



Jobs and Enterprise in Deprived Areas

Social Exclusion Unit Report – Summary



In March 2003, the Prime Minister and the Deputy Prime Minister asked the Social Exclusion Unit to look at what more could be done to tackle the 'concentrations of worklessness' that still exist in England. The Social Exclusion Unit was particularly asked to focus on how to improve delivery of the various policies already in place, and to focus on support for enterprise and self-employment in deprived areas.

As well as reviewing the available research and evaluation evidence, the Social Exclusion Unit has gathered **new** evidence from:

- a written consultation which received 189 responses from a wide range of individuals and organisations
- meetings and discussions with practitioners from different parts of the country
- a series of visits and six local area studies, focused on neighbourhoods with high unemployment in:
 - East Manchester
 - East Lindsey, Lincolnshire
 - Kerrier, Cornwall
 - Central Birmingham
 - Brent in North London
 - Middlesbrough

In addition, colleagues in Scotland provided information from a study in Dundee.

- analysis of benefit and census data for all 165,665 Census Output Areas across England.

The Social Exclusion Unit has a remit for England only. However, concentrations of worklessness are found in Scotland and Wales, and the Social Exclusion Unit has worked closely with colleagues from both.



Office of the
Deputy Prime Minister
Creating sustainable communities

Jobs and Enterprise in Deprived Areas

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PRIME MINISTER'S FOREWORD



This Government is committed to achieving a stable and dynamic economy, where everyone has the opportunity to work, and no part of the country is left behind. We want to ensure a higher proportion of people than ever before are in work, while creating a thriving enterprise culture throughout the UK.

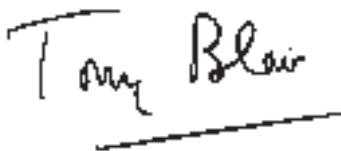
We have gone a long way towards achieving these goals. We have introduced policies to stimulate enterprise, support small businesses and overcome barriers to growth. Stable macroeconomic policy has contributed to the rising employment rate, which at nearly 75 per cent is at its highest for a generation.

But, as this report shows, not everyone has shared equally in the rising prosperity of recent years. There are still some streets and blocks of flats where more than half of the adults are out of work and on benefits. There is a danger that children can grow up in families and neighbourhoods with little contact with the world of work – detached from the opportunities and aspirations most people take for granted. While unemployment has fallen steadily, the number of people on inactive benefits has remained stubbornly high.

So we need to do more to make sure that the benefits of full employment are felt in every street. We also know we need to do more to help the people who face the most severe problems getting a job, for example those with poor skills and a disability. This report sets out what we will do to build on the huge amount of progress that has already been made, for example through the New Deals and the work of the Small Business Service.

But the answer will not be just more action from central government. The solutions will be different in different places. They could range from providing extra childcare to changing how flats in certain housing estates get allocated to people. Local authorities, local managers and frontline workers will be given more freedom to do whatever their area or individual client needs. To be effective they will need to work together with other agencies, and respond to the needs of employers. This report provides evidence that will help them think about what would work best in their own area.

Finally, we want to make the most of the skills and entrepreneurship that already exists in deprived communities. Self-employment will not be the right choice for everyone, but it can be a route off benefits and into opportunity. We will do more to make sure people who are out of work are given the help and encouragement they need to set up their own business.

