

**WEST END OF NEWCASTLE  
LABOUR MARKET STUDY**

**Report by NERU for SRB5 Partnership,  
City of Newcastle upon Tyne**

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## Executive Summary

The objective of this research project is to evaluate the current position relating to the employment in the West End of Newcastle. It serves to identify policies to increase both meaningful labour market participation amongst unemployed residents of the West End SRB5 Partnership area, particularly those belonging to socially excluded groups.

The study consisted of: (1) Interviews with 160 residents who provided insights into their own experiences and those of their families and friends, (2) Interviews with 50 employers located in and around the SRB5 area, (3) These were augmented with interviews with officers of various organisations and a study of recent literature on policies and best practice to address the needs of the long-term unemployed and those most excluded. The main findings of the research are summarised below.

### The Problems

It is clear from the *Survey of Employers* that there are significant numbers of appropriate job opportunities continually arising in and around the West End. These vacancies are mainly due to worker turnover but there is also the expectation of significant vacancies arising from the developments along Newburn Riverside. However, large-scale intervention will be needed if local residents are to enter these positions; significant changes are needed on both the supply and demand sides of the labour market in order to open the channels through which local residents can enter available jobs.

The study found that there is a group of West End residents, mainly consisting of young unemployed males, who are not motivated to search for work and whom employers do not regard as employable for reasons including low educational attainment. Businesses stressed that if more local residents are to enter employment, the most urgent need is for residents to be made more *employable*. Nearly all employers emphasised that job applicants need to possess the *motivation to work*, and any pre-vocational training to enhance employability should emphasise that a person's approach to finding work is considered strongly indicative of their attributes and motivation.

Once residents seek to engage within the labour market, other barriers to employment usually come into play, preventing individuals from entering sustainable employment. The principal barriers are listed below. It is important to note that unemployed West End residents will rarely encounter one of these obstacles in isolation.

**Discrimination.** The study found that, in general there is no systematic bias against employing people from the West End of Newcastle. There is however, evidence suggesting a degree of wariness on the part of employers with respect to applicants from the inner-West End, specifically Scotswood. Employers appear to exhibit an avoidance of the young unemployed, from all areas, (especially 18-21 year olds) and a preference for either school leavers (easily moulded) and/or worker in their twenties or above (more reliable). A more important problem is the *perception*, by many Scotswood residents, of widespread discrimination by most employers, which reduces their motivation to engage in training or employment. Those over 50 years old, from all areas, reported encountering discrimination because of their age.

**Lack of appropriate skills.** Many applicants (1) possess little understanding of what employers are looking for and (2) lack appreciation of the skills they do possess and how these skills might be relevant in a workplace setting. Work experience, placements and work-related training are all regarded by employers as indicators of an individual's motivation to work, and attempts to expand opportunities for both young people still at school and the unemployed to engage in them, could have significant impacts.

Evidence from the firms surveyed suggests that gains can be derived from increasing local firm participation within the New Deal employment option. Additionally the relatively small proportion of Modern Apprenticeships (MA) needs to be addressed. To achieve this, obstacles to their acceptance by employers and residents need to be overcome, possibly through more effective marketing and building closer relationships with employers. On the supply side of the labour market, residents are extremely reticent to engage in most training and/or subsidised employment schemes, pointing to negative outcomes from programmes such as the YTS or the lack of a guaranteed permanent job. Interview guarantees, grants to employers and MA schemes may help to address this cynicism.

**Job search problems.** It was found that the current methods of recruitment emphasise the relative disadvantage within the labour market of a large proportion of local people. There is asymmetry between methods used by employers who tend to favour word-of-mouth recommendations and by the unemployed, who often rely on the Job Centre and local papers, which open the vacancies to a large number of individuals, meaning local residents may face stiff competition.

Extensive use of informal recruitment methods compounds the disadvantage of socially excluded people, who lack contacts with others in employment. Residents faced serious barriers in entering the jobs where informal methods are important, without personal contacts and recommendations from existing employees. These contacts are clearly less frequent in areas of low labour market participation and were found to be crucial for gaining access to some employers, especially within small and medium sized firms. The most obvious way to connect local residents to available vacancies, and extremely low in cost, is through speculative enquiries. Many employers treat speculative applications favourably, taking them to indicate initiative and motivation. However, the volume of these applications from local residents had fallen noticeably in recent years.

There were several interviewees, particularly females, who would only consider working very locally. They were extremely reluctant to travel, even into the city centre, thus limiting the number of jobs available to them. This was, in part at least, symptomatic of low self-esteem (see below).

**Transport.** Both employers and residents suggested that the availability of public transport provision hindered that ability of West End residents to enter certain jobs. Some interviewees, especially in the Outer West, have problems in accessing particular areas, since it is usually necessary to use the city centre as a hub. Without a car, jobs at the Airport and the Metro Centre are virtually ruled out, due to the shift patterns and irregular start times (which may change at a few hours notice). Even where transport is available, costs and travel time turns some part-time jobs into unfeasible propositions. This affects access to employment and training.

**Childcare.** Overall, childcare was not regarded as a major barrier by many of the interviewees. This must be placed in the context that many of the lone parents interviewed were too preoccupied by

the 'immediate' issues in their lives (domestic violence, housing and health issues) to consider employment or training. Many of the single parents interviewed in Scotswood had daily childcare available and grandmothers or other family members may also offer childcare, though unpaid. Some of the Lemington mothers felt that crèche facilities at the College would be a big incentive to undertake training.

**Confidence and self-esteem.** Many of the unemployed interviewed during the survey had limited horizons and few aspirations. This translated into low levels of motivation which present in the labour market. Particularly the women interviewed in the West End have low expectations of themselves and what they can achieve. In turn this means that they make few plans in terms of jobs, training or careers and so avoid the risk of disappointment.

**Benefits traps.** For those with dependants or partners to support, loss of benefits is a major factor in taking decisions about employment or training. Many interviewees with families indicated that they could easily move into some kind of low waged employment, but that the impact their on benefits levels meant that it was not worth while to work.

Benefit problems also impact significantly upon the decision to take up temporary work (both part- and full-time), even though this would enhance employability by contributing to workplace experience. Interviewees reported that once temporary employment ceases, it takes a few weeks for new claims to be processed and for benefits to be re-instated, resulting in several weeks of considerable financial hardship and possible debts.

A similar problem affects the take-up of certain training schemes, which may add only around £10 to benefits. This offers insufficient incentive to encourage participation (especially given the low expected gains from training) and may not even be enough to cover transport and subsistence costs.

### **Current Interventions**

The existing system of institutions/agencies and initiatives specifically targeted on (or applicable to) the West End area has certain weaknesses in addressing the problem of unemployment.

***Limitations of the current measures of intervention.*** Employers and residents do not perceive the existing system as

cohesive. The framework of measures designed to help get people into work or training is not effectively marketed as a 'system' and operates in a piecemeal fashion. There is no single agency able to ensure the various elements within the framework of intervention work in a coherent fashion, with full knowledge of their respective roles in relation to other initiatives. There is a role for such a body, of identifying gaps in provision (including continuity), improving the interaction between different parts of the system and ensuring that information requirements are met and effective targeted marketing is undertaken to increase awareness of the available services.

The emphasis, often due to short-term funding, is often placed upon what can be achieved within a given time frame, measurable outcomes rather than what might be the most appropriate solution. The consequences of this are that set-up and learning costs are often prominent within the lifetime of the project and experience is lost and project teams broken up on the cessation of funding and subsequent termination of the activity. This seems to occur regardless of the success of projects and contributes to a feeling of cynicism towards intervention measures amongst local people.

**Supply focus.** There is a tendency for labour market intervention to focus disproportionately upon the supply side of the problem (i.e. on the unemployed themselves). Insufficient attention is given to the requirements of *employers*, in terms of skills and attributes required. This includes the need to systematically link agencies with businesses in ways that can inform the process of advising unemployed clients in planning appropriate training and skills-related activities.

## **Proposed Solutions**

If unemployed residents of the West End are to significantly improve their chances of entering employment there is a role for a single agency, with the responsibility for focussing and co-ordinating initiatives, designed to help local people improve their effectiveness within the labour market. This agency should:

- Facilitate better matching of people with specific vacancies and create a dialogue between employer needs and those seeking work.
- Gather information on sectoral developments with a view to developing future supply-side skills.

The agency would either be involved in creating and nurturing an individual's 'pathway into work' either providing or monitoring and guiding of other providers. This process breaks down into a number of elements:

**Stage 1** - Developing self-awareness and confidence, including helping the individual to assess their abilities relative to the available opportunities, and assisting them to form a realistic action plan for moving forward.

**Stage 2** - For those not yet ready to move directly into a job, the next stage of the process, identified in the action plan, is further preparation for participation in the labour market via a number of options (e.g. training, voluntary work, intermediate labour market work, work experience, placements). It is important that any work experience or placement activity should be as close to a 'normal' job as possible to allow individuals to illustrate to employers, and in some cases themselves, their ability to function effectively in the workplace.

**Stage 3** - Those that are job ready are assisted in finding a job, including help with job search and application and interviewing skills. Continuing support should be available for those who find a job (training subsidy for the employer and job related expenses, including transport, for the employee as well as monitoring support/guidance where necessary).

There is no substitute for the painstaking process of building links with the most excluded groups in society, to assist their journey into work. There are agencies that carry out crucial development work, helping to raise aspirations and providing practical help with job search. Without appropriate support and reliable flows of information, the full potential created by this work is not realised. Any new interventions need to utilise the existing pathways into excluded communities and should complement the efforts of trusted individuals and organisations.

# **1. INTRODUCTION TO THE STUDY**

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## 1.1 Objectives of research

There is, both currently and projected, an increase in the demand for labour within the vicinity of the West End of Newcastle. The objective of this research project is to evaluate the current position relating to employment in the West End and to identify policies which help to achieve a significant increase in the labour market participation of residents within the SRB5 Partnership area.

An important feature of this study is that it approaches the analysis of the labour market and the problem of unemployment from the perspective of *both* the supply and demand sides. It thus identifies the supply side aspects relating to the unemployed and new entrants to the labour market (e.g. generic skills, perceptions, motivation, etc.). These are considered in conjunction with the demand side aspects, which include the labour requirements of the local employers (e.g. reliability, generic and occupational skills, ability to learn, etc.). An assessment of the impact of current policies, and how intervention might be made more effective, is recognised as an integral part of the investigation.

The study emphasises the need for a *forward-looking* strategic approach to the problems of employment in the West End, in that it recognises the essentially long-term nature of this effort to improve the labour market performance of the SRB5 area residents. It thus includes consideration of appropriate policy initiatives aimed at 'young people still at school'. The research is designed to help in the establishment by the Partners of a set of policies, under the SRB5 themes 'Community Options' and 'Moving Forwards', which have an ongoing effect in bringing the supply and demand elements within the labour market closer together.

## 1.2 Methodology

The research involved the collection of a large body of information relating to the employment problems of socially-excluded groups both generally and within the West End. It is thus based upon a combination of desk study and interviews with: (1) businesses and

other employers; (2) residents of the community who are disadvantaged in relation to the labour market; and (3) a range of groups and organisations involved in some way with labour market-related initiatives and activities within the West End or in other areas with similar characteristics.

The *desk study* allows the authors to draw upon the extant body of research (published and unpublished) to provide policy-makers with a context for understanding the SRB5 area's labour market characteristics and processes. Various labour market related interventions which have been applied within the UK are reviewed. Findings related to the effectiveness of initiatives are reported, since they are important in helping to identify policy interventions which might be appropriate to the West End situation. Research demonstrates the inter-relatedness of problems connected with labour market disadvantage and suggests the need for a 'joined-up' strategic approach to tackling them.

A *survey of more than 50 local employers* located in or around the SRB5 area was conducted to identify (1) the extent of *demand* for workers on the part of businesses and other organisations, and (2) the factors which influence the ability of local residents to take up available employment opportunities. This permitted an estimate of the future demand for labour and provided some indication of the kind of jobs which would be created. Other issues explored with employers included recruitment methods and practices, experiences in relation to taking on recruits from the West End, especially young people/school leavers; requirements in terms of skills and other attributes connected to 'employability'; knowledge of (and experience with) different training initiatives and schemes designed to facilitate the employment of local residents. Employer perspectives were explored in relation to existing policies and future forms of intervention.

Interviews and discussions with groups made up of 160 *individual residents* provided a supply-side perspective on the way the labour market operates in relation to socially-excluded groups. In particular this helps in identifying the factors, which contribute to the mismatch between labour supply and demand at the local level. The interviews with unemployed people, school-leavers and those approaching school leaving age, enabled the team to assess perceptions in relation to aspects of the job market. These included job opportunities that are open (closed) to local people,

methods used to seek a job, motivations to undertake training or placements, geographical limits to travel to work, and views on various initiatives designed to help people into work or training. The processes which obstruct the movement of local residents into those job vacancies arising in the area is thus explored.

*Interviews with officers in other organisations* were designed to help understand the nature of the problem, particularly the processes which obstruct the movement of local residents into those job vacancies which arise in the area. Those involved included various community and voluntary organisations operating in the area, together with training and education providers, government and other agencies, councillors, etc. These interviews were particularly helpful in the authors' examination of the way in which the various agencies interact in delivering initiatives focused upon improving labour market prospects for disadvantaged groups.

### **1.3 Structure of report**

The report is organised into four further chapters. Chapter 2 deals with the findings of the literature survey; Chapter 3 focuses upon the employer perceptions derived from the survey public and private sector organisations; the residents' perspectives are outlined and considered in Chapter 4. While Chapters 3 and 4 individually identify policy issues arising out of the research findings, Chapter 5 uses the various empirical and analytical strands of the study to identify a framework for policy intervention which emphasises the need for a co-ordinated strategy to address the problem of labour market disadvantage and unemployment in the West End.

## **2. SURVEY OF RECENT LITERATURE**

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### 2.1 Introduction

The West End study needs to be seen within a wider context, both in terms of a framework of analysis relating to the way the local labour market operates within disadvantaged urban areas and of national policy measures designed to address the issue of unemployment generally. There is also a body of knowledge concerning the effectiveness of interventions to improve local labour market performance.

*This chapter of the report surveys the recent literature and identifies findings which can inform our understanding of the problems faced by groups which are disadvantaged in relation to the West End of Newcastle labour market. In the time available, it was not possible to conduct an exhaustive survey of the huge literature in this field. The NERU team was able, however, to identify key contributions to the research on causes of and responses to employment problems experienced by disadvantaged groups in Britain's urban areas.*

The chapter is organised as follows: section 2.2 discusses the factors which help explain why unemployment may persist over the long-term for particular social groups, and the reasons why the problem is more prevalent in certain urban settings. The chapter goes on to show (section 2.3) how the factors affecting labour market disadvantage of individuals often originate during the period of compulsory school education.

Section 2.4 outlines briefly some of the key areas of policy focus in attempting to reduce long-term unemployment. These include the use of preventative measures, dealt with in section 2.5. These policies emphasise the need for long-term policy approaches aimed at breaking into the cycle of developments which give rise to the problem of long-term unemployment. Section 2.6 defines the nature and importance of the concept of employability in the context of the skill requirements of employers.

Research into factors which restrict the job search activity of those individuals or groups disadvantaged within the labour market are discussed in section 2.7. This section shows that both personal characteristics and external ('environmental') influences operate against effective job search activity. Experiences with various policies and initiatives to create employment and training opportunities among socially excluded people is the subject of section 2.8, which focuses in particular upon the effectiveness of New Deal and Intermediate Labour Markets. The final section (2.9) deals with issues in the wider literature relating to policy design, including the emphasis that is currently placed upon holistic approaches to the problem.

## 2.2 Causes of long-term unemployment

### 2.2.1 General discussion of causes

It is normal for individuals to move into and out of jobs due to the natural process of job creation and destruction, and short periods of unemployment are entirely consistent with a healthy functioning economy. National research based on JobCentre vacancies (cited in Select Committee on Education and Employment, 2000) suggests that annual turnover of staff is in the range of 7-15%.

*It is thus the persistence of unemployment rather than its existence, that has important negative implications both for the individual, the wider community and the economy. Long-term unemployment arises from the failure of the supply of labour to adjust adequately to changes in demand.* Campbell (1998) has identified the following contributory factors:

- **Lack of job search activity.** There may be individuals registered as unemployed but are not engaged in meaningful, active, job-seeking. Reasons for this include:
  - High reservation wages – people are unwilling to take jobs at prevailing wage rates; in low-skilled jobs the wages may not compensate for loss of benefits
  - Individuals may have a declining commitment to employment as duration of unemployment extends. This particularly applies, it has been shown, to older male workers, who effectively withdraw from the workforce in many cases. Such people are inactive and reliance upon benefits, but would still like a job. However, in the words of Beatty and Fothergill (1999), ‘hardly any now think that there is a realistic chance of a job’.
- **Imperfect information.** Inadequate information on available vacancies and a general lack of labour market intelligence, may lead to an increase in the average duration of unemployment and time taken to fill vacancies, as individuals (companies) have to spend more time searching for suitable employment (employees). If appropriate institutions and mechanisms are not in place, then some job-seekers may be unaware of current and

potential future vacancies. In this situation, unemployed people may become despondent and reduce the intensity of their job search activity, perceiving there to be little point in attempting to find non-existent jobs.

- **Real wage rigidities.** The excess supply of labour in the local economy may be a reflection of the fact that real wages remain too high, thus discouraging companies from taking on additional workers. In situations where real wages are slow to adjust, this can account for the persistence of unemployment. Such rigidities may be due to the influence on wage-setting of key employers, employees or other institutions (such as Trades Unions).

The National Minimum Wage is a further example of such a rigidity; whilst the measure may be of limited relevance in geographical areas where there is high demand for labour, and also in relation to higher level skills; in areas where demand for labour is more restricted, and the jobs which are available are in the lower skill categories, the NMW impact may be more significant (Stone and Jarvis, 1997)

- **Changes in the pattern of labour demand.** There may be a skills mismatch between jobs available and jobs sought (by occupation, skill/qualification or employment status), resulting in structural unemployment. For some individuals this mismatch may be easily removed by short duration training in specific skills such as LGV Licence, Advanced Food Hygiene, Offshore survival, telescopic handlers<sup>1</sup>, whereas for others, the skills mismatch may require a more fundamental re-training programme (NDC 1999), so as to prepare people for the high quality knowledge-based jobs which industrial and regional policy is seeking to encourage (Education & Employment Select Committee Report, 2000).
- **Employer discrimination.** Employers may discriminate against certain groups within the local labour market, on the basis of age, gender, ethnicity, disability, postcode/location, etc., which will lead to certain individuals having a higher probability of

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<sup>1</sup> The first three of which were mentioned by Newcastle West Job Centre as barriers to employment for many local residents.

becoming long-term unemployed. Discrimination can take place at several points in the employee selection process - from the time when jobs are advertised through to final interviews.

Lawless *et al.*, (1998) provide some evidence to show that 'employers may discriminate against people living in certain areas or estates because of the image they have of the type of people who live there' (quoted in Smith, 1999). Atkinson and Hills (1998) claim that if employers anticipate that there will be high turnover of employees then this will make job creation less attractive. If employers perceive that workers from certain areas or groups show a higher rate of turnover then it is argued that it is likely that they will discriminate against them accordingly.

- **Attitudes to employment.** Attitudes and domestic circumstances may prevent some individuals from fully or partially engaging with the labour market. It is recognised in New Deal for Communities (1999) that many individuals especially in disadvantaged urban areas, may need help to overcome:
  - Poor self- discipline
  - Weak inter-personal skills
  - Low self-esteem, often expressed by a lack of willingness to travel, an unwillingness to apply for jobs or training, and unrealistic expectations
  - Domestic circumstances e.g. health problems and parenting responsibilities.
  
- **Lack of available jobs.** There may be a general shortage of jobs in the local or in the national economy. If this is the case, any decreases in long-term unemployment are likely to be at the expense of other groups being displaced from employment.
  
- **Small area deprivation and the problem of migration.** In addition to the above factors, the persistence of long-term unemployment in certain areas is likely to be compounded by the inward and outward migration of residents. A significant proportion of those residents who obtain regular employment, on becoming relatively more prosperous, moving away from the area. These are replaced by other (perhaps newly) disadvantaged individuals/families.

## **2.2.2 Perspectives on disadvantaged urban areas**

Within Great Britain as a whole there are between 15 and 20 local authority districts with very low employment and high unemployment rates (HM Treasury 2000). In these areas the disadvantage experienced by individuals is compounded by factors such as employers' area-related discrimination, lack of adequate transport, lack of informal networks informing of job openings etc.

*It is widely recognised that it is insufficient for policy-makers to try to shift jobs into these deprived areas because, unless the residents are equipped to take advantage of any vacancies, jobs will go to individuals from outside the area.* Indeed, in many of the most deprived areas, residents are already within short travelling distance of a large number of job vacancies, 'many of the worst performing wards lie next to prosperous, low unemployment areas' (HM Treasury 2000).

The Policy Action Teams have identified four principal reasons why individuals from deprived areas may fail to get jobs on offer close by geographically.

- Lack of skills and aptitudes, especially self-confidence and inter-personal skills
- Inadequate matching between employers and jobless people
- Problems of moving from benefits to paid work
- Racial discrimination against ethnic minorities

These reasons are consistent with the general understanding of the causes as outlined above. However, the problems encountered are particularly acute given the more pronounced economic and social deprivation found in such areas.

Various national policies have been put into place to address these causes (HM Treasury 2000). These are outlined below in relation to the four areas identified by the Policy Action Teams. The concentrated nature of the problems in such areas as the West End raises questions, however, as to their effectiveness in these situations.

□ ***Lack of skills and aptitudes, especially self-confidence and inter-personal skills***

At a national level this is addressed by the New Deal, coverage of which has been steadily broadened since its was introduced by New Labour at the end of 1997.

□ ***Inadequate matching between employers and jobless people***

At a national level this is addressed by focusing upon the use of new technologies,

- placing CVs and training opportunities on the Internet
- 'touch-screen jobpoints' in JobCentres which cover more of the local vacancies than traditional job centre boards
- 'job-broking' call centres acting as an intermediary between employers and the jobless
- developing the potential to use interactive television to link employers and the jobless

However, it is recognised that additional job-matching support may be required at a local level.

□ ***Problems of moving from benefits to paid work***

Individuals are often worried about the implications for their income of moving off benefits into paid employment. The risks are related to 'the poor quality of jobs, which provide little security and are relatively low paid, and a complex and inflexible benefits system which can lead to the disruption of income during transition periods' (Education & Employment Select Committee, 2000). Evidence to the Committee also stressed that these problems were 'greatest in the most deprived communities'.

At a national level the Working Families Tax Credit, changes in income tax and national insurance contributions are specifically designed to 'make work pay' and increase the returns to employment. For those with children the Childcare Tax Credit is now also available. Further, in an attempt to reduce the risk of entering employment and losing the certainty of benefit income, there are certain benefit run-ons for lone parents who thus as a result gain up to £400 when moving into employment.

□ ***Racial discrimination against ethnic minorities***

Those from ethnic minority backgrounds find it harder to obtain work than other groups and remain in employment for shorter periods (Shropshire *et al.*, 1999). Atkinson *et al.*, (1996) and the PSI (1994) both suggest that people of Bangladeshi, Caribbean and Pakistani origins are more likely to suffer from 'distinctive forms of discrimination' compared to the majority of the population. Examination of ethnic minorities living within inner London and other metropolitan areas found that these three racial groups were less likely to gain employment than people with similar qualifications but of different ethnicity (Modood *et al.*, 1997). Ethnic minority claimants, in fact, were more likely to hold academic qualifications than other groups (28 and 25% respectively). The advantage of having better qualifications is offset, however, by poor knowledge of the English language. Modood *et al.*, found that 19% of their survey claimed to have problems with their spoken English.

Ethnic minorities were less likely than other groups to use local papers and direct contact with employers as a method of job search. Despite their more limited methods of job search, they submitted more job applications than other groups, but were not rewarded by being invited to more interviews than other claimants.

There is also evidence that ethnic minorities have a lower level of awareness of the opportunities available to undertake part-time work and study whilst on benefits. Although they are more likely than other groups to perceive that part-time study would increase their employment prospects.

This is not an area the Government can tackle in isolation, but it already provides an Equal Opportunities framework backed up by legal sanctions.

□ ***Access to transport***

Lack of transport can be an obstacle to employment. Evidence was presented to the Select Committee on Education and Employment (Fourth Report, Session 1999-2000), to the effect that 'mobility was impaired partly by personal and cultural factors, but more practically by poor and/or expensive transport links'. There are divergent views, however, as to the *scale* of the barrier created by lack of access to transport. Studies range from those which contend that it is the most important

factor associated with unemployment duration, to those that argue that it affects only a small number of individuals. It seems reasonable to suggest that poor access to transport will be more of a problem for certain types of job than others, i.e. shift work (where the hours worked may not coincide with public transport provision), and some part-time work (where the travel time may be high relative to time at work).

Within the framework of these national policies addressing unemployment, the following section considers the findings of research relating to dealing with the problem at the local level.

## 2.3 Origins of labour market disadvantage

*While most of the focus of policies to help people participate in the labour market is upon those who are unemployed, in fact, many of the elements which are crucial to employability need to be initially developed during a person's period at school. This emphasises the need for a long-term strategic approach to ensuring that new entrants (including those who have recently left school) to the labour market are properly equipped with the required skills and aptitudes.*

### 2.3.1 Childhood and school age origins

#### ***Childhood disadvantage***

The link between childhood disadvantage and intergenerational economic status is examined by Machin (Ch. 4 in Atkinson *et al.*, 1999). The National Childhood Development Survey suggests that there is strong evidence linking poor economic (and social) outcomes at the age of 23 and 33, with childhood disadvantage. This is still the case after differences in educational attainment have been netted out. Reviewing some of the recent literature, he concludes that children from disadvantaged backgrounds tend not, over their life-time, to improve significantly their economic situation. Many of the secure jobs within deprived areas (especially inner-cities), as a result of low levels of educational attainment amongst local people, tend to be occupied by in-commuters (Smith, 1999).

#### ***Schooling and Key Skills development***

Skills developed during the period of compulsory education are a crucial basis for skill formation more closely related to the labour market. This is recognised in the research of Kodz *et al.*, (1998) based upon surveys of schools, colleges, training suppliers and employers within the Avon area. The study uncovered a series of themes with implications for best practice in relation to developing Key Skills.

Although it did not assess the *outcome* the of development of Key Skills among young people, the study was, however, able to examine the impact of Key Skills provision on the *perceptions* of

those surveyed in terms of (1) increased confidence, self-esteem, motivation, employability and transferability of skills, the ability to make informed career choices, and capability to record and provide evidence and (2) moving schools towards a broader and less subject-oriented provision.

One of the main problems identified in the delivery of Key Skills related to the lack of more fundamental skills upon which Key Skills are built.

### ***Attitudes and education attainment***

There is evidence of a link between educational attainment and attitudes of individuals towards employment and training. A study by Payne (2000) examined the progress of those at the lower end of the distribution of GCSE results in the summer of 1995. The research found that, by the time this group had reached 18/19 years of age, they expressed less positive attitudes to work, education and training compared with those who had a higher level of achievement. Female 'low achievers' had more *positive* attitudes towards future participation in education and training than their male counterparts; they also, however, exhibited more pessimistic views of the future.

Relationships with teachers are identified as a significant factor in determining an individual's attitude to school and evidence indicates that students appreciate teachers with good interpersonal skills and an empathetic approach (Morris *et al.*, 1999). However, students who have poor relations with teachers are often associated with truancy and disruption at school.

Attitudes towards training tend to vary by 'participation status'. Those combining formal education/training programmes and employment are the most positive about the benefits of those programmes (although it is accepted that this may reflect the relatively good quality of job-related training). In addition, those that are engaged in government training schemes are more positive about training than are other young people (although this might reflect self-selection bias). However, young people not in employment, training or education are the least positive. This implies that any future strategies should (like the New Deal) focus on making disadvantaged people feel that there is hope for the future, and that undertaking training and qualifications is not a futile exercise. Nevertheless, Morris *et al.* (1999) suggest that the

important contribution which training makes to longer-term career prospects is now better appreciated by young people.

### **2.3.2 Attitudes and outlooks among 16-19 year olds**

This school age experience is then reinforced by attitudes adopted towards education, employment and training. The actions of some young people in the post-school period effectively do nothing to compensate for their skills weaknesses in relation to the labour market at the point of leaving school; indeed, they can further reduce their prospects of employment.

Research by Stone et al. (2000) has identified several 'triggers' which lead to disaffection and activities which move people further away from the labour market. The most important contributing factors are: dysfunctional family background, personality and behavioural difficulties, lack of confidence, and experience of a traumatic event ('such as the loss of a parent or close friend through death or abandonment'). The respondents indicated several barriers that they felt hindered their ability to move 'back into mainstream society' including immaturity/peer pressure, drug addiction, racism and other prejudice, lack of support and information, lack of qualifications and the benefits trap. Underlying this is the general lack of job opportunities which this group would regard as suitable. As a result, advice they receive is often centred around available training schemes - views on which are influenced by largely negative experiences of school.

A recurring theme within the study was that of the immaturity of those interviewed, the lack of structure in their lives and the difficulty young people have in making decisions. It was found that many did not know what they wanted to do (in relation to courses and jobs) and made decisions that lacked forethought because of a lack of guidance. The study concluded that 'many were not remotely ready for, or capable of, the long-term commitment of a two year course.'

## 2.4 Policies to reduce long-term unemployment

Policy initiatives put into place in response to the problem of long-term unemployment can be categorised as follows:

1. *Prevention* – *attempting to ensure that long-term unemployment does not occur in the first place*
2. *Skills acquisition* – *enhancing employability*
3. *Matching* – improving job search methods and connections with existing vacancies
4. *Demand* – policies and initiatives designed to alter employer demand for labour e.g. recruitment subsidies

Each of these issues is examined in more detail in the sections that follow.

It should be recognised that there exists a further approach to reducing long-term unemployment. This is often referred to as '*activation*' and refers to the process of creating incentives to make work more worthwhile (and/or life on benefits less worthwhile). This issue is, however, beyond the scope of the current research because policies of this type are more appropriately implemented at the national level e.g. the Working Family Tax Credits system

## 2.5 Preventative measures

*It is widely recognised that reducing the flows of people into long-term unemployment necessitates some form of 'early action'.* Intervention would be aimed at preventing individuals from becoming 'disconnected' from the labour market, thus avoiding the cumulative processes which subsequently reinforce the separation from the world of work. This section looks at the feasibility of this approach and how it might be pursued in practice.

### **2.5.1 Early action to identify individuals at risk**

Campbell (1998) has identified the factors which seem to be important in determining individual risks of entering long-term unemployment:

- Educational attainment
- Ethnicity and English speaking ability
- Local/regional labour market conditions

However, studies show that taking early action to avoid this eventuality, via initiatives directed at the group *as a whole*, is problematic. This is because people with these characteristics and in these situations differ in the extent to which they are at risk of becoming long-term unemployed. Many of them will in fact manage to secure a job, thus any strategy targeted on the whole group implies substantial deadweight losses (public expenditures that make no difference to outcomes). The longer the period between individuals entering unemployment and targeting, the lower the deadweight loss in terms of public expenditure. However, the longer the delay the greater the probability that certain individuals will enter long-term unemployment.

Reducing the risk of individuals from particular groups entering long-term unemployment is best achieved by taking a long-term strategic approach. This should focus on appropriate educational policies and ensure that individuals have appropriate levels of Basic and Key Skills to enable them to enter the job market. The

overall aim would be to provide the basis for individuals to maintain employability, with minimum intervention, throughout their lives.

