP areas have no qualifications at all, compared to approximately one-third of the population nationally.

Pilot customers

During the survey of eligible residents, WNP participants and non-participants provided more information on the barriers they thought local people faced when looking for work. These centred on the following four themes:

- Labour market factors – including a lack of suitable jobs, or jobs that were poorly paid (43 per cent of participants and non-participants thought this was the case).
- Individual barriers or poor human capital – 38 per cent of residents thought that local people lacked the qualifications or skills necessary for the jobs available.
- Motivation – there was a fairly widespread belief that local people did not want to work (28 per cent of residents thought motivation was a problem).
- Local infrastructure – over 20 per cent of residents believed that poor childcare facilities and poor transport were significant barriers to employment in the local area.

Amongst residents who were looking for work, a similar range of barriers to employment were identified: 30 per cent of jobseekers in the local area said they had few or no qualifications, 30 per cent thought there was a lack of suitable jobs in the local area, 30 per cent did not have transport to get to work, 28 per cent had no recent work experience, and 22 per cent thought that the wages on offer locally were too low.

The case study research with local stakeholders also identified a number of demand-side factors that acted as barriers to work to local residents. A decline in traditional industries in many of the pilot sites had resulted in significant shifts from manufacturing to service sector jobs, and a commensurate mismatch between the skills held and the skills necessary for the jobs available locally. Added to this, the jobs that were available locally were often low paid, and many were located on peripheral industrial estates which are difficult to reach by public transport. Local employers are often small and want recruits who are immediately employable and few employers have the time or inclination to take on people who have been out of the labour market for any length of time. There is also some anecdotal evidence to suggest that employers discriminate against recruits from some of the pilot areas because of where they live, ie there may be an element of postcode discrimination in operation.

Policy response

Three main models of WNP delivery have been identified:

- The distributed model, whereby pilots have run primarily from a dedicated community office where routine Work Focused Interviews (WFIs), adviser meetings and action planning have taken place. All other provision has been carried out off-site, usually by other providers.

- The hub and spoke model, which is characterised by the WNP office acting as a local community hub, offering a wide range of activities and services to pilot customers and others living in the local area. Additional provision was often available in-house.
- The 'Jobcentre in the community' model which has seen the pilot established in an outreach location, but often offering the most basic of services. Additional provision has usually been available off-site.

Three models of provision fall from these delivery models:

- The holistic approach which underpins the hub and spoke model, and to a slightly lesser degree, the distributed model. This model offers a comprehensive service to identify all the main barriers to work and offers a significant range of provision and support to meet customer needs and overcome barriers.
- The work-focused approach which characterises the Jobcentre in the community model. The emphasis in these pilots has been work-first with any additional provision geared to addressing customers' immediate barriers to labour market participation.
- The work-focused plus approach, often displayed by pilots adopting the distributed model of delivery, is a hybrid of the holistic and work-focused approaches. Barriers are identified and addressed but with a greater, and speedier emphasis on moving customers into work.

There have been some excellent examples of effective internal management across the pilots, regardless of whether they have been led by WNP/EZ contractors or Jobcentre Plus. In these cases, common features of the management style have been a strong personal commitment to the success of the initiative, a 'hands-on' approach; for example, getting involved and building the necessary partnerships, ensuring sound project management systems and facilitating a strong teamwork ethos.

The nature of the WNP, in terms of often difficult and varied caseloads and the relatively high levels of autonomy required in order to meet the diverse needs of customers, has placed considerable demands on Personal Advisers. Such demands have underlined the importance of recruiting advisers with the necessary experience and skills. The skill sets and personalities of advisers were seen by those working in the WNPs as more important than their formal qualifications, professional background or experience; although having some past experience of the advisory role, or previous experience of working in the local community, can make advisers particularly effective at engaging customers.

Effective working partnerships have been particularly important to the pilots for a number of reasons:

- partners have been used as a source of customer referrals;
- partners have provided services to customers;

- partners have supplied premises for WNP activities;
- partners have offered strategic direction to WNP activities.

Pilots have experienced differential degrees of success in relation to partnership working. Where good community links existed prior to the pilot, there was a greater opportunity to take advantage of these established networks. Other pilots have had to start to build effective partnerships where none have existed before. In general though, the time and effort dedicated to the engagement of community partners by pilot staff has been viewed as a positive and valid activity in many pilot areas. This has been particularly the case in those pilots operating within the 'distributed' and 'hub and spoke' models of delivery, suggesting that these approaches have been the most effective in engaging key community groups.

Pilot activities

Pilots have tested a number of engagement techniques to draw in customers, and particularly non-traditional customers, and most pilots have employed some sort of outreach mechanism to do so. Engagement methods have included the distribution of flyers and leaflets to local residents, direct mail to named claimants, face-to-face contact with potential customers including door-knocking, the provision of financial incentives, and working through existing community groups and providers. No one engagement method stands out as being particularly effective, and what is clear is that engagement takes time and investment, especially with the specific target customer groups for WNP.

The majority of participants on WNP have been JSA customers (60 per cent) and this pattern has not changed significantly over the two-year pilot period. Twenty-seven per cent of pilot customers were IS claimants, with a further ten per cent coming from the IB customer group.

One of the key features of the WNP has been the one-to-one relationship between the Personal Adviser and the customer, including the WFI. These have been well received by customers, with over three-quarters of people saying that they had found these meetings useful. A number of people actually requested more WFIs, saying they needed more help to find work.

There has been considerable variability in the ability of pilots to spend the Community flexible discretionary fund (FDF) and to procure new services and provision. WNP/EZ pilots committed a large amount of Community FDF in the first year, with a high proportion being spent on the refurbishment of premises. Jobcentre Plus pilots were slower to start spending Community FDF but seem to have done so more in the second year of the pilot. The types of initiatives that have been funded through Community FDF fall into three broad areas:

- Investment in the physical infrastructure for community facilities; for example, refurbishments of existing community facilities, and refurbishment of WNP premises.

- Investment in projects to build social capital within the pilot area.
- Projects to provide support or advice and broader training or employability-related projects.

Retention payments were a key feature of the pilots and were targeted at customers who moved into, and remained in, work after previously receiving benefits. Payments have been widely used by advisers as a means of encouraging participants to enter work. They appear to have been useful in overcoming some of the early barriers to job retention, such as paying off debts, and buying clothes and tools, etc.

The extent to which retention payments have been used in conjunction with other forms of in-work support has varied across the pilots. However, most pilots have adopted a 'hands off' approach to in-work support and have relied mainly on retention payments to encourage people to stay in work.

Few pilots have been actively engaging employers as part of WNP, which has been seen by some pilot managers to have been a wasted opportunity. WNP/EZ pilots were more likely to have had specific employer engagement staff working with companies to secure vacancies for WNP customers than Jobcentre Plus pilots.

Outcomes and impact

Some of the gains most commonly recalled by WNP participants relate to:

- soft outcomes, such as gains in self-confidence and motivation;
- job search techniques; and
- jobs.

Overall, 35 per cent of all WNP participants had moved into employment in the two years up to April 2006. Fifty-five per cent of all those who had started employment had been in work for at least 13 weeks and had claimed their first retention payment, whilst 37 per cent had been in work for 26 weeks or more and received the full back-to-work bonus. Interestingly, IS and IB customers, whilst less likely overall to have found employment than their JSA counterparts, were more likely to have stayed in work for longer. No significant differences were identified in relation to job entry rates according to whether pilots were being run by WNP/EZ contractors or Jobcentre Plus.

However, DWP estimates indicate that the job entry rate in pilot sites is some 13 percentage points higher than in the comparison sites. Using data from Jobcentre Plus programmes, the WPLS and Jobcentre Plus' Labour Market System (LMS), it appears that pilot sites had a job entry rate of 43 per cent compared to 30 per cent in the comparison areas. These figures suggest that by participating in the pilot, WNP customers have been more successful in finding work than they would have been otherwise.

Area outcomes have been much harder to establish in the WNP sites. A commonly held view by many pilot staff and representatives of community groups was that any measurable impact on the wider 'culture of worklessness', would be negligible after just two years of activity. The main areas where some impact, over and above individual outcomes has been felt, included:

- partnership working – in some areas, there is clear evidence that partnership working has been enhanced over time as a result of the pilot;
- capital investment – pilots that have invested in the acquisition and refurbishment of physical assets will continue to benefit local people living in the pilot areas for some time to come;
- improved knowledge and understanding of local areas – some of the approaches tested out through WNP have gone on to inform the design of new initiatives and policy responses.

Conclusions and lessons for policy

The WNP has succeeded in getting a significant number of people into work, and has a number of strengths that relate to the following:

- the flexibility of the pilot – advisers have been able to take flexible, responsive approaches to working with customers to address entrenched barriers to labour market participation;
- the engagement of key local players – working in partnership has brought key benefits including a greater understanding of the worklessness 'problem' and mobilising a wide range of organisations and providers to meet the needs of customer groups;
- putting in place a wide range of provision to meet customer needs – using Community FDF monies to secure provision, particularly for customers normally outside of the remit of mainstream Jobcentre Plus services;
- testing different customer engagement strategies;
- the quality of staff teams – many pilots have benefited from enthusiastic, committed and effective managers and advisers.

A number of weaknesses have also been identified:

- pilot penetration amongst non-traditional customer groups has remained fairly low;
- a lack of innovation and experimentation in relation to engagement methods, and new provision;
- inadequate staffing levels in some pilot areas;
- the relatively short duration of the pilot;
- a lack of attention to demand-side measures to overcome worklessness.

The main lessons learned from the WNP fall from these conclusions and include the following:

- the need to allow sufficient time for initiatives to bed-in, and to bring about change;
- the importance of having the right management and staff teams in place to deliver the initiative;
- to provide a full range of support measures for customers to address their barriers to work. In addition, attention should be made to demand-side measures when designing policy interventions;
- testing different ways of engaging non-traditional customer groups, particularly outreach methods, whilst recognising the time it takes to succeed with these customers;
- the critical role played by partners in programme strategy and delivery.

1 Introduction

This report presents the findings of the Evaluation of the Working Neighbourhoods Pilot (WNP). This study was commissioned by the Department for Work and Pensions (DWP) in 2003 and was undertaken by the Institute for Employment Studies (IES) in partnership with the Policy Research Institute, the Centre for Regional Economic and Social Research, and GfK NOP. It builds on an earlier progress report published in 2005.¹

1.1 Aims and objectives of the study

This evaluation aimed to test the extent to which:

- a programme of local level intensive work-focused action (the WNP), in co-operation with local partners, is effective in addressing long-standing barriers to work experienced by residents of deprived areas;
- the pilot increases the number of individuals moving into work, and as far as possible, the extent to which it decreases the overall workless rate within the pilot areas.

More specifically, the objectives for the research were to:

- test whether the pilots have achieved their aim of increasing job outcomes both at the individual and area level within the 12 pilot areas;
- monitor individuals' interaction with their local labour markets to ascertain if changes to individuals can be ascribed to the intervention rather than changes at a macro level in the wider local economic environment;
- assess how far individual outcomes produce area outcomes;

¹ Dewson, S. (2005), *Evaluation of the Working Neighbourhoods Pilot: Year One*, DWP Research Report No. 297.

- monitor the extent to which area outcomes are affected by people moving in and out of the area, including the extent to which such movements can be seen as a result of the pilot itself.

In order to arrive at some assessment of the net impact of the pilots, 12 comparison areas were selected, on the basis of similar socio-economic and demographic characteristics, against which the pilots' performance could be judged. In most cases, these comparison areas were contained within the same local authority district, although they were not coterminous with the pilot sites.

1.2 Methodological approach

A detailed outline of the research methods used in this work is given in Appendix A. However, in summary, the evaluation was undertaken through a combination of quantitative and qualitative research methods and comprised four main components:

- The first component comprised a literature review² which explored the concept of worklessness, at the level of the individual and the community. This review has drawn on UK, US and European literature and identifies the key barriers to employment and engagement faced by workless people.
- The second component comprised a comprehensive analysis of secondary and administrative data, undertaken in-house by DWP analysts. This involved the completion of a baseline statistical profile of the WNP and comparison areas using 2001 Census data, data relating to employment and unemployment statistics, benefit on- and off-flow data, and analysis of records from the Work and Pensions Longitudinal Survey (WPLS) database.
- The third component of the evaluation comprised detailed case study work in the pilot and comparison areas, providing baseline information on the areas' social and economic characteristics, and updates in two further waves of fieldwork on the progress of the pilots and their impact on area changes during the lifetime of the pilot. The case study work was primarily qualitative, involving interviews with stakeholders³ in the local areas and provided much of the contextual

² Ritchie, H., Casebourne, J. and Rick, J. (2005), *Understanding workless people and communities: A literature review*, DWP Research Report No. 255.

³ Stakeholders included: WNP Project Managers; WNP/Employment Zone Personal Advisers and related staff; Jobcentre Plus District Managers; and Jobcentre Plus Business Managers. Also representatives from: Action Teams; Employment Zones; local authority departments (Local Strategic Partnership (LSP)/Economic Development/Regeneration; Housing Managers); local councillors; voluntary and community organisations; faith groups; community police officers; local youth/health/social workers; other local area-based initiatives (eg the Single Regeneration Budget (SRB), Sure Start); local education/training providers; other support services, eg drugs and alcohol teams; Connexions; school head teachers; public transport providers; and employers/employers' organisations.

information for the other components of the evaluation programme. Case study interviews were carried out before the pilots began, at their inception phase, again after one year in operation and then finally just as pilots were coming to an end in 2006.

- The fourth and final element of the evaluation comprised an eligible resident survey (ERS). This involved face-to-face interviews with approximately 1,200 residents across the 12 pilot sites in two waves. The first of these waves took place in January to March 2005 (1,201 interviews), and the final wave was undertaken between February and May 2006. The second wave followed up a large proportion of Wave One respondents (578 in total) to establish changes over time, and measure any progression towards employment, and also incorporated interviews with 654 new respondents (the Wave Two top-up sample). The surveys covered both WNP participants and non-participants, ie people who were eligible to take part in the pilots, but who had not done so at the time they were first surveyed, looking at their attitudes and motivations towards employment and their experiences of employment, unemployment and jobseeking. The surveys also explored people's experience of the pilots over time. The surveys were supplemented by approximately 40 in-depth interviews at each wave to explore issues around the 'culture of worklessness' in more detail. A full explanation of the survey methodology is contained in Appendix A. The survey findings presented in this report are based largely on two main groups of survey respondents: first-timers, which constitute respondents to the Wave One survey and the top-up sample at Wave Two; and longitudinal respondents who were interviewed at Wave One and again at Wave Two.

This final evaluation report presents the findings from the study as a whole. Evidence for the report is drawn from the literature review, statistical analysis of administrative data by the DWP, the case study interviews, the eligible residents' survey and the individual in-depth interviews. DWP management information (MI) also provides the most up-to-date outcomes data for the pilots. This report builds on the earlier Interim Report, published in 2005.⁴

1.3 Structure of the report

This report begins by establishing the policy context for the WNP and looks at some of the key socio-economic factors associated with the pilot sites (Chapter 2). The report then focuses more specifically on the socio-demographic characteristics of people who were eligible to join the pilots and discusses their main barriers to labour market participation (Chapter 3). Following on from this, Chapter 4 examines the policy response and identifies the main models of pilot delivery and provision, and determines the role of the main delivery agents including pilot managers, adviser

⁴ Dewson, S. (2005), *Evaluation of the Working Neighbourhoods Pilot: Year One*, DWP Research Report No. 297.

teams and key partners. Chapter 5 looks in more detail at pilot activities, and covers issues such as customer engagement, adviser interviews and the use of pilot financial resources. The main outcomes and impacts of the WNP are then considered in Chapter 6. The final chapter concludes the study and offers some key learning points for policy (Chapter 7).

2 Policy context

This chapter begins by presenting the policy background to the Working Neighbourhoods Pilot (WNP) to provide a better understanding of the rationale for, and expectations of, this type of state intervention. The chapter moves on to look in more detail at the main socio-economic characteristics of the pilot sites and compares them to the national picture in order to set these sites within a wider context and to give a better illustration of the extent of their decline and disadvantage.

2.1 The policy rationale

In the last decade, unemployment levels (although rising now) have fallen significantly in terms of both the claimant count and broader definitions of unemployment, and the number of people in work has increased. Thus, at June 2006, the UK's unemployment rate⁵ stood at 5.5 per cent and the employment rate at 74.6 per cent. However, the increase in employment has occurred primarily amongst women (and mainly women under 50 and with higher skills), while male inactivity rates have increased (especially for those over 50 and with poorer skills). Moreover, these changes have occurred differentially across households so that there has been an increasing polarisation between 'workless' and 'work-rich' households (DfEE, 1999; Dickens *et al.*, 2001).

Not surprisingly, inequality of employment opportunity is manifested amongst certain groups and areas. Lone parents, people over 50, people from ethnic minority groups, people with disabilities, and those with poor skills and qualifications experience relatively lower levels of employment, while people in certain deprived areas continue to suffer from high levels of inactivity and worklessness. Indeed, increasing attention has been given to the geography of worklessness (Lawless *et al.*, 1998; Martin and Morrison, 2003; Social Exclusion Unit (SEU), 2004). Low employment is concentrated in inner city areas, especially in London and the major metropolitan cities, areas formerly dependent upon mining and traditional industries, certain isolated coastal areas and some rural areas. However, it is clear that the local

⁵ International Labour Office (ILO) definition.

complexion of the problem varies between areas in terms of demographic composition, socio-economic characteristics, and local labour market dynamics. Moreover, worklessness appears to be concentrated in very small areas, ie ward or street level. The SEU study (2004) found that in the worst affected one per cent of streets, more than half of all adults were out of work and on benefits, and in some places, almost all adults were out of work and claiming benefits. In this context, the Government's active labour market policies have become increasingly targeted on groups and areas suffering the greatest disadvantage and barriers to work.

2.2 The policy response

Since 1997, the Government has introduced a range of employment and enterprise initiatives. The initial focus was on reducing long-term unemployment through the New Deals for Young People (NDYP), for those aged 25 and over (ND25+) and for the over 50s (ND50plus). However, as increasing attention has focused on wider inactivity and worklessness, the scope of welfare to work policies has also broadened. The new Jobcentre Plus agency has combined the Employment Service and the working age element of the Benefits Agency to provide an active, work-focused service for all claimants of working age. The New Deal for Lone Parents (NDLP) has been extended, and financial assistance provided for childcare costs in the context of a National Childcare Strategy. The New Deal for Partners provides a personal adviser service for dependent partners of benefit claimants. The New Deal for Disabled People (NDDP) helps those moving onto Incapacity Benefit (IB) and disabled people wanting to move into employment.

The persistence of worklessness in particular local communities has been addressed through 65 Action Teams, designed to produce innovative approaches to overcoming local barriers to work. StepUp pilots in 20 areas were designed to provide transitional employment opportunities for disadvantaged jobseekers. Employment Zones (EZs), delivered by private sector providers, were also designed to test new and innovative approaches to helping the long-term unemployed in disadvantaged areas.

The New Deals, Employment Zones and Action Teams have all helped to varying degrees in reducing unemployment. Nevertheless, it is clear that there are ongoing challenges in terms of helping the harder-to-reach groups and particular areas experiencing the greatest disadvantages and barriers to employment. In this context, the Pre-Budget Report, published by the Treasury in November 2002, announced the Government's intention to focus a new pilot initiative on neighbourhoods with high concentrations of worklessness (p.76):

Rising concentrations of worklessness (particularly within inner cities, former coalfield communities and seaside towns) have led to the emergence of communities in which worklessness is no longer the exception, but the norm. Households that have experienced generations of unemployment often develop a cultural expectation of worklessness. These problems are reinforced when people rarely leave their immediate neighbourhoods, despite living close to economically vibrant areas.

Local areas that suffer from low employment rates often do not simply lack jobs. Many combine high vacancies with low employment or are found alongside other districts with large numbers of vacancies or jobs. A high proportion of residents may face multiple barriers to work.

As a result, the WNP was established for a two-year period to test a new approach to offering intensive support to help people gain access to jobs available in their localities. Since the WNP was first announced in late 2002, there have been further developments in welfare-to-work policy, namely, the launch of the Pathways to Work programme, plans to replace IB with a new Employment and Support Allowance, and the announcement of the Cities Strategy and the Deprived Areas Fund.

The Pathways to Work programme was launched in seven areas between October 2003 and April 2004 and has since been expanded to cover an additional 14 Jobcentre Plus districts. Pathways to Work aims to improve the provision of advice and support to help people on IB move into work through a combination of Work Focused Interviews (WFIs), help from specialist advisers, comprehensive provision to support a return to work, and a return-to-work credit. Alongside changes to the support available for IB claimants, there have also been changes to the way services are delivered to tackle high concentrations of worklessness at the local level. Whilst the WNP came to an end in March 2006 and Action Teams in September 2006, two major new initiatives have since been announced: the Cities Strategy and the Deprived Area Fund.

The Cities Strategy was launched by the Government in May 2006 and is designed to give the opportunity to local providers and partners in the UK's major towns and cities to come together in a single consortium to provide solutions to the specific problems that prevent people moving into the labour market in their area. The first tranche of successful areas to trial the Cities Strategy were announced in July and include: Birmingham, Blackburn, Dundee, Edinburgh, Glasgow, Heads of the Valleys, Leicester, Liverpool, Manchester, Nottingham, Rhyl, Sheffield, Tyne and Wear, and two areas in London.

A Deprived Areas Fund will also be available from October 2006 to those Jobcentre Plus districts containing wards with the lowest employment rates, and this is designed to increase labour market participation in the most disadvantaged wards and to reduce the employment gap in these areas to bring it more in line with the national average. District Managers will be able to use this fund to purchase private and voluntary services aimed at improving the employment rates in these wards. These new programmes and strategies can all be informed by the learning from the WNP.

2.3 The Working Neighbourhoods Pilot

The WNP became operational in April 2004 and ran for a period of two years in 12 selected localities across Great Britain. These localities were defined at sub-ward level and were selected on the basis of very high levels of worklessness and benefit dependency. At the time they were chosen, each of the 12 pilot areas had populations of between 4,000 and 5,000, of whom between 35 and 50 per cent were classed as workless. Seven of the pilots were managed by Jobcentre Plus; the other five areas, where EZs were currently in operation, were managed jointly by Jobcentre Plus and the private contractors delivering nearby EZs. The pilot designations are shown in Table 2.1.

Table 2.1 Location of pilot areas, by local authority district and main ward

Local authority district	Pilot area (2003 ward boundaries)
Glasgow*	Parkhead
Glasgow*	Hutchesontown
Newcastle	Monkchester
Middlesbrough*	Thorntree
Knowsley	Northwood
Wirral	Birkenhead
Sheffield	Manor
Birmingham*	Aston
Swansea	Penderry
Great Yarmouth	Regent (Nelson)
Tower Hamlets*	Lansbury
Hastings	Castle

Note: * indicates Employment Zone in operation.

Source: DWP.

In broad terms, the 'theory of change' behind the WNP posited that a 'culture of worklessness' had developed in certain areas and that this could be addressed through intensive, focused intervention to help people move into and retain jobs that were available in or near the locality. Essentially, the pilots were testing a programme of intensive support in neighbourhoods with very high concentrations of worklessness, involving more frequent WFIs, accelerated access to New Deals, and flexible discretionary funding. In the context of the pilots, worklessness describes all those not working over 16 hours a week, and included:

- claimants of Jobseeker's Allowance (JSA);
- those out of work and actively looking for a job;
- economically inactive claimants (who are not working, not in full-time education or training and not actively seeking work);
- economically inactive non-claimants.