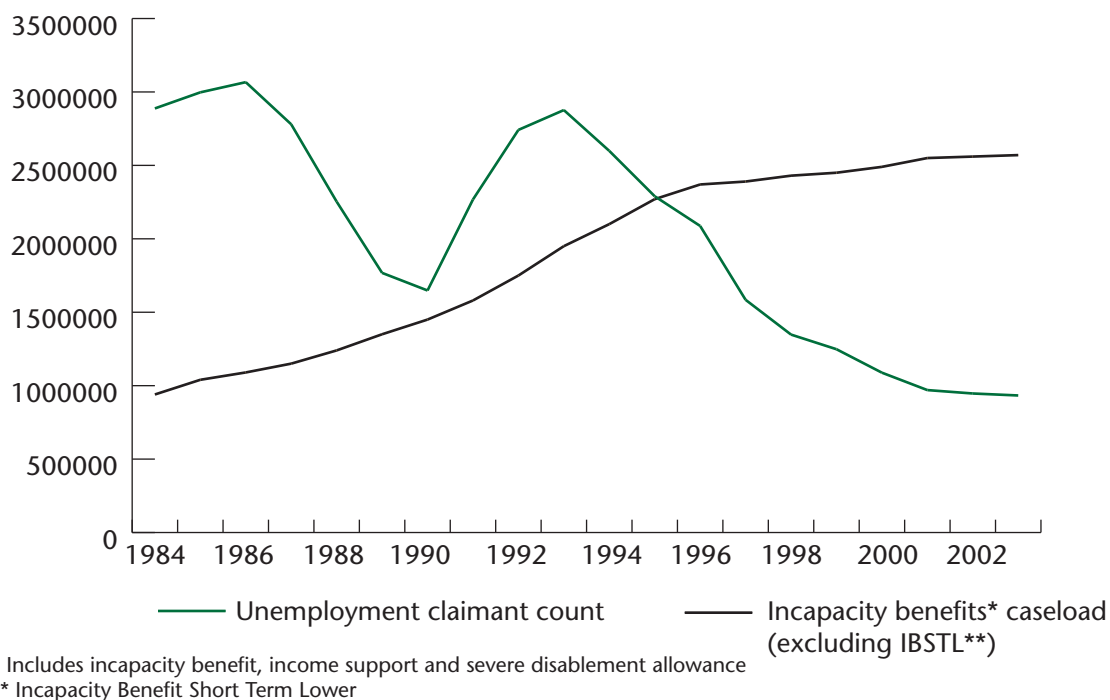


Tony Blair

SUMMARY

1. Unemployment is now the lowest it has been for 30 years. The benefits of this progress have been widely spread; employment has risen in every region.
2. However, not all areas have benefited equally. Some cities and towns have lagged behind the wider improvements in their regions, and there have always been some streets or estates where people who are out of work have been concentrated.
3. New analysis by the Social Exclusion Unit means that we know far more about these areas with many people out of work – why they matter, where they are, who lives in them, why they happen and what more needs to be done about them.

Figure 1: Unemployment is at a 30 year low but the number of people claiming incapacity benefits was, until recently, on a very strong upward trend

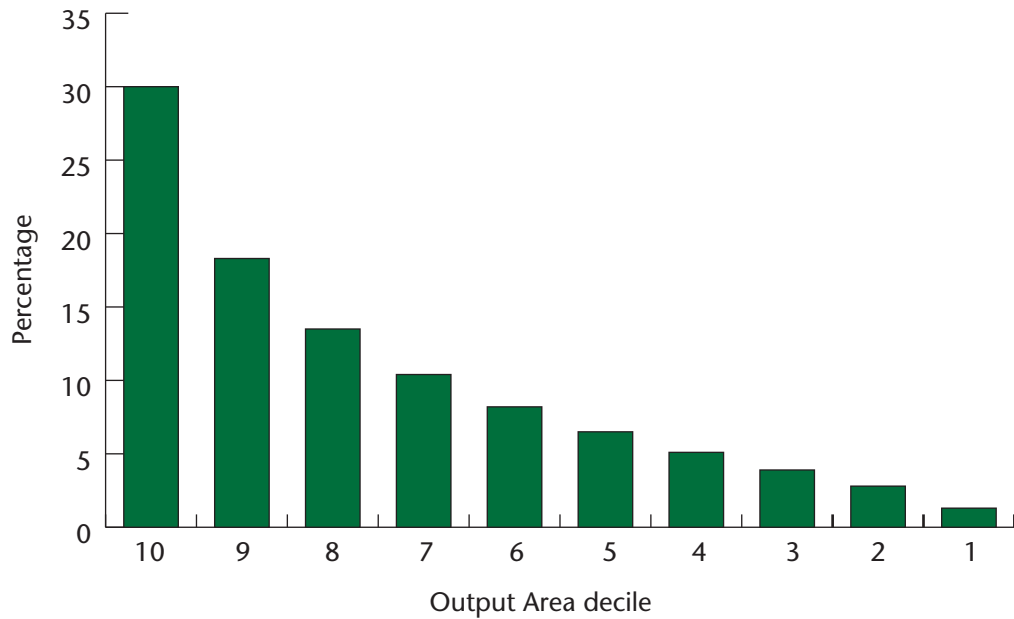


The problem – concentrations of worklessness

4. Although there are significant differences **between** regions in terms of employment, unemployment and economic inactivity rates, there is far more difference **within** regions. The variation is greatest at the smallest levels of geography – between districts and wards. This report uses new data to look at **worklessness on a street-by-street basis**.
5. This data shows that:
 - in the worst affected 1 per cent of streets, **more than half** of all adults are out of work and on benefits, and, in some places, almost all people are out of work and on benefits
 - worklessness in the worst tenth of streets is **23 times higher** than in the best (Figure 2)

- the worst affected tenth of streets account for **716,000 people** on unemployment or incapacity benefits. This is more than a quarter of the national total. Almost 4.5 million people live in them altogether; and
- self-employment in these areas is **half** the rate of England as a whole.

Figure 2: Worklessness in the worst affected tenth of streets is 23 times higher than it is in the best



What we mean by ‘concentrations of worklessness’

In this report:

- **unemployment** describes people of working-age who are not working but who are looking for a job – for example, someone on a Jobseeker’s Allowance
- **economic inactivity** describes people of working-age who are neither working nor looking for work – for example, someone who is on Incapacity Benefit
- **worklessness** is not the same as unemployment. It includes both of the categories outlined above – people who are unemployed and people who are economically inactive; and
- for the purposes of this report, **concentration of worklessness** describes the 10 per cent of Census Output Areas – the equivalent of a street or block of flats – with the highest rates of people on certain working-age benefits.¹

Why does it matter if workless people are concentrated in the same areas?