Atkinson *et al.*, (1996) consider, within a cost efficiency framework, ways of reducing the probability of individuals entering long-term unemployment. They arrive at three conclusions:

- New entrants into unemployment should seek (with appropriate encouragement and assistance) new work as quickly as possible.
- Those who face particular problems should be identified for early focused assistance. This assistance may consist of job search skills or development of an essential attribute (reference, home address, literacy etc.).
- As the period of unemployment extends, the assistance to individuals should normally increase, with help becoming more focused and offering the individual less discretion if their preferred course of action is unavailable.

### **2.5.2 Strategy for young people**

Consistent with this long-term strategic approach, the report by Stone *et al.* (2000) explores several ways in which young people might be engaged in employment or training, including:

- *Centres for young people* - offering a range of services on one site, but open to wider groups to avoid stigma for those not engaged in the labour market. Respondents expressed a preference for a number of services including: counselling, availability of computers, jobs advice, facilities for children, drugs advice, etc.
- *Routine counselling sessions at schools* - teachers do not always have to time to deal with students on an individual basis.
- A more rigorous *following-up of truancy* at school.
- *Flexible/alternative school programmes for the disaffected* - some respondents who had been excluded from school spoke more positively of these centres than of their mainstream schooling experiences.

The effectiveness of initiatives designed to improve the attitudes, motivations and behaviour of young people depends, therefore, upon the following:

- *Clear targeting* - targeted strategies tend to perform better than universal ones.
- *A supportive ethos* - individuals should be equally valued for their different achievements.
- *Recognition of demonstrable progress* – a system of clearly defined targets that are negotiated with the young person, and that incorporates regular opportunities for progress review.

The introduction of the Job Seekers' Allowance and the New Deal (that take into account the issues raised above) have improved the previously negative attitudes of some young people towards government-assisted schemes (Morris *et al.*, 1999).

## **2.6 Employability and skills acquisition**

### **2.6.1 Skills mismatch, employability and training**

*There is often a mismatch between the skills possessed by local residents and those required by firms operating in the local economy. However, the problem of a mismatch should not be overstated: under 'buoyant' labour market conditions there will be demand for most types of labour and individuals are often have a choice in the type of job they accept. Shackleton (1995) went as far as to conclude that 'skill discrepancies are not a major factor in unemployment.'*

If a skills mismatch has occurred within a local economy then retraining should prove an effective measure to reduce long-term unemployment. However, training schemes in the past have produced mixed results: some have resulted in increased employability (see below for definition and discussion of this concept) whilst others may have had a negative impact. Thus, some commentators (Shackleton 1995, Robinson 1995 both cited in Campbell 1998) have taken an extremely critical view of Youth Training in the UK. They point to evidence of high drop-out rates, and, for those completing the programme, higher unemployment rates than for the age cohort in general.

However, most commentators take a more positive stance, viewing *appropriate* training as having the effect of increasing an individual's employability. *Surveys of employers regularly suggest that the central test of employability is the possession of transferable, core skills (communication, literacy, numeracy, IT and team-working abilities); hence it is these attributes that should be included as key aspects of training schemes.*

### **2.6.2 Employability**

There is no commonly agreed definition of employability<sup>2</sup>. Hillage and Pollard (1998) usefully suggest that the term is 'about having

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<sup>2</sup> An alternative approach to conceptualising an individual's employability assets, is suggested by Tampkin *et al.*, (1999) who classify them on the basis of knowledge and skills, and personal attributes and attitudes.

the capability to gain initial employment, maintain employment and obtain new employment if required'. Research shows that employers want people who can demonstrate that they are 'reliable, honest, a team-worker, enthusiastic, ambitious, with good customer care skills etc.' (NDC 1999). Thus, employability encompasses more than academic and vocational skills. It includes the way in which individuals use available information to make informed decisions about labour market opportunities available to them. Many people, particularly from socially-excluded groups, have little awareness of labour market information and thus need support in identifying and interpreting it to their benefit.

*For any individual employability depends upon three factors; the particular assets they possess, their appreciation of these assets and the way they make use of them, and the external circumstances in which they are applied. Dealing with each in turn:*

### **1. 'Assets' (knowledge, skills and attitudes)**

The assets that individuals possess consist of the following;

- *Baseline assets* - basic skills and essential personal attributes (reliability and integrity)
- *Intermediate assets* – specific skills, generic skills, Key Skills (problem solving and communication), and personal attributes (motivation and initiative)
- *High level assets* - skills that 'help contribute to organisational performance' (team working, self-management etc.).

### **2. The way individuals utilise and market their assets**

- *Career management skills* - self-awareness, knowing one's own abilities, opportunity awareness, decision-making skills, and transition skills. (Transition skills include *job search skills*, access to formal and informal job search methods and networks).
- *Development of a strategic approach* - being adaptable to (and realistic about) labour market developments and opportunities. This includes recognition of the need to be both occupationally and locationally mobile. The way in which young people in particular view employment is often

unrealistic and stereotypical, e.g. Morris *et al.*, (1999) have found that young men are unlikely to consider work in 'areas that are traditionally associated with female labour'.

- *The way individuals present their assets to employers* - this is clearly of crucial importance in gaining employment and includes: presentation of CVs and records of achievement, the qualifications individuals possess, references and testimonies, interview technique, work experience and track record.

### **3. The context in which individuals seek employment**

The context within which individuals seek employment is influenced by;

- *Personal circumstances*, e.g. caring responsibilities and disabilities that affect an individual's ability to take full advantage of various labour market opportunities.
- *Current labour market conditions*, e.g. the influence of macroeconomic demand patterns on the jobs available in the local labour market.

#### **2.6.3 Key Skills and employability**

An important aspect of an individual's employability is his/her level of Key Skills (which are classed as an 'intermediate asset' in the structure given above). They relate to the ability of a person to function within the workplace but do not include occupationally specific skills.

Key Skills, as defined by the National Council for Vocational Qualifications, include the following:

- Communication
- Application of number
- Information technology
- Working with others
- Improving own learning performance
- Problem solving.

A distinction should be drawn between Key Skills and Basic Skills. The latter relate to the more fundamental abilities in terms of literacy and numeracy. The possession of Basic Skills does not necessarily imply that a person can apply them in a meaningful way - it is the ability to *apply* fundamental techniques which Key Skills addresses.

Employers generally view literacy (communication), application of number and IT as 'teachable' Key Skills (survey of employers by Dench *et al.*, (1998). There is little agreement, though, over the ability of employees to develop the other three skills (working with others, improving own learning performance and problem solving). Some employers consider that acquiring Key Skills is to a large part dependant upon natural ability; others argue that a person's early experiences, background and socialisation are important. Many employers do believe, however, that Key Skills can be improved by training and development.

Employers certainly stress the value of Key Skills within the workplace. Dench *et al.*, (1998) found that this applied to all six of the Key Skill areas and related to employees of all ages. Working in a team, learning, and oral communication were generally viewed as 'very important' for successful employment. Written communication and the use of numbers were reported as 'important', but only in relation to certain jobs within organisations (especially the 'application of number'). Interestingly, IT received the least emphasis, with one-quarter of employers reporting that it was 'not very important' or 'not at all important', and this figure rose to one-third in relation to younger employees alone. Employers surveyed were, in general, satisfied with the Key Skills of their employees as a whole although felt that these could be improved in relation to young workers.

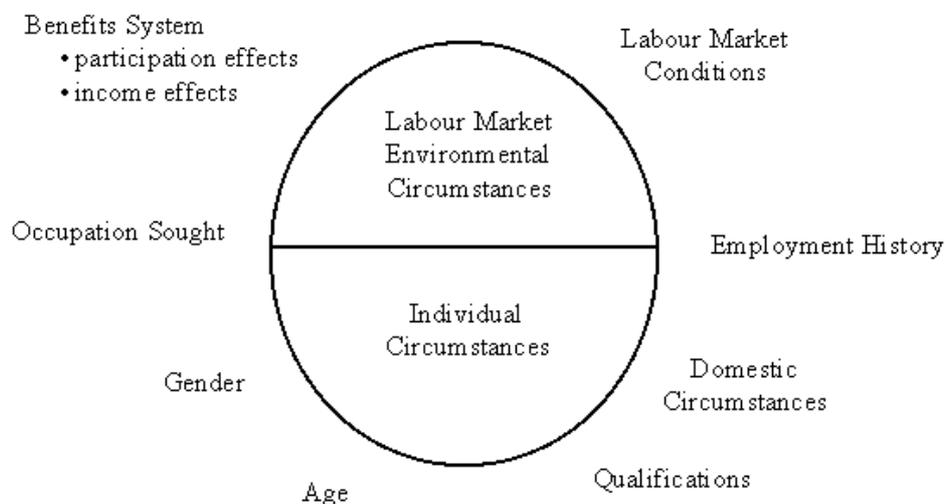
Evidence suggests that employers are evolving methods of recruitment which select not only those who *currently possess* relatively high levels of Key Skills, but also those that have the *potential to develop* them. This is particularly important with respect to younger employees, who currently may have low Key Skills levels due partly to a lack of workplace experience. In the process of recruiting people, employers usually regard attitude and personality as reliable indicators of an individual's potential to develop Key Skills over time.

## 2.7 Job search activity

### 2.7.1 Importance of job search activity

*The extent and efficiency of job search activity has a significant impact upon an individual's chances of obtaining a job.* It is known that patterns of job search activity varies between different groups within the labour market. Among socially-excluded groups, a number of obstacles exist that undermine the effectiveness of job search, with consequent effects upon the operation of the local labour market.

The diagram below shows the main factors influencing the scope and intensity job search activity by individuals. Whilst in practice the factors may be inter-linked, it is instructive to distinguish them one by one in discussing the various factors and influences on job search. Much of the following section is based upon the review contained in Atkinson and Pollard (1997).



Source: Bosworth 1987, reproduced in Atkinson 1997

## **2.7.2 Individual characteristics and job search**

### **Gender**

Males and females tend to utilise different methods of job search, partly reflecting the differences in type of employment sought. The literature reflects a consensus: women have a preference for formal job search techniques (JobCentre displays, advertisement in newspapers etc.) over informal methods (contacting employers directly, informal networks via friends, colleagues etc.). Although males use these techniques, they are more likely to *supplement* formal methods with informal ones. However, there is no consensus as to which gender has the higher *intensity* of job search. It seems likely that this determined by other factors interacting with gender, such as unemployment duration and the impact of dependants.

### **Age**

Younger job-seekers tend to be more reliant on JobCentres and Careers Offices in searching for a job. This is partly a response to their lack of labour market experience and to their being less 'efficient' at job seeking. As individuals become older, they start to move away from JobCentres and newspaper search, becoming more reliant on informal methods. By the age of around 40 individuals start to become reliant once more upon JobCentres. As with gender, the relationship between age and intensity of search is inconclusive, with some researchers finding no relationship and others finding a negative relationship between age and intensity.

### **Qualifications and education**

Those possessing below A-level standard qualifications are less likely to use private agencies and newspapers, rather than JobCentres. This is thought to reflect the differences in employers' preferences for advertising methods rather than the preferences of individuals.

### **Domestic situation**

Given that the labour market integrates economic activity and social life, an individual's domestic situation will have a significant impact on their labour market activity. Whilst the existence of

family responsibilities may increase the *need* for work to generate a sufficient income stream, at the same time it will reduce the time and resources available for work and/or job search. Where women have dependants job search intensity is reduced, whilst for males the opposite is true. However, single parent status reduces search intensity for both genders.

### **2.7.3 Environmental variables and job search**

#### ***Occupation***

Methods of job search are heavily conditioned by the type of employment sought and/or previous occupation, reflecting past individual experiences and patterns of employer recruitment. Informal networks have been shown to be more important for both skilled manual workers and those with relatively low skill levels.

#### ***The benefits system***

The benefits system has both positive and negative influences on job search. On the positive side, unemployed individuals within the benefits system are in general less marginalised from the labour force than those outside it. Those within the system have increased contact with a JobCentre and this generally allows the individual more access to job-related information flows. On the negative side, the relatively certain income stream from benefits compared to the often less certain flow from employment may discourage individuals from job search. There is some evidence that individuals possess little information about available in-work benefits; this uncertainty makes them less likely to accept job offers.

#### ***Labour market conditions***

The buoyancy of the local labour market is clearly influences the number of individuals leaving the unemployment register. Labour market conditions also affect the relative success of different forms of job search technique. Informal contacts and methods of job search become increasingly important for success during periods of high unemployment, because of the relative scarcity of jobs and the higher number of application per job.

## **2.7.4 Barriers to job search**

### ***Cost of job search***

Employers have tended to perceive the job search costs of many prospective employees as insignificant and, in contrast to the situation relating to higher skilled posts, make little provision for reimbursement. However, job-seekers often indicate that these costs impact significantly upon their behaviour. Estimates from several studies cited by Atkinson and Pollard (1997) show that around 20-25% of job seekers limit their job search activity because of basic search costs (clothing, travel, postage and stationery, etc.).

### ***Knowledge of the labour market***

For applicants to achieve positive outcomes from the local labour market, they must have an adequate knowledge of what jobs are on offer, what jobs are likely to be on offer in the future, and how to find out about these jobs. However, this knowledge of the labour market must be combined with appreciation of their strengths and abilities (employability).

### ***Flexibility of job search***

An individual's 'occupational focus' and general flexibility may be a barrier to effective job search. Atkinson and Pollard (1997) found that the most successful job seekers 'are those who engage in job search with a moderate intensity and a precise attainable goal, rather than implementing a frenzied hunt for anything going'. Most research shows that unemployed people are not inflexible. However, as the quote above indicates, too much flexibility may reduce chances of gaining employment, because it can render unsystematic the process of job search. The most appropriate strategy seems to be initial job search around a particular job type or occupation, with a subsequent broadening of focus should this prove unsuccessful.

### ***Motivation***

Several authors have produced evidence showing that work commitment of the unemployed *can be* greater than that of the employed. However, motivation for job search is conditioned by perceived chances of gaining employment, thus low job search may be a response to an individual viewing chances of employment as low, rather than their having a low commitment to

work. As an individual's period in unemployment increases, the perceived probability of finding employment usually declines, resulting in a lower intensity of job search.

### ***Availability of advice and support***

In addition to the usual sources of help and advice, support from family and friends has been found to be important, especially for younger people. Also, support from partners can be particularly valuable, if they are able to help with the job search process and assist in maintaining motivation and morale.

### ***Social isolation***

There is a tendency for the long-term unemployed to become isolated. This cuts them off from the various informal networks that are important for gaining jobs which may require personal recommendations or which are not advertised. This tends to occur especially in the male dominated skilled manual areas, thus creating an additional barrier to re-entering employment.

## ***2.7.5 Assessment of job search support***

Various schemes are in place to help the unemployed in their job search activity. Although such support is a relatively cheap (and popular) option, research suggests that, in the way in which it has been applied in the past, it is not especially effective.

Gardiner (1997), who examined the job search initiatives running under the welfare-to-work programme, found that only 3% of participants obtained work as a result of the schemes, compared to an average of 8% across all types of programmes. There are numerous factors which will influence an individual's job search activity, including age, employment history, qualifications, domestic circumstances and the benefits system.

There are also costs involved in making the initial transition from unemployment to employment, e.g. interview, clothing, and travel costs. Gardiner concludes that grants to cover these expenses typically amount to less than £200 and the cost-per-person into work (after taking into account grants paid to those failing to gain employment) is less than £3,000.

## **2.8 Policies and initiatives on jobs**

### ***2.8.1 Nature and number of local jobs***

In many deprived areas there is a noticeable lack of local employers. The location of business (including key services) within deprived areas often involve additional risks (e.g. security, image etc.). Smith (1999) indicates that a lack of services such as banks, post offices etc. may further discourage potential investors from the area. This problem is exacerbated if it is anticipated that the decline of a locality will continue and that residents' spending power will be further reduced.

Moreover, many of the jobs created within areas of large-scale social exclusion are seen as 'marginal' jobs. Atkinson *et. al.*, (1996) define a marginal job as one which is characterised by its short duration, limited prospects of training or internal promotion, and low level of pay. From the perspective of reducing exclusion, a key question is whether these marginal jobs (which may be part of subsidised training programmes) offer any future prospects and can act as a 'stepping-stone' into regular employment, allowing people to prove to prospective employers that they are employable.

### ***2.8.2 Employment and recruitment subsidies***

Direct employment and recruitment subsidies (such as New Deal) are not usually seen solely as an end in themselves; rather they are a means of providing participants with a stepping stone on the way to regular employment. Intermediate Labour Markets (ILMs) and work trials can also be considered under this heading. The increased employability resulting from the direct/subsidised employment of the unemployed depends, in part, upon how closely the work resembles a 'real' job. The closer to regular employment, the more favourably potential unsubsidised employers are likely to view individuals who have been through the subsidised scheme.

Policy-makers should be aware of the potential deadweight losses, given the generally high cost of this type of assistance. Studies examining deadweight loss show that the percentage of individuals

who would have been likely to gain employment, had they not been involved in the programme, vary widely. This indicates the need for, and the value of, careful programme design. In addition, employee substitution is likely to be a problem with this type of assistance, i.e. where employers use recruitment subsidies to fund *existing* workplaces rather than expanding employment. A study by White (1998), cited in Campbell, identified several characteristics which influenced positive outcomes, including qualifications, work experience, health, possession of a driving licence and having a working partner.

### ***The New Deal***

New Deal is at the centre of the current Government's attempts to deal with social exclusion. There have been a number of issues identified relating to its performance:

- The availability of subsidised jobs via the New Deal may be limited in some areas. Peck and Theodore (cited in Education & Employment Select Committee, 2000), argue that in areas characterised by slack labour markets, the programme produces fewer opportunities than elsewhere. They conclude that it is likely to 'raise employability without raising employment'; this emphasises the fact that the New Deal is not intended to be a job creation scheme. In relation to the employment subsidy, in general, large employers were not motivated to increase job availability and small employers were often not fully aware of it.
- The views and experiences of employers have influenced participation in the New Deal. Although many employers could cite the key features of the programme, they were found by Elam *et al.*, (2000) often to lack a knowledge of its details, particularly the difference between the various New Deals. Employers not participating in the New Deal were found to have some degree of awareness of the programme. The main obstacle to employer participation was identified as 'the training requirement and perceived risk of employing a young person.' The role of the subsidy offered varied across employers: some simply saw it as a 'bonus'; for others it provided the financial means to take on the employee; yet others regarded it as an insurance against the failure of the placement.
- There is a gap between the type of jobs the participants want and those they can conceivably obtain. A report for the

Employment Service by Walsh *et al.*, (1999) examining the New Deal for 18 to 24 year olds, shows the level of job readiness to be lower than expected because of lower than forecast unemployment, resulting in a more difficult client group. From the employers' perspective (Walsh *et al.*, 1999), there is indeed evidence of a degree of dissatisfaction with the quality of New Deal applicants.

- The role of Personal Advisors (PAs) in enabling young persons to get the most out of the New Deal is crucial (Woodfield *et al.*, 2000). Advisors are initially needed to ensure the client progresses to the most appropriate option placement. Evidence suggests however, that client advisors often attempt to maintain a good rapport with participants through steering them into training rather than dealing with their aversion to less attractive (but perhaps sustainable) jobs.
- Successful option placement increases qualifications, workplace skills, confidence and motivation (according to Woodfield *et al.*, 2000). Young people's satisfaction with the Gateway is strongly influenced by the (1) relationship with their PA and (2) the appropriateness of the option placement (O'Connor, 2000). The latter is dependent upon the 'extent and coverage of discussions with PAs and the level of choice offered'. O'Connor also reported that the main reasons for non-completion of an option were 'dissatisfaction with the actual placement, termination of the placement by the employer/provider, the taking up of unsubsidised employment and dominant personal issues.'
- Research has revealed that the length of provision in the New Deal may be insufficient for those who are furthest from the labour market, and that the most disadvantaged clients may benefit from more flexibility in the length and sequencing of support (Education and Employment Select Committee, 2000). It has been argued that a period of up to two years might be appropriate for some clients.

### ***Intermediate labour markets***

The term 'Intermediate Labour Market' (ILM) describes jobs created, in or by the public sector, specifically for long-term unemployed (or economically inactive) people and which would not exist without public subsidy (DfEE 2000). These jobs often have all the characteristics of a regular job, apart from the public

subsidy, and are used to achieve one of two policy objectives (DfEE 2000):

- *To provide a temporary bridge to help individuals move from long-term unemployment into employment by increasing their employability.* It is hoped that the work experience gained via the ILM will induce other employers subsequently to take them on.
- *To help to regenerate areas by expanding the number of jobs available.* Demand deficiencies within the local economy are partly mitigated with subsidised public employment.

The ILM jobs will, as far as possible, have the same characteristics as open labour market employment (i.e. a 'real' job). Participation is normally voluntary, with usual selection/interview procedures. Those selected are paid the going rate for the job. The job will often also include some kind of training provision and job search advice.

The increase in employability gained from participation in an ILM is achieved through two routes. (1) By providing participants with transferable, job-related skills (which may or may not be accredited) which prepare the participant for a specific job or sector of employment, and (2) by giving the individual transferable, non job-specific skills (such as Key Skills) which help make a participant more 'work ready' without sending them towards a particular job or set of jobs.

The programmes can be explicitly designed to minimise any substitution and displacement effects by 'making goods/services for the local community which are either not currently provided or not provided effectively to particular communities or groups' (Campbell *et al.*, 1998). Thus ILMs can provide an injection of employment places into the local economy and have the *potential* to generate sustainable jobs which meet a hitherto un-met local demand. Indeed, it has been argued (e.g. Peck and Theodore, 1999 cited in Education & Employment Select Committee, 2000; TUC 1999), that the link between the New Deal and ILMs in the non-traded sector should be enhanced in areas where local demand for labour is very weak.

Research has confirmed that such schemes can make a useful contribution in deprived areas. Glasgow Works, for example, claims that 70% of those leaving its ILM programme gained employment within six months and that 85% of those who got jobs

on leaving were still in work six months later (Evidence to Education & Employment Select Committee, 2000, Appendix 31). However, investigations have also identified a number of potential drawbacks of ILMs:

- *The high cost of job creation.* This is demonstrated by the fact that the gross cost of each job created by the WISE group in Glasgow is around £14,100. However, when tax revenues and benefit savings are subtracted from this figure, the true cost per job falls to around £8,300. (This is the cost to the Exchequer; estimations of *local* cost is likely to be lower than this.) If the value of work undertaken on the ILM schemes is taken into account, the average cost per job is lower, estimated at between £4,300 and £5,300 (TUC, 1997).
- *The problem of deadweight losses.* This arises because some individuals gaining a subsidised job would have moved off the unemployment register by themselves.
- *The problem of displacement.* The existence of an ILM could have an adverse impact on the group of unemployed and economically inactive who are unable to gain an ILM place. Assuming experience in an ILM increases an individual's employability, then people benefiting from such schemes will become more competitive in the job market relative to individuals who are unable to gain a place on such a scheme.

## **2.9 Key considerations in intervention**

### **2.9.1 Perceptions of usefulness of initiatives**

There is general agreement within the literature that to design effective policies and initiatives relating to the labour market it is crucial to take into account the views of *both* the clients (supply side) and employers (demand side). This section outlines some of the issues which have arisen in recent studies focusing upon the perceptions of the respective sides of the labour market. In particular, these studies suggest that responsiveness to initiatives (on the part of either clients or employers) is often determined by previous experiences of policy interventions.

#### ***Clients' views***

An investigation of local schemes aimed at tackling local long-term unemployment within SRB programmes, has shown that recipients considered all forms of assistance offered to be useful (Sanderson *et al.*, 1999). Discussion of needs and assistance with job search were perceived by the unemployed as the most useful form of assistance, with careers advice and help with job applications close behind. Most participants took advantage of needs assessment and help with job search. It was found that development of action plans and assistance with job applications, which is a more active form of assistance, attracted fewer participants. Training and work experience, according to the study was received by less than 25% of participants in the SRB programmes for the unemployed.

An examination of participation revealed that several groups had participation rates across the levels of assistance that were lower than their representation within the unemployed. In particular, males, those aged 16-19, 50+, those with no qualifications and those from semi- and unskilled backgrounds.

Campbell *et al.*, (1998) suggest proximity of agencies and their closeness to the problem is crucial in determining the usefulness of such interventions. The involvement of local employers, residents and other groups can be a powerful way to assess local

needs and adapt policy and projects. The inclusion of such groups within the process of devising policy may further increase effectiveness by reducing feelings of marginalization among participants.

### ***Employers' views***

It is known that employers prefer to recruit people who are already employed or who have recent job experience (Education & Employment Select Committee, 2000). Atkinson *et al.*, (1996) interviewed a representative sample of 800 employers to discover their views on recruiting *unemployed* people. They found that employers do not *generally* hold the fact that an applicant is currently unemployed (independent of other factors) as a serious obstacle to considering the individual for employment. However, an applicant who is unemployed would need to recognise that their status immediately triggers in the employers mind an additional set of questions:

- Why are they unemployed?
- How long have they been unemployed?
- How frequently have they been unemployed?
- What have they been doing whilst unemployed?

These questions therefore constitute an additional selection filter early in the recruitment process, which the applicant will need to address at the interview stage if not in the application form.

Atkinson's research showed that employers were most concerned about a deterioration of *attitudes, motivations and keenness towards work* during periods of unemployment and were less concerned about declining skills. Although employers showed *some* concern about declining skill levels due to of unemployment, for many, periods of unemployment were seen mainly as affecting skill levels *indirectly*. Unemployment lowers an individual's relative job experience, making it harder for him/her to prove their ability to carry out the job and prevents them from acquiring knowledge of new techniques etc.

Many researchers have found that, if employers receive a positive experience from recruiting from the unemployed, this will make them more willing to select from the unemployed in the future. However, if the employer have a negative or unsatisfactory experience then this will deter future recruitment from the unemployed. Atkinson *et al.*, (1996) found some evidence that this

effect was reinforced when recruitment took place public training programme. However, this mechanism by which positive experiences encourages employers to take additional unemployed individuals into employment is unlikely to significantly lower long-term unemployment. This is because imperfect selection procedures mean the employer will eventually (inadvertently) select a 'bad' applicant.

### **2.9.2 *Developing a holistic, client-focused approach***

It is important that policies to help the unemployed to find work are flexible towards the needs of various client groups. Many of the long-term unemployed face problems additional to their joblessness, such as family difficulties, indebtedness, housing and health problems. For some clients, these problems may represent a significant barrier to their gaining employment. *Research suggests that a case can be made for tailoring schemes to individual clients. This implies that time must be taken to understand the specific needs, aspirations and attitudes to training/work of the various clients.*

For certain groups it is possible that the *physical location* of the scheme will be of relatively high importance, since an inappropriate location can create a barrier to participation for psychological, cultural or economic reasons. In such circumstances, the availability and cost of transport can be a significant disincentive to participation.

In order for the schemes to be holistic it is also necessary to have a good understanding of the local labour market, its character and dynamics. To do this effectively programme designers should have access to high quality information collected from the local labour market. It is clear that this role for information has often been neglected in the design of past schemes:

It is evident that schemes place rather less analysis on the demand side of the equation. It is indicative of an insufficiently strategic approach to managing schemes.' (Sanderson *et al.*, 1999, p.30)

It is now widely recognised that the demand side of the labour market requires a broader spatial perspective than that of the

target area itself, as potential employers cover a much wider area than that from which scheme participants are drawn.

### **2.9.3 Ensuring a multi-agency approach**

*Since many of the targeted unemployed people face a range of barriers and problems, co-ordinated multi-agency approaches become important because individuals usually need help from several agencies simultaneously* (e.g. training, housing, benefits, probation). It has been observed (Education & Employment Select Committee, 2000) that there has been a failure to co-ordinate policy across government, which has led to inconsistencies between programmes. This has presented problems for organisations attempting to implement policy at the local level. Campbell and Sanderson argue the need for ‘a balanced approach within the context of broader local economic strategies which integrates action on both the demand and supply sides’, and that such an approach required a ‘joined-up’ multi-agency strategy (Education & Employment Select Committee, 2000).

Increased co-operation and flexibility will thus allow better assistance and support to be provided to individuals. A study by Sanderson *et al.*, (1999) suggests that this co-operation can take place at two levels:

- *Strategic level partnership* – the number of partners and the level of co-operation is found to differ between schemes. Local Authorities, the Employment Service and TECs were the partners most commonly involved, with community organisations, employers, the Careers Service and training providers generally less in evidence. The research highlighted the problem of partners not always being ‘fully signed up to the project’, with consequent effects of lowering the overall impact of provision. A limited perception of its role can also restrict the contribution of a particular partner: for example, it has been pointed out that ES was able to carry out a larger role in supporting organisations operating in local labour markets (Education & Employment Select Committee, 2000)

The Sanderson study also showed that the involvement of employers and community interests is often limited, with employer interests in particular often not regarded as a significant issue by the organisers of the partnership. However, it is the participation of these *two* groups which can ensure that

schemes are better tailored to local needs, especially with respect to achieving credibility of projects with employers. This, in turn, should enhance the employment prospects of anyone passing through the scheme.

- *Collaboration at the operational level* – collaboration and joint working at the operational level enhances the effectiveness of schemes in three important ways: (1) it facilitates contact with target client groups, by working with and disseminating information to all relevant agencies; (2) by working in conjunction with other agencies, duplication of provision is reduced and experiences can be shared; and (3) placement rates can be increased through relationships with the Employment Service, TECs, businesses and other relevant agencies.

#### **2.9.4 Reaching the client groups**

In order for the target groups to participate within a scheme they must have knowledge of its existence. Sanderson *et al.* (1999) contend that there are three principal ways to promote projects:

1. *Standard promotional literature* made available in places where the target groups are likely to see it, e.g. leaflets, posters etc, made available in Community Centres and JobCentres.
2. *Articles, newsletters and leaflets* distributed to individual households, outlining the scheme and any past achievements.
3. *More focused approaches* should be used by agencies to inform the target group(s) either on an individual or group basis.

Provided that certain groups have contact with particular organisations, the third approach is likely to yield the best results in terms of attracting individuals with certain characteristics, but it is usually the most time-consuming and costly in terms of resources. Special attention needs to be paid to the dissemination of information to target groups whose first language is not English.

Once information about the scheme begins to circulate informal mechanisms (e.g. word of mouth) will help promote awareness within the local community. The whole process is aided by promoting 'success stories'. Sanderson's survey concluded that there is, nonetheless, an important role for outreach work in order to make contact with those with low levels of awareness or who

are reluctant to seek help. Examples of outreach work include presentations to residents', tenants' and community organisations, contacting community representatives and participating in local community events. An important emphasis was placed upon the benefits of outreach work to engage with ethnic minorities.

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### **3. SURVEY OF EMPLOYERS**

## 3. SURVEY OF EMPLOYERS

### 3.1 Introduction

This section of the SRB5 research project, focusing on the West End of Newcastle, deals with the *demand side of the labour market*. Through a survey of a broadly representative group of more than 50 employers located in or near to the study area, it analyses the way that the labour market operates in relation to local people, particularly those belonging to disadvantaged groups. These are the groups within the West End which find it difficult to access jobs and thus experience comparatively high levels of unemployment - school-leavers, the long-term unemployed (both 18-24 year olds and older workers), single mothers and ethnic minorities.

The knowledge gained from interviews with employers about the functioning of the labour market, can be used in conjunction with the findings from interviews with local people and agencies attempting to assist people in gaining employment (supply side perspectives) to gain an understanding of the causes of high local unemployment. This will help in developing strategic interventions to improve the labour market prospects of the disadvantaged groups.