A central aim of the WNP was to bring local partners together to tackle barriers to work and local plans were developed on a site-by-site basis, designed to build on the help and support already available in the pilot areas. The pilots were charged with testing new approaches to determining and offering intensive support to residents within the pilot neighbourhoods to help them access available jobs. This involved both help to find work – by offering work-focused contacts (interviews) at the earliest opportunity – and help for customers to remain in work through in-work support and incentives.

Essentially, the main aspects of the WNP included:

- weekly signing at weeks seven to 13 and accelerated access on to New Deal/EZ provision after just three months for all residents claiming JSA;
- more frequent WFIs for people claiming Income Support (IS), including lone parents, and all partners in receipt of designated benefits;
- more help for new IB customers to ensure that employment opportunities and the support available to overcome barriers were regularly discussed and explored;
- a flexible discretionary fund (FDF) for each neighbourhood to allow personal advisers, in co-operation with local strategic partners, to tackle the substantial and varied barriers that prevent residents in these neighbourhoods from returning to work;
- retention payments at 13 and 26 weeks, in the form of lump sum rewards, for customers who moved into and remained in work after previously receiving benefits.

Participation in the pilots was mandatory for JSA customers, however, IS customers, new IB customers, and all partners, were only required to take part in a WFI. There was no requirement on these customers to participate in the pilot beyond this, nor to receive further help and support to move into work.⁶ For all other workless residents, including IB customers who claimed before the pilots began, ie before 26 April 2004, participation was voluntary. A key issue for the pilots then, if they were to

⁶ IB customers with a new or repeat claim on or after 26 April 2004, IS customers and partners of all customers (including partners of IB customers who claimed before 26 April 2004) were all required to take part in a regular programme of WFIs as part of the WNP. This was the mandatory element of the WNP for these customers groups. At the mandatory WFI, these customers were offered additional help and support through the pilot, although there was no requirement for them to access this; ie further participation in the pilot after the WFI was voluntary. IB customers who claimed before 26 April 2004 were not required to take part in any element of WNP and participation for these customers was entirely voluntary. All JSA customers had to take part in the required mandatory New Deal (NDYP/ND25+) or EZ provision if they remained unemployed three months after their date of claim.

reach these residents and non-traditional customer groups, was to engage them and to get the WNP message out.

Before moving on to look in more detail at how the pilots have operated in practice, it is worth exploring, in more depth, the characteristics of the pilot sites, and more specifically, the characteristics of the people who live within them.

2.4 The pilot sites and worklessness

The study by the SEU examined the characteristics of people living in England in areas defined as 'concentrations of worklessness' (SEU, 2004a). The study found certain groups and characteristics disproportionately represented within these workless concentrations.

- Almost half the working-age population in these areas had no qualifications.
- The proportion of black residents in these areas was twice the national average.
- Half of all households in these areas had at least one person with a limiting long-term illness.
- One-fifth of workless households had dependent children.

Of course, not all of these characteristics are to be found in each area where there are concentrations of worklessness. Moreover, not all individuals within these 'groups' are workless; however, being a member of these groups can increase the risk of being workless. Berthoud (2003) showed that the risk of being in a workless family is increased by having one or more additional characteristics, including being a lone parent, having low qualifications and skills, being impaired, and/or living in a region with a high unemployment rate. Indeed, lone parenthood shows the biggest association with the risk of family worklessness.

As the pilot areas were selected on the basis of high concentrations of worklessness, it is not surprising that they share many characteristics. However, at the same time, there are also notable variations, both between pilot sites and most obviously between pilot sites and the broader, national picture. Full data tables are contained in Appendix B, however, when compared to national figures, the most notable differences in pilot sites relate to the following:

Low levels of economic activity

At the time of the 2001 Census of Population, levels of economic activity amongst residents aged 16 to 74 were well below national averages in almost all the pilot wards. Whilst approximately two-thirds of the general population in England and Wales, and Scotland were economically active, this proportion dropped to less than half in eight of the 12 WNP areas. As few as 27 per cent of all residents were in employment (eg in the Glasgow Hutchesontown pilot) compared to a national employment rate of 58 per cent. The employment rate increased to around 40 per cent or more in other pilot sites, yet remained some 15 to 20 percentage points below national averages.

Higher unemployment

Unemployment levels were commensurately higher in all pilot sites than national rates. At the time of the Census, unemployment stood at three per cent in England and Wales, and four per cent in Scotland, which compared to between nine and 13 per cent in five of the pilot sites (Aston, Regent, Northwood, Manor and Hutchesontown). All other pilot areas had unemployment rates that were more than double the national average.

Higher economic inactivity

A key feature of most pilot wards, with respect to labour market participation, was the prominence of economic **in**activity, with only one of the 12 pilot sites (Castle) having a figure close to the national average, which stood at between 33 and 35 per cent in England and Wales, and Scotland in 2001. Economic inactivity in almost all pilot areas was at least ten percentage points above the average, and over half the areas had economic inactivity rates in excess of 50 per cent.

Sickness or disability was a key reason for inactivity; in the two Glasgow pilots, over one-fifth of the population aged 16 to 74 in 2001 was permanently sick or disabled. In most other areas, the number of residents reporting permanent sickness and disability was in double figures, representing two or three times the level in the rest of England and Wales.

Another reason for inactivity was caring responsibilities, with many pilot wards recording relatively high proportions of the working age population involved in looking after the home and family. Whilst six per cent of all residents in England and Wales, and Scotland, stated that their main activity was looking after the home and family, this figure increased to more than ten per cent in eight of the 12 pilot sites.

Over one-third of the working age population in 2001 in all pilot areas were receiving JSA, IB, IS or Severe Disability Allowance (SDA) and in some of the pilot areas, over half of all residents received benefits related to inactivity or incapacity. There are some differential patterns of benefit receipt in the pilot areas depending on the main presenting socio-demographic characteristics of residents. Thus, in some areas, the proportion of IS claimants is relatively higher, indicating a higher density of people with caring responsibilities (IS being a proxy for lone parenthood). In other areas, the number of IB claimants is higher, suggesting that health problems are more prevalent. These benefit patterns give some indication of the likely barriers people face when thinking about entering employment.

Age

Some of the main differences between the pilot sites and the country as a whole relate to the age profile of local residents. Whilst approximately one-fifth of all people residing in England and Wales, and Scotland, are aged under 16, there are much higher proportions of young people under 16 in many of the pilot sites (in particular, Lansbury, Manor, Northwood, Penderry and Thorntree). Three of the

pilot sites, however, have relatively more residents over retirement age than nationally (in Castle, Hutchesontown and Parkhead). The proportion of residents of working age is smaller in all pilot sites than nationally.

Ethnicity

Most pilot areas follow national trends in relation to ethnicity and all but two areas have almost exclusively white populations. The exceptions to this are the Aston and Lansbury pilot sites where respectively, 53 per cent and 44 per cent of residents are drawn from non-white populations.

Household composition and tenure

Some of the most striking differences between the WNP sites and the rest of the country relate to household composition, with the pilot wards showing considerable divergence from the norm. Approximately one-third of all households nationally are headed by a single person, whilst in most of the WNP areas, this proportion is much higher. Indeed, in four pilot sites almost half or more of all households are headed by a single person. At the same time, however, several pilot areas also have relatively high proportions of households with children, and particularly so in Lansbury, Monkchester, Penderry and Thorntree. Much of the difference is accounted for by the high proportions of lone parent households in many of the pilot areas: Birkenhead, Parkhead, Penderry and Thorntree are especially notable for their relatively high levels of lone parent households. The result is that the majority of pilot wards also have below average proportions of multi-adult households containing children.

In terms of housing tenure, most residents in the pilot areas live in housing rented either from the local council or from a registered social landlord. Typically, between two-thirds and three-quarters of residents in the pilot sites live in social rented properties, compared to approximately one-fifth to a quarter nationally.

Human capital

Most of the pilot areas are characterised by low levels of educational achievement. The 2001 Census shows that 29 per cent of residents in England and Wales, and 33 per cent of Scottish residents have no formal qualifications. However, this figure is much higher in nearly all the pilot sites, with many showing that more than half of all residents have no qualifications. In two pilot areas, this figure rises to almost two-thirds of all residents.

What is clear from the evidence here is that the pilot sites differ significantly from the population at large, ie nationally. These findings confirm the need for greater intervention, not least to get inactive residents of working age back into employment, but also to stop any 'culture of worklessness' and/or poverty of aspiration being handed down to the next (sizeable) generation.

3 Pilot customers

This chapter looks more specifically at the people who have participated in the Working Neighbourhoods Pilot (WNP), and importantly, the people who were eligible to join WNP but who opted not to do so, ie non-participants.⁷ The key socio-demographic characteristics of these sub-populations are discussed initially before moving on to explore the barriers these people faced in relation to finding and keeping work.

The chapter provides a more detailed focus on the people the pilots were designed to help and draws on evidence from the Eligible Residents Survey (ERS) and the stakeholder case studies. To this end, the main data source used here (and in large parts of subsequent chapters) is primarily the Wave One survey, because the sample is larger, more statistically robust, and suitable for more reliable sub-group analysis. Comparisons of the data have shown few significant differences between respondents to the Wave One and Wave Two top-up sample. However, where there are any key differences in the findings between the two samples, they are reported in the text.

3.1 WNP participants and non-participants

One of the main strands of this evaluation was the ERS, which was a longitudinal survey of 1,200 people living in the pilot site areas. Sixty per cent of survey respondents were WNP participants (although many were not aware that they were participating) with eligible non-participants making up the remainder, ie people who were workless and eligible to take part in the pilots but not doing so at the time they were first surveyed. An important element of the survey research with these individuals was the collation of personal data to build a better understanding of their worklessness and their barriers to labour market participation. Another crucial

⁷ All workless residents in the pilot sites were potentially WNP participants. However, for the purposes of this research, participants have been defined as those who had taken part in WNP. Non-participants have been defined as those people who had not taken part in WNP but who, as a result of their worklessness, would be eligible to do so if they chose.

aspect of the ERS was to identify any key differences between pilot participants and non-participants. As the welfare-to-work agenda shifts its focus towards people who are inactive, to encourage and assist them to move back into employment, it is essential to understand fully what barriers they face, and to determine any key differences in their circumstances when compared to traditional (Jobcentre Plus) customer groups.

3.1.1 Age and gender

As expected, given the patterns in the pilot wards as a whole, respondents to the ERS were relatively young, with over half of all those taking part (53 per cent) aged 35 or under. When these figures are disaggregated according to WNP status, however, a slightly different picture emerges. WNP participants (and thus, by definition, active jobseekers) are younger, whilst their non-participant counterparts are relatively older. Fifty-seven per cent of WNP participants are 35 or under compared to 45 per cent of non-participants. Conversely, just nine per cent of participants were aged over 50 compared to 22 per cent of non-participants (Table 3.1).

Table 3.1 Age of WNP participants and non-participants (per cent)

	Participants	Non-participants	Total
Under 25	26	17	22
25-30	18	16	18
31-35	13	12	13
36-40	14	12	13
41-45	11	11	11
46-50	9	10	10
51-55	5	8	6
56-60	3	10	6
61+	1	4	2
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

Survey respondents were almost evenly divided between men and women, with male respondents constituting 51 per cent of the sample, while women made up 49 per cent of all respondents (Table 3.2). However, looking at the gender distribution according to WNP status, it seems that men were over-represented in the participant sample (56 per cent), which reflects the gender distribution amongst (registered) unemployed people more generally. Conversely, the non-participant sample was slightly more skewed to women respondents (56 per cent).

Table 3.2 Gender, by participant/non-participant (per cent)

	Participants	Non-participants	Total
Male	56	44	51
Female	44	56	49
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

3.1.2 Ethnicity

The majority of respondents to the ERS were from white ethnic groups (84 per cent) with just over one in ten residents coming from non-white ethnic groups (16 per cent). As would be expected, a similar ethnic mix was observed amongst WNP participants and non-participants as a whole. There are much denser ethnic minority populations in the Aston and Lansbury pilot sites than in any other area. Seventy-seven per cent and 63 per cent of respondents (respectively) reported that they were from non-white ethnic groups in these areas, which compares to a number of pilot sites where very few, if any, respondents came from non-white ethnic minority groups.

3.1.3 Health problems/disabilities

Ill-health and disability can clearly limit the type or amount of work that people can do and the ERS sought to discover the extent to which respondents were restricted by their health (Table 3.3). Overall, just over one-third (35 per cent) of people responding to the survey said that they had a long-term illness, health problem or disability that limited their daily activities or the work they could do, which corresponds broadly with the Census data reported earlier. Not surprisingly, non-participants were more likely to report that this was the case (45 per cent) than WNP participants (28 per cent of whom reported that they had a limiting health condition or illness). Of course, many non-participants will have been inactive due to ill-health (and thus, not participating in WNP), whilst some participants will have been actively targeted to take part in WNP because of their ill-health or incapacity.

Table 3.3 Limiting long-term illness/disability (per cent)

	Participants	Non-participants	Total
Yes	28	45	35
No	72	54	65
Don't know	0	1	0
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

As would be expected, the incidence of limiting illness and/or disability amongst respondents increases with age, such that, people over the age of 50 are four times more likely to be restricted by their illness than respondents under the age of 25. Table 3.4 shows that 68 per cent of the over 50s have limiting health conditions compared to 15 per cent of people aged under 25.

Table 3.4 Limiting long-term illness/disability, by age (per cent)

	Under 25	25 to 35	36 to 50	Over 50	Total
Yes	15	25	43	68	35
No	85	74	56	32	65
Don't know	0	1	1	0	0
<i>N</i>	253	355	420	173	1,201

Source: IES/NOP, 2005.

Table 3.5 Type of health problem/disability (per cent)

	Participants	Non-participants	Total
Depression, bad nerves or anxiety	35	34	34
Problems or disabilities (including arthritis or rheumatism) connected with the back or neck	24	35	30
Problems or disabilities (including arthritis or rheumatism) connected with the arms or hands	22	30	26
Problems or disabilities (including arthritis or rheumatism) connected with the legs or feet	21	31	26
Chest or breathing problems, asthma, bronchitis (not including hay fever)	20	25	23
Heart, blood pressure or blood circulation problems	14	22	18
Stomach, liver, kidney or digestive problems	11	13	12
Mental illness or suffer from phobia, panics or other nervous disorders	12	10	11
Diabetes	7	7	7
Difficulty in seeing (even when you are wearing spectacles/contact lenses)	5	5	5
Difficulty in hearing (without a hearing aid)	4	7	5
Severe disfigurement, skin conditions, allergies	6	5	5
Severe or specific learning difficulties (mental handicap), including dyslexia or dyscalcula	5	4	4
Epilepsy	2	5	3
Progressive illness not included elsewhere (eg cancer, MS, symptomatic HIV)	4	2	3
A speech impediment	1	1	1
Other health problems or disabilities	13	10	11
<i>N</i>	226	215	441

Source: IES/NOP, 2005.

Table 3.5 illustrates the health problems and disabilities that survey respondents have reported. In the main, people tended to report ill-health connected to:

- depression, bad nerves or anxiety (34 per cent);
- physical disabilities relating to back, neck, arms, hands, legs and/or feet;
- chest or breathing problems; and
- heart, blood pressure or blood circulation.

Although relatively more non-participants reported health problems than WNP participants overall, it is instructive to note that amongst those who say they had limiting conditions, similar patterns of emotional and mental ill-health were recorded regardless of whether respondents were participants or non-participants. Approximately one-third of participants and non-participants who reported health problems said these were related to depression, bad nerves or anxiety, whilst about one in ten participants and non-participants with health problems said these were linked to mental illness, phobias, panics or other nervous disorders. For most other major health categories, non-participants were more likely to report these limiting health conditions than participants.

3.1.4 Household

Most residents in the pilot sites rented their homes, usually from the council or a registered social landlord, and these were exactly the tenure patterns observed in the survey for participants and non-participants alike. The ERS also sought to find out how long people had lived in the local area and to understand more about their local family networks. In terms of 'attachment' to the local community more widely, many survey respondents had lived in the local area for long periods of time. Four out of five respondents had lived locally for three or more years (Table 3.6) and over half of all respondents (58 per cent) had lived in the local area for at least ten years. Moreover, most respondents had other family members living close by. Sixty per cent of all respondents reported that other relatives and family members lived in the local area, indicating that many respondents were fairly well rooted in these 'communities'.

Table 3.6 Length of time in the local area (per cent)

	Participants	Non-participants	Total
Less than 12 months	5	8	6
12 months but less than 2 years	8	7	8
2 years but less than 3 years	5	5	5
3 years but less than 5 years	11	9	10
5 years but less than 10 years	15	12	14
10 years or more	56	60	58
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

3.1.5 Children in the household

Forty-six per cent of all ERS respondents reported that they had dependent children living with them in the household, which is higher than the levels reported in the Census of Population more generally, indicating that people with children are (indeed) more likely to be workless (Table 3.7). Given that many non-participants were likely to be inactive because of caring responsibilities, they were, not surprisingly, more likely to have dependent children at home than participants (50 per cent compared to 43 per cent). Having said this, the differential between participants and non-participants in relation to their caring responsibilities might be expected to have been higher. Not surprisingly, female respondents were much more likely to report that they had dependent children living in the household (67 per cent) compared to male respondents (26 per cent).

Table 3.7 Dependent children in the household (per cent)

	Participants	Non-participants	Total
Yes	43	50	46
No	57	50	54
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

3.1.6 Other adults in the household

Whilst approximately half of all respondents had dependent children, almost half of all respondents to the ERS also reported that they were the only adults in the household (Table 3.8), which is broadly in line with the Census findings. Thirty-four per cent of respondents said there was one other adult in the household, with a further 12 per cent reporting that there were two other adults in the household. Very few respondents lived in large households with multi-adult occupants. Interestingly, participants appear to be more likely to live with two or more other adults (21 per cent) than non-participants (14 per cent), although they are less likely to live with just one other adult than non-participants (30 per cent compared to 40 per cent).

Table 3.8 Other adults in household (per cent)

	Participants	Non-participants	Total
0	49	46	48
1	30	40	34
2	13	9	12
3	6	4	5
4	2	1	2
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

Table 3.9 confirms that participants are significantly less likely to be living with a spouse or partner than non-participants. Twenty-one per cent of participants reported that they lived with a spouse or partner, whilst 39 per cent of non-participants did so. Thus, when compared to their non-participant counterparts, participants are:

- more likely to be younger;
- less likely to have a limiting long-term illness or disability (although over a quarter of participants do report some limiting health condition);
- less likely to have dependent children;
- less likely to be living with a spouse or partner;
- more likely to live with two or more adults in the household.

Furthermore, WNP customers, including those who are eligible to join the pilots but who are currently not doing so, are also (often and noticeably) more likely than the general population in the pilot sites to come from black and minority ethnic (BME) groups (in areas with sizeable ethnic minority populations) and have dependent children.

Table 3.9 Living with a partner or spouse (per cent)

	Participants	Non-participants	Total
Yes	21	39	28
No	78	61	72
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

These statistics confirm the earlier findings and already point to some significant barriers to work, particularly those relating to ill-health and caring responsibilities.

3.2 Barriers to employment

An important part of this study has been to identify and understand more fully the barriers that people face in the WNP sites with regard to finding and keeping work. This has been approached in two main ways: firstly, during the ERS and the subsequent in-depth follow-up interviews, and secondly, during the early case study visits and discussions with local stakeholders and pilot providers. Respondents to the survey were asked to describe the main employment barriers they believe existed, and are experienced by people living in the local area. Respondents who were seeking work were also asked to report the barriers they believe they faced as individual jobseekers.

3.2.1 Barriers to employment – evidence from the Eligible Residents Survey

The main barriers local residents reported in relation to finding and keeping employment, generally clustered around four main themes, and external or internal drivers (see Table 3.10). These were:

- labour market factors (external);
- individual barriers/poor human capital (internal);
- motivation (internal);
- local infrastructure (external).

Table 3.10 Perceived barriers facing local jobseekers, all respondents (per cent)

	Participants	Non-participants	Total
No jobs available in the local area	42	43	43
The jobs available in the local area are poorly paid	41	46	43
Local people lack the qualifications or skills for the jobs available	37	39	38
People around here don't want to work	28	28	28
People round here haven't worked for a long time	28	24	26
Poor childcare facilities in the local area	21	26	23
Poor transport links to jobs	21	20	21
Local people's skills or qualifications are out of date	20	21	20
Employers don't want to employ local people	12	9	11
People in the local area don't know how or where to look for work	10	10	10
No problems	2	2	2
Other	8	6	7
Don't know	7	8	7
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

Thus, respondents, when asked about general barriers to employment or the problems facing local people (although not necessarily themselves), said that the main obstacles to work were a lack of suitable jobs, or jobs that were poorly paid (43 per cent of respondents thought these were particularly problematic factors). The next biggest (perceived) barrier was the fact that local people lacked the qualifications or skills necessary for the jobs available (38 per cent), followed by motivation, which was thought to be a significant problem amongst some respondents. Many

respondents felt that local people did not want to work (28 per cent) or had not worked for a long time (26 per cent of respondents thought that entrenched inactivity was a barrier to work). Poor childcare and poor transport links were in the fourth 'group' of factors perceived to be barriers to employment for local people (23 and 21 per cent of respondents, respectively, reported these as problems for people in the local area). Poor job search techniques and negative attitudes to recruiting local people amongst employers were not perceived by many to be barriers to work in local areas (just ten and 11 per cent respectively). Interestingly, very few real differences were observed in the responses given by participants and non-participants, or people in employment vis-à-vis those not in employment, in relation to the (perceived) barriers facing local people when looking for work.

Survey respondents who were looking for work at the time they were first surveyed were also asked to consider the barriers they faced personally when seeking employment, and the results are given in Table 3.11. At this stage, respondents noted a combination of external and internal factors as affecting their employability. The most commonly cited 'barriers' to employment included:

- poor human capital (30 per cent of respondents who were looking for work said they had no, few or poor qualifications);
- a lack of suitable jobs in the local labour market (30 per cent);
- no transport to get to work (30 per cent);
- no recent work experience (28 per cent);
- poor wages (22 per cent).

Again, few differences were observed according to whether respondents were WNP participants or non-participants, indicating that those who are looking for work (even though they may not be registered as such) face similar barriers to work.

The qualitative work with individuals allowed a more in-depth exploration of individuals' barriers to work, and illustrated the interconnectedness of many of the issues facing respondents. The qualitative work also illustrated how respondents differ in their assessment of their personal situation and the power they perceive they have to change their circumstances.

Table 3.11 Personal barriers to employment, all seeking work (per cent)

	Participants	Non-participants	Total
No/few/poor qualifications	31	30	30
There are no suitable jobs available in the local area	30	33	30
No transport to get to work	30	29	30
No recent work experience	30	24	28
Wages are too low in the area	21	24	22
Skills are out of date	14	17	15
Worried about coming off benefits	13	10	12
Debt problems	12	8	11
Problems relating to my health or disability	10	11	10
Poor reading/writing or numeracy skills	10	8	9
Not confident that social or interpersonal skills are good enough	10	8	9
Cannot find suitable/affordable childcare	6	17	9
English language (written or spoken) is not good enough	9	5	8
Too old to get work	9	4	8
Criminal record	9	5	8
Caring responsibilities have taken priority over finding a job	7	12	8
Don't know how to look for work/ job search skills are poor	5	4	5
Alcohol/drug problems	3	1	3
No problems	4	8	5
Other	13	4	11
Don't know	0	2	1
<i>N</i>	<i>318</i>	<i>115</i>	<i>433</i>

Source: IES/NOP, 2005.

Some interviewees identified a lack of qualifications as a barrier to finding work, despite having some work experience. To these respondents, previous experience of job searching had resulted in employers recommending they either gain or update their formal qualifications before seeking work. This was frustrating to some respondents who felt that their work experience was relevant to the jobs they had applied for, but that this was not recognised by employers.

'When you go for a job, they always ask about qualifications. If you say "No", they don't want to know. Even on the form, if they see you have no qualifications, they're not interested.'

