

**Effective Interventions to Tackle  
Worklessness – Review of Evidence**

**Final Report**

**September 2005**



**In Conjunction With**



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## Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>Section 1 – Introduction .....</b>	<b>9</b>
<b>Section 2 – Context and Overview of Worklessness.....</b>	<b>13</b>
<b>Section 3 – Methodology.....</b>	<b>20</b>
<b>Section 4 – Barriers, Problems and Disincentives &amp; Target/Client Groups .....</b>	<b>23</b>
<b>Section 5 – What Works for Worklessness Interventions.....</b>	<b>38</b>
<b>Section 6 – Conclusions, Recommendations &amp; Issues for Further Research ..</b>	<b>64</b>

## EXECUTIVE SUMMARY

### Aim of Study

This report presents the findings of a study that ERS (in conjunction with Sustainable Cities Research Institute at Northumbria University and Durham University Business School) has carried out for One NorthEast on behalf of the Worklessness Intelligence Group. The key objective of the study has been to review available robust **evidence about effective interventions to reduce worklessness** across the UK.

### Structure of Report

The aims of the study, the context for the study and the focus of the study are all outlined in *Section 1* of the Report. An overview of worklessness in the North East, including a definition of worklessness, and setting the scene by reporting on patterns of worklessness both across the UK and within the North East are contained in *Section 2*. *Section 3* reports on the methodology for the study and is followed by *Section 4* which presents an overview of the main barriers to employment, problems and disincentives faced by workless individuals, as well as identifying the main target/client groups for worklessness interventions in the current policy framework. *Section 5* considers the issues surrounding approaches to, and types of, worklessness interventions as well as including discussion of the characteristics of successful interventions, and the conditions that assist/enable worklessness interventions to be effective. Finally, *Section 6* presents a summary of the report by drawing together the findings of the previous sections in order to draw out the lessons from the review of evidence. It includes a summary of the characteristics of successful interventions, as well as issues for further investigation.

### Methodology

The methodology used for this review included a detailed review of literature on effective interventions to reduce worklessness. The review included the use of academic and non-academic sources of evidence, and the academic sources included published and 'grey literature'. In addition, the published non-academic sources were supplemented by evidence of effective interventions to reduce worklessness derived from studies carried out by the study team – ensuring the inclusion of interventions that have been independently evaluated and that would be difficult to access via other routes. Whilst coverage of both mainstream interventions and, more specific, area based programme interventions are included, the report

does not attempt to provide an overview of the plethora of national evaluations carried out by, and on behalf of, DWP. Instead, there has been a slight focus towards lessons learned from area based programmes and from pilot programmes.

The study also carried out a range of consultations as part of the study, including consultations with the members of the Worklessness Intelligence Group, as well as with a range of individuals identified as representing a wide range of stakeholders and partners involved in aspects of the worklessness agenda in the North East.

### **Findings**

The findings of 'what works' from the review of evidence of effective interventions to address worklessness are summarised below. The following list provides a summary of the issues which can be used as ideas and principles for effective interventions for addressing worklessness.

### **Approach**

One strong conclusion from the review is that *one size doesn't fit all* – in other words there is no one size fits all approach for worklessness interventions, with the evidence showing that flexibility and local autonomy are critical to effective worklessness interventions.

In addition, successful approaches to worklessness interventions have been found to be *holistic, client-centered* and include *customised provision of services* relevant to clients.

### **Targeting**

Evidence exists that suggests that *delivery* of worklessness interventions should take place locally, allowing local conditions and issues to be taken into account. However, it is also recognised that a *strategic* overview, perhaps at the travel-to-work area (or other spatial level, e.g. city region) is needed.

### **Engagement of Individuals**

Effective engagement of individuals onto worklessness interventions can be achieved through approaches such as locating premises central to or accessible for, the local community; outreach work; employing local people as advisers; and networking, linking and delivering through other local organisations. No single method stands out

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as better than others – different methods suit different target groups and areas. There is some evidence that organisations less obviously connected with government can play a much more effective role in securing initial engagement with particular target groups. Some commentators note that evidence around what works for engagement, retention and progression is sparse, suggesting that there may be a need for further investigation of this area.

### ***Employer engagement***

Employer engagement is important for a number of aspects including maximising the potential for obtaining vacancies, ensuring good match between client skills/attributes and employer needs, and promoting sustainability and progression once clients are placed in jobs. Employer commitment is also recognised as *fundamental* for good ILM schemes.

Best practice for achieving employer engagement includes engaging employers from the start, working within the interests and capacity of employers, incorporating employer requirements in all stages (including design), utilising existing relationships, focusing on selected sectors, occupations and areas, creating employer confidence and trust in the processes, and ensuring effective communication.

### ***Delivery and Process***

A *client-centred, holistic, customised approach* is important for effective delivery of the intervention. The type of provider (i.e. public, private, community/voluntary) is not a critical factor for success – evidence shows that delivery has been effective for all types of provider.

A sufficient *level of autonomy* is required in order to make sure that the intervention is flexible and can adjust to local context and circumstances.

There is some evidence that flexibility regarding the need for formal training would be an advantage as formal training is not always needed, and can be a disincentive to the engagement of some individuals.

Whilst the ‘place then train’ (‘work first’) approach as opposed to the ‘train then place’ (‘human capital’) approach is an area for further investigation outwith this study, it is useful to note that there is evidence which supports the ‘work first’ approach. A

number of 'work first' approaches do tend to provide some intensive post-employment support which seems to play a positive role in the beneficial effects of this approach.

One universal critical success factor (at both strategic and delivery/operational level) is *effective partnership working*.

The success of some interventions may be due to particular labour market conditions at that time – emphasising the importance of *taking local conditions and context into account*.

### **Support**

There is mixed evidence as to the level of success of *financial support to the client*, and the extent to which it is required. Financial support can assist with some barriers but does not effectively address other types of barriers.

In terms of *wage subsidies* (i.e. where the financial support goes to the employer), there is also mixed evidence, with some evaluations showing that receipt of a wage subsidy by employers would not affect their decision about recruitment, or that whilst employers were grateful for the wage subsidy, not all employers were certain that a full wage subsidy was necessary.

With regard to the *level and intensity of support required*, many people in the target groups face major obstacles to work and require specialised and intensive help to overcome them. This level of support should not be underestimated.

There are examples of *post placement support* on national pilot programmes for the hardest to help/reach groups. Other pro-active approaches include identifying high risk of dropout clients who then receive more intensive post-placement support than other clients.

### **Success factors**

There are a range of key features that indicate success for *ILMs*. These include: targeting at the long-term unemployed, diversity of work placements available, payment of a wage, voluntary participation, and provision of/ effective links to supportive services (e.g. provision of pre-placement training on job search skills and

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work place norms, counselling and job search assistance). In addition, placement with 'for profit' organisations tend to yield higher success rates, *employer commitment is fundamental*, and formal training is not essential.

In terms of success factors for *job brokerage*, the five aspects identified were that job brokerage projects: must be *embedded in the local area*, require a *holistic approach*, should *collaborate with other agencies*, need an *employer-focused approach*, and projects' benefits *need to be sustained*. For *transferability of job brokerage*, the evidence notes that the fundamental building blocks of job brokerage remain the same across the country, but these need to be supplemented by local information and an understanding of the local area.

For *outreach* to be successful, and in order to build trust and confidence, the local service has to be seen as a community based service. Two approaches can be taken: First, *establishing a local base*, which could be either a local Jobshop or advisers based in a community building. Basing services in a local community hub helps attract people that use the building and makes it easier to promote the service and make referrals. Second, *outreach work*, including delivering surgeries in libraries, community centres, and GP offices, attending local community meetings, providing job and careers advice in a mobile bus going round estates and holding job fairs.

For addressing *travel to work* issues, a range of services can help assist workless individuals when they looking for, and sustaining, employment. This includes: provision of funds to cover travel costs, better/improved travel information and journey planning in Jobcentre Plus offices, provision of concessions on public transport for target groups, extension of current public transport provision, express transport services from excluded/ deprived neighbourhoods to employment opportunities, provision of fixed route services that would otherwise not exist, demand responsive transport schemes, and streetscape improvements (to help address security and safety concerns).

### **Recommendations/Issues for Further Investigation**

In summary, this report has provided a review of what works for worklessness interventions. Many different interventions have been evidenced and there is a wide range of interventions that are effective. It is difficult to identify any single

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intervention and recommend that this is the ideal model to address worklessness, especially given the issues of transferability identified throughout the report.

The one issue that is perhaps worth identifying is the areas where mainstream Jobcentre Plus provision is most challenged, due to issues such as a lack of trust in the system, and the disengagement of a number of individual/ groups from both the labour market and from services that aim to improve job prospects (including Jobcentre Plus). It is in these areas that some level of alternative provision may be required to complement the mainstream provision.

Job brokerage/ job linkage projects (whether they are area based initiatives (ABI) funded projects, or Action Team for Jobs provision), when delivered effectively and when all the success factors identified are included, have been shown to effectively engage clients (including disengaged clients) and provide a bridge/link to employment. The extent to which such provision may be enhanced in the North East is one area for further investigation.

Further investigation would be needed to map the current provision of such services in the concentrations of worklessness, to identify if there are any gaps in provision, as well as establishing the local conditions and context in such areas to test the feasibility of such interventions. Additional issues that would need to be considered in such investigation would include the scale of such activities in relation to the area they operate, the possible impacts of expansion (especially on quality/effectiveness of delivery), and the impact such activities could have at the regional and sub-regional level.

Other areas for further investigation identified from this study include:

- Development of a more transparent approach to, and a more rigorous framework for, assessing cost, value for money, outcomes and the feasibility of the development of such a framework.
- Investigation into what interventions are effective for particular client/target groups is an area where further work would be beneficial.
- Given the recognition that evidence around what works for engagement and retention of individuals on worklessness interventions is sparse, there may be a need for further investigation of this area.

- Finally, this review has focused on the UK, however, it should be recognised that there are examples of successful worklessness interventions internationally as well. It may be that consideration of international best practice (for particular types of interventions) is an area for further investigation.

### Case Studies

The case studies appended to the report include examples of a range of worklessness interventions which have proved to be effective. This includes both the mainstream provision of interventions to address worklessness as well as area-based projects. The table below summarises the case studies and highlights the main characteristics that each of the case studies addresses.

<b>Main Case Studies: key issues /success factors identified</b>
<i>Solution Centre Job Shop</i> – local service, outreach provision, private sector deliverer, good partnership linkages
<i>Thorney Close Job Linkage Project</i> – voluntary/community sector delivery, outreach, good linkages
<i>Modern Apprenticeships – Increasing Participation and Retention</i> – participation, recruitment and retention, wage subsidy/financial incentives
<i>Sangat Community Centre</i> – reflects local needs/issues/context, use of local volunteers
<i>Ethnic Minority Training Initiative</i> – broadening of target group, importance of skills and knowledge of staff
<i>Teamwork</i> – targeting towards mental and physical health issues
<i>Kettering Business Venture Trust</i> – business support, previous presence in location assists accessing hard to reach to group
<i>Jobs on The Riverside</i> – public sector (inter local authority) partnership, sectoral engagement, no requirement for formal qualifications
<i>Employing Tyne and Wear</i> – employer engagement, employer focus, well networked delivery structure
<i>Tesco Job Guarantee</i> – job guarantee, relaxed recruitment, single employer, importance of local labour market conditions
<i>Northumberland New Deal Employment In Health And Social Care</i> – voluntary participation, good partnership, employer buy-in

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<i>Job Rotation in Scotland</i> – sectoral focus
<i>Step Up</i> – engagement of individuals, wage subsidy, place then train/work first approach
<i>Build and Train Job Brokerage Scheme</i> – outreach, office/delivery location, non-mainstream provision helps engagement
<i>Skills for Employability – Basic Skills Project</i> – holistic approach, one-to-one outreach, use of mentors/buddies
<i>Skills for Life Project</i> – outreach, office/delivery location, sensitivity to the use of the term ‘basic skills’
<i>Preston Road Works – ILM Scheme</i> – word of mouth, inter-project referrals, office/delivery location, recognition of softer outcomes
<i>Full Employment Areas Initiative</i> – use of animators for outreach, local labour market conditions
<i>Glasgow Works</i> – ongoing support, work first/place then train approach, local labour market conditions

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## Section 1 – Introduction

This document reports on the study that ERS (in conjunction with Sustainable Cities Research Institute at Northumbria University and Durham University Business School) has carried out for One NorthEast on behalf of the Worklessness Intelligence Group. The aim of the study is to provide a review of effective interventions to reduce worklessness.

The key objective of the study is to provide a mapping of available robust **evidence about effective interventions to reduce worklessness** across the UK. In addition, the study also provides an overview of the barriers (both perceived and actual) to employment faced by workless individuals and households, as well as identifying the main client groups that are currently the target for such worklessness interventions.

As discussed in Section 2 below, the concept of *worklessness* has risen straight to the top of the government's employment and welfare policy in recent times. However, whilst Section 2 of this report does provide a context for the study by looking at definitions of worklessness and patterns of worklessness, especially within the North East, this study is not intended to be an all encompassing review of all aspects of worklessness. The focus of the study is to review the available evidence in order to consider what is effective/ successful in terms of tackling worklessness in the UK.

Following on from this, it should be noted that the literature and evidence on worklessness is vast and a full review of all evidence on interventions to tackle worklessness is beyond the scale of this, or most other, studies. The study has therefore had to focus on particular aspects of worklessness interventions.

