Addressing the Problem of Worklessness: The Role of Regeneration

A Discussion Paper Commissioned from the Regeneration and Economic Development Analysis Expert Panel for the Regeneration Futures Roundtable

Anne E. Green
Institute for Employment Research, University of Warwick
Preface

The Regeneration and Economic Development Analysis Expert Panel is one of three expert panels established by the Department for Communities and Local Government (DCLG) to improve their analytical capacity. The expert panels aimed to strengthen the links between research, evidence and policy and provide fresh and challenging insights to policy makers by providing access to senior academics and researchers from a range of disciplines.

The analysis, findings and conclusions are those of the authors and do not necessarily represent the views of the Department for Communities and Local Government.

This paper was commissioned, along with three others, as part of a ‘round table’ discussion held in 2009 as part of an internal review looking at the future role for regeneration. The three other papers by Stephen Syrett, Paul Lawless and Peter Tyler are also published on the DCLG archive website.
Introduction

This paper considers the role of regeneration in addressing worklessness, which is an issue that has become increasingly prominent – especially in the context of recession. The first part of the paper is concerned with addressing the problem of worklessness in an ideal world. It outlines the nature of the problem and what an ideal world would look like; provides an overview of approaches to addressing worklessness and discusses the rationale for and role of area-based policies; and provides a selective summary of ‘what works’. The second part of the paper is concerned with real world constraints, issues and solutions. Here the context of tighter resources and political realities is outlined and associated tensions and priorities are discussed; the role of mainstream policies and area-based programmes is reviewed; as are the roles of local government, the community and employers. The emphasis of the paper is selective rather than comprehensive, with a focus on key issues and lessons for policy.
1. Addressing the problem of worklessness in an ideal world

1.1 What is the problem and what would an ideal world look like?

1.1.1 Historically, the main focus of policy to address was on the unemployed. However, during the recession of the early/mid 1980s increasing numbers of unemployed individuals were diverted onto inactive benefits.\(^1\) As a result, the utility of the unemployment rate as a measure of labour market slack has diminished – especially in areas of where employment rates were lowest.\(^2\) Moreover, in the context of relatively favourable economic circumstances at national level, it became apparent that in order to reach the Government’s 80 per cent employment rate target, it would be necessary to make inroads into those on inactive benefits. Hence, policy attention has become increasingly focused on the ‘workless’ (i.e. all those of working age not in employment – whether claiming unemployment-related or inactive benefits, or indeed not claiming benefits at all). However, the composition of the workless population varies between areas, with Incapacity Benefit claimants tending to be disproportionately concentrated in areas characterised by demand deficiency.\(^3\)

1.1.2 Table 1 summarises in simple terms the nature and key features of the problem of worklessness (with specific reference to worklessness in the context of regeneration policy) and also portrays what an ‘ideal world’ might look like.

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Table 1: Key features of the problem of worklessness and characteristics of an ‘ideal world’

<table>
<thead>
<tr>
<th>Problem</th>
<th>Ideal world</th>
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<tbody>
<tr>
<td>high levels and spatial concentrations of worklessness in particular</td>
<td>full(er) employment</td>
</tr>
<tr>
<td>neighbourhoods(^4,5)</td>
<td></td>
</tr>
<tr>
<td>demand deficiency (in some areas only)</td>
<td>sufficient jobs in all areas</td>
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<tr>
<td>non-employment alongside vacancies (in some areas)</td>
<td>local people possess the attributes and skills to fill such vacancies</td>
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<tr>
<td>low pay, poor quality and unattractive jobs leading to in-work poverty,</td>
<td>living wages, good quality and attractive jobs</td>
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<tr>
<td>leading (for some people) to a lack of motivation to seek employment</td>
<td></td>
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<tr>
<td>churning between employment and out-of-work benefits – especially</td>
<td>sustainable employment (i.e. where there is a concern with employability as</td>
</tr>
<tr>
<td>amongst those who suffer the greatest vulnerability in labour market</td>
<td>well as with employment)</td>
</tr>
<tr>
<td>terms</td>
<td></td>
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<tr>
<td>lack of employability skills and formal qualifications amongst the most</td>
<td>individuals would not face such restrictions due to lack of skills on</td>
</tr>
<tr>
<td>disadvantaged which limits the types of jobs that they can fill</td>
<td>the type of work that they can do</td>
</tr>
<tr>
<td>lack of integration between employment and skills policy</td>
<td>integrated employment and skills policy (taking account of skills needed –</td>
</tr>
<tr>
<td></td>
<td>locally, sub-regionally, regionally and by sector - now and in the future)</td>
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\(^5\) In some areas these concentrations may be quite persistent, being associated with individuals with long durations of worklessness, while in other areas the problem may be one of ‘churning’ (in demographic and/or labour market terms), with successive numbers of ‘new’ residents suffering worklessness.
1.1.3 In terms of addressing these features, two key issues relating to current policy interventions and characteristics of an ‘ideal world’ are outlined in Table 2:

