

D2N2 Social Inclusion Framework

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D2N2 Social Inclusion Framework

Executive Summary

Our recommended social inclusion framework is as follows:

TO9 programmes should focus on those furthest from the labour market, including those facing deep exclusion and / or multiple barriers.

Work or other economic activity will be the direction of travel for all.

The framework should focus on five priority thematic groups:

- Older long term unemployed people who are now experiencing additional barriers to work;
- Younger people including 'hidden NEETs', with an emphasis on helping young people navigate current, complex provision;
- Women 'returners' embracing a range of women facing different aspects of social exclusion;
- People with multiple and complex needs and;
- The financially excluded, both in and out of work.

A number of cross-cutting challenges and opportunities need to be considered in the development of programmes for these priority groups, namely:

- Health and wellbeing;
- Rural inclusion;
- Asset Based Community Development and local infrastructure;
- Involving and supporting business to stimulate employment opportunities for excluded groups and;
- Softer outcomes.

Similarly, a number of commissioning principles are recommended for consideration, based on evidence of what works for the priority groups.

Programmes should be commissioned based on theme, which BIG has indicated a strong preference for. Because of the strength of consensus on the priority groups we are confident a thematic approach need not disadvantage any particular area. But programmes have to be deliverable so strong consideration must be given to the most effective geography for delivery consortia by theme.

TO9 programmes should integrate with TO8 and TO10, and the focus of TO9 should be engagement, initiating progress along an employment pathway and tackling wider barriers to inclusion.

Purpose of this report

One East Midlands (One EM) has been asked by D2N2 LEP to act as an intermediate body in the development of a social inclusion framework and strategy for the D2N2 area. This framework will shape the priorities of EU Structural & Investment Funds and Big Lottery opt-in for social inclusion activity within Thematic Objective 9, '**Promoting Social Inclusion and Combating Poverty**'. It will seek to identify how programmes under TO9 should integrate with priorities identified within other thematic objectives, particularly TO8 and TO10. It will also enable the wider engagement of civil society organisations with D2N2 strategy and delivery. Richmond Baxter Ltd and New Ground Consultancy Ltd were commissioned by One East Midlands to develop this framework.

What is social exclusion?

For the purposes of this study we have used the former Social Exclusion Unit's definition of social exclusion as *'what can happen when people suffer from a combination of linked and multiple reinforcing problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown'*¹. Time and again in studies of deprivation, unemployment is the indicator which has the strongest correlation with all other aspects of exclusion. In identifying priority groups, and based on our interviews, the emphasis has been on those furthest from the labour market and hardest to engage, but of working age and able to work. Social inclusion activities are those that seek to address social exclusion, with a fundamental emphasis on work or other economic activity as the direction of travel.

The objectives supported under TO9 are to:

- Deliver integrated and innovative solutions that tackle the root causes of social exclusion;
- Address barriers to work and provide pathways towards employment to allow all adults to play an active role in the labour market;
- Lift people out of poverty wherever they live including overcoming persistent pockets of poverty;
- Support active inclusion through the use of local initiatives.

¹ Breaking the Cycle, Social Exclusion Unit, 2004

The indicators and targets for TO9 are as follows.

TO9: Promoting Social Inclusion and Combating Poverty - Targets		
Indicator		
Number of inactive participants newly engaged in job search on leaving		
Number of participants gaining a qualification on leaving		
Number of participants in employment on leaving		
Number of participants engaged in positive activities that address barriers to work or widen participation in training		
		Target
Total number of participants (a + b + c)		7,660
a	Number of unemployed (including long-term unemployed) participants	3,064
b	Number of inactive participants	3,830
c	Number of employed (including self-employed)	766
Number of inactive participants newly engaged in job searching on leaving		1,915
Results will be quantified once the definitions of the indicators are agreed by the European Commission		

The challenge

The current economic and social climate presents both challenges and opportunities. The economy is growing and growth is projected to continue for the foreseeable future, so we are arguably in a better position to tackle exclusion than 5 years ago. However, there is no guarantee that this will translate into strong employment growth or that the benefits of growth will automatically trickle down². Productivity has yet to pick up so arguably companies have the capacity to expand without the need to create new jobs³. There is an added risk that people who lost their jobs or never gained their first job because of the recession get left behind. As businesses modernise and need new skills this risk increases. And those experiencing what might be defined as 'deep exclusion' face many barriers to even beginning to think about and embark on a journey towards employment/economic activity and so are at greater risk of not benefitting from the upturn. Within this context the agencies that work with and support the socially excluded are experiencing significant financial constraints.