First, coverage of both mainstream interventions and more specific, area based programme interventions are included. However, insofar as the mainstream interventions are delivered on a national scale, the report does not attempt to provide an overview of the plethora of national evaluations carried out by, and on behalf of, DWP. Instead, there has been a slight focus towards lessons learned from area based programmes (NDC, SRB, etc.) and from pilot programmes (Action Team for Jobs, Pathways to Work, StepUP and so on). These areas of focus form the basis for both the general discussions about various approaches to and types of

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interventions in Section 5 and the specific case studies included in Appendix 1 to this report.

Second, whilst the aim of the evidence review is to identify effective interventions for tackling worklessness, it can be argued that just as much (if not more) can be learned from ‘bad examples’ as from good examples of interventions. However, not surprisingly, good examples of worklessness interventions tend to be more widely disseminated, more often quoted, and evidence and information about them more easily accessible than examples that have struggled in one way or other. For these reasons, the examples included within the report, especially the case studies, are exclusively (or almost exclusively) examples of good practice.

Third, there are the issues regarding supply side approaches and demand side approaches to tackling worklessness. The issues of supply side versus demand side approaches to worklessness receive significant interest and discussion (e.g. IPPR north, 2005). Whilst some commentators propose an approach which is primarily demand-led/employer focused and takes account of current labour market demands, others propose a more supply-side oriented approach which advocates a focus on the workless individuals and deals with them and the multi-faceted issues they face as they move towards/into the labour market. Both issues are considered throughout the study, with the need to take account of the employer perspective/ demand-side addressed through inclusion in the framework of the case studies (as well as being addressed in Section 5), and the particular barriers/issues faced by workless individuals being addressed in Section 4.

Fourth, there is also much reference to, and discussion about ‘hard to reach’ and ‘easy to reach’ workless individuals/groups, as well as ‘hard to help’ and ‘easy to help’ workless individuals/groups. Again, the broader issues surrounding this (in terms of which, if any of the above groups, should be the focus of any interventions) are beyond the scope of this study. The issue is dealt with insofar as the structure of the case studies includes reference to the target groups of the various interventions, but the broader policy decision as to which (combination) of the above groups should be the focus of worklessness interventions is not the focus of this study.

Fifth, another issue relates to the decisions regarding whether there should be a 'blanket' (pan-Northern Way) policy/intervention to tackle worklessness, or whether more localised area based interventions and projects should be preferred. Whilst calls for a pan-North East approach are based upon the evidence which shows the level of worklessness across the North East, and the number of concentrations of worklessness in the North East are sufficiently high to warrant a region-wide approach, others note the importance of local context and the local issues and conditions within which any worklessness intervention would need to operate, and argue against the 'one size fits all' approach. Again, this study does not attempt to resolve this issue, but draws out through Section 5 and the case studies both broad issues for worklessness interventions (characteristics of success) and specific examples of effective interventions.

Sixth, and finally, some worklessness interventions are not included in the review of evidence. There are a number of reasons for this, including a lack of sufficient independent evidence/information about the intervention, the need to respect the confidentiality of the original independent evaluation report, a lack of any independent evaluation of the policy/intervention thus far, or the fact that the interventions are not yet fully implemented (e.g. the Northern Way worklessness pilots for the North East in Easington, Middlesbrough, and Sunderland).

In order to provide a context for the study, this report provides an overview of some of the important issues which form the background to the review of evidence of effective interventions to tackle worklessness. This includes an overview of worklessness in the North East, a review of the barriers to employment, disincentives and problems faced by workless individuals, and identification of the main target/client groups for worklessness interventions in the current policy framework. The report also discusses the various approaches to worklessness interventions, types of intervention, as well as the characteristics of successful interventions, and the conditions that assist/enable worklessness interventions to be effective.

The structure of the report is as follows:

**Section 1** of the report (this section) provides an introduction to the study and to this report.

**Section 2** provides an overview of worklessness in the North East, including a definition of worklessness, and setting the scene by reporting on patterns of worklessness both across the UK and within the North East.

**Section 3** reports on the methodology for the study both in terms of the (face-to-face and telephone) interviews that form part of the study, and in the document review which formed that main part of the study.

**Section 4** presents an overview of the main barriers to employment, problems and disincentives faced by workless individuals, as well as identifying the main target/client groups for worklessness interventions in the current policy framework.

**Section 5** considers the issues surrounding approaches to, and types of, worklessness interventions, and where appropriate, links these back to particular barriers and/or client groups identified in Section 4. Section 5 also includes discussion of the characteristics of successful interventions, and the conditions that assist/enable worklessness interventions to be effective, as well as providing clear links between the case studies appended to this report and the issues discussed in Section 5.

**Section 6** presents a summary of the report by drawing together the findings of the previous sections in order to draw out the lessons from the review of evidence. It includes a summary of the characteristics of successful interventions, as well as issues that arose in the context of the study. Finally, it also points towards possible areas of further investigation.

Also, appended (in **Appendix 1**) to this report are a number of examples of case studies of effective worklessness interventions. These case studies are, as far as possible given the available evidence base, presented using the same pro forma structure (which is itself presented in Section 3), thus providing a consistent format for the reporting of the case studies.

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## Section 2 – Context and Overview of Worklessness

This section of the report provides an overview of worklessness in the North East, including defining worklessness, and setting the scene by reporting on patterns of worklessness both across the UK and within the North East.

### ***Definitions of Worklessness***

Worklessness has rapidly entered the political lexicon and the concept has risen straight to the top of the government's employment and welfare policy. The Government has become progressively more concerned about groups of workless individuals being concentrated in deprived neighbourhoods. Sustained (or long-term) worklessness raises the possibility of areas where unemployment and benefits dependency are seen as the norm and children grow up within families, where generations find themselves largely without employment and outside the labour market.

The government states in an ODPM report that (2004:5)

*“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”*

Nickell (2004:1) states, *“The connection between poverty and worklessness is a strong one. Over 53% of poor children live in workless households whereas only around 20% of children overall do so”*

It is not only the life chances of young people that motivates the current government to attempt to alleviate worklessness. The Blair government can proudly claim to be presiding of a period of sustained low unemployment. However, in contrast, the level of people claiming incapacity benefit has risen steadily since 1997. Nickell (2004) reports that inactivity amongst working age men has risen from 4.7% in 1979 to 15.9% in 1999. This has led to some academic commentators suggesting that we have a degree of “hidden unemployment” which contributes to a culture of worklessness, in certain deprived neighbourhoods (Beatty and Fothergill, 2002)

A recent government consultation, SEU (2004) *Jobs and Enterprise in deprived areas*, reports the following response from a voluntary sector organisation in the

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North West. This quote encapsulates the social impact of worklessness, SEU (2004:5),

*“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 amongst the young”*

If we attempt to deconstruct the term “worklessness” we can see that it is a relatively chaotic (ambiguous) concept, which is often used loosely, causing confusion about its exact meaning. Worklessness is strongly linked (and often understandably confused) with other terms like unemployment, economic inactivity and employability.

The government appears to make the following distinctions between the various terms.

- **Unemployment** – people of working age who are not working but looking for a job (e.g. someone on Jobseeker’s Allowance);
- **Economic inactivity** – people of working age who are neither working or looking for work (e.g. someone who is on Incapacity Benefit);
- **Worklessness** – includes people who are both unemployed and economically inactive; and
- **Workless household** – a workless household is one which contains at least one person of working age where no-one aged 16 or over is in employment.

Whilst these definitions of worklessness are those that are commonly used, especially by government, other definitions of worklessness do exist. For example, a stricter definition of worklessness used by some argues that the true workless individuals are those that are not in work and not on any work-related benefits.

The SEU (2004) report highlights that several North East cities and towns (including Hartlepool, Middlesbrough and Easington) are suffering from the highest levels of worklessness in the country. The report states that people living in these areas are eight times more likely to live in a concentration of worklessness than people in London.

The report goes on to say that people who live in concentrations of worklessness tend to be from groups who are known to already fair badly in the labour market:

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- almost half the working-age population in concentrations of worklessness have no qualifications;
  - people from Black Minority Ethnic (BME) backgrounds are more than twice as likely to live in them as the population as a whole;
  - half of the 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.

Also people in communities with high concentrations of worklessness often suffer from:

- multiple disadvantages – such as poverty, issues with substance misuse and often some form of 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.

(Source SEU, 2004: 9)

These debilitating factors have been - rather crudely perhaps - grouped into two categories, which have been described as 'place' and 'people' effects leading to worklessness in communities.

**Place effects** include – the location of area, poor infrastructure, a lack of transport, limited jobs/training opportunities, as well as competition for these limited job/training opportunities.

**People effects** include – limited tacit information about jobs, as many workless individuals may be living and socialising with other workless people and therefore miss out on informal notification of employment opportunities. They may also encounter a real possibility of discrimination by some employers due to where they live and their employment history.

The findings of the SEU report suggests that some parts of government are starting to appreciate that the solutions to concentrations of worklessness are often place specific and policies and programmes have been, and are being, developed to address this, however, this may not be true of all parts of government.

The SEU (2004:11) report concludes,

*“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 be only part of the solution – housing, planning or regeneration by local authorities are also crucial”*

A crucial factor in the success of the worklessness agenda will be how effectively the balance between unemployment as a supply or demand side issue is understood. Certain voices within the government appear to suggest that worklessness is predominately a supply side issue as there are jobs out there which cannot be filled. However, a more balanced appreciation of the issues would outline the multi-faceted problems, which face some individuals before they can engage in the labour market (Danson, 2005: IPPR, 2005).

### ***Patterns of Worklessness***

Employment is running at record levels, with the latest government figures from the ONS (January 2005), suggesting that 74.9 percent of people of working age\* are in employment. And the unemployment rate is currently a very respectable 4.7 percent. However, these figures mask very significant levels of inactivity and worklessness in the workforce. The latest labour force survey suggests that except for the Inner London region (which contains the most deprived inner city boroughs in the country), the North East has the highest level of workless households in the country with around 1 in 5 households containing workless individuals (see Table 1).

Worklessness is undeniably an extremely pressing national issue as illustrated in the SEU (2004) report, which states:

*‘Worklessness in the worst affected tenth of streets in the country is 23 times higher than it is in the best and only 20 of the 354 local authorities in England do not have a street in the worst 10 per cent for worklessness. Significantly, more than a quarter of the streets in the North East are concentrations of worklessness’ (IPPR, 2005; SEU, 2004)*

**Table 1: Workless households in England January 2005**

<b>Government Office Region</b>	<b>Workless households (%)</b>
North East	22.2
North West	18.2
Yorkshire and Humber	16.5
East Midlands	14.7
West Midlands	14.9
East of England	11.8
Inner London	25.4
Outer London	16.3
South East	11.1
South West	12.9
<b>England</b>	<b>15.5</b>
<b>United Kingdom</b>	<b>16.0</b>

Source: ONS Labour Force Survey

Recent press releases about the Northern Way confirm the significance of levels of worklessness in the North East, when compared to other regions, they state;

*“Worklessness<sup>1</sup> in the North is high. Those registered as unemployed or otherwise economically inactive make up 24.7% of the working age population in England. In the North East it is 30.3%, in the North West it is 26.2% and in Yorkshire and the Humber 25.1%. The biggest element of the difference is the proportion of people on incapacity benefit. In England as whole, some 6.3% of the working age population are claiming incapacity benefit. In The North East, 10.5% are claiming this benefit, with 9.6% in the North West and 7.1% in Yorkshire and the Humber”. (Northern Way, 2005)*

Table 2 illustrates the North East as a region suffers from a related double problem of the lowest levels of employment amongst the working age population (except from Northern Ireland) and concentrations of the highest levels of workless households in

<sup>1</sup> A workless household is a working age household where no one aged 16 or over is in employment

the country. Employment levels in the North East are currently at 69.3%, significantly below other comparable regions like the North West (73.4%) and Yorkshire and the Humber (74.5%). The North East is easily the English region, which is furthest away from the governments' ultimate (and perhaps aspirational) target of 80% employment, which in modern society equates to full employment.

**Table 2: Employment rates in UK nations and regions, as a percentage of the working population**

	2001	2000	2001	2002	2003	2004
Northern Ireland	67.0	65.4	67.7	67.9	69.7	66.6
<b>North East</b>	<b>65.5</b>	<b>67.9</b>	<b>68.9</b>	<b>68.7</b>	<b>68.2</b>	<b>69.3</b>
London	71.7	71.6	71.4	71.2	70.3	70.6
Wales	68.7	69.6	68.3	68.8	73.0	72.7
North West	71.0	72.6	72.7	71.8	73.3	73.4
West Midlands	73.9	73.3	74.3	74.3	74.0	74.0
Yorkshire & Humber	72.6	73.8	73.5	73.0	74.1	74.5
Scotland	71.1	72.2	73.8	73.3	74.6	74.5
East Midlands	76.0	76.9	75.7	76.5	76.1	76.8
South East	79.7	80.5	80.2	80.0	79.3	78.4
South West	78.2	78.7	79.0	79.0	78.6	78.7
East	78.0	78.3	79.6	79.2	78.5	79.0
<b>United Kingdom</b>	<b>73.8</b>	<b>74.4</b>	<b>74.7</b>	<b>74.5</b>	<b>74.7</b>	<b>74.7</b>

(Source: IPPR North, 2005 original data from Office for National Statistics (ONS))

Worklessness and benefit dependency tend to be concentrated in our most deprived communities. Table 3 illustrates the areas in the North East where worklessness and reliance on Incapacity Benefit and related Benefits are most prevalent. Areas like Easington, Sedgefield, Hartlepool, Gateshead, Sunderland, Middlesbrough and Blyth have some of the highest levels of incapacity benefit claimants in the country. These areas have faced the demise of heavy industry as well as the effects of manufacturing inward investors divesting from these areas in order to trade in global labour markets. Easington, County Durham has the highest level of incapacity benefit claimants in the country at 21% of the working age population.