Table 2: Key features of the current interventions to tackle worklessness and characteristics of an ‘ideal world’

<table>
<thead>
<tr>
<th>Issue</th>
<th>Ideal world</th>
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<tbody>
<tr>
<td>myriad of overlapping and often uncoordinated interventions and initiatives involving a multiplicity of institutions and organisations at a range of spatial scales which can lead to institutional clutter and confusion(^6)</td>
<td>greater information sharing and co-commissioning in order to achieve greater clarity, coordination and simplicity of interventions and initiatives</td>
</tr>
<tr>
<td>tendency for short-term interventions - sometimes with small-scale and limited funding – which can lead to short-term fixes</td>
<td>emphasis on longer duration interventions to foster long-term improvements</td>
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1.2 Overview of approaches to addressing worklessness and the rationale for and role of area-based policies

1.2.1 A number of general trends are evident in policy to address worklessness in recent years. These include:

- The primacy of a central spine of national policies (e.g. a national welfare state with a national system of benefits and a National Minimum Wage) to address worklessness.

- The primacy of people-based approaches to tackling worklessness, involving both a ‘major focus’ on people and an ‘intended impact’ on people.\(^7\) Nevertheless, over time there has been an increasing emphasis on ‘bringing place back in’ to worklessness programmes. Employment Zones exemplify policies that take a major focus on place but are intended to impact on people, while the New Deal for Communities is an example of a policy that is intended to tackle worklessness by focusing simultaneously on places and people.

- A foremost emphasis on supply-side rather than either demand-side interventions or interventions designed to tackle institutional barriers. In general, this has reflected the desire to link workless

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people to jobs, and also a strong tradition of training programmes designed to work experience and address skills mismatches.

- The introduction and evolution of a suite of New Deal programmes – and the shift from a sole emphasis on the long-term unemployed (with the initial emphasis on the New Deal for Young People and then the introduction of New Deal 25 plus a few months later) to encompass those claiming no benefits and the economically inactive (with the introduction of New Deal for Lone Parents [most of whom claimed Income Support], the New Deal for Partners [who might not claiming any workless benefit] and the New Deal for Disabled People [some of whom claimed Incapacity Benefit]).

- A trend towards greater mandation and conditionality. Claims for Jobseeker’s Allowance are associated with ‘active job search’ on the part of the claimant. The extension of New Deal programmes to cover groups other than the unemployed was on a voluntary (as opposed to a mandatory) basis. Subsequently, Pathways to Work was introduced on a mandatory basis for new Incapacity Benefit claimants and, in October 2008, the Employment and Support Allowance was introduced, including a greater degree of conditionality (i.e. a greater expectation of moving towards work for many new claimants of inactive benefits). More recently, an independent review by Paul Gregg sets out the case for further conditionality (alongside personalised support) in the future.

- The trend towards devolving decision-making/localisation to regions, local areas and communities and involvement of private sector providers and the community and voluntary sector in delivery. Of particular relevance here in relation to economic regeneration and tackling worklessness are the introduction and strengthening of Multi Area Agreements fostering strategy development across local authorities, the establishment and embedding of Local Area Agreements at local authority level, duties on local government to prepare an assessment of the economic conditions in their area and a greater role for local government and local partners (as outlined in the Houghton Review) in understanding, planning and implementing solutions to tackle worklessness.

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1.2.2 Research focusing on understanding spatial concentrations of worklessness has highlighted the role of:

- demand-side factors (notably a lack of jobs in some local areas)
- supply-side factors (notably a relative lack of employability, generic and specialist skills amongst residents of deprived areas); and
- institutional factors (such as shortcomings in the workings of labour market intermediaries seeking to match labour supply and demand, the workings of the benefit system such that some individuals derive little or no benefit from working, etc).

