



*Neighbourhood Management
and Neighbourhood Economic
Development*

Research Report 34



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May 2007

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Department for Communities and Local Government: London

National Evaluation of the Neighbourhood Management Pathfinder Programme

The National Evaluation of the Pathfinder Programme is being undertaken by a consortium of organisations, led by SQW Ltd, including SQW Ltd; GFA Consulting; European Institute for Urban Affairs, Liverpool John Moores University; Cities Research Centre, University of West of England, Bristol; Cambridge Economic Associates; Local Government Centre, Warwick Business School, Warwick University; Ipsos-MORI; GfK-NOP.

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It was also helpful to have further relevant material from an Action Learning Set run as part of the National Evaluation of Neighbourhood Management Pathfinders in which the following participated:

- New East Blackburn, Blackburn;
- Great Lever, Bolton;
- Eastwood and Springwell Gardens, Rotherham;
- Hattersley, Tameside;
- Kendray, Barnsley;
- Oldington and Foley Park, Wyre Valley;
- Ovenden Initiative, Halifax;
- Tranmere Together, Wirral.

Finally, the report benefited from constructive criticism from Tim Thorlby (SQW) and Kirby Swales (DCLG). The author accepts full responsibility for any errors or omissions.

Summary and key findings

1. The purpose of this report is to explore the role of Neighbourhood Management Pathfinders (NMPs) in promoting economic development in their areas. It particularly draws on four case studies that examined the approach of the Pathfinders in addressing economic issues affecting their neighbourhoods, assessed their progress and identified lessons about the role of neighbourhood working in economic development.
2. Pathfinders all work with people often far removed from the labour market but they also face very diverse local factors. The similarities and differences of local contexts demonstrate the necessity of exploring in depth the local pattern of, and circumstances around, worklessness. The persistence of problems suggests that, to compete on level terms in the labour market, many economically inactive people require more intensive and multi-stranded support than is currently provided through mainstream services.
3. Although there were implicit economic development aims in various strands of Pathfinder activity, on the whole, they concentrated at first on 'crime and grime' issues. The range of economic development interventions can be grouped under three headings:
 - **Promotion of enterprise and business activity** covered such activities as developing local infrastructure, fostering links with, and across, the main economic development players to achieve better integration of effort and developing business enterprise skills as part of the lifelong learning theme.
 - They adopted various routes to **increasing the accessibility of jobs to local residents** including working with employers, providing more accessible support, training and job opportunities, addressing the obstacles facing people trying to enter the labour market such as financial exclusion or transport and capturing job opportunities associated with new developments in the locality.
 - Many accessibility projects also covered **improving the employability of local people without work**, not only bringing services closer to residents but also providing the opportunity for a more targeted and person-centred approach and intensive support tailored to individual and family needs.
4. Pathfinder interventions entail working with and alongside other organisations with the aim of changing the way that mainstream service providers deliver their services as well as adding value in individual projects. Various factors inhibit change – budgetary, national targets, organisational culture – so that, although they have raised awareness of the wider issues relating to worklessness and the need for services to be better co-ordinated, Pathfinders have been less successful in prompting new ways of working.

5. The studies sought to answer the question of whether economic development can be effectively promoted at neighbourhood level. Issues of demand operate at a higher spatial level. Some supply side actions, such as wider labour market analysis and forecasting skill needs and sectoral change, similarly need to happen regionally or sub-regionally. The distinctive role at neighbourhood level is engagement with marginalised groups, bringing an understanding of the very specific needs of different groups and individuals and providing more tailored support for them than is generally supplied through mainstream provision. A key feature of the approach is a strong emphasis on outreach. The basis of trust that Pathfinders have built in their neighbourhoods potentially makes this more effective and enables them to act as intermediaries and brokers between the community and mainstream providers. However, Pathfinders are aware that their efforts will be shortlived unless they work with mainstream organisations.
6. Other ways in which NMPs can exercise influence in working with mainstream agencies and those active at higher spatial levels are by:
 - feeding information up the line about the distinctiveness of their neighbourhoods;
 - acting as advocates, which will be done more effectively on the basis of detailed evidence of local needs;
 - modelling partnership to demonstrate that better outcomes can be achieved by working together.
7. In addition, neighbourhood management initiatives can contribute indirectly to local economic development. Their wider liveability agenda helps to make areas more sustainable and attractive so that they retain economically successful residents, enjoy a more positive image and become areas of choice for investment, entrepreneurship and recruitment. In communities that have often experienced unemployment over several generations, they can influence the local culture, engendering a more confident community, boosting personal aspirations and creating higher expectations about the standards and availability of local services.
8. Key messages underline the importance of:
 - a holistic approach to individuals, families, deprived groups and neighbourhoods;
 - a thorough understanding of local needs and the dynamics of the local labour market;
 - programme alignment and joint working as fundamental to effective targeting;
 - recognising that employers are an important part of the equation.

9. Success factors include: the importance of proactive community outreach; properly qualified staff with both community and partnership work experience; building local respect for practitioners networking with other practitioners; cross referrals from community based organisations; timing and childcare issues around training provision; patience in working for outcomes; and word of mouth marketing.

10. Lessons underline the need to:

- recognise the multiple aspects of deeply entrenched neighbourhood deprivation;
- adopt a seamless approach towards education and training and work-related issues;
- establish good communications and understanding between different levels of economic development intervention;
- develop a more sophisticated analysis of the interrelationship between 'upstream' activities at a higher spatial level and the 'downstream' work at neighbourhood level;
- make the case for the role of neighbourhood interventions in the light of an evidenced assessment of local supply and demand;
- demonstrate the benefits of new approaches in order to persuade mainstream partners of their validity and effectiveness; and
- make the business case for the 'thicker' front end activities (greater investment in initial client contact and support) as a necessary adjunct to and/or future ingredient of mainstream services when negotiating the Pathfinder's succession strategy.

Glossary

CMHT	Community mental health team
CU	credit union
DCLG	Department for Communities and Local Government
DLA	Disability Living Allowance
EOW	Employment Outreach Worker
FE	further education
GDP	Gross Domestic Product
GP	General Practitioner
IB	Incapacity Benefit
ICT	Information and communications technology
ILM	Intermediate labour market
IOA	Individual Opportunity Adviser
JC+	Jobcentre Plus
JSA	Jobseekers Allowance
LAA	Local area agreement
LEGI	Local Enterprise Growth Initiative
NDC	New Deal for Communities
NEET	Not in education, employment or training
NM	neighbourhood management
NMP	Neighbourhood Management Pathfinder
NRF	Neighbourhood Renewal Fund
NVQ	National vocational qualification
PCT	Primary Care Trust
PSA	Public Service Agreement
RDA	Regional Development Agency
SDA	Severe Disablement Allowance
SOA	super output area
TLM	Transitional labour market

1. Introduction

The purpose of this report is to explore the role of Neighbourhood Management Pathfinders (NMPs) in promoting economic development in their areas. It is based on a number of case studies in Pathfinder areas prepared as part of the National Evaluation of the Neighbourhood Management Pathfinder Programme.

The aim of the case studies was to examine the approach the Pathfinders had taken to addressing **local economic issues that affect their neighbourhoods**, to assess the progress made to date, and to identify any wider lessons on the **role of neighbourhood working in economic development**. There is a 'live' debate at present on whether, and to what extent, neighbourhood initiatives can contribute to economic development. The case studies looked at three particular issues within economic development:

- The promotion of **enterprise and business activity**;
- Increasing the **accessibility of jobs** to local residents;
- Improving the **employability** of local people without work.

