

Evaluation of the Working Neighbourhoods Pilot: Year One

By Sara Dewson

This report presents the interim findings from the first year of the evaluation of the Working Neighbourhoods Pilot (WNP). The WNP was established in April 2004 to test a new approach to offering intensive support to help people to gain work. The pilot is targeted towards people who are without work, including claimants of Jobseeker's Allowance (JSA), Income Support (IS), Incapacity Benefit (IB), partners of claimants and workless non-claimants. The pilots are operating in 12 areas, which were selected because of very high levels of worklessness and deprivation, and are being delivered by a combination of Jobcentre Plus (JCP) and private Employment Zone contractors (WNP/EZ). Essentially, the pilots are testing very local approaches to overcoming worklessness: delivery organisations and JCP and WNP/EZ providers are working within the framework of Local Strategic Partnerships to determine how best to overcome barriers to work, and move local people into jobs.

Key findings

- The WNP sites share many of the characteristics of areas of severe disadvantage: employment rates are low, economic inactivity is high, human capital is poor and there is a poverty of aspiration. The barriers to work are similar in each of the WNP sites, and individuals and local stakeholders largely agree on the main causes of worklessness.
- Most participants on the pilots, to date, have been JSA customers and a key issue for WNP sites at this interim stage is how to attract and engage non-traditional JCP customers and improve participation in the pilots for these key customer groups, namely IS and IB customers, and their partners. The exchange of good practice from some WNP sites, where participation amongst non-traditional customers is better, is needed to help other sites where participation by is much lower.
- Most of the provision that has been introduced by WNP has related to improving motivation and jobsearch techniques, and this is largely being provided through the well received WFI regime. Some provision has also been put in place to assist with basic and vocational skills however, there is little evidence to suggest that much provision is available to help customers with deep-seated barriers to employment eg mental health problems, and/or alcohol and drug dependencies. Non-traditional customers, including IB and IS customers, and non-claimants, are most likely to present such barriers and the challenge will be to design and provide the help that meets their specific needs. On a related note, Personal Advisers may require additional training and/or support from specialist agencies in order to help them to identify and help customers with these types of specific or severe needs.
- The pilots appear to have achieved some significant successes so far, and almost one-third of participating customers have already moved into employment. The final evaluation will need to consider benefit off-flows in both the WNP sites and the comparison sites before any assessment of net impact can be made. However, anecdotally at least, the pilots appear to be making a positive difference to many of the people they were set up to help.

Summary of findings

Aims of the research

The evaluation of the WNP aims to test:

- the extent to which a programme of intensive work-focused action, in co-operation with local partners, is effective in addressing long-standing barriers to work experienced by people in deprived areas;
- the extent to which the pilot increases the number of people moving into work and, as far as possible, the extent to which it decreases the overall workless rate within the pilot areas.

Method of approach

The evaluation uses both quantitative and qualitative methods, and comprises four main elements:

- a literature review exploring the concept of worklessness, at the level of the individual and the community;
- an analysis of secondary and administrative data, undertaken by DWP analysts, to compare trends in benefit flows over time and against 12 selected comparison sites;
- detailed case study work with stakeholders in each of the pilot sites, and their matched comparison sites, to explore the social and economic characteristics of the areas, and to assess progress and outcomes from the pilots;
- an eligible residents' survey with 1,200 residents across the 12 pilot sites looking at attitudes and motivations towards employment, and their experiences of employment, unemployment and the pilot. The survey was supplemented by a smaller number of qualitative interviews with some survey respondents. The survey and qualitative work with individuals includes both participants in the pilots and people who are not participating at present, but who are eligible to do so (non-participants).

Key findings

Characteristics of the pilot sites

Analysis of the 2001 Census of Population shows that the pilot sites are noticeably different to the 'norm'.

- Unemployment levels were up to three times higher than national levels in each of the pilot sites and economic inactivity was at least ten percentage points above the average in almost all the WNP areas. Over half of the pilot sites had economic inactivity rates of over 50 per cent.
- Sickness and disability is also much higher in the pilot sites than nationally and at least one in ten people in most of the pilot areas were unable to work because of health problems. Many more people in the WNP areas were also inactive because of caring responsibilities when compared to national averages.
- Many of the pilot sites have relatively high numbers of households headed by a single person compared to national figures. Rates of lone parenthood are also greater in many of the WNP areas compared to the rest of the country.
- Most residents in WNP areas live in rented accommodation, and most properties are flats or terraced houses. Rates of owner occupation in the pilot sites are markedly lower than national figures.
- In terms of human capital, over half of all residents in most of the WNP areas have no qualifications at all, compared to approximately one-third of the population nationally.

Pilot customers

During the survey of eligible residents, WNP participants and non-participants provided more information on the barriers they thought local people faced when looking for work. These centred on four themes:

- labour market factors – including a lack of suitable jobs, or jobs that were poorly paid (43 per cent of participants and non-participants thought this was the case);

- individual barriers or poor human capital – 38 per cent of residents thought that local people lacked the qualifications or skills necessary for the jobs available;
- motivation – there was a fairly widespread belief that local people did not want to work (28 per cent of residents thought motivation was a problem);
- local infrastructure – over 20 per cent of residents believed that poor childcare facilities and poor transport were significant barriers to employment in the local area.