(Carer, female, aged 31, non-WNP participant)

On the other hand, a few interviewees who had high level qualifications but little work experience claimed that employers placed more worth on practical, relevant experience. One respondent, who had achieved ten GCSEs, said that she could not find a job because employers felt that her work experience was too limited. She complained that her qualifications were not seen as an indication of her capabilities, particularly to learn new skills.

'Qualifications have no bearing on jobs. They look at your work experience, where you've worked and what you've done.'

(Lone parent, female, aged 25, WNP participant)

Limited work experience was a key barrier to employment, particularly among those who had been long-term unemployed. There was a sense that securing a job was unlikely, as long periods of unexplained unemployment would be unappealing to employers.

'I'm nervous about finding work. I've not worked for a while now and I'll have to explain that to people if they say to me, "What have you been doing for the last 20 years?" That's probably the biggest cross to bear. It doesn't look good.'

(Long-term unemployed, male, aged 43, WNP participant)

Often, it was the type of work or the quality of the jobs that were problematic for respondents. As in the survey, poor wages were often raised during the qualitative interviews as a barrier to employment, as illustrated below:

'I've done a bit of the odd pulling of pints, but you're getting the minimum wage down here, and you'll find that a lot of people down here in [WNP area] won't work for the minimum wage, if you know what I mean. Why do that – I'm gonna be more worse off! Definitely worse off. After tax, you'd be looking at getting £3.50. Say you did four sessions a week, that's not going to pay for your rent and all your food and your bills and council tax. It's just ridiculous.'

(Single, male, aged 45, WNP participant)

'The local jobs, you don't get the money to cover your rent so you can't do it half the time...'

(Lone parent, aged 28, WNP participant)

Respondents who took part in the qualitative interviews also commented on the type of jobs available in the local area. For many, the choice of jobs was limited and/or the quality poor:

'Most jobs available are in care homes or pubs. Apart from that the job situation down here is pretty grim.'

(Single, male, 40s, WNP participant)

One issue that came up frequently during the qualitative interviews was the stability of work. Factory or warehouse work was often cited as unsatisfactory since contracts were short-term or the hours unstable; for instance, one week full-time, the next week part-time, so that the income from these jobs could fluctuate from week to week.

'When I was working at [company], sometimes they'd ask me to come in twice a week and other times only once. I'd rather be on the dole than not having a continuous wage coming in.'

(Single, male, aged 21, WNP participant)

Some interviewees also reported how their local area acted as a barrier to employment:

'You've got pubs, the big shopping centre – but they all want experience. And if you put [WNP area] as your address on your application that puts employers off. There is a lot of people that work [in WNP area], don't get me wrong, but there are a lot of drug addicts.'

(Disabled, male, aged 31, WNP participant)

'Employers tar everyone with the same brush. It's just not fair. Although there are people here that don't want to work, the area definitely goes against you when you're looking. The Government need to look at improving the reputation of the area.'

(Disabled, carer, aged 45, WNP participant)

Interestingly, the more individualistic barriers, such as poor health, poor basic skills, caring responsibilities, criminal records, or alcohol and drug problems were much less likely to be reported by respondents looking for work – these personal barriers were reported by fewer than one in ten jobseekers who took part in the survey. Whilst these figures might be expected to be higher, it may be that respondents with these barriers were less likely to be actively looking for work at that time and thereby excluded from the analysis, for example, those with caring responsibilities. On the other hand, it may be that people have these barriers but do not admit them to themselves, or indeed were embarrassed to admit to them in the survey. Once again, very few real differences were observed in the survey between the barriers reported by WNP participants and non-participants, which indicates that any 'treatment' to overcome these barriers might be, and ought to be, the same for the two groups of respondents.

In relation to financial concerns, although Table 3.11 shows that 13 per cent of respondents were afraid of coming off benefits, many more reported concerns or worries when asked directly. In fact, 25 per cent of respondents who were looking for work stated that they had some concerns or worries about starting work and coming off benefits or switching to tax credits. This points to the need for some sort of in-work benefits advice, or possibly transitional arrangements, to assist and smooth the move into work.

Benefit dependency was an issue that was raised during the qualitative interviews. While many respondents taking part in the interviews did not immediately recognise benefit dependency in their own situations, after some consideration, it was evident that this was widespread. For many, receipt of benefits offered some financial 'security', particularly where respondents were eligible for more than one benefit. Benefits offered a regular and stable income, which contrasted with many accounts of local jobs, where hours and, therefore, pay were subject to change on a weekly basis, particularly agency, factory and warehouse work. Those who were in receipt of multiple benefits recognised that they did not have to pay the major household outgoings.

'The thing is if we did work, we'd have to pay rent, council tax, school uniforms, you know, all that. I sometimes think it's not worth working, as we would really be struggling, especially with the pay here.'

(Married, female, 30s, WNP participant)

'I'd rather be on the dole than not have a continuous wage coming in.'

(Single, male, aged 21, WNP participant)

More generally, the qualitative interviews threw up widespread evidence of psychological, emotional or motivational issues amongst respondents, which often acted as significant barriers to finding work. Some people exhibited a defeatist attitude where, in many areas of their lives, they had felt that circumstances were stacked against them. Among these people, there appeared to be a resignation about the external barriers they had encountered when looking for work, and a lack of impetus to overcome them.

'I tried to look for work, but now I've given up. There's nothing much out there, so it's not gonna happen is it?'

(Lone parent, female, aged 25, WNP participant)

For those who had been out of work for a number of years, including lone parents, the prospect of employment was intimidating. A lack of work experience or qualifications was often coupled with a lack of confidence in their own abilities. Therefore, many people had avoided looking for work, or had not made job searching a priority.

'I used to look at jobs and think, "no, I couldn't do that" and sort of talk myself out of it.'

(Disabled, female, aged 28, WNP participant)

'I'm worried about going and getting a bad job or being bad at it, then finding myself back in the same situation as now.'

(Lone parent, female, aged 28, non-WNP participant)

'You do lose confidence the longer you're out of work as to the kind of jobs you're able to do, in case you're falling behind with your skills...'

(Lone parent, female, aged 28, non-WNP participant)

For many disabled respondents, their condition has rendered previous work experience as 'useless', where existing skills could no longer be utilised, and many did not feel their experience would be transferable to other employment areas. Therefore, the prospect of finding work in a new area was overwhelming to these respondents. For a few respondents, this fear was coupled with a self-consciousness about their disability where there was physical evidence of impairment.

'I feel very self-conscious about my disability. Even my family make fun of me. I wonder how people will be if I do go back to work.'

(Disabled, male, aged 48, non-WNP participant)

3.2.2 Barriers to employment – evidence from the case studies

As with individuals themselves, early evidence from the case studies, based on interviews with local stakeholders, suggested that barriers to employment within the pilot areas can be attributed to three sets of issues:

- a range of factors relating to the availability, nature and location of employment opportunities within the pilot areas, ie 'demand-side' issues;
- factors relating to levels of skills, qualifications, and personal health problems amongst local populations, alongside issues of confidence and motivation, the impact of social networks, informal economic activity, issues around personal debt and the perceived benefits trap, ie 'supply-side' issues;
- various characteristics of the local institutional context such as the availability and suitability of services (eg provision for job placement, childcare and transport) and the interaction between housing and labour markets.

Demand-side factors

During the early case study visits, three issues were raised in relation to demand:

- the impact of changes to the employment base in the area;
- postcode discrimination;
- spatial restructuring in the labour market.

All the pilot areas have experienced often dramatic changes to the employment base. Typically, in many of the pilots, this has involved a decline of traditional manufacturing industries, leading to long-term unemployment amongst many local residents, especially men. Traditional skills are often no longer required and may have only limited transferability to other sectors, and jobs lost in these manufacturing industries have not been replaced with the same number of skilled, relatively well-paid jobs in alternative sectors. This process can be relatively localised: some

communities such as those in the Middlesbrough, Newcastle and Sheffield pilots were often closely linked economically and spatially to heavier industry which has declined or even disappeared.

In several pilot areas, official agency and community respondents alike commented that there are now limited numbers of jobs available in their immediate surroundings. The jobs that are left in the neighbourhood tend often to be low paid with small employers, who often place a premium on immediate employability and tend not to favour potential applicants with any 'distance to travel' (in terms of generic or vocational skills, disability, health issues, etc.). The economic situation tends to be rather different in coastal areas (Hastings, Great Yarmouth) where much local employment is seasonal, offering low skilled, low paid and insecure work in the hospitality, retail and tourism industries.

However, in many pilot areas, stakeholders reported that jobs were available in the wider local labour market and certainly within the travel-to-work area. Indeed, more jobs have been created in recent years in many cities than has been the case for decades. Again though, it is also clear from discussions that many of the jobs available in/or near to the pilot areas are in the service sector and often pay relatively low wages. Thus, for example, in Glasgow, Newcastle, Sheffield and Birmingham there are significant developments in the retail, hospitality and leisure sectors and allied vacancies in construction. But anecdotal evidence from many of the pilots suggests that these developments are often of limited relevance to local people. A high proportion of pilot clients may lack the interpersonal and generic skills which such customer-facing service sector jobs frequently require, may not view the wages on offer in such jobs as a significant improvement on their established benefit incomes, and may not be willing to travel to take them.

A second factor here, which emerged from several of the pilots, is the attitude of employers towards residents in the local area. Indeed, some respondents suggest that there may be an element of 'postcode discrimination' involved, due to the perceived poor reputation of the area and its residents. This was identified as an important factor in Aston and Lansbury, the two areas with large BME populations and in areas where an estate has developed a poor reputation, for example, Thorntree and Manor. While there is fairly widespread and consistent evidence about the first factor, ie mismatch with available jobs, the evidence for 'postcode discrimination' is much thinner, although it was quite firmly reported as fact by some of the residents interviewed, and correspondingly may have had a negative impact on their confidence and motivation, whether it is true or not.

A third issue, which cuts across demand, supply and institutional considerations, is that of the spatial reconfiguration of employment opportunities. Manufacturing, retail and service sector employers have tended to move from areas close to town and city centres to more peripheral locations. Many of the pilots are located in relatively strong regional economies, but the location of new employment opportunities flowing from this growth cannot always easily be accessed by those in

pilot areas. Residents in Manor (next to Sheffield city centre), Lansbury and the Northwood and Tower Hill wards in Knowsley, for instance, are located within access of a range of better paid and more secure jobs in the public and private sectors. However, because of factors such as inadequate public transport links, residents' limited spatial horizons and lack of knowledge, and employer recruitment practices, there is anecdotal evidence to suggest that not as many local people are benefiting from these new jobs as might be expected.

The influence of labour demand then, is a matter of the nature and location of jobs in the different areas and the preparedness of employers to recruit residents from the pilot sites. However, this needs to be seen within the context of a range of factors affecting labour supply. In the main, the evidence from the case studies supports the notion that the 'problem' is more one of overcoming the various barriers faced by pilot residents themselves, than one of a shortage of jobs, per se.

Supply-side factors

Stakeholders taking part in the early case study research identified a complex range of supply-side factors that act as barriers to employment for residents in pilot areas. Often, these are common to all pilot areas, but with different degrees of emphasis and intensity, and they may operate differently for distinct groups of people facing the greatest disadvantage in the labour market, such as BME populations and lone parents. Two kinds of supply-side factor were distinguished: on the one hand there are a number of issues of 'human capital', relating to skills and qualifications, health and incapacity and the interaction between these factors, low wages, and the 'benefits trap'; while on the other there are issues of confidence and motivation around willingness to travel and 'spatial horizons'; and lastly, the supposition of a 'culture of worklessness'.

As mentioned already, all the pilots appear to have populations with relatively low human capital, placing them at a disadvantage in their local labour market. Case study respondents also reported problems arising from a lack of qualifications and vocational, basic and interpersonal skills. As discussed earlier, a higher percentage of the local population in most pilot areas do not possess any formal qualifications compared to national averages in England, Wales and Scotland, with fewer people possessing high level qualifications (level 4 or 5) also. In addition, there are language issues in those pilot areas containing larger BME communities.

Additional barriers are created by the poor health status of many residents in pilot areas and most contain high numbers of Incapacity Benefit (IB) claimants. Amongst residents formerly employed in manufacturing and heavy industry there is a high incidence of musculo-skeletal problems and respiratory disorders. Alcohol and drug misuse problems are also frequent and there appears to be a relatively high incidence of mental ill-health. Relationships between ill-health and worklessness are complex, but there is consensus across all pilot areas that the role of local health care providers is key in providing routes into, but also out of, health-related worklessness.

The reality that jobs on offer tend to be low skilled and low paid, led to some discussion of the impact of benefit dependency and the perceived 'benefits trap' within pilot areas. To the extent that unemployed residents in the pilot areas enjoy only relatively low human capital, then the jobs which they might find are likely to offer only a modest improvement in their financial circumstances. In addition, the take-up of employment by one person within a household has implications for other family members and can have profoundly destabilising effects on the benefits available to other family members. Many of the community representatives and regeneration professionals who were interviewed indicated that benefits are perceived as a reliable and stable source of income, and this may contrast poorly with the instability and insecurity which may be associated with earned income. The fear that delays in adjusting benefits in the event of taking up work (especially regarding Housing Benefit) can expose households to debt was a source of apprehension. It was also suggested that there is a strong belief amongst established benefit claimants that they would face great difficulty 'getting back' onto the same benefit level as previously if a job did not work out. It appears that, whilst some workless residents in pilot areas may have a relatively sophisticated knowledge of out-of-work benefits, knowledge of linking rules, in-work benefits and tax credits is not high. There may also be a loss of earnings from undeclared work in the informal economy, a factor mentioned specifically in Hastings, Tower Hamlets, Aston and Sheffield, but likely to be relevant to a greater or lesser extent in all pilot areas.

Lack of, or obsolete, skills, alongside poor experience of competing for jobs, can contribute to individuals experiencing a lack of confidence and motivation in labour markets. In a number of pilot areas, interviewees reported that residents limited their job search activities either by looking for jobs similar to those they had previously held (eg within industrial sectors that have now contracted) or by assuming that low skill levels excluded them from most opportunities.

Another factor identified in several pilots is a reluctance to travel outside the local area to take up employment opportunities further afield. Generally, it would appear that residents in these areas tend to have limited 'spatial horizons' and this compounds the problem of accessing jobs.

A final supply-side aspect of worklessness is the contested notion of a 'culture of worklessness', in which a wider expectation of 'getting by' without work might prevail within the pilot areas. It is recognised across the pilot areas that the problem of worklessness cannot be understood simply in terms of individual characteristics, attributes and barriers. In most areas, discussions emphasised the additional significance of broader family- and community-level influences. The persistence of unemployment and economic inactivity across several generations in many families may have created a situation in which worklessness is seen as the 'normal' and perfectly acceptable way of living. As a consequence, there are few positive role models for younger people, resulting, at best, in little understanding of what it means to be working, and at worst, in a possibly widespread perception that it is those who work who are aberrant. There may also be relatively good experience of,

and access to, advice about how to make the most of the benefit system; and how to avoid or minimise penalties under the welfare-to-work system.

Institutional factors

Two institutional factors likely to constrain labour market participation were raised during the preliminary case study interviews: the availability of an efficient public transport system and childcare facilities.

First, and flowing from the issue of spatial horizons discussed already, there is the question of the availability of public transport and there is significant variation between the pilot areas in this respect. At one extreme, Lansbury is considered to be very well served by buses, underground and the Docklands Light Railway and, therefore, to have few problems. At the other extreme perhaps, the isolated and linear/coastal setting of Castle is badly served by transport links, both within the immediate town, and beyond it to more buoyant south-eastern labour markets. Pilot areas in the larger cities tend to have reasonably efficient public transport links to the city centres, although there are issues relating to the frequency of services in early mornings, late evenings and weekends which can constrain the ability of some to secure shift-working. Additionally though, many employment opportunities are located on new industrial, commercial or retail parks which tend to have peripheral locations, and may be difficult to access directly by public transport.

Second, access to childcare which is both acceptable and affordable has an important, often critical, bearing on the ability of parents to take up employment. Many stakeholders reported problems due to the shortage of childcare places, and also to the high cost of formal childcare. This problem was given substantial emphasis in areas with high levels of lone parenthood. There was also reference to the lack of flexibility of provision, arising from issues such as shift-working and school holidays.

3.3 Chapter summary

What is clear from the discussions in this chapter is the convergence of opinion between residents themselves, and local stakeholders and delivery organisations regarding the barriers facing local people when looking for work. Moreover, there is little observable difference between people who are registered as looking for work, and residents who are outside formal job search regimes, ie those claiming IB and Income Support (IS). What is interesting now, is to look at the provision that has been introduced by the pilots and to assess the 'fit' and utility of such provision against these identified needs and barriers.

4 Policy response

This chapter begins by looking at how pilots have responded to the challenges of the Working Neighbourhoods Pilot (WNP). It identifies the main models of delivery and provision, and then turns to look at the management of the pilots and the adviser teams. The chapter also looks at the partnership element of the pilots and discusses the role of key community groups and providers, and Local Strategic Partnerships (LSPs).

4.1 Pilots' approach and rationale

The rationale for WNP comprised a heavy emphasis on tackling the 'culture of worklessness' – the 'no-one works around here' culture. Evidence from other interventions including the New Deal programmes, Action Teams for Jobs and Employment Zones (EZs) (see, for example, Casebourne et al., 2006; Griffiths *et al.*, 2006) suggests that there has been limited success in particular localities where this culture was regarded as prevalent. Moreover, it was recognised that there may have been insufficient provision in such areas to effectively address the multiple barriers faced by many residents. WNP was designed to bring together local partners and providers to address these barriers and to provide additional intensive help and support for all economically inactive residents. Maximum flexibility was seen as a key feature that would allow local delivery to be tailored to meet the needs of the residents in each of the pilot neighbourhoods and £1 million per year, per pilot was allocated in flexible discretionary funding (FDF) to facilitate this.

In general, the pilots have adopted this rationale when developing their approaches, which have been founded upon a local understanding of the worklessness problem in the area, and a partnership approach to developing a range of provision. However, there has been considerable variation between the pilots in terms of their experience of developing and delivering provision, and a number of contextual factors seem to lie behind this variation.

- Although there were many commonalities between pilot areas in terms of the nature of the worklessness problem, there were also differences between them that were likely to have had a bearing on the nature of provision. Pilots varied in the balance of various customer groups, for example, between Incapacity Benefit (IB), Income Support (IS) and Jobseeker's Allowance (JSA) claimants and, therefore, in the main presenting 'problem', eg ill-health, caring responsibilities or unemployment. Pilot areas and customer groups also varied in terms of their age, gender and ethnic composition, or in terms of the numbers of lone parents, refugees and migrant workers, etc.
- Some problems were experienced regarding implementation and some pilots were delayed due to problems with obtaining suitable premises. Many pilots experienced problems recruiting staff and training them to the required standard in time for the launch, and others experienced significant staff turnover. Another major problem for some pilots was the constraints imposed by the bureaucratic processes for obtaining authorisation for community FDF spend, which hampered the development and procurement of a range of appropriate provision. Jobcentre Plus pilots were required to go through a competitive tendering process to secure additional provision (worth over £10,000) which resulted in delays and in some cases, acted as a deterrent to local (often voluntary and community) provider organisations.
- A third factor relates to the differing histories of provision in the pilot areas, in particular, the previous existence of Action Teams. Many of the pilot areas were previously covered by Action Teams, and most Jobcentre Plus-led pilots built on this expertise and adopted an 'Action Team Plus' approach. These pilots seem to have been particularly successful. In a similar way, WNP/EZ contractors, who had experience of working in the local area (and who may or may not have been Action Team providers) seem to have fared better in delivering the pilots as they already had established networks and contacts and an understanding of the area. WNP contractors that were new to local areas appear to have been much slower in getting off the ground, and have struggled to 'catch up'.

These factors need to be borne in mind when the performance of individual pilots is considered. That said, the purpose of this evaluation has been to take an overview of the differing approaches and outcomes, and to look at the factors that may have contributed to any differential achievements. The main aim has been to identify lessons and inform policy more generally rather than to measure the success of one pilot over another. This chapter looks firstly at the delivery models that pilots have adopted and then moves on to look at how provision has been organised in the pilot sites.

4.2 Models of delivery

Three broad models of WNP delivery have become apparent over time and these are discussed in turn here.

4.2.1 The 'distributed' model

In the distributed model, pilots have run primarily from a dedicated community office where the routine work of Work Focused Interviews (WFIs), meetings with advisers and action planning has taken place. Pilots that fell into this category were a mixture of EZ- and Jobcentre Plus-led sites. All additional provision that has been targeted towards tackling individuals' barriers to work has, to a large extent, been undertaken offsite and by other organisations, in line with service level agreements, contracts and/or payments that have been put in place for the pilot. Much of this provision already existed in pilot areas, although in some instances Community FDF resources were used to secure their expansion, as well as to fill any gaps in provision that were identified.

This model provided the opportunity to bring together community organisations and providers (sometimes for the first time) into a stronger, comprehensive local network which had the potential to continue after the pilot had ended. The process of mapping existing provision, which is inherent in this model, appears to have led to much greater cross-referral between agencies than before in many pilot areas and meant that this approach may yield better long-term benefits in terms of enhanced partnership working and, as a result, more streamlined service provision. For example, one pilot produced a comprehensive referral tool (a contact provider database) as a result of this exercise that can be maintained for future use.

One of the possible weaknesses of this model relates to quality of provision. Systematic mechanisms to ensure any degree of quality control seemed to be insufficiently developed in most pilot areas which can be a fault of 'arm's length' approaches to delivery. The referral of customers to external providers in other geographical locations also appeared to increase the risk that customers slipped through the net, and failed to attend appointments made with other providers. The importance of maintaining regular contact between pilots and providers was also apparent and some pilots experienced problems with this, particularly in those areas where pilot staffing levels were reduced.

4.2.2 The 'hub and spoke' model

In the hub and spoke delivery model, the WNP office base has acted as a local community hub, offering a wide range of activities and services not only for pilot customers but for all local residents. That said, the principal focus has been on provision designed to address labour market barriers, to which pilot customers could be readily referred. The WNP office has essentially acted as a 'social platform' or 'one-stop shop' where a wide range of services were co-located, but also with links to additional provision located nearby as required. All of the pilots sites that fell into this category were EZ-led sites.

A key advantage of this model was that advisers could not only refer customers to appropriate provision, but in most cases they could accompany them directly to another part of the office and introduce them to staff working for the partner agency. This largely eliminated the risk of customers dropping out between the pilot

base and provider offices. The establishment of a much-needed community capital resource was also seen as a major boost to the pilot areas concerned which has prompted strenuous efforts to maintain this presence once the WNP had ended.

More negatively, this approach has proved to be relatively resource-intensive, not only in terms of property and refurbishment costs, but also with respect to buying in provision. Pilots adopting a hub and spoke approach seemed to be slower to gain momentum as appropriate premises and additional provision were sorted out. There is also a risk of duplication with this model as additional provision is put in place, and customers may therefore be diverted or displaced from existing schemes.

4.2.3 The 'Jobcentre in the community' model

This model of delivery has occurred where the Jobcentre Plus district set up an outreach centre in the pilot area to act as a venue where a more focused approach to helping people with deep-seated barriers to work could be taken. All of the pilot sites that displayed characteristics of this model were Jobcentre Plus-led. In many ways, this arrangement should have worked along the lines of the distributed model. However, in practice, internal Jobcentre Plus pressures have tended to force such pilots to place much greater emphasis on local processing of benefits claimants, WFIs and other regular procedures, rather than advisers spending more time with customers, assessing their needs and identifying solutions and provision to help (which was the original intention). A number of Jobcentre Plus-led pilots have suffered from staffing problems, larger caseloads and greater adherence to district-wide targets, which again was not anticipated originally when the pilots were introduced. These pilots were also characterised by poor links with local community groups, a failure to fill in key gaps in provision and low levels of engagement with non-traditional customer groups.