The research was undertaken during the summer of 2006 in the following Pathfinder areas:

- **Kirkby in Ashfield** (Ashfield, Nottinghamshire)
- **Kendray** (Barnsley)
- **Springbourne and Boscombe West** (Bournemouth)
- **Tranmere Together** (Wirral)

Tranmere Together, Wirral, the only Round 2 Pathfinder amongst the case studies is still at a formative stage. Although it has given more attention to economic development than many Pathfinders, its plans are mainly still only on the brink of implementation. For this reason, fewer practical examples are from Tranmere.

The report also draws on information from an initial meeting of an Action Learning Set on Neighbourhood Economic Development run as part of the NMP National Evaluation. A further source of information about the experience of NM Pathfinders was a DCLG seminar in October 2006 involving both NDC and NM partnerships.

2. National policy background

The economic challenge

The decline of traditional industries combined with rising skill demands over the past few decades has put some communities at a major economic disadvantage and, although economic development and restructuring has taken place, it has largely bypassed areas that have been caught in a vicious circle of decline with worklessness associated with low educational attainment, poor or unpopular housing, high crime rates and levels of family breakdown.

Three recent studies¹, brought together and summarised in the report *Economies of Deprived Neighbourhoods*², reached three main conclusions:

- There is an increasing concentration of the problem of worklessness among particular groups and neighbourhoods.
- The problem is one of multiple disadvantage – a combination of individual, household and contextual factors, including institutional behaviour.
- Although existing national policies have reduced overall worklessness, they have not worked as well for those least competitive in the labour market.

These studies and their conclusions showed the need to put deprived neighbourhoods in a wider economic context, especially their comparative strengths and weaknesses relative to sub-regional and regional economies.

Policy and approaches

The persistence of ‘hotspots’, where residents are up to three times less likely to get employment, is recognised in government policy. The Neighbourhood Renewal Strategy³ set out the vision that no-one should be seriously disadvantaged by where they live within 10-20 years. ‘Narrowing the gap’ has become a constant theme and aspiration. The overarching target (PSA1) of the (then) ODPM was to tackle social exclusion and deliver neighbourhood renewal, working with other Departments to help them meet their Public Service Agreement (PSA) floor targets, in particular narrowing the gap in health, crime, worklessness, housing and liveability outcomes between the most deprived areas and the rest of England. As part of the wider objective of full employment in every region, PSA4 of the Department of Work and Pensions is to reduce significantly the difference between the employment rates of disadvantaged groups and the overall rate by Spring 2008.

¹ David North and Stephen Syrett, *The Dynamics of Local Economies and Deprived Neighbourhoods*, (Centre for Enterprise and Economic Development Research (CEEDR), Middlesex University), DCLG 2004; Ian Sanderson, *Worklessness in Deprived Neighbourhoods: A Review*, (Policy Research Institute, Leeds Metropolitan University) DCLG, 2004; Melvyn Evans, Stephen Syrett and Colin Williams, *Informal Economic Activities and Deprived Neighbourhoods*, (CEEDR, Middlesex University & School of Management, University of Sheffield) DCLG, 2004.

² *The Economies of Deprived Neighbourhoods: Summary of Research*, DCLG, June 2006

³ *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan*, ODPM 2001

Economic development policies focus at different spatial levels for different purposes and recently a multi-level approach has become more centre stage. Regional Development Agencies (RDAs) establish strategic economic frameworks at a regional level. Interventions in relation to inward investment and labour market issues are appropriate at travel-to-work area/sub-regional levels. These broader strategies and interventions are directed towards increasing economic competitiveness. Local authorities have to deliver national programmes and develop economic development strategies that are integrated with interventions at different spatial scales and that combine the goals of competitiveness and cohesion. The motivation of spatially targeted initiatives at neighbourhood level is different. They are generally designed to avoid labour market polarisation by improving the economic well being of residents and strengthening their employment prospects in order to ensure that previously excluded groups and areas benefit from economic growth.

The national policy framework underpinning the welfare to work agenda, which is set out in *Full Employment in Every Region*⁴, comprises:

- Active labour market policies: tailored and appropriate help and support for those without work, to prevent long-term detachment from the labour market;
- Policies that make work pay: improved incentives through reform of the tax and benefit system and the introduction of the National Minimum Wage; and
- Policies that reduce barriers to work: for example, education, skills and training policies, which create an adaptable, flexible and productive workforce.

Full Employment in Every Region also recognised that there are differences in labour market performance between groups as well as between geographic areas, and that some groups face particular barriers in entering, remaining in and progressing in employment, including:

- disabled people;
- lone parents;
- ethnic minorities;
- people over 50;
- people with low or no qualifications;
- people living in the most deprived areas.

The fact that individuals may belong to more than one group brings added complexity. Although unemployment had fallen in the years prior to its publication, levels of inactivity had remain stable and therefore, “[r]educing inactivity is central to raising the levels of employment in the most deprived areas.”(p.3) Particular concern around the number of people on incapacity-related benefits has led to a more personalised and intensive work-focused regime for IB claimants.

⁴ *Full Employment in Every Region*, HM Treasury and DWP, December 2003

3. The challenge in Pathfinder areas

A shared experience across the Pathfinders is that they are working with people often far removed from the labour market. However, this can mask a variety of different local contexts and very local factors underlying high levels of economic inactivity. Boxes 3.1 – 3.3 below give a flavour of the differences across Pathfinder areas. The demise of traditional industries, such as shipbuilding in Tranmere, Wirral (Box 3.1), or mining in Kirkby in Ashfield and Kendray (Boxes 3.2 and 3.3), has been a major factor in some areas. It has often left a legacy of residual health problems and low aspirations and is associated with higher levels of long-term unemployment and slower reductions in unemployment even when rates are falling in other areas. This can be partly because of a dearth of employment opportunities as in Wirral where there is a low job density and few firms in growth sectors. Other obstacles can be that workless people are ill equipped to compete for employment and/or disinclined to move into jobs that are very low paid and insecure. Physical isolation or poor transport links to employment can be significant.

Box 3.1: Tranmere Together, Wirral

- High worklessness rate (29.2% in 2003) covering high unemployment rate (JSA claimants) and high work-limited illness rate (incapacity benefit and severe disablement allowance claimants). Only 44% of working age residents in employment – 10% less than Borough average. Variations in worklessness within the Pathfinder area.
- Reduction in unemployment over past decade slower than in any other ward in the borough and a higher proportion has been unemployed for over 1 year than anywhere else in Wirral. Only one other ward has a higher proportion that has never worked.
- Three times the rate of lone parents compared with the borough.
- Income levels only about 75% of Borough average.
- High proportions of residents lacking basic skills and having no qualifications
- Relatively few firms in the area and a disproportionate number in declining industries. Retail activity affected by population loss. As in the whole borough, relatively large number working in public services, such as health, that are under some pressure.

Wirral economy faces challenges: low job density; parts of the borough are dormitory areas for higher skilled/qualified who travel out to work; under-representation of firms in growth sectors; a preponderance of low skilled/low value added activities; low average earnings; a low rate of business start-ups; low GDP. Transport links to some more buoyant areas not very good.

