

**THE CONTRIBUTION OF LOCAL ACTION TO
REDUCING WORKLESSNESS**

For NCRA Panel

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1. Introduction

1.1 *Scope of paper:* This short paper is based on a quick review of evidence¹ on action to tackle worklessness. It addresses two key questions:

- What has been the contribution of local action to reducing worklessness?
- What initiatives, approaches and packages seem to have made a difference?

1.2 *Structure:* The paper is organised into the sections on context (2), the nature of action to combat worklessness (3), issues to consider in assessing 'what works' and 'what works where' (4), key themes/ lessons from local initiatives (5) and a summary of key messages (6).

2. Context

2.1 *Rationale for intervention:* Interventions to help workless people can be rationalised on a number of grounds:

- To increase the overall level of employment in a local/ sub-regional/ regional/ national economy
- To reduce skills and spatial mismatches between jobs opportunities available and workless people who might fill them
- To mitigate the deterioration in skills and motivation that takes place during extended periods of worklessness
- To tackle poverty and exclusion by helping disadvantaged people and places

The scope and detailed assessment of success of interventions to reduce worklessness will depend on their rationale and specific objectives.

2.2 *Geographical disparities:* In understanding the rationale for action at local level and in assessing the contribution of such initiatives it is important to take account of the

¹ The evidence review is in no way comprehensive; (for instance it does not address the relative merits of 'work to workers' vis-à-vis 'workers to the work' debates, nor does it discuss the role of physical regeneration initiatives in providing jobs, etc). Rather the focus is on key recent contributions, notably review documents focusing on national interventions to tackle worklessness, as well as policies at local level – for example:

Dewson S., Casebourne J., Darlow A., Bickerstaffe T., Fletcher D.R., Gore T. and Krishnan S. (2007) 'Evaluation of the Working Neighbourhoods Pilot: Final Report', *DWP Research Report 411*. Leeds: Corporate Document Services.

ERS with Northumbria University and Durham Business School (2005) *Effective interventions to tackle worklessness – review of evidence*. Newcastle upon Tyne: ERS.

Hasluck C. and Green A. E. (2007) 'What works for whom? A review of the evidence and meta-analysis for the Department for Work and Pensions', *DWP Research Report 407*. Leeds: Corporate Document Services.

LSC (2007) *Towards skills for jobs: 'what works' in tackling worklessness?* Coventry: LSC.

Meadows P. (2007) *What works with tackling worklessness*. London: London Development Agency and GLA Economics.

North D., Syrett S. and Etherington D. (2007) *Devolution and regional governance: Tackling the economic needs of deprived areas*. York: Joseph Rowntree Foundation.

Sanderson I. (2006) *Worklessness in deprived neighbourhoods: a review of evidence*. London: Department for Communities and Local Government.

fact that spatial concentrations of worklessness happen for different reasons in different places.² Also, there are geographical disparities in:

- The incidence and extensiveness of worklessness in the local area/ sub-region
- The composition of workless groups (e.g. relative shares of lone parents, ethnic minorities, those with poor health, etc)
- The nature of barriers to work faced
- The quantity and quality of available jobs – and the number of competitors³ for those jobs
- The history and experience of local partnership working

These disparities can lead to distinctive patterns of worklessness at local level.

2.3 *Taking account of local issues in formulating local interventions:* Local issues need to be taken into account in formulating interventions to reduce worklessness at local level – including:

- The extent of demographic and labour market ‘churn’ in the local area
- The level of basic skills and skills gaps of workless people and their recent work experience
- The nature of job opportunities available
- Geographical issues – including the physical accessibility to available job opportunities

Hence, a comparison of local employment strategies in the contrasting Newham and Hull New Deal for Communities (NDC) areas⁴ reveals that the former adopted a strongly supply-side approach, concentrating on action to address residents’ problems and to remove barriers to work, so allowing them to capitalise on employment opportunities in the wider labour market; while the latter took a more balanced approach, including developing skills and raising aspirations, an intermediate labour market policy to address the needs of the most disadvantaged and support for business start-ups. *Different approaches were relevant in different local circumstances.*