**Table 3: Claimants of key benefits in the North East as a percentage of the working age population, (as of August 2004)**

	All %	Un-employed %	Sick and Disabled %	Lone Parents %	Other %
<b>Great Britain Total</b>	13.5	2.2	8.6	2.2	0.5
<b>NORTH EAST</b>					
<b><i>Tees Valley</i></b>					
Darlington	15.9	2.0	10.8	2.3	0.8
Hartlepool	22.1	3.3	14.3	2.8	0.8
Middlesbrough	22.4	4.1	13.0	4.1	1.1
Redcar and Cleveland	19.3	3.2	12.3	3.0	0.8
Stockton-on-Tees	16.3	3.1	9.9	2.5	0.8
<b><i>Durham</i></b>					
Chester-le-Street	15.8	2.1	11.5	1.7	0.5
Derwentside	17.6	1.5	13.3	1.9	0.9
Durham	12.8	2.1	8.9	1.5	0.4
Easington	27.7	2.0	22.5	2.8	0.5
Sedgefield	20.3	2.3	14.9	2.6	0.6
Teesdale	9.3	0.4	6.8	1.5	0.7
Wear Valley	21.7	2.2	15.4	3.1	1.0
<b><i>Northumberland</i></b>					
Alnwick	11.1	1.5	8.1	1.1	0.4
Berwick-upon-Tweed	12.5	1.1	8.0	2.7	0.7
Blyth Valley	18.3	2.5	13.1	2.0	0.7
Castle Morpeth	11.4	1.4	8.6	1.0	0.3
Tynedale	11.3	1.8	7.8	1.2	0.5
Wansbeck	18.2	3.5	12.2	2.0	0.5
<b><i>Tyne and Wear</i></b>					
Gateshead	19.4	2.6	13.5	2.4	0.8
Newcastle upon Tyne	18.0	2.8	11.5	2.8	0.9
North Tyneside	17.2	2.7	11.0	2.7	0.8
South Tyneside	20.9	4.1	12.7	3.2	0.9
Sunderland	19.9	2.8	13.6	2.8	0.8

(Source: IPPR North 2005, original data from Office for National Statistics, 2004))

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### Section 3 – Methodology

This section reports on the methodology adopted for this study including the progress made both in terms of the (face-to-face and telephone) interviews that formed part of the study, and in the document review which formed the bulk of the study. The methodology used for this study included:

**Desk Research** – Desk based research included a review of sources of literature on effective interventions to reduce worklessness. The review of the literature includes both academic and non-academic sources of evidence. The academic sources used include both published academic sources as well as ‘grey literature’ (i.e. non-published academic papers). In addition, the published non-academic sources were supplemented by evidence of effective interventions to reduce worklessness derived from evaluation studies carried out by ERS, SCRI and DUBS – ensuring the inclusion of interventions that have been independently evaluated and that would be difficult to access via other routes. The review of literature has also helped to identify additional barriers and disincentives to employment, and has therefore contributed to Section 4 of this report as well as Sections 5 and 6.

**Face-to-Face Consultations** – Individual face-to-face interviews were carried out with the members of the Worklessness Intelligence Group, resulting in interviews having been carried out with representatives from One NorthEast, Jobcentre Plus and GO-NE.

**Telephone Consultations** – In addition to the face-to-face interviews, a total of around 20 individuals were identified as telephone interviewees, the group representing a wide range stakeholders and partners involved in a range of aspects of the worklessness agenda in the North East. The telephone interviews carried out eventually achieved around 60% coverage of the interviewees listed in Appendix 3.

#### *Issues Covered in the Consultations*

The consultations (both the face-to-face and the telephone interviews) with the range of stakeholders and partners covered the following issues:

- Identification and discussion of the main barriers to employment, and the problems and disincentives faced by workless individuals, (in the North East);

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- Identification and discussion of the main target/client groups for worklessness interventions in the current policy framework;
  - Discussion of the current policies/initiatives to address worklessness taking place in the North East (and beyond);
  - Discussion of the key issues that successful interventions need to address;
  - Identification of any variances across/within the North East in any of the above issues; and
  - Discussion and identification of existing, rigorous, independent evaluations and evidence of effective worklessness interventions.

#### *Identification of Issues to be reported for Effective Interventions*

One final aspect of the methodology adopted by the study is the approach through which the various worklessness interventions are summarised and presented. In order to achieve a consistency to the manner in which the different interventions are reviewed, discussions took place with the entire Worklessness Intelligence Group, and, separately, with individual members of the Group, in order to identify a consistent set of issues that the review of evidence would provide coverage of when individual examples of effective interventions were being reviewed. The final list of issues (along with the main sub-issues) is listed below.

This list is used for both the structure of the presentation of the case studies (contained in Appendix 1) for this study, as well as forming the basis of the structure for Section 5 of this report.

Table 4: List of Issues Covered in Case Studies

<b>Theme</b>	<b>Sub-Theme</b>
<b>BARRIERS</b>	<i>The <b>barriers, problems and disincentives</b> being addressed by the intervention</i>
<b>TARGETING</b>	<i><b>Target client groups for the intervention</b> <b>Sectoral targeting</b> <b>Geographic targeting</b> <b>Types of employment (both type of job and sector in which jobs are located)</b></i>
<b>ENGAGEMENT OF INDIVIDUALS</b>	<i><b>Retention</b> of individuals on intervention <b>Engagement</b> of individuals on intervention <b>'Distance travelled'</b> (of individual to(wards) employment)</i>
<b>EMPLOYER PERSPECTIVE</b>	<i><b>Demand side/employer perspective</b> on the intervention</i>
<b>ROBUSTNESS OF EVIDENCE</b>	<i><b>Rigorousness of any evidence</b> regarding the intervention</i>
<b>OUTCOMES</b>	<i><b>Outcomes</b> of intervention <b>Counterfactual scenario</b></i>
<b>COST, VFM, AND SUSTAINABILITY</b>	<i><b>Cost</b> of this type of intervention <b>Scale</b> of this type of intervention (i.e. is there any issue with the necessary scale of the intervention – is there a minimum scale, or an economy of scale issue) <b>Value for Money</b> of the intervention <b>Sustainability of intervention</b></i>
<b>DELIVERY AND PROCESS</b>	<i>Typical <b>lead organisation</b> for this type of intervention Engagement of the various sectors/agencies in the delivery of the intervention Joint working/inter-agency working aspects Funding aspects – i.e. who gets the money to deliver the intervention) <b>Process issues</b> (the 'how' it was delivered)</i>
<b>SUPPORT</b>	<i><b>Level of Support</b> linked to intervention <b>Type of Support</b> linked to intervention level and intensity of support/assistance/hand-holding issues surrounding financial support – how much financial support is there, who receives it (the employer, the employee, or the support agencies)</i>

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## **Section 4 – Barriers, Problems and Disincentives & Target/Client Groups**

This section presents an overview of the main barriers to employment, problems and disincentives faced by workless individuals, as well as identifying the main target/client groups for worklessness interventions in the current policy framework. It builds upon the information regarding barriers and disincentives provided in the original specification for this study and the notes from the Regional Worklessness Event held during November 2004 in Newcastle, through both drawing on the findings from the face-to-face and telephone interviews, as well as the document review. In terms of the document review, the barriers identified in this section are drawn from a detailed analysis of the relevant literature. (The full list of documents reviewed for this study, and therefore from which the following discussion about barriers is primarily drawn, is included in Appendix 2).

The following two sub sections therefore present (1) an overview of the main barriers to employment, problems and disincentives for workless individuals with reference to the types of interventions and activities that are commonly used to address such barriers and (2) discussion about the main target groups for worklessness interventions.

### **(1) Barriers, Problems and Disincentives**

#### ***Health***

Health, as a barrier to employment currently receives a strong focus from a worklessness perspective (e.g. see SEU, 2004). This is strongly linked to the issues surrounding the 'hidden unemployed' developed in the seminal work of Beatty and Fothergill (2000, 2002) which deals with the issues of how the predominantly male members of the labour force have been diverted from the recorded unemployed to the recorded sick due to both the benefits system and a demand centred problem of neighbourhoods where jobs had been lost and no sustainable alternatives are available, other than benefits. The hidden unemployed are often accounted for by older male workers who have been categorised as 'long term sick', and who will be in receipt of Incapacity Benefit.

A large proportion of men in Beatty and Fothergill's survey had health problems but they readily admitted their problems were not necessarily fully incapacitating and

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they would prefer to work if a sustainable employment option was available. “These men are hidden unemployed in that in a fully employed economy they could reasonably be expected to have been in work” (Beatty and Fothergill, 2002:813).

The Labour Government has begun to act on the problems of the hidden unemployed by developing "welfare to work" supply side initiatives in an attempt to move people from benefits into work. The government's Five Year Employment Strategy launched in 2005 states that they aim to reduce the number of incapacity related benefit claimants by 1 million.

The emphasis on getting Incapacity Benefit (IB) claimants back into work receives strong support from both national pilot programmes (such as Pathways to Work) as well as mainstream provision through Jobcentre Plus, where IB claimants are recognised as the priority target group, with IB claimants having the highest weighting of all target groups, identifying this group as the main focus for current policies.

The Pathways to Work programme has shown some success to date (and has had three implementation phases thus far). The first pilot phase covered three areas, the second phase a further four areas, (including Gateshead and South Tyneside) and the third phase (which extended the scheme to cover a third of the country, includes Durham, Tees Valley and Sunderland. Some of the issues with the first pilot provide lessons regarding both work focused interviews and financial assistance (NCSR, 2004) which are dealt with in Section 5.

In addition, the Northern Way Growth Strategy states that “The Northern Way's ambition is therefore to bring a further 100,000 people currently on incapacity benefit into work by 2014.”

However, it is also worth noting that some of the interviewees in this study have noted that due to the current widespread emphasis on this barrier (and on IB claimants as the priority group) that it is felt that this aspect of worklessness is sufficiently covered at the moment, and that it may not be necessary for any further interventions to be developed aimed at this target group.

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### ***Childcare (and caring for other family members)***

Childcare is noted as a general problem (Green and Sanderson, 2004, ECOTEC, 2004) and a particular barrier for lone parents (SEU, 2004) and is well recognised as such – national programmes and initiatives such as New Deal for Lone Parents, Tax Credits and Sure Start have been addressing some of the issues surrounding childcare as a barrier to employment.

Workless individuals may, of course, also be responsible for looking after other family members, including older relatives. In general, these carers consist mainly of women. It is suggested that whether or not these individuals are benefit claimants or not, most are thought not to be actively looking for work, but there is an expectation that a sizeable proportion would take up work in the right circumstances. However, their responsibilities as carers prevent them from doing so, and also discourage them from looking for employment. Problems include the cost of childcare, lack of suitable childcare locally, and the shortage of jobs offering 'family friendly' working hours – e.g. part-time working, term time work.

Common activities and interventions that have been used to try and address these barriers include: subsidised childcare; local provision of childcare; local childcare training linked to provision; promotion of family-friendly employment policy; and (temporary) top-up wage subsidies. An example of a programme which aims to address the barriers related to childcare and other caring is the Working for Families Fund in Scotland, which in some areas has used childcare ILMs to provide a number of these interventions.

### ***Skills***

Skills and qualifications are well recognised as barriers to employment (SEU, 2004), and there are a range of different skills which can prove to be barriers. This includes basic skills, key skills, job specific skills, and life and social skills.

#### ***Lack of basic skills***

A lack of basic skills (literacy, numeracy, and for some minority ethnic groups language skills) represent a very real barrier to most forms of employment. In addition to being a barrier to employment itself, they are also a barrier to progress in acquiring key skills and skills relevant to specific jobs and types of work, as well as being a barrier to participation in pre-employment and work preparation initiatives.

The most common interventions to address these basic skills needs are guidance and training.

#### *Lack of key skills*

Individuals who possess basic skills may however lack what are referred to as key skills for many forms of work, which can form barriers to many types of employment, including the significant number of jobs which involve working with people and customer contact. These key skills include, for example, practical work with numbers, problems solving, computer-based and information technology skills, communication skills, interpersonal skills and the ability to work with others. The common interventions to address these key skills include guidance and training.

#### *Lack of skills relevant to specific jobs and types of work*

Many employment opportunities require some level of skills and experience specific to the type of work which is involved. Whilst the required level of skills may not be very advanced or take a long period of time to acquire, possession of such skills - which may have been acquired by recent on-the-job experience - may be seen by employers as necessary. Lacking these skills can be a significant barrier to employment (CRSP (2005); Policy Research Institute (2003)). Common approaches to addressing this barrier include guidance, training, work experience, and intermediate labour market (ILM) initiatives.

#### *Lack of confidence and poor social skills*

A lack of confidence (DWP, 2003) and poor social skills can compound the problems for those individuals who are workless. In addition, the longer an individual is out of work, the greater the problem can become, due to demoralisation and lack of regular contact with the work environment. Activities to address these include guidance, counselling, and confidence building.

It is also worth noting that some of the interviewees noted that whilst life and social skills are usually addressed at the local level through various initiatives (such as job searching) they tend to get lost at the more strategic level (i.e. at the regional level).