The relative balance of the various factors has implications both for the complexion of worklessness in different places and the relative importance of different types of interventions in tackling it. Moreover, it is important to understand links between labour markets and other markets (notably the housing market, which acts as a ‘sorting’ mechanism – often leading to concentrations of disadvantaged people in particular residents) and also with other policy domains (such as health, given the links between worklessness and ill-health [and notably the increase in the numbers of economically inactive individuals reporting mental health problems]). These links highlight the potential importance of working across policy domains in tackling worklessness. They also emphasise the need to understand spatial concentrations of worklessness in a broader local and sub-regional labour market context, rather than in isolation at the micro area level.12

1.2.3 Area-based policies to tackle worklessness are sometimes justified on grounds that place-based factors13 may exacerbate problems in areas of concentrated worklessness. They are also rationalised on grounds of both efficiency and equity.14 It may also be argued that economics of scope may also be realised by combining activities (in worklessness and other policy domains). Examples of area-based policies to tackle worklessness15 include (in chronological order):

- Employment Zones – to test innovative ways of helping the long-term unemployed in the 15 Employment Zones (covering one or more local authority areas) characterised by persistent long-term unemployment to access employment.16
- Action Teams for Jobs – set up in 65 local authority areas with low employment rates to provide community-based outreach and locally-relevant initiatives designed to help the long-term

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13 One example might be poor transport links to areas of opportunity.
unemployed and others facing significant barriers in accessing work; and

- Working Neighbourhoods pilots – testing the provision of intensive support to workless people in 12 neighbourhoods characterised by ‘cultures of worklessness’.\(^\text{17}\)

All of these policies were either more innovative and/or involved more discretion in tackling worklessness than standard mainstream policies. More recent initiatives include:

- The Local Enterprise Growth Initiative – which has a rather different focus from the initiatives outlined above in that it focuses on enterprise development and investment, and on linking of local people in deprived areas to those opportunities.
- The City Strategy initiative – which is intended to combat the issues of worklessness and poverty in urban areas by empowering local institutions to develop local solutions, with a particular emphasis on significantly improving employment rates (particularly amongst the most disadvantaged) by helping people find and retain work, and progress in work by improving their skills levels; and
- The Working Neighbourhoods Fund – which provides 65 deprived local authorities with non ring-fenced funding to tackle low levels of skills and enterprise in the most disadvantaged areas.

These more recent initiatives represent part of the tendency outlined above to devolve power (at least to some extent) in addressing problems and finding solutions to the local level. Generally, the rationale for devolving decision-making to local and sub-regional levels in order to address problems is that local areas and people face different problems and therefore require different solutions.\(^\text{18}\) Additionally, there is a widespread assumption that local actors are ‘nearer the action’ and therefore have superior local knowledge and are better placed to understand the specific problems of people at local level – and so contribute to solving them.\(^\text{19}\)

1.3 Overview of ‘what works’

1.3.1 Mainstream programmes with national coverage have been relatively successful overall in tackling worklessness. However, they have been least successful for the most disadvantaged individuals and the most disadvantaged neighbourhoods; hence the introduction of a variety of initiatives with an area-based focus (as outlined in 1.3.2) to tackle worklessness.


\[^{18}\] In reality, this need not necessarily be the case.

\[^{19}\] Again, neither of these assumptions is necessarily valid, although it seems likely that the balance of opinion would concur.
1.3.2 While it is difficult to identify the crucial ingredients in packages of support to workless individuals, reviews of ‘what works’ have identified the following generic factors as important in policies to address worklessness at national and local levels:

- Individuals who are furthest from employment often display multiple disadvantages and barriers to employment (some of which relate to the labour market and others which may not). This highlights the need for a holistic approach to tackling worklessness, which also looks across policy domains and also beyond the individual to the broader household and local context.

- 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. The evidence on localised ‘cultures of worklessness’ in reducing aspiration and having negative impacts on the desire to find and sustain employment is somewhat contradictory, with evidence from local household surveys tending to suggest that such cultures are not at all widespread, while interviews with training providers and advisers tends to suggest that they are more prominent as a barrier to employment. Negative perceptions of discriminatory practices (either real or perceived) may also contribute to prolonging worklessness. This highlights the need for actions to enhance self-esteem, raise aspirations and provide positive role models.

- The role of the personal adviser (PA) is a key factor in interventions designed to get individuals back to work. The evidence suggests that the ‘human touch’ of an individualised service is appreciated and is more effective than a standardised approach, and that intensive personal support is most helpful for the most disadvantaged groups.

- Continuing support once in employment post-recruitment has a role to play in reducing ‘churn’ between employment and worklessness. This is especially important for individuals who have been out of employment for some time.