This section of the report is organised so as to address the following fundamental issues:

- The extent to which jobs are being created in (or near) the West End area, their nature and accessibility to local people.
- The level and type of skills needed for the jobs which are expected to come available (including vocational or job-related skills and core skills) as well as characteristics which influence 'employability'.
- The methods of recruitment used by employers and the ways in which these might affect the opportunities for local people to obtain work.

- The characteristics of the local labour supply in the West End as perceived by employers, including weaknesses they identify in the way local people go about trying to obtain work (job search, application and interview techniques, etc.).
- The effectiveness of agencies and policy measures (e.g. the New Deal) in preparing people for work and helping them to access jobs.
- The policies which might be put in place to help make local people more competitive in the labour market and increase their chances of obtaining jobs.

### 3.2 The survey - characteristics of firms

Altogether *51 employers* with sites inside or adjacent to the study area have been interviewed; covering a total of *57 registered companies* or businesses, since some of the businesses surveyed were headquarters of more than one local company. Interviews were conducted with senior management, either managing or other directors, or personnel/human resource managers.

While a number of the interviewed businesses were located on the edge of the SRB zone, those sited at a distance of a mile or so consisted of a school, supermarket, food packer and airport-related activities. The broad division as between the inner and outer West End is 2:1 in favour of the former.

A large proportion of the firms and jobs are situated towards the southern edge of the SRB zone, where the larger industrial estates and the Newcastle Business Park are located. This concentrated pattern of employment is likely to be intensified, given the planned commercial developments at Newburn Haugh and Buddle Road.

The survey businesses employ locally a *total of 5,385 workers*, with a balance between full-timers and part-timers of a little over four to one. *The average employment is 115*, with the size distribution as follows: 20 units with under 25 employees; 12 units with 25-49 employees; 13 units in the range 50-249 and five units of above this size (including two at more than 1,000).

The sample consists of 16 manufacturing firms, 19 private sector service sector employers, eight public or voluntary/trust service providers, and six construction and two transport companies. This represents a cross-section of firms operating in and around the West End, from key sectors and of varying size and spatial distribution, with some attempt to emphasise those businesses likely to be employing relatively low-skilled local labour.

## 3.3 Demand for labour and job opportunities

### 3.3.1 Anticipated recruitment

Nearly one-third (16) of the firms surveyed were anticipating recruiting for expansion over the next 12-18 months. The total number of additional recruits reported likely among these firms was roughly 100. Almost all of these firms anticipated that they would also need to recruit to replace people leaving due to normal labour turnover.

Of the 31 other sample firms for which data is available, 12 indicated that their workforce was either stable or being down-sized through 'natural wastage', so that no recruitment was anticipated over the next 12-18 months. A further 19, however, indicated that, although their workforce was expected to remain at around the same level, recruitment to cover turnover was estimated in aggregate at 700. Some of this recruitment will be of a temporary nature to cover seasonal fluctuations in business, estimated at around 250 of these jobs, some 200 of which are in one leisure-oriented organisation and very short-term in nature.

The estimated number of recruits over the next 12 months or so, as a proportion of total employment in all survey firms, still approaches 10%. This demonstrates that *job opportunities continually arise, even in a situation where the level of employment overall is fairly static*. There is also a proportion of employers who take on temporary workers on a part-time basis at certain times during the year: these jobs, together with those expected to result from expansion, are *not* included in this figure.

Opportunities arising from commercial developments along the riverside, therefore, are not the only source of job opportunities for West End people; there is a constant flow of job openings among existing firms for which local people seeking work might apply. *It should be recognised, however, that the current economic circumstances are favourable to the job market, with few significant closures and some new investment being undertaken, and higher rates of job turnover than would normally apply.*

*The current economic circumstances within the city represent a particularly favourable opportunity for people who are marginal in the context of labour market participation to gain employment.*

### **3.3.2 Skill shortages and hard-to-fill vacancies**

Just over two-fifths of the employers interviewed reported currently experiencing some difficulty in filling particular posts. In half these cases, the needs related to skilled (and often industry-specific) workers, such as technicians, maintenance engineers, craft areas such as joinery and welding, supervisory staff, nurses and experienced office administrators. There were difficulties reported also in relation to filling some unskilled or semi-skilled posts, including cleaners, storemen, drivers, care assistants, retail assistants, call centre staff and 'handymen'. There is also some evidence of difficulty in filling trainee (Modern Apprenticeships) vacancies. It was recognised that, in relation to some of the hard-to-fill positions, difficulties arose from the timing of the shifts involved (particularly where the workplace was not easily accessed by public transport) and the fact that some positions were only part-time.

### **3.3.3 Support needed for job expansion**

Employers were asked to identify any factor (or factors) holding back their expansion. Respondents identified few environmental or spatial constraints upon growth; for most, the main influence over employment size was the 'state of the market'. From the perspective of businesses, the location within the West End was not seen as problematic – *indeed, a number of firms located towards the city end of the study zone reported that their area had improved in recent years while those respondent employers on the Newcastle Business Park regard their site very favourably.* One manager (of a firm located on the riverside) said 'We would be hard pressed to find a better site, judged on a variety of location perspectives, including car access for both clients and staff'. Business Park employers, of course, benefit from 24-hour security cover; but firms in general did not consider that the security issue was a significant factor in terms of affecting their business performance.

Given that small businesses located inside the SRB boundary qualify for additional help, there was a concern expressed by firms located immediately outside the boundary line. These businesses felt that they incurred the disadvantages of operating adjacent to the 'problem areas', but were ruled out of receiving the special help available to such firms, with possible effects in terms of competitiveness.

For the small number of firms among those surveyed which were contemplating expansion, the wish was expressed that the process might be made more straightforward through access to a single agency which would be able to advise on grants, planning permission, etc. *Smaller firms, especially, felt they lacked information (specifically where to go to obtain it) on support for expansion, although within the survey firms overall, the number of potential job gains was found to be small.*

#### ***Policy implications...***

- While the extent of unemployment in the West End makes it important in the longer-term to expand the total number of jobs, the more immediate task is to increase the *local take-up* of jobs currently available as a result largely of labour turnover.
- There is a need for a specific strategy to address the supply-side weaknesses and to open up channels through which local people can access the new jobs. Although Newburn riverside business park developments will create many jobs, without such measures, local people with limited skills will have difficulty accessing them.
- Improving the quality of the local labour supply, through employability and other training, will provide the basis for people from the West End to claim a larger share of the jobs which will arise as employment expansion occurs in the new riverside developments, as well as increasing the capacity of local people to compete for jobs elsewhere in the city.
- This general approach to the labour market problem is consistent with a long-term strategy for regeneration in the West End.

## **3.4 Spatial dimension of recruitment methods**

The methods that employers use to recruit new workers significantly affect the chances of West End people gaining jobs in existing firms or those setting up within or adjacent to the study area. *The processes of recruitment, as they currently operate, emphasise the relative disadvantage within the labour market of a large proportion of local people. Some recruitment methods expose local people to more competition for jobs than others.*

### **3.4.1 Press and JobCentre**

The recruitment of people for relatively low-skilled posts or trainee positions occurs in a number of ways. *In general, the more widely publicised the vacancy, the greater the competition for the post.* Thus, if a firm advertises in *The Chronicle* – a main method of recruitment for around half the employers in the sample – then the number of applicants is likely to be relatively high, since these would come from the whole travel-to-work area relevant to the kind of job in question.

A similar argument applies in relation to *advertisements in JobCentres (which are used by 60% of the sample respondents, largely for lower-skilled positions); few such notices are displayed only in local JobCentre offices, since they usually appear in offices over a wider geographical area.*

### **3.4.2 Recruitment and training agencies**

Businesses also use agencies (including training agencies) for recruitment to various types of jobs. Several employers reported that they had recently increased their use of such agencies, although there is some difference of view among respondents, reflecting variability in the quality of the service delivered. These are used in particular for shorter-term (i.e. seasonal) appointments; but if the person referred to the firm proves to be an effective employee, they then may be offered a permanent position when one becomes available. This method can be of advantage to the firm in that costs of hiring staff, and associated risks, are at least

partly borne by the intermediary organisation. *Once again, the extent of the area from which these organisations draw their clients will affect the competition to which local people are exposed; local people are also disadvantaged in the way this mechanism operates if they themselves do not register with the main agencies.*

A similar argument applies in relation to training agencies. One company, for example, drew attention to the fact that the agency mainly responsible for training in its industry was located in Gateshead and tended to draw its trainees from that area; any recruitment by the firm *via* this source thus involved young people from outside the West End. This points to a more general issue as far as training organisations are concerned. Apart from the training school operated within Michel Bearings, the West End is distinguished by *an absence of training agencies within the area*. The proximity of such organisations/facilities is a determinant of individuals' participation in training. This deficiency in the institutional structure of the area is thus a further example of the weak connections between local people and labour market opportunities.

### **3.4.3 Informal methods**

Less formal recruitment methods include seeking applicants through word of mouth (i.e. using existing workforce, family connections, etc.). The impact of this method in terms of 'connecting' local people to job opportunities depends upon the spatial distribution of the *existing* workforce. In some (longer-established) local manufacturing firms, there is a strong local representation within the workforce and employers reported that they have tended to reduce recruitment costs (and associated risks) by taking-on people recommended by existing workers; in others, because of the wider spatial distribution of the workforce, such a method simply leads to recruitment from a wider spatial area.

This mechanism helps explain why fewer than expected job opportunities for local people might arise in low skill activities servicing the requirements of new commercial developments on sites within Newcastle Business Park (and, indeed, those likely to arise at Newburn Haugh). This phenomenon is demonstrated in a

supposedly classic case of local job creation, a local sandwich-making business (see Case Study)

***Case study: Few jobs in support activities***

This sandwich-making operation, catering (mainly) for lunchtime trade, is located adjacent to recently developed office employment on the riverside. It might be considered an ideal employment opportunity for local people – jobs which are located nearby and requiring minimal skills. In fact, the business has created a total of 14 jobs, equally divided between full- and part-time positions. The business, however, previously operated a site elsewhere in the city, from where workers were transferred to help establish the new business. The new workers were recruited *via* word-of-mouth among the existing workforce, leading to all of the positions being filled by people from outside the West End.

***3.4.4 Speculative enquiries***

The most obvious way in which the local labour market can be connected more closely to employers' recruitment activities is through speculative enquiries (direct approaches to the employer by individual job-seekers). A significant proportion (approaching half) of the interviewees indicated that this was one of the methods they use, albeit practically of limited importance. While it was seen as an important indicator of a person's initiative and motivation to find work, respondents noted that the sheer number of such approaches had fallen in recent years, and that only a small proportion originated from people living in the study area. While this observation may be a reflection of the decline in Job Clubs and standard Employment Service programmes, it is also indicative of a possible channel into work for local people which could be more fully exploited.

### **3.4.5 New developments and job opportunities for local people**

It should also be noted that *a proportion of the firms operating in the West End have virtually no connection with the local labour market*, mainly because of a combination of skill requirements which are relatively high (thus recruitment is through specialist journals or direct from universities/colleges) and the existence of a larger network of branch offices where an internal labour market operates.

*It is interesting to observe that these businesses are largely located in the Newcastle Business Park and have limited connections of any kind with the local economy. There is a real risk that the type of new businesses likely to be attracted to Newburn Haugh will display similar characteristics.*

Survey findings on the proportion of local (i.e. West End) employees within the existing workforce confirm this picture. In *none* of the firms interviewed from the Newcastle Business Park (one-fifth of the total included in the survey) do local employees make up 10% or more of the workforce. *The businesses where local (West End) employees account for more than half of the current workforce (which make up almost a quarter of respondents), tend to be long-standing manufacturing firms, on the one hand, and firms needing significant numbers of part-time/casual labour such as supermarkets, hotels/leisure and care operations, on the other.* This picture further emphasises the low skill level and temporary/insecure nature of job opportunities existing for West End residents.

***Policy implications...***

- Policy-makers should recognise the need to connect the recruitment processes of firms more closely to the population of the local area.
- This can be achieved via a local agency (or agencies) offering value-added services such as job matching, pre-vocational training, and trial placements. Such measures should encourage firms with vacancies to meet their labour need locally, i.e. before using recruitment methods which draw applicants from a wider geographic area.
- Consideration should be given to establishing more training facilities (for training in employability as well as core and vocational skills) within the local areas of the West End, especially in the outer parts, which currently have no provision.

### 3.5 Employer perspectives of West End labour

Although interviewee managers were aware of the uneven quality of labour within the West End area, and some are wary when it comes to employing young people from some inner parts of the West End, *interviews revealed no indication – either on or off the record - of significant discrimination against local applicants*. The view of most managers was that there are reliable employees to be found in all areas. In fact, most managers pay little attention to residential issues - only one or two of them could readily indicate the proportion of their workforce which lived in the West End area.

In terms of other characteristics, however, there is evidence of preferences for certain *groups* (or, more accurately, the avoidance of particular groups). There is no clear pattern among the surveyed employers, but some suggested they avoid taking on the young unemployed (especially 18-21 year olds). Preference is given (in some cases) to school-leavers (who, some stated, can be more easily 'moulded' to the firm's requirements) and/or to older workers (well into their twenties or above) who are generally regarded as 'more reliable'. Older workers are also more likely to have greater experience of the world of work.

*Many firms pointed out that they received very few applications (in the majority of cases none) from people belonging to ethnic minorities*, though this view frequently must have been based on the limited information available on application forms - mainly surname.

The principal objective of firms in recruiting is to find a person who is capable of performing effectively in the job. Some firms indicated that they regard it as a 'social responsibility' to employ local people, *but only where such applicants are able to meet the requirements of the job*. Furthermore, a number of businesses pointed out that proximity to the workplace was desirable in relation to certain jobs (those involving shiftwork, for example) since it aided punctuality - thus potentially giving applicants from the local area some advantage. For some jobs, therefore, there is

evidence of the existence of quite localised labour markets, e.g. some of the outer West End manufacturers operating shifts.

The study has found that, *in general, there is no bias against employing people from the West End of Newcastle. There is, however, some anecdotal evidence in circulation that suggests a degree of wariness on the part of employers with respect to the inner West End, specifically Scotswood.* More than one employer referred to problems relating to drugs and solvent abuse among recruits from the Scotswood area, although in none of the survey firms does this appear to have resulted a tendency to automatically reject applicants from the area; most respondents readily ascribe to the view that 'there are potentially good employees around here, it is just a case of identifying them'.

*There was also a suggestion in the survey of a pre-disposition on the part of some employers to be cautious in taking on school-leavers from one or two of the local schools. It is very clear, however, that there exists a perception among employers that particular groups have specific weaknesses as employees, i.e. young and long-term unemployed people, with limited educational and skills attainments. The fact that the West End, particularly some of the inner parts, has a high relative concentration of such groups, undoubtedly contributes to the ongoing problem of weak demand from employers for the services of local people.*

## **3.6 Skills and attributes required by employers**

### **3.6.1 Job specific skills**

A large proportion of job opportunities identified through the interviews with employers require relatively little in the way of job-specific (or occupationally-specific) skills. For the vast majority of the jobs coming available, specific experience, whilst useful, is not required. *Experience of working, however, because of the disciplines it demonstrates, was valued by employers. Frequently, therefore, in their recruitment activity, employers are seeking some relatively low-level core skills.* This suggests that employability training and work experience have an important role to play in producing a local labour supply which meets employers' needs.

There is a group of firms (e.g. recent entrants generally located in the newer business park environment) that plainly need higher level skills, which they obtain through internal transfers/promotions from other parts of the company or through poaching within the wider labour market. Most firms, however, have a demand for a mix of skilled and semi- or unskilled workers and operate a system where they recruit at the bottom and either train people on-the-job (for semi-skilled work) or as trainees working at various levels up to Modern Apprenticeships (eventually to fill craft and technician positions). Staff turnover thus frequently gives rise to promotion from within the organisation, resulting in vacancies at basic entry levels.

It should be recognised, however, that although the internal labour market might operate to the advantage of new entrants, it can work to the disadvantage of older more experienced unemployed workers who might have the skills to enter at a higher level within the organisation. The low wages offered to new unskilled entrants are not likely to be acceptable to more mature skilled workers.

*A relatively small number of current Modern Apprenticeships were found within the sample of more than 50 employers - only seven, or 14%, of respondent organisations, mainly the larger employers in the sample, have MAs currently, with a further two considering participating in the scheme.* This is a mainly a reflection of the

predominantly low-skill character of the firms operating through much of the study area and of the reluctance among small firms especially to make use of TEC-based programmes.

### **3.6.2 Core skills**

*The key requirement in relation to basic jobs, stressed by employer after employer, is for people who are motivated and 'willing to learn'. Managers place great emphasis upon a set of attributes normally referred to as 'employability' - presentability, punctuality, ability to work with other staff, basic communication skills, etc. Only a handful of employers stated that they require formal academic qualifications (such as GCSEs), vocational qualifications (except in some areas, such as catering) or previous specific work experience, or training.*

Several firms pointed out that they preferred to organise training themselves, since in their experience the quality of provision by external suppliers was very variable. Internally organised training could be tailored specifically to the job (orientated to specific equipment and firms systems) and also was carried out in the appropriate work environment. For the basic (semi-skilled) jobs, *employers all have arrangements for on-the-job training, mostly carried out in-house, with very limited inputs from the college and other external training providers.* Firms in general did not complain about a lack of available training, apart from a small core of the respondents (mainly in the manufacturing sector) which required highly specialised courses.

### **3.6.3 Willingness to be flexible**

*Many of the available jobs, within the West End or adjacent to it, are - given the job entry requirements - not of especially high quality. Most pay relatively low wages and at the same time require a high degree of flexibility in respect of working hours, etc. Job opportunities in the service sector are often of a kind which are not only low paid, but are also part-time (and in many cases temporary), at hours which vary from week to week, and involve working evenings and weekends (see Case Study 2).*

### ***Case Study: Flexible working practices***

One company has managed to remain competitive in the supply of packaged fresh food to supermarkets by operating a flexible system of working hours. The demand for the firm's output is dictated by sales in supermarkets and orders which are placed at relatively short notice. Employees therefore undertake to work shifts of variable hours (i.e. until the day's processing requirements are satisfied). This is arranged on a six days per week basis and the wages paid are at the standard hourly rate regardless of hours (i.e. no overtime rates, although there is an hourly bonus if workers complete the full number of hours for which they are required). This may be effective in terms of enabling the company to respond to demand variation from day to day, but can create practical difficulties for workers who are unable to predict the time when they will finish each day.

Some employers are able to offer highly specific contracts to meet individual employees' needs, but others find it easier to take on college students (of whom there are many living within the inner West End), who have little objection to working anti-social hours and few constraints on working for the minimum wage. College students can offer good core skills; are prepared to undertake routine (boring) work because it is a means to an end (income) for a relatively short period of their working lives; their supply is constantly being replenished; and access to them is readily facilitated through the student networks.

Work carried for the DfEE by NERU at the University of Northumbria has shown this to be a general feature within the city (report to be published in the DfEE Research Series, Sheffield, forthcoming June 2000). Partly as a result of changes in the funding arrangements for students, some 40% of undergraduates surveyed at UNN were employed on a part-time basis during term-time. Allowing for students from the University of Newcastle and Newcastle College, there is thus considerable competition for work opportunities (mainly within the service sector) which can be organised on a part-time basis. *Inevitably, a displacement effect*

*results whereby some local jobs, which would otherwise go to local unemployed people, are taken by students.*

### **3.6.4 Age factors**

Finally, it should be noted that a substantial proportion of the employers surveyed, either for reasons to do with their human resources strategy or because of legal restrictions do not take on school-leavers (ages 16-17) for all or some jobs (e.g. related to shift working, bar work); some indeed have a preference for workers in their twenties or above, regarding these as more reliable (and usually more experienced) than younger workers. With the exception of some specific jobs (e.g. those involving physically demanding work), many businesses recognise what older workers have to offer in comparison with their younger counterparts: 'these turn up every day, and on time and they don't just walk out when they are having a bad day'. This might be more explicitly recognised and used by agencies trying to 'market' those unemployed who are in the older age categories.

Thus while managers in general insisted that as far as most of the groups usually considered to be disadvantaged in the job market – long-term unemployed, older workers, single mothers and ethnic minorities – are concerned, there is no bias against their employment, younger workers are plainly less well placed to obtain employment.

### ***Policy implications...***

- It is vital for policy-makers to recognise that firms will only recruit more people from the West End, as opposed to other parts of the city, if this will not undermine their competitiveness.
- Policy should focus upon achieving improvements in employability, rather than specific training in vocational areas. Employers emphasised that job applicants need to possess the motivation to work.
- Pre-vocational training to enhance employability should emphasise that a person's approach to finding work is used by employers as an indication of their attributes and motivation.
- The limited skill requirements for many jobs (involving mainly on-the-job training delivered by employers themselves) means that available training support often does not meet employer needs; a flexible training grant might be introduced which would provide an incentive for employers to take on local people.
- To help improve access for local people to better quality jobs, the issue of the small proportion of Modern Apprenticeships needs to be addressed, possibly through more flexible entry arrangements into the programme (evidence from elsewhere suggests that some relaxation of the formal academic entry qualifications is feasible). Consideration should also be given to providing grants to employers who take on MAs from the West End.

## 3.7 Perceptions of labour supply weaknesses

Employers were asked to give their assessment of the character of the local labour supply, based on their experience in dealing with applicants, interviewees and those taken on. According to respondents' perceptions, applicants for relatively basic jobs can be categorised into a number of groups:

- *Those lacking labour market motivation* – i.e. not employable because they lack basic skills and an appropriate attitude to work
- *Those finding difficulty in accessing jobs* – i.e. employable but lack the ability to both conceptualise their labour market position and to successfully 'sell themselves' to employers
- *Those faced with constraints on accepting employment* – i.e. employable but because of practical obstacles or lack of incentives are prevented/discouraged from accepting a job

### 3.7.1 *Those lacking labour market motivation*

*It is widely perceived by employers that there is a substantial group of people who apply for work only because of benefit pressures; they apply and (sometimes) attend interviews, but exhibit no interest in accepting an offer of employment (see section below on role of Employment Service). Employers insist that there exists a group, mainly consisting of young unemployed males, who 'do not want to work' ('girls seem to want to work more than boys'). This manifests itself at interview in many ways, including deliberate lack of politeness and the wearing of inappropriate dress.*

According to one manager, 'young people are difficult to recruit because of attitude, lack of reliability, and lack of interest in work'. An experienced HRM - whose general approach was very sympathetic to the difficulties that people from disadvantaged backgrounds have in gaining employment – considered that, 'nonetheless, the government has to accept that a certain proportion of people are unemployable'. It is the general perception of respondents that peer pressure, as well as the benefits system, operates to help create this culture among certain

groups. Employers were solidly of the view that it would not be in their business interest to take on people with such attitudes and outlooks, and that having to interview them was thus simply 'a waste of everybody's time and resources'.

### **3.7.2 Those finding difficulty in accessing jobs**

*There is general agreement among firms that applicants from disadvantaged areas/backgrounds are especially weak at demonstrating their motivation, attributes and capabilities to potential employers when filling in application forms and performing at interview. Managers report that many applicants appear to have (1) little understanding of what employers are looking for, and (2) little appreciation of the skills which they do possess and how these skills might be relevant in a workplace setting.*

The MD of a small printing firm reported that he found local school-leavers to be 'fairly hopeless at selling themselves'. To a significant extent this is a problem which originates prior to entry into the labour market – 'they come out of school without the behavioural skills that the organisation requires'. Another local manager, who tries hard to engage local people in his retailing outlet but often has difficulty in finding suitable recruits, expressed some exasperation over the issue: 'I sometimes wish I could get hold of the local people and shake them and say – "Hey! There's a vacancy here. Time to change your life!"'.

Employers repeatedly drew attention to problems applicants have in supplying even the simplest of information on application forms, as well as basic requirements like neatness and attention to detail. As one hotel HRM noted, 'people from the West End are not attracted to filling out application forms'. There are problems especially with the sections of the form which ask the applicant to say something about themselves and how their skills and experience might make them suited to the vacancy.

Applicants plainly have great difficulty in conceptualising their particular skills and experience in terms of the type of positions on offer. This is interpreted as deriving from the applicant's weak educational background and, in many cases, also a lack of confidence in their own abilities. Managers complain that even

where applicants are receiving help with their forms, this often results in superficial 'self analysis' which is often of little advantage to them in competing for jobs. Developing self-awareness is regarded as important in the process of finding work, as one HRM observed:

*'Until people reflect upon their situation and understand why they are unemployed and why they are failing at interview stage (or before that) then they will not be well-placed to participate in the labour market'.*

Several interviewees indicated that it is important for job-seekers to purposefully develop ways of demonstrating their keenness to work. Labour market research suggests that training not only enhances an individual's capabilities but - possibly more important - also signals to employers a person's motivation to obtain a job. The managers surveyed actually took the view that specific training courses, undertaken by people whilst unemployed, are often of limited direct relevance to available positions they might fill within local businesses. *However, the managers also stress that the very fact that applicants had undertaken work-related training (such as IT or customer-related skills) is often regarded as an important indicator of a person's motivation to obtain work. It is therefore likely to enhance an applicant's chances of being offered a job.*

Respondents also drew attention repeatedly to the often poor communication skills of applicants, both in terms of oral expression at interview and - crucial in relation to call centre and related occupations - the ability to use the telephone. This latter problem also hinders speculative enquiries (preliminary information gathering) and enquiries which might provide important details to help complete an application form for a specific vacancy.

### ***3.7.3 Those faced with constraints on accepting employment***

Employers recognise that the specific nature or location of their vacancy(ies) often conflict with the circumstances of potential applicants. This is particularly the case in respect of part-time and temporary/casual work, especially where the hours are variable from week to week and/or are outside 'normal' working hours.

*Transport figured significantly in the interviewee's responses on why local people might not apply for, or be able to accept, jobs in and around the West End. Most of the jobs in the inner West End are in establishments arrayed around the south riverside rim; there is an absence of large employers within the residential areas. In the outer West End a similar situation applies, with residential areas being more widely scattered and thus involving longer travel-to-work distances. While west-east transport links exist, moving across the zone, especially to jobs to the north and south (including the Metrocentre), is more problematic.*

*Firms in the Newburn Industrial Estates, and outside the zone to the north, report that people without access to a car will have difficulty in getting to work. The problem has a number of dimensions:*

- (1) there may be no public transport serving the route between home and the place of work;
- (2) the timing of services which do exist may not coincide with the requirements of those working late or early shifts (what one interviewee situated at a distance to the north of the study area described as the 'first bus/last bus scenario'); and
- (3) the journey to work may be slow and inconvenient, e.g. because of repeated bus changes.

Local people are unlikely to obtain jobs resulting from the airport's expansion: the long working day associated with servicing the air transport industry leads to the need to work at times when no public transport is available. People without cars are simply not in a position to give employers the assurance they need that they will be able to attend on time.

Employers reported a number of constraints upon people accepting job offers, including:

- (1) the fact that *low rates of pay may render the weekly wage lower (or not significantly different to) the income available on benefits* (Although this situation will be improved for families with children when the Working Family Tax Credit commences (April 2001), the measure will have no effect on many of the unemployed in the West End.);

- (2) the insufficient income incentive to disrupt benefit flow in order to take a job (or training) which may turn out to be only temporary; and
- (3) the problem of affording child-care on a minimum wage, forcing many single mothers to rely upon informal arrangements, which themselves may be disrupted by unpredictable shift arrangements.

Some employers plainly try to respond to specific employee needs – usually these are found to be in the service occupations, where more flexibility is possible. However, as one manager commented: ‘I can’t organise the hours around their needs – we are flexible to the requirements of our staff, but there is a limit to what is feasible’.

Some employers think that there may be a element of false expectations as far as starting wages are concerned. This applies particularly during the period when the new employee would be undergoing training. They identify a reluctance on the part of some applicants (or would-be applicants) to consider earnings *potential*, and other job-related benefits, associated with the position over the longer-term. This raises the possibility that some individuals are making decisions on whether to work based on partial understanding of the situation.

### ***Policy implications...***

- Policy-makers should be aware of the different needs of the various categories of unemployed people, including those relating to gender. Some groups and individuals are likely to be more receptive to attempts to help them gain employment and cost-effectiveness of policy measures will vary accordingly.
- Many of the problems related to employability among those seeking work could have been addressed while they were at school; inculcation of such skills during the years at school should be made a matter of routine.
- For the individual, self-awareness is central to the process of identifying an appropriate path into employment and of marketing themselves to employers. Any strategy to improve the labour market prospects for socially-excluded groups should incorporate the need to develop such self-awareness.
- Work experience, placements and work-related training are all regarded by employers as indicators of an individual's motivation to work, and attempts should be made to expand opportunities for both school children and the unemployed to engage in them.
- Current public transport provision is often a practical obstacle to individuals' ability to take jobs, both *within* the West End (because of shift patterns), and in terms of jobs outside the zone, especially to the north and across the Tyne.

## 3.8 The role of labour market intermediaries

### 3.8.1 The Employment Service

*The ES plays a major role in recruitment processes in the local labour market, especially in relation to the less-skilled segments. The relationship between ES and employers is an important channel through which local people, particularly the less skilled, can connect with job opportunities. While there is a core of businesses/employers which is relatively satisfied with the way in which the ES operates on their behalf, a majority have reservations over certain aspects of their activity. The perceived lack of value-added by ES in this process (i.e. selectivity and appropriate preparation of interviewees) undermines its effectiveness in bringing together often disadvantaged individuals within the labour market, on the one hand, and employers, on the other. These concerns in particular relate to the quality of service provision and the costs of using it.*

The following quotations illustrate the experiences of West End employers in dealing with applicants obtained through the JobCentre:

- 'Out of every ten sent, seven or eight would be useless, but a spark can be seen in one or two' (printing firm)
- 'Those sent from the dole do not want to work' (supermarket)
- 'I couldn't believe the low quality of applicants (for an office junior position), the girls who turned up at least tried to be presentable, but some of the lads hardly spoke at the interview' (industrial services firm)
- 'There are plenty of applications, but many are not serious – a large number just want to have their Job Seekers' Allowance form signed' (retailing outlet)

- In terms of recruiting staff the JobCentre is a last resort - chaff' (manufacturing firm).

*The statutory framework within which ES works, and the incentives which arise from it, give rise to a situation where the employer is sent a list of unemployed applicants, which is often not appropriate to their requirements. Experience of employers suggests that it is common for a significant proportion of those on the list not to attend for interview. Others referred to the employer are either not interested in the position (i.e. they are turning up simply to maintain their JobSeeker status) or have been given little guidance in terms of interview technique and are weak at marketing themselves. Firms thus point out that they incur unnecessary additional costs in the recruitment process - especially where they then have to seek to fill the vacancy(ies) through alternative means.*

Many firms indicated that, in response to notification of a vacancy, the applicants identified for interview by the ES are often not adequately screened for suitability. In the words of a manager at a care organisation:

'We asked the local JobCentre for a person who would fit a particular job description, but were informed that it was not possible to carry out such a search – so we stopped using this source because we felt it was a waste of time'.

Another manager (at a construction firm) indicated that he considered the JobCentre offered only an inefficient screening process, resulting in a wider range of applicants than was appropriate and leading to his incurring unnecessary interviewing costs.

*Where a good working relationship has been established between the ES and a particular firm, this was found to be beneficial in terms of effective recruitment, and has, in the case of at least one firm, been the basis for the company's successful engagement with New Deal. However, as the above quotations suggest, this appears to occur only rarely. For whatever reason - the operational framework of ES, or possibly staff turnover within the government service – regular and ongoing communication between the ES and a substantial proportion of local employers is weak. The resulting interruption to the two-way flow of information*

is detrimental to the efficient operation of the labour market in matching supply and demand.