² Cities, growth and poverty: evidence review, Joseph Rowntree Foundation, Neil Lee et al., 2014

³ Economic and Fiscal Outlook, Office for Budgetary Responsibility, March 2013

Our approach

To develop this framework, we have sought to:

- identify priority groups with a pressing need for support in the next 1-3 years;
- identify gaps in provision or where current provision does not have sufficient reach;
- draw out cross-cutting themes to inform the commissioning of programmes to support these groups;
- recommend a model for delivery; and
- demonstrate the strategic fit with other Thematic Objectives, notably (but not exclusively) 8 and 10 covering employment and skills respectively.

The initial phase of this work has been driven by a tight timeframe set out by Big Lottery Fund as a significant match funder. To meet these timescales the research has focused largely on:

- reviewing existing research;
- reviewing local strategies, with priority given to those developed in consultation with a range of partner organisations;
- an online survey conducted by One EM, targeted at Civil Society organisations, but open to any to respond and;
- conducting interviews with members of D2N2's Social Inclusion Advisory Group and other key stakeholders, notably senior economic development and policy representatives of upper tier councils.

The findings

The approach that we have taken – conducting interviews and reviewing evidence and strategies – has identified five groups that we recommend are the focus of EU and BIG funded programmes under TO9. These five groups are:

- Older long term unemployed
- Younger people
- Women 'returners'
- People with multiple and complex needs
- The financially excluded.

The rationale for recommending each of these five priority groups is given below.

Priority group 1: the older long term unemployed

Who.

Those in their 40s and above who have been unemployed for some time. Their original barriers to employment are now being compounded by other issues.

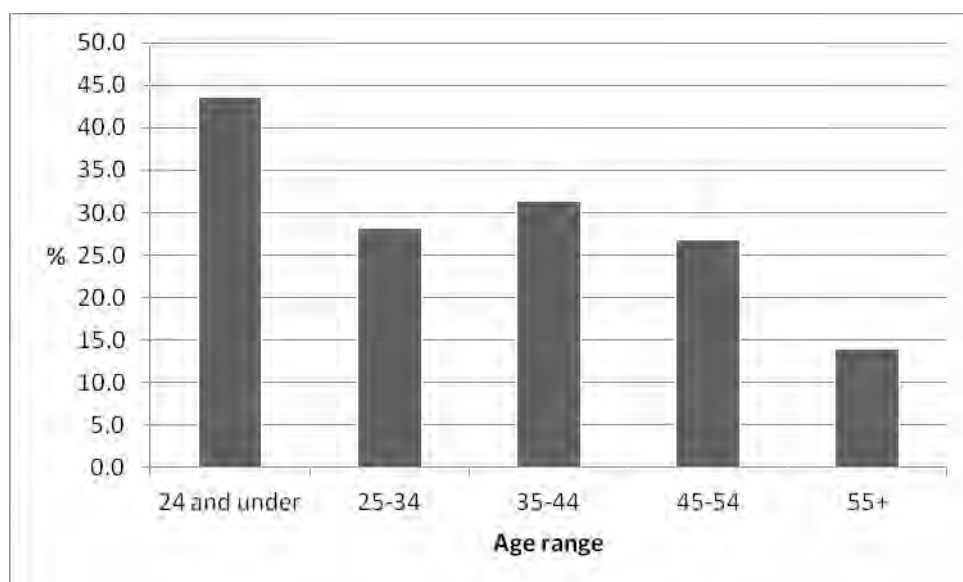
What we heard.

This was the most frequently cited group in the interviews, highlighted as one that has not attracted major funding programmes or interventions. Low or out-dated skills may have been the initial barrier to finding work, with some describing the group as typically ex-manual workers. Some cited the loss of many unskilled jobs over a number of years as a major cause of unemployment within this group. Others cited prejudice towards older people as a barrier. Prolonged periods of unemployment have led to other issues compounding exclusion, most notably mental health issues, but also including debt and alcohol problems. In some areas of D2N2 employers had made similar observations and expressed concerns at the gap in support. Links were also made to inter-generational exclusion and low aspirations. This group are located in both urban and rural areas.