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• Delivery is likely to be most effective where there is sufficient autonomy for flexibility for organisations to adjust to the local context and for PAs to exercise discretion to meet individual needs and circumstances.23

• Given the range of issues faced by some workless people, it is unlikely that any one organisation can provide a full range of solutions to the problems faced by workless individuals. Hence, partnership working and awareness of other services available, coupled with willingness to ‘signpost’ individuals to other provision in an effective manner, is important in tackling worklessness. Partnership working lies at the heart of initiatives such as City Strategy, where the aim is to minimise duplication by aligning funding streams and co-ordinating provision.

• Gaining ‘real’ work experience is important in both building up the confidence of individuals who have been workless for some time in reconnecting them to the labour market. It also provides an opportunity for employers to judge the suitability of individuals for potential vacancies.

• The availability of jobs is crucial in addressing worklessness. The emphasis of regeneration policy has shifted away from attracting inward investment24 towards growing local businesses and encouraging enterprise25 (including some local schemes to encourage and support selected individuals on benefits to start up a business). For the majority, however, this is not a viable option. Hence, employers have an important role to play in controlling access to jobs and to sustained employment with prospects for promotion. Recruitment practices may disadvantage workless people and the extent to which employers recruit locally influences the chances of workless individuals being taken on. Maintaining good relationships with employers is crucial for accessing vacancies, developing job-relevant training, job brokering,26 post-employment support and securing the potential to influence recruitment and retention policies. The introduction of Local Employer Partnerships and the emphasis of integrated employment and skills systems on linking skills interventions to specific sectors and real vacancies are indicative of the crucial role to be played by employers in reducing worklessness at local level (see also 2.5 below).

24 Partly because jobs often go to non local residents.
1.3.3 It is important to keep in mind that current mainstream policies were conceived (even if not implemented)\(^\text{27}\) at a time of a relatively tight labour market nationally. Similarly, most of the available evidence on ‘what works’ also dates from a context when more jobs were available and it is not certain whether policies will have the same degree of success in a less favourable economic context.\(^\text{28}\)

\(^{27}\) As in the case of the Employment Support Allowance.

\(^{28}\) Hasluck C. and Green A.E. *op cit.*
2. Real world constraints, issues and solutions

2.1 Context: tighter resources and political realities

2.1.1 In the current ‘real world’ context recession means that worklessness is at a higher level than was formerly the case and more people are competing for available vacancies. The likelihood of becoming unemployed has increased in all regions of the UK since the second quarter of 2008, and markedly so during the fourth quarter of 2008, although there has been some levelling off of this increase in 2009. In this context, it is important to note that expenditure on benefits is ‘demand led’ – i.e. as the number of benefit claimants rises, so the amount of money spent on benefits increases. Given considerable pressures on public expenditure, this means that the amount of money available to be spent elsewhere is reduced. However, rises in worklessness are also associated with growing demands on other related services – notably social care. Looking ahead, cutbacks in public spending will mean inevitably that there will be job losses in the public sector – which tends to be a particularly important employer in many northern cities and in deprived areas. Moreover, some sub-groups – notably workers from ethnic minorities - who have suffered less badly in terms of employment losses in the recession to date are likely to be hit disproportionately by job cuts in the public sector. Political realities mean that there will be competing pressures to restrict growth in the unemployment count and to help sub-groups and areas suffering disproportionately from the impacts of recession.

2.1.2 The context of tighter resources and political realities raises a number of key questions regarding the likely emphasis of policies to tackle worklessness in the short- and medium-term. These include:

- Does this suggest an increased emphasis on efficiency gains (i.e. foregrounding of ‘efficiency’ rather than ‘equity’ considerations)? – if so, does this mean that there will be a greater focus on alignment of funding streams at sub-regional and local level, than on more disparate interventions to tackle worklessness at neighbourhood level?

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32 Interviews conducted in Spring and Summer 2009 with national level stakeholders (across a number of different departments and the devolved administrations) in relation to the City Strategy initiative are suggestive of such a trend, and also highlight the sheer amount of money (from different funding streams) going into deprived areas.
• Do tighter resources and political realities mean that there will be
greater focus on ‘outcomes’ (i.e. getting people into jobs) as opposed to ‘activities’ (i.e. help in moving people towards employment)?

• Does this suggest that there will be a greater focus on those who
are nearest to employment, such that the focus will shift away from
those who are furthest from employment (and are hardest help)?

• If so, does this mean that the relative position of those who are
most disadvantaged will deteriorate?

• (How) can cash incentives for providers be designed to avoid
‘creaming’ (i.e. focusing on those individuals who are easiest to help) and ‘parking’ (i.e. leaving those individuals who are most difficult to help) in a difficult labour market context?