Just to reiterate, a range of factors contributed to these problems, and the pilots that operated within this model type did not intentionally set out to do so, rather it came about more by default than design. Having said this, the 'Jobcentre in the community' model approach did provide an advantage in enabling Jobcentre Plus to establish a welcome presence in the local community at relatively low cost.

4.3 Models of provision

The original WNP specification recommended that pilots should seek to deploy a blend of standard work-focused interventions with a broader range of support that would enable people to address and overcome difficult aspects of their lives, and move customers closer to the labour market. In practice, pilot activities ranged along a continuum from more holistic provision aimed at overcoming barriers at one end, to activities that were more specifically and narrowly work-focused, that is more of a work-first approach, at the other. As noted above, a number of the Jobcentre Plus-led pilots faced severe internal pressures that forced them towards the work-focused end of this spectrum. At the same time, those adopting variants of an

holistic approach clearly incorporated all of the work-focused elements as well. There were two principal dimensions of variation involved: first, the extent of autonomy given to advisers and pilot managers; and second, the range of issues where assistance could be offered or interventions made.

The three models of delivery outlined in Section 4.2 can be positioned at different points along this continuum. The main ingredients of their approach are set out briefly below.

4.3.1 The holistic approach

The 'hub and spoke' model is underpinned by a fairly comprehensive view of how pilots were able to improve customers' quality of life and hence, falls towards the 'holistic' end of the continuum. Pilots that followed the 'distributed' model also fit into this category. Pilots that adopted this approach were more likely, although not exclusively, to be EZ-led.

The holistic approach starts from the proposition that people who are most distant from the labour market have poor access to provision to help them address the multiple issues and problems that they face. Many of these concern general aspects of their lives such as health, finance, family and housing, which are not always directly related to labour market participation. The argument here is that, unless these issues are addressed and resolved first, then there will be no chance of moving someone closer to the world of work. In other words, the aim is to:

'Start from where people are now, not from where you want them to be.'

(Pilot Manager)

For this reason, the holistic approach aims to identify the problems facing customers in many areas of their lives. Once identified, advisers work with them on a flexible step-by-step basis, firstly to build up mutual respect and trust, and subsequently to use a wide range of provision that offers practical help, support and ultimately solutions to these problems. Depending on the scale of the problems, this may take a considerable amount of time, the key feature being the maintenance of the adviser-customer relationship. Those facing more tractable issues can also be catered for, but are likely to move through the system more quickly, often via the conventional WFI and action planning route.

The holistic approach relies heavily on the skills and attitudes of advisers, who need to adopt a relaxed, non-confrontational, supportive manner, and to remain accessible and approachable. The combination of long-term support and removing substantive barriers to labour market participation is also intended to increase the self-confidence and self-esteem of customers, and in doing so eventually to raise their expectations. Because the holistic approach is not solely about labour market participation, conventional performance management measures such as job entries can only give a partial picture of any achievements. Moreover, it is not only resource-intensive, but it is also predicated on the availability of sufficient advisers with the

aptitude and know-how to implement it effectively, and with extensive knowledge of, and contacts within, the local community. The existence of a wide range of local groups and organisations that can provide the services required is also a vital ingredient.

4.3.2 The work-focused approach

The 'Jobcentre in the community' model occupies the other end of the provision continuum, implying a greater propensity of pilots to follow the work-focused, or work-first approach, with any additional provision geared to addressing immediate barriers to labour market participation. Pilots adopting this approach were more likely to be Jobcentre Plus-led. This particular pilot approach has ensured that the prospect of re-engagement with the labour market remains the primary aim, rather than the longer-term breaking down of barriers, and is linked to the view that dealing with matters not directly connected with employment lies beyond the remit of Jobcentre Plus. This approach stresses the fact that the majority of advisers and managers do not have the skills for more holistic ways of working with customers, and that they are best deployed in working more intensively with harder-to-help customers, but along lines with which they are familiar. In this way, the emphasis is on exploring different work options with customers, identifying immediate work-related barriers (such as skills deficits, transport or childcare difficulties, or just motivation to return to work), providing appropriate assistance, support or incentives that overcome these barriers, and excluding any customers who are unable or unwilling to take advantage of such measures. Although pilots following this approach have been relatively self-contained, they have established links with other agencies that offer provision to resolve customers' immediate problems. However, the focus is squarely on customers who can be helped back into work without too much difficulty.

4.3.3 The work-focused plus approach

A number of the pilots following the 'distributed' delivery model adopted more of a middle ground in relation to the provision they supported, or the type of service they offered. This 'work-focused plus' approach, adopted by both EZ and Jobcentre Plus-led sites, worked with customers in ways more aligned with the holistic model; that is, helping customers to address a wide range of barriers to employment, but doing so with a much greater emphasis on converting customers into successful jobseekers.

4.4 Managing the pilots

When discussing the management of the pilots, it is important to make the distinction firstly between the management of WNP/EZ providers by Jobcentre Plus and the internal management of pilot staff teams, per se. In relation to the former issue, there have been some differences in the ways in which EZ-led pilots have been managed by Jobcentre Plus at a district level. Where relationships have been good between the two organisations, this has been founded on regular face-to-face

contact which has helped to establish effective working relationships and to develop a shared commitment to the pilot's success. This was complemented by strong day-to-day management of the pilots themselves. In contrast, the least effective relationships between EZ and Jobcentre Plus staff have occurred for a number of reasons, including a lack of involvement and priority by the District Office, absenteeism amongst senior members of the staff team, staff changes and understaffing, and local difficulties caused by the roll-out of Jobcentre Plus. There is also some indication in one or two of the Jobcentre Plus-led pilots that a lack of support from the District Office has also had some negative impact on the pilots, for many similar reasons.

There have been some excellent examples of effective internal management more generally across the pilots, regardless of whether they have been led by EZ contractors or Jobcentre Plus. In these cases, common features of the management style have been a strong personal commitment to the success of the initiative, a 'hands-on' approach, for example, building the necessary partnerships, ensuring sound project management systems and facilitating a strong teamwork ethos. Senior pilot managers were described by one external stakeholder as:

'...a tower of strength in initiating early contacts with potential working partners in the area.'

Not surprisingly, the evaluation has found that the capabilities of management staff are especially important, particularly in terms of the leadership that they provide to staff teams and the support that they are able to draw upon at the district level. Pilot Managers have been called upon to fulfil several different roles and need to possess sound personnel, financial and project management skills. There is some indication that a few pilot managers would have benefited from training to help them make better decisions regarding the deployment of financial resources.

A few of the pilots were characterised by weak internal management and the evaluation has highlighted several different manifestations of this problem:

- a lack of contact with pilot staff – In a couple of the pilots, managers were based in other premises, some several miles away from the pilot team;
- a lack of understanding of the challenges faced by customer-facing staff – Some advisers reported that insufficient face-to-face contact with their managers meant that they failed to fully appreciate the difficulties they faced;
- the splitting of managerial responsibility for the delivery of pilots – One pilot, for example, had two separate managers which appears to have undermined joint working. An adviser reported that the pilot *'feels like two separate teams'*;
- the overburdening of management staff with other, pressing responsibilities;
- a lack of continuity in the management of pilots, which appears to have been an issue in several of the pilots.

4.5 Adviser teams

The nature of the WNP, in terms of often difficult and varied caseloads and the relatively high levels of autonomy required in order to meet the diverse needs of customers, has placed considerable demands on Personal Advisers. Such demands have underlined the importance of recruiting advisers with the necessary experience and skills and many pilots, especially those delivered by EZ contractors, have placed a high priority on doing so. One pilot has, for example, sought to recruit the 'right advisers', that is, those with the relevant skills and personal qualities needed to work with the customer group. This had:

'...resulted in these people investing a great deal of themselves in their work. And all of them have contributed more than their written job spec lays out.'

(Pilot Manager)

Similarly, the strong motivation and commitment of the Jobcentre Plus adviser team in another pilot was due to the recruitment process which had prioritised people who were '*prepared to go the extra mile*'. One Pilot Manager reported that:

'Above everything, I would say that the key to this Pilot's success has been the quality of the staff working here.'

Nevertheless, the delivery of several pilots was adversely affected by the deployment of inexperienced and ill-equipped advisers. In one pilot, all advisers were new to the role and consequently needed training, which slowed the momentum of the pilot. In another, the emphasis placed by Jobcentre Plus on reaching job outcome targets had encouraged the District Office to retain the best performers for mainstream Jobcentre Plus activities rather than those of the pilot. The problem of inexperienced staff has been compounded by the inevitable departure of experienced members of staff throughout the course of the pilot. Another pilot manager noted that '*you can't replace experience*'.

4.5.1 Adviser skills sets

A number of recent evaluations have pointed to the importance of the Personal Adviser role in engaging and moving customers into work, and the need for Personal Advisers to possess particular qualities and skills. Looking at the evidence from the WNP case studies, alongside findings from other research⁸, it seems that the most successful advisers need a wide range of the following skills:

⁸ Casebourne, J., Davis, S. and Page, R. (2006), *A Review of Action Teams for Jobs*, DWP Research Report No. 328.

Dewson, S., Davis, S. and Casebourne, J. (2006), *Maximising the role of outreach in client engagement*, DWP Research Report No. 326.

Knight, T., Dickens, S., Mitchell, M. and Woodfield, K. (2005), *Incapacity Benefit reforms – the Personal Adviser role and practices: Stage Two*, DWP Research Report No. 278.

- good interpersonal skills;
- good communication skills;
- enthusiasm/passion for the job;
- strong motivation and commitment;
- confidence and outgoing personality;
- ability to use initiative and to 'think on their feet';
- ability to work flexibly and being prepared to work out of hours;
- willingness to try something different;
- being able to pick up on subtle clues and get to the bottom of complex issues and barriers;
- being a team player;
- knowing where to refer clients on to for non-employment needs;
- being approachable;
- being empathetic and non-judgemental and able to relate to the circumstances of target groups and the needs of customers;
- having local knowledge and being known and trusted by the community;
- reflecting the community served, eg being from same ethnic background and speaking the same languages as customers.

Research has shown that the quality of the relationship between the Personal Adviser and the customer can have a strong effect on the performance of pilot initiatives. For instance, the evaluation of Pathways to Work has shown that a good adviser can be very influential in terms of positively influencing customers who are far from work at the first or early WFIs. The skill sets and personalities of advisers were seen by those working in the WNP as more important than their formal qualifications, professional background or experience, although having some past experience of the advisory role, or previous experience of working in the local community, can make advisers particularly effective at engaging with customers.

4.5.2 Staff training

Staff training, and particularly training for Personal Advisers, has been a major issue and some pilots have placed a strong emphasis on skilling their teams. One pilot undertook training needs analysis at the outset and a programme of training was then devised, comprising a combination of in-house and externally provided provision, to meet identified needs. External training was sought to address specialist adviser requirements such as dealing with vulnerable groups, mental health problems, drug and alcohol issues, etc. Another pilot undertook a routine assessment of training needs every three months as part of a quality assessment

framework. Whereas many Jobcentre Plus advisers had training to help them with a range of customer issues, EZ contractors' greater flexibility in deploying staff seems to have led them to bring in staff with high-level specialist skills to deal with particular customers or customer groups. One EZ pilot, for example, recruited a work development officer to help people with mental health issues whilst another employed an occupational psychologist.

The evaluation has identified several staff training initiatives during the course of the pilots including:

- diversity training;
- training in mental health issues;
- disability access courses to help advisers to grasp the full range of benefits and other help that is available to IB customers;
- training focused on computer systems and process issues such as WFIs and specialist awareness sessions, eg around drugs;
- ongoing training and refreshers in better-off calculations and financial incentives.

In many of the pilots though, staff training has been undertaken on an ad hoc and intermittent basis which would seem to represent a significant weakness given the unusual demands being placed on advisers by WNP customers. Some community-based providers have, for example, been critical of the fact that advisers have often not been appropriately trained, eg to NVQ Level 3 in Advice and Guidance. Other providers have questioned the ability of pilot advisers to identify those suffering from poor mental health. In a few cases, advisers themselves have reported feeling unable to respond in a professional way to those with special needs. One adviser reported that a lack of training around mental health issues meant that: *'I can't help because I don't know'*.

4.5.3 Size and stability of adviser teams

The context of headcount reductions and efficiency savings has meant that many Jobcentre Plus pilots have been unable to realise specified staffing levels. A couple of pilots were, for example, restricted to approximately three-quarters of the planned staffing complement. Management in these areas have reported that the pilot had been: *'Blighted by the fight to maintain the correct level of staffing'*. These restrictions have led some pilots to use secondees who do not count towards headcount and are potentially able to bring different skills and experience to teams. Others have drawn on casual staff, although this was not particularly favoured. The experience of EZ providers has often been very different and many have been able to increase the size of adviser teams or recruit staff with specialist skills during the last year.

Many pilots were able to maintain cohesive adviser teams that were relatively unaffected by staff turnover, including some Jobcentre Plus pilots. Pilots that have done so have seemed to have realised a number of benefits in the way in which they

have worked with the customer group. Advisers have, for example, become more familiar with their diverse needs and circumstances. They have also become more knowledgeable about appropriate ways of dealing with customers and the, often complex, array of help that is already available in the local area. Senior management in many pilots have also reported that advisers have become more professional with managing their caseloads as time has gone on. One pilot manager commented that *'stability is crucial...we've still got staff who started with us two years ago...customers get used to familiar faces...there's an element of routine and people recognising staff'*.

In contrast, a few pilots have continued to be affected by high rates of staff turnover which often worsened towards the end of the two-year period as individuals have moved into other jobs. This has generated a number of problems, including:

- replacement staff have often been new to the advisory role and lacked the necessary experience. If they were new to the geographic area, they have also been unaware, or less aware, of existing provision and partnership networks in the local area;
- customers have not always seen the same adviser, which has impacted on their ability to build trust and form close working relationships.

4.5.4 Performance management system

Many of the pilots have afforded Personal Advisers a great deal of autonomy in their work with individual customers combined with manageable caseloads. Such an approach has allowed advisers to spend sufficient time with customers, which has been especially important with voluntary customers such as existing IB claimants. Advisers have been able to spend time with customers overcoming any initial mistrust about the process, and then going on to address the multiple barriers faced by such individuals. Several pilots have given staff the freedom and discretion to experiment with different styles and approaches to working with customers, which has been viewed very positively by many advisers.

Because of the very nature of the WNP, Jobcentre Plus-led pilots have, for the most part, been able to shield their advisers from the personal targets usually associated with the performance management system, and where advisers were given targets, these have appeared neither high nor unduly tracked by management. Having said this, advisers in a couple of pilots were required to undertake both pilot and core Jobcentre Plus duties and were given personal targets, which has constrained the way in which they have worked with customers. The evaluation has highlighted a number of problems with this:

- advisers have been unable to spend the necessary time with participants to identify their barriers and needs;

- high caseloads have encouraged some advisers to undertake group WFI. This makes it very difficult to establish the full range of barriers that individuals face in the labour market since many will not disclose these in a group setting. It also undermines the notion of providing a personalised service to individuals based on their particular needs;
- it has constrained the ability of advisers to undertake regular familiarisation visits to community organisations and local service providers. One adviser complained that: *'We are super glued to our seats'*.

4.6 Partnerships and networks

The WNP was predicated on the notion of partnership. The rationale behind this was that effective partnership working could be a way to combat engrained worklessness and to access some harder-to-reach customer groups. In the context of WNP, partnership working could be advantageous for many reasons, including:

- partners could be used as a source of customer referrals;
- partners could provide services to customers;
- partners could supply premises for WNP outreach;
- partnerships had the potential to offer strategic direction to activities.

It is important to examine the strength, depth and purpose of local partnerships forged by pilots over the two years of their operation in terms of the links established with local community groups and organisations but also with key agencies and service delivery organisations.

4.6.1 Key community groups and providers

The strength of existing relationships between community groups and organisations seems to have had an important early impact on the success of the pilots in engaging these groups, and possibly more importantly, engaging their customers, particularly during the first year of operation. Not surprisingly, where good community links existed prior to the pilot, there was a greater opportunity to take advantage of these established networks. These organisations could be used as sources of customer referral, and in some cases they also had the potential to provide services to WNP customers, funded by the pilots, or to provide premises for outreach work.

The experience of the pilots in relation to engaging with community groups and organisations was mixed. One pilot, for example, discovered that the involvement of community groups in the area's existing partnership set-up was not particularly developed. The pilot approached local groups and organisations on a case-by-case basis, marketing WNP, and found that as they began to successfully engage local residents, so the enthusiasm shown by community groups towards the pilot grew. The result of their networking was the establishment of genuine partnerships that have developed over time for the good of all concerned.

Another pilot was established in an area where existing community organisations and partnerships were already strong, however, the pilot was unable to exploit this potential asset. In this case, staff changes at a senior level and a generally low pilot profile seem to have undermined the original commitment to work in partnership with community groups. In this example, the pilot also faced a great deal of cynicism on the part of many community groups and long-term activists about (official and short-term) area-based interventions. The pilot was unable to fully overcome these constraints and barriers and partnership working seems to have suffered as a result.

In other pilot areas, the work to engage community groups and organisations was considered one of the most productive aspects of the whole pilot. Partnerships that have existed for a number of years seem to have expanded and grown in strength in some areas. In one area, where many community-level partnerships had been in place for some time (largely as a result of the large number of regeneration schemes that have run over recent years), the WNP is considered to have played a key role in developing regular communication, consultation, and the sharing of resources to hitherto unprecedented levels.

In general, the time and effort dedicated to the engagement of community partners by pilot staff has been viewed as a positive and valid activity in many pilot areas. This has been particularly the case in those pilots operating within the 'distributed' and 'hub and spoke' models of delivery suggesting that these approaches have been the most effective in engaging key community groups. Indeed, several of these partnerships – some of which did not exist before the pilots – have now become embedded and there is a declared willingness by local partners and Jobcentre Plus offices to continue these partnerships after the pilots have ended.

Many relationships with local service providers were slow to get off the ground, even with the inducement of Community FDF to fund new (and innovative) provision. In one pilot area, despite the general level of resources available and the many discussions held with a number of local provider organisations in the first year of WNP, no firm ideas or suggested initiatives for additional provision (under Community FDF) were forthcoming. As a result, the pilot changed its strategy and created a Partnership Co-ordinator post to work specifically on building relationships with other organisations to deliver WNP. This revised strategy and the efforts of the Co-ordinator have improved the situation considerably throughout year two, to the point where the pilot offices became a local hub for people to gain information about, and access to, a large range of provision available from the pilot and its partner organisations. Other pilots have also created Partnership Manager posts to establish working relationships between the pilot and providers which seems to have been an effective solution.

The findings from the case studies point to a number of barriers to effective partnership working by the pilots, the first of which is the issue of staff continuity. A number of pilots experienced changes in senior management, or long-term absenteeism during the lifetime of WNP which often brought about changes in

focus and priority. Essentially, even if partnership working had been a priority at the start of the pilot, this could change due to a refocusing on operational delivery.

Secondly, the late start of some of the pilots, due to short lead-in time, meant that in areas with little experience of partnership working there was no time to embed or develop these relationships.

Thirdly, there are a whole range of issues around perceptions and distrust of Jobcentre Plus which can be a particular problem amongst community groups and some service delivery organisations. This has meant that some organisations that might have been considered key to the success of the pilots in terms of accessing some sectors of the community and service providers, have been difficult to engage. Some Jobcentre Plus pilots have worked hard to build these relationships and develop trust. Equally, WNP/EZ contractors that do not have a track record within the community have had to establish their reputation amongst key community and partner organisations.

Benefits appear to have flowed more readily where there has been a tangible purpose to partnership working; for example, enhanced and streamlined delivery, information sharing, the development of a shared understanding, reduced duplication as well as developing more positive relationships with key organisations, enhanced relationships, and improving the perception of Jobcentre Plus. It is clear, however, that partnership working requires time and resources, and where these are limited, pilots may have focused on delivery to the detriment of their wider relationships.

4.6.2 Local Strategic Partnerships

Pilots have had varying experiences with engaging with LSPs and their equivalents in Scotland and Wales, which seems to reflect variations in the history of partnership working in the pilot areas and, to some extent, the commitment of pilots towards partnership arrangements.

Whilst it is clear that some pilots have developed a range of partnership relations, the benefits of which are outlined already, there is some evidence to suggest that relationships with strategic partnership bodies such as LSPs, although more prominent at first, have waned in some of the pilots over the second year. Some pilots continued to use LSP representatives to sign off FDF spend, but in the main, LSPs rarely had a role in directing or steering pilot activity as time went on. There are a number of possible reasons for this change in emphasis including:

- a greater focus by pilots on operational delivery as the pilots went live and a lower priority was given to strategic partnership working;
- LSPs not being viewed as relevant to the fine grained detail of a neighbourhood-based project.

The key issue appears to be one of appropriateness in terms of relationships with LSPs. Pilots were focused on relatively tightly defined geographical areas and so it may have been less appropriate for them to be closely involved at the strategic level,

ie the level at which LSPs operate. Pilots reported that it was more appropriate to focus partnership activities where the rewards were likely to be greatest, namely community-based organisations and local service providers.

4.7 Chapter summary

This chapter has shown that pilots have adopted differing approaches to delivery and provision, and moreover, that pilots have been more or less integrated, and more or less holistic, depending on the model or approach employed. Good management, committed advisory staff and effective partnerships seem to have been key to delivering the WNP, and the importance of well defined roles and responsibilities seems clear.

5 Pilot activities

This chapter looks more closely at the pilots' main activities. It considers firstly the important issue of customer engagement and assesses the different approaches taken by pilots. The chapter then explores the role of the Work Focused Interview (WFI) before moving on to look at the financial resources available to pilots.

5.1 Customer engagement

One of the original intentions of the Working Neighbourhoods Pilot (WNP) was to test out different approaches to contacting and engaging with non-traditional or hard-to-reach groups and especially those on 'inactive' benefits, such as Incapacity Benefit (IB), Income Support (IS) and Disability Living Allowance (DLA). This suggests that a key indicator of the achievements of the pilots is the extent to which they have been able to engage with and assist non-Jobseekers Allowance (JSA) customers, as well as those outside the system who are not claiming any benefits at all but remain detached from the labour market.

In broad terms, three main approaches to customer engagement have been identified, as follows.

5.1.1 Dedicated engagement or outreach teams

Some pilots gave particular staff sole and specific responsibility for undertaking customer engagement work out in the local community and this has notably been the case in WNP/EZ pilots. Most EZ pilots put together small, dedicated teams to undertake engagement work outside the office environment. In many instances, staff have developed specialisms in relation to the customer groups enabling them to work with different groups and/or in different settings. Some staff in Jobcentre Plus pilots also developed specialist engagement skills and knowledge of working with particular customer groups, although this was less common than in EZ pilots.

5.1.2 Engagement work as a 'standard' duty of pilot staff

Several pilots, and particularly Jobcentre Plus pilots, adopted a model where advisers undertook engagement activities, including those done on an outreach basis, as

part of the range of their normal advisory duties. This was organised differently in different pilot areas: some staff allocated time routinely to engagement activities as part of their working week whilst others undertook intensive engagement activities, usually as a team, for one-off specified periods of time only.

5.1.3 Ad-hoc events and activities

Many pilots sought to make contact with prospective customers through events and tagging on to other activities, for example:

- sponsorship of local sports clubs and dance/music organisations or other similar events to get the WNP name known in the local area;
- open days with local organisations and residents, usually with entertainment and fun activities;
- a presence at local events, summer fairs and sports tournaments, giving staff a chance to meet local people and begin the process of building trust and raising awareness.