What the evidence tells us.

Since early 2012 unemployment levels measured by Job Seekers Allowance (JSA) began to fall but the rate of recovery varied significantly between age groups – broadly speaking unemployment has fallen more rapidly amongst younger people and more slowly amongst older age groups.

Decrease in JSA claimants across D2N2 by age group, 2012 to 2014



Source: Claimant Count April 2012-14, ON, Crown Copyright Reserved, from Nomis

Across the D2N2 area poor mental health accounts for the greatest number of health-related benefit payments (44%). This is now the case even amongst older age groups, marginally exceeding musculo-skeletal conditions⁴ (typically associated with the legacy of heavy industry).

⁴ Source: DWP Benefits Data, November 2014, ONS, Crown Copyright Reserved, from Nomis

Strategic factors.

The introduction of Employment Support Allowance and the cessation of Incapacity Benefit has impacted disproportionately on this group. A number will be required to look for work and also supported to do so for the first time in a number of years. These changes take place in the context of a potential increase in the retirement age.

Priority group 2: younger people**Who:**

Young people aged 16 plus with an emphasis on those not in employment, education and training (NEETS) and 'hidden NEETS' (i.e. who are not known to agencies such as JobCentre Plus and not looking for work).

What we heard.

All knew of schemes and programmes available for young people, but also described it as a very confusing picture e.g. five 'youth contracts' in Nottingham alone. There appears to be no clear pathway for young people out of exclusion. One interviewee said "we don't necessarily need more for young people, but it needs to get a lot simpler". Such confusion is not only demoralising, but poor value for money. Added to this is the risk of disconnect between 'youth' and 'adult' provision of wider support services (e.g. health and social care).

Numerous compounding factors adding to the exclusion of young people were cited including mental health and emotional issues, substance misuse, homelessness, limited aspirations and in some cases limited interest in work. Another interviewee said "the issues young people have are the issues they come with", demonstrating how barriers can become entrenched even amongst the young. Some expressed concern that careers advice is failing young people, particularly those without role models and with limited social capital. Most felt the expansion of apprenticeships had been beneficial, but that they are out of the reach of this group of young people and there is a gap in terms of more accessible work experience and traineeships.

We heard very strong support for the role of navigators or mentors (including potentially Business Mentors) who could work with young people on a one-to-one basis to identify the right pathway for them and then motivate and guide them along it. This could provide valuable learning to then improve and simplify provision for this group.

Many views were expressed concerning the Big Lottery Fund (or BIG's) Talent Match programme. In summary there was support for the personalised model, but concern at its limited geographical coverage, availability and impact. It was acknowledged that it is too early to say anything about outcomes from Talent Match since it has only been up and running locally since April this year.

What the evidence tells us.

Nationally, the proportion of 16-18 year olds not in employment, education or training has remained at about the same level since the mid-1990s⁵. Local estimates indicate a slightly lower rate of NEETs in D2N2 than England as a whole (4.7% compared to 5.3%), although these rates

⁵ Statistical First Release, NEET Quarterly Briefing January-March 2014, DfE, 2014

exclude those whose status is unknown. In some parts of D2N2 the status of around 20% of young people is unknown⁶.

Approximately 89% of 16-24 year olds are in employment or full time education, again marginally better than nationally (88%)⁷.

Strategic factors.

Local partnership plans place a strong emphasis on young people. The Derby Plan 2013-15 highlights that young people should “be inspired by the world of work, get good qualifications and have more opportunities to get ready to start their working life and impress local employers.” The Nottingham Plan to 2020 aims to “ensure that all young people thrive and achieve.”

Whilst programmes to make young people ‘work ready’ continue to receive investment, this cohort have been disproportionately impacted by welfare reform, for example with reductions in benefits, the loss of many housing-related support services and reduced support for personal housing and education costs.

Priority group 3: women ‘returners’

Who.