Interviews conducted with the Employment Service indicate that, the system operated by ES is more flexible in practice than many employers think - particularly when allowance is made for recent developments implemented by the agency. This reflects a determined attempt by ES to be more responsive to employers' needs. *Employer Direct* – a regional call centre – allows employers to specify the geographic area in which a job vacancy is advertised. (N.B. the service does not allow employers to specify which areas should *not* be covered). Employers are also able to specify the number of referred applicants; interview facilities (at local offices) are available to employers; and 'sifting' of potential applicants is, in fact, also offered as a service. ES has the facility to check vacancy details against their client database and they will (with client approval) send CVs directly to employers. Further plans exist to develop the service using the Internet.

Currently, ES managers locally are investigating a scheme to nominate a limited number of outside agencies as Authorised Intermediary Partners. This is designed to improve the quality of information available to those agencies; ES is prepared to do this on the basis that they can 'claim' the job entries in exchange for providing up-to-date vacancy information.

In addition to these efforts, the ES has appointed 'marketeers' – that is, officers whose role it is to liaise directly with companies on vacancy issues. Despite this, the evidence of the survey is that there still exists only a limited awareness among local employers of the range of services on offer. This contributes to the often negative perceptions of the ES in relation to firms' recruitment activity.

### **3.8.2 Other agencies**

Many of the firms interviewed have increased their involvement with recruitment and training agencies. This reflects, in part, the need for flexibility (i.e. part-timers for shift work and seasonal workers), and also the fact that companies are keen to share risks related to the costly process of recruitment. It is acknowledged, however, that the quality of the service from recruitment agencies varies significantly, e.g. some firms report that they have

experienced cases where there has been inadequate screening of potential employees by the agency. *Moreover, recruitment by the agencies themselves is not necessarily focused on the local labour market, since most of them are located outside the West End.*

Currently, for reasons to do with its operational constraints, it is unlikely that the Employment Service can effectively fill the role of linking local (West End) unemployed from disadvantaged groups to the job market. This function might be facilitated through other employment and training agencies which could thus bring together local job-seekers and employers with vacancies, and make more effective use of the supporting schemes to do so (as exemplified in relation to the New Deal - see below).

### ***Policy implications...***

- Neither employers nor disadvantaged groups feel they are well-served by existing institutional arrangements. There is considerable scope for local unemployed people (given appropriate support) to expand the level, intensity and effectiveness of job search, and these efforts need to be linked more systematically to the requirements of employers. The unemployed need to have relevant information about job availability and professional and impartial advice on how to prepare for, and access, these jobs.
- The Employment Service is in some respects restricted in its ability to act as a creative intermediary between supply and demand for labour. Many firms pointed out that the way it responds to notification of vacancies is often not satisfactory from their perspective. The Employment Service should market itself more effectively, through closer contact with employers, so that the latter become aware of (and use) its full range of services.
- Employers would welcome an agency which connected them more effectively to the local labour supply. Such an agency would also be the principal means through which information deficiencies on vacancies, future trends in skill demands, and 'employability' skills are addressed.
- Improved networking between an agency (agencies) and employers would facilitate a better understanding of the nature of labour demand and enable this information to be fed back systematically into initiatives designed to prepare people for jobs.
- There is a need to improve the overall co-ordination of policies addressing the issue of unemployment in the West End through bringing together supply and demand in the labour market.

## **3.9 New Deal**

### **3.9.1 Extent of participation**

*Only one in five of the sample of businesses interviewed for this study have participated in New Deal, with a total among the ten private firms for which numbers are available of only around 24 New Deal recruits (including eight in one firm). This is equivalent to around 2% of all expected recruitment over the coming year to 18 months, and in a number of cases the recruits remained with the company concerned for only a short period.*

*One-fifth of managers interviewed reported that they were either unaware of the scheme or how it might relate to their business. A further 40% of respondents indicated that they although they were aware of the New Deal initiative, they were not using it, in many cases because they had insufficient information about how it operates. Indeed, a frequent comment, from managers in employer organisations of different sizes, was that *there had been limited contact with officers responsible for implementing New Deal; this was particularly the case with smaller employers, but also applied in relation to a number of the larger ones* (including a major call centre operation).*

Around half of this significantly sized sub-group indicated that they might consider participating in the scheme in the future. Respondents from small firms in particular made the point that SME managers have insufficient time to investigate the schemes which relate to them and the kind of benefits which are on offer. It was, in fact, suggested that the scheme was likely to be more appropriate for larger firms than smaller operators, since they were more formally geared up for training towards nationally recognised awards, especially NVQ accreditation.

### **3.9.2 Reasons for not participating**

Among those managers familiar with the scheme, reasons given for not participating included:

- Instances of *lack of response from the Employment Service* to requests for New Dealers to fill a position.
- *The perceived resource costs which the scheme entails*, for example: costs of gathering information about the programme, the administrative costs of the bureaucratic processes (especially high for smaller firms) including setting-up and monitoring, and the need to divert the time of a member of staff to facilitate the process. 'I tend to ignore such schemes,' concluded one small business respondent, 'since I have found they are often more trouble than they are worth'.
- *Lack of flexibility in some aspects of the scheme* was perceived as a problem by a number of firms, especially those which prefer to operate a probationary period to assess suitability before making a permanent appointment. For such firms, the additional hiring costs involved in New Deal arrangements are seen to substantially outweigh the benefits of subsidy. (The programme is, in fact, sufficiently flexible to be able to accommodate such employer preferences, but this does not appear to be recognised by employers.)
- *There is a view among the employers that New Dealers are not likely to make the best employees, perhaps reflecting the pressure on ES to meet their own internal performance targets.* At best, it was reported, there is no difference in quality of applicants compared to those unemployed who are not on the scheme; in many cases, however, they were considered to be less suitable as employees than those available elsewhere in the market. In the words of one participant in the New Deal, 'the scheme falls down because of the low calibre of the people sent along; *those who run it should ensure that the people they send are more job-ready, which means that the Gateway should be less oriented to the classroom and more to the workplace situation*'. Another interviewee stated that 'if we have a vacancy we would normally prefer to take on a school-leaver as these are less set in their ways'.
- *For most firms, the scheme is considered to offer insufficient incentives to create a additional jobs.* The research found that, with one possible exception, in none of the firms investigated has the New Deal resulted in an *additional* appointment (i.e. over and above what would be the size of the workforce in the

absence of the scheme). As one manager put it, 'if the work is there to justify a job being created, then I will go ahead, scheme or no scheme'.

- Firms made it clear that they would not place in an existing vacancy a candidate less suitable than those available outside the New Deal scheme. *The implication is that the subsidy is regarded as insufficient to significantly alter the pattern of recruitment in favour of disadvantaged individuals within the labour market.*

### **3.9.3 Examples of New Deal successes**

The experiences of two firms (see case studies below) which expressed particular satisfaction with the New Deal initiative are instructive, though in differing ways, as to the conditions which might favour the success of the scheme.

*Company A* - a small-to-medium size precision engineering operation which expanded significantly in 1999, was able to take advantage of economies of scale in managing the New Deal recruits because it appointed eight people (of varying ages) via the scheme at the same time. *Although these are essentially low-paid jobs, the very considerable efforts made by management to ensure effective assimilation on the shopfloor of the new recruits – and the fact that they attend college as a group, which appears to have reduced resistance to 'going back into the classroom' – has made the scheme, in the words of the MD, 'work well for us'.*

*Company B* - a supermarket in inner West End, reported that they were happy with the people obtained through the scheme ('the people concerned genuinely wanted to get back to work') and with their performance in post. *These appointments under the scheme were both from older age groups and, moreover, had come to the firm via a local training organisation rather than directly from the Employment Service.*

The experience of Company B suggests that problems employers appear to encounter in relation to the New Deal may be significantly a reflection of the *agencies* involved rather than the scheme itself. *There is a crucial need to ensure that:*

- 1. careful matching of New Deal placement with employer takes place;*
- 2. the placement is properly monitored; and*
- 3. the pre-vocational training element in the Gateway process is both relevant and effective.*

There is some evidence from the study that these elements may currently be more effectively delivered by specific local training agencies other than the ES, since they offer counselling support to clients and have developed a close working relationship with a network of employers. This is the case with respect to at least one training agency interviewed in the course of this research (and may also be so with others). The practical skills at the agency's disposal (particularly in dealing with the more difficult-to-place clients) and the two-way information flows between agency and contacts in firms, allows the former to support effectively the New Dealer through the various stages of their placement.

### ***Policy implications...***

- Evidence from the sample of firms suggests that potentially more benefit could be derived from increasing local participation in New Deal. To achieve this, obstacles to its acceptance by employers need to be overcome, especially through more effective marketing and closer relationships with employers. It should also be recognised that employers would like to see Gateway more oriented to the workplace and less to the classroom.
- The subsidy is modest in value and participation in the scheme has various costs to the employer associated with it. Thus the New Deal does not significantly influence *either* the number of jobs *or* the diversion to West End people of jobs that are already available.
- To encourage employers to take on local unemployed people, New Deal might be supplemented by a spatially-targeted training subsidy, to be paid to employers for taking on particular categories of local labour (defined by age, unemployment status, etc.). This flexible form of support would help fund on-the-job training for semi-skilled jobs and contribute to other costs in terms of supervision and initially low output. Such a subsidy would make employers consider taking on local people; since it is likely to be used only in situations where candidates for a vacancy are equal, it should result in no undermining of competitiveness. It could also be made available for those coming out of New Deal still needing a job.

### **3.10 Pre-employment work experience opportunities**

*The survey revealed a willingness on the part of the majority of local firms to participate in schemes which might help younger people within the West End to gain knowledge and experience of the world of work. This can be achieved through work experience placements, arranging visits to the employer's premises, or visits by employers to schools to talk about jobs and careers. It was found, however, that the opportunity for work experience is often restricted for reasons of health and safety (including insurance cover): manufacturing plants, warehouse facilities and indeed any operation with machinery present, are unsuitable environments for school children to visit or undertake placements, although it is sometimes possible to give a person work experience in office contexts. While smaller firms (those without a dedicated trainer on their staff) sometimes find placements too expensive in terms of resource costs, the findings from the study suggest that *much more could be done by way of organising opportunities for such experience, and that many firms would be co-operative in relation to this.**

The extent to which it is youngsters from the *West End* who are engaging in such activities within local companies appears to be limited, however. The organisation of placements tends to be either through schools (college), the Careers Service, or via personal contact with those already in work. In fact, *the vast majority of employer respondents indicated that they had little or no contact with the local schools, although some had links with schools in other parts of the city* (usually the spatially random outcome of personal contacts of managers). *The schools appear from the study not to be especially active in this regard as far as local firms are concerned.* Indeed, some employers reported that they had had no approaches for placement whatsoever, while others pointed out that they had had no reply to offers of placement vacancies made to schools.

*Plainly, given the extent of unemployment among particular groups within the study area, placement opportunities obtained through a relative or family friend are less likely to arise for especially disadvantaged young people.* In the words of one manager, 'a

young person with both parents unemployed can find it difficult to obtain a placement'. This makes it even more important that schools should engage systematically in this activity. Proactivity on the part of local schools is often needed if those smaller employers who do not have the time to initiate the links themselves are to be involved; many such firms are receptive to the idea, seeing the hosting of placements as part of what they see as their 'social responsibilities'.

In line with these responsibilities, some managers specialising in personnel issues – mainly those in larger firms – were found to be very active in a number of wider partnership initiatives designed to prepare young people for work. These include:

- (1) a scheme operated by Newcastle businesses to give those approaching school-leaving age an opportunity to acquire skills relevant to the job application process (form-filling, interviews, etc.);
- (2) a mentoring initiative involving business personnel, focused upon raising the confidence and performance of under-achieving pupils; and
- (3) a scheme aimed at vocationally- (rather than academically-) oriented pupils to reduce their time in school and to replace this with work placement and college attendance.

Where a senior manager *has* attempted to develop relationships with a local school or schools, this is shown to have led to useful initiatives in terms of job opportunities for school leavers, short placements and 'pre-gateway' work with 13 year olds.

### ***Policy implications...***

- Given the extent of unemployment among particular groups within the study area, placement opportunities obtained through a relative or family friend are less likely to arise for especially disadvantaged young people. This makes it even more important that schools engage systematically in this activity.
- Local schools need to be more pro-active if particularly those smaller employers, who do not have the time to initiate the links themselves, are to be involved; many such firms would be receptive to the idea.
- Although hosting of placements is often seen by firms as part of their 'social responsibility' to the area, there are undoubtedly costs associated with accommodating school children in placements. Consideration might be given to making available funding to help cover the costs and encourage these important activities.
- A co-ordinated attempt to bring together West End employers, with the aim of systematically engaging with schools in an ongoing manner would have a number of practical benefits, including helping school-children (and their teachers) to better appreciate the demands of the labour market and what they can do to prepare in advance. The experience of those individual companies and managers already active in this way could be utilised in setting-up such initiatives.

### 3.11 Areas for policy intervention

- It is important to distinguish between the stock and flow of jobs within a local economy when trying to assess the extent of job opportunities. Even if the overall number (stock) of jobs in an area is fairly stable, a significant number of these job vacancies do come available over any time period to replace people who leave the labour force for retirement or to have children or move to other positions (flows). There are, therefore, job opportunities available locally at the current time.
- The research shows that local people are relatively unsuccessful in competing for these jobs, many of which demand little in terms of skills and specific work experience. While, in order to reduce the level of unemployment in the West End it will be important in the longer term to expand the total number of available jobs, the more immediate task is to increase the *local take-up* of jobs, which are currently available. More effective performance in this respect by the local labour supply will provide the basis for people from the West End to claim a larger share of the jobs which will arise as employment expansion occurs in the new riverside developments, as well as increasing the capacity of local people to compete for jobs elsewhere in the city. This general approach to the labour market problem is consistent with the sort of long-term strategy for regeneration, which is necessary in areas such as the West End.
- The Newburn riverside business park developments will create many jobs, both directly and indirectly. It is important, however, to recognise that local people with limited skills will find it difficult to access these jobs, given the nature of the activities on such sites and the way in which the businesses recruit their staff. Indeed, in the absence of a specific strategy to address the supply-side weaknesses and open up channels for local people to access jobs, survey evidence from firms on the Newcastle Business Park shows that proportionately few of the direct or spin-off jobs will be taken by the relatively low-skilled local population

- It is important to stress the need to connect the recruitment processes of firms more closely to the population of the local area. This can be attempted via a local agency (or agencies) offering value-added services such as job matching, pre-vocational training, and trial placements to encourage firms with vacancies to see if their labour need can be met locally. Such a system may discourage firms from resorting to city-wide advertising and other recruitment methods which draw applicants from a wider geographic area. If this is seen by employers to be a more effective way of obtaining suitable labour, then they are likely to alter their recruitment methods accordingly.
- Consideration should be given to whether more training facilities (employability as well as core and vocational skills) should be established within the local areas of the West End zone. Certainly, in relation to vocational training, there is evidence (respondents' observations) that youngsters are influenced to participate by the *proximity* of the facility. Moreover, to the extent that training organisations also engage in placing their clients with firms, involvement in training can be a means by which local people can access job opportunities outside the West End.
- Local people need to become more competitive as potential employees. It is vital for policy-makers to recognise that firms will only recruit more people from the West End, as opposed to other parts of the city, if this will not have the effect of undermining their competitiveness.
- Businesses stress that the most urgent need as far as local people are concerned is for improvements in *employability*, rather than specific training in vocational areas. In particular, all the employers emphasised that job applicants need to possess the *motivation to work*. This attribute ranked above all others in terms of the criteria used to select people for jobs. All pre-vocational training designed to enhance employability needs to emphasize a person's approach to the process of finding a job (job search and application, interviews, etc.) is seen by employers as an important indicator attributes and motivation.
- The study has shown that subsidies in the form of New Deal are not sufficient to make a material difference to *either* the number

of jobs (job expansion encouraged by the subsidy element of the programme) or the diversion to West End people of jobs that are already available. The subsidy is modest in value and participation in the scheme has various costs to the employer associated with it.

- Increased flexibility might be built into the system of encouraging employers to take on local unemployed people through introducing, as a complement to New Deal, a *spatially targeted training subsidy*. This could be payable to employers after (say) twelve months, for taking on particular categories of local labour (defined by age, unemployment status, etc.). This support would be consistent with the employer's preference for on-the-job training relating to many semi-skilled jobs, which has its costs in terms of supervision and initially low output. Safeguards would need to be built into the system to avoid any negative effects on existing employees. Such a subsidy would make employers consider taking on local people; since it is likely to be used only in situations where candidates for a vacancy are equal, it should result in no undermining of competitiveness.
- Currently, in relation to lower-skilled jobs, the labour market functions imperfectly. Neither employers nor disadvantaged groups within the labour market are well served by existing institutional arrangements. There is considerable scope for local unemployed people (with appropriate support) to expand the level, intensity and effectiveness of job search activity. Efforts in this direction should be linked more systematically to the requirements of employers. The unemployed need to have relevant information about job availability and professional and impartial advice on how to go about preparing for, and accessing, these jobs.
- Partly because of the particular role it has to play in relation to an individual's benefit status, the Employment Service is not ideally placed to act as a creative intermediary between supply and demand for labour. The way in which the ES responds to notification of vacancies is often unsatisfactory from the perspective of employers (costs incurred through inappropriate referrals, insufficient screening etc.) Employers would be receptive to an alternative agency (or agencies) which would

connect them more effectively, and in a more tailored fashion, to the local labour supply.

- Such an agency would also be the principal means through which to address deficiencies of information on vacancies and future trends in skill demands. The provision of 'employability' skills, including furnishing people with the skills needed to market themselves to employers, could also be addressed within this framework. Improved networking between an agency and employers would facilitate a better understanding of labour market demand and enable this information to be fed back systematically into initiatives designed to prepare people for jobs.
- The survey led to contact with a number of managers involved in recruitment and human resource development activities who took a keen interest in the general issue of how to engage local people in the labour market. Several had practical experience of particular initiatives, especially those introducing school children to different aspects of the world of work. Many employers were found to have no active links with local schools (or indeed with schemes designed to assist post-school age people to get into the labour market). The interviewees, however, were generally not averse to such involvement, though they recognised the need for a framework to be developed within which they could make a contribution.
- A more systematic and diverse engagement of employers with local schools offers a range of potential benefits. For example, influencing attitudes and expectations among West End school pupils (an important component of the long-term process of regeneration), placement and work experience opportunities, and career-related information.
- A co-ordinated attempt to bring together West End employers (as a whole, or those from inner and outer areas separately), with the aim of engaging with schools in an ongoing manner, would be both practically relevant in a number of ways. It would improve the functioning of the labour market and raise the public profile of company participants, as well as constituting a means by which firms can fulfil their community responsibilities. The experience of those individual companies

and managers already active in this field could be utilised in setting-up such initiatives.

## **4. SURVEY OF RESIDENTS**

## 4. SURVEY OF RESIDENTS

### 4.1 Introduction

#### 4.1.1 The Survey

A total of 160 unemployed people from the West End of Newcastle were interviewed about their experiences of unemployment, their search for work, any assistance they had received and what they believe still prevents them from obtaining employment. The overall aim was to obtain the views of people considered to be 'socially excluded', or at risk of exclusion, to inform the direction of future policy and SRB expenditure on employment-based initiatives in the West End.

The sample was chosen to reflect a broad range of experiences of unemployment and job search activity, and included lone parents, members of ethnic minorities and asylum seekers and refugees. This section of the report is based upon their responses and perceptions. Relatively the numbers representing each group are small, but the goal was to ensure that all sections of the community were consulted, and that those people who were not usually interviewed had the opportunity to make their views known.

Table 1: Groups consulted

<b>Group</b>	<b>Number</b>
<i>14 -18 years (still at school)</i>	<b>30</b>
<i>16 - 24 years</i>	<b>29</b>
<i>25 - 49 years</i>	<b>33</b>
<i>50+ years</i>	<b>23</b>
<i>Lone parents</i>	<b>13</b>
<i>Ethnic minorities</i>	<b>17</b>
<i>Refugees</i>	<b>15</b>
<b>Total</b>	<b>160</b>

Excluding the lone parents (all single mothers), 53% of those interviewed were male, 47% female.

The validity of what is reported here was tested against the perceptions of those already working in these areas (such as Workfinders, Reviving the Heart of the West End, Scotswood Youth Strategy, etc) and the findings of research carried out elsewhere (see Section 2, *Survey of Recent Literature*). We also reported our findings back to community representatives in Scotswood and 'Together We Can Manage' in the Outer West.

Most of those interviewed from ethnic minorities and asylum seekers/refugees came from the Benwell area. Of the remainder: 36% were from the Outer West (Lemington, Newburn and Throckley), 28% from Benwell/Inner West, 27% from Scotswood.

People were interviewed on a face-to-face basis, on their 'home ground' wherever possible or neutral territory, where they were likely to feel most comfortable and able to discuss their experiences openly. Interviews took place at the following locations: Lemington Community Centre, Throckley Recreation Centre, Newburn Job Centre, Scotswood Support Centre (Pink Palace), Scotswood Community Support Project, Westgate Road Foyer, Benwell Workfinder Offices, West Gate Community College, Walbottle High School and the First Step Project, Grainger Park Road.

***Interview methodology*** All interviews were conducted face to face, some on a one-to-one basis, others in small groups. The interviews followed a semi-structured format, based around five broad topic areas:

(1) *Existing qualifications and work experience*, intended to gain an impression of the assets people were bringing to the labour market, their own assessment of their abilities, and the awareness they have of what they have to offer the labour market

(2) *Training and experience gained while unemployed*, such as participation in 'into work' schemes, i.e. YTS, New Deal, etc. This aimed to explore motivation and attitude, as well as provide evidence of how such schemes work in practice for those on the receiving end.

*(3) Methods of job search – what, how, where and the intensity*

- Was there a *plan* for seeking employment? Not having a plan may make an individual more flexible in the labour market but can also place them in a weaker position – reactive rather than proactive in seeking job opportunities and evaluating what is available. This may in turn lead to decisions being taken in relation to short-term gains rather than longer term potential.
- Despite a positive attitude, people may fail to focus their efforts appropriately, and not look for jobs in the right places (we were able to compare responses here to methods used by employers to find workers).
- Location - certain factors (see *Literature Survey*) such as making plans and the willingness to travel beyond the local area to find work are sometimes seen as indicative of higher levels of self esteem. Those people with the least confidence are less likely to make plans and less willing to consider work in unfamiliar areas.
- Motivation and attitude – while some people who are registered unemployed are perceived as not actively seeking work, others are trying very hard to seek employment. The intensity with which people look for work is often related to the length of time that they have been unemployed. In determining policy it makes sense to try to discern these differences

*(4) Information and support available* to assist realistic planning: what works and what does not work, from the perspective of the unemployed. This included an assessment of awareness of new developments, such as the expansion of Newcastle Airport, Benwell Business Park (BERP) and Newburn Riverside/Haugh

*(5) Perceived obstacles to getting into work*, such as transport, childcare, discrimination and the benefits trap. What do people think are the main problems that prevent them obtaining work and how do they address these?

All those who agreed to be interviewed were paid £10 (except the young people still at school), as an incentive to attend and to cover travelling expenses where appropriate. The intention was to elicit opinions from the most excluded groups in the community, to recognise the time that people were giving up and to encourage

those who are not usually consulted or who were unused to giving their opinions, to participate.

The idea that people did not want to work and were opting for benefits over gainful employment appeared to be a myth. Although there is a pressing need to provide assistance and advice to many of the unemployed in the West End, most of the people we interviewed were keen to find jobs.

#### **4.1.2 Common themes emerging from interviews**

In the discussion which follows different groups and their perceptions of the labour market are treated separately. However a number of common themes emerged from the research, which warrant highlighting and help to suggest priorities for SRB expenditure.

Above all, in the search for solutions, there needs to be recognition that *there is no substitute for the painstaking work carried out by organisations working with the most excluded groups in the community*. The time and effort spent building trust and credibility, in order to create pathways for information and assistance, cannot be by passed. There are no quick fixes to the work and commitment, which help individuals and communities to develop self-esteem and confidence in their abilities to make plans and bring them to realisation.

Similarly, in terms of publicising initiatives and programmes to help those most excluded from the labour market, there are no short cuts. Time has to be spent networking, talking with people, securing referrals, explaining and taking account of expectations, understanding and alleviating immediate problems. This is resource intensive and labour intensive, conventional publicity, blanket leafleting or posters are not viable alternatives.

What can be done is to provide support for the organisations working with excluded groups, in order to contribute to their credibility and maximise their effectiveness. Proposed solutions should utilise and capitalise upon the contacts and pathways created by these activities, in order to ensure access to the most excluded individuals and groups.

The New Deal Research Steering Group, in looking at the *Participants' Perspective* (April 2000), found that those who need additional support or interventions (the most excluded from labour

market processes) are more likely to be cynical and less likely to disclose their needs to New Deal Personal Advisers with whom they have had little contact. The report concluded that Personal Advisers were therefore likely to 'push' participants into Options without a clear understanding of the barriers that stand in their way or the levels of support they might require. Almost inevitably this will lead to failure.

A recent report of NACRO (National Association for the Care and Resettlement of Offenders) *Taking Part (published jointly with the LGIU, May 2000)* found that key to success in engaging disaffected young people was the need to genuinely take their advice and act upon it, they need to be listened to and involved in shaping programmes.

A similar idea is stressed by Campbell *et al*, *Back to Work 1999* (see Literature Review), which looks at the characteristics of successful initiatives to help the most excluded into work. This is the *localisation of policy and activity*, permitting the adaptation of both to specific circumstances on the basis of local knowledge. Such an approach promotes the involvement of the local community, a crucial factor in any initiative's success.

Evidence from the *Literature Review* suggests that there is a *common failure of businesses to recruit locally and thereby build relationships within the community*. The advantages of recruiting locally do not only benefit potential employees. Employers mentioned that proximity would help with staffing awkward shifts. Employing local people can also help build the loyalty of local customers and feedback from local employees may help retail and service companies to fine-tune and customise their products. There is also some evidence nationally that companies perceived as being in touch with their local communities suffer fewer security problems.

Nationally devised schemes, which do not allow time to cultivate local partnerships and tailor provision to local needs and circumstances, can be too output driven and thereby exclude their target client groups, the most disadvantaged.

To make initiatives work and build credibility, to enable individuals to participate and agencies working in the community to be effective, *the importance of the effective dissemination of high quality, reliable information cannot be overestimated*. People

starved of information are unable to take rational decisions in relation to the labour market, they are unable to make reasonable plans, to take control and therefore can rapidly become disaffected. This was a common complaint, from agencies and from individuals: they did not feel they knew what was going on, that the operation of the system to get people into work was not transparent.

The forms this information should take are varied.

Up-to-date *vacancy information* needs to be readily available, and in the places where people feel comfortable to spend time and ask for assistance. This is particularly the case for the most vulnerable and excluded groups.

More than one group, as well as a number of providers, stressed the need to be kept informed of *long term development plans*, for instance: what types of employers in which sectors are being sought for Newburn Haugh. If local people at risk of social exclusion are to be helped then such information is vital to help shape personal action plans, training programmes and school curricula.

This would also contribute towards capacity building in communities. Rather than local people only accessing the jobs at the bottom end of the scale, which are also the most vulnerable, training in anticipation of developing labour requirements in growth sectors would provide opportunities for some at least to enter the labour market at a higher point.

The presence of such skills and the availability of training facilities could help to improve the competitive advantage of the area, proving attractive to prospective employers. If local people with specific and *nationally recognised* skills and qualifications can be successfully placed within incoming companies, their presence may act as an anchor, protecting at least to an extent, lower skilled jobs, as the human capital that they represent becomes harder to replicate elsewhere.

The latter factor, that skills and qualifications are nationally recognised, is important. For, while employers often said they wish to provide on-the-job training (see *Employers' Survey*), in the short term this may mean lower wages for the workforce. In the longer term, if an employer moves on or employees wish to seek another

job, workers are more vulnerable without appropriate evidence of their skills and thus effectively less employable.

The New Deal Research Steering Group (April 2000) found significant levels of dissatisfaction amongst New Deal participants about the impossibility of achieving a full NVQ while on their option *an employer's going to think nowt about a few units towards an NVQ...we got promised an NVQ*. Without recognised, accredited skills the only bargaining tool people have available to them is the rate at which they are willing to do the job.

However it is also important to be realistic about the skills of available labour within the West End. While high tech companies have appeal, they are unlikely to bring jobs that will benefit many local residents. *A failure to recognise the potential mismatch between the skills of the locally available labour force and the demands of incoming and existing companies may result in further levels of disaffection* than those that currently exist. There is already a legacy of mistrust following the inability, for whatever reasons, of local people to gain employment with Dickens in Scotswood (now B&Q). The resulting cynicism inhibits the growth of commitment and enthusiasm for new projects.

In looking for work many local people from the West End relied upon Job Centre vacancy information and the newspapers. However, employers were found to favour informal word-of-mouth contacts and members of the existing workforce to find new employees. Not only does this represent a cheaper option than advertising widely, there was an inferred sense that prospective applicants, nominated by contacts, would be a *filtered* source: potentially more reliable, motivated and better briefed about the nature of the work.

The asymmetry between the ways local people look for jobs and the ways in which employers recruit means that those living in communities where few family members or neighbours are in work have their disadvantage compounded. To overcome their exclusion, methods to positively discriminate need to be sought. *Ring fencing* of information would help local people seeking employment or allow them time to undertake training for forthcoming vacancies.

Almost everyone in Benwell, particularly the RHWE project area, had heard of the Buddle Road development, while few from

outside the area had. The local free paper in Benwell, *BenGen*, has publicised the development.

This preferential access to information meant that some local people had visited the site to enquire about vacancies and awareness had been created, encouraging people to consider training. The possibility of replicating this type of information dissemination, for Newburn Haugh for instance, should be considered.

Another different, but essential form of information is *honest advice and feedback*. Where attitudes or beliefs are unhelpful and/or inaccurate, to the individual or to the community, these should be challenged and countered, with appropriate evidence. The *Employers' Survey* found employers believed that '*until people reflect on their situation and understand why they are failing to get jobs, they will not be well placed to participate in the labour market*'.

This is not to suggest that people's opinions and experiences should be ignored, indeed they should shape provision and assistance. However negative attitudes and poor motivation are often given by employers as reasons for rejecting applicants from particular areas or groups. Reinforcing false perceptions or allowing unrealistic expectations to go unchallenged is not helpful.

*This suggests that there is an opportunity for exploiting strengths: building on community activity and voluntary work.* Another common theme emerging from the research was what appeared to be a relatively high incidence of voluntary activity. This was particularly noticeable in the ethnic minority group of interviewees and the women of the Outer West and Scotswood.

In some ways it seems that local capacity for *entrepreneurship* is often channelled into voluntary activity, whether it be unpaid childcare, drug awareness training, victim support 'etc'. This offers a challenge to redirect some of this available talent, energy and commitment into building some for-profit businesses.

For instance in Bedford and Cambridge (and elsewhere) *Community Cafes* have been established, using SRB funding. These aim to support the needs of local people, and provide somewhere for young people to go. They can be used to deliver training in order to prepare people to enter employment in growth

sectors such as 'Food and Drink' (as nominated in the *Competitive Newcastle Strategy*).

Another aspect to be considered when looking at the community work carried out in the West End is that this may be the only way that individuals who have been out of the labour market for some time may re-enter or change direction and learn new skills.