Box 3.2: Kirkby in Ashfield

- Lack of entrepreneurial activity, low business start-ups and survival rates. High proportion of firms over 10 years old. Most companies only trading locally. Low levels of self-employment. Many businesses with origins in mining and textiles and therefore affected by decline in those industries.
- Faster decline in unemployment compared with national rates but strong tendency to move on to IB and SDA. Proportion on IB in Ashfield is nearly double national average. Pockets of high unemployment in Ashfield, but high economic activity rate amongst 16-24s and over 50s.

Box 3.3: Kendray

- Area formerly dominated by mining and other heavy industries.
- Fall in unemployment since 2001 but high levels of worklessness remain with poor health as the main cause. Nearly 20% of those of working age under 60 claim IB (30% back pain; 16% stress and depression, 7% joint pain). A high number claim DLA. But attitude as much as debilitating health issues seen to be a significant factor.
- Relatively high proportion of NEETs. Teenage pregnancy the most common cause. Only 3% achieve both Maths and English GCSE A-C.
- Low incomes; many with no bank account; area targeted by doorstep lenders.

In some areas, there are very specific local factors, for example:

- In New East Blackburn there is a perception that a high percentage of people are looking after home and family and the Pathfinder seeks to get more information about their situation and whether there is a potential for working with them.
- Oldington and Foley Park, Kidderminster, has a large traveller community, self-employed and self reliant with a large cash economy.

Issues in Springbourne and Boscombe West, on the other hand, are quite different. Although availability of employment is not a problem because Bournemouth has thriving tourism and financial and insurance service industries, the Pathfinder area has become a centre for drug and alcohol recovery and rehabilitation units. Many clients often remain after completing their programmes and drug dealers are attracted to the area. There is a large number of HMOs to which people move from rehabilitation; many have mental health issues and many claim IB. The high level of transience makes targeted interventions more difficult. Local concern about crime and drug and prostitution-related litter in the streets is a disincentive to business relocation in the area.

Various conclusions emerge from these local contexts and their similarities and differences. They demonstrate that it is necessary to explore in depth the local pattern of, and circumstances around, worklessness. They indicate the need for interventions focusing both on neighbourhood factors that affect levels of economic activity and on the obstacles facing individuals. This means that many organisations have a contribution to make to neighbourhood economic development, but also that it requires an integrated approach.

The persistence of problems suggests that many economically inactive people require more intensive and multi-stranded support than is currently provided through mainstream services if they are to compete on level terms in the labour market. Health problems – especially mental health problems – are a significant dimension in worklessness.

These contexts also underline the connections between education and subsequent life chances and, as the learning and employment agendas are inextricably entwined, strategies to tackle worklessness need to start early to raise aspirations and produce more positive attitudes towards education and work.

4. What is happening? – neighbourhood management activities

This chapter looks first at how far Pathfinders have prioritised economic development, their perceptions of the issues and their rationale and approach. It then moves on to looking at the types of activity that were covered in the case studies:

- The promotion of enterprise and business activity;
- Increasing the accessibility of jobs to local residents;
- Improving the employability of local people without work;

Overview of the aims of Pathfinders in economic development

Although all except two of the Neighbourhood Management Pathfinder areas have unemployment rates higher than local or national averages⁵, economic development activities did not feature substantially in their programmes up to 2006. On the whole, economic development was not an initial priority amongst Pathfinders. Issues such as ‘crime and grime’ were of more immediate concern to local people and were the ones where there was a greater likelihood of early change. For these, the most immediate partners were those organisations, such as local authorities and Police, with overlapping agendas to do with the environment and community safety.

It took longer for the significance of worklessness and low economic activity to become apparent. Even where economic development was identified as a theme for subsequent attention, there was a need to spend some time building relationships with, and working alongside, partners to assess the potential for collaboration and define an appropriate role for the Pathfinder. This study reflects the conclusion reached in the NMP Programme Review for 2005-06:

*“Jobcentre Plus have been reasonably well engaged with many Pathfinders, but not strongly so in all areas. Many interventions have been of a project nature, delivering present benefits but not focused on influencing mainstream service change for the longer term. Relatively few examples of mainstream change exist. Where they do, they are focused on improving the outreach and accessibility of mainstream employment services, or improving their ability to target ‘hard to reach’ groups locally.”*⁶

Most of the emphasis has been on supply side issues. The rationale for economic development is not necessarily articulated even though there are implicit economic development aims in various strands of Pathfinder activity. This can lead to a rather ad hoc approach, which may add value to the efforts of mainstream partners but does not necessarily have sufficient backing from them to auger well for sustainability.

⁵ Neighbourhood Management – at the Turning Point?, Programme Review 2005-06, NRU Research Report 23, March 2006, p.43

⁶ Ibid, p.43

Springbourne and Boscombe West identified the need to work with people recovering from drug and alcohol problems and focus intervention at the point when they become job ready. This was when there was greatest potential for adding value through outreach and targeted work at the opportune moment for the individual.

The Ovenden NMP, Halifax, sees itself as having an economic development role though only a small one and there is no one with an economic development background on the Team. It concentrated first on the issues of greatest concern to local people and waited until it had built up local trust before starting on neighbourhood economic development. There is a small team of community link workers: residents who are their eyes and ears in the neighbourhood. They provide a route into challenging and changing people's perceptions.

Boxes 4.1-4.4 illustrate the approaches adopted in four of the Pathfinders.

Box 4.1: Kendray's aim in the Lifelong Learning, Jobs and Training theme is to bring about a major change, where poverty and deprivation are tackled at an individual level by providing opportunity for both personal support and development and increasing income/earning potential. The approach to achieving employment and learning outcomes is a person-centred delivery model focusing on the needs of the individual as well as working at the strategic level.

Kendray's interventions are supported by the Lifelong Learning, Jobs and Training Theme Group, which co-ordinates the approach to tackling worklessness.

In October 2005, the Pathfinder set up Kendray Opportunities Group (KOG), a multi-agency forum for practitioners with the tagline 'From learning to earning'. Its members include the Individual Opportunity Advisers and other personal Information, Advice and Guidance Officers from different agencies such as Connexions, Sure Start and the local authority Community Based Learning. The added value brought by the group included:

- providing a joined up approach to working with individuals to ensure they gain maximum benefit from the opportunities available through cross-referrals;
- maximising cross-referrals;
- joint marketing;
- close liaison on individual client needs; and
- sharing evidence to enable a better targeting of resources.

Box 4.2: Tramore Together, Wirral analysed the policy framework in relation to economic development and identified a number of factors that needed to be addressed before neighbourhood-level interventions could be considered.

- the opportunity to learn from ongoing programmes to tackle worklessness and promote business and job growth through area-based interventions that were nearing the end of their (funding) life;
- the borough-wide and (sub) regional focus of strategic partners, notably Jobcentre Plus and the Learning and Skills Council;
- new commissioning of NRF projects/programmes (subject to renewal of funding) from 2006;
- the absence of data updates at a ward and SOA level to inform planning;
- the need to build partnership links with key agencies who were not original partners in the Pathfinder bid and not represented at Board level but who could be recruited to a thematic group.

Partners have agreed that potentially the Pathfinder's most effective contribution would be on the supply side to:

- improve neighbourhood intelligence (both identifying need and promoting available jobs and training);
- explore novel ways of engaging the hard-to-reach; and
- develop the local job and training aspects of neighbourhood regeneration activities.