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### *Lack of job search and job application skills*

A further skill related barrier faced relates to the skills surrounding job searching (i.e. knowing when and where to look for appropriate employment opportunities) as well as the skills related to applying for a job – from the completion of application forms, to the construction of CVs, as well as interview and presentation skills. Such issues are usually addressed through activities such as advice and training on CVs and applications; provision of facilities for CV and application production; presentation and interview skills training; counselling; confidence building; Job Clubs; Job interview guarantees; employer networks, local employment agreements; work trials; work placements; employment subsidies; and ILMs.

### ***Accessibility and transport***

The problems of accessibility and transport affect not only worklessness (and employment) but cut across all five national floor targets, and have been found, according to the national evaluation of the New Deal for Communities to include:

- high proportions of residents without access to a car;
- high proportions of residents with some mobility impairment;
- physical isolation of NDC areas by major traffic arteries;
- poor public transport links to job, retail and leisure opportunities at new sites on the edges of towns; and
- low levels of use of existing services, because of cost, physical difficulties, lack of awareness, the condition of vehicles and waiting facilities, or fear of crime.

Three initiatives that are common among NDCs in trying to address these problems are: (1) new subsidised bus services, (normally on routes that would not be profitable for bus operators, and which the local authority has not been able to underwrite); (2) community minibuses, (providing door to door transport for people who have difficulty using mainstream public transport, or for hiring to community groups to support other initiatives); and (3) improvements to the streetscape, (such as better footway lighting, bus shelters and general landscape management such as removing graffiti and abandoned cars).

More specifically in terms of worklessness, the issue of accessibility and transport can be a problem for a number of reasons. First, individuals can be very parochial,

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and will choose not to travel what may seem relatively short distances in order to access employment opportunities (Green and Sanderson, 2004). Second, some ILM schemes have found that transport and accessibility can be a barrier for those attempting to move from ILM schemes into sustainable employment (for example, public transport provision may be ineffective, whilst other employment opportunities may require (or at least prefer) applicants to have driving licences). Third, the cost of transport, or the difficulty in getting to where a job might be available is a barrier (ECOTEC, 2004).

Whilst many employment opportunities may be close to the residences of those seeking work, for some the cost of public (or private) transport presents a real barrier. This is especially true for particular neighbourhoods that are some distance from where most job opportunities may arise. Common activities and interventions include travel grant/subsidy for transport costs, grant/subsidy/loan to acquire personal transport, pressure to improve public transport provision and the provision of better/improved transport information.

In addition, the cost of travelling to interviews can be a problem for those looking for work; especially where levels of debt may be high and spare cash may be limited.

### ***Cultural //Motivational/Aspirational Barriers***

There are a number of cultural, motivational, attitudinal and aspirational barriers to employment as well (see NCSR, 2004 amongst others). This includes traditional cultural values such as the type of work that some individuals are willing to undertake, and the issues surrounding 'second generation unemployment' where the adult members of the household have never been seen to be in employment, making it the norm within the family for it to be a workless household.

In addition, the motivational issues also cover the poverty of aspiration that is prevalent in some workless individuals and households. A lack of appropriate sustainable employment, a feeling of discrimination from employers in terms of recruitment practices (see below), and a feeling of insecurity of employment compared to the relative security of the benefits system can all mitigate towards a poverty of aspiration and a lack of motivation for individuals. These cultural, social, and aspirational issues are linked to a large number of the barriers and issues identified throughout this section, and offer support for the argument that any

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approach to dealing with worklessness needs to be a client-centred, holistic approach which is built upon all issues facing the workless individual/ household.

The issues surrounding 'discouraged workers' and the perceptions (or in some cases the reality) about a lack of appropriate jobs for some individuals also falls into this group of barriers, although they do also link to the sustainability of the labour market, which is discussed below.

Other issues that can be grouped under this barrier include the ***lack of trust in 'the system'***. The issue of a lack of trust in the benefits system was raised by a number of interviewees and is recognised in the literature (e.g. Policy Research Institute (2003), SEU (2004)), especially in reference to the fear for some individuals of entering a Jobcentre Plus to look for work, as Jobcentres are viewed as the 'benefits police'. It was also noted that the issue of a lack of trust in the benefits system and a fear of the 'benefits police' has not been helped by the coming together of the Benefits Agency and the Job Centres/Employment Service under the Jobcentre Plus model. This may result in individuals not actively using the employment related services of Jobcentre Plus due to a fear (perceived or otherwise) of them being 'policed' about their benefits at the same time. Furthermore, there is a feeling that the work focused interview for JSA claimants may contribute to this lack of trust and increase the feeling of being policed. (The positive and negative aspects of the work focused interview are discussed in more detail in Section 5).

One example of a programme that has helped to address some of the motivational and aspirational barriers is StepUP (a pilot programme which provides a guaranteed job and support for up to 50 weeks). The evaluation (CESI, 2004) notes that there 'is a positive change in attitudes to work by those in a StepUP job'. StepUP is also included within the case studies (Case Study 16).

### ***Labour market sustainability***

One important aspect which received significant attention, was raised by a number of interviewees and is well recognised in the literature (e.g. NCSR, 2004; Scottish Council Foundation, 2000; Campbell, 2001; CRSP, 2005; Policy Research Institute, 2003) was the issue of labour market sustainability. There are concerns as to whether there are enough (sustainable) jobs in the region, which is exacerbated by the continuing decline of the manufacturing sector (ippr north, 2005), and the location

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of those jobs compared to the residential location of the individuals seeking the jobs, as well as the match (or mismatch) between the skills of the individuals seeking employment and the available jobs. In addition, even if there are (suitable) jobs available, the perceptions about the lack of available jobs can be a barrier (SDRC, 2005).

The acceptance of labour market sustainability as a barrier to employment also emphasises the importance of ensuring that the demand side/employer perspective is taken on board in the development of worklessness interventions, as unless employers are involved in the design and direction of the interventions, training may be given for sectors and/or occupations which are not in demand (i.e. for which there are no jobs available).

### ***Lack of recent work experience***

Lack of recent work experience is a problem in itself (CRSP (2005); Policy Research Institute (2003)) and may also be at the root of other problems. It can mean that skills and relevant experience become out of date. It can also, as noted above, result in a growing lack of confidence for workless individuals. Evidence suggests that employers, given the choice, prefer to recruit people who are already employed or have only been out of work for a short period of time. This is viewed as the 'safer option'. Lack of recent work experience can thus be a very serious barrier to getting into work - and one which gets worse the longer a person is out of work. Common interventions to address this include work based training; work trials; work experience; longer periods of subsidised employment, targeted, sector-specific skills training and recruitment training linked to job-interview guarantees or job guarantees with specific local employers; and intermediate labour market initiatives. Alternative approaches may include possibilities for engagement in charitable/voluntary sector activities which can demonstrate motivation and engagement in structured and organised activities, and measures which aim, directly or indirectly, to change employers' attitudes and behaviour towards unemployed people, including the longer, term unemployed.

### ***Discrimination***

Discrimination (which can be in a number of forms – such as on the basis of age, gender, ethnicity, postcode, institutional) although recognised in the literature (e.g. Campbell, 2001) were thought by the majority of interviewees, not to be a major

barrier to employment. The consensus seemed to be that whilst this may have been the case in the past, legislative changes and changing attitudes have reduced the impact of this barrier.

In addition, it was also noted that any potential for discrimination may also be addressed through the need to employ local labour being a condition of receipt of a government grant (e.g. RSA), or for local employment agreements to be reached with a local developer to work in partnership with local communities to ensure that local people can access local jobs (e.g. Bluewater Park in Dartford is used as a good example of creating local jobs for local people).

### ***Recruitment practices of employers***

A further barrier (linked in some ways to the previous barrier) relates to the recruitment practices of employers (Campbell (2001); Policy Research Institute (2003)) and the criteria that they apply when short-listing applicants for jobs or assessing candidates by means of interview or other selection methods. In addition, the use of informal recruitment practices by employers can also create a further barrier for workless individuals who are less likely to socialise and network with those in employment. Furthermore, it has also been suggested that employers can require educational or vocational qualifications or grades when these are not strictly required for a particular job. Workless people may be less likely to meet these requirements.

Scarcity of jobs, especially in deprived neighbourhoods, makes competition for those jobs that do become available intense. Employers are able to pick and choose from a wide field of applicants and filter out those they think are less employable or less suitable. The literature notes that some employers are less likely to call for interview those who are unemployed, especially those who have been out of work for some period of time. Evidence suggests that for a proportion of employers, the longer a person has been out of work, the less employable they are considered to be.

In addition, employers may filter out those who they perceive to have personal or behavioural problems and who are thought to be less employable as a result (CRSP, 2005). This might include those with an apparent criminal record or a history of substance abuse. Furthermore, people with disabilities or a history of problems of mental health (NCSR, 2004), those with an unstable employment record or unexplained periods out of work, and older job seekers may all suffer discrimination

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or exclusion at an early stage.

Problems getting interviews or securing a job can also reflect the quality of the candidate's application and how good they are at interviews or other aspects of the selection process. The quality and nature of their qualifications and experience relative to the jobs for which they are applying can also be a factor.

Measures to help individuals compete more effectively for job vacancies that become available on the open jobs market include: support and training to improve the quality of applications; developing self-confidence and presentational skills; interview skills training and support; mentoring, personal advisers and support through job clubs.

Other interventions which aim to short-circuit the recruitment process itself by linking workless individuals more directly to job opportunities include:

- pre-recruitment training and customised skills-training linked to job interview guarantees
- pre-recruitment training and customised skills training linked to work experience or actual employment for those who successfully complete training
- job matching or job brokerage between employers and local workless people
- local employment agreements, possibly backed by planning conditions linked to local development projects
- targeted recruitment and provision of recruitment services to employers
- linking local unemployed people to temporary or casual work opportunities by providing an 'agency' service to employers.

As with almost all the actions discussed in this section, it is important to note that these actions often form part of an overall package of measures, rather than working in isolation as an individual intervention.

### ***Misinformation and lack of information about job vacancies***

Misinformation or a lack of information, about job vacancies was identified by interviewees as a major barrier for individuals seeking employment. This links, in part, to the recruitment practices of employers discussed above.

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Activities which can help to address this barrier include: Job matching; Job Clubs; job linkage; job brokerage; advice and guidance; and personal advisors. In addition to which, lack of access to commonly used recruitment processes can be addressed through: negotiated access to employer vacancies; customised recruitment service; job interview guarantees (can be linked to customised training); local employment agreements.

### ***Financial and Debt management***

Issues surrounding financial management and debt management were mentioned by a small number of interviewees as being a barrier for some workless individuals/households. This barrier links to the importance cited by some to adopt a client-centred, holistic approach to worklessness. Such approaches are thereby addressing issues such as financial problems, debt management, and other broader social and personal issues for the workless individual, rather than focusing solely upon employment issues.

### ***Informal Economy***

The level of activity in the informal economy is difficult, if not impossible, to quantify. However, it is recognised that the informal economy has a strong pull factor for some workless individuals (for example, through higher financial gains), and can prove to be a disincentive to individuals in terms of their motivation to gaining formal employment (DWP, 2005).

### ***A record of offending***

Similar to the above barrier, a record of offending can be a barrier not just because it can directly impact upon the employability of the individual, but also because of the impact such an issue can have of the wider aspects of the individuals life which can relate to a number of barriers and issues discussed above. In addition, issues such as employers viewing a record of offending as making a person less employable and are unlikely to recruit known offenders to most types of job reduce the likelihood of individuals with a record of offending from gaining employment. This is often the case whether or not the nature of the offence is directly relevant to the type of job that is available. There are also issues of disclosure including what an employer has the right to know. A record of offending can also mean that an individual lacks recent work experience.

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Furthermore, ex-offenders can also suffer from a range of other disadvantages including poor qualifications and low self esteem. The approaches used to address such issues include guidance and support services; work experience; ILMs; service and support provided through the Probation Service; and service provision for pre-release prisoners.

### ***Personal and behavioural problems***

The problems facing some of those who are out of work are made worse by personal or behavioural problems. These can include a history of mental illness and different forms of substance abuse including alcohol and drugs. (It should be noted that whilst those with a history of mental illness could (perhaps should) more appropriately be considered within the 'health' issues discussed above, due to the strong implicit and explicit links between the health issues and the 'hidden unemployed' IB claimants, it is perhaps more appropriate for this group to be discussed here). A history of mental illness and different forms of substance abuse can clearly make it less likely that they are recruited by employers.

These sorts of problems can also make it hard for people to make progress on other aspects of employability such as acquisition of basic or key skills or work experience. In addition, such problems can also be long term. General activities to help address these issues include guidance, specialised counselling and support groups. Also, flexible working arrangements that can help to accommodate people's needs and medical conditions will also assist. Furthermore, examples of specific interventions identified which are recognised as examples of good practice include the Richmond Fellowship Employment and Training QUEST, and the Working Out Programme (Aylesbury PCT) – both which are referred to in the DWP "Building Capacity for Work: A UK Framework for Vocational Rehabilitation" October 2004.

### ***Benefits System/Rules***

Another barrier (or group of barriers) relates to the benefits system and the rules and regulations surrounding various aspects of the benefits system. This includes the regulations which do not allow, or at least make it difficult for individuals on Incapacity Benefit to engage to any extent in the labour market. It also includes issues (whether perceived or real) about the potential to be caught in the 'benefits trap' during the transition into work (DWP, 2003; Green and Sanderson, 2004; Scottish Council Foundation, 2000; Campbell, 2001) – i.e. some individuals may no longer be eligible

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for some benefits (and feel that they may be financially worse off, or at least no better off financially) due to their new employment status.