In this sense it may provide a valid training solution for the most excluded groups in the community. The DfEE is currently mooting the idea of a full-scale research project into the link between voluntary work and increased employability. In the future *Volunteering may be recognised as social entrepreneurship*, rather than just as unpaid activity.

In the short term that National Centre for Volunteers is researching the possibility of *rewarding people who make valuable social contributions through a system of citizenship credits*. Volunteers would have credits paid into a virtual personal account which could then be used to purchase home help, child care, or converted into individual learning accounts or even pension contributions. A version of this operates in south London and is modelled on the US community regeneration programmes called *Time Dollars*.

As well as providing an alternative system of exchange this recognises the contribution and commitment made in communities by local residents and accords it greater status.

## 4.2 Group 1 - Young people still at school

### 4.2.1 Group profile

Interviews with young people still at school took place at Walbottle Campus, West Gate Community College and Scotswood Support Centre. A total of 29 students were interviewed, 16 females and 13 males. There were 15 pupils from Year 11 or below and 14 from Year 12 or above; of the latter group all were studying intermediate or advanced GNVQs.

### 4.2.2 Perceptions and extent of career advice

The *perception* of careers advice reported by the majority of pupils was that it was poor in both quality and quantity. The careers assistance received can be split into three categories: first, advice and guidance received on a one-to-one basis from a careers officer, who may have been a designated member of the school teaching staff or an employee of the careers service; second, advice, guidance and tuition received in regular timetabled classroom sessions; third, information received at in-school careers fairs and similar ad hoc events. These are explored in turn below.

- **Individual Meetings with Careers Officers:** For the majority of pupils the first contact with a Careers Officer occurred towards the end of Year 10, or early in Year 11, just after making GCSE subject choices; although a small number claimed to have had some form of counselling in year 9. These one-to-one meetings focused on long term planning and defining pupils' aims upon completing GCSEs. The actual time spent with an adviser varied, some recalled a 10-minute conversation, others half an hour. Those who attended lengthier meetings took away a short '*action plan*', with suggested goals and direction for the next two years. Almost all perceived these initial meetings as being of limited use, with a small number having difficulty remembering the meetings until prompted by others in the group.
- **Additional meetings:** All of the pupils interviewed reported that following their initial meeting, they had the option to request a further session with a Careers Adviser, in order to obtain additional advice and guidance. However, the only young people who had taken up this option were amongst the GNVQ

students at Walbottle School. The reason given for this general lack of engagement with Careers Advisers was that the initial advice received had been of limited benefit. There were strong indications that this perception stemmed from a *resistance* to receiving advice, rather than the nature of what they had been told, *who* delivered the information was important

Those students at Walbottle who had sought additional career advice had not done so because they had found their initial session more useful than other pupils had. What seemed to make the difference was that *follow up advice was sought from a member of staff with whom pupils had regular contact (usually a head of year) and who had good rapport and credibility with students*. This regular contact with the person providing advice, independent of structured careers advice, allowed pupils easy and frequent contact and the opportunity to ask 'silly' questions. This in turn meant plans could be developed gradually added to and modified, as and when the young person was ready, and gave greater control over the process to the pupil. The information they wanted was neither specialist nor confidential, in fact it appeared to be reasonably broad. The help given included assistance with completing application forms (both job and college), advice on qualifications needed for certain jobs, how to obtain interviews and guidance on potential courses of action when job applications had been unsuccessful.

From the careers officers' perspective pupils' lack of contact is due to a shortage of advisers within the Careers Service, which prevents more time being spent with students.

- **Timetabled sessions:** The initial response of pupils from both schools was that timetabled careers sessions were of little value. However, further questioning within both schools revealed that pupils had found certain sessions useful. Some time in Year 11 (and below) was spent completing Records of Achievement and watching videos related to various aspects of employability (interview techniques etc.). Most of the pupils were able to highlight one or two of these sessions that had been helpful. The post year 11 provision (one or two sessions per week) at both schools was perceived as generally unhelpful.

Pupils on first year GNVQ programmes (either intermediate or first year advanced) at West Gate Community College said that they had not received any guidance on completion of

application forms but felt that it would have been of benefit. Of those who had completed application forms, some had obtained help from parents, whilst others were self-reliant.

- **Ad hoc events:** Students at Walbottle School have an annual in-school Employers' Fair, which 11 employers and 17 training organisations attended in this academic year, 1999/2000. The students interviewed were quite negative in their responses to this, claiming they did not want to work for any of the employers represented. These included the armed forces, a small number of manufacturing companies and Newcastle Airport.

Some of the GNVQ students at West Gate Community College attended an in-school presentation on employability skills by a representative of an employer at Newcastle Airport. This included information on interview techniques, which students had found beneficial.

#### ***4.2.3 Extent and quality of work experience whilst in school***

The perceived usefulness of work experience placements varied considerably, with some enjoying the placement immensely and subsequently hoping to gain employment with the same company, (see Case Study 1 below). Others had changed their future plans as a result of work experience placements (see Case Study 2 below). Finally, some pupils had not found their placements enjoyable and believed them to be of little benefit in gaining work place experience.

**Case study 1:** A GNVQ student from Walbottle School, who freely admitted being a disruptive pupil during his GCSE years, spent his first placement of one week at a printing company. He found the environment at work more pleasant than school. His enjoyment of this initial placement led him to want to work in the print trade. His second placement was at another printing company and currently he expects to take-up full-time employment with the same company once he completes his Art and Design GNVQ. This offer of a full-time job provided the motivation for his improved results in recent examinations.

**Case study 2:** A GNVQ student had chosen her current health-related course because she wanted to 'work with people', this was also part of her reasoning for taking her first placement (whilst studying for GCSE's), looking after children in a nursery. She found this placement useful, not because of any vocational skills/insights it gave her, but because it gave her confidence that she had the ability to do work in this area, despite being doubtful and nervous on her first day. After this placement she developed that idea that she would like to work caring for older people and took her second placement and GNVQ in this area. However, she did not enjoy the placement and no longer wants to work with older people, but still retains the aspiration of 'working with people'. She felt that if this second placement had been earlier on in the GNVQ course she would have had time to change her course in light of her changed job aspirations.

Although it is difficult to generalise, it seems that many students found their second placement more beneficial than the first. Many felt that they spent much of their first placement as a 'dogs body', doing very basic tasks such as making tea and photocopying and gaining little in the way of work experience. Such dissatisfaction appears to reflect several factors, including:

- The students are younger when they complete their first placement (usually 14/15 years old) and subsequently have relatively low levels of workplace skills.
- The first placement was often shorter than the second (one week compared to two) preventing them from being able to 'get into the job' and complete more complex tasks.

Currently a large number of students are unable to participate in a placement in their chosen area. As not all pupils remain in school for post-compulsory education (when the second placement usually takes place) they only have one chance. Therefore *the first work placement is under greater pressure to deliver what pupils want*. It cannot be assumed that the first merely has to provide workplace experience, while the second can be specific to the desired type of work. There was a reported shortage of placements relative to demand, in construction and car related trades and many professional occupations, such as solicitors and scientific occupations.

**Jobs while at school:** An additional source of work experience for some students came from part-time jobs while studying, viewed as

a means to gain additional money and not as a way to improve employability. West Gate Community College for instance reported that a small number of pupils are working in call centres, fast food outlets, hold cleaning jobs 'etc', often to supplement family incomes.

The fact that the young people obtain such jobs, reliably turn up and carry out them out helps to demonstrate their *employability*. However as the young people perceive a marked distinction between 'poor jobs' and 'decent jobs with prospects' they rarely see the relevance or potential transferability of skills or experience from one to the other. Yet, as highlighted in the *Literature Survey (Section 2.6)*, such experience does enhance employability and, along with self-awareness of their knowledge and skills, individuals need help to market these to employers in the best light. Yet for the schools such jobs can be seen as an obstacle to school attendance, making pupils late or tired, and therefore lacking in positive aspects.

**Plans and intentions after leaving school:** As would be expected, pupils' preferred routes upon completing their current course varied considerably, with some wanting to enter various types of employment and others wishing to continue within education or training. The degree of planning varied extensively. Some had very specific goals in mind, while others had a broad sector of employment or training in mind, for example some kind of design course. Finally, there was a group of students who had very little idea of what they wanted to do. This seemed to be related to the fact that they had not really considered the future, rather than that they were unable to evaluate various alternatives. From the sample size it is difficult to ascribe the approximate proportions of students within each of these groupings, *however there did appear to be significant incidence of each.*

- *Those with no plans* – Many students, especially amongst those who had not yet taken GCSE's, had given little or no thought to the future. This places them in a weak position in relation to labour market opportunities, able to react and be flexible but not capable of a proactive strategy in their job search.
- *Those with unrealistic plans* – A number of students interviewed held unrealistic aspirations, some hoping to enter sectors

unlikely to provide sustainable employment, some hoping to secure managerial level appointments on entry and some intending to go to university, where their prior academic attainment suggested that this would be unlikely.

- *Those with overly rigid plans* – Some students wishing to enter employment had very specific jobs and a limited range of jobs that they were willing to consider. This may result in individuals overly restricting their job search activity on leaving education.

No one would wish to place limitations upon the aspirations of young people, however the latter two positions (unrealistic or rigid action plans) appear doomed to failure. The inevitability of being unable to achieve their stated goals is likely to disaffect individuals, resulting ultimately in their disengagement from the labour market. Assistance to develop a job search or career strategy, informed by good quality information and honest feedback, seems likely to be most helpful.

#### **4.2.4 Potential obstacles to finding work**

The majority of students felt that they wanted to *remain in the locality* after leaving education, although this may in part reflect a lack of longer-term planning, where many had not even considered the possibility of leaving the parental home. Unlike other groups within this study, young people still at school did not see the lack of *transport* as a serious obstacle to entering employment. When asked about available jobs there was a general perception that there were not many available in the West End, but that there were jobs available elsewhere in the city. Most said that they would be willing to travel to places such as Newcastle Airport, North and South Shields and some as far as Sunderland.

The largest perceived obstacle to gaining a desired job was a *lack of qualifications*, with students believing that there are jobs out there but without the appropriate skills they would be difficult to obtain. However, one GNVQ student thought that having too many qualifications may also be a problem, with many of the jobs available locally requiring low skill levels, leaving too many individuals chasing too few 'higher skilled' jobs.

#### **Case Study 3: Modern Apprenticeships and best practice elsewhere**

As many young people in the West End leave school without formal qualifications, it may be worth considering the approach taken by the Five

Lamps Project in Thornaby-on-Tees. Arrangements have been made with the local TEC to waive the usual entrance qualification requirements for Modern Apprenticeships to enable young people at risk of social exclusion to be accepted. An Outreach Worker goes into schools to seek referrals, as well as to organisations working in the community that have credibility with young people.

The same worker develops relationships with employers to persuade them to provide opportunities for young people. During the first two years of the apprenticeship employers are paid £50 per week as a wage subsidy. The young people are provided with a free bus pass for travel to work during their first year of employment. The Outreach Worker or Adviser regularly visits participating individuals and employers to offer support and advice. This allows problems and clashes of expectations to be addressed promptly and prevents minor issues becoming big ones. If a trainee is found to have specific training needs and to be slipping behind, the Adviser has funds available to pay for one-to-one tuition.

This provides a number of benefits: access to high quality training and ultimately to 'jobs with prospects' for young people at risk of social exclusion, as well as improving the skill base within the community and ultimately building capacity, both in terms of human capital and supporting local businesses.

Attitudes to receiving advice and the providers are often negative. The views of teachers, career advisers and parents were sometimes ignored or dismissed. Some of the young men in particular expressed concern about being patronised and were consequently reluctant to ask for help or admit to having difficulties.

The role of schools is vital in ensuring that the youngest entrants to the labour market enter under optimal circumstances. If we refer to Stage 1 of the process of getting into work (see Section 5, *Policy Action*), developing self awareness is the starting point, providing the individual with the capability to maximise what can be gained from information and training. The skills needed to encourage self awareness involve reflecting on personal strengths and weaknesses and developing a plan for future needs, these are embedded in the Key Skills framework and part of the National Curriculum.

There is evidence from best practice elsewhere that in order for self-awareness to develop, the necessary reflective, *thinking skills must be privileged* within schools' curricula, especially in more deprived areas. In order to be effective it needs to be part of an integrated, co-ordinated programme – starting at primary level and

supported in a coherent manner, from the individual pupil's perspective (including tracking), through to school leaving age.

The development of self-awareness should also help to improve young people's receptiveness to information and careers advice. Schools need support for their activities in this area, rather than the imposition of further guidelines or initiatives. High quality, reliable information should be made available and help provided to identify appropriate placements for pupils, via contacts with local employers. The early identification of appropriate pupils as candidates can also prove a considerable asset for employers.

Returning to the issue of receptiveness to careers guidance and information: there is also a role in this area for local providers of Further and Higher Education, in helping to raise expectations and intervene in the cycle of disaffection and disillusionment.

***Case Study 4: Raising aspirations... Good practice elsewhere***

In Hull a project is currently underway to increase the number of young people from the city's most deprived areas that apply to Hull University. The University receives referrals from the city's most deprived schools, of young people in Year 9 (aged 13-14, pre GCSE). Cohorts of 30 to 50 children, nominated by their schools, then participate in a twelve-week programme run by the University. They attend lectures and activities for one half day per week, including access to laboratories, sports facilities 'etc' aimed at giving them an opportunity to see the range of facilities and courses available.

As far as possible they are treated as potential undergraduates rather than schoolchildren. On successful completion of the programme, they receive a written, conditional offer of a University place. This initiative is very new so it is too soon to predict how many of these young people will subsequently claim their places, but evidence so far suggests that the scheme has been greeted very enthusiastically and has raised expectations and thus improved the motivation to succeed at school.

The scheme in Hull (Case Study 4) has proved a useful seeding exercise: the impact extending beyond participants themselves, to fellow pupils and other family members, also causing them to consider options and possibilities that they may not have done previously. In this way it makes a valuable contribution to capacity building in the community and one which may prove worthy of investigation locally, in order to widen University access in the West End of Newcastle.

Parental involvement at this stage also seems to be lacking, and may help to shape the young people's responses. West Gate Community College reports regularly low turnouts to Parents' Evenings and Careers Events. Even where strenuous efforts are made by the school to provide convenient appointments, only around 1 in 10 families is represented. This is in marked contrast with more affluent areas of the city, where career and study plans are often made in partnership between young people, parents and teachers, and Parents' Evenings are crowded events. No judgement is implied here, this report is not intended to speculate on the reasons for the disaffection of parents but rather to explore how things might be changed for the next generation. In practical terms *Transport* may be an issue and dedicated community provision to ensure attendance may help

### ***Policy implications...***

#### **Improving the transition between school and work**

- While still at school preparation for the workplace requires *extensive, advice targeted on the individual and the opportunity to create a personal action plan* informed by good quality information and support.
- Opportunities should also be sought, perhaps via connections to local universities, to *raise aspirations and widen horizons for young people, encouraging them to aim high*. They also need to be helped to create practical plans to achieve this.
- To aid empowerment young people should be encouraged to reflect upon the *skills and experience they have already gained* – even while in poor jobs. The actual process of reflection helps to build *self-awareness*, crucial to forming an *action plan* to find work.

*Policy implications continued...*

- It is vital that *individuals providing advice and support have good rapport and credibility with young people*. As well as teachers who see pupils frequently, the possibility of bringing in young people who have already left school and have credibility with pupils should be explored, to reflect on their experiences of work – even negative ones. Employers may also provide helpful input and expertise here. The *Survey of Employers* identified a number of local companies, which expressed a willingness to become involved.
- There need to be opportunities for young people to explore different employment sectors and this should take the form of *extended work placements*, especially for those planning to leave school at 16. Efforts and resources are needed to help cultivate a greater variety of work placements, reflecting young people's interests and supported by local employers. There may be an opportunity to develop such a network through the new *Connections* programme, which aims to pool the resources of a variety of providers.
- Solutions should try to take account of both supply and demand side issues. Employment Advisers or *Outreach Workers* need contacts with schools and community-based organisations to identify possible candidates for *placements and apprenticeships*, then *liaising with employers to create the opportunities* needs to occur.
- During placements (if they are prolonged) or in the early stages of apprenticeships, *support for individuals and employers should be available in recognition of the commitment that both are making*. The possibility of assistance with transport costs, training provision and wage subsidies should be considered. Support should also be available in the form of mentoring to enable problems to be sorted out quickly.
- As well as providing help with transport *consideration should be given to taking Careers Events (and Parents' Evenings) into communities*, rather than holding them in schools. Funding could be made available to support this and it may help to involve parents, give the events greater significance for young people, and provide a chance to invite a wider section of the community to attend.

## 4.3 Group 3 - 16 to 24 year olds

### 4.3.1 Group profile

A total of 29 people in this age group were interviewed, twenty-one young men and eight young women. Interview locations were chosen in an effort to obtain the views of those most excluded. A further group of young women in this age range were also interviewed, their comments form part of the discussion of the experiences of lone parents (Section 4.6).

### 4.3.2 Qualifications, work experience and training

**Qualifications:** Most of those interviewed had left school, often prematurely, with low levels of qualifications and many admitted to high levels of absenteeism whilst at school. Many young people in this group expressed the view that school had not provided a useful or positive experience. This accords with findings of the Scotswood Youth Strategy: *'there is little in the way of kudos attached to learning in Scotswood'* (Lottery Business Plan 2). This antipathy towards learning seems to be founded in the perception that making plans does not lead to anything, that there is no way out and no way of changing your circumstances. What it inevitably results in is poor levels of educational achievement and thus low incomes and a lack of prospects. This cycle has been described repeatedly by the Scotswood Youth Strategy, which has brought forward proposals aimed at intervening in this cycle and challenging such perceptions.

Looking back on the guidance that had been available at school, many now felt that they would have liked a stronger focus on work within the curriculum, and in particular longer, varied work placements (see also Section 4.2.3). Many of the young men interviewed indicated that they had left school poorly informed and with unrealistic views of work. As reported in Section 4.2, holding unrealistic aspirations is not uncommon but it also is not helpful. While young people can be resistant at the time to the advice and guidance that might help to modify this, it is important to seek effective methods of intervention.

None of the young women interviewed reported having clear plans or ideas about what they wanted to do prior to leaving school. This places them in a weak position in relation to labour market

opportunities, lacking a focus to pursue qualifications. In the absence of a strategy or action plan the young women reported that they had gone along with what the careers' teacher or the Employment Service had suggested at the time, something which in retrospect they appeared to resent.

Such lack of a planning echoes the findings of Section 4.2. Evidence from elsewhere suggests it is not unusual, with young women from 'at risk' communities in particular, frequently reporting low self esteem and lacking confidence in their ability to make plans or bring them to realisation.

**Work experience placements:** For many of those interviewed preparing for the workplace while at school seemed to have been a hit and miss experience, work placements had only lasted one or two weeks and frequently were not in sectors in which the participants were interested. With the benefit of hindsight, many of the young people interviewed seemed to feel that placements could have offered them much more, that there should have been a greater variety of opportunities and, for those not planning to stay on in education, they should have lasted longer. Some parents of young people expressed similar views. Overall, work experience, careers advice and family involvement were all patchy.

**Employment since leaving school:** Having left school, often prior to school leaving age, around two thirds of those interviewed had some type of work experience, with residents from the outer-west being more likely to have been in some kind of employment. Many of the young men had taken a range of what they termed 'crap jobs', working on the markets or as packers, poorly paid and without prospects. The experience gained certainly seemed to help them to be clearer about what they did *not* want to do.

The jobs held were usually temporary and/or with less than full-time hours, lasting a few weeks or working intermittently with family or friends. *The general perception expressed was that it is relatively easy to obtain low-paid, temporary work but extremely difficult to make the transition into full-time, permanent employment.* For example, in Case Study 5 one person described how they had worked at Vickers Pressings but lost the job when agency staff were introduced.

### **Case study 5: Early experiences of work**

Six young men in Scotswood had held packing jobs, based in the Team Valley. Prior to this, two of them had worked on a family member's milk float while still at school. Obtaining the jobs had been relatively easy; demonstrating how word-of-mouth access to vacancy information can make a big difference. For the packing work they were paid the minimum wage but their travel costs were high, £45 for a 4 week travel pass. They felt that they had been exploited, working for 12-14 hour shifts with unpaid breaks and did not think that they had been part of any National Insurance scheme. One by one they had left or been asked to leave, they had no regrets about this as they did not think that the work would lead to anything and believed that the employers would have had no difficulty finding others to take their places.

**Employability:** Reported reasons for leaving jobs were usually money, poor conditions, difficult relationships or boredom. In terms of attitude, very little concern was expressed about being sacked where this had been the case. The young men perceived a wide gap between the 'crap' jobs and jobs with prospects, that may lead to something, and viewed them quite separately. Their comments suggested that they might respond to this distinction with very different attitudes and behaviour. The young men reported that their employers in such jobs had not demonstrated commitment towards them as employees and therefore that they had felt no need to respond with loyalty and commitment. This meant that the work experience had not motivated them to develop attitudes associated with *employability*.

Hasty decisions to engage in work without utilising appropriate help and advice to consider the consequences appear to place many young people in jobs which fail to provide opportunities *to develop and exhibit more responsible attitudes*. The corollary of this is that jobs with prospects provoke a different reaction from young people, and do provide them with opportunities, not only to acquire job-specific skills, but also to improve their general, all-round employability.

As might be expected from a sample largely comprising the long-term unemployed, only two interviewees had any appreciable employment history and only one had a trade. More typical jobs included plastics fabrication, construction and security. Only one interviewee (23 years old) had worked consistently since leaving school at 16, prior to becoming unemployed.

**Training schemes:** Approximately half of the interviewees had participated in some form of training scheme, of these only three had subsequently gained a job.

- A small number of the interviewees were currently involved in New Deal and a larger proportion of the older interviewees had been involved in YTS. The general feeling, from their own experiences and that of family and friends, was that schemes were not worth doing because they did not improve future employment prospects. A number of people saw their only value as providing an extra £10 or so on top of benefits.

The exception to this was two male interviewees involved in UFAMs within New Deal. They found the work enjoyable and had received accreditation for various job-related skills, one was hoping that he may be able to gain regular employment developing the Newburn Haugh site, following other UFAMS participants.

- Other interviewees had gained various qualifications since leaving school (e.g. a GNVQ in fabricating) but had not been able to subsequently gain related employment. Some had interests in training in areas where they were prevented/unable to so (e.g. tried to do forklift training but was unable to because he had not been unemployed long enough); some form of flexible funding for training may help to alleviate this.

#### ***Case Study 6: Effective training intervention***

The Workfinder in Scotswood had sent three young men for training as hoist operators. Knowing there was one vacancy, she agreed with the employer to send three appropriately qualified applicants, reasoning that one should get the job (which he did) and that the other two would have gained a useful qualification. The remaining two trainees were still seeking work at the time of the interviews. The implications of this intervention, as seen by the young men, were that training and appropriate assistance had actually led to something for one of them, a job with some prospects.

### **4.3.3 Job search and methods**

**Methods of job search.** The most well used method of job search was via the Employment Service, which for several individuals within the inner area was the only source of vacancy information. Low usage of the new computerised touch screens for finding and applying for jobs within the West Road Job Centre was

reported so far (Feb 2000). A significant but smaller number of individuals referred to the Jobs Sections of local newspapers, usually the Chronicle.

Help from advisers in community centres (such as the Scotswood Support Centre/ Pink Palace) was used by a number of people and the Workfinders in Benwell and Scotswood were regarded very positively for finding jobs and help with completing application forms. However, while vacancy information on offer in community centres arrives daily from the Employment Service, it is often subject to a delay which can mean that a proportion are filled before they arrive. Chasing jobs that are no longer available can have a further demotivating effect, sabotaging the efforts of those working to build confidence and help individuals to plan and complete application forms.

***Best practice elsewhere***

The Five Lamps Regeneration Project in Thornaby-on-Tees has overcome this problem by obtaining recognition from the Employment Service as an *Authorised Intermediary Partner*. This effectively entitles the Project to up-to-date vacancy information, in exchange for ensuring that all those responding do so via the Employment Service. This is then followed up with speedy applications. Five Lamps helps local people to create CVs then holds them on its database on their behalf. The Project workers obtain permission from those looking for work to submit applications on their behalf, thus ensuring precious time is not wasted.

The Workfinders also mentioned that they lacked email connections to enable them to check for up to date information, but believed that this was to be remedied soon.

Individuals within the Outer West area had used broadly similar job search techniques but were more likely to suggest that jobs within the Job Centre were of low quality. Those interviewed tended to rely more heavily on newspapers, and one individual made use of the Yellow Pages to identify companies in order to make speculative applications.

Six males in Scotswood were registered with recruitment agencies, the reliability and effectiveness of these was viewed as very mixed, but they were considered the only way in to particular sectors such as construction.

**Direct/Speculative approaches.** This type of approach is thought to produce a positive response from employers and suggests a much higher intensity of motivation and job search activity. It requires a proactive attitude and relatively high levels of confidence and self esteem in order to be effective. Not many of those interviewed had made this type of approach, though one 23 year old male said that he did not use the Job Centre at all to find work, and concentrated instead upon using newspapers, recruitment agencies, word of mouth, and 'knocking on employers' doors'. Also one female interviewee was not impressed with the type of jobs available at the Job Centre and had used the internet for seeking employment and made direct approaches to retail outlets to look for work.

**Intensity of job search.** The intensity of job search did not appear to follow any particular pattern other than that already alluded to, of those from the outer area appearing to demonstrate greater commitment to gaining employment than those from the inner area and hence exhibiting higher job search intensity. Of the young men interviewed, three of four years after leaving school, many had still not reached a pragmatic or realistic stage in terms of their planning for work. The majority of the young men still hoped for traditional male jobs (construction industry 'etc') but pay was certainly the prime consideration overriding other issues.

Many of the younger interviewees acknowledged that they had problems completing application forms, some were reliant on help from parents, others received help from community centres (e.g. the Scotswood Support Centre) which was found to be highly valued. Similarly many of the younger interviewees who had been to a job interview felt that they were unable to express themselves adequately and 'do themselves justice'. This reinforces the conclusion from the young people still at school (Section 4.2) where many pupils thought sessions on application forms and interview technique would be useful. These two areas were not seen as a problem by older interviewees within this grouping (20 to 24 years old).

#### ***4.3.4 Awareness of new developments***

Overall, information about the various new developments providing possible employment opportunities had reached reasonably large numbers of the interviewees.

- Most, but not all, interviewees were aware of the existence of call centres. However, on the whole the response was quite negative, with the majority not interested in call centre work. There may be a need to market this type of work though a 'blanket approach' would probably not be appropriate. It may be more effective to target particular groups and provide the appropriate support to enable them to access the training and jobs. For instance help with childcare and transport may overcome some of the obstacles that prevent women from taking up these opportunities. Targeting of publicity and taster courses on particular groups may also help to address some of the reservations expressed.
- Awareness of the Newburn Haugh development was much lower, with only a small number of interviewees, predominantly from the Outer West, knowing about the site, and almost all of these were simply aware that the site was being developed and did not know any details. The only individuals with a fuller awareness of the development were two males from Scotswood, involved in the UFAMS scheme and already working on site.
- Of those from the inner area, five had heard of the airport expansion, but only two had been to the recent airport jobs fair. Neither found it useful, one because he could find only part-time jobs (although full-time jobs are known to have been on offer) which interfered with his New Deal and the other because he perceived there was a lack of jobs on offer. Three people mentioned the difficulties in travelling to the airport on public transport.
- Awareness of the Benwell Business Park was low amongst individuals from the wider geographic area. However for many people in Benwell the local free paper, 'BenGen', published by *Reviving the Heart of the West End* and delivered free of charge to their doors, is a useful source of local information about new developments. It also appears to help to positively discriminate in favour of Benwell, by disseminating local information primarily to local people and one or two have used this to make direct approaches to employers.

#### **4.3.5 Obstacles to work and motivation**

Those within the Outer West appeared more motivated (and more hopeful) in their search for work than those from the inner area (Scotswood, Benwell and the inner-west). There seems to be a predictable link between motivation and the individual's experiences of the labour market: if they have had one or two positive experiences themselves or people within their acquaintance have, individuals are more likely to believe that they will find work and to be looking actively. While many interviewees from the Outer West thought they faced a number of barriers to employment, in particular poor transport and age discrimination, *all* expected to find suitable employment soon, unlike many of those interviewed in the Inner West, particularly Scotswood, who had little expectation of finding work.

##### ***Raising expectations: Good practice in Scotswood***

*Motivation has to be fuelled by a sense of what is available and the possibilities that exist, delivered when individuals are receptive and via a trusted source, which has credibility with local people.* In 1999, the Scotswood Youth Strategy took 8 young men aged 16 and 17 and whom workers judged to be ready to participate, on visits to twelve different training providers. This gave the young men an opportunity to see a range of what was available. They were also able to determine a set of criteria for themselves of 'what counts' factors and feed back an assessment of which of the different organisations offered the best opportunities

The main obstacles to employment were perceived as:

- *Available wages are too low.* Many of the jobs on offer were below individuals' reservation wage levels; *I'd clean toilets if it paid.* This also affected the take-up of certain training schemes, which added around £10 to benefits. This was not seen as sufficient incentive to participate (especially given the low expected gains from training) and may not even be enough to cover additional transport and meal costs.
- *Transport.* A significant proportion of those actively seeking work said they would consider jobs at the coast, Newcastle Airport and Team Valley. However, two people had already quit jobs requiring two bus journeys claiming that, after allowing for travel costs, it was no longer advantageous to remain in employment. Those interested in work at the Airport, particularly from Benwell and the Outer West said that public

transport was very inconvenient, taking a reported two hours from Newburn. If correct this may in part be the result of the timing of shifts required at the Airport, when public transport is sparse. In Scotswood people described the difficulties of cost and time associated with jobs at the Metro Centre and Team Valley. A shuttle bus or some form of community transport may help to overcome these difficulties relatively easily.

- *Wanting a local job.* There were several interviewees, particularly females, who would only consider working very locally. They were extremely reluctant to travel, even into the city centre, thus limiting the number of jobs available to them. As described in the *Introduction (Section 4.1)* the unwillingness to leave what is familiar is often symptomatic of low self-esteem. Others faced a location-related barrier which could be overcome extremely easily, in that they would not consider applying for a job at the Airport, not because they felt it was too far but because they did not know how to get there.
- *Criminal records.* Between 10% and 20% of the male interviewees claimed to have some kind of criminal record, with a number having gaps in their employment due to time spent in jail. This will obviously create an additional barrier to employment, though it was not clear whether all those interviewed fully realised that this might be the case. In the experience of the Scotswood Youth Strategy crime becomes one of the few 'status' pastimes for young people with poor educational aspirations and experiences. Involvement in the criminal justice system makes subsequent entry into the labour market more difficult and increases the likelihood of reinforcing the cycle of low pay and poverty.
- *Location discrimination.* Many Scotswood residents held strong beliefs that employers consistently practised area or postcode discrimination against them. A number had reacted to this by falsifying their address on job applications.

#### **Case Study 7: Challenging expectations**

One young man from Scotswood had been sent by the local Workfinder for a cleaning job at a Health Club. The Workfinder felt that if the employer would take a look at the young man, he would take him on. Her judgement was correct; in the event the employer was so impressed that he offered the young man a post as a Trainee Fitness Worker.

- *Negative attitudes.* Until the early 1970s there was a natural progression for young men in the West End, as elsewhere, to move from school into work, irrespective of educational achievement, as long as they stayed within a broadly acceptable framework of behaviour (even allowing that 'boys will be boys').