2.1.3 The questions posed above highlight a number of important tensions and pressures for change in priorities in policy (at a range of spatial scales):

• There is an ongoing tension to keep resources focused on those
who are ‘most disadvantaged’ as well as addressing those most
recently unemployed. This tension is apparent at national and local
level – with some people advocating a continuing focus on the
‘most disadvantaged’ both on equity grounds and also so that they
may be equipped now (e.g. through policies to enhance their skills)
to be in a better position to take advantage of employment
opportunities when the economic upturn comes, while others
contend that a paramount focus should be placed on those who
have just become unemployed, in order that they do not become
long-term workless (and so harder to move into employment). To
some extent, this tension may play out in different ways in different
places. In ‘isolated’ neighbourhoods it is arguable that there is a
particular need to retain a focus on the long-term workless, while in
areas characterised by a greater degree of market churn a foremost
focus on the newly unemployed may be appropriate.

• Politically, it is likely that there will be greater priority given to young
people. This reflects the fact that young people have suffered
disproportionately from the impact of recession and also reflects
concerns about the scarring effects of long-term unemployment at
the start of labour market careers. The announcement and
implementation of the Future Jobs Fund reflects this priority.
However, questions have been raised about the most appropriate
focus for the Fund – with some commentators suggesting that it
should be used as a ‘short-term fix’ in those local labour markets
that have seen a rapid recent rise in unemployment due to

33 Ministerial pronouncements have emphasised the need to help both groups.
recession, leaving mainstream funds to tackle long-term worklessness.\textsuperscript{35}

- There has been a trend towards ‘individualisation’ in programmes to address worklessness – hence the introduction of the Flexible New Deal from autumn 2009. However, with pressures on Personal Advisers and concerns about the quality of service that they can provide at a time of rising unemployment and increased caseloads,\textsuperscript{36} there may be greater pressures to (re)consider the use of ‘profiling’ (as used extensively in the USA and Australia) to identify systematically, in accordance with individual customer characteristics, the most appropriate provision for any individual and to help focus types of intervention where they are likely to have greatest impact.\textsuperscript{37} If implemented, such a change might lead to a slightly different mix of people to be helped by area-based initiatives.

- The most disadvantaged may ‘lose out’ most if foremost emphasis is given to constraining spending on a departmental basis, rather than focusing on overall cost implications for the taxpayer when considering budgetary constraints.\textsuperscript{38} This is because the most disadvantaged benefit particularly from cross-domain interventions (that may rely on a number of different sources of funding), given the multi-faceted nature and complexity of the problems they face.

- There is likely to be increased emphasis on making existing money go further in the context of budgetary constraints. It follows that there is likely to be greater priority given to aligning different funding streams to secure efficiencies. City Strategy Pathfinders have made some progress in aligning funding streams.\textsuperscript{39} Insights from the ‘Total Place’ initiative in mapping flows of public spending in local areas and making links between services, to identify where public money can be spent more effectively, will also be of interest here.

\textbf{2.1.4} Given tighter resources and political realities, it is questionable whether some current trends will continue. For example:

- Will tighter resources mean a withdrawal from ‘localism’ (i.e. because of less ‘control’ over how money is spent and concerns that it may not be spent as central government desired), or will there be a trend towards greater ‘localism’ (i.e. a continuation of current trends) on the grounds that there will be more emphasis on alignment of existing funds at sub-regional and local level)?

\textsuperscript{39} Green A.E. \textit{et al.} (2009) \textit{op cit.}
On balance it seems likely that the current trend will continue. There is perhaps less uncertainty regarding some other trends – for example:

- The trend towards greater conditionality is likely to continue – even though there are fewer jobs.

The continuation of some current trends also presents some new challenges for policy – for example:

- With the introduction of Employment Support Allowance and requirements for lone parents with younger children to seek work, the diversity of Jobseeker's Allowance customers is likely to increase. It follows that in any local area there is likely to be greater diversity in Jobseeker's Allowance claimants, but also that there are likely to be greater variations in the profile of Jobseeker's Allowance claimants between local areas.

2.2 The role of mainstream programmes and area-based policies

2.2.1 There is a strong case for welfare state provision at national level providing a national ‘safety net’ on which all residents can rely. Mainstream programmes operating at a national level and focusing on individuals are generally effective in dealing with ‘big numbers’ and the ‘main problems/issues’ faced by workless individuals. To maintain clarity, and for considerations of equity, there is a case for fixed points of intervention on mainstream programmes (for example, after six months, etc) – even if the precise nature of the package of interventions at those points may vary at local level (i.e. via local ‘flexing’ of mainstream programmes). Arguably, there is not a great appetite amongst the general public for replacing mainstream programmes with policies with locally-variable eligibility rules (as exemplified by concerns about the ‘postcode’ lottery in the availability of certain forms of health provision). Hence there is a clear rationale for a ‘national spine’ of provision as the centrepiece of policies for tackling worklessness.