2.4 *The changing policy and governance context:* Local action to reduce worklessness takes place in a changing policy and governance context. Key shifts in policy and governance of relevance here are:

- Increasing policy focus on inactive groups (who form the majority of the workless)
- A relative shift from ‘voluntary’ to ‘mandatory’ participation in labour market programmes
- Policy is increasingly focused on ‘sustainable employment’ i.e. increasing the time individuals remain in employment) rather than on employment per se
- A trend towards a more decentralised approach to delivery – typified by the City Strategy Pathfinders⁵

2.5 *Labour demand matters:* It is easier to tackle local worklessness in the context of a strong sub-regional/ regional/ national economy than in the context of a weak

² See Social Exclusion Unit (2004) *Jobs and enterprise in deprived areas*. London: Social Exclusion Unit, Cabinet Office. Key reasons identified were: (1) changes in the nature and location of jobs; (2) the role of the housing market in ‘sorting’ the most disadvantaged people together; (3) area effects.

³ Competitors include other workless people and migrants, as well as others in work. Although many workless people live close to large numbers of vacancies, there are often numerous competitors for jobs – especially in large cities (notably London) – see Part 6 of National Audit Office (2007) *Local labour market analysis*. London: The Stationery Office.

⁴ Sanderson I., Green A. and White R. (2005) ‘Employment strategies in Newham and Hull NDCs’, *NDCs: The National Evaluation Research Report 62*. Sheffield: Sheffield Hallam University.

⁵ The City Strategy is an innovative strategy aimed at addressing the problem of persistently high levels of worklessness found in certain areas. Local consortia made up of public, private and voluntary organisations have been created to bring local knowledge to bear on the problem and provide new ideas for potential use elsewhere.

economy. The task of reducing worklessness at local level is particularly difficult in areas where there are insufficient entry-level jobs of a quality that ‘makes work pay’ and where connecting to other areas where jobs are available is difficult (i.e. in peripheral areas of extensive worklessness).

3. Action to combat worklessness

3.1 National and local action: Action to tackle worklessness involves both:

- *local implementation of national programmes* – such as the New Deal programmes or national programmes focused on particular local areas (e.g. Employment Zones, Action Teams for Jobs, etc)
- *locally designed and implemented programmes* – such as those under the Single Regeneration Budget (SRB), New Deal for Communities (NDCs), City Challenge, European Social Fund Objective 3, local authority initiatives,⁶ etc.

There is increasing recognition of the need for local policies to be *linked* to national policies.

3.2 Generic lessons: Both national and local policies yield useful, and often similar, ‘generic lessons’ and ‘good practice elements’ about what works in tackling worklessness. (It is these generic lessons that are focused on in sections 4 and 5.⁷)

3.3 Sub-group focus: Typically reviews of ‘what works’ in tackling worklessness have a focus on particular sub-groups – notably:

- The long-term unemployed
- Young people
- People over 50
- Lone parents
- People with no/ low qualifications
- Ethnic minorities
- The most disadvantaged (including ex-offenders, substance abusers, those with multiple disadvantages)

The efficacy of a sub-group focus is debateable, since some individuals may be categorised in several sub-groups and many of the issues and barriers they face transcend sub-groups.

4. ‘What works’ and ‘What works where’

4.1 No single model of successful intervention: The evidence indicates that there is no one single model of effective intervention to combat worklessness; rather many different interventions have proved effective. There are ‘no magic bullets’ and the diversity of worklessness is such that there is no ‘one size fits all’ approach.

4.2 Interventions work in combination: Interventions to combat worklessness work in combination, rather than as separate/ discrete areas of support. It is difficult to isolate what are the key ‘active ingredients’ in multi-element packages to combat worklessness and in any case otherwise seemingly benign elements may need to be present for the ‘active ingredient’ to work.

⁶ There is local variation in the extent to which local authorities play a central role in developing and delivering initiatives to reduce worklessness. In some areas (e.g. Knowsley) there is a long-standing and innovative experience of action to reduce worklessness.

⁷ This is in accordance with the contention that ‘transferability’ is not a question of taking initiatives from one local area and applying them in a different context in another local area, but rather is about recognising the ideas and principles behind good practice that can be transferred and generalised.