It is believed that this loss of 'men's jobs' in the region has impacted not only on the labour market, but also on men's perceptions of what it means to be a man, particularly in areas like the North East, where a strong sense of what it is to be a man, is often closely related to occupation (*Young men, the job market and gendered work*, T.Lloyd, Joseph Rowntree Foundation, 1999). The continued under achievement of boys at school, growing levels of school exclusions and levels of youth crime have all been linked to the changing roles of males in the workplace.

The implications of this are that either large numbers of what are perceived as 'men's jobs' need to be created or beliefs and assumptions about the gendering of work need to change. The *Residents' Survey* found no interest amongst young men in growth sectors such as call centres; indeed their reactions were often disdainful. As can be seen from the Labour Market Statistics (see below, Section 4.9), far greater numbers of men than women are out of work in the area. The *Employers' Survey* found that job vacancies do exist within the city. While employers may not always find the supply of available local labour suitable, the available labour does not always appear to find the jobs are suitable. The young men interviewed were predominantly seeking work in construction or sports and leisure. Trying to change their views and widen aspirations is a long-term project.

### ***Policy implications...***

- Probably most important for this group, rather than help to overcome practical obstacles, is the utilisation of SRB resources to ensure the provision of opportunities to inform planning and help build motivation: *opportunities to find out more about what is available, to train, and to gain work experience, via placements*. These would act to improve the individual's marketability and to build capacity in the community and ultimately to improve access to jobs with prospects rather than the 'crap jobs' (which harden attitudes and fail to enhance employability). It may involve organising visits and providing transport to projects, employers, training organisations 'etc' outside the area.
- In order to lessen the vulnerability in the labour market of people in this age group, help is needed to improve *action planning skills* – as in the group still at school, young males often continue to hold unrealistic views, while females may fail to form plans.
- High quality support from trusted sources needs to be made available for *job search* and training on *application forms* and *interview techniques*.
- The *trust and credibility built up by organisations in the local communities* needs to be supported and capitalised upon in order to maximise the chances for successful interventions.
- The possibility of creating new working relationships should be investigated, such as that of the Employment Service conferring *Authorised Intermediary Partner status* upon organisations based in the community, to ensure the better flow of vacancy information to prospective applicants.
- New working arrangements, such as that mentioned above, should be backed up by structures to enable speedy responses to the up-to-date vacancy information. *The possibility of agencies such as Workfinders retaining CVs on a database and submitting on behalf of applicants should be considered*.
- *Transport* – limited availability inhibits job search and the take up of jobs, particularly at the Airport, Team Valley and the Metro Centre. Again fairly *modest provision of community transport could make a significant impact in terms of overcoming obstacles to employment*, including assisting people to overcome apprehension about undertaking unfamiliar journeys and routes.

## **4.4 Group 3 - 25 to 49 year olds**

### **4.4.1 Group profile**

A total of 33 people in this age group were interviewed, thirteen males and 20 females. All interviewees had been in some kind of employment, though the period since the last job held varied, from a few weeks to 15 years.

### **4.4.2 Qualifications, work experience and training**

The men interviewed in Scotswood had had experience of a variety of jobs, often across different sectors of the economy. The jobs had usually been held for relatively short periods of time. Males in the Outer West and Benwell had also held a number of jobs, but had remained in particular jobs for longer periods. In the group as a whole only three men had knowledge of 'a trade' but were not currently involved with it.

#### **Case Study 8: 25 year old male, Benwell**

M is a panel beater who finished serving his time 7 years ago. He did 3 years' training at the Whitehouse Enterprise Centre, which was 'nice and local' and attended Gateshead College, leading to a City and Guilds qualification. This has not lead to work and his skills now need to be updated. M subsequently went on to do an NVQ Level 2 in Painting and Decorating at Kingston Workshops.

M has done a variety of labouring jobs but has no qualifications in construction. He went to London for a few months and worked on scaffolding and block paving, but the cost of accommodation became prohibitive. On his return to Newcastle he slept on floors while looking for work. Reviving the Heart of the West End (RHWE) funded him to take his driving test, in order to widen the range of opportunities available to him. He passed the theory but failed the practical. He is without access to any vehicle to practise on and no further funds are available to let him try again.

He now has a partner and a small daughter. To get money at Christmas he worked at a fish-processing factory in Gosforth. He used public transport to get there, getting up at 5.15am to get 6am bus, arriving for work at 7am. He worked 12-hour shifts for £3.60ph (minimum wage) but the work was seasonal. M was also conscious that 'it wouldn't lead to anything' and, keen to be considered for the New Deal, did not want to work for more than 13 weeks. He would travel to Team Valley, Byker or Newburn for work, and thought £200pw desirable but admitted having worked for a lot less. M is optimistic about getting 'something decent' soon, possibly with City Works.

The experiences of the women were somewhat different: while the majority also had experience of some kind of employment, recent jobs tended to be part-time, due to childcare responsibilities. The sectors of employment were less varied than for men in this age group, with cleaning and crèche work dominant. Many of the women, particularly in Scotswood, felt that they were only employable as cleaners, which they resented. However, they knew what types of jobs they would like to do, many with a community focus, including drugs awareness training, but did not seem to have made any progress down this route.

**Experience of schemes:** The majority of the interviewees had been involved in some kind of scheme since leaving school. For the male interviewees this was frequently involvement in the YTS scheme or completion of a GNVQ.

Several female interviewees also had experience of YTS schemes: two-thirds of those interviewed in Lemington had joined YTS immediately after school, usually to work for within education for the local authority, as classroom assistants. This was 12-13 years ago (1987/8) and a number of the single mothers of the same age had also followed this route. No one saw himself or herself utilising this experience to gain further work. The women felt that on leaving school they had lacked any ideas about what they wanted to do and, in this vacuum, felt they had been directed into work as classroom assistants by Careers Officers, in the absence of an alternative and to fill a gap in the labour market.

The perception of both the YTS and some accredited qualifications (principally NVQs and GNVQs) was that they do not enhance employability and job prospects upon completion. Those who had been to college believed that employers want experience not qualifications, with skills being learned 'on the job' rather than in a classroom.

**Training:** The older interviewees (around forty years and above) tended to have even more pessimistic views regarding the potential benefits of training, usually drawing upon the experience of family and friends who had been through a scheme, without subsequently entering employment.

*'People don't want to do training because either the jobs aren't there when you finish or the money's no good'.*

Some of the men interviewed in Benwell mentioned undertaking vocational training locally, at the Whitehouse Enterprise Centre, but funding seemed to have run out for the companies involved and the training had not led to work.

***Case Study 9: Losing motivation***

Three men mentioned vocational training, associated with the construction industry, which they had undertaken for 18 months or longer. Keen to be trained and to get work, they had made long journeys by public transport on a daily basis, only to walk away with nothing – no job and no formal qualification – when the scheme collapsed or the firm went bust. There was some suspicion that participating employers, already with financial problems, had utilised subsidised labour from training schemes to shore up their ailing operations. This could not be verified but does suggest a need to try to establish the financial probity of companies taking part in training programmes.

In Scotswood approximately half of the women interviewed had been involved in shorter training programmes and/or schemes, such as Raising Personal Effectiveness Courses and drug awareness training. The perception of these shorter schemes was somewhat mixed, with some finding the vocational courses useful (e.g. basic childcare courses). The responses to courses that were not job-specific were not as positive, with some individuals unclear about their relevance and application.

In Lemington a number of the women mentioned office skills training with CLEO, (beside Central Station) and IT training at the Simonside Community Centre, (Bedeburn Road). In the case of the latter there was lots of praise for the training itself but transport had been a problem. In the beginning the Simonside Community Centre had allowed the women from Lemington to use its community bus for a small fee. However this had caused difficulties at Simonside Community Centre, amongst those who felt that the bus had not been provided for people from outside their area, and so its use was withdrawn.

Some individuals within the inner area, principally Benwell, had undertaken training schemes with the specific aim of either changing direction or in order to gain more stable employment within a different sector. No one reported gaining related employment (e.g. an engineer wishing to move into catering and an outdoor education worker studying for a sports science HND). However it should be noted that, since our sample concentrated on

the unemployed, for whom various schemes usually have not achieved their desired aims, it is not possible to comment upon individuals experiencing more positive outcomes from training schemes.

***In addition... Best practice elsewhere***

To ensure value for money the Five Lamps project, mentioned elsewhere, has negotiated special rates for training courses designed to help people get back into work. The project leverages its critical mass with providers to obtain discounts: e.g. training for a Forklift Truck Licence usually costs £250plus, they are being supplied with places at £160 per head. Similar deals have been struck to obtain SCATS cards (the safety licence necessary to allow people to work on building sites). This means that available funds go further and can benefit a greater number of people in the local community.

#### **4.4.3 Job search and methods**

Some male interviewees were looking for work within very broad sectors, while others had quite specific jobs in mind. This degree of specificity seemed to be a function of the length of time an individual had been unemployed for, with job searches becoming broader as the duration of unemployment increases. For some this broadening of job search included a period of retraining (mentioned above), whereas for others it simply involved applying for different types of job.

Some female interviewees had much narrower criteria restricting themselves to a particular occupation (crèche work was a popular choice).

Many interviewees did not have confidence in the quality of vacancy information. They believed that a high proportion of jobs were taken before they heard about them; either because they were circulated by word of mouth, sent to the community centres (involving a time lag) or were actually taken by the time they appeared in the Job Centre. This could be improved by some locations seeking status as *Authorised Intermediary Partners*, as with the scheme mentioned in the previous section (4.3, 16 to 24 year olds), as operated at the Five Lamps Regeneration Project in Thornaby-on-Tees. The Newcastle Employment Service is currently investigating this possibility.

Methods of job search were quite varied, with the sector of sought employment affecting the method of looking for work. Word of mouth was relatively more important in areas where a reputation can be important and a personal recommendation may carry a lot of weight, such as painting & decorating or childminding.

Generally, male interviewees used a variety of job information sources, including Job Centres, word of mouth, newspapers and, to a lesser extent, community centres and recruitment agencies. Two men commented that using agencies meant that you had to be able to give a telephone number – which not all interviewees had.

The Workfinders were mentioned as a useful source of information, assistance to complete application forms and providing general support, as well as the use of a telephone and computer.

***Reducing response times...***

Where assistance is provided for the unemployed by agencies based in the community, (such as Workfinders), alongside use of the phone, word processing facilities and Internet access to support job search activity should also be available. As well as proficient help to prepare CVs the possibility of sending these out directly to employers on behalf of applicants should be considered. The Five Lamps project in Thornaby does this already, with considerable success. They obtain permission from applicants when preparing CVs, to store them on their database and to send them out directly in response to appropriate vacancies, without checking with individuals each time. Thus the project is able to ensure a rapid response. They will also scan their database on behalf of employers to seek suitably qualified job applicants. This is popular with employers, who realise that applicants from the project are eligible for additional financial support to subsidise training.

Those in the Outer West appeared relatively more reliant on vacancies offered within Job Centres and less likely to use community centres and word of mouth. In turn they were also more critical than those from the inner area of the quality of jobs advertised in the Job Centre, perceiving them to be low waged and demanding long hours.

Female interviewees appeared more reliant on Job Centre information and the community centres (which usually receive vacancy information from Job Centres), rather than word-of-mouth and the newspapers.

**Intensity of job search.** As may be expected, the intensity of job search appeared to be relative to the period of unemployment and to age. Younger interviewees, who had experienced only comparatively short periods of unemployment, exhibited the most intense job search activity. Older individuals, who had been unemployed for longer periods, exhibited the least intensive search.

However, the intensity of job search of some people (note that this section only deals with people aged between 25 and 49) may have been influenced by Employment Service advisers. For example: two Scotswood residents had been told that they were not allowed to be restrictive in their job search, in terms of both type of work and pay; both had subsequently gained employment, one as a cleaner and the other as a refuse collector.

#### **4.4.4 Awareness of new developments**

In the Outer West (Newburn, Lemington and Throckley) around half the group were aware of the development at Newburn Haugh, but knew very little about the specifics or the type of employment likely to be on offer. They were very keen to know which employers might be coming in and cynical that:

*'someone in the Civic Centre or at the Job Centre must know, whatever they're saying. If we knew who was coming we could get some training – or our kids could – if we don't, someone else will get the jobs, like they always do'*

Most people were aware of call centre employment and that it constituted a major employer. However, the majority of the interviewees, especially the males, saw them as *'modern day sweat shops'* which offered little possibility of job satisfaction. Only one individual offered a positive opinion of call centre employment - he would be willing to apply *'if the wages were OK'*. In Benwell the men did not regard call centre work as *'proper jobs'*, preferring permanent, full time work that takes account of their existing skills and experience. Around 25% of women expressed a tentative interest in call centres, that they would be willing to look at a locally provided taster course (such as is already on offer) but an important factor was transport. For many women evening work in the call centres, when partners are available to provide childcare,

would be an option but they would like transport to be provided both ways.

Very few in the Outer West were aware of the Benwell Business Park and, although some people knew about the Airport expansion, few would consider employment there because of transport difficulties. There was also a commonly held belief that employers at Newcastle Airport would not consider applicants without access to their own transport. Two men also said that they had heard that the Airport jobs were only temporary/seasonal and therefore not worth pursuing.

Within the inner area (Scotswood, Benwell and the Inner-West) around half were aware of the Benwell Business Park, but details were sketchy. Most of the males and a minority of the female interviewees knew about the Airport development and the recent jobs fair, although none actually attended (mainly for transport reasons as indicated above). Only a small number of individuals were aware of the Newburn Haugh development, and five of the female interviewees were unaware of any of the developments.

#### **4.4.5 Obstacles to work and motivation**

The accounts of the majority of male interviewees suggested that many were actively seeking employment and had a strong desire to work, especially among those over forty and those in the Outer West. The desire to work expressed by female residents was less than that of males, many attached several conditions to the types of jobs they would consider and did not report the same intensity of job search activity.

The main obstacles to employment were perceived as:

- **Benefit traps.** Male and female interviewees with families indicated that they could easily move into some kind of low waged employment, but that the impact on benefits levels meant that it was not worth working. For the men interviewed this prevented them from considering part-time work (although full-time work was the preferred option anyway), though this inhibits access to more up-to-date work experience.

A small proportion of the women interviewed in Scotswood had engaged in temporary work (both part- and full-time). However, they reported that once the period of employment ceases, it

takes a few weeks for a new claim to be processed and for benefits to be re-instated. Due to this administrative lag, several weeks of considerable financial hardship may be experienced, which deters many interviewees from taking up temporary work. It may be worth inviting advisers in from agencies such as the Citizens' Advice Bureau to offer counselling on in work benefits and financial assistance to facilitate the informed evaluation of options.

- **Transport.** There were a number of interviewees who raised transport and travelling to work as a barrier to employment, especially in the Outer West. The transportation problem can be split into two distinct issues:

1. *Lack of transport. Some interviewees, especially in the Outer West, have problems in getting to certain areas, as it is usually necessary to use the city centre as a hub. Without a car, jobs at the Airport and the Metro Centre are virtually ruled out, due to the shift patterns and irregular start times. A Scotswood resident applied for a cleaning job but later discovered he was required to have a clean driving licence and his own car - he had neither.*
2. *Costs of available transport. Interviewees from all areas believed that the cost of public transport, combined with the low wages typically on offer, prevents them from considering work outside the West End or city centre. One male interviewee said that he would not consider attending an interview at the airport unless his transport costs were paid for him. This issue was more prevalent for the female respondents, although it is unclear how much of this response could be attributed to the financial cost and inconvenience of travel, or to a desire to work locally.*

- **Lack of appropriate skills.** This was brought up by a large number of applicants, especially those over thirty. They had often worked in an industry for a few years, were unable to get similar work now and did not have the appropriate skills for many of the jobs on offer (jobs involving computers, telephones and typing were frequently mentioned). However, some (but by no means all) of the individuals often expressed an unwillingness to retrain despite prolonged periods of unemployment, although some of this unwillingness seemed

related to a lack of confidence in their own ability to assimilate new information rather than a dislike of training *per se*.

- **Location discrimination.** The Employers' Survey revealed no significant discrimination against applicants from the West End of the city (Section 3.5), however a small number of residents thought that employers did practise a form of location discrimination, particularly against Scotswood residents. One Scotswood resident also felt that he had been discriminated against more than once because of his tattoos.
- **Childcare.** Females with families brought up the issue of childcare creating an additional barrier to employment, when family members were unable to take on childcare responsibilities. Where informal arrangements were available, with grandmothers and extended family, the carer was usually unpaid. Over one third of women (7) in this group were prevented from participating in the labour market because they provide regular care for grandchildren.

In Scotswood in particular, a number of grandmothers are bearing the opportunity costs for their daughters. They do so by providing unpaid childcare in order to allow their daughters to return to work so that they would not end up in the same situation as their mothers, that is unemployed and with few options.

- **Other.** Some individuals, who had been unemployed for long periods, had very precise *reservation wages* (not all had families to support), perhaps determined by past employment, which *may* be unreasonably high given their skill levels and current labour market opportunities.

### ***Policy implications...***

- *A dedicated Training Centre situated within the West End, should be considered as the most inclusive way of delivering training, overcoming transport difficulties and encouraging those reluctant to leave the area to begin the process of engaging in the labour market.*
- *Community based IT facilities could be used to deliver on-line education packages, and the possible availability of ESF funding for this should be investigated.*
- *Those agencies and organisations providing assistance to the unemployed should consider co-operative working arrangements in order to pool strengths, expertise and information. Specifically they should seek ways of pooling their buying power in order to obtain the best prices for training that they have to 'buy in'.*
- *Training programmes need to be shaped by good quality information about growth sectors and future job opportunities, in order that they lead to 'jobs with prospects'. The same high quality, up-to-date information needs to be available to individuals to facilitate realistic planning.*
- *As well as proficient help to prepare CVs, the possibility of sending these out directly to employers on behalf of applicants should be considered.*
- *Those storing applicants' information on their database to assist them to look for work could consider scanning their records to supply suitable candidates to employers with vacancies.*
- *Vacancy information made available to those providing support and assistance to the unemployed needs to be up-to-date and reliable (see Authorised Intermediary Partner arrangements mentioned elsewhere).*
- *Financial guidance and advice should be readily available to those contemplating the decision to take up work, in order that they may better assess the implications of the transition from benefits to wages.*

***Policy implications continued...***

- Where possible *positive discrimination in favour of local people should be exercised in the dissemination of information about new developments*, as for instance is the case with the local free press in Benwell, 'BenGen'.
- *Where firms take part in 'into work' schemes (and receive financial incentives to do so) attempts should be made to establish their financial probity.* This should occur with the operation of the proposed *Flexible training grant*, under the auspices of SRB5, in order to maximise participants' chances of completing training and going on to obtain work. This in turn would help to sustain individuals' levels of motivation and the credibility of intervention strategies.
- *The possibility of providing childcare or of compensating those currently providing it on an unpaid basis should be explored.*
- *Financial guidance and advice should be made available* to those contemplating the decision to take up work, in order that they may better assess the implications of the transition from benefits to wages.
- *Transport improvements* would considerably extend the range of options for work and training. For instance dedicated transport for the Airport or to the call centres, especially for shift work.

## **4.5 Group 4 - 50 years and above**

### ***4.5.1 Group profile***

Twenty-three people in this age group were interviewed, sixteen men and seven women. Almost two thirds of those interviewed came from the Outer West, reflecting the incidence of unemployment amongst this age group in that area (see Section 4.9 *Labour Market Statistics*). Those interviewed ranged in age from 50 to 58 years. There was a small incidence of health problems, (hearing loss, raised blood pressure) but these were under control and did not prevent working.

### ***4.5.2 Qualifications, work experience and training***

The length of time that the over-50s in the sample had been out of work varied, from around five months to fifteen years. Of the males, only three had been unemployed for less than 12 months, five had been without work for ten years or more and the remaining eight for between one and ten years. For the women, the time out of work varied between five months and seven and a half years, but more had held part-time, temporary contracts in the meantime than was the case with the males.

The range of work experience was quite evenly distributed across a small number of sectors. Of the men, 30% had held jobs in manufacturing, (as lathe and machine operators for example). Approximately 30% had been employed in semi-skilled positions in the building trade and were able to carry out a variety of tasks. A further 30% had worked as drivers and/or forklift truck operators. The remaining 10% had clerical and administrative experience gained in (1) retailing, (2) stock control and estimating in the motor trade and (3) the public sector, working for the DVLC and local authority. Three of the women also had this type of work experience, one having worked as an Arts administrator for 24 years, and another as an administrative clerk with British Bakeries for 25 years, prior to its relocation to Glasgow in August 1999.

Almost everyone in the sample had spent their working lives in employment with a single firm, for twenty or more years. They had therefore demonstrated considerable loyalty and reliability but

many were now in acute need of retraining. Common factors emerging were:

They became unemployed because of company closures rather than any cause over which they could have influence, and there was no evidence that their work had been anything other than satisfactory.

As many employers appear to prefer it, the skills gained by this group are often the result of *on the job* training and experience. This often (a) left them without the necessary pieces of paper as evidence and (b) experience was specific to a particular company and its machinery or working practices, and therefore not readily transferable.

Where interviewees had IT skills, which was not common, these were usually out of date and in two cases had been gained on mainframe computers rather than PCs.

Taken together it seemed that the employers, possibly in anticipation of closure (or possibly a cause), had not kept up to date with investment in machinery or training. *Therefore the skill deficits in this group had been accruing in many cases for sometime before they actually lost their jobs.*

Those with *clerical skills* seemed to be in the best position to find part time and temporary work, either in offices or retailing. For instance two people had obtained temporary but relatively well paid work with the Northern Exams Board. Age did not seem to be as great a disadvantage for them as it was to those from other sectors.

The remaining four women (from Scotswood) had worked in a succession of locally based, low skill jobs, including the abattoir, but opportunities no longer exist as most local businesses have closed. Of late they had all worked as cleaners because that was all that was available. They also provided flexible but unpaid childcare to allow their sons or daughters to work and were all actively involved in work in the community. It was the latter which interested them most.

### **4.5.3 Willingness to undertake training**

Since becoming unemployed few had undertaken training although, as mentioned above, were conscious of the need to update IT skills and driving proficiency.

- *Office/IT skills:* Two had received assistance from the Employment Service to update IT skills; one man had gone on to attain NVQ Level 2. The other was starting from scratch with computers, in an effort to change direction. The former Arts administrator had organised her own Business Finance course at Newcastle College.
- *Community Work:* A number of the women from Scotswood had taken part in drug awareness training and were keen to pursue work in this area, as it offered more interest than cleaning work and held relevance for their community.
- *Personal Effectiveness/Improving Self-Esteem:* The only other form of training referred to was a '*Raising Personal Effectiveness*' course, mentioned by three women over 50 in Scotswood. This was to help them with their community activities, rather than expressly directed at getting them into work and the women did not feel able to assess how useful it had been.

Overall there was considerable willingness to undergo retraining, but people stressed the need for realistic prospects of jobs on completion. Those interviewed felt that it was demeaning, particularly given their age and experience, to be put on training programmes in order to fill their time.

### **4.5.4 Job search and methods**

On the whole everyone used the Employment Service for vacancy information, obtained either locally (Scotswood Community Support Project) or in the Job Centres. They had very little confidence in this source and were dismissive about its effectiveness and the quality of jobs advertised. People also consulted the newspapers (*Evening Chronicle*) and one or two used the Internet and Teletext. Some mentioned trying to utilise networks of contacts and friends but as the time they had been out of work lengthened, these sources had largely dried up. Only two had considered making speculative enquiries.

*Agencies:* A number of people had registered with agencies, (mainly construction) such as HeMan, Van Hee, MBC and Initial MR. They had greater confidence in the ability of the agencies to deliver jobs than the ES but found the agencies unreliable.

Two men in Benwell described seven interviews with recruitment agencies, none of which had led to jobs but took place just in order to be 'put on the books'.

Four men in Newburn reported being sent for jobs through differing agencies, but found that agency personnel were not adequately informed and did not understand all aspects of the work. This meant that they had insufficient information about employers' requirements and the men's own skills and experience were not sold well.

People also thought that the employers did not want to take on employees over 50. They felt that the agencies should have taken a more protective role towards them, ensuring that the vacancy was genuinely available and that employers knew their age in advance, in order to minimise the amount of time and money wastefully spent to pursue their applications.

#### **4.5.5 Awareness of new developments**

Interviewees' knowledge of new developments, such as Benwell Business Park and Newburn Haugh was patchy and spatially divided. Around half of those in Benwell had heard of Benwell Business Park, but not Newburn Haugh, while just over 50% of the people in Newburn had heard of Newburn Haugh but not Benwell Business Park.

In Scotswood a woman complained '*we don't get to know about jobs in time and so we can't get the training*'.

Almost everyone (18 out of 23) had heard of the Airport expansion but were not clear about the type of vacancies that would be available and had concerns about transport.

No one expressed an interest in call centre work '*it looks soul destroying*' (52-year-old man, Newburn).

#### **4.5.6 Obstacles to work and motivation**

**Intensity of job search** Three quarters of those with building trade experience had tried leaving the area to seek work. A limited amount of temporary work was available but they had not been able to find sustainable employment, it did not pay well, nor was it commensurate with their experience. The men were keen to find full time work and were actively pursuing employment via a variety of means. One man from Newburn said that he would even be willing to work voluntarily on building sites, in order to train younger people.

The only exception was the man with clerical experience in the public sector who does not wish to return to full time work. He has his own transport, and is able to pick up part time temporary work with relative ease. His skills seem to provide him with different options to those of the other men. There is greater availability of the type of jobs that he is able to do and they pay well enough, when taken along with the safety net provided by his occupational pension.

The women with clerical/administrative experience had also been offered office and retailing work. However the jobs offered were for a low number of basic hours and it was felt that employers offered less than 16 hours per week in order to minimise the benefits they have to provide. The women are seeking full time work, ideally with permanent contracts.

The main perceived obstacles to work were:

- *Age discrimination:* There was uniform agreement that age was the biggest obstacle to anyone in this group getting a job.
- *Postcode discrimination:* All Scotswood residents (as for other age groups) felt their address was a major problem in obtaining work. The B&Q/Dickens example was given repeatedly by the women: '*we were good enough to clean it for them but not to work in it*'. Many provided anecdotal evidence of apparent discrimination and admitted to lying about their addresses when applying for jobs.
- *Transport:* The majority of people interviewed in this age group said that they were dependent on public transport and almost everyone could list destinations that they felt were almost impossible for them.

On the whole the men were willing to consider longer journey times, in a radius of 15-20 miles and including North Tyneside and the Team Valley. Many women were seeking locally based jobs, particularly in Scotswood.

Almost everyone felt that the Airport was inaccessible, without a private car. People in Scotswood and Newburn reported particular difficulties in travelling to the Metro Centre.

Two men in Benwell claimed to have had to turn down jobs offers in Prudhoe because of excessive travelling time.

- *Reservation wage levels:* Most people in this group set a reservation wage level of around £4.50 - £5.00 per hour, or £200 per week. Some mentioned higher wage rates, in line with union rates for particular jobs. There seemed to be higher levels of awareness about union rates than about possible financial incentives available to assist people back into work. Only two people stated that they would be willing to accept the Minimum Wage rate (£3.60ph at the time of the interviews).
- *Benefits Trap:* This was mentioned by around 20% of people, usually in connection with the rate of pay they expected from a job. A similar proportion also mentioned the time lag prior to the reinstatement of benefits, following periods of employment, as an obstacle to taking up work.
- *Application forms:* Only one person admitted needing help with application forms. Around 1 in 3 stated that they found the questions asked insulting and resented the classroom situation in which guidance on the completion of forms was usually delivered. Some felt that at 50+ years of age, information about where they went to school and what they did there, should not be required. There was also resistance to having to 'sell' themselves on paper, many people felt that their work record should speak for itself.

Approximately 25% of this age group had received some sort of assistance or advice about how to fill in application forms from a variety of sources but claimed that it had been degrading.

This response relates directly to *employability*, which is not limited to individuals' attitudes and attributes in the workplace, but also refers to their awareness of these in relation to the labour market and the need to present such assets appropriately to employers.

**Comment.** Despite the fact that age discrimination appeared to be a major factor, the majority of over-50s interviewed were genuinely seeking work and willing to consider a range of options and locations, as well as to undertake further training. They hold certain reservations about what they would be willing to do and how much they expected to be paid, but this was accompanied by considerable pragmatism about their prospects. Unfortunately, their self-esteem is repeatedly knocked by the labour market's response to their search for work, despite their considerable experience and enthusiasm.

### ***Policy Implications...***

- As with other groups, quite limited improvements to *public transport* would considerably extend the range of opportunities available.
- The employability of the over 50's, on the whole, did not appear to be in question, though some *fine-tuning of the application process and attitudes towards it would be helpful*. Given the group's pragmatism, it may be a question of providing the necessary information and putting the case for 'dealing with the world as it is, rather than as they would like it to be', so that there is greater recognition of the selection processes that employers expect applicants to go through. It may also be necessary to train providers, to improve the quality of assistance that is given to those completing application forms, demonstrating appropriate sensitivity.
- In order to overcome age prejudice encountered by this group, *it may be worth considering reciprocal pacts with potential developers of new businesses in the West End to actively discriminate in their favour*. For instance, elsewhere companies such as B&Q have *specifically* recruited from this age group in staffing some of their stores, viewing their experience and maturity as assets.
- *Where possible those assisting the unemployed in the West End, particularly in this group should seek to obtain guaranteed job interviews on their behalf.*
- *The experience and motivation of people in this group should be recognised and utilised*, perhaps to provide training and direction to meet the identified needs of the younger unemployed.

## **4.6 Group 5 - Lone parents**

### **4.6.1 Group profile**

Thirteen single mothers were interviewed. They ranged in age from 17 to 34 years, and each had between one and four children. Nationally around 1 in 5 of new mothers is a lone parent, in Tyne and Wear it is 1 in 3 (*Labour Force Survey*, 1997). Lone mothers are likely to be younger than other new mums are, have fewer qualifications and be unemployed (nationally only 1 in 5 has a job). The mothers interviewed were articulate but many reported that lack of confidence and low self-esteem are very real issues for them, limiting the training and job opportunities that they would be willing to contemplate. In Scotswood in particular, the young mothers were nervous about leaving the area and dealing with new people or new situations; this was even more noticeable when contrasted with the declared attitudes of young men from the area.

Many of the lone parents interviewed are too preoccupied by 'immediate' issues in their lives (domestic violence, housing and health issues) to consider careers or training. This reflects the findings of research elsewhere (Joseph Rowntree Foundation, 1998, and Policy Studies Institute, 1996). When asked their reasons for not working, lone mothers reported that, while lack of local job opportunities was a contributing factor, it was rated a relatively minor one, when compared to reasons associated with motherhood and childcare.

Almost half of the lone mothers interviewed reported that their children had health problems, which meant ongoing commitments in terms of hospital appointments, assessments and related matters. This does seem a high proportion and may relate to the nature of the sample and who was available/willing to be interviewed. However it may also be linked to antenatal care, education, income levels 'etc' amongst this group. The implications of this level of incidence of child health problems are that, at least for those interviewed, caring responsibilities are likely to persist for longer and be more intense than for other parents.

The lives of lone parents are often quite carefully balanced and, by limiting their activities, they seem to be trying to limit risk. In such circumstances even small steps which take them away from what is familiar – in terms of ideas or physically – can be very daunting.

### **Scotswood: Immediate issues**

**Case study 10** A, aged 18, has two children, aged 2 and 3 and is currently pregnant. At present she is dealing with childcare, housing and health issues. She left the area temporarily last October and lost a full time nursery place for one child – and gave up housing adjacent to a family member, from whom she received help with childcare. Since leaving she has moved home a total of 8 times in 6 months. She currently has a half-day place (5 x per week) for one child, full time for the other. As places are allocated on the basis of priority, A is fairly confident of obtaining another FT place soon. She has asked to be sterilised after the birth of the baby but Health Service personnel are currently refusing because of her age.