2.2.2 The case for area-based policies rests on their ability:

- To complement mainstream policies (rather than to substitute for them).

- To address particular problems/complexions of concentrated worklessness which come together in particular places (and neighbourhood types) in particular ways which mainstream programmes find it difficult to address, and where local partnership working can help provide a focus for joined-up interventions.

- To provide particular individually- and locally-tailored assistance to people facing multiple disadvantages in neighbourhoods of concentrated deprivation.
• To help provide specific ‘wraparound’ services in accordance with the needs of workless people at neighbourhood and local area levels.

• To help address particular neighbourhood/local place-related issues – for example, poor public transport access to areas of opportunities (for education, employment, etc), and lack of certain services, etc.

• To help make local neighbourhoods/local areas more attractive to business – in order to aid business expansion and promote employment growth.

2.2.3 There are likely to be place-to-place variations in the mix of area-based policies and in the speed and precise nature of their implementation for a number of reasons, including:

• Places/neighbourhoods have different starting points (in terms of the severity and nature of worklessness and histories of partnership working) and are on different trajectories. This means that in some local areas/neighbourhoods there is greater experience of tackling worklessness and the infrastructure of provision and partnership working is better developed than in other areas. However, lack of embedded partnership working need not necessarily be a disadvantage, but rather, in some circumstances, may engender a new impetus for action. Although partnership working at local and sub-regional level across policy domains might be easier in areas with a relatively long history of partnership working because of the existence of partnership structures upon which to develop, there is sometimes a danger of automatically doing things in the way that they have always been done.40

• Places/neighbourhoods play different roles in the spatial socio-economic system. It follows that is not necessarily the case that ‘one size fits all’ in terms of policy interventions.

• Yet arguably the ‘tool box ‘for addressing problems of worklessness is relatively limited (e.g. advice, guidance, training, support to enter work, job brokering, work placements, etc) such that the scope for local innovation is relatively limited.41 This implies that there are unlikely to be extremely different approaches to addressing worklessness in different local areas, but rather that the way the different approaches are configured will differ (according to the composition of the workless population and the problems and opportunities faced). For example, in areas characterised by relatively high levels of in-migration (from outside the UK) and associated population churn there is likely to be a continuing demand for advice and guidance and particular types of training (e.g. English for Speakers of Other Languages and programmes to

40 Doing things in the same way that they may have been done previously might, or might not, be appropriate.
41 Indeed, a continual focus on ‘innovation’ may be counterproductive.
understand employment rights and how the labour market operates in the UK). Hence, ‘gateway’ services (perhaps delivered through ‘Single Points of Access’\textsuperscript{42}) may be particularly appropriate in such areas. Arguably, challenges to tackling worklessness may be greatest in ‘isolated’ areas. Here greater resource may need to be devoted in initiatives aimed at raising confidence and aspirations.\textsuperscript{43} In such areas of greater population stability, and also greater continuity in staff in intermediary positions, there may also be greater scope for ‘getting to know’ workless individuals (and households) and developing links with local employers such that individuals and employers may be ‘matched’.

2.3 The role of local government and appropriate scales for intervention

2.3.1 The trends towards devolution of decision making and localisation have placed greater emphasis on the role of local government in tackling worklessness – both through supporting people and through assistance to local businesses. Arguably, \textit{local government is well placed to take action} in the following ways:

- Given the different policy domains encompassed by local government,\textsuperscript{44} together with third sector partners (including organisations such as Citizens Advice) it is well placed to provide coordinated wraparound services that help break down the barriers to economic participation (which may not be directly related to the labour market) and support people in making a transition to sustainable employment.\textsuperscript{45}

- Local government can provide opportunities to workless people as a major employer in most local areas. There has been increased focus on this role as vacancies in the private sector have diminished – although, as noted above, local government is not immune from cutbacks.

- In some instances local partners can work effectively by setting aside their statutory agency ‘labels’, so as not to ‘put off’ those individuals who are less willing to engage with statutory agencies.