Women who have spent a long time out of work or those who have never worked. This ‘group’ had a number of different facets including lone parents now required to find work and women from ethnic minority communities with particular cultural barriers. This group faced compounding barriers to inclusion including a lack of confidence and self-esteem, domestic violence and isolation.

What we heard.

The need for targeted interventions for women who want to get into or back to work, or who now need to find work because of welfare changes, received broad support. However, some felt that rather than proposing a specific theme for women, all activities and interventions should be sensitive to the needs of women. There was an emphasis on building confidence and offering basic/entry-level skills training. Affordable childcare was highlighted as a barrier for women as well as the need for flexible work to stop women ‘trading down’ i.e. taking jobs below their ability and skills levels. There is clearly an opportunity to achieve benefits for children and families by working with women to increase confidence and skills e.g. healthy cooking, budgeting and parenting skills

What the evidence tells us.

Since JSA claimants began to reduce there have been significant falls in numbers claiming for fewer than 2 years. Across D2N2 the number claiming for under six months fell by about a third between April 2012 and 2014, and the number claiming for between six months and a year halved. But the number claiming for two years or more doubled over the same period. The increase in long term female unemployment was even starker – this group experienced a 170% increase⁸. In some areas this is thought to have been exacerbated by the movement of parents from Lone Parent Income Support (LPIS) to JSA as parents of older children are no longer eligible. The

⁶ NEET data by Local Authority as at end 2013, DfE, 2014

⁷ Annual Population Survey, January-December 2013, ONS Crown Copyright Reserved, from Nomis

⁸ Claimant Count by Age and Duration, April 2012-14, ONS, Crown Copyright Reserved, from Nomis

claimants have typically been out of work or working very few hours for a number of years and are now competing with the more recently unemployed.

Men are more likely to claim JSA than women, but some of the smallest decreases in JSA levels have been amongst women. Over the past 2 years the number of female claimants aged 25-34 years fell by 10% compared to a 35% drop in male claimants of the same age⁹.

Strategic factors.

Welfare reform has been a significant factor.

Priority group 4: people with multiple and complex needs

Who.

Those furthest from the labour market, experiencing deep exclusion and needing a greater investment of time and resource to engage with support programmes than would typically feature in employment and skills programmes funded by other Thematic Objectives. This group is defined by Big Lottery Fund as people experiencing at least two of four needs/issues – homelessness, substance misuse, mental health problems and histories of offending. Government defines troubled families based on offending or anti-social behaviour, school attendance issues and receipt of DWP ‘out of work’ benefits.

What we heard.

More than 70% of respondents to One EM’s survey identified people with complex needs and facing multiple barriers as the target beneficiaries most in need in their area – the joint highest group alongside NEETs and those with poor work histories / experience. A number of interviewees highlighted individuals with complex needs as a priority group though no one highlighted a need to do more for Troubled or Priority Families. An ESF funded programme for the latter has been duplicated following the Government’s more recent investment.

What the evidence tells us.

There is need for policy interventions for individuals experiencing complex needs outside of a family setting. A series of studies by JRF found strong overlaps with homelessness, the need for institutional care and substance misuse, and a serious risk of people ‘falling through the cracks’ in service provision¹⁰.

National research indicates that 0.2% of the adult population have complex needs¹¹. The research to inform the Opportunity Nottingham Programme equated this to 476 people in Nottingham City alone and it suggests a cohort of 2,700 people of working age across the LEP area.

The experience of the Troubled Families programme shows that often other barriers have to be tackled before finding work. By the end of March 2014, 4,672 troubled families had been identified across D2N2, of which 4,039 were being worked with. At that time individuals in 136 families (3%) had secured work and were progressing towards work in a further 243 (6%). Success

⁹ Claimant Count by Age and Duration, April 2012-14, ONS, Crown Copyright Reserved, from Nomis

¹⁰ Tackling homelessness and exclusion: Understanding complex lives, T McDonagh, JRF, 2011

¹¹ Better Outcomes for the Most Excluded, Institute for Mental Health, J Schneider, 2007

rates were higher in areas such as education and addressing anti-social behaviour¹². Studies of individuals with complex needs¹³ identified the following challenges

- personal factors e.g. stigma, bad behaviour, staff anxieties, negative past experiences;
- organisational factors e.g. risk aversion, mutual suspicion between agencies, uniform models of care, unrealistic expectations, access barriers and;
- structural factors e.g. narrow commissioning models, service rationing, statutory barriers.