6. Living in an area where there are many other workless people can **damage a person's life chances – especially those of children and young people:**
 - several studies in the UK and internationally suggest that individuals living in deprived areas are significantly more likely to be out of work than similar people living elsewhere. There are a number of different estimates of how important these effects are ranging from around 5–15 per cent;² and
 - children's test scores at age 4–5 are linked to the level of neighbourhood poverty, even allowing for the characteristics of the parents.
7. Whether or not people are in work depends mainly on their personal characteristics, such as qualifications and age. But even allowing for these, people in areas where there are lots of other workless people have **lower expectations of starting a job**, and a **lower probability of actually starting one**.
8. Living in the **most deprived areas with the very highest levels of unemployment has particularly strong negative effects** on a person's chances of leaving poverty.³
9. Over the past few decades, **working and workless people have been moving apart geographically in the UK**.⁴
10. Available evidence suggests that, over recent years, the gap between places with the highest and lowest numbers of benefit claimants grew from 1998 to 2001. However, the gap seems to have stopped growing and may even have closed slightly between 2001 and 2003.
11. All this means that **a significant number of children** are in danger of growing up in families and neighbourhoods with **little contact with the world of work**, and limited aspirations to join it. This has the potential to derail progress towards Government objectives on child poverty, educational attainment and employment.