A key aspect of many of these events was to provide activities for children, sometimes on a regular, weekly basis, and to approach accompanying parents at the time. Pilot staff generally attended these events and approached and talked to people about the WNP on a proactive basis.

The first two of the approaches above are primarily a direct means of engaging (potential) customers and are essentially alternatives, whilst the third approach is more indirect, aiming to 'piggy-back' onto other activities with a different primary purpose. Within this broad spectrum of activity, five main engagement methods were adopted by pilot staff:

- distribution of printed material to households;
- direct letters to named benefit claimants;
- face-to-face contact with potential customers;
- provision of financial incentives;
- working through existing community groups and providers.

As WNP did not have an official, or national, brand or image, pilots were left to decide for themselves how best to market the initiative. Contractors in most of the EZ areas and one or two of the Jobcentre Plus-run pilots devised their own branding and marketing material for WNP at the start of the pilot, and offered items such as key rings, pens, mugs, balloons, and alarm clocks sporting a WNP logo. However, such an approach was not universal, and some of the Jobcentre Plus pilots used marketing material which displayed the Jobcentre Plus logo. Many pilots have continued distributing marketing materials throughout the life of the pilots, most of which have latterly centred on leaflets and flyers distributed by hand, or mailshots sent by post. In the main, the aim of these materials has been to raise awareness of the pilots.

During the first year of operation, several pilots mailed benefit recipients, and particularly non-JSA claimants, to alert them to the WNP and invite them to participate: this approach drew disappointing results with little interest being generated. A couple of pilots also opted to try this engagement method (again) during the second year, and tried different wording to encourage customers to visit the WNP adviser more readily. One of the EZ pilots was able to attach a letter and information about the pilot in official Jobcentre Plus correspondence that was being sent to customers more routinely.

Face-to-face contact has been tried by most pilots to engage customers and two main approaches to securing direct personal contact have been tested: The first involved door-knocking around the eligible area and discussing the pilots in a very general way with residents. The second approach was more widely adopted across the pilots, and involved staff paying regular visits to different venues out in the community. The type of venue varied considerably and included outreach sessions in community centres, health centres and GP's surgeries, resource centres and libraries, primary schools, shopping centres and other providers' premises. As the pilots developed over the second year, the net of outreach venues was widened to include homeless hostels, local authority neighbourhood or housing offices, local authority social work departments, and pubs and clubs.

Although not common, one of the EZ pilots tried to incentivise customers' engagement with WNP. Residents' attention was initially captured by the offer of vouchers for a local supermarket and once this offer was accepted, advisers were able to explore the potential help that the pilot might offer the resident. A similar offer of vouchers was made to customers who were taking part in the pilot if they recommended a friend and that person also signed up.

In some areas, 'brokers' have become involved in marketing the pilots, particularly in places where effective partnerships have been forged with community organisations and other local providers. In this way, people who have gone to community offices, housing offices, Citizens Advice Bureaux, etc. have received information about the pilots and, where relevant, have been referred to the pilots for more help and support.

As the pilots became more embedded in local communities, their engagement activities have become more specific and targeted. This has been most evident amongst the harder-to-reach customer groups and there has been a much heavier emphasis in the final year of the pilots on outreach, community liaison and relationship-building as a means of engaging non-traditional customers. As is often the way with time-limited initiatives, many pilots reported that these targeted approaches had begun to pay dividends with greater volumes of IB, IS and voluntary clients coming through just as the pilot period was coming to an end. That said, there remained some difficulties with territorial issues emerging as a major concern in a number of places, related to questions of accessibility, familiarity and safety. Thus, in some cases the location of outreach centres and venues where engagement activities could take place, was sub-optimal. For example, some pilot offices were

not central to the eligible area, whilst in others they were difficult to access from all parts of the area. In one area, the main pilot centres were situated in perceived 'no-go' zones.

In addition to actually locating and attracting potential customers, a key element in terms of engagement was to find an effective means of converting contacts with eligible residents into customer enrolments onto the pilot. This issue proved to be difficult across all areas with regard to the non-mandatory customer groups, but many pilots had made progress over the life of the intervention. Some of the key elements associated with successful engagement are believed to include:

- finding an initial point of common contact between the adviser and customer;
- addressing customers' personal circumstances and needs across the board in a step-by-step approach;
- being able to offer a wide range of assistance to address issues and problems;
- tailoring solutions to individuals; and
- a promise of continuity and commitment over the long-term.

Such an approach is in line with the holistic model of provision discussed earlier. Some pilots had actively espoused this engagement philosophy and began to work increasingly with stock IB and other voluntary customers as the pilots progressed. In other pilot areas, the initial contact with potential customers seemed to emphasise finding a job, often taking the form of a WFI rather than more exploratory talks, that is, more of a work-focused model.

5.1.4 Effectiveness of engagement activities

Unfortunately, there is little hard data on the effectiveness of different engagement strategies used by the pilots, and this is compounded by the problems inherent in determining cause and effect. Management Information (MI) was not collated separately on the different types of engagement activity, so we cannot know for sure which methods resulted in the highest levels of customer take-up. However, anecdotal evidence from the case study interviews suggests that the results of engagement activities have been patchy:

- in some pilots, engagement activities were rather desultory, and consequently seem to have made little or no difference to take-up;
- in others, it took a long time to establish strong and secure channels through which non-traditional customers could be engaged. These channels have borne fruit with increasing volumes coming through, but there is concern that the progress made will be lost now that the pilots have ended;
- a few pilots have identified the most appropriate engagement routes for their locality, particularly working with the grain of established provision and community groups. Here, engagement processes appear to have been more effective, and in bringing local groups together into a stronger network, may well enable these achievements to be built upon in the future;

- what seems to be most important is that pilots and providers share good practice concerning effective engagement mechanisms to avoid any reinvention of the wheel. Having said this, what works in one location may not work in another and in many ways, it may well be a case of trial and error. However, it does appear that engaging non-mandatory groups and non-traditional Jobcentre Plus customers takes time and considerable effort, and often draws on partner organisations, and this needs to be taken into account when designing interventions, and engagement strategies more specifically.

Table 5.1 Number of WNP starts by benefit type

	All N*	JSA %	IS %	IB %	Other benefit %	Partner %	No benefit %
Birmingham	1,190	85	13	2	0	0	0
Great Yarmouth	2,790	81	11	7	0	0	0
Hastings	1,730	61	27	8	1	3	0
Hutchesontown Glasgow	2,110	55	32	8	1	0	3
Knowsley	2,310	55	30	12	1	1	1
Middlesbrough	2,310	47	35	12	1	4	1
Newcastle	1,940	54	28	14	1	1	2
Parkhead Glasgow	1,840	49	35	13	1	0	2
Sheffield	1,700	52	35	9	1	1	2
Swansea	2,150	53	30	14	0	2	0
Tower Hamlets	1,570	69	22	3	2	1	3
Wirral	2,090	64	23	9	1	1	2
Total	23,730	60	27	10	1	1	1

Note: * rounded to nearest ten.

Source: DWP MI data to April 2006.

Table 5.1 shows that the majority of participants in the WNP areas were JSA claimants, or the (fully) mandated customer group (60 per cent). Following this, the largest group of participants were IS claimants (27 per cent), most of whom are likely to have been lone parents. Just ten per cent of all pilot participants were IB claimants. The MI figures show clearly that the pilots have indeed found it more difficult to attract non-standard Jobcentre Plus customers to the provision. This position has not changed significantly since the first year, in fact it appears that the proportion of JSA customers taking part in the pilots is slightly higher than it was at the halfway stage.⁹ Without some form of mandation, or at the very least a captive audience, that is, IB and IS customers coming through for routine WFIs, it seems that many people within the IB and IS customer groups will stay outside the loop of mainstream Jobcentre Plus and jobseeking services.

⁹ Dewson, S. (2005), *Evaluation of the Working Neighbourhoods Pilot: Year One*, DWP Research Report No. 297.

5.2 Key pilot activities

5.2.1 Work Focused Interviews

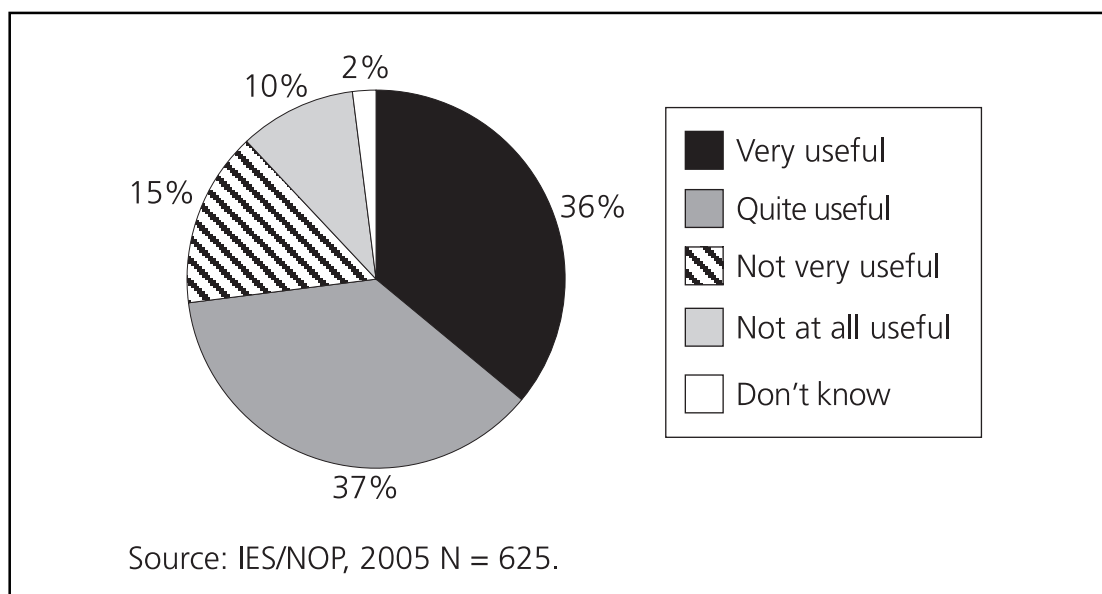
The core process for pilot participants was the interview and relationship developed with the Personal Adviser by way of regular and more frequent (although the frequency varied by client group) one-to-one WFIs. Through this process, advisers were able to assess the circumstances and needs of customers, develop an agreed action plan, refer customers to appropriate support, help with job search, provide the required support through the individual flexible discretionary fund (FDF), and provide continued support after the customer had secured employment. The importance of well-trained advisers to the effectiveness of the service for customers was widely appreciated across the pilots and has already been discussed.

WFIs seem to have been well received by individuals themselves with most respondents finding them useful (as illustrated in Figure 5.1). During the ERS, almost three-quarters of the 625 respondents who could recall taking part in a WFI said it had been either very or quite useful. There were no significant differences of assessment between respondents' in EZ or Jobcentre Plus areas in this respect. The WFI was considered by customers to have been extremely helpful in terms of providing financial advice and information on benefit and tax credit entitlement, enabling people to make a more informed decision about the work they would pursue.

'They give you options that you never would have known about.'

(WNP participant)

Figure 5.1 Usefulness of the WFI (per cent)



Interestingly, a small number of respondents who took part in the qualitative interviews reported that they would have liked more WFIs. Among the lone parents, many people appreciated the 'sympathetic' and somewhat 'hands-off' attitude to their difficulties, where they were told to contact their adviser when they felt ready to return to work. However, some felt that this approach worked against their motivation to look for work.

'You need someone to push you, not just find you a job and leave you alone.'

(Non-participant)

Some IB interviewees also felt that Personal Advisers excluded them from employment by accepting that their disability rendered them unfit for work, rather than being more proactive about helping them find work appropriate to their condition. As they were not being encouraged to work, many disabled respondents lacked motivation and direction in finding work.

'I just don't know where to start, I really don't know what to look for.'

(Non-participant)

These findings suggests that some customers would have welcomed a more proactive and directive approach on the part of advisers. Even with non-mandated customer groups, advisers need not feel they are pushing these customers into work. Many customers, it seems, would have welcomed this type of input and intervention.

Several pilots emphasised the importance of adopting an approach that distinguished the pilot from 'normal Jobcentre Plus provision'. This was facilitated not only by a pilot base located separately from the Jobcentre Plus office (ie outreach provision), but also emphasised by the tone and atmosphere of adviser meetings. One pilot argued that they had made considerable efforts to take a 'relaxed, informal approach' in which customers, '*...are talked to, not at; they have normal conversations...*'. Moreover, there was an emphasis on building the relationship between advisers and customers with, as far as possible, customers meeting with the same adviser during their time with the pilot.

The relationship between customers and WNP advisers was discussed at length during the qualitative interviews and was found to be a key driver of satisfaction with WNP, even if job outcomes were not achieved. It was clear that many people had benefited from strong emotional support from advisers as well as the provision of information, which taken together, were considered as particularly valuable when looking for work. Respondents particularly commented that the less-formal, 'drop in' nature of WNP made it seem more accessible than Jobcentre Plus services more generally.

'I think it's [WNP] a step forward from the Jobcentre who do everything over the 'phone or internet. They [Jobcentre Plus] should be making themselves a bit more open but they've got security guards on the door.'

(WNP participant)

Most people were very positive about their interactions with WNP staff, and their relationship with their adviser describing them as having ‘*compassion*’, ‘*sensitivity*’ and ‘*firmness*’. This level of support was a huge source of confidence for many, particularly those who had been out of work for a long time.

‘They have a receptionist but the girls [WNP advisers] all know their clients. They live in the same area so it feels like they know you. If you’ve got a problem you can call her or drop in for a chat.’

(WNP participant)

‘She [WNP adviser] got to know me and I got to know her, you didn’t feel like strangers all the time. She made you feel comfortable so you could feel open with her. She had compassion – some people are going through the mill and they need it.’

(WNP participant)

Very few respondents were negative about their adviser and where customers had had a poor experience, it was often described in similar ways to their interactions with mainstream Jobcentre Plus services.

‘I think the Working Neighbourhood Pilot Scheme is a waste of money, a waste of time. It hasn’t helped me one bit. I go in there, sign on, I go out – that’s it. She looks on the computer, nine times out of ten she doesn’t even do that...’

(WNP participant)

5.2.2 Financial assistance

Another key feature of the design of the WNP was enhanced flexibility enabling a more tailored and holistic response to the needs of customers. Two of the key mechanisms to deliver this enhanced flexibility were the Individual and Community FDF. Retention payments were also used as an incentive for customers to remain in employment.

Individual FDF

As with the Advisory Discretion Fund (ADF) more generally, most pilots referred positively to the availability and impact of the Individual FDF resource. Advisers had used the fund for similar purposes, although some pilots had spent Individual FDF more extensively. This often reflected the characteristics of the pilot area itself, for example, in one site with a high proportion of hostels, a large proportion of Individual FDF had been allocated to address a range of housing-related issues in terms of rent, Council Tax, furniture packages and so on.

Other, more common examples of spending on Individual FDF included:

- in-to-work personal expenses including interview clothes, grooming, travel expenses;
- in-to-work living expenses to bridge the gap between benefits and payment of monthly pay cheques (including rent and Council Tax), settlement of debt, furniture packages;
- individualised, and more expensive, training programmes, including asbestos training, driving instructors, plastering and tiling;
- to purchase equipment to support business start-up or self-employment; for example, tools, fridges;
- to purchase additional support; for example, debt counselling services and childcare.

In some pilot areas, FDF and ADF (or Personal Job Account in EZ-led sites), were used in tandem: ADF was used for the first £100 of allowable expenses, and Individual FDF was used for more expensive items, for example, trade tools, driving lessons, mobile 'phones, and getting copies of birth certificates which were needed for some job applications. Individual FDF was generally implemented with no specific limit on individual spend:

'It comes down to judgement – you take an educated risk.'

(Pilot Manager)

The key strength of Individual FDF, aside from the more extensive resources that were available, was the flexibility of the fund. This additional flexibility had a number of benefits, namely:

- advisers had more scope to respond to the multiple needs of customers;
- advisers were able to take greater risks with customers and 'test out' approaches that would not have been available through ADF. One advisor noted that: *'if it was felt it would overcome a barrier we were encouraged to take a chance on it'*;
- advisers felt more motivated and empowered to help customers.

Nevertheless, a number of weaknesses also emerged around the use of Individual FDF. These included:

- individual FDF was viewed as an entitlement by some customers, although each case was considered on its own merits;
- targeting money at some of the hardest-to-help customers was not always found to be helpful, as underlying problems such as alcoholism, drugs or other issues around mental health could re-emerge;

- some customers who did not have access to a bank account experienced problems and delays in administering Individual FDF. Although overall processes for accessing Individual FDF were reported to have worked fairly smoothly, some delays were reported in getting payments through to customers.
- the majority of Individual FDF expenditures have been on relatively routine items, many of which have mirrored the patterns of expenditure under ADF. This raises the question of the extent to which pilots have used the fund to fully experiment with and test out new approaches.

Community FDF

There has been considerable variability in the ability of pilots to spend Community FDF and to procure new services and provision. EZ-led pilots committed a large amount of Community FDF in the first year, with a high proportion spent on the refurbishment of premises. Most Jobcentre Plus-led pilots spent only a relatively small amount of the available Community FDF in the first year and a number of issues seem to have contributed to this including: the need for pilots to get up and running quickly with relatively little lead-in time; Jobcentre Plus contracting and procurement procedures, including the requirement for competitive tendering and the restricted scope of allowable expenditure under Community FDF; and a lack of clarity about available resources where pilot budgets were amalgamated into broader district budgets.

In the second year of the pilots, there has continued to be variable performance in Community FDF spend. Because of the large amounts of Community FDF allocated during year one in some of the EZ-led pilots, they seem to have been less likely to have made major allocations of Community FDF in the second year. One Pilot Manager suggested that whilst Community FDF had been useful at the beginning of the pilot, it had acted as somewhat of a distraction in year two. There was a feeling that Community FDF had been unnecessary in the second year of the pilot and that it may have been more useful to have used the resource to extend the Pilot beyond its two year life span instead.

Whilst Jobcentre Plus pilots had spent relatively small amounts of Community FDF in year one, due to the issues outlined already, some of the pilot sites had used the fund to access a wider range of provision and services in year two. There is evidence that some of the provision that was purchased in year two, through Community FDF had started to tackle some of the more complex problems faced by IB customers and those who were harder-to-reach, as more of them started to participate in the initiative, eg debt counselling, and support for heavy users of drugs and alcohol. It is also the case that pilots began to understand more fully the barriers faced by different customer groups as time went on, and that specialist provision was then commissioned to meet the needs of these customers. This approach has tended to predominate in those pilot areas adopting the 'distributed' model of provision.

The types of initiatives that have been funded through Community FDF fall into three broad areas:

- investment in the physical infrastructure for community facilities, for example, refurbishments of existing community facilities, refurbishment of WNP premises;
- investment in projects to build social capital within the pilot area;
- projects to provide support or advice and broader training or employability related projects.

Examples of all of these types of projects are outlined below.

Physical infrastructure and environment

- Refurbishment of a Sure Start centre, including catering facilities and meeting rooms.
- An environmental project to engage with the community through improved environmental spaces.
- Refurbishment of the WNP centre, including a bistro and kitchen area, training room and crèche, and credit union service point.
- Purchase of a community minibus.
- Purchasing equipment and engaging play workers to manage a new adventure playground.
- Improvements to the local market area, including promoting new businesses.

Building social capital

- Opening a recycle shop.
- Funding for a co-ordinator for a local minority group newspaper.
- New childcare places were funded in some pilot sites whilst others have provided crèche facilities at the WNP office to support engagement and attendance at development and training activities.
- A community transport project to provide minibus transport to inaccessible employment locations and to local services and facilities.
- Funding for a full-time basic skills tutor and facilitator within the *learnirect* centre.
- Sponsoring local festivals.
- Employment of a full-time community centre engagement worker.

Continued

Support and advice

- Local advisory and counselling services, including local credit unions, have been retained to provide debt and financial advice.
- Funding a substance misuse worker to work with WNP participants.
- Funding workers who have liaised with local GPs and mental health services to identify potential IB customers who may be interested and capable of returning to work, and providing the necessary support and counselling, eg an occupational psychologist, and a mental health work development co-ordinator.
- Money management and motivation courses.

Training and employability

- A three- to six-month personal development programme for African/ Caribbean lone parents, incorporating a residential session and monthly seminars, mentoring support and work experience tasters.
- A course for young men which aimed to build self-esteem and confidence, and develop a more positive self-image.
- A three-day personal development course for job-ready WNP customers who lacked confidence.
- A package of pre-employability support tailored to the needs of jobless parents including lone parents, parents who have been out of the labour market for a number of years, and partners of the unemployed. This course included confidence building and motivation, to prepare individuals for formal participation in the WNP.
- A project for young people living in a hostel for the young homeless, which has a long established history of engaging young people at risk of offending, with learning difficulties and mental health issues, care leavers and substance abusers, ie people with a low level of engagement with Jobcentre Plus programmes. The aim of the programme was to improve customers' motivation and ability to move out of the safe environment of the hostel and move them nearer to employment. The programme comprised four core activities: key skills; healthy life styles; motivation; and making choices.
- A project designed to increase the employability of WNP participants through the provision of learning experiences and employment opportunities centred around popular music culture.
- A project designed to work with economically inactive people to help them acquire creative and decorating skills to improve their immediate living environment.

Continued

- A gas operatives course, which trained fully qualified gas operatives in 26 weeks.
- A project which provided life skills support and mentoring whilst gaining experience and learning estate management skills in carpentry, landscaping, painting and decorating.
- A sports development project, which focused on increasing participation in sports through training and volunteer projects.
- IT courses for Somali women.
- Plasma TV screens and computers to advertise jobs and Jobcentre Plus services in outreach sites.
- Loyalty card initiative to top up the retention payments offering an additional £200 after the first month's completed employment.
- Construction Industry Training Board vocational courses.
- A social enterprise programme where participants sourced, redesigned, renovated and then sold second hand furniture in the open market with the aim of developing a sustainable social enterprise over the lifetime of the WNP.
- A transitional employment programme for IB customers and lone parents in receipt of IS to allow participants to gain the necessary motivation, skills and work experience to compete effectively for mainstream employment.
- A training and work experience project in the retail sector involving six weeks of general training, including health and safety, communication skills, and customer service, and a placement with a participating retail employer.

A number of strengths and weaknesses emerge in terms of the contrasting approaches adopted by pilots to Community FDF. Front-loading Community FDF expenditure in year one has had benefits in terms of establishing some of the pilots in refurbished premises that have been adapted to ensure they are suitable for the needs of the pilot. Upfront expenditure has also been beneficial in terms of brokering relationships with other partners in local areas, demonstrating commitment and indicating that pilots have resources to 'bring to the table'. Conversely, where Community FDF-funded provision was delayed into the second year, there may have been benefits in terms of the development of a better understanding of customer needs: pilot staff have been able to develop trust and establish rapport with customers, particularly the harder-to-reach customer groups, and then secure provision to meet these needs.

There is limited evidence on the advantages and disadvantages of approaches where a myriad of smaller projects have been funded by Community FDF or where these investments have been focused on a smaller number of large projects through

Community FDF. In one pilot, which invested heavily in one major project, some concerns were raised around 'putting all their eggs in one basket' and that such an investment had disadvantaged community-based organisations that did not have the capacity to bid for such a large project. Spreading provision more widely on the other hand, meant that a greater diversity of provision could be put in place. There is limited evidence, however, on the overall impact or longer-term legacy of these contrasting approaches.