Box 4.3: Kirkby in Ashfield has not articulated the aims and rationale for local economic development in the delivery plan but these will be in the exit strategy. However, the aim has been to provide access to employment and training concentrating on those people from the Coxmoor estate who are remote from the labour market, by bringing services nearer to them through very local access, and creating pathways for local people to introduce them to local services and opportunities beyond the immediate neighbourhood. This has been important because of the geographic and psychological isolation of Coxmoor which, anecdotally, is associated with residents being reluctant to travel, lacking knowledge of the wider economy and lacking confidence in investigating wider opportunities. The strong supply-side emphasis derives from the scale and persistence of economic inactivity and its effects. It has increased barriers to economic activity such as lack of confidence, an absence of role models and financial insecurity. There is a risk of unemployment being the only known model of adult life for a significant minority of families. In many households, change is led by teenage children and women.

Box 4.4: Springbourne and Boscombe West did not have economic development as a priority at first, partly because of competing concerns and partly to avoid duplicating the efforts of an SRB programme (2001-06) covering Boscombe East and West that had an Enterprise and Employment theme. In addition, early attempts to engage Jobcentre Plus were not successful and data on worklessness was not available. However, a new Partnership Manager appointment in JC+ led to a much better relationship and the Manager set up and chaired an employment group in late 2004 so that employment became one of two key themes for 2005/06.

Enterprise and business activity

One strand of economic development is to try to increase the number of jobs in an area either through new enterprises and the growth of existing businesses or through attracting more jobs into the locality. Pathfinders are seldom undertaking this type of activity directly themselves but they may fulfil a useful complementary role. As Fordham⁷ has indicated, disadvantaged neighbourhoods are not usually attractive locations for investment and business development. Activities to attract inward investment are seldom appropriate at neighbourhood level and agencies working on a wider basis are better equipped to engage businesses and provide business support services. In Hattersley, attempts to encourage enterprise were abandoned because there were too many obstacles in the way of people trying to progress into business.

However, this does not preclude NM initiatives establishing close links with the main economic development players to ensure integration between their interventions and those of the Pathfinder. The physical dereliction, poor environmental standards and high crime rates that often deter potential investors are issues that fall within the neighbourhood management remit so that they are indirectly improving the local context for business. Other obstacles to business development, such as a lack of entrepreneurial tradition, difficulties in raising finance, lack of suitable premises and a poor business environment may or may not be within the scope of NM initiatives.

The examples below show that Pathfinders have embarked on a range of initiatives covering recognition of the importance of enterprise skills, including fostering interest amongst young people, giving support to local businesses and building the local business infrastructure, working with employers in relation to skill gaps and their potential to employ local residents and trying to capitalise on development activity to provide training and employment opportunities for residents.

- In Springbourne and Boscombe, Bournemouth, the Pathfinder helped to **develop local infrastructure** by reviving the Boscombe Traders Association which in turn lobbied for and gained a local Urban Centre Manager. The Pathfinder area is so close to the centre of Bournemouth that economic development strategies include encouraging investment there. The Pathfinder was also concerned to **capture benefits for local people** of development activity.
- Oldington and Foley Park, Kidderminster, has created an **Economic Development Partnership** which has conducted a business survey and is talking to businesses about skill shortages, especially in craft industries. The business survey is seeking to establish: whether or not postcode discrimination exists (if so, they may create a postbox); what are their recruitment processes and criteria; and what has been the experience of businesses that have employed local residents.
- Oldington and Foley Park NMP has approached **Young Enterprise** and is trying to get a pilot scheme for 12+s to create a company as a community enterprise (refer: Appendix II Ladder to Employment).

⁷ Geoff Fordham, *What works in economic development for deprived neighbourhoods?* 2006

- The development of **business enterprise skills** is a priority of the Lifelong Learning, Jobs and Training theme in Kendray.
- New East Blackburn NMP wants to get involved in **business support** and sees the need for a dialogue/audit of needs and potential.

One form of business development that is more feasible at neighbourhood level is the creation and support of social enterprises or intermediate labour market models (ILMs).⁸ These vary considerably in size, purpose and structure and include community enterprises, co-operatives and development trusts, but all have primarily social rather than commercial objectives. They reinvest surpluses either in the business or in the community. As well as providing local employment, they can be potential vehicles for providing additional local services and therefore contributing to regeneration.

Tranmere Together is committed to exploring ILMs and social enterprises as alternative routes to employment and potential vehicles for dealing with local liveability issues. Yet, research has shown⁹ that setting up and managing ILMs requires strong lead bodies, the development of a robust delivery infrastructure and skilled, capable managers. Pathfinders are unlikely to have the capacity to access what is inevitably a complex cocktail of funding or to employ either the management and supervisory staff or the ILM workers. Where Round 1 Pathfinders are further along the road of examining these options, they have proceeded only cautiously if at all. Kendray Pathfinder has part-funded a worker to assist in developing social enterprise in the voluntary and community sector and given a start-up grant of £5,000 to, and underwritten the risks of, a café in the new medical centre and 2 Transitional Labour Market programme posts. Hattersley NMP rejected the idea of turning successful projects into social enterprises as naive because good project managers do not necessarily make good enterprise leaders.

Increasing the accessibility of jobs to local residents

Although the scope for business development may be limited at neighbourhood level, improving access to existing employment is a much more viable option. It is closely linked with enhancing the employability of local people and many projects have a dual aim/role of increasing access and employability.

There are several potential routes to increasing the accessibility of jobs:

- **Working with employers** has different dimensions. First, it may entail identifying their current needs, shortages and skill gaps and looking ahead to any prospective requirements associated with possible expansion or reorganisation. This sort of intelligence can inform training provision. Secondly, as there are sometimes suspicions about 'postcode discrimination' affecting deprived neighbourhoods or other practices that serve to exclude specific population groups, there can be value in exploring attitudes and means of recruitment. Oldington and Foley Park

⁸ <http://www.socialenterprise.org.uk/Default.aspx>

⁹ Bob Marshall and Richard Macfarlane, *The intermediate labour market: a tool for tackling long-term unemployment*, JRF/YPS, 2000.

surveyed employers (Box 4.5). The Springbourne and Boscombe Mindful Employer's Scheme¹⁰ is aimed at increasing awareness of mental health at work and providing support for businesses in recruiting and retaining staff.

Box 4.5: Oldington and Foley Park Business Survey

The Business Survey was sent to the top 10 companies in Kidderminster plus local businesses. 33 companies responded. The survey covered recruitment, skill gaps and training and its main findings were as follows:

- 43% of respondents were manufacturing companies and 15% were service sector. The remainder were from construction, public administration, transport, voluntary sector and wholesale/retail.
- 46% of firms had fewer than 20 employees; 30% had 20-50 and 24% had 50 plus.
- Most companies had fewer than a quarter of their workforce living in the Oldington and Foley Park ward; only 1 firm had over 75% employees from the ward.
- It was estimated that in total 232 people had been recruited in the previous 12 months and 29% (67) of these vacancies went to local people. Five firms had not recruited anyone and over half the employers that did recruit did not employ anyone from the ward. One firm recruited nearly 30 out of the 67 local people employed.
- About 1 in 3 firms had recruitment problems largely in getting appropriate applicants for professional and skilled jobs.
- 43% of companies planned to recruit in the next 12 months with potential recruits spread across all skill ranges.
- The most popular methods of recruiting were via newspapers or word of mouth. Only 30% of firms used JC+.
- 85% of employers said they might consider employing someone who had been unemployed for more than a year. Amongst those who would not consider it, lack of appropriate attitude or motivation, lack of skills and qualifications were cited as barriers.
- 45% stated they would guarantee a job interview to all those successfully completing an approved course that addressed their skill shortages and just over half were willing to consider helping with employment initiatives.