- 4.3 *Timescale for assessment*: In examining ‘what works’ the timescale is important: whether or not an intervention is successful may depend on the time period over which success is measured. This is illustrated by the ongoing debate on the effectiveness ‘human capital development’ (i.e. investment in training) versus ‘work first’ (i.e. a primary focus on getting a workless person into employment) interventions, with the impact of the former tending to be more positive over the long-term than the short-term, while the impact of latter interventions tends to decay over time. It takes longer to reap the returns of intensive support to the most disadvantaged than it does to see the benefits of providing short-term help to those who are closer to employment.
- 4.4 *Importance of the local context*: As well as examining ‘what works’ in addressing worklessness at local level, it is important to understand ‘why’ it works. Geographical context, the history of previous interventions and of partnership working may be important factors here. These ‘local context’ issues may mean that an intervention that is successful in one local area may not be successful in a different area. Likewise, delivery challenges might be such that a small scale intervention that is successful in one area may not be so successful when replicated on a larger scale in the same area or another area.⁸ Some solutions to reducing worklessness may be place-specific – reflecting particular locational characteristics and infrastructure deficiencies.⁹
- 4.5 *Effectiveness and cost effectiveness*: While there is a growing evidence base on the effectiveness of interventions to reduce worklessness,¹⁰ there is a lack of evidence on the cost effectiveness of different interventions.

5. Key themes

- 5.1 *Engagement – the role of outreach*: For those workless individuals who are furthest from the labour market outreach services in familiar community-based locations (not associated with the Jobcentre or other government services) is important in initial engagement. The evidence stresses the need for individuals to feel comfortable (i.e. in a non-threatening environment), in an environment where taking steps towards gaining (and sustaining) employment is a realistic idea. Community and voluntary groups have an important role to play in outreach services – which may not be work-focused in the first instance. Informal networks play a key role in initial engagement. In some local areas concerns have been raised that too much emphasis on providing services (and jobs) in neighbourhoods with concentrations of worklessness may lead to an unwillingness to take advantage of opportunities further away, but still within easy daily reach. Hence, following initial outreach, it is important that individuals are encouraged to take advantage of opportunities outside the immediate neighbourhood.
- 5.2 *A holistic approach*: Those individuals who are furthest from employment often display multiple barriers to employment – some of which may not be employment-related.¹¹ This highlights the need for ‘individualisation’ (see 5.3), for partnership working and signposting to other services (see 5.8) and for flexibility (see 5.9). It may be necessary to deal with non labour market barriers (e.g. homelessness issues, health problems, etc) before tackling skills and job search issues. Some barriers to employment may remain hidden until those barriers that are more apparent are

⁸ There may be challenges in delivery associated with a change in scale.

⁹ Local actions to provide transport to work (e.g. improved information on existing services, joblink buses, etc) may fit into this category.

¹⁰ It should also be borne in mind that interventions can have positive or negative effects on non-participants.

¹¹ The evaluation of the Working Neighbourhoods Pilot emphasised the need for accessible and seamless support addressing all barriers.

addressed.¹² This emphasises the need for a holistic approach to tackling worklessness. Furthermore, even if supply-side barriers to employment are addressed successfully, demand-side barriers may remain – so highlighting the need for action to reduce worklessness to address supply-side *and* demand-side issues, and also the activities of intermediaries concerned with linking demand and supply.