Strategic factors.

National policy frameworks exist for each individual aspect of complex need. Subsequently, Troubled Families policy recognised the compounding nature of different types of exclusion in households, but as yet there is no national strategy or framework for addressing the issues faced by those individuals with complex needs, who lack wider family support and have become disengaged from support services. BIG's Fulfilling Lives programme has enabled pilots of new services for these groups at significant scale, but they are limited in coverage. The Opportunity Nottingham Programme is the only one in D2N2 and has received £9.8m over the next 8 years.

Priority group 5: the financially excluded

Who.

This group was notable in that consensus was that programmes should be available to those in work as well as the most excluded. This group includes those on benefits, those struggling on low incomes and those without bank accounts or access to affordable credit.

What we heard.

Alongside the older workless group, this was the theme that received broadest support from interviewees. Some saw this as a significant gap, noting the many programmes to move people towards work, but lack of financial capability support. Poor financial literacy coupled with the inability to access cheaper financial products and services (e.g. banking, affordable credit, direct debit facilities for utility payments, insurance) creates a 'poverty premium'. Stagnant or falling incomes, an increase in the cost of living and record personal debt are putting pressure on households and some find themselves at the mercy of high-cost or illegal credit providers. In particular, some young people are struggling to get basic bank accounts.

What the evidence tells us.

Local sources were limited, but numerous national studies state the case. A 2013 report by the Centre for Social Justice found that more than 5,000 people are being made homeless each year because of rent or mortgage debts and living costs have risen 25% in the past five years. It concluded that rising childcare and energy costs, alongside stagnating wages and benefit cuts have further widened the poverty gap. All of this places an unprecedented and unsupportable financial burden on the poor.

The latest annual financial inclusion survey by researchers from Birmingham University showed that financial problems were affecting two in five households. As many as 12 per cent of

¹² Troubled Families Performance by Local Authority, DCLG, March 2014

¹³ E.g. Complex Responses, Revolving Doors, S Anderson, 2011; HOME Study, University of Salford, Bowpitt et al, 2011

households were finding it difficult to manage financially and a further 27 per cent were 'just about getting by'. This is a 40% increase on the position a decade ago. Some have very little capacity to meet unexpected expenses, even relatively small ones. One in 5 people said they would have to borrow money if they needed £200 at short notice. A further one in five either said they would not be able to meet this expense or preferred not to answer the question¹⁴.

Analysis by Experian to inform DWP financial inclusion policy found that 1.4m people in Great Britain had no bank account, excluding them from cheaper options for paying bills and borrowing small amounts. People on low incomes frequently have to pay a higher price for credit, often referred to as a 'poverty premium' and the research estimated 7m on low incomes had been affected by this¹⁵.

The latest annual poverty report by the New Policy Institute showed that financial exclusion is not just confined to workless households; more than half of those living in poverty in the UK in 2011/12 were in a working family¹⁶.

Strategic considerations.

The introduction of Universal Credit will mean benefit claimants receive payments monthly, have to manage their household finances over the month and ensure enough is allocated for rent (which previously went directly to landlords). DWP has recently launched a £multi-million investment in credit unions although coverage is not comprehensive.

Other excluded groups

A number of other excluded groups are highlighted in the EUSIF Strategy within TO9 including:

- People with physical disabilities
- Offenders
- People with learning disabilities
- Carers
- People from BME communities
- Troubled/priority families.

These groups have not been highlighted by our research as warranting inclusion as a specific priority group for action/funding since they were not identified as priorities by the consultation process. A number are supported through statutory provision. Whilst these groups were mentioned in discussion there was no consensus that any of them should be seen as a priority under TO9. Nor was there a view that they should be excluded if they sat within a priority group (e.g. a younger person who was also a carer).