Some aspects of this barrier are addressed through the work of organisations such as the Citizens Advice Bureau which includes providing information to individuals about their entitlements to benefits in a range of situations including when moving back into work. Such services are important especially when, as noted below, there may be a lack of trust in the official 'back to work' calculations provided by Jobcentre Plus/ DWP.

It is recognised that such issues (whether they actually occur, or are in fact perceived problems) need to be bridged, but some consultees noted that in order for this to be addressed, it would be necessary to know how often such an issue actually occurs, rather than it being a perception. In addition, it is felt that the 'back to work' calculations offered by Jobcentre Plus/ DWP (which aim to show individuals precisely what their financial situation will be if they take up an employment opportunity) do help, however, they do have a disclaimer and are only useful if there is trust in them. If individuals do not trust the information they are given (as noted above, lack of trust in the system is also a recognised barrier), then it will not be of any assistance.

#### ***Data sharing/ data protection issues***

This issue was not mentioned in any detail by the interviewees, and does not received significant attention in the literature. When reference was made to this issue it was usually to suggest that data sharing and data protection are not significant barriers in the context of worklessness, and that data protection/data sharing is offered as an excuse, and is not a real barrier.

#### ***Lack of joined up/inter agency working***

One aspect which does receive attention across all of the various approaches to addressing worklessness is the issues surrounding inter-agency working and joined up working between the various agencies and partners. The consensus seems to be that effective joined up/ inter-agency working can be a significant condition to assist the interventions and activities to address worklessness, whilst poor and ineffective inter agency working can be a significant barrier to the effectiveness of the interventions.

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In terms of joining up locally and achieving good joined up delivery at the local level, the role of LSPs was mentioned by a number of interviewees as being a very important part of addressing the worklessness agenda. The use of LSPs to engage in/deliver the worklessness agenda helps by providing both an arena where agencies directly involved in worklessness (e.g. Jobcentre Plus, LSC, and so on) can join up at the local level, and also by ensuring that the links between worklessness and the other floor targets (such as crime, health, education, and housing) can be effectively facilitated.

## **(2) Target groups**

In terms of the main target groups for worklessness interventions, the discussion about barriers above has highlighted the main target group (IB claimants). In addition, a number of target groups can be identified through other sources, including the interviews, as well as current government policy.

The main target/client groups are:

- Incapacity Benefit Claimants;
- Lone Parents;
- Long term Unemployed (6 months plus);
- Unemployed (under 6 months);
- Older workers;
- Low qualifications; and
- Ethnic minorities.

One common theme from the evidence review and from the interviews seems to be an acceptance that different interventions may be needed for different target groups. The common issue raised was that 'there is no one size fits all' model, and for this reason, different types of interventions may need to be developed for different target groups.

In addition to the core target groups listed above, other groups that were identified through the consultations as potential target groups included younger people (aged 16-18), and in particular the NEET group (those not in education, employment or training).

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***Hard to reach/easy to reach and Hard to help/easy to help***

Another common theme from the interviews related to the discussions about the 'hard to reach/easy to reach' client groups, and the related duality of 'hard to help/easy to help'.

There was a range of different opinions about these related issues. Whilst some interviewees felt that there may be a group of 'hard to reach and easy to help' individuals, who could relatively easily find and retain employment if they could be 'reached', others felt that such individuals will already have been captured through the various mainstream initiatives, and that there is no significant dormant pool of untapped labour that could easily be brought into the labour market.

This duality between hard and easy to reach and hard and easy to help is an important consideration as it not only influences the type and characteristics of the intervention (for example, it would be reasonable to assume that harder to help individuals would need more intensive levels of support, whilst easy to help would provide better 'value for money').

***Rural dimension***

One final aspect which was raised by some consultees is the rural dimension, especially in the context of the Northern Way. On the basis that the Northern Way is the driving force behind the moves to get 100,000 IB claimants back into employment, then given the focus of the Northern Way on the city regions, there were concerns expressed by some consultees that there may be issues with the delivery of worklessness interventions in the more rural areas of the North East. Consideration may need to be given to ensuring that, as one consultee stated, there is 'equality of opportunity for all unemployed people'.

Whilst it is beyond the remit and scope of this review, there is an important consideration about effective worklessness interventions and different target groups. This review focuses upon 'what works', however, it may be that further work is required in order to clearly identify what different types of effective interventions work for different target groups.

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## **Section 5 – What Works for Worklessness Interventions**

The previous section (Section 4) has dealt with the main barriers, problems and disincentives for workless individuals. This section considers the various approaches and types of interventions that are used to address these barriers.

This section focuses upon identifying ‘what works well/very well’ in terms of worklessness interventions. This includes discussing some of the cross-cutting issues for effective worklessness interventions, dealing with the various themes surrounding worklessness interventions that formed the focus of this study (as listed in Section 3 of this report) linking the case studies (included in Appendix 1) to the themes, and providing an overview of what works for worklessness interventions, as well as noting the important success factors that are relevant for almost all worklessness interventions.

It should of course be noted that the identification of ‘what works well/very well’ for worklessness interventions is difficult to define objectively. The examples of interventions included within this section of the report, and within the case studies, are based upon a detailed review of the relevant documents and literature, consultations with members of the One NorthEast Worklessness Intelligence Group, key stakeholders, and a wider range of stakeholders and partners, as well as the experience and knowledge of the study team in the worklessness agenda and in particular the evaluation of worklessness interventions. On this basis, it is felt that the review of evidence presented below does provide a sufficiently robust analysis of ‘what works’ for worklessness interventions.

It should be noted that, due to the approach adopted by many interventions of being holistic, client-centred and dealing with multiple barriers, the key issues about successful interventions are addressed under the themed approach used for the case studies included within this study (Appendix 1) rather than repeating the same issues for numerous individual barriers.

There are a number of issues identified through both the review of evidence and the consultations carried out as part of this study, which provide an important context for identifying successful/ effective interventions to tackling worklessness. These are discussed below.

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### *No 'One Size Fits All'*

One issue recognised by all interviewees consulted in this study, as well as being recognised throughout the literature and in individual case study analyses relates to the fact that there is **no** 'one size fits all' model for worklessness interventions. This is due to both the wide range of barriers, problems and issues which can contribute towards and/or reinforce worklessness for an individual as well as being due to the wide range of client groups that are intended to be the target groups for such interventions.

### *Holistic, Client-Centered Approach*

The recognition that there is no 'one size fits all' worklessness model that can be applied is reinforced by the recognition that any interventions to address worklessness need to be holistic and client-centred (e.g. Crighton, 1998). This is linked to the issue which is implicit within almost all approaches to worklessness that what is required to effectively address worklessness is a customised package of measures to address all of the multiple issues/barriers that may be facing a workless individual/ household rather than a number of separate single interventions/activities. NDC evaluations (e.g. Policy Studies Institute, 2003) note that it is the holistic approach - "the combination of interventions and the ability to tailor these to individual needs" (p.7) that enables projects to function effectively".

It is also recognised that successful projects take a personalised approach to address the each individual's full range of needs and develop a tailor-made package of support. The characteristics of actions that address barriers to employment in the in this way can therefore include all of the various activities identified throughout Section 4.

### *Transferring Good Practice*

The issue of transferability is important in a study such as this, and it is considered individually for each of the case studies contained in Appendix 1. Importantly it is worth emphasising what Crighton (1998) notes about transferability, namely that "transfer is not a question of taking programme designs which have worked in one place and applying them in a different context, locality, or country. Rather it is ideas and principles behind good practice which can be transferred or generalised" (p.304).

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Almost all of case studies, and much of the literature shows that holistic, customised, client centred approach is the approach currently underpinning worklessness interventions. This approach makes the identification of particular interventions for particular individual barriers difficult, if not impossible. Therefore, whilst interventions relevant to individual barriers are referred to where appropriate in this section, the section focuses more on what works well under various aspects of worklessness interventions (listed in Table 4 in Section 3 of this report) and, as noted above in the discussion about transferring good practice, looks closely at the principles and ideas behind good practice.

#### *Robustness of Evidence & Outcomes Information*

One issue faced throughout this study was to do with the robustness of evidence (or lack of it) in a large number of cases. Some evidence was unclear, unavailable, lacked robustness, or did not cover certain aspects of the effectiveness of the interventions, especially cost, VFM, and outcomes. Additionally, a common response when asking for evidence of effective interventions identified in the consultations was either that the 'evaluation had not yet been undertaken' or 'the evaluation was in the process of being evaluated'.

Where available the outcomes for each individual case study are included in Appendix 1. However, as noted above, in a number of circumstances, only limited information about outcomes was available. In addition, due to the different approaches used to measure outcomes in different evaluation studies, comparability between outcomes (and resultant value for money, cost effectiveness, cost efficiency) is difficult, if not impossible.

These issues would be greatly assisted if there was a more transparent approach to, and a more rigorous framework for, assessing cost, value for money, outcomes.

The remainder of this section outlines the findings of the review of evidence of worklessness interventions and is structured around the set issues for interventions outlined in Section 3 that was developed as a focus for this review. This list of issues was also used as the structure for the case studies.

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## TARGETING

### *Geographic Targeting*

The importance of adopting a strategic approach to addressing worklessness is important, and received significant attention in a review of ‘what works’ in terms of improving floor target performance on behalf of the NRU/ODPM (GFA Consulting, March 2005). The report recognised that worklessness interventions require a strategic approach, and in particular noted that “Worklessness projects should fit within a bigger strategy for regenerating the whole area: they need to focus on *travel-to-work areas* rather than just neighbourhoods” (GFA Consulting, 2005, p.23).

In terms of targeting, this emphasis on the strategic approach focusing on travel to work areas rather than neighbourhoods raises broader issues about geographic targeting. Whilst it is appropriate to ensure a strategic approach is adopted at the travel to work area (or above), the targeting of interventions as discussed later in this section, is likely to be at neighbourhood level. It is therefore important to recognise the issues of geography in worklessness interventions, and to ensure that the appropriate scale is considered, depending upon factors such as whether it is a supply-side or demand side issue, as well as recognising the issues of geography for effective engagement with employers.

### *Sectoral targeting*

There are two main rationales for targeting worklessness initiatives at particular sectors. First, jobs in certain sectors are more suited to workless individuals, because of the relatively low-skill entry requirements, working hours/shift patterns etc.; particular sectors and subsectors offer different advantages relating to the variety of reasons for worklessness. Second, if the schemes are intended to lead to permanent positions, they must be based around supplying skills relating to sectors and, in particular, to the type of jobs (occupation, skill level etc.), for which there is likely to be ongoing demand for workers. As well as ensuring a positive outcome for participants, matching them to jobs in this way reduces the chance of alienating employers by offering them unsuitable candidates for employment. In addition to these reasons, certain sectors provide a good fit for worklessness projects as funding may be more readily available e.g. due to pre-existing regeneration schemes.

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As an example, a relatively high number of ILM schemes have been based around the construction industry. This sector provides a number of entry routes for low-skilled males, there is an ongoing shortage of workers with suitable skills, and jobs can be linked to sites already receiving regeneration funding.

### **ENGAGEMENT OF INDIVIDUALS**

There are a number of different approaches to attracting and engaging clients, the most common approaches can be summarised as follows:

1. establish premises in a location that is central to and accessible for, the local community. In addition, some evidence (Policy Research Institute, 2003) notes that such premises should be welcoming and less intimidating for clients than Jobcentres are sometimes perceived to be.
2. outreach work – which can be achieved using a variety of methods, such as door knocking, leaflet drops, attendance at community meetings and community venues, use of outreach bus, and so on.
3. employment of local people as advisers – which has been used in NDC areas for job brokerage projects, and in Glasgow for the FEA Initiative (see Case Study 21).
4. networking, linking with, and delivering through other local organisations – which can help with referrals.

In terms of engagement of clients, the evaluation of Action Team for Jobs carried out by ECOTEC, 2001 notes that the “Action Teams’ key successes relate to their ability to engage with clients and tailor appropriate support to meet their needs”. With regard to the success of Action Team in terms of engaging clients, especially in hard to help groups, outreach services (based in the target communities) were a key feature of teams approach. In addition to outreach, links to other organisations, and referrals from other organisations were helpful for reaching the target population. Importantly, the evaluation notes that “No single method stands out as better than others – different methods suited different target groups and areas” (ECOTEC, 2001, p.ii).

Furthermore, in terms of initial engagement, the Employability Framework for Scotland – Interventions Workstream Report notes that “particularly for clients on benefits other than Jobseekers Allowance, there is some evidence that organisations

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less obviously connected with government can play a much more effective role in securing initial engagement” (2005, p.22).

Given that the case studies are all good examples of interventions it is perhaps not surprising that a large number of the case studies provide examples of a range of effective ways to engage clients, using outreach or other approaches.

Case Study 6 (Ethnic Minority Training Initiative) also notes the importance of the personality and skills of the project manager in terms of effective engagement of clients, whilst Case Study 18 (Skills for Employability – Basic Skills Project) emphasises the importance of one-to-one outreach and encouragement of neighbours and friends in terms of getting people involved and engaged in the project.

Case Study 21 (Full Employment Areas Initiative) provides a unique, but informative example of engagement through the use of locally based ‘animators’, and there are a number of aspects of the approach which are intended to build trust including: open access (all local people are included); not service led; not time bound; non-judgemental; and not target led.