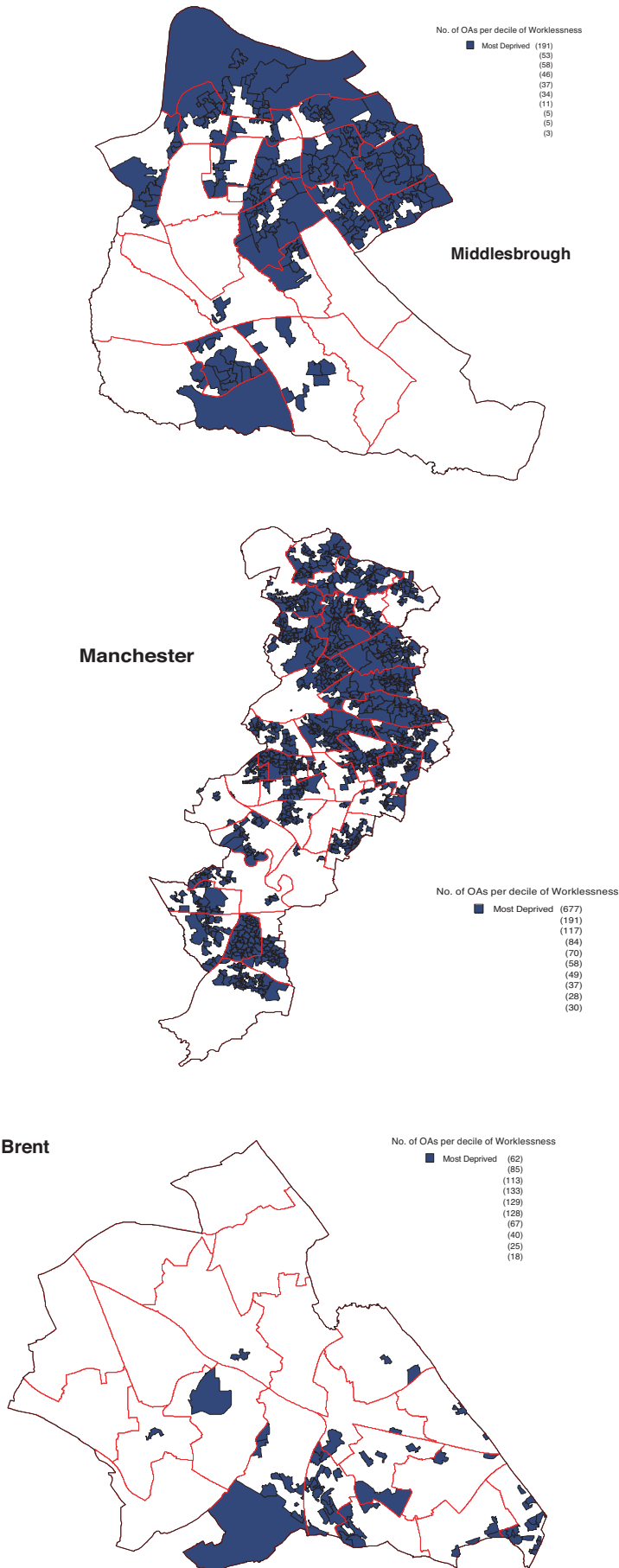
Consultation response

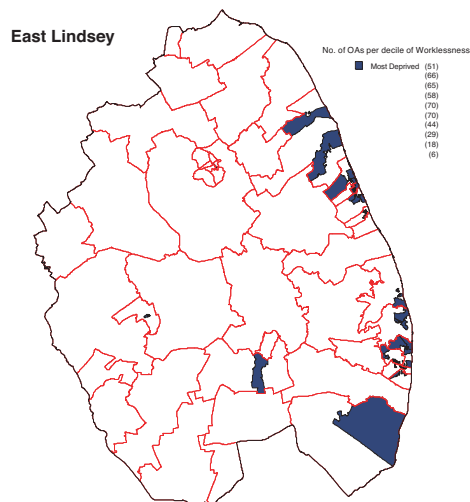
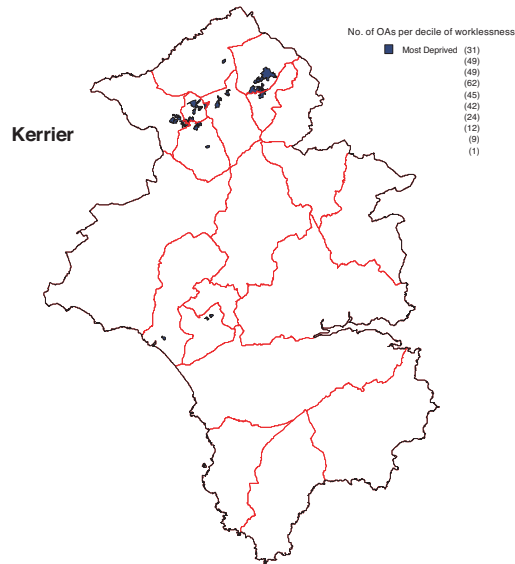
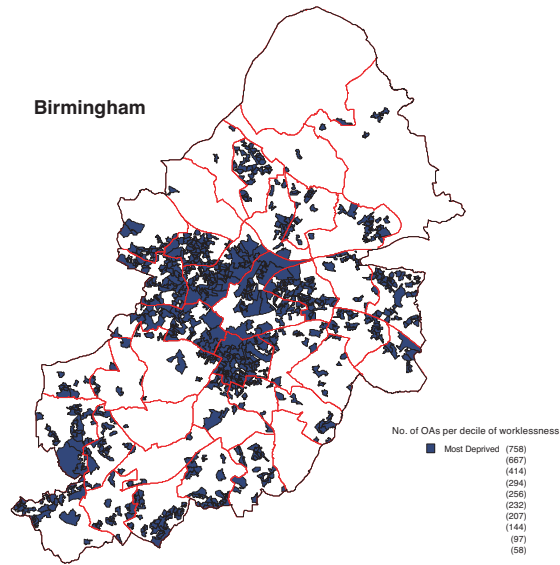
"It's more embedded now, with whole families of unemployed people, grandfathers, fathers, sons not even looking for work anymore ... 'ghetto-isation' prevents and stifles ambition among the young."
 Voluntary sector organisation, North West.

Where are concentrations of worklessness?

12. Concentrations of worklessness **occur up and down the country**. Only 20 of the 354 local authorities in England do **not** have a street in the worst 10 per cent for worklessness. They are to be found in relatively **prosperous areas**, such as Leeds and West Dorset, as well as districts that traditionally appear in lists of the **most deprived areas**.
13. There are far more of them in the Northern regions. **Six out of 10 such areas are found in the following regions: North East, North West, and Yorkshire and the Humber**. One in 10 are in London. More than one-quarter of the streets in the North East are concentrations of worklessness compared to just one in 40 in the South East.
14. There are large numbers of concentrations in **cities outside London**. Liverpool, Knowsley and Manchester, and also Hartlepool, Middlesbrough and Easington, have particularly high proportions. People living in these cities and towns are eight times more likely to live in a concentration of worklessness than people in London.
15. **A quarter of concentrations cluster into 3 per cent** of England's 8,005 wards. Three-quarters of them occur in just 3,000 wards.
16. Figure 3 shows maps of concentrations of worklessness in the six Social Exclusion Unit area studies – Middlesbrough, Manchester, Brent, Birmingham, Kerrier and East Lindsey. Concentrations are shown in blue. The red lines denote ward boundaries. Each map shows how the **pattern of concentrations is different in different places** – suggesting that the nature of the problem and the most effective response will vary between them.
17. Some concentrations are surrounded by streets with just as many people out of work and on benefit. This is the case in Middlesbrough, where concentrations are **grouped together** in certain wards within the local authority. This pattern is common to towns and cities in the North West and the North East.
18. Some concentrations of worklessness stand alone as **isolated pockets**. This can be seen in Kerrier and East Lindsey. In these cases, the existence of concentrations of worklessness would be masked by ward level analysis that much of current policy is based on. In Brent and Birmingham, concentrations are also isolated but are more evenly spread across the districts. This pattern is typical of that found in the inner cities.

Figure 3: Concentrations of worklessness in the six Social Exclusion Unit area studies⁹





Consultation response

“[This area] was built as a giant council estate to accommodate London overspill in the 50s. It is surrounded by very well off areas, creating a ‘ghetto’ mentality.”

Social enterprise organisation, East.

- 19.** Different groups of workless people are not always concentrated in the same places. **London** has hardly any of the worst concentrations of people on unemployment or incapacity benefits, but it has many streets with a high proportion of **workless lone parents**.

Who lives in them?