Generally though, spending on Community FDF has remained fairly low overall, across all the WNP pilots, and the main reasons offered by Pilot Managers for this underspend, particularly in the first year, included the following:

- the time lag in getting pilots up and running meant delays in spending Community FDF in the first year of the pilot;
- the procurement process and the requirement to adhere to competitive tendering following formal Jobcentre Plus standard procedures for Jobcentre Plus-led pilots had a number of implications in terms of delays in getting projects up and running and disadvantaging smaller community based organisations in provision;
- a lack of clarity around what could and could not be funded through Community FDF leading to unrealistic expectations amongst partner organisations;
- a lack of financial management information in Jobcentre Plus pilots about how much resource had been committed.

A number of reasons were identified for the continued under-use of the fund in the second year of the pilots:

- the existence of other funding pots – some WNP areas were (or had been in the past) in receipt of regeneration funding from a range of other sources which funded similar activities to those that Community FDF was targeted at;
- a lack of innovation on the part of some pilots – there is some evidence to suggest that, notwithstanding some of the barriers to Community FDF expenditure, there was a lack of innovation by some Pilot Managers and advisers;
- in some areas, advisers preferred to deploy Individual FDF resources to tailor provision to the individual needs of customers. There was also evidence of some scepticism amongst pilot staff of the ability of '*soft, fluffy stuff*' to engage significant numbers of customers: '*we are talking penny numbers*' (Pilot Manager).

Retention payments

Retention payments were a key feature of the pilots and were targeted at customers who moved into, and remained in, work after previously receiving benefits. Retention payments were paid in two stages: £500 once customers had been in work for 13 weeks and a further £750 after 26 weeks of continuous employment. Evidence from the case studies suggests that differing approaches have developed across WNP sites with regards to the use of retention payments.

Not surprisingly, it seems that payments have been widely used by advisers as a means of encouraging participants to enter work. They appear to have been useful in overcoming some of the early barriers to job retention, such as paying off debts, and buying clothes and tools, etc. and seem to have been particularly attractive to young people entering employment.

In some areas, pilot staff have marketed retention payments very proactively, for example, employed participants were mailed just prior to the 13 week and 26 week deadline to let them know a payment was due and to encourage them to stay in their current employment. In another pilot, retention payments have been supplemented through a loyalty card initiative (funded by Community FDF) which offered an additional £200 for the first month's completed employment. Retention payments have been much less actively marketed in other pilot sites. In another pilot area, for example, retention payments, while actively used at the outset to promote job entry, were allocated on an opt-in basis whereby those customers still in work had to formally claim the cash.

The extent to which retention payments have been used in conjunction with other forms of in-work support has also varied across the pilots. Many pilots have adopted a 'hands-off' approach to in-work support and have relied mainly on retention payments to encourage people to stay in work. A couple of pilots have adopted a more proactive approach and have used retention payments together with other in-work support to help customers make the transition to employment. In one pilot, considerable effort was put into addressing the potential support needs of clients before they started employment. In-work support via the telephone was then provided by a dedicated member of staff up to week 13 and any pressing problems or issues were referred to individual 'coaches' or specialists. Such activity was not widespread however, and a common complaint made during the qualitative interviews with customers was that once they had found work, WNP staff did not remain accessible or keep in touch. Some customers would have liked to have had some ongoing support from their adviser, particularly around personal issues, which arguably may have helped further with job retention.

The issue of retention payments was discussed during the qualitative interviews with (potential) customers and uncovered a rather interesting picture. On the one hand, retention payments were seen, overwhelmingly, to be the greatest help while in work. People were satisfied with the amount of the retention payment and considered it to be a large sum of money and a significant supplement to their earnings. Only one customer complained that over the year it '*only averages out at about £20 a week extra*'. However, only one respondent talked of how the retention payments had been an incentive to stay in work for the full six-month period, by the end of which time he had settled into employment.

'It definitely kept me going and by the time I'd been there for six months I really liked the job.'

(WNP participant)

People talked about using their retention payments to go on holiday, or to treat their families to outings, shopping trips and other leisure activities. One respondent who was setting up her own business had invested the payments in extra stock but otherwise there was little evidence that people saw the payments as a way to subsidise their professional development.

On the other hand however, while the payments were certainly a bonus and were appreciated, many customers who took part in the qualitative interviews did not see them as a long-term solution to addressing the issues of getting people into, and keeping them in work. In these cases, retention payments were recognised as an effective short-term incentive but were not thought to encourage or transform people's work ethic or their attitudes to working more generally.

'They were all on Working Neighbourhoods and all waited for their 13 weeks, got their money and left. Maybe after a year you should get a bonus but not after three months – anyone can stay in a job for three months.'

(WNP participant)

'It's a useful incentive but it doesn't keep people in a job. What keeps people in a job is not getting hassled by the dole anymore.'

(WNP participant)

Customers expressed concerns that people would take advantage of this incentive by leaving work once they had received their payments and some thought it would encourage people to develop a pattern of being in and out of work if payments were to be made to an individual each time they completed a 13 week or 26 week period in a series of jobs. Some interviewees reported that this had happened in their area, which should not have been possible.

5.3 Individual recall of help received

The eligible residents' survey sought to gauge the degree to which individuals themselves could recall receiving different types of help since the pilots began in April 2004. These questions were not tied to statements about the WNP or WNP provision, rather they aimed to gather as much data as possible about respondents' recent experiences of any help or advice they had received from any source. The results are given in Table 5.2.

Table 5.2 Types of help or advice received since April 2004, all respondents (per cent)

	Participants	Non-participants	Total
Ongoing help from a Personal Adviser (on a one-to-one basis)	46	12	32
Help with job search, eg how to write a CV	40	11	29
Information on benefits/tax credits available in paid work	27	7	19
Improving work-related skills, eg going on a training course	20	6	14
Help to buy equipment, tools, clothes for work/interviews, etc.	21	5	14
Payment for being in work	15	3	10
Help to manage an illness, health problem or disability	7	6	7
Help with reading, writing or basic maths	5	3	4
Advice on how to manage your finances or debts	6	2	4
Help with English (spoken or written)	4	2	3
Help with alcohol or drug-related issues	3	2	3
Other help	3	1	2
None of these	24	67	41
Don't know	1	1	1
<i>N</i>	722	479	1,201

Source: IES/NOP, 2005.

The most common forms of help received by respondents were:

- ongoing help from a Personal Adviser (46 per cent of participants and 12 per cent of non-participants);
- help with job search (40 per cent of participants and 11 per cent of non-participants);
- information on benefits and tax credits (27 per cent of participants and seven per cent of non-participants);
- improving work-related skills, eg attending training courses (20 per cent of participants and six per cent of non-participants);
- help to buy equipment, tools, clothes for work/interviews (21 per cent of participants and five per cent of non-participants).

Respondents were least likely to say they had received:

- help to manage an illness, health problem or disability interviews (seven per cent of participants and six per cent of non-participants);

- help with reading, writing or basic maths (five per cent of participants and three per cent of non-participants);
- advice on how to manage finances or debts (six per cent of participants and two per cent of non-participants);
- help with English (four per cent of participants and two per cent of non-participants);
- help with alcohol or drug-related issues (three per cent of participants and two per cent of non-participants).

Although these figures appear low, they map well with many of the individual barriers highlighted earlier indicating that (some of) these needs were being met from some source of provision, including WNP. However, 41 per cent of all respondents to the survey said that they had not received any form of help since April 2004 (24 per cent of participants and 67 per cent of non-participants).

It is also quite worrying that less than half of WNP participants could recall receiving one-to-one help from a Personal Adviser when this was the one constant between all the pilots: other forms of help may (quite legitimately) have been received differentially in particular WNP areas. Whilst this may be a problem with recall generally, it may also be that respondents did not receive the help long enough to remember doing so, or that it was just seen as part of the normal service and nothing out of the ordinary.

Looking at the help and support available in WNP/EZ sites compared to those run by Jobcentre Plus, it is clear that very few differences existed (Table 5.3). The only notable differences were in the provision of help with job search which was higher in WNP/EZ areas (37 per cent) than in Jobcentre Plus areas (23 per cent), and in the proportions of respondents saying they had received a payment for being in work, which was higher in Jobcentre Plus areas (12 per cent of respondents in these areas said they got this type of help), and lower in WNP/EZ areas (where seven per cent of respondents said they had received such help).

Table 5.3 Types of help or advice received since April 2004, WNP/EZ and Jobcentre Plus areas (per cent)

	WNP/EZ area	Jobcentre Plus area	Total
Ongoing help from a Personal Adviser (on a one-to-one basis)	33	32	32
Help with job search, eg how to write a CV	37	23	29
Information on benefits/tax credits available in paid work	18	20	19
Improving work-related skills, eg going on a training course	13	15	14
Help to buy equipment, tools, clothes for work/interviews, etc.	13	16	14
Payment for being in work	7	12	10
Help to manage an illness, health problem or disability	6	7	7
Help with reading, writing or basic maths	5	4	4
Advice on how to manage your finances or debts	5	3	4
Help with English (spoken or written)	4	3	3
Help with alcohol or drug-related issues	3	3	3
Other help	2	3	2
None of these	40	43	41
Don't know	0	1	1
<i>N</i>	495	706	1,201

Source: IES/NOP, 2005.

When controlling for participants only (Table 5.4), the general trends in help received since the pilot began are similar, although the proportions of respondents who could recall receiving this help were, of course, higher. As above, participants in WNP/EZ areas were more likely to recall help with job search than participants in Jobcentre Plus areas. Conversely, participants in Jobcentre Plus areas were more likely to say that they received help to buy equipment and tools, etc., and also to recall receiving a payment for being in work. Still, less than half of all participants, regardless of the organisation delivering the pilot, reported receiving any particular sort of help, and not even one-to-ones with a Personal Adviser, which again is a cause for concern. Moreover, almost a quarter of all participants said they had not received any of these forms of help at all.

Although the ERS found no particular differences between WNP/EZ and Jobcentre Plus providers during the qualitative interviews, there was some indication that customers preferred WNP/EZs over Jobcentre Plus. Many respondents felt that the WNP/EZ approach was more holistic, and offered emotional as well as practical job-related support. One interviewee told of her first visit to the WNP/EZ provider, where

her adviser disclosed that she had once been in a similar situation and inspired the respondent to secure employment in order to progress.

'At [WNP/EZ provider], she treats you more like she were a kind relative when she speaks to you.'

(WNP participant)

'[WNP/EZ provider] has been most helpful in finding me a job. They know what they are on about, they are helpful. You go in there and you feel relaxed, you have a good talk with them, they are willing to listen.'

(Non-participant)

Table 5.4 Types of help or advice received since April 2004, by participants only, WNP/EZ and Jobcentre Plus areas (per cent)

	WNP/EZ area	Jobcentre Plus area	Total
Ongoing help from a Personal Adviser (on a one-to-one basis)	47	45	46
Help with job search, eg how to write a CV	49	33	40
Information on benefits/tax credits available in paid work	25	28	27
Improving work-related skills, eg going on a training course	18	21	20
Help to buy equipment, tools, clothes for work/interviews, etc.	17	24	21
Payment for being in work	10	19	15
Help to manage an illness, health problem or disability	6	8	7
Help with reading, writing or basic maths	6	4	5
Advice on how to manage your finances or debts	8	4	6
Help with English (spoken or written)	5	4	4
Help with alcohol or drug-related issues	4	3	3
Other help	3	4	3
None of these	23	25	24
Don't know	0	1	1
<i>N</i>	297	425	722

Source: IES/NOP, 2005.

Time was also an important factor, where some respondents felt that they could talk openly and for longer periods of time, whereas the Jobcentre Plus *'... was like going to the doctors. There's always people waiting and you don't want to take too long'*.

The level of support received at WNP/EZ organisations was also felt to be tailored to each person, which contrasted to the anonymity some felt when they visited the Jobcentre. Many people reported being able to use facilities such as the Internet and telephone, and that the organisation provided stamps to send out applications, as well as advice on how to compose a CV. A few respondents spoke of being telephoned at home to alert them to new and suitable vacancies, and for continued contact with the organisation once they had started their job. In one case, a respondent who was in employment but unhappy with her current level of pay was alerted by her adviser to jobs with higher remuneration to ensure that she was motivated to stay in employment rather than return to claiming benefits. It was not all praise for WNP/EZ areas, however, and some people felt that these agencies could go further to source opportunities for employment.

'This is my second time with [WNP/EZ provider]. Haven't had any work from them since last October. They're not breaking their necks to give me work. They were supposed to help me find a job but they just bought tools for my painting and decorating work. What I would like is for them to help me get a job.'

(WNP participant)

All longitudinal respondents taking part in the Wave Two survey were asked to report on any help and support they had received since they were last surveyed at Wave One (Table 5.5). The aim here was to establish a fuller picture of pilot activity over time. Although recall and timescales are likely to be somewhat problematic for longitudinal respondents as they are for first-timers, the figures do suggest that pilot penetration and activity is higher in the second year of operation, particularly amongst those respondents who were non-participants at the time of the first survey. More longitudinal non-participants have reported receiving key forms of help and support in the preceding 12 months compared to non-participants at Wave One. Similarly, participants in the longitudinal sample continue to report receiving help and support since the Wave One survey, indicating that help from the pilots has been ongoing. The most common forms of help that respondents could most recently recall were exactly as before: help from a personal adviser (36 per cent of longitudinal respondents could recall this type of intervention), help with job search (22 per cent), information on tax credits, etc. (15 per cent) and help to improve work-related skills (13 per cent).

There are some other, more negative similarities with the responses from Wave One however, with just over two-fifths of all longitudinal respondents continuing to say that they had not received any additional help or support since January/March 2005. The proportion of longitudinal non-participants at Wave Two saying they had not received any help or support since the first survey, stood at 59 per cent, whilst the proportion of longitudinal participants saying they had not received any extra help or support was 30 per cent.

Table 5.5 Help received since Wave One, longitudinal respondents (per cent) at Wave Two

	Participants	Non-participants	Total
Ongoing help from a Personal Adviser (who you see on a one-to-one basis)	43	24	36
Help with job search, eg advice on how to write a CV, where to look for work	27	15	22
Information on benefits and tax credits that you would get if you were in paid work	19	10	15
Improving your work-related skills, eg going on a training course	16	7	13
Help to buy equipment, tools, clothes for work/interviews, etc.	10	3	7
Payment for being in work	11	4	8
Help to manage an illness, health problem or disability	6	5	5
Help with reading, writing or basic maths	5	3	4
Advice on how to manage your finances or debts	3	3	3
Help with English (spoken or written)	2	4	3
Help with alcohol or drug-related issues	2	2	2
Other help	5	2	4
None of these	30	59	41
Don't know	0	1	0
<i>N</i>	351	227	578

Source: IES/NOP, 2006.

5.3.1 Employer engagement

Pilot activity in relation to engaging employers appeared to vary greatly between pilots. Given the flexibility afforded to pilots, employer engagement was not a necessary pilot ingredient and in many pilot sites, these specific activities were never undertaken. In several Jobcentre Plus pilots, staffing restrictions resulted in little direct contact between pilot staff and employers; in many of these sites, the intention was always to make use of central Jobcentre Plus Vacancy Managers to identify potential employer leads, thus avoiding unnecessary duplication of activity. However, take-up of this option appears to have been patchy and intermittent and the neglect of employer liaison was recognised by some Jobcentre Plus pilot staff as a missed opportunity:

'Here every other job you see advertised on our jobs page is for things like welding and skilled work. The training we've offered is for things like health and safety, first aid, IT. If we'd been smarter we could have found out earlier on... what the employers around here wanted. What kind of people are they looking to employ and then perhaps put some training into place that might cover those shortages.'

(Personal Adviser)

Very few pilots employed a dedicated staff member to work on employer engagement. However, a couple of WNP/EZ pilots had appointed employer engagement staff which resulted in links being forged with a number of large firms that have taken on pilot customers in a variety of posts, including manufacturing, warehousing and facilities management. This approach also allowed more than just the standard employer activities such as visits to premises and vacancy notification:

'We've focused on knowing absolutely everything about the employer – how do you get there? Is there a café? We have also tried to encourage a "buddy" system with employers.'

(Employer Account Manager)

In one WNP/EZ pilot, an Account Manager actively sought out employment opportunities for job-ready customers and provided a matching service. Workshops were held with customers to get them ready for specific jobs, and covered discussions and role play sessions on issues such as customer care, building customer loyalty, interview skills, etc. with a particular employer in mind. A number of WNP/EZ providers made use of the employer engagement already being conducted by their central teams to avoid any duplication or confusion where the same employer could potentially be contacted by different parts of the same organisation. The involvement of specialist staff in such teams appeared to be effective, and their often city-wide remit broadened the scope of opportunities notified to pilot customers. Other activities around employer engagement have included employer representatives visiting pilot offices to meet customers and to talk them through the skills and requirements of particular jobs on offer.

This mixed picture on employer engagement, and more especially the contrast between EZ and Jobcentre Plus pilots, highlights a key issue for more targeted labour market interventions and that is the need to broaden the focus from supply-side issues to consider the demand-side in any policy intervention.

5.4 Chapter summary

This chapter has shown that pilots have tried a number of ways to engage customers and have offered them a range of support and help to overcome barriers to work, much of which has been greatly appreciated. In many ways though, it seems that the pilots had just started to gain momentum, particularly with non-traditional customers, and were perhaps becoming more innovative in relation to the provision being put in place just as the pilots were ending.

6 Outcomes and impacts

In this chapter, the gains from participating in the Working Neighbourhoods Pilot (WNP) are considered. Individual outcomes are considered firstly, looking at both soft and hard outcomes. The chapter then goes on to consider the area outcomes or effects of the WNP. The evidence for this chapter is drawn from the eligible residents' survey, the case studies and DWP data.

6.1 Individual outcomes

The Eligible Residents Survey (ERS) sought to discover the gains that respondents perceived they had made as a result of participating in the pilots. To this end, those who had taken part in the pilots were asked about the usefulness of the help they had received, while those who had not taken part were similarly asked about help they might have received elsewhere. Not every respondent could recall having received any help since April 2004, but Table 6.1 shows that among those who could remember, the majority had found it to be useful (76 per cent). Participants, in particular, were most likely to say that the help they had received had been **very** useful (42 per cent), and this compares with 28 per cent for non-participants. It seems reasonable to conclude that much of the difference between these two groups' assessments derives from the help which the participants had received from the pilots. A minority of respondents (19 per cent) who had received some help since the pilots began said that the help they had received had not been useful. Similar trends were observed regardless of whether the WNP was in a WNP/EZ or Jobcentre Plus area, ie respondents seemed equally happy with the help they had received wherever they had received it.

Table 6.1 Usefulness of the help received since April 2004 (per cent)

	Participants	Non-participants	Total
Very useful	42	28	39
Quite useful	37	40	37
Not very useful	12	16	13
Not at all useful	6	7	6
Don't know	3	9	5
<i>N</i>	538	155	693

N = all those who could recall having received any assistance.

Source: IES/NOP, 2005.

The specific gains that individuals have reported as a result of participating in WNP are given in Table 6.2 and although the ERS has provided only a snapshot of gains or outcomes, and marks only those achievements made at the time individuals were surveyed, there were some signs of individual success. In the main, these achievements were found in the realms of:

- soft outcomes, eg 25 per cent of respondents said they had gained in self-confidence and motivation;
- job search techniques (13 per cent);
- jobs (12 per cent).

Just under one in ten respondents thought they had gained job-related skills or improved their career prospects as a result of the WNP and/or the help they had received since April 2004 (and up to the time at which the survey was undertaken). Participants were consistently more likely to report gains from the pilots than non-participants, although all those answering this question had received some sort of help. Just under one-third of respondents who could recall receiving some sort of help since April 2004 (or 29 per cent) reported no gains up to the time of the ERS.

Table 6.2 Gains from WNP (per cent)

	Participants	Non-participants	Total
Self-confidence and/or motivation	28	15	25
Job search skills	15	5	13
A job	14	5	12
Job-related skills	9	5	8
Improved career prospects	9	5	8
Personal/social skills	5	6	5
Work experience	3	5	4
Problem-solving skills	4	2	4
Qualifications	3	5	3
Language skills, eg improved spoken/ written English	2	3	3
Communication skills	3	2	3
Literacy skills (reading/writing)	2	3	2
IT skills	2	1	2
Team-working skills	1	1	1
Numeracy skills (maths/numbers)	1	3	1
Other	20	14	19
Nothing	26	42	29
Don't know	4	5	4
<i>N</i>	538	155	693

Source: IES/NOP, 2005.

A few (small) differences were observed in the gains made by respondents (who reported receiving some help) in WNP/EZ and Jobcentre Plus areas. The most notable of these differences were greater gains in WNP/EZ areas in terms of:

- jobs – 15 per cent of respondents in WNP/EZ areas said they had secured a job compared to nine per cent in Jobcentre Plus areas;
- self-confidence and motivation – 28 per cent of WNP/EZ respondents reported gains in soft outcomes compared to 23 per cent in Jobcentre Plus areas.

Longitudinal respondents to the ERS at Wave Two went on to report further gains as time went on. As with survey respondents from Wave One (reported above), people who had gone on to receive help from the pilots after the first survey were most likely to report gains in:

- self-confidence and/or motivation (24 per cent of all longitudinal respondents who had received some help and support since Wave One reported they had gained in this way);
- job search skills (14 per cent);

- employment (13 per cent said they had found work since Wave One); and
- improved career prospects (nine per cent of all longitudinal respondents who had gone on to receive some sort of help or support).

In addition to these gains (and although some of the base figures are fairly small), what is particularly interesting is the degree to which gains seem similar for participants and non-participants (as they were classified at Wave One). Although there remain some differences between these two groups of respondents, these differentials are not so great as those reported amongst first-timer respondents (above), suggesting that non-participants went on to reap similar benefits as their participant counterparts over time. Having said this, one-third of all longitudinal respondents who could recall receiving some help and support since the earlier survey said they had made no further gains over the last 12 months.

Table 6.3 Gains received since Wave One, longitudinal respondents (per cent) at Wave Two

	Participants	Non-participants	Total
Self-confidence and/or motivation	25	23	24
Job search skills	15	11	14
A job	14	9	13
Improved career prospects	9	11	9
Job-related skills	7	8	7
Personal/social skills	6	7	6
Communication skills	7	4	6
Work experience	4	8	5
IT skills	3	4	4
Literacy skills (reading/writing)	3	4	3
Qualifications	3	1	3
Language skills, eg improved spoken/ written English	2	4	2
Problem-solving skills	2	2	2
Numeracy skills (maths/numbers)	3	1	2
Team-working skills	2	0	1
Other	19	20	19
Nothing	31	36	33
Don't know	2	7	3
<i>N</i>	244	92	336

Source: IES/NOP, 2006.

Table 6.4 below provides an official snapshot of the main job outcomes from the pilots up to April 2006. Overall, 35 per cent of all WNP participants (or starts) had moved into employment since the pilots began. Fifty-five per cent of all those who had started employment had been in work for at least 13 weeks and had claimed their first retention payment, whilst 37 per cent had been in work for 26 weeks or more and received the full back-to-work bonus.