\textsuperscript{42} Such ‘Single Points of Access’ - designed to provide front-end services that are available to all workless people and which address the range of barriers to employment that they face - have been established by the East London. The idea is that by removing institutional barriers and working across organisational boundaries it becomes easier to deliver a joined up or expanded service which is ‘person-centred’ and highly responsive to individual needs.


\textsuperscript{44} Including housing officers, youth workers, community development workers, etc.

\textsuperscript{45} For some examples of the kinds of initiatives local government has become involved with during recession see I&DeA and Local Government Association (2008) \textit{global slowdown: local solutions} – councils helping people and businesses, LGA; I&DeA and Local Government Association (2009) \textit{global slowdown: local solutions II}, LGA.
For instance, in a ‘Local Jobs’ initiative in Coventry, the City Council and Jobcentre Plus have come together using existing provision and funding available through partners (including Community Transport) to help equip local people from the most disadvantaged wards with the skills to compete successfully for new jobs across the city. Relationships have been developed with employers and changes to recruitment processes negotiated, so that workless individuals from priority groups can be prepared and supported to access the jobs.

- Through procurement policies local government can provide opportunities to help grow local businesses.

- Local government can play a role in helping local business to expand by providing grants, help with business rents, finance, etc. However, it needs to interface effectively with Business Link information, and other support and advice services at individual level.

- In order that tackling worklessness is not just about programmes operating at individual or neighbourhood level, it is important that local Worklessness Assessments and local work and skills plans are built into Local Economic Assessments – so linking economic competitiveness and social inclusion agendas.

2.3.2 However, there are constraints on local government action – whether at the level of an individual local authority (or a neighbourhood therein) or at a sub-regional level. For example:

- Does local government necessarily ‘know’ what works? Local government might ‘know’ their area and have the resources and capability to map provision to help workless people (in conjunction with providers and third sector organisation), but it is arguable that they have a better knowledge of ‘what works’ in addressing worklessness. After all, Jobcentre Plus has a strong history of working with both employers and claimants at national, sub-regional and local levels and at national level DWP has undertaken extensive evaluation of labour market initiatives. There is a potential danger that in designing new initiatives the broader lessons about ‘what works’ may be overlooked.

- The bureaucracy and complexity associated with local government can make it difficult for local partnerships to take action speedily. This may be especially frustrating for those from the private sector. There may be a role here (at least in some local contexts) for use of

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47 This is only one example, but exemplifies partnership working approaches designed to provide tailored help for long-term workless residents to access local jobs.
48 Including those promoting ‘local sourcing’.
49 This sub-section and the next draw (at least in part) on some of the findings emerging from the national evaluation of City Strategy.
50 As perhaps the foremost example in this respect.
Community Interest Companies to enhance transparency and flexibility in regeneration and foster stronger links with the local community. Likewise, at sub-regional level the big ‘P’ and little ‘p’ politics associated with working within local authorities and across local authority boundaries can sap the enthusiasm of other partners with no such prior experience.

- At sub-regional level, the fact that administrative areas (including for different partners [e.g. Jobcentre Plus areas and sub-regional partnerships]) and functional economic areas may not coincide can be problematic issue in some areas. This may also pose problems for referral systems and for spatial alignment of resources.

2.3.3 So what are the appropriate scales for intervention?

- Given that worklessness at neighbourhood level is the spatial manifestation of economic and social processes operating at higher spatial scales, and that the operation of local labour markets in some local authority areas can only be properly understood within a broader spatial (and institutional) framework, it would seem that the sub-regional level is an appropriate scale for developing strategy. However, if strategy and planning are undertaken at the sub-regional level, there is a danger that the differentiated needs of specific local areas may be overlooked.

- The neighbourhood level is an appropriate scale for planning to inform implementation and delivery to help the most disadvantaged residents in the most disadvantaged areas. One example of such planning is provided by the development of Neighbourhood Skills and Employment Plans in each local authority area in the Birmingham, Coventry and Black Country City Strategy Pathfinder. The Neighbourhood Skills and Employment Plans sought to bring together in one place information on the nature of worklessness (i.e. the profile of worklessness - including the relative size of different claimant groups, their demographic profile, etc, relatively to other wards and city region data), a local perspective on the problems and issues faced by those who are workless in each of the target wards (for example, poor health, transport problems in accessing jobs, etc); and how the needs of the workless are met (or not met) by current interventions; and identification of future priorities.

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51 This is the route taken by the Rhyl City Strategy Pathfinder (focusing on a deprived area in North Wales).
52 This is particularly the case in metropolitan areas.
• The neighbourhood level is also an appropriate level for delivery – especially of outreach services – given the relatively restricted geographical outlooks of some of the most disadvantaged individuals. However, residents of deprived areas need to be encouraged to look ‘outwards’ (as well as ‘inwards’) – in order to take up opportunities in other areas (as appropriate).  