- ***More accessible support, training and job opportunities*** Under this heading, the focus has tended to be on projects to make mainstream employment and training service providers more accessible, increase their ability to target hard to reach groups and develop their outreach provision. Very often the focus has been on the long term unemployed, IB claimants and lone parents. These correspond with the national priorities of Jobcentre Plus that have emerged over the last few years for which it is recognised that more intensive work needs to be done with individual claimants. Despite this, in New East Blackburn, they are finding JC+ outreach teams are pulling out because they are not funded for outreach and it cuts across individual output targets and the fulfilment of mandatory requirements. Similarly, JC+ ceased to have a presence in the Kirkby area and is now run from Sutton. In Tranmere, Action Team for Jobs closed in September 2006.

¹⁰ <http://www.mindfulemployer.net/>

Individual Opportunity Advisers (IOAs) were piloted at Kendray (Box 4.6) and have now been rolled out across the Borough. They give intensive, individually tailored support to IB claimants and other workless groups, entailing active outreach including blanket door knocking. There is one male and one female for Kendray, one of whom specialises in problems of substance abuse.

Box 4.6: Kendray Individual Opportunity Advisers

- lobby employers on a client's behalf
- undertake a 'better off' calculation
- advise on debt, welfare rights and issues such as disclosure of HIV status
- work with clients to ensure rejections do not erode self esteem
- provide small expenses such as clothes and travel costs for interviews
- place recruits on a TLM programme or other appropriate provision.

The Ovenden Initiative, Halifax, sees its role not only to signpost people to existing services, but also to make existing outreach services more aware of what else is happening in the area, especially as part of the Pathfinder area mirrors one of Jobcentre Plus' priority wards. There is a lot of reliance on personal goodwill from individuals in JC+. It is possible now to share some data helped by the roll-out of GIS, but there still needs to be someone to do it.

In Hattersley, the JC+ Manager was convinced of the NM approach and deployed some staff to deliver local advice. They tried to set up a one-stop shop for wider advice. A Jobs and Training Co-ordinator was seconded and continued to be paid by JC+ and people from other agencies worked on a sessional basis. It was so successful that JC+ seconded 2 more staff and all the agencies involved agreed to work under the branding of 'Step Ahead'. The scheme won an NRU award for mainstreaming. However, a week later, JC+ started pulling out, then the Co-ordinator left and others pulled out over time.

Also in Hattersley, the NMP felt that the FE College approach of offering courses was inappropriate. The Pathfinder wanted them instead to commission training to match local wants/needs, which would also benefit providers because there would be fewer drop-outs. Just over two years ago, the NMP recruited a Community Learning Manager to knock on doors and work collaboratively with other regeneration areas. There is now a Tameside-wide approach (Tameside Training group) and a service level agreement with a range of providers. Early on, providers failing to put courses on quickly enough was a problem, but there are now competing providers so that they are responding more rapidly.

- ***Addressing the obstacles to people entering the labour market*** can mean tackling barriers such as financial exclusion or transport.

In Eastwood and Springwell Gardens, Rotherham, the credit union has provided loans to help people moving from weekly to monthly pay. The CU has also provided developmental opportunities. For example, one collection point is run by someone with learning difficulties and a single mother.

Kendray supports a travel adviser post that provides liaison between South Yorkshire Passenger Transport Executive and the community and gives community based support for individuals and groups in planning travel to work or learning.

- ***Capturing job opportunities*** for local residents when the chance arises is another goal of some Pathfinders. Great Lever, Bolton paved the way for getting 11 local people work in a new ASDA store. Hattersley NMP now employs about 9 local people who have gone through training and development and have progressed in employment. It was necessary to work hard with the Council's Human Resources Department to get some standard conditions removed. Now, with the advent of a major physical development programme in the area, Hattersley is seeking to enable residents to benefit from the associated training and employment opportunities.

Improving employability

Many accessibility projects also address employability. The examples cited here show the way that Pathfinders have not only brought services closer to residents but also provided the opportunity for more intensive individual support.

Springbourne and Boscombe co-funded with Jobcentre Plus and SRB a full-time *Employment Adviser* to work out of the GP surgery for 12 months to meet people on long term IB referred by the doctors. After a short time, the way of working was changed so that the postholder worked out of more venues and was able to target a wider range of people. The advantage of the post is that the Adviser has greater flexibility than a JC+ officer would have. Lower targets allow for a more person centred approach focusing on the client's needs, more time, more possibility of mentoring and support and s/he is more able to see people in their own environments.

Springbourne and Boscombe West has three projects focusing on health issues of different kinds: the *Employment Outreach Worker* working with people on long term Incapacity Benefit, the *Social Inclusion Project* working with people with mental health problems and the *Recovery and Restoration Project* for people in recovery from drug and alcohol dependency (Boxes 4.7, 4.8 and 4.9). The added value has been 'extra insight' into the challenges faced by people with mental health issues trying to get back to work. The one-to-one approach and the long process of engagement tailored to individual needs contrasts with the Workstep programme's concern with targets.

Box 4.7: Employment Outreach Worker

NM co-funded with JC+ and SRB a full-time employment advisor to work out of a Boscombe doctors' surgery for a year, from January 2005. The adviser met with patients on long-term IB, referred by the GPs to consider options for access to employment. The post reflects JC+ focus on deprived wards. Initial evaluation suggested that the project was exceeding targets in terms of the number of referrals. There were difficulties because very few of the patients referred were in a position to take first steps towards employment. After the first project worker left and was replaced, a different approach was adopted, which appears to be more successful. She works out of the surgery only one day a week, but also one day at the Boscombe Children's Centre, and one day a fortnight at each of the Springbourne Library, the NM office, and the CRI Club House. This variety enabled her to target lone parents and the general public, as well as the recovering community. Her post was extended to end of July 2006. The cost to NM for the EOW over the project lifetime has been £25,000.

This post has given JC+ greater flexibility in its approach to targeting its priority groups, and sets lower targets which allows for a person-centred approach and greater investment in time. The EOW has greater freedom to engage with people in their own environments. She combines advice on employment with mentoring and support through the process. As with the volunteer services coordinator, she does not push people to look for employment, but rather discusses options and how to begin the journey to work, which in many cases she recognises may take several years. The EOW has advised 40 people since taking on the post in late February 2006.

Tranmere Together has similar plans for an *Employment Outreach Worker*.

4.8: Springbourne and Boscombe West Social Inclusion Project – Co-ordinated Employment and activity for the Mentally Ill.

This is a co-ordinated 3-step multi-agency programme to support, guide and help individuals with mental health problems in rediscovering their skills to live and work independently. The approach is about tackling the isolation of the mentally ill through, on the one hand, finding win-win solutions in persuading mainstream providers and employers to adapt their practices and, on the other, working with individuals on taking a first step towards work through volunteering. This is achieved through providing information, increasing understanding of the mentally ill and their circumstances, and providing support. The project's strategic objectives are to broker information, signpost people to services, and create bridges between potential employees and employers and service providers. Three mental health clients are on the steering group alongside representatives from key service providers (NHS, MIND etc). The cost to NM for this project to date is £68,685.58 with a total funding commitment of circa £140K. The other funders are Social Services, the NHS Trust, and the Community Fund.