Table 6.4 Outcomes

	Starts N*	Jobs gained N*	Jobs as starts % of starts %	Retention at 13 weeks as % of jobs gained %	Retention at 26 weeks as % of jobs gained %	Retention at 26 weeks as % of those in jobs at 13 weeks %
By site						
Birmingham**	1,190	400	34	66	46	69
Great Yarmouth	2,790	940	34	34	18	54
Hastings	1,730	490	28	52	32	62
Glasgow (Hutchesontown)**	2,110	720	34	49	33	67
Knowsley	2,310	870	38	64	46	72
Middlesbrough**	2,310	700	30	53	34	64
Newcastle	1,940	770	39	60	42	71
Glasgow (Parkhead)**	1,840	760	41	62	43	69
Sheffield	1,700	700	41	59	46	78
Swansea	2,150	580	27	63	49	78
Tower Hamlets**	1,570	500	32	50	20	41
Wirral	2,090	790	38	56	41	73
All	23,730	8,220	35	55	37	68
By benefit						
JSA	14,220	6,340	45	52	34	65
IS	6,380	1,220	19	73	54	75
IB	2,310	450	20	65	49	75
Other benefit	200	30	15	55	45	81
Partner	300	150	11	63	53	85
None	330	150	44	16	13	79

Continued

Table 6.4 Continued

	Starts N*	Jobs gained N*	Jobs as starts % of starts %	Retention at 13 weeks as % of jobs gained %	Retention at 26 weeks as % of jobs gained %	Retention at 26 weeks as % of those in jobs at 13 weeks %
By ethnicity						
White	20,790	7,200	35	55	38	69
Asian	670	240	36	59	27	46
Black	970	350	36	64	41	64
Other	710	240	34	48	26	55
Mixed	220	70	34	55	35	63
By mandatory/ voluntary						
Mandatory	20,650	6,820	33	55	36	66
Voluntary	2,860	1,190	41	60	46	76
By gender and age						
Male under 25	4,150	1,760	42	47	30	64
Male 25-49	8,250	3,250	39	55	36	66
Male 50+	1,490	510	34	46	32	70
Female under 25	3,140	980	31	57	37	65
Female 25-49	5,910	1,540	26	66	50	75
Female 50+	780	180	23	62	47	75

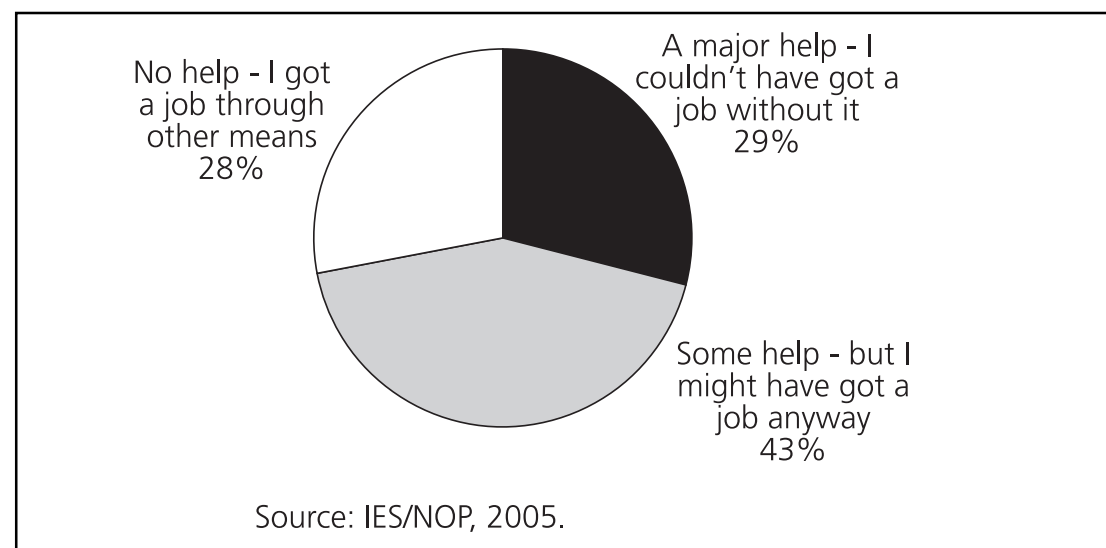
Note: * rounded to nearest ten. ** indicates Employment Zone in operation.

Source: DWP, 2006.

The table also shows the main outcome figures for people according to their benefit status, ethnicity, entry status (ie whether they were mandatory or voluntary customers), and age and gender. Not surprisingly, Jobseeker's Allowance (JSA) customers were more likely to have moved into work (45 per cent) than Income Support (IS) and Incapacity Benefit (IB) customers (19 per cent and 20 per cent respectively). However, it is interesting to note the differences in retention figures for these key customer groups. Although IS and IB customers were relatively less likely to move into work than their JSA counterparts, they were also more likely to stay in their jobs for longer. Looking specifically at retention at 26 weeks, 54 per cent of IS customers who had started work, and similarly, 49 per cent of IB customers who had also done so, remained in work six months later and had claimed a retention payment. This contrasts with the 34 per cent of JSA customers, who had found a job and were still in it 26 weeks later. Male customers were more likely to have moved into employment (and particularly young males) than female customers, no doubt due, in large part, to caring responsibilities amongst women living in pilot areas. However, once again, it appears that female customers are more likely to stay in work when they get it than their male counterparts, regardless of age.

Deadweight is always an issue with any policy intervention and the question of the net impact of the 'treatment' or intervention is a difficult one to address. In Figure 6.1, ERS respondents who had moved into work give their views on the role played by the WNP (and/or the help they had received since April 2004). On a positive note, almost one-third (or 29 per cent) of those who were in work and who had received some help (from the pilot) said that they would not have got a job without the intervention (this figure was slightly higher in Jobcentre Plus areas at 31 per cent compared to WNP/EZ areas at 25 per cent). A similar proportion (28 per cent) said the pilot had made no difference (36 per cent in Jobcentre Plus areas and 19 per cent in WNP/EZ areas) and that they got the job through other means. A further 43 per cent of working respondents who had received some help from the pilots said that the intervention had been some help but that they might have got a job anyway. This figure was much higher in WNP/EZ areas (56 per cent) than in Jobcentre Plus areas (33 per cent).

Figure 6.1 Impact of WNP on finding work (per cent)



As mentioned earlier, comparison sites were selected for all pilot areas and it is instructive to look at shifts into employment in these areas in order to arrive at some measure of net impact in the pilot areas. DWP analysts have compared data from the WNP database for pilot areas and New Deal databases for the comparison sites, in addition to data from the Work and Pensions Longitudinal Survey (WPLS), which contains employment records from Her Majesty's Revenue and Customs (HMRC), and data from Jobcentre Plus' Labour Market System (LMS), which shows some quite considerable differences between pilot sites and comparison sites. At the end of January 2006¹⁰, WNP data sources were recording a job entry rate of 30 per cent. However, an additional 13 per cent of WNP participants had also found work as indicated by HMRC and LMS data making a total job entry rate of 43 per cent. In the comparison sites, the overall job entry rate for the same period stood at 34 per cent, once New Deal programme data, HMRC and LMS are compiled. These figures suggest that by participating in the Pilot, WNP customers have been more successful in finding work than they would have been otherwise.

¹⁰ The most recent complete data that are available.

6.2 Other help required to find work

Survey respondents who continued to look for work were also asked what other help they needed (over and above that which they had already received) to find a job, and the results are given in Table 6.5.

In the main, once again, it appears that the main sources of additional help that customers wanted were:

- work experience (14 per cent);
- vocational/skills training (14 per cent);
- job search techniques/CV preparation (13 per cent);
- more one-to-one help (13 per cent).

Although not great, there are some interesting differences between participants and non-participants. Non-participants were more likely to request additional one-to-one help, vocational/skills training, childcare, and a sympathetic employer than participants. Just over one in ten respondents who continued to look for work wanted additional help with transport. Whilst not all of this additional help was necessarily available from the pilots, most falls within their broad remit, or within the remit of Local Strategic Partnerships (LSPs).

Table 6.5 Additional help needed to find a job (per cent)

	Participants	Non-participants	Total
Work trials/work experience	16	9	14
Vocational/skills training	13	17	14
More one-to-one help from a Personal Adviser	12	18	13
Help with job search techniques, interview skills and CV	13	13	13
Better transport	11	11	11
Childcare	5	13	7
Sympathetic employer	6	11	7
Help with basic skills (literacy/numeracy)	6	2	5
Help with English	5	3	4
Move out of the area	5	2	4
Help to overcome health problems	2	2	2
Help with alcohol/drug problems	2	0	1
Other	23	17	21
None	26	24	25
Don't know	8	6	8
<i>N</i>	318	115	433

Source: IES/NOP, 2005.

Some respondents who took part in the qualitative interviews went on to describe the additional help they would need to find permanent employment. One respondent who felt 'lost' about looking for work, suggested that a short work experience trial of three to six months would be extremely helpful for him to decide if the employment was suitable to pursue. He felt that work experience should be paid, or that participants should be entitled to benefits, and that there would be no compulsion to take up a formal job at the end of the trial if it was unsuitable. He, and many others, argued that there was a higher likelihood of sustaining employment if people are enjoying their job, and work trials would be one way to achieve this.

'If they could say, "Ok, try this, and if it doesn't work try something else" with no restrictions, that would be good.'

(Non-participant)

Another suggestion was for Jobcentre Plus or other WNP/EZ providers to organise more frequent local job fairs, so that awareness of employment available locally would be raised, and would also be more successful in engaging residents. Job fairs would provide the opportunity to meet employers and discuss the job role before making a decision about applying for work.

A large number of respondents to the qualitative interviews expressed an interest in undertaking some form of training before formally beginning their job search. There remained some scepticism about the motivations of Jobcentre Plus, and some people expressed concerns that they would be '*pushed into anything to get us off their books*'. It was felt that the Jobcentre should identify any training needs before discussing job searching as a matter of course, to ensure people felt they were enhancing their skills and would ultimately pursue work that was of interest to them.

'There's a lot of single parents out there that could do so much if they were given the opportunities, instead of sticking them in dead-end jobs that they would be ok at. I think there should be more funding available to allow them to go to university and really achieve.'

(WNP participant)

Some of the other unmet needs that interviewees reported appeared to stem from a fairly widespread lack of understanding or awareness about the pilots and what they could provide. Clearly, much of this type of help was available from the Personal Adviser, or the pilots more generally. For example, one respondent who was dyslexic felt that there should be alternative ways to look for work. Her difficulty with completing application forms had discouraged her from looking for work, and she felt that greater assistance with this task would be useful.

A few interviewees said that financial help with travelling to interviews would be extremely useful, as it could be costly, particularly if more than one interview was attended in a short period. Having said this, some respondents who were engaged with the pilot talked about receiving bus passes and refunds on production of travel receipts, and said how useful this had been.

Still more interviewees identified the 'huge' financial burden that could occur when returning to work. Where respondents were claiming multiple benefits and a large proportion of their household outgoings were covered, a return to working meant shouldering the responsibility for these bills. While this in itself was not problematic to some, the immediate impact of this financial commitment was perceived to be extremely difficult to manage, and some people felt it could result in a return to claiming benefits. Therefore, it was suggested that where people were returning to work after a period of unemployment, a more flexible approach should be adopted to the payment of rent, Council Tax and other outgoings, for example, staggered payments when employment begins with incremental increases over a period of time. Again, what appears to have happened in many cases is that local residents were not aware of the help that the pilots could provide, which suggests the need for more informed and detailed marketing.

6.3 Area outcomes

It is clear that in many ways, the pilots have been successful and particularly so at the individual level, with a primary focus on engaging individuals, assessing their needs and providing the support needed to help them secure sustainable work. There is some strong evidence that people have moved into jobs, and some of this movement appears to be attributable to participation in the pilots. At the same time though, there was also widespread recognition, by all concerned in designing and delivering the pilots, of the need to make an impact at the community level and to leave a legacy for the local community when the pilots came to an end. Indeed, one of the key objectives of the pilots was to assess how far the WNP produced area outcomes.

As noted earlier, the theory of change behind the WNP programme is that a 'culture of worklessness' has developed in certain areas and that this can be addressed through intensive focused intervention to help people move into and retain jobs that are in or near to the locality. A key issue for the evaluation to consider, therefore, has been the extent to which the pilot has had an impact on the wider area, over and above a focus on job outcomes for individuals, in terms of any changes to the culture of worklessness, or broader impacts on the location.

A commonly held view by many pilot staff and representatives of community groups was that any measurable impact on the 'culture of worklessness', would be negligible after just two years of activity. Given the stark long-term consequences of multiple disadvantage, so clearly evident in the physical pilot areas themselves, and particularly the everyday experiences and circumstances of many (potential) customers, many key informants to this research believed that a period of three or even four years would be needed for the pilot to affect an observable and measurable improvement in the levels of worklessness in the area. The WNP was not in operation for long enough to bring about such significant change, although progress has been made, albeit at the margins.

A further consideration related to the duration of the WNP is the length of time it has taken to secure, or build on, effective partnerships. Effective partnership working was, quite rightly, required to engage some of the harder-to-reach customer groups, deliver a range of support and provision, and work more strategically with other key agencies to deliver the comprehensive solutions that are necessary to achieve long-term sustainable change. As discussed previously, in the early stages, many pilots faced complex operational environments with which they had to come to terms very quickly. However, once established, many pilots made important contributions to the development of new local partnership mechanisms, or helped to reinvigorate existing ones. In terms of the impact of the pilot on the nature of partnership relations, and in particular the reputation of Jobcentre Plus with partner agencies, the message is mixed. In some areas, there is clear evidence that partnership working has been enhanced over time as a result of the pilot. Some pilot Managers felt that the Jobcentre Plus reputation (or indeed their WNP/EZ counterparts), as an agency that helps people and is able to engage in partnership work, had actually been strengthened as a result of the pilot. Some other stakeholders however, were less positive viewing the pilot as a missed opportunity: it had taken a great deal of time to build partnerships and in some cases this had not been achieved in the time available.

There is very little evidence to suggest that pilots have systematically put in place effective exit strategies which appears to be a significant shortcoming, especially when considering the impact of the pilots at an area level. Many Pilot Managers reported that such strategies were '*not well developed*' and it seems that, in some sites at least, much of the learning from the pilots may be lost. In several areas, the priority in the last few months had been to simply engage '*as many people as possible*', thus, the emphasis had been operational rather than strategic and forward-looking. This seems to have been particularly the case in Jobcentre Plus pilots.

The pilots that are likely to have the clearest legacy or longevity are those where there has been investment in the acquisition and refurbishment of physical assets, although there is some concern over the extent to which there will be an ongoing community benefit from these investments. In one area, where the pilot made a substantial investment in premises, revenue-generating streams were designed from the beginning with the inclusion of a bistro/café within the WNP premises. It is anticipated that this pilot will continue in a similar guise drawing on funding from other regeneration funding streams such as New Deal for Communities. Other physical legacies from the pilot include refurbishments of Sure Start centres, training facilities, new playgrounds, improved public spaces and market sites, usually funded by Community FDF projects and these will continue to benefit local people living in the pilot areas for some time to come.

There is also some evidence to suggest that in some pilot areas improved knowledge and understanding of local areas, and the approaches tested out through WNP, have informed the design of new initiatives and policy responses. In one area, the

achievements of the Work Development Officer for Mental Health has not only been held up as a key aspect of the pilot, but has also informed the separate Pathways to Work initiative, which is being run by Jobcentre Plus in conjunction with the local NHS trust. In another pilot area, a better understanding of the nature of worklessness has been drawn upon by partners when developing funding proposals for the Local Enterprise Growth Initiative (LEGI) and the Neighbourhood Renewal Bid and in another site, good practice from the pilot has been spread through regional networks and the pilot has also informed the use of the Neighbourhood Renewal Fund (NRF).

6.4 Chapter summary

It is clear that most people who have received some help from the pilots have found it useful. Gains have been made in terms of soft outcomes and more importantly, in relation to finding work: over one-third of people starting on the pilot have moved into employment and many have remained in work for considerable amounts of time. The area outcomes from the pilots are much more difficult to gauge and in many ways, the longer term legacy of the WNP, given its short duration, may be negligible.

7 Conclusions

The Working Neighbourhoods Pilot (WNP) has provided an opportunity to ‘test out’ more innovative methods to tackling ‘worklessness’ amongst some of the most deprived areas within the country. Whilst the areas that have been selected face similar challenges in terms of tackling some deep rooted and engrained problems, they have varied significantly in terms of their particular circumstances, in the nature of their local labour markets, the make up of the various customer groups, geographical accessibility and the organisational background and framework.

Whilst working within the policy parameters set out at the national level, it is clear that each individual pilot site developed their own approach to tackling worklessness in response to their particular local circumstances, although these approaches can broadly be characterised by the three models outlined in Chapter 4. This variation needs to be considered when developing conclusions and identifying lessons learnt from the overall programme.

This chapter summarises the findings from the research overall. It focuses firstly upon the strengths of the design of the pilot, and identifies some of the key weaknesses. The chapter then moves on to consider the main lessons for policy makers and practitioners, drawing on the various waves of research undertaken.

7.1 Strengths and weaknesses of the pilot

7.1.1 Strengths

The research has identified a number of strengths of the pilot overall. These strengths relate to:

- the flexibility of the pilot;
- the engagement of key local players;
- a wide range of provision to meet customer needs;
- testing customer engagement strategies; and
- the quality of staff teams.

Flexibility, one of the main strengths of WNP, has been built into the pilot in a number of ways: Firstly, the more flexible approach that advisers have been able to take with customers, in terms of the amount of time that could be spent with them and the increased frequency of meetings, has been particularly valuable. This flexibility has led to a number of benefits: advisers have been able to build relationships with customers over time; develop greater trust, with customers seeing the same adviser on a more frequent basis; identify the barriers facing customers, and devise appropriate packages of support. This flexibility has also meant that ongoing support has been available to slowly move forward those customers who were furthest from the labour market. This approach to working with customers has been characterised by pilots operating under the 'hub and spoke' model and some elements of the 'distributed' model.

Mainstream Jobcentre Plus provision and programmes that were available under WNP have also been used flexibly, and in particular, early entry onto New Deal and/or the ability to hold customers within the Gateway if they were not yet ready to enter New Deal. This additional flexibility has meant that the needs of customers could be addressed more readily rather than a 'one size fits all' approach.

Another area of flexibility that has been important is around the scope of the Individual flexible discretionary fund (FDF). This flexibility related to the amount of resource, which had no upper limit, that could be used for individual customers and also the scope of allowable expenses. Individual FDF was compared positively to ADF in both of these respects. This flexibility meant that advisers, in some pilot areas at least, were able to start to address some of multiple barriers facing customers when starting work and in particular, living expenses.

A second strength of the overall approach adopted by the pilot was the engagement of the local community, in particular, through working in partnership. The WNP was predicated on the notion that effective approaches to combating worklessness would largely be determined by the ability of providers to realise the benefits of partnership working. Partnership working was important in two respects: the need to engage with stakeholders to develop a thorough understanding of the nature of the local worklessness problem; and the need to mobilise a wide range of agencies to provide the necessary support to meet the needs of customers with a complex set of interrelated problems. Evidence of both of these approaches is apparent, to varying degrees, in the pilot sites, particularly those operating under the 'distributed' model. Some pilots reported an enhanced understanding of the needs of different customer groups and of considerable learning about the nature of worklessness within particular localities. In some instances this learning had been used to develop further policy responses and when designing new initiatives.

Varying degrees of partnership working were also evident in the pilot sites. Whilst relationships with Local Strategic Partnerships (LSPs) appear to have waned over the lifetime of the Pilot, partnerships have been established with relevant agencies within localities, with the result that a more coherent and joined-up service has been

delivered to customers. Advisers have been able to signpost customers to external agencies and service providers to help ensure that the wide range of customers' needs was addressed.

A third area of strength is around the wide range of provision that could be put in place to meet the complex range of customers' needs. A further strength of the WNP was the diversity of provision that pilots were able to put in place, thus allowing advisers to test a range of approaches with customers, which was a particular feature of pilots operating under the 'hub and spoke' model. There is evidence to suggest that whilst in year one, some pilots had been slow to put additional provision in place; in year two much more progress had been made and additional provision, particularly around some key barriers for Incapacity Benefit (IB) claimants such as drug and alcohol support and debt advice, were available.

The pilot has also been able to test out a range of approaches to outreach to engage different customer groups, particularly those on 'inactive' benefits. Given the wide range of (some non-traditional) customer groups, pilots have had the opportunity to test out new and more innovative methods to target these groups, within the context of their own local areas.

A further strength of the WNP was the commitment and personal qualities of the various staff teams. Recruitment processes have emphasised the need for staff to be motivated and to 'go the extra mile' in meeting the needs of customers. Equally important was the assessment and training programmes developed for staff in the start up phases of the programme. Issues around staffing were most likely to be experienced amongst those pilots that displayed features of the 'Jobcentre in the community' model.

A final area that is worthy of note is the additional benefit for individual pilot sites of being viewed as distinct from mainstream Jobcentre Plus. Whilst the degree to which local sites were viewed as being separate from Jobcentre Plus varied, due to the model of provision, physical location of pilot premises, management issues (ie whether Employment Zone (EZ)- or Jobcentre Plus-led), and the marketing approach that had been adopted, it is clear that being viewed as distinct from mainstream Jobcentre Plus has been beneficial to the pilots.

7.1.2 Weaknesses

In addition to some major strengths, the research has also identified a number of weaknesses in relation to the pilots. The first of these weaknesses is concerned with the ability of the pilots to fully engage non-traditional groups or 'hard to reach' customer groups. Whilst there is only anecdotal information available on the effectiveness of specific engagement mechanisms, the Management Information (MI) data suggests that there has been only partial engagement of the IB and Income Support (IS) customer groups. Some pilots have been more successful than others with non-traditional customers although it does not appear that WNP/EZ pilots have been more successful with these customers than Jobcentre Plus pilots, or vice versa.

What is clear is that it is necessary to use engagement techniques that are different to the norm to get to these individuals, and that it is necessary to invest a lot of time in doing so.

A second weakness that has been identified is a lack of experimentation and testing out of new approaches in some of the pilot sites. WNP was designed to be able to test out different approaches to tackling worklessness; however, the research has found little evidence of innovation on the part of some of the pilots, and particularly in those areas characterised by the 'Jobcentre in the community' model and some elements of the 'distributed' model. This lack of innovation can be partially explained by the rigidity of Jobcentre Plus procedures which have inhibited the ability of Jobcentre Plus-led pilots to develop new approaches, particularly in the use of Community FDF. For these reasons some of the EZ-led pilots have been better placed to deliver perhaps more innovative approaches.

The importance of the role of the adviser in moving customers towards the labour market has emerged as a key issue throughout the research. A third weakness of the WNP, then, relates to inadequate staffing levels, mainly in Jobcentre Plus-led pilots, as a result of the broader reduction in headcount across the organisation. There were also issues around the lack of experience of some advisers, indicating the need for a more comprehensive approach to training inexperienced staff.

The relatively short duration of the pilot has also hindered performance. The pilot ran for two years and involved a set-up phase, recruiting and training staff, engaging the community and in particular, some of the harder-to-reach groups, sourcing provision as well as developing effective partnerships, and was arguably too short a period of time to effectively address the culture of 'worklessness' within the pilot sites. A common sentiment amongst pilot staff was that they had 'only just started getting going'.

A final weakness of the pilots has been the systematic lack of attention that has been paid to demand-side measures. Engagement with employers has been variable, and tended not to happen in Jobcentre Plus-led pilots where there were restrictions on staffing.