- 5.3 *Individualisation and the importance of the personal adviser*: From the evaluation of national programmes (implemented at national level) there is a consensus that the role of the personal adviser (PA) is a key factor in interventions designed to get individuals back to work. Qualitative evidence suggests that some sub-groups (e.g. ethnic minorities) tend to appreciate the ‘human touch’ and being treated as an ‘individual’ even more than ‘customers’,¹³ in general and that intensive personal support is most helpful for the most disadvantaged groups.¹⁴ Individuals face specific barriers to employment in specific contexts, so calling for an individualised approach – perhaps requiring specialist help with issues of debt, health, etc. There is also evidence that matching individuals to specific jobs also aids retention. The workloads of PAs impact on the amount of time that they can devote to each individual. Likewise, the turnover of PAs in a particular local area can have an impact on the effectiveness of interventions to address worklessness: it takes time for PAs to build up awareness of the issues faced by local people and of local opportunities.
- 5.4 *Motivation and aspirations*: The motivation of the individual to participate in the labour market and enter employment is a key factor in any form of action to reduce worklessness. Research on ‘area effects’ has suggested that while spatial concentrations of worklessness are mainly the result of compositional effects (i.e. the grouping together of individuals with characteristics associated with labour market disadvantage), localised ‘cultures of worklessness’ and discriminatory practices (either real or perceived¹⁵) can contribute to prolonging worklessness and may hinder subsequent entry to employment. Hence, action to enhance self-esteem, raise aspirations (both socially and spatially) and provide positive role models have an important initial role to play in reducing worklessness.¹⁶
- 5.5 *‘Human capital development’ or ‘work first’?*: As noted in 4.3, there is an ongoing debate about the prioritisation of training vis-à-vis labour market entry. For those individuals who lack basic skills and recent work discipline, training and skills interventions to enhance human capital are likely to be necessary to gain and sustain employment, but these may need to be delivered alongside other policy interventions.¹⁷ At local level *intermediate labour market (ILM)* initiatives have played a role in helping develop basic skills and in offering work experience in combination with support in developing workplace behaviour and help with other problems.¹⁸ More specific training programmes are likely to be most successful where they lead to recognised qualifications, have a strong on-the-job component and where they are linked to the requirements of the local labour market and there are

¹² The analogy of ‘layers of an onion’ is apposite here.

¹³ ‘Customer’ is used here to describe participants on New Deal and other labour market and training interventions; (sometimes ‘client’ is used in the literature instead).

¹⁴ Three-quarters of customers on the Working Neighbourhoods Pilot liked the one-to-one relationship with the PA.

¹⁵ Perceptions are important because individuals behave in accordance with their perceptions. Hence it is important to deal with ‘barriers in people’s heads’ as well as ‘real barriers’.

¹⁶ There is a need for patience here; it takes time for attitudes and perceptions to change.

¹⁷ It has been contended that for sustainable employment to be achieved there is a need for improved employment services, better job matching and joined-up in-work skills support – see Simmonds, D. (2007) ‘The challenge: high expectations, lower resources’, *Working Brief* 185, 3-7.

¹⁸ They seek to provide a multi-faceted solution to a multi-dimensional problem – see Bickerstaffe T. and Devins D. (2004) ‘Job brokerage: early findings’, *NDCs: The National Evaluation Research Report* 63. Sheffield: Sheffield Hallam University.

good links with local employers (see 5.10). For those workless individuals with intermediate or higher level qualifications and/or with recent work experience a 'work first' approach may be more relevant.

- 5.6 *Labour market contact*: The importance of job search activity in getting workless individuals back into employment is often overlooked. Likewise training tends to be more useful in getting workless individuals into employment if it is specifically targeted to specific workplace roles and needs.
- 5.7 *Continuing support*: Post-recruitment support has a role to play in reducing 'churn' between unemployment and worklessness. Those individuals who have been out of employment for some time may lack experience of how to cope when events disrupt the normal routine (e.g. when children are sick, travel arrangements break down, etc) and so may benefit from 'hand holding' and advice in how to deal with such situations, as well as more general 'keeping in touch' contact - knowing that someone is interested in how they are getting on.
- 5.8 *Partnership working and 'signposting'*: 'Partnership working' is central to the institutional and policy context at local level and inter-agency collaboration¹⁹ is important in successful local action to reduce worklessness. Clearly there are challenges to effective partnership working, since different organisations have their own priorities and targets. It also takes time to develop. As noted in 5.1, the voluntary and community sectors can play a key role in outreach, while private sector providers play an increasingly important role in delivery alongside public sector providers. Local action is most effective where providers have an awareness of other provision in their local area and display willingness and ability to 'signpost' customers to other provision/ services, as appropriate, in an effective manner. In such circumstances the benefits of an integrated and co-ordinated approach are enhanced and duplication and competition between agencies is minimised.
- 5.9 *Flexibility*: There is evidence that individualised action is more effective than a standardised approach. Delivery is likely to be most effective where there is sufficient autonomy for flexibility for organisations to adjust to the local context and circumstances. At the end of the two-year Working Neighbourhoods Pilot, which aimed to test the extent to which flexible²⁰ and intensive work-focused action, in co-operation with local partners, is effective in addressing long-standing barriers to work experienced by residents of deprived areas, 35% of customers had moved into employment; (this job entry rate was higher than in comparison areas).
- 5.10 *The crucial role of employers*: Employers control access to jobs and to sustained employment with prospects for promotion.²¹ Their attitudes and recruitment practices may disadvantage workless people and certainly have a bearing on the effectiveness of local action to reduce worklessness. For example, use of 'information shortcuts' such as screening on the basis of recent relevant work experience, qualifications, place of residence, etc, means that some longer-term workless individuals are unlikely to be considered where otherwise more attractive candidates (including those in employment, students, migrants and the shorter-term