**Case study 11** B, aged 20, has two children aged 1 and 2. She has literacy and numeracy difficulties and wishes to improve, in order to better support her children. The literacy worker usually only helps the under 20's. B has low self-esteem and is afraid of leaving the area, even to attend a Young Mums' group a short distance away. She expressed concerns about a young male who had been taunting her with threats that soon he will be moving into an empty flat nearby. She has fears for her safety, which workers acknowledged as justified. B attended the interview with a black eye.

### **4.6.2 Qualifications, work experience and training**

Amongst those interviewed in Scotswood no one had left school with any qualifications. Around half the group had stopped attending school before they became pregnant, for others the arrival of their babies meant the end of education and that they did not go on to take exams. This reflects the national picture for lone parents, as a group they have had relatively low levels of involvement in the labour market prior to parenthood. This means that when they think of starting work when the children start school they have no past experiences to draw on and for employers they may represent a more costly option (higher wage rates related to age, potentially less receptive to training as longer out of school 'etc').

In Lemington a number of the mothers interviewed had worked, but most had not held jobs that they really wanted and so did not regard their past experiences as helpful. Straight after school some had participated in YTS schemes, one in a children's home, two as classroom assistants and two in offices, but all reported feeling that they had been pushed into these posts by the Careers Service. Latterly they had been employed in factories, in bars, as waitresses and as dinner ladies. In Scotswood there was also

evidence that up to half of the single mothers interviewed had basic literacy and numeracy problems, and difficulties in managing money.

Over half of the single mothers interviewed in Scotswood had attended a Personal Effectiveness Training Course. The response was mixed, some said that they would have preferred to have been part of a smaller group, made up of people that they knew and taking place on 'home territory'.

Many of the Lemington mothers had recently undertaken IT courses at the Community Centre. They reported that acquiring this new, practical skill had boosted their self-esteem, stimulated their enthusiasm to take other courses and was helping them to help their children.

***Case study 12: Steps towards success***

C, aged 21, has one child aged 5 years, currently at school. Represents a notable exception amongst the single parents interviewed in Scotswood. She has been successfully helped to take a first step towards employment, by means of fairly intensive support from the local Workfinder. She is attending a Basic Counselling Skills Course at Newcastle College and an IT Taster course, leading to CLAIT Level 1 (Computer Literacy and Information Technology), locally in Scotswood.

Embarking on this programme has been a huge step and required numerous, accompanied visits to Newcastle College to set up, plus lots of encouragement and practical support. This young woman had to come a long way in terms of self-confidence in order to consider a college course, and with help had set her own timetable, and felt in control and mentally prepared, though still easily daunted. The appropriate response from the training provider in these early stages is crucial. Both Workfinder and student commented upon the difficulty of finding the right person to speak to at the College and of obtaining information. The college tutor, whom the young mother met at her first college appointment, suggested a variety of study programmes, some of which could ultimately lead to a degree. At this point the young woman almost abandoned her plan to study, feeling overwhelmed by proposals that seemed beyond her.

She was pleased that her chosen course was taking place at the Rye Hill Campus. She felt that this was 'proper college' and viewed it differently (and more positively) than the more local John Marley site, two others present agreed with this perception.

### **4.6.3 Obstacles to work and motivation**

None of the mothers interviewed reported that they were earnestly seeking employment and therefore had not thought very carefully about job search methods. For some there were just too many issues of immediate concern to allow space and time for their own future plans. Those whose children were at school full time seemed able to see 'light at the end of the tunnel' and the chance to make a fresh start. This meant undertaking training – often to buy time to think, though their goals were not well defined and usually they only wanted to work during school hours.

The young women appeared pragmatic about their own strengths and weaknesses and keen to improve – for the benefit of themselves and their children.

There was considerable interest in Care Work and Counselling, and some in Business Administration

No one expressed an interest in Call Centre work (*'I'm not that desperate'*).

*Childcare.* On the whole, this was not regarded as a major issue by many of the interviewees. This must be placed in the context of that no-one appeared to be actively seeking work at the time of the interviews and therefore to have really confronted the issue (though they may have talked themselves out of seeking employment because of the perceived obstacles). The single parents interviewed in Scotswood had daily care/full time school places. Local family support, by grandmothers or other family members was also often available, though unpaid. The Lemington mothers felt that crèche facilities at the College would be a big incentive and, while many received unpaid family help, they regarded other forms of childcare as unaffordable.

*Transport.* Start times for courses/training provision in combination with *transport* was perceived as an issue for parents – courses in the afternoon are difficult, most childcare finishes at 12pm or 3pm; early morning starts, 9 - 9.30am, clash with start times for school or nursery. By the time the children were taken to school, no buses are available.

Most women interviewed see these factors as linked. This suggests a number of possibilities:

1. *Newcastle College could consider modifying start and finish times for courses* aimed at this group to take account of their needs, say running from 10.00am-2.00pm.
2. *Transport to and from the college and the city centre* to be co-ordinated with school hours.
3. *A community bus* provides a service to transport those parents of school/nursery age children to and from college and/or the city centre.
4. *Employment opportunities that are locally based* may best meet the needs of mothers keen to stick to school hours and reliant upon public transport.
5. Some hopes were expressed that the new sports facility at *West Gate Community College will provide summer courses* to allow mothers to work during school holidays.

The costs of travel were seen not an inhibiting factor, given appropriate wage levels, and neither were difficulty or distance of journey to work (rather than timing as mentioned above), except in relation to the Metro Centre.

*Benefits trap.* Additionally the loss of benefits and allowances is a major factor for lone parents in making decisions about taking on work or training. The tax and benefits system has features which limit the financial gains available from employment and the gains made by lone mothers are usually lower than those made by mothers who are part of a couple, in employment (*Labour Force Survey*, November 1999). Most of the mothers in Scotswood and Lemington mentioned this and appeared well informed about the financial implications of starting work.

Around two-thirds of those interviewed set wage reservation levels of £150–200 pw.

*Application forms and interviews.* The lone parents interviewed in Lemington, probably closer to considering employment than some of those in Scotswood, said that they were frightened of completing application forms and attending interviews.

### ***Policy implications...***

- *Any programme devised to assist lone parents requires an intensively supported, 'stepped' approach. Provision needs to be progressive and flexible, recognising the distance which needs to be travelled in order to get the most excluded to 'employability'.*
- *Initially support should be very local and relatively modest, concentrating upon capacity building rather than 'outcomes'.*
- *Individuals need one to one counselling to arrive at personal plans for training, while subsequent ventures 'outside' require continuing high levels of support.*
- *Priority should be given towards tackling domestic issues first; in order to allow lone parents the freedom and space to concentrate on training/employment. Basic problems such as domestic situation, care of dependants and financial situation need to be addressed.*
- *Training providers (eg. Newcastle College) need to present a single 'user friendly' interface, and to demonstrate sensitivity as to just how daunting even modest steps can be.*
- *Age should not place limits upon literacy and numeracy assistance – the investment is not only in the individual, but also in families and the community as a whole.*
- *Opportunities to try a variety of types of skills/work through high quality work experience placements should be provided. This could be motivational and help young mothers, particularly those lacking any work experience to establish and refine their goals.*

## **4.7 Group 6 - Ethnic minorities**

### ***4.7.1 Group profile***

Seventeen people from Asian ethnic minorities were interviewed, 8 men and 9 women. They ranged in age from 17 years to 47 years and had been out of work for anywhere between one month and fifteen years. This group did not include asylum seekers or refugees who are discussed separately in Section 4.8.

### ***4.7.2 Qualifications, work experience and training***

The men in the sample had all worked full time, while the majority of women had held only part time jobs. Three of the women interviewed, including two over 30 years of age, had no formal work experience at all. Of those who had worked (males and females), 35% had worked in retailing, 35% in catering and 30% in office work. The types of jobs held varied considerably, including two people who had owned restaurants or takeaways, and one (female) who had been assistant manager of an Off Licence, to waiters and taking telephone orders.

Some 75% of those interviewed held formal qualifications, including NVQs (Levels 1 and 2), BTEC, GCSEs, A-levels and two had university degrees. The emphasis in the qualifications tended to be on business-related topics, though two were social scientists. Yet few, if any, had held positions that enabled them to use these qualifications.

Of the women, three had recently obtained their City and Guilds Certificates in Teaching Literacy, Numeracy and ESOL (through First Steps and CSV).

All those interviewed have or are developing IT Skills. Some had been trained at West Gate Community College, some at First Step and two were currently taking IT courses at Newcastle College's John Marley Centre.

Everyone interviewed spoke English and at least one other language, usually Bengali, Urdu, Punjabi or Arabic. For over half of the women this provided a potential opportunity to take a Classroom Assistants' Course and seek work as bilingual

classroom assistants. Opportunities for this type of work were believed to exist in the West End.

Three of those interviewed had attended a Raising Personal Effectiveness course, in 1995/96. While this had not led to employment they felt that it had been very beneficial in terms of their self-confidence.

In addition 30% of the total sample have experience gained in the *voluntary sector* with a variety of organisations including: First Step, the Millin Centre, the West End Youth Enquiry Service and the Coalition Against Crime's Victim Support Service. The nature of the experience gained varied: management skills for voluntary organisations, sessional work with young people, mediation skills training and teaching adult literacy.

#### **4.7.3 Job search methods**

- Half of this group used informal contacts, through family and friends, as the preferred means of seeking work.
- Locally based Workfinder, whose post is dedicated to assist ethnic minority groups, was also used by half of the group.
- Around 30% referred to press advertisements.
- 18% used the Employment Service and workers at the First Step Project.
- 18% were not sure where to go for help in looking for a job
- Only one person in this group reported using a recruitment agency.

The range of means utilised has implications for the type and quality of information made available to the different agencies. The usage of recruitment agencies seems relatively low, from the responses provided by the sample. Conversely organisations such as First Step would not normally be a source of job information. However for those women in the Asian community whose confidence is low, it is a source that they are comfortable with and which they believe has their interests at heart, and where they also seek advice on job applications and interviews.

Similarly there is confidence in the teacher of a women-only IT class at West Gate Community College, and the Workfinder, to provide information and support appropriately.

*The information about new developments* seemed to follow the same spatial pattern of dissemination as elsewhere. As the interviews all took place in the Benwell area, 53% of the group had heard of the Buddle Road development, but only one person had heard of any plans for Newburn Haugh. Almost 1 in 4 had heard about the expansion of the airport. Slightly more than that, 1 in 3, had heard of call centres and would be willing to consider such work.

#### **4.7.2 Action planning for jobs**

Most of those interviewed were keen to undertake further training in order to improve their qualifications. For the women wishing to do the Classroom Assistants' Course, this was with a specific goal in mind, for most of others, despite the enthusiasm for training, there was less clarity about their aims.

Most of the women interviewed saw their own plans for work as closely related to those of their partners or families, with the latter tending to take precedence. At least one-third of the men interviewed were prepared to move from Newcastle to undertake work and had ideas for starting businesses. Many of the women were waiting for their partners to make decisions and any plans of their own were held in abeyance.

#### **4.7.3 Obstacles to work**

- *Transport:* For most men interviewed in this group, travel was not an issue. As mentioned above, some would consider leaving the area to find work. Over one third had their own cars and thought work in locations such as Gateshead would be accessible. However overall the city centre and the West End were the most favoured locations. For the women, local or 'very local' job opportunities were the only ones that they would consider.
- *Childcare:* In most cases the women were only interested in work within school hours. Three women had considered work outside of these times, based on the availability within their

families of reliable childcare. Only one woman mentioned that childcare would be a problem but went on to state that she did not intend to seek work until her child was at school.

- *Racism/Prejudice*: This was not mentioned as an issue by the majority of people interviewed, though one woman felt that retailers in the city centre discriminate against applicants from ethnic minorities.

A well educated (degree level) male in his late twenties had been rejected for call centre training and felt that racism may have been the cause but (as would be expected), had been unable to confirm this on requesting feedback from the employer.

***Gender specific issues***

Amongst Asian women in their 30s there were some common factors, often associated with religion, which mitigated against their access to the job market. Some had attended West Gate Community College in the 1970s, when girls were not permitted to wear headscarves or trousers at school. Despite achieving good grades their families felt that, because of these restrictions, when the girls reached their early teens it was not possible for them to continue at school. In two cases girls had been sent back to extended family in Pakistan for a period of time. This removal from school meant that they had not been able to complete their education, prior to marriage at around 17 or 18 years of age and the arrival of children. Therefore a number of women in the community have reached their late 20s or early 30s, highly able but without training or experience of the labour market. This in turn contributes to a lack of confidence.

Projects such as *First Step* and the *Millin Centre* have taken an inclusive approach, highly sensitive to people's needs and requirements. For some this has meant starting with cookery, art or sewing projects in order to build confidence and capitalise on existing strengths. This had led in some cases to training in Food Hygiene, First Aid, operating creche facilities and the management of community/voluntary organisations.

A proportion of the younger women had completed their education at school, but had married immediately afterwards and therefore had neither experience of the labour market nor of making career plans. Even where they have had work experience since marriage, often of employment in a family business (usually

clothing or catering), they were not accustomed to putting together action plans to develop career options for themselves.

### ***Policy implications...***

Many in this group, male and female, need help to assess alternatives and to become more self-aware in order to market their own strengths.

- For some women in this group *religious beliefs and practices* constrain their activities – what they may do, where they may do it and with whom – *any proposed solutions and providers must take account of this factor.*
- This may include the provision of dedicated transport, for instance a *Community Bus to take women safely to their place of work*, this may permit them to consider more flexible hours of work (for instance call centre employment).
- For males efforts need to concentrate upon *help to capitalise upon the advantages* that should come (and currently fail to) *from their qualifications, training undertaken and experience of voluntary work.*
- There is a certain degree of suspicion of official agencies and low usage of mainstream employment-related services amongst the ethnic communities. As is often already the case, it is important to ensure that *frontline workers are broadly of corresponding ethnic origins to their clients, and that any other assistance is made available through organisations that already have the trust and credibility of ethnic minority communities.*
- It is important that *information supplied to any support organisations must be of high quality and up to date*, in order to reinforce credibility and trust.

## 4.8 Group 7 - Refugees/Asylum Seekers

### 4.8.1 Group profile

Fifteen refugees were interviewed in all, twelve men and three women, aged between 20 and 45 years. Two-thirds of interviewees were from the Balkans.

### 4.8.2 General situation

Some of the people interviewed were in hostel accommodation, some in private rented, some had received their work permits and been awarded refugee status, and others had neither.

- The application process for *Work Permits* is slow - taking around 6 months or longer.
- The processing of applications for refugee status takes even longer; the current average (April 2000) is 13 months.
- Approximately 54% do receive refugee status or exceptional leave to stay, with a substantial number of applications refused – rendering targeting and assessing the value for money of early expenditure problematic.
- In the UK as a whole around 102,000 asylum seekers are currently awaiting decisions about their applications.

It was hoped that the new *Immigration and Asylum Act* (April 2000) would bring some change, however the operating methods of the current dispersal policy seem to produce further difficulties. The asylum seekers in Newcastle come from a large number of countries.

The biggest proportions of refugees/asylum seekers are from:

- Balkans (Albanians, Serbs, Croats and Kosovans)
- Kurds from Iraq, Turkey and Iran
- Afghanistan,
- Latvia, Estonia, Czech Republic
- Central Africa (Chad, Burundi, Cameroon, Sudan, Somalia)
- Algeria

This wide diversity of countries of origin means that there is very little in the way of existing support networks within the different communities, language tuition provision is over stretched and, as the host community, Newcastle lacks the appropriate *reciprocal* language skills. Press reports have highlighted the difficulties of mixing the various communities in hostels, such as the new Angel Heights and the longer established Rose Lodge. The schools also find it difficult to respond appropriately because, setting aside language difficulties, plans for the children they are to expect (ages, numbers 'etc') and the children who actually arrive seem to change all the time.

On arrival in the region the activity sphere of asylum seekers is very limited. The limitations are proscribed by legal constraints and lack of cash. Those currently in hostels were placed there under the auspices of National Assistance, treated as destitute and given no cash whatsoever. People interviewed reported that this pushes them into black market employment, which in turn renders them vulnerable to exploitation. It also seems to lead to the leakage of asylum seekers from the city, and therefore the system. A number of those interviewed knew of other asylum seekers who, lacking funds and local support, travel south, often to London, where they believe it is easier to find work (illegally) and to find clusters of people from their home countries. Approximately one-quarter of those interviewed saw this as an option for themselves, particularly the single men.

#### **4.8.3 Work Experience, Qualifications and Training**

Potentially the refugee/asylum seeker community represents a significant resource of human capital for the city. Some of its members, though by no means all, are highly skilled and/or well educated (e.g. economists, accountants, teachers, skilled electricians, import/export clerks, machine operators). Currently this resource is locked up and made inaccessible by the lack of language skills on either side of the equation (i.e. refugees and host community). Consequently a number of those interviewed seek low skill work as cleaners etc. where the need to communicate is minimal and language deficiencies are not exposed.

Generally IT competence levels in the refugee community were found to be low or non-existent. Where they do exist they are in need of updating.

### ***Case Study 13: Limitations of language***

V is a 30-year-old woman from Latvia. She and her husband have been in England for 15 months and have been granted refugee status. V is aware of a small number of fellow Latvians in Gateshead.

She holds a degree in Agricultural Economics from St Petersburg University and has 8 years work experience as an accountant, for a large farming collective, at an Art School and for a company producing food items. Her husband is trained, both as a painter and decorator, and as a metal worker. V could speak no English when she arrived in the UK. She undertook language training with ESOL at West Gate Community College and has then moved on to 2.5 hours per week at Newcastle College. V is currently undertaking IT training (Clait Level 1) at West Gate Community College, the teacher, now appointed as an Outreach Worker for RHWE (Reviving the Heart of the West End) has promised to take V along to meet the local Workfinder.

V is currently looking for work as a cleaner because of her limited language ability. She has ideas of starting her own food production company or perhaps a cleaning agency. Either would allow her to exploit her own strengths and those of the refugee community, while minimising the restrictions produced by lack of language proficiency. Currently however she does not know how to pursue these options.

### ***Case Study 14: Language tuition***

Amongst those interviewed was a refugee couple (husband, aged 27 and wife, aged 22) who had been granted permission to stay in the UK. The young woman has office/administrative skills; the young man only has military experience but was looking for work in construction. They had both attended a Personal Effectiveness Course and had enjoyed the contact with other people, but were not particularly clear about the course's benefits for them. In the woman's case, as with many refugees and asylum seekers, her major priority is her limited ability in English. She sees this as the main obstacle to labour market participation, especially for office work and she urgently wishes to obtain help. Currently she receives one half-day of language tuition per week at Newcastle College, which she does not find to be sufficient. At the time of interview her husband, whose language skills were better and whose chosen area of work probably did not demand such proficiency, had obtained a job with City Works and was due to start in two weeks.

*Significant* numbers of Balkan refugees are semi-skilled and from rural communities with experience of farm working and/or of armed combat. Their experience of conflict has stopped them acquiring work experience and, with the younger men particularly, meant that they left school early and never developed career plans.

#### **4.8.4 Obstacles to work and motivation**

Refugees and asylum seekers possess relatively high levels of motivation to seek work and/or undertake training and believe that jobs are available if they look hard enough. *'Local people say there are no jobs but there are, we have seen them'* (Croatian male, Scotswood). However there is a certain amount of wariness about potential employers. People are concerned that their tenuous position and ignorance about the labour market may lead to exploitation.

*Language.* While the refugees comprise something of a special case, what the vast majority has in common are language difficulties which inhibit job search and eligibility, preventing them from finding employment commensurate with their experience and training. Jobs requiring communication skills (especially call centre work etc.) are, on the whole, highly unsuitable and likely to remain so.

- Reciprocal language skills are lacking in the host community of Newcastle, making assimilation and provision of appropriate assistance more difficult
- Many refugees are from the countryside rather than cities, which also means that they have very little English when they arrive (refugees make this association)
- ESOL at West Gate Community College is struggling to meet the demands for language tuition. The facility currently has 600 students studying for between 4 and 6 hrs per week, which is insufficient time per person for their needs and there is a Waiting List in excess of 120
- Some language teachers are able to go into the hostels to provide language tuition

There are a small number of notable exceptions, people who are able to speak a number of languages. Some worked as interpreters during the war in the Balkans, some have been

involved in the tourist trade. These linguists are used as a resource by their own communities and by the police and health service to help to clarify issues. They are not usually supported to do this.

*A resident of Rose Lodge described being contacted by telephone at 3am on a Saturday night to go and assist in the city centre. Another asylum seeker (not known to him) had taken ill and was struggling to make the problem clear to the doctor. Lacking transport and the funds to pay for any, the interpreter had to walk into the city centre and back again.*

For such people the Workers' Educational Association (WEA) Interpreters' Course may be appropriate.

*Entrepreneurial activity:* A number of refugees mentioned starting their own businesses and have thought through some business ideas. The desire seems to stem from perceived gaps in the market (in food production for example) relative to the situation at home. They are keen to see how they get on in a more open economy and within their own business may be better able to limit the negative impact of their lack of language proficiency. Currently they need information about how to go about this.

Of those refugees spoken to, even those with Work Permits often do not understand the system as it affects them - and feel that employers do not either. They are unclear about how to look for work and progress applications. They often do not know what the next stage is or who to ask. The uncertainty surrounding their futures adds to the difficulty of making plans for the future, for instance in trying to assess whether a particular job will provide sufficient income, they are very unsure about what their costs, such as Council Tax, are likely to be.

On the whole *where* they seek help depends on familiarity and proximity, the latter because without cash most people can only go as far as they can walk. Many in Benwell had received informal, practical help (for instance with clothing 'etc') from the Millin Centre. The interviews also revealed very positive attitudes towards the Workfinders and the ESOL project at West Gate Community College, where they turned to staff for advice on a range of subjects.

### ***Policy implications...***

- One contact point may be depended upon by refugees/asylum seekers for various types of information or help, even though it is not directly connected with the labour market. This has *resource implications which need to be taken account of, for the staffing of such locations and the type of information that should be made available within them, (i.e. up to date and dependable).*
- As it is difficult to find funding support for the training of asylum seekers/refugees, especially where the outcome of their applications to stay in the UK is uncertain, *it is vital that money spent on their behalf is appropriately targeted* –particularly on language or IT skills.
- Potentially the refugees represent a considerable resource to the city in terms of human capital. Allowing them to become effective in the labour market as soon as possible after the successful processing of their applications is crucial, in the short term it may also help to avert disquiet. This means *funding providers to supply help to refugees and asylum seekers to acquire language and IT skills.*
- Longer term it may be *worth exploring the possibility of providing start-up finance* for those with permission to stay and wishing to start small businesses. This may also help to create some jobs for local people in the West End.

## **4.9 Labour market statistics**

### **4.9.1 Overview**

This section of the report provides a brief discussion of the labour market statistics available for the SRB5 area. The figures quoted mostly relate to an average of twelve monthly figures over the period May 1998 to April 1999<sup>1</sup>, with the exception of the total percentages unemployed, which refer to October 1999<sup>2</sup>.

Most of the discussion relates to the five wards enclosed entirely within the SRB5 area (Benwell, Elswick, Lemington, Newburn and Scotswood), with the figure for the district as a whole being used for comparative purposes. Figures for the three wards, which are only partly within the SRB area (Denton, Fenham and West City), are also reproduced here.

The sections which follow briefly examine the breakdowns of the unemployment figures as shown below.

- Overall percentages unemployed (claimant count)
- Breakdown by age and gender
- Breakdown by current unemployment duration and gender
- Breakdown by sought occupation and gender
- On-flows and off-flows from the claimant count
- Reasons for leaving the claimant count

### **4.9.2 Overall percentages unemployed**

The unemployment rate across those five wards contained entirely within the SRB5 area stood at 8.2% (October 1999). If the

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<sup>1</sup> This averaging was carried out due to the available data not being seasonally adjusted; thus twelve months worth of data are used to prevent any seasonal variations contaminating the figures. Monthly data was chosen over the alternative option of annual data because it allowed the use of more up to date data.

<sup>2</sup> This figure is not averaged over the same period as the other data because of the need for a population estimate. The unemployment percentages were provided by TWRI.

additional three wards partly within the area are included, the proportion was half a percentage point higher, at 8.7%.

Table 2 (below) shows the percentages of unemployed within the various wards. The upper portion of the table shows the unemployment figures for the wards contained completely within the SRB5 area (Benwell, Elswick, Lemington, Newburn and Scotswood). The centre portion contains the wards, which cross the SRB5 boundary (Denton, Fenham and West City) and the lower portion contains comparable figures for the district and county.

**Table 2 Percentages unemployed**

OCTOBER 1999	Percentage unemployed			Number unemployed		
Ward	Male	Female	Total	Male	Female	Total
Benwell	15.3	4.2	10.5	318	65	383
Elswick	21.9	5.5	15.1	432	77	509
Lemington	5.8	1.7	4.0	180	44	224
Newburn	8.3	2.2	5.5	209	44	253
Scotswood	16.2	5.0	11.5	266	58	324
Denton	7.2	2.3	4.9	194	52	245
Fenham	8.6	3.3	6.3	230	69	299
West City	27.8	9.8	20.8	536	120	656
District Total	9.9	3.1	6.9	7056	1756	8812
T & W Total	9.5	3.0	6.7	10037	6849	33985

SOURCE: Office for National Statistics (Nomis), Tyne & Wear Research

NB Unemployment calculated using estimated residential labour force at mid-1997 (TWRI model)

Total unemployment within the five wards contained wholly inside the SRB area ranged from 4.0% to 15.1%; while the district average was 6.9%. The unemployment rates for Benwell, Elswick and Scotswood were above the district average, whereas the rates in Leamington and Newburn were below average. Within all five wards rates of male unemployment stood at least three times the female rate. If the five wards are ranked in order of unemployment percentages, the orderings are the same for either gender: Elswick, Scotswood, Benwell, Newburn and Lemington, (with Elswick showing the highest rates and Lemington the lowest).

In terms of absolute numbers unemployed, rather than proportions, Elswick and Benwell are the worst affected areas, with 509 and 383 claimants respectively (although West City ward has a

substantially higher claimant count). Although Scotswood has a higher unemployment rate than Benwell, it has a lower absolute number on the claimant count (324), presumably due to its lower population. The total number of males unemployed within the five wards was between 4 and 5.6 times the numbers of females unemployed, this compares to a figure of 4.0 for the district as a whole.

### 4.9.3 Breakdown of claimant count by age and gender

Table 3 breaks down the claimant count into four age groups and by gender. An examination of the male claimants shows that there were no large differences between their age distributions across the different wards, although Scotswood and Benwell had slightly more residents within the 35 to 49 year old band and a correspondingly lower proportion in the 25 to 34 year old grouping.

**Table 3 Breakdown of the claimant count by age and gender**

Ward	24 and under			25 to 34			35 to 49			50 and over		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Benwell	21	31	23	27	16	26	35	39	36	17	14	16
Elswick	20	42	25	35	24	33	31	23	30	13	11	12
Lemington	21	41	25	34	23	32	29	21	28	17	15	16
Newburn	24	33	26	33	12	29	28	27	28	14	28	17
Scotswood	21	42	25	29	20	27	37	27	36	13	11	12
Denton	21	43	27	27	16	25	31	29	31	19	11	17
Fenham	28	42	30	29	20	27	30	25	29	13	13	13
West City	22	43	25	31	24	30	34	26	32	13	6	12
Newcastle Av.	23	37	25	31	23	29	31	26	30	15	14	15

SOURCE: Office for National Statistics (Nomis).

NB All figures are as a percentage of the group total, e.g. the 21% of the males unemployed in Benwell are 24 and under.

The results for females also show that the registered unemployed in the five wards contained within the SRB5 area have broadly similar age decompositions. However, this time Newburn is the exception, with an above average proportion of the unemployed aged over 50 (28% as compared to between 11% and 15% for the other wards), and there was a corresponding low proportion within the two categories of under 35 year old claimants.

Looking at the difference between the two genders (rather than difference within each gender across wards) unemployed female residents were much more likely to come from the under 24 years old grouping than the males, (between 31% and 42% of female unemployment, compared to just over 20% of male unemployment). It must be remembered that this is a breakdown of claimants rather than just those out of work. By contrast registered male unemployment was more concentrated in the over 25 years age groupings, especially within the 25-34 year old band.

#### **4.9.4 Breakdown of claimant count by duration and gender**

Table 4 shows the length of residents' current period on the claimant count. Examining males first, a lower proportion of Newburn and Lemington's unemployed, compared to the other wards within the SRB area, had been registered for over one year and these wards have a corresponding higher proportion who had been registered for 13 weeks or less. The proportions of males unemployed for 13 to 25 weeks and 26 to 51 weeks are virtually the same across wards.

**Table 4 Breakdown of the claimant count by duration of unemployment and gender**

Ward	Up to 13 weeks			13 to 25 weeks			26 to 51 weeks			Over 1 year		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Benwell	25	37	27	14	20	15	16	16	16	46	26	42
Elswick	27	40	29	16	15	16	17	14	16	40	31	39
Lemington	38	47	39	17	20	18	18	21	18	28	13	24
Newburn	40	44	41	18	23	19	17	17	17	24	17	23
Scotswood	25	38	27	15	16	15	18	20	18	43	26	39
Denton	32	43	34	16	19	16	16	18	16	36	20	33
Fenham	36	43	37	18	19	18	16	20	17	30	18	27
West City	27	39	29	14	18	15	15	19	16	44	24	41
Newcastle Av.	32	43	34	16	19	16	17	17	17	35	21	33

SOURCE: Office for National Statistics (Nomis).

Looking in relation to the city average, the distributions of the unemployed within Benwell, Elswick and Scotswood all show relatively high numbers of unemployed for over one year and

relatively low numbers of short term unemployed (up to 13 weeks), while for Newburn and Lemington the opposite is the case.

The pattern of female unemployment varies in a similar way to that of male unemployment in terms of duration. However it also exhibits a greater variation across wards; proportionally long term unemployment amongst females was below the city average in Lemington and Newburn, while the proportion of short-term unemployed (up to 13 weeks) was below the Newcastle average in Benwell and Scotswood.

#### ***4.9.5 Breakdown of claimant count by sought occupation and gender***

Table 5 breaks down the claimant count by sought occupation (using standard occupational classifications, SOC). The majority of types jobs sought by unemployed **male residents** within the five wards of the SRB area were similar to the averages for the city. The exceptions were, as might be expected, relatively low numbers within classifications 1 to 3 (high skilled sectors) and relatively high numbers SOC in group 9 (other occupations), the lower skilled sectors of the economy.