Amongst residents who were looking for work, a similar range of barriers to employment were identified: 30 per cent of jobseekers in the local area said they had few or no qualifications; 30 per cent thought there was a lack of suitable jobs in the local area; 30 per cent did not have transport to get to work; 28 per cent had no recent work experience; and, 22 per cent thought that the wages on offer locally were too low.

The case study research with local stakeholders also identified a number of demand- and supply-side factors that acted as barriers to work to local residents.

Demand-side barriers include a decline in traditional industries in many of the pilot sites resulting in significant shifts from manufacturing to service sector jobs, and a commensurate mismatch between the skills held and the skills necessary for the jobs available locally. Added to this, the jobs that are available locally are often low paid, and many are located on peripheral industrial estates which are difficult to reach by public transport. Local employers are often small and want recruits who are immediately employable and few employers have the time or inclination to take on people who have been out of the labour market for any length of time. There is also some anecdotal evidence to suggest that employers discriminate against recruits from some of the pilot areas because of where they live ie there may be an element of postcode discrimination in operation.

The supply-side factors that were thought by case study respondents to be barriers to employment

were similar to those mentioned by residents themselves. In addition though, stakeholders felt that residents were often caught in a 'benefits trap' where work was not seen as a viable, financial alternative. Some respondents felt that there was significant activity in the informal economy thus rendering formal, paid work unnecessary and/or unattractive. Some case study respondents also thought that broader family and community-level influences operated to create a culture of worklessness, handed down from generation to generation, whereby not working was the norm.

Policy response

The WNP provides for: accelerated access onto the New Deal or EZ provision; more frequent work-focused interviews for IS and (new) IB customers and their partners; a flexible discretionary fund for each area (£1million per year); and, retention payments for customers who move into, and stay in, work.

A number of customer engagement mechanisms have been tried in the pilot sites to increase awareness of the pilots and to draw in new customers. These have included: advertisements in local venues, community centres, and on buses; leaflet drops; presentations to partner organisations; open days; and outreach.

Not surprisingly, given the pilots have been in operation for one year only, participation in the WNP amongst non-traditional JCP customers is relatively low. JSA customers constitute more than half of all starts on the pilot (57 per cent), followed by IS customers (29 per cent) and IB customers (ten per cent).

General awareness of the WNP was higher amongst participants (62 per cent had heard of the pilot prior to the eligible residents survey) compared to non-participants (only 20 per cent of whom had heard about the pilots prior to the survey interview).

One of the key features of the WNP is the one-to-one relationship between the Personal Adviser and the customer, including the work-focused interview (WFI). These seem to have been well-received by individuals with over three-quarters of

all those who recalled having a WFI saying it had been useful. A small number of people actually requested more WFIs, saying that they would like more help to find work.

Pilots had used some of their flexible discretionary funding to purchase new provision for WNP customers. This included provision to assist with:

- activation/motivation and jobsearch – to develop personal skills, build self-esteem etc;
- basic and vocational skills training – to help customers to acquire job-relevant skills in particular vocational areas, to establish social enterprises, or to fund more general learning activities and basic skills;
- specialist provision – to assist with more complex barriers and needs, for example, funding childcare places, providing local advisory and counselling services to address mental health problems, or problems related to substance misuse.

Similar types of help are available in pilot sites regardless of whether the pilot is run by JCP or WNP/EZ contractors.

Outcomes from the pilots

The majority of people who can recall receiving help from WNP report that it has been very or quite useful (76 per cent). Although it is early days for many people receiving help, the specific gains that they can recount so far include:

- soft outcomes, such as gains in self-confidence and motivation;
- jobsearch techniques;
- jobs.

Overall, 28 per cent of WNP participants, up to July 2005, had started work. Twelve per cent of participants had been in work for 13 weeks and had claimed their first retention payment and a further six per cent had been in work for 26 weeks or more and had claimed their full back-to-work bonus.

Customers taking part in the eligible residents survey were asked to say how useful the pilot had

been in helping them to find work and almost one-third (or 29 per cent of those who had found a job at the time of the survey) said that they would not have secured employment without the pilot. 43 per cent of those who had found work at the time of the survey thought the pilot had been of some help although they might have got the job anyway.

Many other WNP customers reported that the pilot was likely to help them to secure a job in the future. Over half of all those who had received some help, or who continued to receive help from WNP thought it was more likely that they would get a job as a result.

Customer satisfaction with the pilots is also relatively high with over two-thirds of those receiving help from WNP saying that they would recommend the pilot to a friend.

Although satisfaction is high, a number of customers have reported that they still needed additional help to find a job. The main types of help requested were: work experience; vocational skills training; jobsearch techniques; and, more one-to-one help. Interestingly, most of the additional help that people have requested from WNP is actually available from WNP.

The organisation that customers believe is best placed to help them find work continues to be Jobcentre Plus, with over half of all jobseeking respondents to the eligible residents survey, saying that Jobcentre Plus was most likely to help them find suitable employment.

The full report of these research findings is published for the Department for Work and Pensions by Corporate Document Services (ISBN 1 84123 914 3. Research Report 297. November 2005).

It is available from Paul Noakes at the address below.

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