In the case of Troubled Families it was felt that there is sufficient current provision available and that there will be a danger of duplication if their needs are addressed by EUSIF. In the case of people from BME communities our findings have been included under 'Supporting and integrating with other EUSIF themes'. The strong feeling expressed was that all strands/activities should be

¹⁴ Financial Inclusion Annual Monitoring Report 2013, K Rowlingson and S McKay, University of Birmingham, 2013

¹⁵ DWP Credit Union Expansion Project: Feasibility Study Report, D Oppenheimer et al, 2013

¹⁶ Monitoring poverty and social exclusion, 2013, T MacInnes et al, New Policy Institute, 2013

sensitive to and meet the needs of excluded BME populations. There was some support for working with offenders, particularly prison leavers, but the view was expressed that as the Offender Rehabilitation Act 2014 would extend probation support to those serving short sentences we should wait to see the impact of this before designing a further programme. In addition, there is currently a call for ESF funded programmes targeting offenders from NOMS/CFO and people with complex needs will include and provide the opportunity to work with a significant number of offenders.

Cross-cutting challenges and opportunities

The research and consultation process identified a number of cross-cutting challenges and opportunities that should be considered/addressed within each priority theme and in wider calls for proposals under TO9. By building these considerations into future commissioning processes the projects as a collective will deliver greater impacts and add value to other D2N2 objectives.

Health and wellbeing.

All four Health and Wellbeing Strategies at upper tier council geography included a strong focus on mental health. Mental health, emotional issues and personal resilience were often cited as issues for the older workless and young people priority groups in particular. Some commented on the poor state of mental health provision and thresholds to access services being too high, serving only to delay support until an individual was 'ill enough'. Two interviewees specifically mentioned support for individuals with learning difficulties.

Rural inclusion / exclusion.

A number of additional barriers faced by those in rural areas were cited, notably physical access to services including colleges and employment. A number of good schemes also already operate. There are particular problems for young people in rural communities including lack of access to training opportunities and a lack of well-paid, sustainable employment opportunities. These barriers should be considered when designing programmes for priority groups in rural areas.

Asset based community development.

The need to work with the strengths of individuals and communities was considered important, and more likely to have sustained results. Interviewees from both community and public sectors observed a loss of community development capacity because funding had been lost that paid for this activity or galvanised local partnerships. Interventions providing even modest amounts of infrastructure would be able to lever in far greater capacity. In addition the local VCS sector is a significant employer – investment in infrastructure would boost the ability of the sector to offer jobs to people from excluded groups.

There was strong feeling that programmes funded under TO9 should maximise the opportunity for delivery by smaller local organisations. One mechanism for achieving this might be a small grants programme within each theme that would enable small community organisations to access funding without the need for complex procurement/contracting processes. Such an initiative would help ensure delivery by organisations with local knowledge and expertise.

Involving business.

To be effective, there is a need for both supply and demand side interventions. For example, businesses may need additional support if providing training or employment for people facing multiple challenges. We found numerous examples of businesses working with young people to

raise their aspirations, such as the networking programme run in association with the Mansfield Learning Partnership and the Business Mentors embedded within major employers in Derby. We are aware that other LEP's – Sheffield for example – are considering wage incentive schemes for employers to encourage them to offer jobs to excluded people. The Advisory Group recognised the need for sustainable employment and progression to raise aspirations and lift people out of poverty. Measures such as in-work training, secure contracts and a living wage were considered key to this.

Softer outcomes.

Whilst TO9 have target outcomes this was viewed as the 'theme to tackle softer outcomes', encouraging people to engage with, for example, unaccredited learning, the arts (where there are also grants for inclusion activities), environmental and confidence building activities. These were seen as the first, important step towards more formal skills development and employment support, including activities delivered under TO8 and TO10. Building in soft targets and outcomes would help mitigate the potential perverse incentive for providers to focus work on those most likely to achieve hard targets more quickly than those who are experiencing 'deep exclusion'.

Themes or geography?

Successive Governments have recognised and sought to address concentrations of deprivation and multiple and complex needs. These have included place based approaches, focusing on the range of provision in a given area, e.g. Total Place, and more recently starting with the individual or household and redesigning services around them, e.g. 'Priority' or 'Troubled' Families.

From the outset and during our interviews there has been debate about the best strategic approach to programme development under TO9. Essentially there are two potential approaches or models.

1. Geography, with programmes determined by a geographical split. Options would be a split between Nottinghamshire and Derbyshire or a 4-way split of Derby, Derbyshire, Nottingham and Nottinghamshire. A geographical split and a 4-way split was supported by most of the community organisations based in Derby and Derbyshire.