2.4 A role for the community

2.4.1 There are at least three main reasons for a role for the community in shaping interventions to address worklessness (and regeneration policy more generally):

• to better understand the perceptions and needs of workless people and the barriers to employment that they face – so as to make interventions more customer focused

• to help residents understand how the labour market works and how it is changing; and

• to promote ‘active inclusion’ and enhance the stake of local people in regeneration and associated initiatives.

2.4.2 New Deal for Communities placed particular emphasis on engagement of residents in shaping strategy through their involvement in resident boards. In initiatives to tackle worklessness, there has been no general tendency to seek views directly from residents about barriers to employment and ideas on how they might be best addressed. Yet the third sector can play an important role in terms of outreach and in facilitating community participation in helping shaping strategy and interventions. It has been argued that such organisations have the capacity to provide solutions to socio-economic issues that meet the needs of local people and have the additional benefit of building social cohesion and social capital. However, there is a danger of ‘consultation fatigue’ and there may be issues of lack of confidence and apathy amongst some residents about becoming involved.

2.4.3 In terms of encouraging participation in initiatives/projects, it is recognised that ‘word of mouth’ and tapping into social networks can play a very important role in information dissemination and encouraging participation. For example, in Nottingham three ‘Learning Champions’ (who were local residents in priority wards) were trained by voluntary and community sector organisations to contact local residents (via door knocking and outreach activities), engage

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55 Whether via commuting or migration.
56 In both work and other domains. For further details see www.esn-eu.org/active-inclusion
57 After all, they have the most to gain (or lose) from the success (or failure) of local regeneration initiatives.
them through the development of relationships of trust, and then refer them to information, advice and guidance services and community learning provision.60

2.5 A role for employers

2.5.1 As noted in 1.3.2, employers have a crucial role in addressing worklessness because they control access to jobs (for employees). There is increasing interest in understanding employers’ recruitment strategies, since these may (inadvertently) operate against those disadvantaged in the labour market – for example, increased use of Web-based application procedures may disadvantage those without access to the Internet, while long application forms containing seemingly superfluous information may be off-putting to some individuals.

2.5.2 Obviously employers have a crucial role in helping shape interventions to meet their specific needs – such that workless people can be trained to fill specific job opportunities. More generally, employers should have a key role in helping shape economic regeneration and strategy to address worklessness because of their knowledge of what employers look for and need from employees – both currently and in the future. However, engagement of employers (especially small and medium enterprises) onto partnership bodies has been challenging.61 Moreover, there is a possible ‘conflict of interests’ in terms of their role on partnership bodies: are they present to serve their own interests or the interests of ‘employment’?62 Likewise, the process of simplification of the myriad of employer engagement channels (including Jobcentre Plus, local government, the Careers Service, training providers, sectoral bodies, etc) has proved difficult. Often employers do not know how the different ‘channels’ fit together into an overall system, how to maximise their input or see how their input is translated into decision making.63

2.5.3 It is important to remember in a time of recession that it is in the context of tight labour markets that employers might be most likely to look to disadvantaged groups/residents of deprived areas to fill vacancies. Similarly, it is easier for employers to play a key role in regeneration and addressing worklessness amongst disadvantaged groups in the context of large development projects. One such recent example is provided by the activities of the Leicester City Strategy Pathfinder and the Highcross retail development in Leicester. Here an ‘employability pathway’ was developed which built on the key objectives of Leicester City Strategy through ensuring that engagement activities would be co-ordinated with employers to address their

60 Hasluck et al. (2009) op cit. Learning Champions have also been deployed to encourage learning in New Deal for Communities areas.
61 Often an employer representative may be from a large company which is a major employer in the local area and/or has a strong corporate social responsibility ethos.
62 There may be a similar ‘conflict of interests’ in relation to the role on partnerships of training providers.
63 An ongoing project on ‘Maximising the Employer Voice’ being undertaken by the UKCES should have important messages and establish key principles here.
needs for a well trained and motivated workforce whilst working with clients to remove the barriers that stop them from seeking and competing for and obtaining employment. This involved engagement and registration at roadshows and fairs at various locations throughout the city, pre-employment support designed to get individuals ‘job ready’ delivered through a range of providers and utilising a ‘brand fit’ concept to help place candidates in appropriate jobs, and post-employment support. The challenge is to maintain partnerships and apply key learning points in a different economic context.