The project employs a project coordinator for the more strategic work which has included:

- setting up the Mindful Employers Scheme and Group;
- developing the Resource and Information Social Inclusion Network (RAISIN) website to inform people about all the mental health and other related services available locally.

Signatories to the Bournemouth and Poole Mindful Employer Network Charter now include Dorset NHS Trust and Dorset Chamber of Trade and Commerce. The Bournemouth Partnership is supportive and has invited the Mindful Employer network to be a member. The Mindful Employers' Network and the RAISIN website are expected to be sustainable.

The project also employs a volunteer services coordinator whose role is to:

- work with people with mental health issues that have been referred as ready to consider the first steps back to employment through volunteering. The community mental health teams (CMHT), day services, social workers and supported housing projects all refer people.
- build partnerships with local employers who may be able to take on volunteers.

The Volunteer Services Co-ordinators had a caseload of 21 after 3 months. CMHTs now have their own target to refer 5 clients per month. It is anticipated that the local authority will mainstream the post.

4.9: Springbourne and Boscombe West Recovery and Restoration Project aims to assist people in recovery from drug and alcohol dependency by way of training and employment in the construction industry. The project will achieve this by way of individual work placement, training and mentoring for those who at present are unable to access work placements in order to gain NVQ qualifications.

The outcomes will be participants achieving qualifications and employment through the experience gained with this project. The target is for 15 people to attain NVQ Level 2 or 3 and become employed within a year.

The Project has been set up as a Community Interest Company. The NMP gave £27,777 from its leverage funds and an additional £12,500 comes from other sources, totalling £40,277. There were 6 trainees in the first intake, and they will re-recruit in September.

In Kendray, improving employability is a main area of activity that has various strands (Boxes 4.10 and 4.11).

Box 4.10: Kendray Learning Net

Learning Net focuses on identifying individuals' training and skills needs and commissioning learning provision to meet those needs. It was recently recommissioned to cover the wider area of Kendray and Worsburgh.

Box 4.11: Transitional Labour Markets (TLMs) is a new scheme in the borough to replace Intermediate Labour Markets (ILMs). It began in January 2005 and is funded until March 2007. It has wider eligibility than ILMs focusing on KSA clients, IB claimants, lone parents and the very long term unemployed and it allows participants to be placed within commercial firms as well as voluntary and community sector employers. It is led by Barnsley Development Agency with top-up funding from the Pathfinder to enable a particular focus on Kendray. Its primary aim is to get residents job ready for the subregional growth areas identified by the RDA: ICT, construction, health and social care. A secondary aim is to improve the physical environment. BDA has established two projects for Kendray residents:

- 10 dedicated places with the PCT; and
- 7 with Barnsley Community Build (BCB) an independent construction sector social enterprise. Kendray trainees work mainly on contract within the estate which has the advantages of reducing vandalism on the construction sites; increasing interaction between the workers and the local community which, anecdotally, has been a useful recruiting tool; minimising travel to work and giving a familiar context breaks down barriers for harder-to-reach groups. BCB secures the employment opportunities; manages the payroll; co-ordinates on and off the job training; undertakes monitoring; and provides pastoral care to trainees and employers. Any unsuccessful applicants are referred back to IOAs. Recruitment is through careers and other events, pubs, cross-referrals, word of mouth and IOAs door knocking. The IOAs have been through the same induction training process as the trainees so that they understand and can promote the programme.

BDA has plans for a junior TLM in partnership with Groundwork under the Pathfinder's Environment Theme Group. The project will work with the new Academy to engage young people at risk of becoming NEET.

Kirkby NMP is creating a *'front end' to mainstream services* to improve employability and is investing in relatively 'thick' services as the front end to the relatively 'thin' services provided by other partners. It has had a direct impact on access to services and employment take-up by job-ready residents and an indirect impact on the likely employability of school leavers from Kirkby College. The 'thickness' is characterised by:

- being resource intensive on a ratio of client numbers to funding;
- provision that is on the clients' own terms and territory;
- relative flexibility of support;
- qualitative rather than quantitative evaluation.

Other approaches to improving employability have included:

- Before Action for Jobs finished, New East Blackburn NMP did *a joint Health Day* with them for their clients with disabilities attended by about 700 people.
- In Hattersley, the Community Learning Manager works with people who need mentoring and support. It often requires 1-2 years to get to a point where they can take advantage of learning opportunities. She encourages *volunteering*, tries to raise aspirations and uses shadowing. She works with community groups who are able to promote their own groups at the same time as adding to her outreach capacity. All training is free, funded through 'Neighbourhood Learning for Deprived Communities'. The NMP has now started to do pre-recruitment with local employers.
- Great Lever also recognises that the road to qualifications can be a long one that needs to be reached through much less formal learning opportunities. The NMP is tackling this by working through a *Community Involvement Team*, especially after finding that some very local courses that were more culturally accessible had closed down.

Another potential role for Pathfinders would be responding to 'economic shocks' such as the loss of a major local source of employment. In practice, the areas studied have not experienced such shocks very recently. Rather, Pathfinders are responding less to recent events than to the accumulated legacy of the decline of traditional industries, such as colliery closures.

Effective interventions require an active awareness of the way local economies are changing, which are now the growth sectors for employment and the types of skills that are likely to be in demand. The twin imperatives of seeing the neighbourhood in a wider economic context and scanning future trends signal the scope for a mutually beneficial dialogue between NMPs and economic development players at local authority, sub-regional and regional levels. Pathfinders should be in a position to feed information up the chain about distinctive neighbourhood circumstances and their own strategies can be informed by wider economic intelligence.

5. Key findings

Chapter 3 indicated that neighbourhood economic development requires interventions to tackle neighbourhood factors contributing to low levels of economic activity and the factors affecting individuals and the opportunities available to them. Chapter 4 noted that early on Pathfinders tended to prioritise ‘crime and grime’ issues because these were of prime importance to residents. Such improvements in community safety and the environment can make the neighbourhood more attractive to businesses as well as residents and help more generally to counter negative external perceptions. The specific economic development interventions of Pathfinders primarily focused on increasing the accessibility of jobs to local residents and improving their employability. Both types of intervention entailed working with and alongside other organisations with the aim not only of adding value in individual projects but also of changing the way that mainstream service providers deliver their services.

This chapter, therefore, looks first at the Pathfinders’ impact on mainstream services before trying to determine how far they have had an impact on the local economy, and specifically on employment. Finally, it draws some strategic conclusions about ways of promoting economic development at neighbourhood level and sums up some key messages emerging from the study. The final chapter focuses on the more practical lessons coming out of it.

Influence on mainstream agencies

Results have varied in relation to influencing mainstream providers. Partnership is a two-way street. Pathfinders have had variable success in engaging partners but it is difficult to assess how far this stems from shortcomings in their approach and how far from the attitude of partner organisations. Certainly it is evident that a variety of factors – budgetary, national targets, organisational culture – can inhibit the possibility of changing the existing ways of working in mainstream agencies. Presenting a ‘business case’ for new ways of working is a necessary but not a sufficient condition of achieving change.

In Kirkby, there is little evidence of influencing mainstream services except school-based services and no evidence of roll-out. Little use appears to have been made of the Pathfinder’s experience in the Ashfield Partnership’s floor target action plans and the LEGI bid takes only superficial account of the Pathfinder.