In terms of engaging clients, one approach that seems to be successful is the Job Guarantee Scheme, which is used in Case Study 11 – Tesco Job Guarantee, as well as StepUP (Case Study 16). However, it does seem to require particular circumstances (see Case Study 11 for the particular conditions that Tesco used to implement the scheme).

One form of engagement that has been used by a number of DWP programmes is the *mandatory work focused interview (WFI)*. The evidence seems to be mixed about the effectiveness of WFIs, showing some positive effects (number of customers engaging on a programme and/or number of customers exiting from benefits), but also some of the concerns there may be about the negative reaction to WFIs from some claimants (which may link back to the barrier regarding a lack of trust in the system identified in Section 4).

The evaluation of the first pilot of Pathways to Work (NCSR, 2004) noted ‘concerns about resistance from IB customers to taking part in WFIs’, whilst the evaluation of

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Lone Parent work focused interviews (DWP, 2005) noted that ‘no clear change to the rate of moving off Income Support for new/repeat claims was found that could be attributed to LPWFI’. However, other evidence is more positive about WFIs, for example the evaluation of WFIs for New Deal for Lone Parents (Insite Research and Consulting, 2003) noted the large net impact WFIs had on NDLP caseload starts, as well as a ‘small but positive net impact on exit rates from IS’.

More broadly, in terms of retention of people in the labour market, ippr north (2005) note that “Debates on retention and advancement are still in their infancy in the UK, indeed internationally, and the evidence on what works in improving retention and/or progression is sparse” (p.10). This is therefore an area that clearly requires further investigation.

#### *Softer Outcomes/Distance Travelled*

One aspect which receives attention from a number of worklessness interventions relates to the calls for there to be recognition of ‘distance travelled’ towards employment by a workless individual. This is based on the argument that whilst the intervention may not lead directly to sustainable employment for the individual client, the use of softer outcome measures, such as the distance travelled by an individual who has been disengaged from the labour market for some time, needs to be recognised. One common approach for measuring distance travelled is the Rickter Scale which can actively engage the individual in assessing how far they have ‘travelled’ and thereby keep them actively engaged in the intervention. There is support for considering softer outcomes in some of the evidence (e.g. Case Study 20 (Preston Road Works – ILM Scheme), and Greater London Enterprise, 2005).

However, this approach needs to be balanced against the alternative argument of the importance of focusing on hard outcomes (i.e. employment) as being the key driver for worklessness interventions. It is interesting to note that one aspect of delivery (i.e. which sector - public, private, community/voluntary - delivers the intervention) can have an influence on the type of outcomes that are the focus/priority of the intervention. This is discussed later in this section.

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## EMPLOYER PERSPECTIVE

There are two general aspects of the point of view of employers which relate to reducing worklessness. First, their general attitude, recruitment policies and working arrangements may, consciously or unconsciously, discriminate against workless individuals – for example, in the methods used to advertise jobs, in person specifications, or in the hours of work. This is a general issue relating to how employers relate to the local workforce, and cannot be effectively tackled through schemes focusing on workless individuals, rather on businesses themselves, possibly through partnership initiatives in regeneration areas.

Second, there is the question of engagement with specific workless initiatives – how to sign up employers in the first place, ensure that jobs are suitable, and that they are not simply using a scheme as a source of cheap short-term labour. In practice, this translates into close working relationships with employers, and advice and monitoring relating to the posts offered to workless individuals. Equally, initiatives need to be sympathetic to the needs of employers, by not offering candidates unsuited to the jobs on offer, or providing training for sectors and/or occupations which are not in demand. Employers need to be involved in the design and direction of schemes from inception, in order to match demand and supply, and ensure that the skills and training on offer are useful and appealing to a diverse range of both employers and workless individuals.

The evaluation of the Ambition Programme (which aims to place disadvantaged job seekers into employment not usually accessible to them, whilst seeking to address identified skills shortages and employers' human resource needs in specific sectors and occupations) carried out by GHK (2005) notes that whilst the "methods and intensity of engaging with employers varied significantly...Best practice in employer engagement included:

- building effective working relationships with employers from the start of what is a continuous process;
- working within the interests and capacity of employers in providing an array of opportunities to be involved, at different levels of intensity, in the design, set-up and implementation of the programme;

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- incorporating employer requirements in all stages of the programme, from selection of participants to training content;
  - utilising existing relationships with the targeted sector, either through the chosen intermediary or through existing employer networks;
  - focusing on selected occupations and areas with skills shortages, as directly experienced by local employers;
  - creating employer confidence and trust in the processes and outcomes;
  - ensuring effective communication between employers and other stakeholders; and
  - adaptability and flexibility by delivery organisations, including intermediaries and Jobcentre Plus, in order to respond to changing requirements from employers over time.

(Source: GHK, 2005, p.3)

The importance of employer engagement is recognised in NDC evaluations as well, where it is noted that a client centred/focused approach (as discussed at the start of this section) needs to be balanced by an employer focused approach. Developing strong relationships with local employers will maximise the potential for obtaining vacancies, ensure good match between client skills/attributes and employer needs, and promote sustainability and progression once clients are placed in jobs (Policy Research Institute, 2003). An example of a demand led intervention is Case Study 9 (Jobs on the Riverside).

It is also worth noting that some sectors have already played, and are already playing their role in the worklessness agenda, whilst others could improve their involvement. Examples of already successful projects include the construction and retail sectors (Allinson et al, 2005 discuss this in the context of ILMs) as well as the automotive sector and less obvious examples, where a role is still being developed, such as the museums, libraries and archives sector (MLA).

## **DELIVERY AND PROCESS**

As noted in the introduction to this section, the delivery of EFFECTIVE worklessness interventions tends to conform to a client-centred, holistic, customised approach. Delivery of a range of services (portfolio approach taking account of client) seems to work best in terms of addressing the multiple barriers that can be faced by workless individuals (e.g. Action Team for Jobs).

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The evaluation of Action Team for Jobs notes that “Jobcentre Plus and other policy initiatives can learn from Action Team approach regarding outreach activities, engaging hard to help groups and delivering tailored, flexible services for a wide range of clients” (ECOTEC, 2001, p.iv).

In terms of delivery, and the most appropriate way to deliver a project, Policy Research Institute (2003) note that it will depend on issues such as the priorities for the project (with external, private sector delivery more likely to focus on hard outcomes and community/voluntary sector delivery more likely to focus on softer, less tangible outcomes), the effective ways to embed the project, potential for innovation, and potential for synergy with other NDC projects.

In terms of effectiveness, there is evidence of effective interventions being delivered by both the private sector (e.g. Case Studies 1 (Solution Centre Job Shop) and 17 (Build and Train Job Brokerage Scheme)) and by the community/voluntary sector (e.g. Case Study 2 (Thorney Close Job Linkage)). The evidence does not provide any clear conclusion as to which form of delivery is superior. Delivery by any sector can be effective, as is shown in the case studies.

Another important aspect for delivery is the level of local autonomy for the intervention. A sufficient level of autonomy is required in order to make sure that the intervention is flexible and can adjust to local context and circumstances. The level of local autonomy is identified as a key success factor in Case Study 2 (Thorney Close Job Linkage).

One further issue about delivery that is starting to arise is the issue of requirement (or not) for formal training. Case Studies 9 (Jobs on the Riverside) and 16 (StepUP) both emphasise that the flexibility regarding formal training, i.e. in these situations the fact that clients did not need to engage in formal training is an advantage for interventions, especially for particular client groups. Also, Case Study 18 (Skills for Employability – Basic Skills Project) identifies the lack of engagement of residents on training courses as being due to the fact (or perception) that they led to no tangible outcome.

Evidence such as these case studies can help to inform the approach of ‘place then train’ as compared to the ‘train then place’ approach. The ‘place then train’ or ‘work

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first' approach as opposed to the 'train then place' or 'human capital' approach is an area for further investigation outwith this study. However, it is useful to note that a brief review of evidence (by ippr north) concludes that there seems to be strong support for the more positive effects of the work first approach and questions the beneficial impact of training programmes on employment. Evaluations from Sweden, USA , UK, and broader international studies by OECD all point towards evidence in support of a 'work first' approach and the lack of evidence in support of training programmes on employment. (see Anderson et al (2004), Bjorklund and Regner, (1996), OECD (1993), Riccio (1995) Robinson (2000) and White et al (1997))

It is important to note that a number of these successful 'work first' approaches do tend to provide some intensive post-employment support which seems to play a positive role in the beneficial effects of this approach.

One universal critical success factor in terms of delivery (at both strategic and delivery/operational level) is **effective partnership working**. This is recognised in case studies and the wider literature and evidence.

The importance of effective partnership working and the active engagement of key stakeholders is recognised universally both at all levels of the public sector as well as in the voluntary, community and private sectors (e.g. DWP, 2003).

As noted in Section 4, the role of LSPs is noted both in the literature (e.g. SEU, 2004) and was mentioned by a number of interviewees as being a very important part of addressing the worklessness agenda especially for joining up locally for service delivery and for strategic planning. The use of LSPs to engage in/deliver the worklessness agenda helps by providing both an arena where agencies directly involved in worklessness (e.g. Jobcentre Plus, LSC, and so on) can join up at the local level, and also by ensuring that the links between worklessness and the other floor targets (such as crime, health, education, and housing) can be effectively facilitated. This will be further aided by the implementation of Local Area Agreements (LAAs) which is currently ongoing in pilot areas and will be rolled out across the country over the next few years.

It is also important to note in terms of delivery and process that some of the case studies emphasise that the success of the intervention may be due to particular

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labour market conditions. For example, Case Studies 21 (Full Employment Areas Initiative) and 22 (Glasgow Works) highlight that success is felt to be due in part to the high levels of unemployment/worklessness in the areas, whilst conversely, Case Study 11 (Tesco Job Guarantee) is thought to have worked well due to a tight labour market.

## **SUPPORT**

The importance of support, in terms of the type of support (financial or otherwise) and who receives the support (client, employer, or agency) is well recognised in the evidence of worklessness interventions. The main issues are discussed below.

### *Financial Support*

In terms of financial support to the client, there is mixed evidence as to its level of success, and the extent to which it is needed or not. The evaluation of the first pilot phase of Pathways to Work (NSCR, 2004) noted that the 52 week, £40 per week Return to Work Credit (RTWC) received a 'particularly positive reaction from customers', and that some customers were 'pleasantly surprised at the range of support that was offered to them when they attended their WFI, especially in relation to financial incentives.' Further support for financial assistance as a positive factor in worklessness interventions is found in the Pathways to Work action plan which notes that 74% of respondents to the consultation document felt that the RTWC would act as a financial incentive and make work pay.

However, the possibility of there being alternative views between advisers and customers (which is implicit in NCSR, 2004) about the importance of financial assistance is highlighted in the evaluation of the Adviser Discretion Fund (ADF) on behalf of DWP which notes that whilst ADF is being used for its main purpose of removing final tangible barriers to work (under the broad categories of work and/or interview clothing; equipment and tools; and travel to work costs) the relative importance of this type of financial assistance varies between advisers and customers. 'PAs believe that many customers would not be in work without ADF; whereas customers acknowledge that ADF was a factor in taking work, all of those interviewed during stage two said they would have taken work irrespective of ADF.' (ECOTEC, 2004)

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It is also worth noting that the ADF evaluation (ECOTEC, 2004) notes that financial support can assist with some barriers (e.g. confidence, self esteem) but does not effectively address literacy and numeracy skills, ESOL needs, lack of skills & qualifications, or attitudinal barriers).

Case Study 2 (Thorney Close Job Linkage) also shows the usefulness of a job access fund offering small grants to help residents overcome specific financial barriers to returning to work (childcare, travel, one-off equipment costs where linked to specific job offer), whilst Case Study 13 (New Deal Employment in Health and Social Care) provided support in the form of covering travel and childcare where required.

In terms of the impact of wage subsidies (i.e. where the financial support goes to the employer), Case Study 3 (Modern Apprenticeships) finds that for two-thirds of employers receipt of a wage subsidy by employers involved in Modern Apprenticeships would not affect their decision about recruitment (in terms of number of, or quality of, apprentice) at all.

Similarly, the evaluation of StepUP (Case Study 13) also notes that whilst employers were grateful for the wage subsidy, not all employers were certain that a full wage subsidy was necessary.

Crighton (1998) reporting on a review of 116 projects to address long-term unemployment throughout the EU, noted that “wage subsidies were seen as a means of improving effectiveness of other measures, but reservations were expressed about them when standing alone, particularly concerning displacement and deadweight.” (Crighton, 1998, p.298)

#### *Level and Intensity of Support*

With regard to intensity of support, DWP (2003) when discussing Pathways to Work notes that ‘many people coming onto IB face major obstacles to work and require specialised and intensive help to overcome them’ (p.6) – emphasising that some target groups require high levels of support.

The evaluation of Getting London Working Health and Employment Project (Greater London Enterprise, 2005) emphasises that “the level of support required by those

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recovering from health problems cannot be underestimated”. (p.5), but did also note that there was “tension between providing high levels of support to those with severe health problems and the need to achieve hard outcomes” (*ibid*).

Policy Research Institute (2003) when discussing job brokerage note that the hardest to help groups require more intensive support and therefore greater resources. “...a balance between achieving job outcomes and allowing the time and resources required for engaging the most disadvantaged groups and building their job readiness needs to be achieved.” (p.i)

In terms of post placement support, there are examples (e.g. StepUP) of up to 50 weeks support on national pilot programmes for the hardest to help/reach groups. One approach used in Bradford NDC is to identify HRDO clients (High Risk of Dropout) who then receive more intensive post-placement support than other clients.