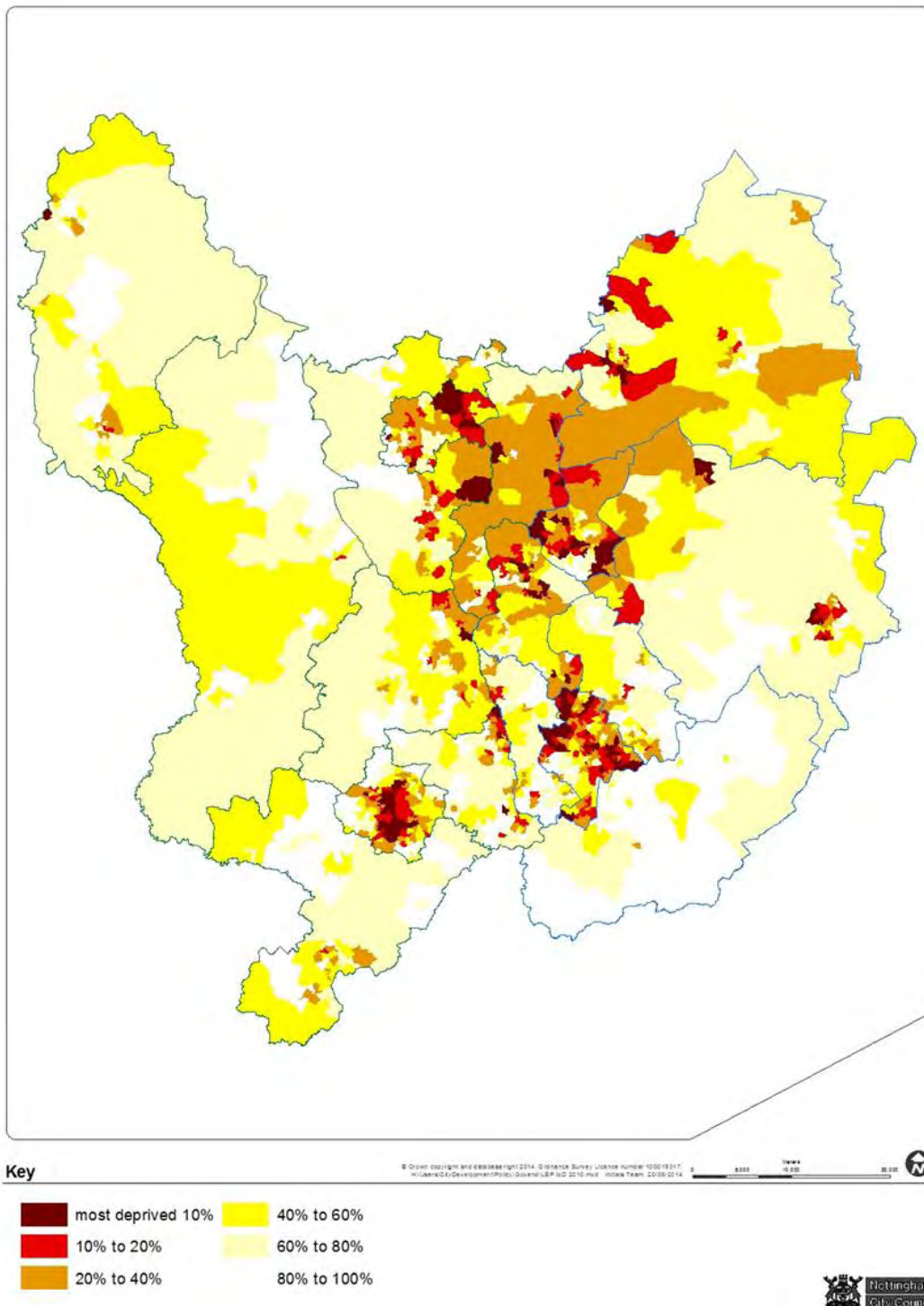
Advantages are that it is easy to understand, and arguably easier to form/build-on existing partnerships for community organisations. It may also be easier to design programmes that complement activity delivered by statutory services within their local jurisdiction, e.g. Mental Health Trusts.