Some Pathfinders have increased the locality focus of services and pulled in practitioners willing and able to work together and able to bring added resources. The value of Hattersley NMP has been showing other service providers how to engage. In Springbourne and Boscombe West, the effectiveness of the work of the Employment Outreach Worker in both a centre providing community-based services for people with substance misuse problems and the Children’s Centre has resulted in continuing arrangements being made for Next Step Advisers in both centres. Mainstream providers have recognised the one-on-one approach as crucial: *“We’ve found so far that people need a hand-holding approach to get them on the journey.”*

In Kendray, “agencies have become more engaged as evidence of the success of the neighbourhood approach becomes apparent”. The downside of this is that there may have been some displacement of agency staff time from other deprived neighbourhoods. Not only is this likely to constrain the roll-out of the neighbourhood management model more widely, but it also puts a question mark against the sustainability of the approach even in Pathfinder areas.

Pathfinders generally seem to have raised awareness of the wider issues relating to worklessness and therefore the need for better co-ordination of services. However, the case studies indicate that they have been less successful in prompting agency or business partners to change their own ways of working and incorporate community involvement in their decision making. Although partners may have valued the insights the Pathfinder could bring, they have not made any moves towards gathering such intelligence directly from residents or developing their own engagement mechanisms.

Evidence of economic impact

On the whole, Pathfinder economic development activities have not been sufficiently long established to be able to report concrete results. Thus, for example, the hard outcomes of interventions in Kendray are not yet clear and in Tranmere Together Wirral, as has been noted, this dimension of the programme is still in its formative phase.

In any case, it is hard to envisage Pathfinders reducing worklessness significantly in the short term. Neighbourhood management economic development activities are relatively small scale. The distinctive added value that the NM approach can bring is their focus on, and intensive work with, those people furthest from the labour market means that the numbers are relatively small and success will not transform areas. Nevertheless, interventions are very important for some individuals and groups. They sometimes supply essential ingredients that are missing from mainstream provision either through increasing the accessibility of provision or giving more tailored personal support.

The wider value of the NM approach is that it also clearly demonstrates the need to improve the employability of those people who have been out of work for some time, and/or who have more complex problems, and the need to provide locally accessible and personally targeted services in order to achieve this. Pathfinders have often been successful in developing innovative approaches that increase the take-up of services by disadvantaged target groups where mainstream agencies have been less successful in the past. There are some important lessons for mainstream agencies to learn from some of these approaches.

However, Pathfinders frequently also have a longer term goal in mind. For example, although Hattersley NMP has increased the number of basic skills courses and local take-up, its approach is not just about immediate job/economic benefits for local people but also social benefits, for example, through the increase in local confidence. Similarly, in Kendray, interviewees agreed that the Pathfinder had succeeded where mainstream services had failed in changing attitudes, so that the take-up of, and enthusiasm for, interventions far exceeds the pre-2001 level. These sorts of results make it more important to be able to measure what is being achieved in terms of *soft outcomes and distance travelled*. Appendix I looks in more detail at the challenge this presents.

Can economic development be effectively promoted at neighbourhood level?

Neighbourhood management initiatives can contribute both indirectly and directly to local economic development. Their wider liveability agenda can help to make areas more sustainable and attractive so that they retain economically successful residents, enjoy a more positive image and become areas of choice for investment, entrepreneurship and recruitment. There is also scope through their spread of interventions to influence the local culture in communities that have often experienced unemployment over several generations. Engendering a more confident community and creating higher expectations about the standards and availability of local services can boost people's aspirations about their own and their children's educational and employment opportunities.

In their more specific economic development activities, it is evident that neighbourhood level interventions are most effectively targeted at increasing the accessibility of jobs to local residents and improving their employability. Tackling worklessness requires both demand side and supply side interventions. Issues of *demand* operate at a higher spatial level. Some supply side actions, such as wider labour market analysis, forecasting skill needs and sectoral change, similarly need to happen regionally or sub-regionally. The distinctive role at neighbourhood level is engagement with marginalised groups. Increasing accessibility includes:

- working with employers;
- developing more accessible support, training and job opportunities;
- addressing the obstacles to people entering the labour market; and
- capturing new job opportunities for local residents as they arise locally.

Improving employability focuses upon recognising the very specific needs of different groups and individuals and providing more tailored support for them than is generally supplied through mainstream provision.

A key feature of the approach is a strong emphasis on outreach. At best, the basis of trust that Pathfinders have built in their neighbourhoods can make this more effective and enable them to act as intermediaries and brokers between the community and mainstream providers. However, Pathfinders are aware that their efforts will be shortlived unless they work with mainstream organisations. Sometimes this means working closely with social enterprises and Transitional Labour Markets (TLMs) to support their sustainability and ongoing role. It can also mean challenging mainstream providers and trying to persuade them of the 'business case' for some of the innovative 'down stream' activities introduced by Pathfinders.

There are other ways in which NMPs can exercise influence in working with mainstream agencies and those active at higher spatial levels. First, they can feed information up the line about the distinctiveness of their particular neighbourhoods. Secondly, a related role is that they have an advocacy function, which will be more effectively carried out if it is based upon detailed evidence of local needs. Thirdly, they can model partnership to demonstrate that better outcomes can be achieved by working together.

Key messages are:

- the importance of a holistic approach to individuals, families, deprived groups and neighbourhoods, taking into account the multiple factors contributing to economic inactivity or under-activity.
- one size approaches do not fit all: effective working must be underpinned by a thorough understanding of local circumstances and the dynamics of the local labour market;
- programme alignment and joint working are fundamental to effective targeting and must extend beyond employment and economic development agencies to all those that are relevant to the issues affecting people's employability;
- employers are an important part of the equation and steps are needed both to change attitudes and minimise the risks associated with recruiting local unemployed people and those who have a history of moving from one low paid job to the next.

6. Practical lessons

Having considered the strategic role of Pathfinders in chapter 5, this chapter focuses on more operational issues, bringing forward practical lessons from the Pathfinders' experience. It looks at factors that can help or hinder delivery before identifying some success factors and lessons.

Helpful factors

- Goodwill between partners on the ground: the importance of individuals, their commitment and willingness to collaborate or take on leadership roles has been underlined repeatedly – positively and negatively in the case studies.
- Professionalism in joint working – this points to the need for Pathfinders themselves to be skilled in partnership working as well as expecting a reciprocal quality of co-operation from others.
- The community development ethos is part of the holistic approach adopted by Pathfinders that particularly characterises their style of working and enables them to generate local trust, gather local intelligence and ensure that their projects respond appropriately to local needs.
- A family support ethos is similarly emblematic of the holistic approach in dealing with individuals, taking into account their multiple issues.
- Links with organisations such as social enterprises that have a good track record in delivery and can supply good practice lessons.
- Existing partnership arrangements/collaboration in relation to specific policy dimensions such as lifelong learning.
- New Job Centre Plus targets in neighbourhood renewal areas (from individual staff outputs to office outcomes) that should move the focus from getting claimants off the jobless register to supporting people into work to stay in work and thus avoid the revolving door syndrome.
- Champions who can exert influence within their agencies.
- Potential opportunities presented by LAAs and LEGI bids to advance the neighbourhood management case.
- Good quality socio-economic and service data to support policy and project planning, set baselines and have the capacity to measure change.