- 20.** The people who live in concentrations of worklessness tend to be from groups who are known to do badly in the labour market. For example:
- almost half the working-age population in concentrations of worklessness have **no qualifications**
 - **black people are more than twice as likely to live in them** as the population as a whole
 - half of all households in these areas have at least one person with a **limiting long-term illness**; and
 - a third of carers in concentrations of worklessness provide **more than 50 hours of unpaid care** each week.
- 21.** Responses to the Social Exclusion Unit consultation also suggest that many people living in them have:
- **‘multiple disadvantages’**, such as substance misuse and a disability
 - **low aspirations for work and study**, and extremely **narrow travel horizons**; and
 - **two or three generations** out of work in the same family and neighbourhoods.
- 22.** The Social Exclusion Unit has not found consistent evidence for the existence of a ‘culture of worklessness’ in these neighbourhoods, in the sense that people have completely different values and do not want to work at all. Some are close-knit communities, but not all of them can be said to have a local ‘culture’ at all.
- 23.** But there is evidence that many people in concentrations of worklessness have less contact with people in work, and tend to have different (and more negative) attitudes to employment, with low aspirations among young people a particular concern.
- 24.** On average, four out of 10 people living in concentrations of worklessness are in work. However, the jobs are often part time or low paid.

Why do they happen?

25. Concentrations of worklessness happen for different reasons in different places, but there are three main explanations:

- **Changes in the nature and location of jobs:**

- In some places, a concentration of worklessness is created when a main local employer or industry closes down. Areas, employers and people usually adapt to such changes and **new vacancies come up** so this does not necessarily mean that the problem is a lack of jobs.
- There is evidence that a **lack of accessible jobs is part of the problem in some places** for example one third of people living in concentrations of worklessness live in a local authority with more than 10 unemployed people for every Jobcentre vacancy. In some of these places there will be many other job opportunities that are not notified to Jobcentres.⁵
- In some places the **informal economy** offers extra opportunities which can make formal work less attractive, especially when combined with benefits.

- **'Residential sorting'**

The **housing market 'sorts' – or groups – the most disadvantaged people together**. For example, residents with the necessary financial resources can choose to move out of poorer neighbourhoods. Housing policy can unintentionally exacerbate 'residential sorting'. Social housing is increasingly home to workless people who are sometimes housed together in the same street or on the same estate. In the 1970s, 11 per cent of households in council housing had no one earning a wage. In 2003 it was 65 per cent.⁵

- **Area effects**

Once people live in an area with many people out of work, their chances of finding work can be reduced **simply because of where they live**. The ways this can happen include:

- **place effects** – arising from the characteristics of a place, such as its location, poor infrastructure, lack of transport, competition for limited job/training opportunities or variation in the quality of local services; and
- **people effects** – these relate to the damaging effect of living with many other workless people, for example limited information about jobs and area-based discrimination by some employers.

26. The reasons that originally cause an area to become a concentration of worklessness can be very different from the reasons that keep them that way. For example, workers who lose their jobs because of the closure of their employer may remain unemployed even when different job opportunities come up because they do not have the relevant skills or they have lost their confidence and self-esteem.

Consultation responses

“Employers resist recruiting in blacklisted areas. If services are provided, they are invariably provided outside the estate’s perimeters.”
Charity, North West.

“People lose faith and believe that they will never obtain work, remarks that I hear regularly are ‘what is the point of’, ‘waste of time going for interview’, ‘there is no work anyway’, ‘what are the younger people going to do, there is no hope for them’. Residents in these pockets cannot see the point of getting out of bed in the morning, they are also afraid that if they take a job they will jeopardise their benefits.”
Charity, East Midlands.

THE WAY FORWARD

The Government’s approach

- 27.** Promoting employment and enterprise throughout the UK are key aims for the Government. Over the last few years the Government has taken action to reduce the barriers to employment in the three crucial areas of childcare, skills and transport. The Government has also focused on ‘making work pay’ through tax credits, the minimum wage and benefit run-ons.
- 28.** The Government also aims to increase economic performance in every region, as well as narrowing the gap in growth rates between regions. The Northern Way Growth Strategy marks an innovative approach to inter-regional working by the three Northern Regional Development Agencies (RDAs) and sets out measures to achieve a step-change in economic growth in the North.⁷
- 29.** National targets have been set to promote jobs and enterprise in deprived areas, although results have been mixed. Concentrations of worklessness have largely been missed by the activity to achieve the Department for Work and Pensions’ (DWP) target on disadvantaged areas, but changes to the way this target is devised will improve this.
- 30.** However, more needs to be done. One of the main conclusions from the evidence in this report is that the solution to concentrations of worklessness will be different in different places. Sometimes the answer will lie in a neighbourhood, but often the solution will need action across a city or region. Welfare to Work measures can only be part of the solution – housing, planning or regeneration by local authorities are also crucial. Central government is giving greater freedom and flexibility to local and regional managers and to frontline workers so they can do what each place and each person needs.
- 31.** As there is already much activity across government in this area, the Social Exclusion Unit’s approach has been to add its analysis to work currently being undertaken. This report focuses on the issues which the Social Exclusion Unit’s problem analysis suggested were of particular importance, or on areas where it seemed the project could add particular value.
- 32.** The Social Exclusion Unit has a remit for England only. The institutions involved in local government, economic development, regeneration and education are different in Scotland, Wales and Northern Ireland. However, tax and benefit policy and the work of Jobcentre Plus are not devolved, so policies in these areas will be relevant across the UK.