Linked to the client-centred approach discussed above is the importance placed on providing support, information and guidance to the client, with some interventions recommending there are no time restrictions on such processes (rather than limiting after-care/ follow up to a small number of weeks/months after the individual has secured employment).

Thus far, this section has provided an overview of the main aspects of worklessness interventions, with appropriate reference to the case studies appended to this report and other relevant evidence. The next part of this section focuses on four key issues for worklessness interventions, two of which are interventions (i.e. Intermediate Labour Markets and Job Brokerage), and two of which are key factors for worklessness interventions – one was identified above as a key success factor for programmes such as Action Team for Jobs and NDC projects (i.e. outreach), whilst the other deals with the issues surrounding addressing the accessibility/travel/transport barriers (i.e. travel to work).

The rationale for focusing on these four issues is outlined below. First, ILMs are extremely popular, across the country in general but also in the North East. Within this plethora of schemes, there is a wide level of variance in the effectiveness of such schemes. Furthermore, ILMs are being considered as part of the national strategy mentioned in the SEU 2004 report as being developed by DWP and SEU.

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Examples of ILMs are also provided in the case studies this includes Case Studies 13, 15, 16, 20 and 22 which provide a range of ILMs.

Second, in terms of job brokerage, this is included due to the current high level of recognition in the evidence to job brokerage/linkage as a common successful approach (e.g. see case studies 1, 2, 17), which is used extensively in NDC (and other ABI) areas. In addition, the success of job brokerage compared to Jobcentre candidates noted in CRESR, 2004, whilst CRESR, 2003 noted the concerns about the extent to which 'the Jobcentre, as a national body, can adapt its practices sufficiently to respond to the local context within which it is operating' – this evidence reinforcing the value of considering the job brokerage approach in more detail.

Thirdly, providing an overview of 'outreach' which is recognised as a common success factor which underpins a wide variety of successful interventions (NDC, Action Team for Jobs, Pathways to Work and so on) is worth considering in more detail. Fourth, and finally, as discussed in Section 4, the issues surrounding accessibility of jobs and travel to work and the barriers that this can create can cause significant problems for people trying to access employment. As such, the common approaches to addressing these barriers are worth considering.

### ***Success factors for ILM programmes***

This section outlines the characteristics of successful Intermediate Labour Market (ILM) programmes for workless individuals in the UK. In its purest sense, the term ILM refers to transitional employment in newly created roles that form a bridge between unemployment and work, typically in a situation of benefit to local communities. Such schemes will therefore not displace existing labour market activity. The criticism of such projects involving environmental and community activity is that sustainable jobs are not available at the end of the programme. This dilemma may be resolved by a suggestion from Allinson *et al.* (2005) to take into account employer demand for labour in particular sectors. Using such a method at the commissioning stage, projects can match the skill requirements of employers by offering training in occupations for which there is a demand.

The reality is that not all schemes adopt the purist criteria of transitional employment and community benefit. They are diverse in their nature, operating within different sectors and with different client groups, making objective evaluation difficult. Finn

and Simmonds (2003) provide a comparison of New Deal and non-New Deal ILMs, the results of which are shown in the Table below. A cursory examination of outputs suggests that non-New Deal ILMs are more successful, with more participants completing the full term of their contract and obtaining jobs, alongside a lower cost per starter. It could be inferred that this superior performance is the result of a lower levels of inputs, particularly training. However, the reality is that the non-New Deal participant profile is superior to New Deal participants – they tend to be better qualified and are more likely to have some work experience<sup>2</sup>. The difference stems from recruitment methods: New Deal ILM recruitment is by referrals, while non-New Deal programmes involve selective recruitment and voluntary participation.

**Table 5: Comparison between non-New Deal ILM and New Deal ILM**

	Indicator	Non-New Deal ILM	New Deal ILM
Entry profile	% below NVQ2	50	75
	% not worked before	44	81
Inputs	On the job accredited training	52	69
	Off the job accredited training	57	86
Outputs	% completing full contract	75	65
	% into job	67	40
	Cost per starter	£8,248	£8,443

This shows the difficulty in evaluating the successful features of ILMs given the heterogeneity of schemes. In particular it must be taken into account that particular groups of workless individuals (referrals) may be excluded if selective recruitment prevails.

Finn and Simmonds (2003) identify a range of successful factors for ILMs, although they omit a number of important practical concerns about the particular features of ILMs, which are addressed in the further research section. This list has been added to and further annotated to suggest key general features that indicate success:

<sup>2</sup> Indeed the destinations of early leavers from both programmes reveal a difference in the capacity to find work. 74% of non-New Deal participants leaving the programme early found work, compared with 37% for New Deal.

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1. **Eligibility:** The programme should be targeted at the long-term unemployed. Places should be restricted to those not able to secure unsubsidised jobs by the lower cost interventions provided in work-first systems.
  2. **Assessment:** Effective screening procedures should identify those for whom a transitional job can work.
  3. **Work Placement Diversity:** A range and bank of placements are needed to match participant and labour market conditions. Providers should develop an array of placements with a diversity of workplace expectations and flexibilities. A choice of placements and a good ‘match’ lead to improved motivation and results. Participants should have an input into where they are placed.
  4. **The payment of a wage** to increase recruitment, retention and motivation, and give the participant the legal rights and obligations inherent to being an employee. This wage-based experience is thought to overcome the weaknesses and ‘stigma’ associated with ‘make work’ schemes. The use of private sector employers enables the costs associated with providing a wage to be reduced.
  5. **Participation should be voluntary.** This is a particular concern in those countries where programmes have been used as ‘work tests’ and have been stigmatised in the eyes of employers and the unemployed. This was one of the reasons why many early British ILMs would not take funding from mandatory work programmes. There are contrasting views about how ILMs should interact with the most discouraged and alienated of the unemployed and with mandatory work programmes. ILMs *can* adapt and deliver mandatory New Deal programmes, but this involvement is associated with lower job entry rates (see also ERP, 2000).
  6. **Supportive services:** Transitional jobs programmes tend to draw on rather than provide a range of supportive cash and in-kind supports, ranging from childcare through to transportation.
  7. Most of the programmes provide participants with some **pre-placement training** on job search skills and work place norms. The aim is to help participants address employment barriers, such as limited use of English, substance abuse problems, or difficulty with workplace norms. Information on the prevalence of this training is available from survey work, but not the effectiveness of each particular scheme. Literacy and numeracy training is required by 70% of participants and such a course should therefore automatically be provided, whilst other training, such as ESOL, is only

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necessary for a low proportion of participants. The practical solution is that arrangements with subcontractors and session tutors should allow the delivery body to buy-in these services as required.

8. **Placements with 'for profit' organisations** tend to yield higher success rates, because of the closeness to the regular labour market.
9. **Counselling and Job Search Assistance.** Participants should undergo periodic progress reviews and counselling, especially if they are employed on temporary placements with outside employers. Reviews should tackle barriers but also focus on preparation for job search. Participants should also be given help in identifying and applying for jobs, especially when they come towards the end of their paid work experience.
10. **Flexible, performance-based administration.** In administering jobs programmes flexibility and responsiveness are important. Funding arrangements should reward results and encourage effective, entrepreneurial solutions, and financial incentives should focus on job retention and advancement as much as on initial placement. The content of programmes should not be overly prescriptive. If some participants need less intervention, they should be permitted to progress earlier and, similarly, some may face multiple barriers and require more pre-employment training.
11. **Employer commitment** is fundamental to a good scheme. Employers are often keen to find low-cost staff, but they should be committed to developing staff and recruiting them into paid positions. Tapering of subsidies is a suggested solution that reflects the participants' increasing value to the employer. As the skills of participants develop over the placement, they can be more productive and are more able to earn their wage. Such tapering may encourage the employer to realise the value of participants, and to offer them jobs at the end of the placement.
12. **Formal training** is not essential to the process. Whilst formal training is often associated with ILM programmes, this is often to attract further funding to the project. Employers respond positively to job specific training, but are more concerned with employability.

A critical overview of ILMs is also provided by the Economic Research Unit of Welsh Assembly Government, which considers the positive and negative aspects of ILMs as well as the issues and dilemmas with regard to the evaluations of ILMs (Economic Research Unit, 2003).

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### ***Success factors for Job Brokerage***

Specific case study examples of job brokerage models are included in the case studies within Appendix 1 of this report. This discussion aims to provide an overview of such approaches to worklessness, and is primarily drawn from NDC evaluations (e.g. Policy Research Institute, 2003).

Job Brokerage projects aim to remove barriers to work faced by people in disadvantaged areas, including:

- Being cut off from the labour market and from services that aim to improve job prospects;
- Lack of appropriate knowledge, skills and work experience; and
- Employers' recruitment practices.

Different areas have developed different models of job brokerage projects, one key aspect of which is with regard to the organisation delivering the project, and whether or not the delivery is contracted out to an external, outside agency, or delivered in house by, in this instance, the NDC.

The different models of delivery reflect the scope for different approaches to job brokerage. In-house delivery generally emphasises a relatively soft approach that targets the people who are hardest to reach. On the other hand, contracting with an external, commercially focused agency tends to lead to a focus on hard outcomes: essentially, getting people in to jobs rather than, for example, training.

Despite differences of approach, all job brokerage projects are based on similar assumptions. Research within the NDC communities identified detachment from the labour market as a key barrier to work. The job brokerage projects overcome this barrier by providing a link to the labour market through information about and access to jobs, as well as intermediaries who work on behalf of the clients. The projects then offer extra features that improve each person's ability to carry out their job and sustain their employment.

Across the three NDC case study areas included in the evaluation, certain elements of the project are thought to be essential in delivering the most effective service. Not all of these elements are fully established in all of the areas, but each of the projects

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identified a combination of them as being the key drivers of change. These fall into five key groups of characteristics:

*Job brokerage projects must be **embedded in the local area**.* This means they must:

- have the NDC's support, commitment and trust;
- operate from an appropriate and accessible venue;
- carry out early work to understand the local area and context;
- perform widespread outreach work, linking to the informal and cultural local networks in the area;
- cultivate good relations with, and an understanding of, the local community through consultation; and
- develop links to the wider labour market, not just to jobs in immediate area.

*Job brokerage projects require a **holistic approach**.* This should include:

- one-to-one, personalised support;
- a package of advice, support and guidance that can be tailored to individual need;
- committed and high quality staff; and
- local staff with similar ethnic and cultural mix to local population.

*Job brokerage projects should **collaborate with other agencies**.* That requires:

- developing partnerships and networks with other agencies (especially Jobcentre Plus) and other projects operating in the area;
- referring individuals to a range of appropriate services to meet their needs; and
- making the most of links with other NDC projects.

*Job brokerage projects need an **employer-focused approach**.* That includes:

- cultivating strong links with local employers and a good understanding of their needs and expectations;
- making sure that individuals are prepared appropriately for job opportunities; and
- developing an effective and accurate job matching process to ensure that employer's expectations are met.

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*Job brokerage projects' benefits need to be **sustained**.* This requires:

- appropriate aftercare to make sure jobs last.

In terms of the transferability of job brokerage, the evaluation of job brokerage for the national NDC evaluation notes that “the fundamental building blocks of job brokerage remain the same across the country, but these need to be supplemented by local information and an understanding of the local area (Policy Research Institute, 2003).

It should be noted of course, that the above description of the factors which make a job brokerage service effective strongly mirror the factors that Jobcentres Plus are structuring their services around, or are at least aspiring to structure their services around. There are of course, differences between job brokerage models and the services offered by Jobcentres Plus.

First, and foremost, as noted above, one of the main barriers that job brokerage projects attempt to address is people who are ‘cut off from the labour market and from services that aim to improve job prospects.’ As such, the target groups for job brokerage projects are likely to be disengaged not only from the labour market, but also from the services that aim to improve job prospects (including, of course, Jobcentre Plus), resulting in job brokerage and Jobcentre Plus having different (but overlapping) target client groups.

The existence of a client group for job brokerage therefore stems, at least in part, from the fact that some individuals do not engage with mainstream Jobcentre Plus provision. The reasons for this could include some of the issues identified in Section 3 of this report, such as the motivational, cultural and aspirational barriers, and in particular a lack of trust in the system (especially given the dual role that Jobcentre Plus now plays as an employment service and a benefits service.

Additionally, job brokerage models are commonly delivered through non-public providers (private and community/voluntary sectors) and as such the delivery role (especially of the private sector) is one of the main differences between job brokerage and Jobcentre Plus. This is also related to the outcome-driven nature of private sector, given the strong links between the outcomes and reward for private sector providers.

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Consideration of the role of job brokerage services and their relationship with mainstream Jobcentre Plus provision, in terms of the complementarity versus competition scenario that they may find themselves in is returned to in the conclusions to this report.

### ***Success Factors - Outreach***

Outreach, and the engagement of clients in their own localities, is one further aspect which receives strong acknowledgement as being important for all types of worklessness interventions. Outreach can be particularly effective in engaging with hard to reach groups who may lack the confidence to enter an official Jobcentre, or who may (for the reasons of lack of trust discussed in Section 4) may choose not to enter such environs. Local, outreach services are able to tap into those groups that would not normally access mainstream services. In order to build trust and confidence, the local service has to be seen as a community based service. Two approaches can be taken:

- *Establishing a local base*, which could be either a local Jobshop or advisers based in a community building. Basing services in a local community hub helps attract people that use the building and makes it easier to promote the service and make referrals.
- *Outreach work*, including delivering surgeries in libraries, community centres, and GP offices, attending local community meetings, providing job and careers advice in a mobile bus going round estates and holding job fairs.