Hindrances

These are factors that either hinder current performance or may be obstacles to future developments and sustainability:

- The lack of a performance management model that enables the demonstration of soft outcomes and added value.
- The lack of strategic buy-in by other organisations, (for example, in the relationship between local authority regeneration functions and the Pathfinder) so that even where there is operational support such as additional funding, it is less likely to lead to mainstream change.
- Reorganisation in partner organisations, such as the restructuring of Job Centre Plus and the winding up of Action Team for Jobs, which run counter to the neighbourhood management philosophy and make it more difficult to obtain consistent commitment and support.
- The limited resources and expertise within Pathfinders for undertaking economic development activities.
- The confusing array of different economic development agencies and funding initiatives creates fragmentation and works against mainstreaming and sustainability.
- The competing claims of other deprived neighbourhoods in some of the Pathfinder districts, which can limit the commitment of strategic partners.
- Successive time-limited area-based initiatives within Pathfinder areas that are then seen to pack up and leave before their job is done have led to community cynicism as well as, again, making ongoing agency commitment and mainstreaming more complicated.
- Tensions between national economic competitiveness policies that, at least in the short term, favour high value-added activities and the highly skilled *and* the neighbourhood renewal challenge in deprived areas with a dearth of both skills and economic activities.

Success factors

The case studies produced a number of good practice lessons from project and programme level interventions in tackling worklessness. These include the importance of:

- Proactive community outreach that helps to make hard-to-reach groups feel valued;
- Appointing properly qualified staff with both community and partnership work experience;
- Building local respect for practitioners;

- Networking with other practitioners;
- Cross referrals from community based organisations;
- Timing and childcare issues around training provision;
- Patience in working for outcomes;
- Word of mouth marketing.

Lessons

The experience of Pathfinders has underlined the need to:

- Recognise the multiple aspects of deeply entrenched neighbourhood deprivation and many interrelated personal factors affecting workless individuals and families.
- Adopt a seamless approach towards education and training and work-related issues.
- Establish good communications and understanding between different levels of economic development intervention, such as strategic borough-wide planners and neighbourhood approaches.
- Develop a more sophisticated analysis of the interrelationship between ‘upstream’ activities at a higher spatial level and the ‘downstream’ work at neighbourhood level and identify issues such as transport that critically connect the two.
- Make the case for the role of neighbourhood interventions in the light of an assessment of local supply and demand rather than relying on assumptions about local needs that are never clearly articulated or evidenced.
- Demonstrate the benefits of new approaches in order to persuade mainstream partners of their validity and effectiveness.
- Make the business case for the ‘thicker’ front end activities (greater investment in initial client contact and support) as a necessary adjunct to and/or future ingredient of mainstream services when negotiating the Pathfinder’s succession strategy.
- Engage hard-to-reach groups in settings where they feel most comfortable and in which, if appropriate, safe childcare can be provided.
- In work around health-related issues, develop guidance for GPs to assess when patients are job ready.
- Research local recruitment practices in order to discover the scope for local training, job guarantee and recruitment initiatives.

Appendix 1: Measuring soft outcomes

Box A1: Definitions

Soft outcomes: those that represent intermediate steps on the way to hard outcomes that, although they are difficult to define or measure, are likely to be the main outcomes achieved by the most disadvantaged groups.

Distance travelled: refers to the progress made by beneficiaries in terms of soft outcomes. By definition, measuring distance travelled will entail assessing clients at the outset and at least once more over a period of time to gauge change.

According to a research study focusing on European Social Fund Objective 3 projects,¹¹ soft outcomes in dealing with people disadvantaged in the labour market are:

- intangible, not concrete;
- subjective;
- a matter of degree rather than absolute;
- personal, depending on individual client needs;
- intermediate – usually measuring progress towards hard outcomes such as employment and qualifications.

There are two groups of soft outcomes can be classified: core and target specific. Core outcomes are relevant to most projects and client groups (Table A1) and relate to:

- key work skills;
- attitudinal skills;
- personal skills;
- practical skills.

¹¹ S Dewson, J. Eccles, ND Tackey, A Jackson, Institute for Employment Studies, Measuring Soft Outcomes and Distance Travelled: A Review of Current Practice, DfEE Research Report RR219, August 2000.

Table A1: Core soft outcomes

Types of 'soft' outcomes	Examples of indicators
Key work skills	<ul style="list-style-type: none"> • Acquisition of key skills, e.g. team working, problem solving, numeracy skills, IT. • Numbers of work placements • Acquisition of language and communication skills • Completion of work placements • Lower rates of sickness related absence
Attitudinal skills	<ul style="list-style-type: none"> • Increased levels of motivation • Increased levels of confidence • Recognition of prior skills • Increased feelings of responsibility • Increased levels of self esteem • Higher personal and career aspirations
Personal skills	<ul style="list-style-type: none"> • Improved personal appearance/presentability • Improved levels of attendance • Improved timekeeping • Improved personal hygiene • Greater levels of self awareness • Better health and fitness • Greater levels of concentration and/or engagement
Practical skills	<ul style="list-style-type: none"> • Ability to complete forms • Ability to write a CV • Improved ability to manage money • Improved awareness of rights and responsibilities

Source: op cit. DfEE Research Report RR219, August 2000.

Target group-specific outcomes are framed for projects working with particular groups such as people with learning difficulties or mental health problems and may identify personal skills (Table A2).

Table A2: Target group specific outcomes

Target group	Possible indicators
Disaffected young people	<ul style="list-style-type: none"> • Improved behaviour • Improved attendance at school or at project sessions • Improved engagement with learning or project activity
Women returners	<ul style="list-style-type: none"> • Recognition of prior skills and experience
Drug/alcohol (ex) abusers	<ul style="list-style-type: none"> • Better health • Lower levels of drug or alcohol use • Improved personal appearance/presentability
Ex-offenders	<ul style="list-style-type: none"> • Lower rates of reconviction • Lower rates of reoffending • A slowing of reoffending
Homeless people	<ul style="list-style-type: none"> • Permanent accommodation
People with mental illness	<ul style="list-style-type: none"> • A greater level of self awareness • Reduced anxiety and depression

Source: op cit. DfEE Research Report RR219, August 2000.

The most obvious weaknesses in soft outcome systems are:

- their subjectivity because so much relies upon the judgements of the client and/or the project manager;
- the difficulties of attribution and assessing the relative importance of the intervention and other personal factors in contributing to the measured change;
- the difficulties of making comparisons within and between groups because of the differences in the characteristics of individuals and the need to assess clients individually.

It is also difficult to record and quantify them and many projects do not have any systems in place so that, even though they are achieving soft outcomes, they are not recording their successes. Where projects have tried to measure them, techniques and indicators have varied both because of the differences in project objectives and because of differences between clients and client groups. Table A3 shows some common techniques for collecting, measuring and recording soft outcomes.

Table A3: Techniques for collecting, measuring and recording soft outcomes

Collection methods including	<ul style="list-style-type: none">• Self-completion questionnaires• Tests• Portfolios and other written examples or evidence• One to one informal/formal reviews• Recorded observations of group or individual activities
Measurement by	<ul style="list-style-type: none">• Scales of feeling, agreement etc (e.g. between 1 and 10 or 'agree strongly' to 'disagree strongly')• Comparison to normative, benchmark data• Satisfaction and achievement of stated standards (e.g. qualifications)• Assessor/trainer views
Record keeping, including	<ul style="list-style-type: none">• Paper-based records• Computer-based records

Source: op cit. DfEE Research Report RR219, August 2000.