**Table 5 Breakdown of claimant count by sought occupation and gender**

Percentages	0 No Previous/ Unknown Occupations			1 to 3 Managers/Admin Prof. Occupations			4 Clerical/ Secretarial Occupations			5 Craft/Related Occupations			6 Personal/ Protective Service			7 Sales Occupations			8 Plant/Machine Operatives			9 Other Occupations <sup>3</sup>		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Benwell	1	1	1	4	5	4	9	18	11	20	3	17	5	25	8	4	25	7	11	4	10	46	19	42
Elswick	1	2	1	6	12	8	9	16	11	15	6	13	11	18	12	6	25	9	9	3	8	42	18	38
Lemington	0	0	0	9	13	10	9	16	10	22	3	19	4	24	8	5	22	8	16	7	14	34	17	31
Newburn	0	0	0	9	5	7	11	29	14	19	4	16	5	11	6	4	31	9	13	2	11	39	20	35
Scotswood	0	0	0	4	6	5	8	12	9	16	2	13	5	21	7	3	29	7	13	4	11	52	26	47
Denton	0	1	0	8	10	8	12	19	13	21	1	17	5	20	8	5	26	10	13	2	11	35	21	32
Fenham	1	0	1	9	11	10	14	23	16	20	9	16	5	18	8	6	28	11	15	4	12	29	13	26
West City	1	1	1	13	17	13	10	18	11	16	3	14	11	17	12	6	21	9	5	4	5	39	18	35
Newcastle Average	1	1	1	12	17	13	10	21	12	19	2	16	7	17	9	6	23	9	11	3	9	36	16	9

SOURCE: Office for National Statistics (NOMIS)

Examining relative difference across wards, figures for Elswick contained around twice the number of people seeking work in the personal and protective services sector (6) than were shown for other wards; this includes jobs such as bar staff and waiters. Elswick and Scotswood contained relatively low proportions within the 'craft and related occupations' (5).

Female residents, within the four wards of Benton, Elswick, Lemington and Scotswood exhibit broadly similar characteristics in terms of sectors of sought employment. With a proportion below that of the city of Newcastle average seeking jobs in higher skilled sectors (1 to 3) and the clerical sector (4), there was a correspondingly slightly higher proportion looking for work in other sectors. Newburn appears to exhibit a different pattern of sought occupations, with a higher number of jobs sought in clerical and sales sectors (4 and 7) and a lower number sought in personal and protective service occupations (6) relative to the other West End wards.

<sup>3</sup> The other occupations include coal mine labourers, mates to building trades, porters, refuse collectors, postal workers, all 'other' labourers, etc.

#### **4.9.6 Ethnicity of claimants**

The only recent data on ethnicity made available to us was provided by the Employment Service and relates to the number of claimants at the Newcastle West Job Centre in January 1999 (see Table 6 below). Data was also provided from the Newburn JobCentre but contained only one non-white claimant.

**Table 6 Breakdown of the claimant count by ethnicity**

Ethnicity	Number	Percentage	Percentage of meaningful responses
None selected	207	6	
White	2863	86	94
Black-Caribbean	2	0	0
Black-African	3	0	0
Black-Other	4	0	0
Indian	30	1	1
Pakistani	72	2	2
Bangladeshi	51	2	2
Chinese	7	0	0
Other	23	1	1
Prefer not to say	63	2	
Total	3325	100	100

Source: Employment Service

Although claimants are predominantly white there were still 192 non-white claimants on the claimant count, with Pakistani, Bangladeshi and Indian as the largest groupings.

#### **4.9.7 Extent of labour market activity**

Table 7 shows the extent of labour market activity within various wards, the on-flow columns show the number of individuals moving on to the unemployment register as a percentage of the total number already on the register<sup>4</sup>. The off-flows show figures for individuals moving off the unemployment registers. These two figures taken together can provide an indication of the scale of labour market activity, as well as changes in the size of the claimant pool. The relative sizes of the flows are discussed below and the subsequent section explores the reasons for the off-flows

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<sup>4</sup> The figures express the average monthly flows over the period May 1998 to April 1999

such as finding work, moving into education and moving on to incapacity benefit.

**Table 7 Level of labour market activity**

Percentages	Male		Female		Total	
	On-flow	Off-flow	On-flow	Off-flow	On-flow	Off-flow
Benwell	12	12	18	18	13	13
Elswick	12	12	20	21	13	14
Lemington	19	20	25	25	20	21
Newburn	21	21	24	26	22	23
Scotswood	12	13	18	20	13	14
Denton	16	17	21	21	18	18
Fenham	18	18	22	21	19	19
West City	12	14	18	18	14	15
Newcastle Average	16	16	23	24	17	18

SOURCE: Office for National Statistics (Nomis).

The average labour market activity for male residents (relative to the number unemployed) is much lower than that of females. The on- and off-flows for females across all wards is between three and seven percentage points higher than males. This may be because it is more likely that women will find and accept part time or temporary work.

Looking solely at male residents, labour market activity was higher in Lemington and Newburn (around 20%), with flows around eight percentage points higher than those within other wards, (Benwell, Elswick and Scotswood showed rates of 12 or 13%).

Female residents showed similar patterns to those of males, but with all figures at higher levels. Newburn and Lemington activity levels were around 25% (compared to 20% for males), while activity rates in the other 3 wards were between 18 and 21%, (compared to around 12% for males).

#### **4.9.8 Reasons for leaving the unemployment register**

The main reasons for leaving the unemployment register, in descending order of magnitude, were finding work (A), failing to sign (U), transferring to an approved government training scheme (I) and claiming incapacity benefit<sup>5</sup> (F). The proportion of those

<sup>5</sup> Suggesting large numbers of hidden unemployed.

leaving the register and entering employment was much higher within Lemington (56%) and Newburn (59%) than the other three wards (around 40%). Of the three wards that are only partially within the SRB5 area, Denton and Fenham had characteristics similar to Lemington and Newburn, whereas West City was similar to Benwell, Elswick and Scotswood.

**Table 8 Breakdown of off-flows by reason**

Percentages	A Found work	B Increases work to 16+ hours/week	C Gone abroad	D Claimed Income Support	F Claimed Incapacity Benefit	G Claimed another benefit	H Gone to full-time education	I Gone onto approved training	J Transfer to Govt-supported training	L Automatic credits available	Q Defective claim	R Ceased claiming	T Not known	U Failed to sign
Benwell	43	1	2	3	11	1	0	0	13	1	1	2	4	18
Elswick	38	0	4	3	9	1	1	1	13	0	0	2	3	25
Lemington	56	1	3	1	7	1	0	0	9	0	1	2	2	16
Newburn	59	0	3	1	6	1	0	0	11	0	0	3	2	12
Scotswood	40	0	2	4	11	1	1	1	12	1	0	1	3	22
Denton	54	0	4	2	6	1	0	0	9	0	0	1	3	18
Fenham	52	1	4	3	6	0	1	1	8	0	1	1	3	20
West City	36	1	3	2	9	1	1	1	15	0	0	1	4	24
Newcastle average	49	1	4	2	7	1	1	1	10	0	1	2	2	19

SOURCE: Office for National Statistics (Nomis).

NB Values were unavailable for the following off-flow reasons, 'claimed sickness benefit' and 'new claim review'. The following reasons had entries at 0% across all wards, all zero entries (in percentages not levels): 'retirement age reached' 'claims back-to-work bonus' 'gone to prison' 'attending court' and 'deceased'.

**APPENDIX TO CHAPTER 4**  
**QUESTIONNAIRE FOR RESIDENTS**

## **5. POLICY ACTION**

# **5. POLICY ACTION**

## **5.1 Introduction**

This chapter makes use of the findings from the surveys of both residents and employers, and interviews with agencies and other organisations, to identify a framework of policy appropriate to the needs of those within the West End who are disadvantaged within the labour market. It identifies the key elements of the problem and recommends policy measures to address them. The discussion is organised as follows: sections 5.2 and 5.3 outline the labour market context relating to the West End, weaknesses in the current system of intervention and the main policy issues which need to be addressed; section 5.4 describes an integrated process for supporting local people into work, emphasising in particular the crucial role for a co-ordinating agency at the heart of the system; and sections 5.5 and 5.6, respectively, set this proposed system within its community context and emphasises the way in which schools need crucially to be involved in the process.

## 5.2 Context for policy recommendations

The survey results revealed weaknesses in the institutions and policies designed to facilitate the movement of local people into employment, either directly or *via* training courses. The local labour market is characterised by a number of features typical of run-down urban areas: high unemployment, poor quality jobs with low pay, limited skills base and low participation rates. The labour market functions inefficiently because of failure on both the supply and demand sides.

There are a number of dimensions to the problem of how local unemployed people can move into employment and which need to be addressed in policy. Central to the problem is the requirement for greater employability among the socially-excluded residents of the West End. 'Employability' refers (see Survey of Literature, section 2.6) to the need for a person to have the capability to search for and obtain initial employment, to maintain employment and to obtain new employment if required. Four key dimensions of the employment problem within the West End are identified below. It can be seen that employability weaknesses are an important element in the poor employment performance observed within the target area.

- **Skill levels** This is largely a supply-side issue, related to the quality of the local labour force. There is abundant evidence from the survey of employers that, compared to the wider labour market, people from the West End are disadvantaged in the competition for available jobs by virtue of their low skill level. A low level of occupational skills limits the ability of local residents to compete for jobs both within the West End area and more generally within and around the city.
- **Job search and matching** The scope and intensity of job search among socially-excluded groups tends to be limited compared with less disadvantaged groups. The survey of residents confirmed the well-documented obstacles to job search faced by people in the SRB5 area, including such factors as knowledge of the labour market, availability of transport and pessimistic views on the chances of success in

gaining employment (see Survey of Literature, section 2.7). This is a supply-side limitation, which effectively reduces choice of job opportunities for those looking for work and lowers the probability of obtaining a good match between available skills (supply) and vacancies (demand).

- **Transition to work** This is a problem which has both supply and demand dimensions. On the demand side, many of the jobs available locally are part-time or temporary and attract wages that are relatively low (often at National Minimum Wage levels). As a result of these characteristics, the gains that individuals can achieve through the move from unemployment to employment are small (if any) in absolute terms, after allowing for the loss of benefits and employment-related costs (e.g. transport to workplace, work clothing, etc.). This affects the supply side through discouraging people from accepting work, especially in jobs with limited prospects.

Moreover, spells of temporary work are disruptive of the flow of benefits and thus incomes, as well as being inconvenient to individuals in terms of making the arrangements (e.g. filling-in forms, visits to offices, time lag for re-instatement of benefits, etc.) associated with switching between work and benefits. The surveys of residents and of employers also indicated that unrealistic expectations (i.e. type of job and pay associated with it) on the part of those seeking work sometimes prevented individuals from accepting an available job.

- **Discrimination** This is a demand side problem, relating to the perceptions among employers of local labour. There was limited evidence from the surveys of instances of geographical discrimination, although residents of Scotswood feel that 'postcode discrimination' operates in relation to their area, where deprivation (as reflected in indicators of social exclusion) is especially pronounced. But, in common with experience elsewhere in the city and UK, discrimination in relation to particular groups or group characteristics *does* seem to occur – specifically in relation to age (a significant number of employers are reluctant to take on young and older workers), a poor employment record (intermittent working or frequent job changes), and lack of own transport.

In addressing these fundamental issues, policy initiatives must ensure that:

1. Measures focused upon *demand and supply side problems are properly integrated*. The demand and supply side of the labour market are inter-dependent, and it is frequently a major weakness of labour market interventions that this is not given sufficient recognition.
2. Policy design must also recognise that the *needs of various social groups in relation to the labour market – and indeed of individuals – differ, and that any proposed measures need to be sufficiently flexible to take such differences into account*.
3. Policies should be directed not just towards groups of working age. *Any package of measures must start with pre-school leavers*. Many of the employability problems can best be tackled while people are still at school. This underscores the fact that to address the labour market deficiencies within the West End of Newcastle requires a long-term strategy.

### 5.3 Weaknesses in the current system

The existing system of institutions/agencies operating to get people within the West End into work, and the related initiatives specifically targeted on (or applicable to) the area, display a number of weaknesses in addressing the four main dimensions of the problem (outlined in section 5.2). These weaknesses are consistent with those found to apply elsewhere in Britain (see Survey of Literature). They are identified as follows:

- **Information:** There is insufficient information within the system. This relates to both the supply and demand side of the labour market and is the result of the tendency for agencies to be focused upon the objectives of their particular project. The restricted nature of the current linkages between different projects, and between agencies, employers and individuals seeking work reduces the flows of information and intelligence needed to make the labour market function more efficiently.
- **Supply focus:** There is a tendency, both locally and nationally, for systems of labour market intervention in areas with high levels of unemployment to focus disproportionately upon the supply side of the problem (i.e. on the unemployed themselves). Insufficient attention is given to the requirements of the *employers* in terms of skills and attributes required. This includes the need to systematically link agencies with businesses in ways that can inform the process of advising unemployed clients in planning appropriate training and skills-related activities. Better quality information can also help in tackling the problem of unrealistic expectations on the part of potential employees.
- **System design:** There are numerous gaps in the system for supporting individuals through the process of preparation for and obtaining a job or embarking upon significant training activity. Ideally individuals would be tracked through the system as they move from one stage to the next with provision of an integrated package of support measures designed to ensure they systematically build-up their skills and capabilities in relation to the labour market. In practice, the system is fragmentary and it is easy for an individual to be 'lost' and the

benefits of efforts already expended in providing support wasted.

- **Perceptions of the system:** The system is not perceived as cohesive by the users, offering a range of labour market measures to support the different requirements of socially-excluded people, it is not perceived as such, either by clients or by employers. The framework of measures designed to help get people into work or training is not effectively marketed as a system which has relevance to both the unemployed and employers and which each might access to their benefit.
- **Co-ordination:** There is no body or organisation with responsibility for *actively* co-ordinating the agencies and other service providers in the delivery of the various initiatives related to the target area. The system operates in a piecemeal fashion; there is no single agency that is able to ensure that the various elements within the framework of intervention work in a coherent fashion with full knowledge of their respective roles in relation to other initiatives. Such a body would have the role of identifying gaps in provision (including continuity), improving the interaction between different parts of the system and ensuring that information requirements are met and effective marketing is undertaken to increase awareness of the available services.
- **Short-termism:** Constraints upon the system of funding invariably place limits upon the duration of initiatives, and consequently can influence the type of intervention that can be offered. The emphasis is thus often upon what can be achieved within a given time frame, rather than what might be the most appropriate solution. The consequences of this are that set-up and learning costs are often prominent within the lifetime of the project and experience is lost and project teams broken up on termination of the activity. This seems to occur regardless of the success of projects and contributes to a feeling of cynicism towards intervention measures among local people.

## 5.4 Into-work: towards an integrated support system

Following the current study's appraisal of the system presently in place to assist those people furthest away from entering the labour market to obtain employment and improve their skills, a more integrated strategy is strongly recommended. Intervening in the labour market in order to facilitate the access of disadvantaged groups to jobs must be perceived as a *process*, where different institutions need to interact in a co-ordinated manner to bring together labour supply and demand.

For someone without a job, this process breaks down into a number of key elements:

### ***Preparation and pathways for entry into work...***

**Stage 1** - Developing self-awareness and confidence, including helping the individual to assess their abilities relative to the available opportunities, and assisting them to form a realistic action plan for moving forward.

**Stage 2** - For those not yet ready to move directly into a job, the next stage of the process, identified in the action plan, is further preparation for participation in the labour market via a number of options (e.g. training, voluntary work, ILM, work experience, placements).

**Stage 3** - Those that are job ready are assisted in finding a job, including help with job search and application and interviewing skills. Continuing support should be available for those who find a job (training subsidy for the employer and job related expenses, including transport, for the employee as well as monitoring support/guidance where necessary).

In delivering the three linked stages outlined above, it is important that the current set-up is replaced by a more co-ordinated system. Our view is that *a **single agency** should be created (or identified) with the responsibility for focusing and co-ordinating initiatives designed to help local people be more effective within the labour market.* This may involve co-ordinating existing activities and agencies, and developing solutions to address gaps.

This agency must possess a number of characteristics if it is to be successful. It needs to have the trust of local people, organisations and employers. To achieve this it needs to have credibility, in terms of its reputation for effectively delivering a service(s) based on the quality and experience of its staff. It must also be substantially unconstrained in its ability to focus its activities upon ways of overcoming problems of labour market access for socially-excluded people.

The agency would be involved – either as direct supplier or in a management/monitoring role – in all three of the stages identified above. *A particularly important part of the role of such an agency would be in bringing together the supply and demand sides of the labour market.* Currently, this relationship is poorly developed or non-existent and few employers have close connections with the local (i.e. West End) labour market and organisations related to it. The agency would address the issue of developing stronger working and informational links with employers (on an ongoing basis) in two important ways:

1. *It would facilitate better matching of people with specific vacancies.* This is a two way process where individuals need to be appropriately briefed about the vacancy and personal specifications, and employers need to know about specific skills available locally (including accessing available support when local people are recruited).

For some individuals and vacancies, this can be facilitated via a **guaranteed job interview** scheme, likely to work best where a continuing relationship with an employer or employers generating a steady stream of vacancies can be found. This allows such a scheme to gain credibility with both employers and residents. A successful programme, involving guaranteed job interviews operated in the West End, Head Start operated under the auspices of Newcastle College. Short schemes

lasting a few days were run with participants having a guaranteed interview at the end.

During the course, employers would give presentations on what the job(s) entailed and what was required of applicants. The remainder of the course was spent confidence building, filling in application forms, discussing benefit implications, etc. An important aspect of this scheme's success was the liaison with employers, if applicants were unsuitable, efforts were made to find out why and feed this information to subsequent courses. For example, if several applicants did not meet one of the job requirements (e.g. 2 years prior experience) then the employer needs to be asked if this is strictly necessary, and if so ways found to help local residents meet requirements. Preferably, this needs to be done in consultation with employers to ensure that any additional assistance given to residents is appropriately targeted. A further aspect allows job applicants the opportunity for **debriefing** about how the application process and interview went, in order to promote the growth of self awareness the scheme to be extended to include some kind of reflection on the part of those who did not enter a job to ensure that they get something positive from the course.

Another possibility here is to extend the 'Workfinder' to include contacting the employer with a particular unemployed client in mind, or recommending individuals in relation to notified vacancies.

2. It would also *gather information and intelligence* about sectoral trends and future employment needs of the employer, which can then be used in developing supply-side skills. This involves feeding back knowledge about placement opportunities and requirements of employers in terms of employability, vocational skills etc.

The agency would thus need to establish and maintain a relationship with key employers through ongoing and regular contact. As well as an understanding and sympathy with the position of the socially-excluded clients, officers carrying out such work would require an appreciation of the operational needs of employers and the environment in which they have to work. It is important that these officers gain the trust and confidence of local employers.

The information derived from better contact with employers will inform the process (Stage 1) of working with clients to devise an appropriate action plan. Activities taking place within Stage 2 of the process can then be more accurately focused in terms of actual job relevance (i.e. vocational training linked to forthcoming job opportunities). Detailed information on jobs becoming available (including pay and conditions) can play an important role in avoiding problems of unrealistic expectations.

The main elements of Stage 1 of the process of moving people into work are shown in Figure 1, 'Preparing individuals to enter the labour market'. The development of *self-awareness in relation to the labour market* is the important first step in connecting to the job market. This can be broken down further into three principal strands:

1. the kind of jobs they would like to do (referred to in Figure 1 as 'identifying occupational interests')
2. assisting the person to critically evaluate their abilities and attributes and to identify those areas which need to be developed ('assessment of abilities')
3. ensuring that the individual's occupational direction is made more realistic/practical by a good understanding of opportunities available in the local labour market ('awareness of opportunities').

The whole process relies upon a flow of information about employer needs and the evolving nature of the job market. A single agency (referred to in Figure 1 as the *Into-Work Agency*) would provide the focus for systematic feedback of information relating to the demand side. Information about the future requirements of firms is particularly relevant to improving the effectiveness of advisers guiding individuals on long-term career and training plans.

The preparatory stages outlined enable the individual, with appropriate support and advice, to put together an *action plan*. One of the key purposes behind the action plan is to identify means of overcoming skill deficiencies, including those of employability. These needs could then be addressed through participation in specific training designed to address employability and basic skills (see Figure 1). On completion of relevant training,

the individual is now ready to make decisions on future pathways. As Figure 2 shows, this involves a number of options.

It is important to recognise that the action plan may identify an exit from the process at this point. Some individuals may conclude (in conjunction with their advisers) that they are not yet ready to move on towards work. It is pointless using public resources allocated within the framework of economic policy to support people who are not likely to respond positively to the opportunities presented to them; social expenditures (and programmes) may be more appropriate. Individuals leaving the process may return and go through Stage 1 at a later date.

Those who may be ready to move forward now need to opt, *via* their action plan, for one of several pathways depicted in Figure 2. These pathways are as follows:

***Direct routes to work - the 'job ready':*** It is envisaged that people in this group should move fairly directly to find employment (either temporary or permanent) by going through the Into-Work Agency, the Employment Service, or one of the recruitment agencies. For these people, it should be recognised that:

- The job finding skills of individuals within this group may be enhanced by specialist help organised through/in conjunction with the Into-Work Agency (CV preparation, interview experience, etc.)
- Additional forms of support could be accessed from the same agency, including employment grants, training grants, and transport subsidies, and child-care assistance.
- The Into-Work Agency would itself provide a job matching service, linking specific individuals to employer requests/vacancies.
- This process may involve placements or temporary work to provide appropriate experience or to demonstrate capabilities to potential employers.
- New Deal can also incorporate situations of this kind, with a foreshortened Gateway period and ongoing contact with the participant in paid employment (but it is important that the process of matching individuals with New Deal places is more carefully carried out than has been the case so far).

- Tracking of individuals should continue through this stage as part of an attempt to maintain support for individuals through into permanent work (and to identify success stories, which can be used to encourage others).

***Less direct routes into work:*** In some cases, individuals who are ready to join the labour market, but who may benefit from vocational training courses or further education, might opt for this route. The Into-Work Agency would be able to advise on availability of grants and other support for those taking this route.

Those in need of further opportunities to raise their skills and develop their work-related capabilities before entering the labour market, can do so through New Deal, where various opportunities exist (including voluntary work, training and education, and environmental projects). New Deal is not suitable in many cases, however, as the employers' survey made clear. Opportunities therefore should be developed *outside* New Deal, which are similar in terms of offering a supportive environment for entering the labour market, but are more flexible and do not necessarily always involve formal accreditation of training.

Job experience within this alternative route (intermediate labour markets, or ILMs, and the voluntary sector) should be designed to be gradual in its progression, from a relatively informal and unthreatening setting, focusing substantially upon training, through to demands and employment relationships which are nearer to those encountered in the real world of work.

The nature of work on offer to ILM participants should aim to replicate unsubsidised labour market activity and, wherever feasible, be normal rather than made-up work (such as is sometimes associated with community schemes). When the pace of work is slow, or the content not perceived as relevant, it fails to adequately equip participants to enter jobs and therefore re-employment prospects following ILM experience may be poor. In order to ensure that this is not the case Intermediate Labour Market jobs (in the West End) therefore should be 'proper jobs' as far as possible, providing realistic experiences and reflecting what can be expected in the workplace. This will ensure that they are recognised as worth having by participants and the wider community and the experience gained will have greater credibility subsequently, with employers. The former point is worthy of

particular emphasis: there is already an element of 'initiative fatigue' amongst the communities of the West End and pockets of severe scepticism. If Intermediate Labour Markets are to be effective in moving the most excluded people closer to the labour market, they must have credibility with participants.

There should be ongoing contact with a mentor or adviser to support the individual through their period in this transition stage and to ensure that employability objectives are given appropriate priority. The ILM should include activities and training which reflect community priorities and needs and, where possible, the development of training and experience relevant to those sectors (and occupations) which are expected to provide most of the jobs in the coming years.

One of the weaknesses of ILMs in national experience is their failure to successfully move those completing their term in them into jobs. Continuity of support is important throughout this process, both in terms of ensuring that the ILM (or voluntary work experience) is relevant to their development needs and that the individual is then fully supported in finding (and then adjusting to) a permanent work situation.

## 5.5 Capacity–building in the Community

Where possible activities designed to improve access to the labour market should also aim to contribute to capacity building within the community. The provision of information is crucial here, as is the involvement in decision-making processes.

More specifically, the Into-Work agency, in seeking to ensure that overall skill levels are raised, can provide the requisite information and guidance to the community that will direct training activity towards sectors where future growth is expected. Thus the quality of the labour force will be improved in practical terms through upskilling and the ability of the community to respond to labour market changes will be enhanced. This would include information about labour market developments and the system in place to address the needs of those people seeking work.

In the case of potential vacancies, ways should be sought by the agency to ensure that these are communicated to the community as rapidly and accurately as possible. In Middlesbrough, at the SRB-funded Five Lamps Project, local community centres are provided with vacancy information that is guaranteed to be up-to-date by the Employment Service. In exchange, the Project provides telephone access to 'Employment Direct' for job-seekers (part of Employment Service provision). This pact means that the community is supplied with up-to-date information, while the ES can still claim candidates *via* this route as 'outcomes', contributing to its ability to meet targets.

The Into-Work Agency should also aim to involve members or groups within the community in setting priorities for labour market related projects, such as ILMs. The ability to participate in decision-making contributes to capacity building, by providing experience, exposing people to the way in which institutions and processes work, and helping to improve confidence. This may involve defining the aims or scope of projects and the agency could supply the necessary support for this to occur, primarily in the form of high quality information. This may not be limited to local developments but could include the dissemination of best practice from elsewhere. The community should not perceive information about other projects and initiatives (including visits) as

the sole preserve of officials, as it may also contribute to capacity building by raising expectations and widening horizons.

## 5.6 Connecting with Schools

The role of schools is vital in ensuring that the youngest entrants to the labour market enter under optimal circumstances. If we refer back to Stage 1 of the process of getting into work, developing self-awareness is the starting point. This provides the individual with the capability to maximise what can be gained from information and training. The skills needed to encourage self-awareness involve reflecting on personal strengths and weaknesses and developing a plan for future needs, these are embedded in the Key Skills framework and part of the National Curriculum.

There is evidence from best practice elsewhere that, for self-awareness to develop, the necessary reflective, thinking skills must be privileged within schools' curricula, especially in more deprived areas. In order to be effective, it needs to be part of an integrated, co-ordinated programme – starting at primary level and supported in a coherent manner, from the individual pupil's perspective (including tracking), through to school leaving age.

The development of self-awareness should also help to improve young people's receptiveness to information and careers advice. The Residents' Survey highlighted this as an area of weakness. Schools need support for their activities in this area, rather than the imposition of further guidelines or initiatives. The Into-Work Agency could provide this support, furnishing credibility through its officers and its access to high quality, reliable information.

The agency could also offer its services in a co-ordinating role, helping schools to identify appropriate placements for pupils, via its network of contacts with local employers. The early identification of appropriate candidates can also be a considerable asset for employers. Teaching staff may lack the contacts and the time to develop an effective network of employers willing to provide placements - a potential weakness which can be compounded in schools where few parents are in work and able to assist. The agency can intervene here and should be seen as a powerful resource.

Returning to the issue of receptiveness to careers guidance and information, there is also a role in this area for local providers of Further and Higher Education to help raise expectations and to intervene in the cycle of disaffection and disillusionment. In Hull a project is currently underway to increase the number of young people from the city's most deprived areas that apply to Hull University. The University receives referrals from the city's most deprived schools, of young people in Year 9 (aged 13-14, pre-GCSE). Cohorts of 30-50 children, nominated by their schools, then participate in a twelve-week programme run by the University. They attend lectures and activities for one half-day per week, including access to laboratories, sports facilities, etc. aimed at giving them an opportunity to see the range of facilities and courses available. As far as possible they are treated as potential undergraduates rather than schoolchildren. On successful completion of the programme, they receive a written, conditional offer of a University place. This initiative is very new so it is too soon to predict how many of these young people will subsequently claim their places, but evidence so far suggests that the scheme has been greeted very enthusiastically and has raised expectations and thus improved the motivation to succeed at school.

The scheme has proved a useful seeding exercise: the impact extending beyond participants themselves, to fellow pupils and other family members, also causing them to consider options and possibilities that they may not have done previously. In this way it makes a valuable contribution to capacity building in the community and one which may prove worthy of investigation locally, in order to widen University (and College) access in the West End of Newcastle.



Fig. 1: Key in Preparation of Individuals for Participation in the Labour Market (Stage 1)

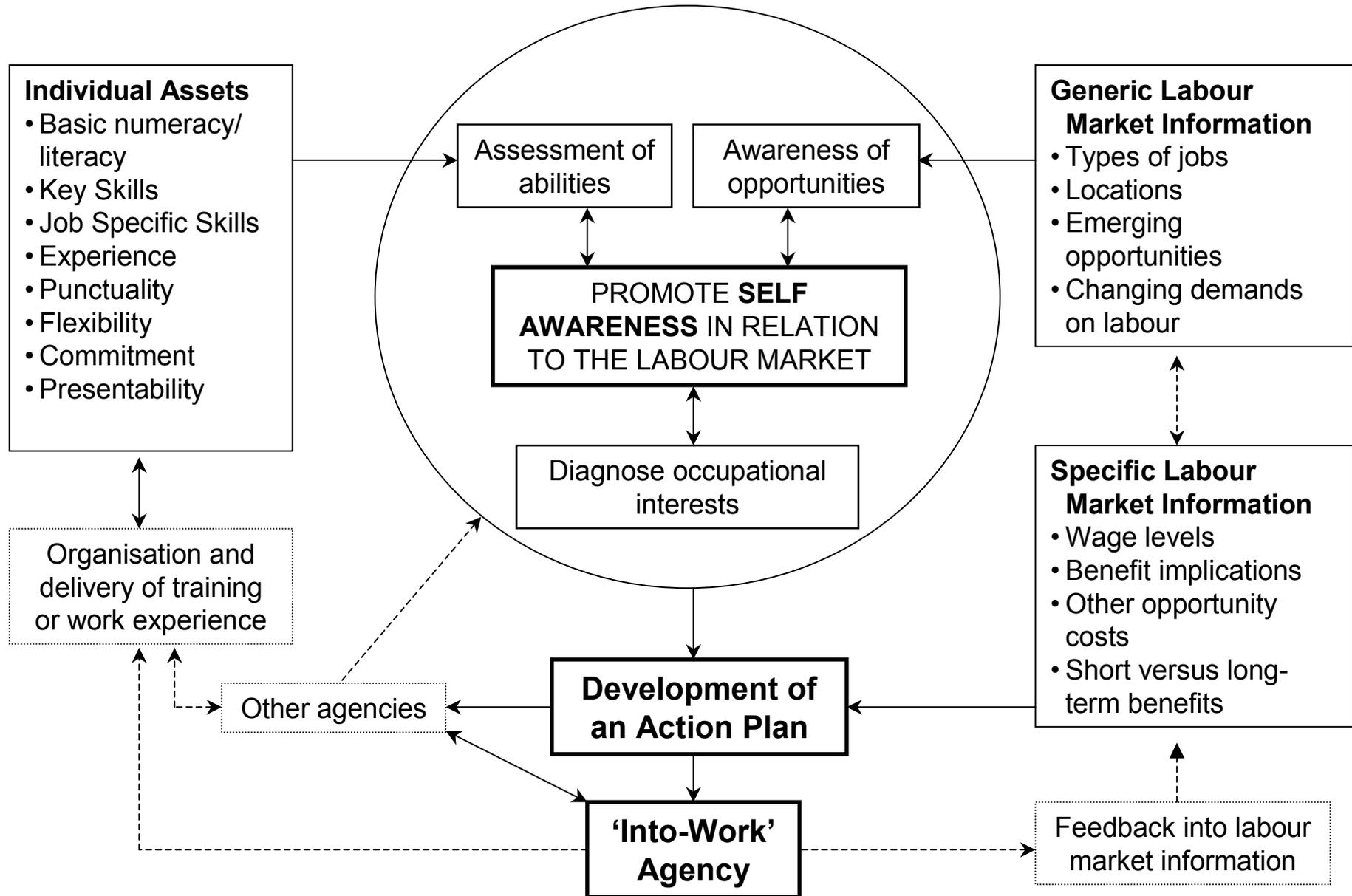


Fig. 2: Pathways from Action Plan to Employment (Stages 2 & 3)