Examples of both of these approaches are contained within the Case Studies appended to this report.

One of the main benefits of outreach work seems to be that it helps to build trust with hard to reach/help groups. This is especially true for clients with whom a lack of trust of 'the system' exists. In such circumstances, outreach work can be effective simply because it is 'someone other than the Jobcentre' (DWP, 2003).

One of the factors common to outreach is that often the advisers performing the outreach work have either shared similar experiences, or are from the same community/neighbourhood (e.g. Action Team for Jobs, FEAI) – this seems to be an important success factor. Additionally, Action Team for Jobs has also used

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employees and secondees from relevant sectors, who bring with them specialist knowledge.

The success of outreach can also be viewed through the recognition of the use of outreach as being an effective way of engaging with clients that is contained within the SEU 2004 report and the Building on New Deal paper.

### ***Success Factors – Travel to Work***

The issues surrounding travel, accessibility and transport and the barriers they can create for workless individuals looking for employment were identified in Section 3 of this report. Some ways in which this can be addressed have been mentioned throughout this report, including the use of financial assistance for travel to interview and travel to work costs and the success of some of these factors are noted in the case studies. This section draws upon those discussions and identifies some of the practices for addressing travel to work issues.

According to DfT (2004) five key barriers to accessing jobs (and services) were identified in the SEU 'Making the Connections' (2003). These are:

- Public transport is not always available or is not physically accessible;
- Some people find the costs of personal or public transport are very high or unaffordable;
- Services and activities are often located in inaccessible places. Developments including housing, hospitals, business and retail are often located in areas not easily accessible to people without a car;
- Some people are unwilling to use public transport for safety and security reasons; and
- Some people are unwilling to travel long journey times or distances, or may not know about or trust transport services.

Some of the key policies that DWP agreed to in order to address some of these barriers included:

- DWP has extended the Travel to Interview Scheme to cover claimants of more benefits, including Incapacity Benefit, and local journeys over £4 on a

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discretionary basis; this will soon be absorbed into the Adviser Discretion Fund;

- Jobcentre Plus, the Association of Train Operating Companies and Transport for London provide New Deal participants in England and Wales with a 50 per cent reduction on the cost of rail travel;
- Jobcentre Plus will increase awareness of travel and mobility, and how to overcome transport barriers, through staff training;
- Jobcentre Plus will extend eligibility for the Adviser Discretion Fund to all benefit claimants from the sixth month of their claim, and to anyone joining the New Deal for Lone Parents;
- A £5 million per year fund supports employment-related transport projects run by Action Teams for jobs from 2002; and
- A £3 million fund will improve travel information and journey planning in Jobcentre Plus offices.

(Source: DfT, 2004)

In addition to these changes to mainstream provision, the DfT (2004) report also identifies examples which show how accessibility initiatives can contribute to employment objectives.

*Warwickshire's Wheel to Work Scheme* – using scooters in villages to enable young people from rural areas to get to colleges and places of work. Initially 10 scooters were used, increasing to 75, and now exceeding 100 are used. This has allowed the service to support shift work and to provide access to new employment opportunities at new developments on city outskirts. Clients are eligible for the scheme if they have an offer of full-time training, education or employment and are aged between 16-25.

*Merseyside Joblink* – Merseytravel introduced a network of 18 "Joblink" services between deprived areas and employment areas, operating in areas or at times not covered by other bus services. The services operate between Monday and Friday and are tied to working hours, including shift working. In addition to fixed route services, there is a demand responsive service for people identified by their employer or training agency as in need of such a service because of disability.

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It is also worth re-emphasising the three initiatives that are common among NDCs in trying to address accessibility/ transport/ travel problems are:

- (1) new subsidised bus services, (normally on routes that would not be profitable for bus operators, and which the local authority has not been able to underwrite);
- (2) community minibuses, (providing door to door transport for people who have difficulty using mainstream public transport, or for hiring to community groups to support other initiatives); and
- (3) improvements to the streetscape, (such as better footway lighting, bus shelters and general landscape management such as removing graffiti and abandoned cars).

In summary, a range of services can help in terms of assisting workless individuals address the accessibility/ transport/ travel issues that they may face when looking for, and sustaining, employment, including:

- Availability of small grants/provision of funds to cover travel costs (either on a one-off basis for interviews, or on a sustained basis for travel to work);
- Improvement of travel information and journey planning in Jobcentre Plus offices;
- Provision of discounted travel (concessions) on public transport for target groups;
- Extension of current public transport provision – both extension of routes and increase regularity of services on existing routes;
- Express transport services from excluded/ deprived neighbourhoods to employment opportunities (such as out of town retail/business/industrial parks);
- Provision of fixed route services that would otherwise not exist;
- Demand responsive transport schemes; and
- Streetscape improvements (to help address security and safety concerns).

It is worth noting that a significant number of these schemes are already in place, with a number of them having been developed in conjunction with local Action Team for Jobs (e.g. DfT (2004) notes Salford, Nottingham and South Tyneside as examples).

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### **What Doesn't Work**

To conclude this section, it is important to note that whilst this section and the case studies all highlight good practice for worklessness interventions, important lessons can also be learned from what doesn't work. Not surprisingly, there is not a lot of evidence of what doesn't work available, however, an overview is provided below drawn from the Employability Framework for Scotland Report (2005).

- **Inflexible**, time bound approaches do not work for those furthest from the labour market. Particularly for this client group there needs to be flexibility in the intensity and length of the service;
- **Failure to share information** when clients move from one service to another reduces the effectiveness of the effort and wastes valuable staff time at the new service delivery point;
- There are concerns that a proportion of frontline staff does not have the necessary **attitudes and skills** to work effectively with the harder to help client group. Irrespective of service design a significant investment in staff development is required;
- **Lack of clarity** in terms of project or service objectives can lead to ineffective delivery. Evaluations of some employability interventions built into health and social work-funded projects demonstrate the need for clear objectives in terms of progressing clients towards employment; and
- Approaches which provide a **service based on the age, stage or status of an individual often fail to respond to the needs** of these individuals which may be related to other aspects of their situation or history – and may disallow access to individuals for whom the service is a very good fit with their needs.

(Source: Employability Framework for Scotland, 2005, p.25)

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## Section 6 – Conclusions, Recommendations & Issues for Further Research

### Findings

The findings of ‘what works’ from the review of evidence of effective interventions to address worklessness are summarised below. The following list provides a summary of the issues which can be used as ideas and principles for effective interventions for addressing worklessness.

### Approach

One strong conclusion from the review is that *one size doesn't fit all* – in other words there is no one size fits all approach for worklessness interventions, with the evidence showing that flexibility and local autonomy are critical to effective worklessness interventions.

In addition, successful approaches to worklessness interventions have been found to be *holistic, client-centered* and include *customised provision of services* relevant to clients.

### Targeting

Evidence exists that suggests that *delivery* of worklessness interventions should take place locally, allowing local conditions and issues to be taken into account. However, it is also recognised that a *strategic* overview, perhaps at the travel-to-work area (or other spatial level, e.g. city region) is needed.

### Engagement of Individuals

Effective engagement of individuals onto worklessness interventions can be achieved through approaches such as locating premises central to or accessible for, the local community; outreach work; employing local people as advisers; and networking, linking and delivering through other local organisations. No single method stands out as better than others – different methods suit different target groups and areas. There is some evidence that organisations less obviously connected with government can play a much more effective role in securing initial engagement with particular target groups. Some commentators note that evidence around what works for engagement, retention and progression is sparse, suggesting that there may be a need for further investigation of this area.

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### ***Employer engagement***

Employer engagement is important for a number of aspects including maximising the potential for obtaining vacancies, ensuring good match between client skills/attributes and employer needs, and promoting sustainability and progression once clients are placed in jobs. Employer commitment is also recognised as *fundamental* for good ILM schemes.

Best practice for achieving employer engagement includes engaging employers from the start, working within the interests and capacity of employers, incorporating employer requirements in all stages (including design), utilising existing relationships, focusing on selected sectors, occupations and areas, creating employer confidence and trust in the processes, and ensuring effective communication.

### ***Delivery and Process***

A *client-centred, holistic, customised approach* is important for effective delivery of the intervention. The type of provider (i.e. public, private, community/voluntary) is not a critical factor for success – evidence shows that delivery has been effective for all types of provider.

A sufficient *level of autonomy* is required in order to make sure that the intervention is flexible and can adjust to local context and circumstances.

There is some evidence that flexibility regarding the need for formal training would be an advantage as formal training is not always needed, and can be a disincentive to the engagement of some individuals.

Whilst the ‘place then train’ (‘work first’) approach as opposed to the ‘train then place’ (‘human capital’) approach is an area for further investigation outwith this study, it is useful to note that there is evidence which supports the ‘work first’ approach. A number of ‘work first’ approaches do tend to provide some intensive post-employment support which seems to play a positive role in the beneficial effects of this approach.

One universal critical success factor (at both strategic and delivery/operational level) is *effective partnership working*.

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The success of some interventions may be due to particular labour market conditions at that time – emphasising the importance of *taking local conditions and context into account*.

### **Support**

There is mixed evidence as to the level of success of *financial support to the client*, and the extent to which it is required. Financial support can assist with some barriers but does not effectively address other types of barriers.

In terms of *wage subsidies* (i.e. where the financial support goes to the employer), there is also mixed evidence, with some evaluations showing that receipt of a wage subsidy by employers would not affect their decision about recruitment, or that whilst employers were grateful for the wage subsidy, not all employers were certain that a full wage subsidy was necessary.

With regard to the *level and intensity of support required*, many people in the target groups face major obstacles to work and require specialised and intensive help to overcome them. This level of support should not be underestimated.

There are examples of *post placement support* on national pilot programmes for the hardest to help/reach groups. Other pro-active approaches include identifying high risk of dropout clients who then receive more intensive post-placement support than other clients.

### **Success factors**

There are a range of key features that indicate success for *ILMs*. These include: targeting at the long-term unemployed, diversity of work placements available, payment of a wage, voluntary participation, and provision of/ effective links to supportive services (e.g. provision of pre-placement training on job search skills and work place norms, counselling and job search assistance). In addition, placement with 'for profit' organisations tend to yield higher success rates, *employer commitment is fundamental*, and formal training is not essential.

In terms of success factors for *job brokerage*, the five aspects identified were that job brokerage projects: must be *embedded in the local area*, require a *holistic approach*, should *collaborate with other agencies*, need an *employer-focused approach*, and

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projects' benefits *need to be sustained*. For *transferability of job brokerage*, the evidence notes that the fundamental building blocks of job brokerage remain the same across the country, but these need to be supplemented by local information and an understanding of the local area.

For *outreach* to be successful, and in order to build trust and confidence, the local service has to be seen as a community based service. Two approaches can be taken: First, *establishing a local base*, which could be either a local Jobshop or advisers based in a community building. Basing services in a local community hub helps attract people that use the building and makes it easier to promote the service and make referrals. Second, *outreach work*, including delivering surgeries in libraries, community centres, and GP offices, attending local community meetings, providing job and careers advice in a mobile bus going round estates and holding job fairs.

For addressing *travel to work* issues, a range of services can help assist workless individuals when they are looking for, and sustaining, employment. This includes: provision of funds to cover travel costs, better/improved travel information and journey planning in Jobcentre Plus offices, provision of concessions on public transport for target groups, extension of current public transport provision, express transport services from excluded/ deprived neighbourhoods to employment opportunities, provision of fixed route services that would otherwise not exist, demand responsive transport schemes, and streetscape improvements (to help address security and safety concerns).

### **Recommendations/Issues for Further Investigation**

In summary, this report has provided a review of what works for worklessness interventions. Many different interventions have been evidenced and there is a wide range of interventions that are effective. However, it is difficult to identify any single intervention and recommend that this is the ideal model to address worklessness, especially given the issues of transferability identified throughout the report.

The one issue that is perhaps worth identifying is the areas where mainstream Jobcentre Plus provision is most challenged, due to issues such as a lack of trust in the system, and the disengagement of a number of individual/ groups from both the labour market and from services that aim to improve job prospects (including

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Jobcentre Plus). It is in these areas that some level of alternative provision may be required to complement the mainstream provision.

Job brokerage/job linkage projects (whether they are area based initiatives (ABI) funded projects, or Action Team for Jobs provision), when delivered effectively and when all the success factors identified are included, have been shown to effectively engage clients (including disengaged clients) and provide a bridge/link to employment. The extent to which such provision may be enhanced in the North East is one area for further investigation.

Further investigation would be needed to map the current provision of such services in the concentrations of worklessness, to identify if there are any gaps in provision, as well as establishing the local conditions and context in such areas to test the feasibility of such interventions. Additional issues that would need to be considered in such investigation would include the scale of such activities in relation to the area they operate, the possible impacts of expansion (especially on quality/effectiveness of delivery), and the impact such activities could have at the regional and sub-regional level.

Other areas for further investigation identified from this study include:

- Development of a more transparent approach to, and a more rigorous framework for, assessing cost, value for money, outcomes and the feasibility of the development of such a framework.
- Investigation into what interventions are effective for particular client/target groups is an area where further work would be beneficial.
- Given the recognition that evidence around what works for engagement and retention of individuals on worklessness interventions is sparse, there may be a need for further investigation of this area.
- Finally, this review has focused on the UK, however, it should be recognised that there are examples of successful worklessness interventions internationally as well. It may be that consideration of international best practice (for particular types of interventions) is an area for further investigation.