Better joining-up

34. Many organisations share the aims of promoting employment, enterprise or economic development, but they do not always work effectively together. This causes problems such as the duplication of activity, and practitioners face a confusing plethora of initiatives and programmes.
35. Local Strategic Partnerships (LSPs) provide a forum for local co-ordination. Jobcentre Plus is now seeking greater involvement on LSPs, and business is beginning to see the benefits of LSP representation.
36. A number of policy initiatives can be used to address the problems of co-ordination. Local Area Agreements (LAAs), in particular, will offer a single agreement to which **all** relevant organisations are party, rather than many separate agreements with individual players.

What these changes could mean in the future

John runs a voluntary sector one-stop shop specialising in employment advice in a deprived estate. He used to have to spend much of his time producing reports to satisfy the requirements of the many funding streams that he received, which he found demoralising and a waste of time. But the local council's new LAA with the Government has drastically reduced all that, and John is able to spend less time filling in forms and more time working with clients.

More help for the most disadvantaged

37. People who are relatively **less** disadvantaged are easier to help and have therefore been the main beneficiaries of the Government's Welfare to Work policies. The most disadvantaged people face many issues – such as homelessness, substance misuse and mental health issues – at the same time, or have one problem that is particularly severe.
38. The DWP in its *Building on New Deal* strategy recognises that a separate approach is needed for their most disadvantaged clients (those with multiple disadvantages), including increased flexibility for Jobcentre Plus staff to tailor services to meet individual needs and a national strategy.⁸
39. In developing this national strategy, the DWP will consider elements such as a focus on moving people who are most disadvantaged in the labour market towards work readiness (rather than into the first available job), and a focus on services that go out and engage with those clients rather than always expecting disadvantaged clients to come to them.

What these changes could mean in the future

Nick, 20, has never managed to hold down a job for more than a month, and he lives in a town that used to be dependent on steel manufacturing. He suffers from depression, and has problems with drug and alcohol abuse. He also spent a year in prison and has lost most of the contact he had with his family. He did not trust Jobcentre Plus before as he felt they were only interested in getting him any job and did not care about his other problems. But now his adviser has more flexibility, so is able to refer Nick for appropriate help before submitting him for jobs. Next week Nick will be beginning a detox programme, and he is starting to feel much more confident about his ability to work in the future.

Improving housing choice, social mix and mobility

- 40. The housing market plays a significant role in creating concentrations of worklessness. The evidence in the UK and internationally shows that housing and planning policy can either help prevent and tackle concentrations of worklessness or, unintentionally, make the situation worse.
- 41. Nine Housing Market Renewal Pathfinders have already been set up to tackle the problem of low housing demand in the North and the Midlands. As announced in the 2004 Spending Review, spending to help regenerate communities suffering from low housing demand will be over £450 million in 2007–2008, compared to £180 million in 2004–2005. This will be directed through the nine existing Market Renewal Pathfinders, and the approach will be expanded to wider areas of low demand.
- 42. To help tackle the problem the Government will also publish practice guidance on the principles of creating mixed communities and on local lettings policies for social housing. It will also promote low-cost home ownership to give people a stake in their community and as a work incentive.

What these changes could mean in the future

Alan, 45, is out of work and lives in a tower block in an inner city area. Many of his neighbours and friends are also out of work, and Alan has found it difficult to find job opportunities as he has always found previous jobs through word of mouth. The council has often used the tower block to accommodate single homeless people who are out of work. The council has introduced a local letting policy in the area and more working people have moved in. Alan has now heard about a possible job from one of his new neighbours, as well as about a bus service to get to that work, which he was previously unaware of. He is much more confident about his future.

Work incentives in deprived areas

- 43. Government policies to ‘make work pay’, including reforms of tax and benefit policy and the national minimum wage, have had considerable success. But the Social Exclusion Unit’s evidence suggests that there are still many people in concentrations of worklessness who do not think it is worth taking paid employment.
- 44. The Government will do more to ensure that measures like the in-work tax credit reach the people they are intended to help. The freedoms open to local managers and advisers in Jobcentre Plus should allow them to do more to address clients’ concerns about the impact of returning to work. The Government will also investigate ways of helping those people involved in the informal economy to ‘go legitimate’ and regularise their business.

Self-employment and enterprise

- 45. Support for self-employment and enterprise has had considerable success through the work of the Business Link network, the New Deals, projects supported by the Phoenix Fund and the measures focused on Enterprise Areas. However, challenges still remain.
- 46. Future changes include: better targeted support for under-served groups, such as those out of work for less than six months; better communication and promotion of self-employment support; and approaches to improving the provision and accessibility of small-scale finance for those entering self-employment.

What these changes could mean in the future

Liz, 29, lives in a deprived inner-city area. She has had various short-term jobs in the past but has been out of work for five months. She had been thinking for some time of setting up her own catering business, but assumed it would be too difficult. She had mentioned this to her Jobcentre Plus adviser, who had initially not encouraged her as he did not know what was available. However, after receiving the pre-start-up guide he has put Liz in touch with Business Link. As a result, Liz now has a mentor who is helping her put a business plan together, and she has received financial advice and a loan from the local Community Development Finance Initiative. She is excited about the future.