¹⁹ There may be a distinction between partners who are important for strategic reasons and those who are important for delivery. Key partners include Jobcentre Plus, local authorities, the Learning and Skills Council, voluntary and community sector organisations, private sector providers, etc.

²⁰ The Working Neighbourhoods Pilot allowed for accelerated access onto New Deal or Employment Zone provision, more frequent work-focused interviews, a flexible discretionary fund (to help with costs directly related to work [e.g. clothes, transport, etc] and retention payments for those staying in work.

²¹ Having an initial job which is stable, full-time and pays above the Minimum Wage is helpful for employment retention and progression.

unemployed) are available.²² The extent to which employers recruit locally influences the chances of workless individuals being taken on; workless individuals in London and some other large cities may be especially disadvantaged in this respect (see 2.2). New Employment and Skills Boards and Local Employer Partnerships²³ are indicative of an increasing recognition of the crucial role to be played by employers in reducing worklessness at local level.²⁴ It is also pertinent to note that the Business Plans of the City Strategy Pathfinders emphasise linking skills interventions to specific sectors/ jobs.²⁵ This highlights the recognition that *active engagement/ involvement with employers* is an important component of local action to reducing worklessness.²⁶ Similarly, the design of training initiatives for workless people in conjunction with employers in skill areas where there are immediate jobs available makes it more likely that training will lead directly to work. At neighbourhood level there is evidence from NDCs and SRB initiatives of the success of job-matching and *job brokerage* initiatives in reducing worklessness.²⁷ Maintaining good relationships with employers is crucial in local action to reduce worklessness in relation to accessing vacancies, developing job-relevant training, brokering recruitment, post-employment support and the potential to influence recruitment and retention policies.

6. Conclusions

6.1 Summary of key messages: Action at local scale – whether through local implementation of national policies or initiatives developed at local level – has a role to play in reducing worklessness. This quick evidence review highlights the effectiveness of:

- Outreach provision embedded in the local community to facilitate initial engagement
- A holistic approach focused on the support needed by the workless individual in their household, neighbourhood and local labour market context
- The provision of continuing support on a personal adviser model
- Development of employment-related skills, ideally related to specific vacancies
- Effective partnership working with a range of organisations/ agencies
- Strong employer links
- Facilitating connections to employment opportunities in the wider labour market

²² A 'inverse queuing' system operates – i.e. those who have been out of work for longest tend to remain at the back of the queue.

²³ A central plank here is the Jobs Pledge, which includes persuading employers to recruit people with histories of worklessness, many of whom live in deprived areas.

²⁴ Some evidence suggests that engagement with employers is best organised at sub-regional, rather than at local, level.

²⁵ The national evaluation of the City Strategy Pathfinders (led by Warwick IER) should yield useful information.

²⁶ It is salient to note here that it is generally more difficult to engage SMEs than large employers.

²⁷ See Walton F., Sanderson I., Botterill K. and Halliday S. (2003) 'Job brokerage: early findings', *NDCs: The National Evaluation Research Report 2*. Sheffield: Sheffield Hallam University; Devins D., Halliday S.A., Bickerstaffe T., Hanson S. and Darlow A. (2004) 'Availability of jobs: the recruitment and retention practices of employers in two NDC areas', *NDCs: The National Evaluation Research Report 26*. Sheffield: Sheffield Hallam University.