7.2 The strengths of WNP/EZ and Jobcentre Plus pilots

A key issue for the evaluation has been to explore any differences in approach and outcomes between WNP/EZ and Jobcentre Plus-led pilots. Interestingly, the analysis of outcomes data from Department for Work and Pensions (DWP) MI sources has revealed few major differences between the two pilot 'providers' in relation to the number of jobs gained, nor the degree to which customers seem to be staying in work. However, we did note earlier (in Chapter 6) that the Eligible Residents Survey (ERS) showed a somewhat higher rate of job entry and soft skill gains in WNP/EZ areas than in Jobcentre Plus areas. Nevertheless, from the case study research it has been possible to identify some key differences in the approaches that have been adopted:

- Marketing – WNP/EZ pilots have been better able to distance themselves from mainstream Jobcentre Plus, which was beneficial in terms of engaging some of the harder-to-reach customer groups.
- Procurement procedures – WNP/EZ pilots were not bound by Jobcentre Plus procedures, which had a number of benefits, including:
 - being able to get ‘off the ground’ more quickly;
 - fewer procurement restrictions around the use of Community FDF.
- Provision – whilst there is evidence to suggest that some WNP/EZ pilots have used this additional flexibility to test out innovative approaches to addressing worklessness, this is not the case across the board and some WNP/EZ pilots have simply extended their existing (EZ) approaches.
- Use of financial resources – a key issue is that WNP/EZ pilots have, on the whole, made more liberal use of Community FDF, and earlier on in the pilot, although this investment has not necessarily resulted in more or better outcomes.
- Staffing – WNP/EZ pilots have been able to adopt a more flexible approach to staffing than Jobcentre Plus-led pilots. They have been able to recruit additional advisers in response to increases in demand, to recruit advisers from the local community and have also been able to recruit staff with specialist skills. Jobcentre Plus pilots have been more tied to national agendas which have influenced recruitment and staffing levels. These restrictions have meant that what was viewed as ‘non-essential’ work, for example, around employer engagement, has not happened in some Jobcentre Plus pilots (and particularly those under the ‘Jobcentre in the community’ model).
- Partnership working – where WNP/EZ pilots did not have an established track record within the community they have had to work hard to build networks and trust with key groups. Jobcentre Plus-led pilots, on the other hand, have often had to work hard to overcome some of the more negative views and perceptions of Jobcentre Plus amongst local community groups and service providers.

Overall, it is clear that there have been some significant differences in terms of the approach and operation of Jobcentre Plus and WNP/EZ pilots, although the impact of the different approaches is much less clear cut. Some WNP/EZ pilots have performed much better than others, but not always better than Jobcentre Plus pilots. It is clear that WNP/EZ pilots have benefited from being outside mainstream provision and that the additional freedoms and flexibilities that this has afforded have resulted in a more distinctive approach. It should be noted that findings from the recently published DWP research report on Action Teams¹¹ suggest that

¹¹ Casebourne, J., Davis, S. and Page, R. (2006), *Review of Action Teams for Jobs*, DWP Research Report No. 328.

Jobcentre Plus-led approaches are at least as effective when a more level playing field exists between private sector-led and Jobcentre Plus-led approaches, and in some cases have been more so. The evidence from this study certainly seems to show that some Jobcentre Plus pilots can perform at least as well as some WNP/EZ pilots, even though they may do so in more difficult operational circumstances.

7.3 Lessons for policy makers and practitioners

The WNP has highlighted a number of important lessons for policy makers and practitioners in terms of developing programmes and area-based initiatives to tackle the culture of worklessness. They are also highly relevant in terms of informing the future development of the DWP deprived areas strategy. Because of the pilot nature of the intervention, it is critical that lessons are learned and where appropriate, mainstreamed into existing provision. The key learning points coming from this research relate to:

- timescales of initiatives;
- management and staffing;
- provision;
- reaching non-traditional groups;
- partnership working.

7.3.1 Timescales of initiatives

The nature of worklessness in some areas requires a long-term approach to break established and engrained cultures. Whilst WNP was essentially a well resourced pilot, a longer-term approach was required to both tackle multiple problems and to fully test out the contrasting approaches adopted by pilot sites. There is a need for a 'year zero' or a lengthy implementation phase for pilots of this nature for a number of reasons:

- a longer lead time would enable the pilot approach to be fully developed at the national level and for areas of ambiguity to be ironed out prior to implementation;
- time and effort could be devoted to developing local partnerships with key agencies and service providers;
- the specific nature of worklessness could be fully investigated at the local level so that appropriate provision could be put in place;
- time could be devoted to putting in place an appropriately trained staff team and establishing optimal premises.

7.3.2 Management and staffing

Having sound management and an enthusiastic, committed and motivated staff team is critical to the successful delivery of an initiative such as WNP. The importance

of putting in place a well resourced staff team is fundamental to the delivery of a programme of intensive support and should not be underestimated. In particular, staff need to be well motivated and trained, particularly if they are supporting customer groups who are likely to have different support needs from those they are used to.

This research has highlighted the crucial role of the adviser in 'moving on' some of the hardest-to-help customers, developing a trusting relationship between adviser and customer, and starting to address some of the many problems and barriers facing some customers.

7.3.3 Provision

A key issue with regards to provision is the need to have access to a range of support and help to fully meet the complex needs of customers. Provision needs to be developed that is accessible and provides seamless support to customers, and is determined locally in response to the needs of the customer base. The value of allowing advisers adequate time with customers, coupled with flexible discretionary funding, should also not be underestimated.

An important issue in relation to provision is that even when a full package of support is in place (as has been tested by WNP) – including help with housing, debt counselling, mentoring and drugs and alcohol – a core of people could still not be helped. This emphasises the long-term approach that is required to address worklessness, particularly in areas where levels of human capital are low. There may be a need to put provision in place which takes a long-term approach, firstly addressing the support needs of individuals, including issues around drugs and alcohol as well as mental health, and then moving towards up-skilling.

A final learning point is the need for greater flexibility in contracting arrangements. Rigid contracting arrangements have meant that some pilots were less able to be responsive to customer needs (due to lengthy contracting procedures) which limited flexibility and innovation.

There is also a need to adequately address both supply-side and demand-side factors in initiatives that aim to address the root cause of worklessness. Demand-side factors, including the long-term decline of traditional industries in many areas associated with high levels of worklessness, are significant contributory factors to the development of a culture of worklessness. Policy makers and practitioners, therefore, need to give greater consideration to the demand-side of the labour market. There is scant evidence that much progress has been made by any of the pilots in relation to this issue.

7.3.4 Reaching non-traditional groups

A number of learning points have emerged with regard to the engagement of some of the non-traditional groups whom the pilots were charged with reaching. On the whole, the approaches to tackling the hardest-to-reach groups have not been entirely successful, although it is clear that different approaches to engagement have been tested by some of the pilots.

Outreach work is essential to engage non-traditional groups, but this needs to be viewed as a gradual process of gaining the trust of residents and local organisations. It does not necessarily generate 'quick wins'. The overall need is to find appropriate ways to engage with different target customers.

In addition, a physical presence in the area, in a central location, and having welcoming, relaxed and non-threatening premises has been found to be important in raising awareness and engaging customers. There may be some benefits in co-locating with other facilities or with another partner agency or project, whereby customers can easily be referred to other provision.

7.3.5 Partnership working

Adequate time needs to be devoted to partnership working and developing links with community groups and service providers, and this needs to be considered when designing initiatives. Partnership working, particularly with community groups and employers, is crucial when delivering initiatives such as the WNP and this takes time and energy to develop.

Clarity is needed between those agencies that are important strategically, for example, the LSP, and those that are important in terms of delivery, for example, agencies that deliver key services. Whilst relationships with partners can take time to develop, the relevant delivery agencies need to be 'locked in' at an early stage. There needs to be clarity about the role and need for partnership working. Whilst involvement in strategic partnerships such as LSPs may be viewed as important for strategic reasons and for developing trust between agencies, where staff time and resources are scarce, unless there is seen to be an immediate benefit from such engagement, involvement at this level is unlikely to be sustained in the longer-term. Engagement in these types of partnerships needs to be at an appropriate level, rather than partnership working for its own sake.

Appendix A

Methodology

A mixed methodological approach has been taken for the work with individuals in order to arrive at the best understanding of their situation and experience. Essentially, the Eligible Residents Survey (ERS) constitutes:

- two waves of survey research with individuals in the 12 pilot sites;
- two waves of qualitative interviews in several of the pilot sites.

The first wave of research with individuals took place between February and May 2005, and the second and final wave took place between February and May 2006. The second wave followed up a large proportion of Wave One respondents (578 in total) to establish changes over time, and measure any progression towards employment, and also incorporated interviews with 654 new respondents (the Wave Two top-up sample). Essentially, the findings presented in this report are based on two main groups of survey respondents: first-timers, which constitute respondents to the Wave One survey and the top-up sample at Wave Two; and longitudinal respondents who were interviewed at Wave One and again at Wave Two.

A.1 The quantitative surveys

A.1.1 Wave One

In total, 1,201 face-to-face interviews were conducted between 4 February and 23 March 2005 with people living in the Working Neighbourhoods Pilot (WNP) areas, involving approximately 100 interviews in each area (Table A.1). The sample overall consisted of 722 WNP participants and 479 eligible non-participants.

A.1.2 Participants sample

The WNP participants' sample was selected on a '1-in-n' basis from an anonymised database of individuals provided by the DWP and sorted by postcode within each area, with the number of Incapacity Benefit (IB) recipients in the sample boosted to

14 per cent to ensure sufficient numbers for analysis. These were later weighted in the analysis stage to reflect their true incidence in the population. The final adjusted response rate among WNP participants was 63 per cent.

A.1.3 Non-participants sample

As no comprehensive sampling frame was available for the eligible non-participants, a quota sample was used with minimum quotas set for sex and age group. Addresses containing WNP participants were removed from a full address listing for each WNP area, which was then divided by postcode into four sub-areas to ensure a geographical spread of respondents. All respondents in the eligible non-participants sample were of working age, not working 16 hours or more each week, and not in full-time education.

Table A.1 Number of achieved interviews in Wave One, by WNP area

WNP area	Number of interviews		Total
	WNP participants	Eligible non-participants	
Newcastle (Monkchester)	60	40	100
Middlesbrough (Thorntree)	61	40	101
Knowsley (Northwood)	60	40	100
Wirral (Birkenhead)	60	40	100
Sheffield (Manor)	61	40	101
Birmingham (Aston)	61	39	100
Swansea (Penderry)	62	40	102
Great Yarmouth (Regent)	61	40	101
Tower Hamlets (Lansbury)	63	40	103
Hastings (Castle)	61	41	102
Glasgow (Hutchesontown)	49	39	88*
Glasgow (Parkhead)	63	40	103
Total	722	479	1,201

Note: * A number of buildings in Glasgow Hutchesontown had been earmarked for demolition and residents were being relocated around the time of the fieldwork, making it difficult to secure the full quota of interviews in this area.

Source: IES/NOP, 2005.

A.1.4 Wave Two

In total, 1,232 face-to-face interviews were conducted between 10 February and 7 May 2006 with people living in the WNP areas, with approximately 100 interviews in each area (Table A.2). The overall sample for the second survey consisted of 578 respondents who were interviewed in Wave One (both WNP participants and eligible non-participants) and 654 interviews with new top-up respondents (ie people who were not interviewed in Wave One).

A.1.5 Longitudinal sample

The longitudinal sample for both WNP participants and eligible non-participants contained all those who were interviewed in Wave One who had agreed to be re-contacted again.

A.1.6 Top-up sample

The top up WNP participants' sample was selected on a '1-in-n' basis from an anonymised database of relevant individuals provided by the Department for Work and Pensions (DWP). All longitudinal WNP participants were removed from the file before the new (top-up) sample was selected. The file was sorted by postcode within each area, with the number of IB recipients in the sample boosted to 14 per cent to ensure sufficient numbers for analysis. These were later weighted in the analysis stage to reflect their true incidence in the population.

As no comprehensive sampling frame was available for the eligible non-participants, a quota sample was used with minimum quotas set for sex and age group. Addresses containing WNP participants (both longitudinal and top up) were removed from a full address listing for each WNP area, which was then divided by postcode into four sub-areas to ensure a geographical spread of respondents.

The overall adjusted response rate for longitudinal WNP participants, longitudinal eligible non-participants and top-up WNP participants was 69 per cent.

Table A.2 Number of achieved interviews in Wave Two, by WNP area

WNP area	Number of interviews				Total
	WNP participants		Eligible non-participants		
	Longitudinal	Top-up	Longitudinal	Top-up	
Newcastle (Monkchester)	37	24	17	25	103
Middlesbrough (Thorntree)	36	25	25	20	106
Knowsley (Northwood)	31	43	24	17	115
Wirral (Birkenhead)	30	32	17	25	104
Sheffield (Manor)	41	17	24	20	102
Birmingham (Aston)	24	36	20	20	100
Swansea (Penderry)	40	22	17	20	99
Great Yarmouth (Regent)	22	38	19	25	104
Tower Hamlets (Lansbury)	23	34	24	16	97
Hastings (Castle)	17	47	12	25	101
Glasgow (Hutchesontown)	18	48	10	23	99
Glasgow (Parkhead)	32	32	18	20	102
Total	351	398	227	256	1,232

Source: IES/NOP, 2006.

A.1.7 Questionnaire design

The questionnaires were designed by the Institute for Employment Studies (IES) in consultation with NOP and the DWP, and were piloted before commencing the main fieldwork for both survey waves. They covered household composition, health and disability, employment history, economic activity, receipt of benefits and other sources of income, experiences of looking for work, and experiences of, and attitudes towards, the WNP scheme. Data collection was by means of Computer Assisted Personal Interviewing (CAPI).

A.1.8 Presentation of survey data

Throughout the report (except if stated otherwise), the participants' data have been weighted by age, sex, and main benefits received, to reflect the overall proportions in the population from data provided by DWP (Tables A.3 and A.4). As the characteristics of the eligible non-participant population are unknown, the non-participants data remain unweighted. In all cases, the N figures presented in tables relate to unweighted data.

Table A.3 Weighting scheme for Wave One participants

	Unweighted %	Weighted %
Gender		
Male	50	56
Female	50	44
Age		
Under 35	54	56
35+	46	44
Main benefit		
JSA	50	55
IS	32	31
IB	14	8
Other	4	6

Source: IES/NOP, 2005.

Table A.4 Weighting scheme for Wave Two top-up participants

	Unweighted %	Weighted %
Gender		
Male	47	55
Female	53	45
Age		
Under 35	48	54
35+	52	44
Main benefit		
JSA	46	55
IS	36	32
IB	10	10
Other	8	4

Source: IES/NOP, 2006.

A.2 The qualitative interviews

A.2.1 Wave One

The original design for the qualitative element of the ERS was to conduct 24 one-hour face-to-face interviews and 24 45-minute telephone interviews with respondents who had previously taken part in the quantitative survey in February and March 2005. In the event, however, 22 face-to-face interviews and 20 telephone interviews were successfully conducted after the eventual exhaustion of the sample.

The interviews were spread across the following four WNP pilot sites, in order to be broadly representative of labour markets, respondent characteristics and geographical areas:

- Birmingham;
- Glasgow;
- Hastings;
- Swansea.

Qualitative respondents were recruited from a list of those who were interviewed for the recent WNP ERS, and who had agreed to be recontacted for the subsequent qualitative research.

Qualitative respondents were aged from 21 to 58 years of age. Twenty-two were female and 20 were male. A mix of WNP participants and non-participants were recruited in each location and specific profiles were also included:

- lone parents;
- people with disabilities and health problems;
- carers;
- ex-offenders;
- informal economy workers;
- long-term unemployed people; and
- people from non-white ethnic backgrounds.

The qualitative interviews were undertaken by a team of researchers from NOP between 24 March and 4 April 2005. The main areas for discussion with respondents during the qualitative interviews were to:

- understand the factors that have led respondents to be workless;
- explore the key (continuing) barriers to work and economic activity;
- identify the critical drivers of positive change, ie what has, or would help respondents move into work/economic activity.

A.2.2 Wave Two

A total of 38 qualitative interviews were carried out in Wave Two: 14 of these were one-hour face-to-face interviews and 24 were 45-minute telephone interviews. All respondents had taken part in both waves of the ERS, and eight had also taken part in the Wave One qualitative research.

The interviews covered the four original WNP pilot areas outlined above and also an additional six pilot sites:

- Birkenhead;
- Knowsley;
- Middlesbrough;
- Newcastle;
- Sheffield; and
- Tower Hamlets.

Qualitative respondents were recruited from a list of people who were interviewed for both waves of the WNP ERS, and who had agreed to be recontacted for the subsequent qualitative research. Those who had taken part in the first wave of qualitative research were also recontacted. A number of recruitment difficulties arose in Wave Two of the qualitative research. Although only respondents who had agreed were recontacted, a large number of them felt 'over-researched' and declined to participate in the qualitative stage. In addition to this, respondents

showed some level of suspicion about the nature of the research and were unable to differentiate between NOP and the WNP. Despite assurances that the information would be strictly confidential, some respondents decided not to take part. It was evident that a number of respondents who did take part in the qualitative research were still suspicious and it was noticeable that their responses were often guarded.

Due to these recruitment difficulties, once the sample covering the four original locations was exhausted, it was necessary to use the additional WNP pilot areas to boost the number of interviews.

Qualitative respondents were recruited according to four broad categories:

- **Category 1:** Working in both Wave One and Wave Two (12 interviews conducted).
- **Category 2:** Working in Wave One, not working in Wave Two (nine interviews conducted).
- **Category 3:** Not working in Wave One, working in Wave Two (nine interviews conducted).
- **Category 4:** Not working in either Wave One or Wave Two (eight interviews conducted).

Respondents in the sample were aged from 19 to 58 years old. Twenty-three were female and 15 were male. A mix of WNP participants (30 interviews conducted) and non-participants (eight interviews conducted) were recruited, and specific profiles were also included:

- lone parents;
- people with disabilities and health problems;
- carers;
- ex-offenders;
- informal economy workers;
- the long-term unemployed.

Appendix B

Tables

Table B.1 Economic activity amongst 16-74 year old residents, 2001 (per cent)

WNP area	Economically active	Employed	Unemployed	EA student
Aston	54	38	13	3
Birkenhead	46	35	9	1
Castle	62	53	7	2
Hutchesontown	38	27	10	1
Lansbury	51	40	8	3
Manor	48	37	10	1
Monkchester	48	38	8	2
Northwood	41	30	10	2
Parkhead	39	30	7	2
Penderry	47	38	7	2
Regent	59	47	11	1
Thorntree	48	37	9	1
England & Wales	67	61	3	3
Scotland	65	58	4	3

Source: Census of Population, 2001 (Crown Copyright).

Table B.2 Economic inactivity amongst 16-74 year old residents, 2001 (per cent)

WNP area	Economically inactive	Retired	Looking after home & family	Permanently sick or disabled	EI student	Other
Aston	46	9	9	12	7	9
Birkenhead	54	13	11	20	4	7
Castle	38	13	7	11	3	5
Hutchesontown	62	15	8	25	3	11
Lansbury	49	11	12	9	8	9
Manor	52	14	12	15	4	7
Monkchester	52	14	11	17	4	6
Northwood	59	10	14	19	6	9
Parkhead	61	16	10	22	3	11
Penderry	53	11	13	18	4	7
Regent	41	12	9	12	3	5
Thorntree	52	11	14	15	4	8
England & Wales	33	14	6	5	5	3
Scotland	35	14	6	7	4	4

Source: Census of Population, 2001 (Crown Copyright).

Table B.3 Health status and benefits, 2001 (percentage of 16-74 year old residents)

WNP area	Limiting long-term illness	Receiving JSA, IB, IS and SDA
Aston	24	43
Birkenhead	34	59
Castle	27	42
Hutchesontown	40	54
Lansbury	22	36
Manor	30	41
Monkchester	29	37
Northwood	30	57
Parkhead	40	n/a
Penderry	30	54
Regent	27	54
Thorntree	27	49
England & Wales	18	n/a
Scotland	20	n/a

Source: Census of Population, 2001 (Crown Copyright).

Table B.4 Benefit claimant patterns, December 2003 (per cent)

Area	JSA	IS	IB	IS-IB	Other*
Aston	33	25	10	24	7
Birkenhead	18	22	16	33	12
Castle	24	17	17	32	11
Hutchesontown	36	21	18	14	12
Lansbury	25	24	10	30	12
Manor	20	23	11	27	19
Monkchester	15	23	18	28	16
Northwood	13	23	15	34	15
Parkhead	13	18	20	37	12
Penderry	15	24	17	30	14
Regent	30	15	14	28	12
Thorntree	18	23	15	24	20
England & Wales	n/a	n/a	n/a	n/a	n/a
Scotland	n/a	n/a	n/a	n/a	n/a

Note: * 'Other' refers to people claiming any benefits not mentioned above either independently or in conjunction with JSA, IS and IB, or claiming the above benefits in any combination not specified above.

Source: Working Age Statistical Database, IAD, Newcastle.

Table B.5 Population, age and gender, 2001

WNP area	Population N	Under 16 %	Working	Retirement	Males %	Females %
			age %	age %		
Aston	6,180	24	58	15	52	48
Birkenhead	5,108	23	53	21	47	53
Castle	9,264	16	58	25	49	51
Hutchesontown	4,654	17	57	24	51	49
Lansbury	9,253	25	53	18	48	52
Manor	7,993	25	50	22	47	53
Monkchester	7,238	24	52	21	47	53
Northwood	6,322	27	52	16	45	55
Parkhead	5,480	20	52	25	45	55
Penderry	7,462	27	52	17	47	53
Regent	7,558	19	56	22	49	51
Thorntree	7,784	29	52	16	47	53
England & Wales	–	20	59	21	49	51
Scotland	–	19	60	21	48	52

Source: Census of Population, 2001 (Crown Copyright).

Table B.6 Ethnic origin of residents, 2001 (household percentages)

WNP area	White	Black	Asian	Other
Aston	48	35	8	10
Birkenhead	97	1	1	1
Castle	96	1	1	2
Hutchesontown	97	1	2	1
Lansbury	56	9	28	7
Manor	95	1	1	3
Monkchester	97	–	2	1
Northwood	99	–	–	1
Parkhead	99	–	–	1
Penderry	99	–	–	1
Regent	98	–	–	1
Thorn tree	99	–	–	1
England & Wales	91	2	5	2
Scotland	98	–	1	1

Source: Census of Population, 2001 (Crown Copyright).

Table B.7 Household composition, 2001 (percentages)

WNP area	Single person	Multi-person (no children)	Multi-person (with children)	Lone parent
Aston	56	20	11	13
Birkenhead	44	26	14	16
Castle	50	27	14	9
Hutchesontown	55	21	9	15
Lansbury	37	27	25	11
Manor	37	35	18	10
Monkchester	35	31	20	14
Northwood	39	31	17	13
Parkhead	48	18	12	22
Penderry	33	32	19	16
Regent	43	30	16	11
Thorn tree	32	32	17	19
England & Wales	30	43	21	6
Scotland	33	31	26	10

Source: Census of Population, 2001 (Crown Copyright).

Table B.8 Housing tenure (household percentages)

WNP area	Owner occupied	Council rented	Regulated social landlord rented	Private rented or rent-free
Aston	22	45	18	15
Birkenhead	24	23	36	17
Castle	43	1	11	45
Hutchesontown	13	62	13	11
Lansbury	21	50	20	9
Manor	17	57	22	4
Monkchester	18	69	6	7
Northwood	29	55	9	7
Parkhead	17	33	39	11
Penderry	26	50	14	10
Regent	43	24	7	26
Thorntree	28	59	4	9
England & Wales	69	13	6	12
Scotland	63	22	5	10

Source: Census of Population, 2001 (Crown Copyright).

Table B.9 Dwelling type (household percentages)

WNP area	Detached	Semi-detached	Terraced	Flat or Maisonette
Aston	4	14	19	63
Birkenhead	2	11	47	39
Castle	3	5	18	74
Hutchesontown	1	2	3	95
Lansbury	1	2	7	90
Manor	4	41	33	22
Monkchester	4	18	51	27
Northwood	5	21	49	24
Parkhead	1	4	8	87
Penderry	6	42	28	23
Regent	3	6	46	46
Thorntree	6	44	35	16
England & Wales	23	32	26	19
Scotland	20	24	20	36

Source: Census of Population, 2001 (Crown Copyright).

Table B.10 Qualifications, 2001 (percentage of 16-74 year old residents)

WNP area	None	Level 4/5
Aston	45	11
Birkenhead	49	7
Castle	32	15
Hutchesontown	58	7
Lansbury	46	15
Manor	60	5
Monkchester	55	5
Northwood	58	4
Parkhead	64	4
Penderry	55	6
Regent	45	6
Thorntree	56	3
England & Wales	29	20
Scotland	33	19

Source: Census of Population, 2001 (Crown Copyright)

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