Supporting employers

47. People living in concentrations of worklessness who are in work tend not to get their jobs through informal recruitment channels, such as word of mouth or advertisements in shop windows. They find work through Jobcentre Plus, the Government's employment and benefits advice service. So, Jobcentre Plus must offer access to a sufficient number of appropriate vacancies by engaging more effectively with private and public sector employers.

Providing better information

48. In order to make greater use of freedoms and flexibility, regional and local managers and frontline workers need good information about the problem. Future changes will help policy makers and practitioners to identify local pockets of worklessness more easily and will help them to understand why they happen in their particular area so that they can take the appropriate action.

What happens next?

49. At a national level, the DWP, Department of Trade and Industry (DTI), and the Office of the Deputy Prime Minister (ODPM) will have overall responsibility for leading implementation, monitoring the progress of the strategy set out in this report, and for long-term policy development. They will work closely with other departments and report to the Cabinet Committee on social exclusion and regeneration.

DETAILED LIST OF ACTIONS

- 50.** The key actions the Government will take to help tackle concentrations of worklessness are listed below.

Better joining-up of agencies and initiatives

- a) The Spending Review 2004 announced new 'Local Area Agreements' (LAAs). They will simplify funding streams, allow more flexible local solutions for local problems and help join up public services at the local level. LAAs will reflect the priorities identified by the local Community Strategy. Community Strategies are designed to promote the economic, social and environmental well-being of the area. The Social Exclusion Unit will contribute to the cross-government development of LAAs.
- b) The Jobcentre Plus Partnership Strategy, published in March 2004, stipulates that Jobcentre Plus engagement with LSPs is now non-discretionary and that Jobcentre Plus must seek to play an appropriate and effective role.

Better support for people with multiple disadvantages

- c) The DWP will develop a national strategy for Jobcentre Plus's most disadvantaged clients. The Social Exclusion Unit will work with the DWP on the production of the strategy. In developing this national strategy the DWP will consider:
 - outreach using community-based personal advisers
 - an expanded range of tailored support, including intermediate labour markets
 - an appropriate target regime
 - a 'work-focused' rather than a 'work-first' approach; and
 - a more flexible attitude towards compulsion for clients participating in specialist provision.

Housing choice, social mix and mobility

- d) By the end of 2004 the ODPM will publish updated planning policy guidance on housing (PPG3) and practice guidance outlining the principles of creating mixed communities.
- e) The ODPM will continue to tackle low demand and housing abandonment through the nine Market Renewal Pathfinders, and will expand the approach to wider areas of low demand as announced in the 2004 Spending Review.
- f) The ODPM will encourage low-cost home ownership as a housing option for people in social housing and will work with the DWP to promote this as a work incentive.
- g) The ODPM will produce practice guidance in spring 2005 for housing authorities on local lettings policies to support their use in tackling intense concentrations of worklessness.

Work incentives in deprived areas

- h) The DWP will examine the scope for improving the Social Fund. It will also look at how it can help provide better access to affordable credit for people on low incomes.
- i) The Government will also consider ways of doing more to take advantage of some of the skills and entrepreneurship in the informal economy through, for example:
 - directing people caught for benefit fraud and tax evasion to business support and employment advice, in addition to taking enforcement action; and
 - adapting business support services to help those with unregistered businesses to 'go legit'.

Supporting self-employment and enterprise

- j) The DWP and the DTI will work with the Regional Development Agencies (RDAs) to encourage Jobcentre Plus and Business Link to work more closely with each other and with the wider business support infrastructure. They will seek to ensure that there are no gaps between services, including through better signposting for those out of work for less than six months.
- k) Business Link Operators (BLOs) and Jobcentre Plus both often contract out the provision of start-up services to other providers, but often in an uncoordinated and inefficient manner. The DWP and the DTI will examine if local providers can develop a joint contracting strategy.
- l) The Small Business Service (SBS) will work with RDAs over the rest of 2004 to develop a national core Business Link offer of advice and support for those considering self-employment, and will then issue guidance through RDAs on how to implement this. Once the shape of the national core offer is agreed, the SBS will then discuss with RDAs the possible design of an 'enhanced' offer of support in Enterprise Areas.
- m) The SBS will work with the Community Development Finance Institution (CDFI) sector and others to investigate ways of improving the provision and accessibility of small-scale finance for those entering self-employment.
- n) Jobcentre Plus will test the approach of providers giving some clients more than six months of test-trading, as long as the average time is maintained at six months or less.
- o) The Government will produce a pre-start-up leaflet and launch it as part of Enterprise Week in November 2004. It will be actively promoted to providers, potential clients and to places which may have contact with the workless.
- p) Where relevant, the measures above will be particularly focused on Enterprise Areas (in England and Scotland, the Areas selected are the most deprived 15 per cent of wards). The DTI will encourage RDAs to give more prominence to targets around enterprise in deprived areas.

Supporting employers

- q) The DWP will give greater flexibility for Jobcentre Plus staff to develop approaches tailored to the needs of employers and to supply them with more suitable candidates. Better partnerships will be developed to help meet employers' needs.
- r) Jobcentre Plus will begin seven large-scale marketing campaigns in autumn 2004, supported by strategies for engaging with employers.

- s) The Office for Public Sector Reform is devising a strategy to maximise public sector engagement with Jobcentre Plus, so more public sector jobs would be accessible to people living in concentrations of worklessness.

Providing better information

- t) To help policy makers and delivery agents to identify small areas with a high number of people out of work and on benefit. The Office for National Statistics (ONS) and the DWP will regularly publish benefit claimant data at Super Output Area level (areas with between 1,000 and 1,500 people living in them) from autumn 2004 on the neighbourhood statistics/DWP websites.
- u) To improve understanding of the labour market context in which concentrations exist, the ONS will provide new analysis of Census 2001 commuting data. This will include separate analysis of commuting patterns of key groups over-represented in these areas, such as those with no or few qualifications.
- v) The DWP will consider moving to a Public Service Agreement (PSA) target on deprived areas defined at local area level (Super Output Area which have between 1,000 and 1,500 people living in them) in the next Spending Review process in 2006.
- w) The DWP, in partnership with the National Employment Panel (NEP), are currently evaluating the usefulness of a geographical information system (GIS) as an operational tool within Jobcentre Plus. If the evaluation is favourable, it can be rolled out nationally within Jobcentre Plus within a relatively short period of time.
- x) The ONS will continue to disseminate information on local data and analysis to local delivery organisations/LSPs as well as to policy makers at national, regional and local level.
- y) The ONS and the Department for Constitutional Affairs (DCA) will continue to provide advice and guidance on the existing freedoms that organisations have to share data, and they will consider what more needs to be done to tackle the barriers that stop organisations from sharing data to improve service delivery.

References

1. The analysis is based on the 165,665 Output Areas in England. In England the average working-age population (18–59) of an output areas is 335.

The analysis uses April 2001 benefit data from the Department for Work and Pensions (DWP) at individual claimant level to generate rates of worklessness at this very local level. The data incorporate people who are unemployed and inactive due to a disability or health condition, and who are claiming the following benefits:

- unemployment – those claiming Jobseeker’s Allowance (from JUVOS) and New Deal participants (New Deal for the under 25s and New Deal 25 Plus who are not included in the claimant count, and participants in New Deal for Lone Parents); and
- sickness and disability – recipients of Incapacity Benefit and Severe Disablement Allowance.

The benefit data sets were combined to create a non-overlapping set of workless individuals and were then aggregated to output area level. Further details of the methodology used in this analysis can be found in Annex D of the full Social Exclusion Unit report.

2. See for example D Dorling, How much does place matter? *Environment and Planning*, vol. 33 (2001): pp. 1335–1369; N Buck and I Gordon, Does spatial concentrations of disadvantage contribute to social exclusion in *City Matters: competitiveness, cohesion and urban governance* M Boddy and M Parkinson (eds.) (Bristol, The Policy Press, 2004); D Anderson, C Green and J Mangan, Spatial inequality in the Australian youth market: the role of neighbourhood composition *Regional Studies*, Vol 38.1 (2004) pp. 15–25; S McKay, *Local area characteristics and individual behaviour* (London, DWP, 2004).
3. *Ibid.*
4. D Dorling and P Rees, A Nation Still Dividing: the British Census and social polarisation 1971–2001, *Environment and Planning*, vol. 35 (2003): pp1287–1313. D Dorling *et al.*, ‘Early results from the 2001 census’, paper presented to the conference of Royal Geographical Society (2003). D Dorling, D Ballas, B Thomas and J Pritchard, *Pilot Mapping of Local Social Polarisation in Three Areas of England 1971–2001*, Interim project report to the ODPM, 11 March 2004.
5. Data on job vacancies in 2000/2001 is from DWP. Each vacancy throughout the country is owned by a specific Jobcentre Plus office. For the purpose of this analysis we have combined vacancy data for Jobcentre Plus offices situated in the same Local Authority District (LAD) and thus have created a list of the number of vacancies by LAD.
6. DETR, *Housing in England 2000/2001* (DETR, London, 2002). Updated by the Social Exclusion Unit.
7. Northern Way Steering Group, *Moving Forwards: The Northern Way Growth Strategy Report* (Northern Way Steering Group, Leeds, 2004)
8. DWP, *Building on the New Deal: Local solutions meeting individual needs* (DWP, UK, 2004)
9. Maps provided by Social Disadvantage Research Centre, University of Oxford

The Social Exclusion Unit report *Jobs and Enterprise in Deprived Areas* contains new evidence about very local pockets of unemployment and economic inactivity that exist across the country. The report explains where these places are, who lives in them and why they happen.

The report also sets out what more the Government will do to make sure the benefits of full employment are felt in every neighbourhood in England. This will build on the great deal of progress already made in recent years in helping people into work, regenerating deprived areas and supporting businesses.

This is a summary of the main report – the full report is available from ODPM Publications (Tel: 0870 1226 236) Product code 04 SEU 02523