2. Theme, with programmes determined by/designed around the five priority groups identified above delivered by partnerships working across the D2N2 area. Under this approach consideration would be given to geographic targeting at Partnership Development stage.

Advantages of this approach are that it is potentially more strategic, enables more effective sharing of best practice and the best use of organisational expertise. It enables work to be co-ordinated across organisational and administrative boundaries increasing impact and minimising the possibility of duplication of services. It arguably enables more cost-effective and better integrated delivery.

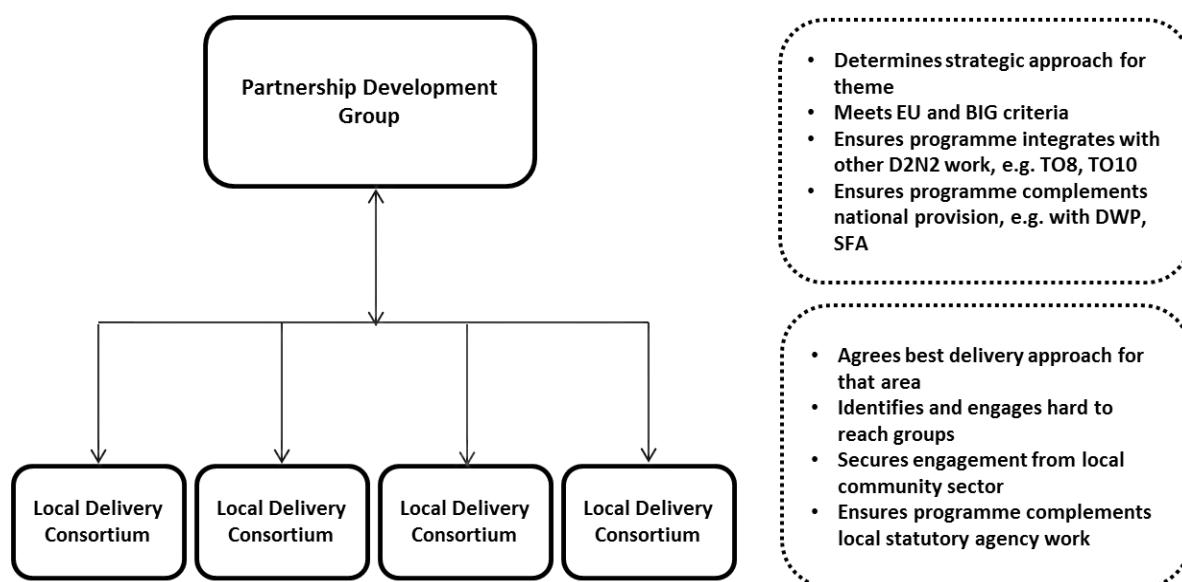
BIG, are providing opt-in for the majority of TO9 funding and have indicated a strong preference for design of programme by theme. Because of the strength of consensus on the priority groups we are confident a thematic approach need not disadvantage any particular area. Concentrations of social exclusion and poverty clearly exist in areas of D2N2. The Index of Multiple Deprivation demonstrates this. The greatest clusters of deprivation tend to be found in cities and towns, and in the northern shire areas between Mansfield, Chesterfield and Worksop. The employment and education indices show a similar pattern, as does health to a lesser extent. But opinion was divided as to how this should inform investment, with some concerned that a continued sole focus on areas of acute deprivation was missing a group of individuals experiencing deep exclusion in other communities.

Index of Multiple Deprivation, 2010



This is a large area. Some strong partnerships already exist or are emerging in parts of the D2N2 area. It is easier to operationalise programmes where good working relationships, including between the community sector and local statutory agencies already exist 'on the ground'. Given the tight timescales to design and award contracts; deliverability matters. We therefore recommend that those involved in BIG funded partnership development activity give strong consideration to the most effective geographic structure for delivery consortia within each theme.

Thematic partnership development model



The imperative for any programme will be to best meet need. This means that priority groups should be able to access and benefit from support wherever they live. In order to protect locality interests when using a thematic approach it is essential that the following delivery principles are fully adhered to and built into the commissioning process:

1. funding targets areas based on fine grained (e.g. below Super Output Area) evidence of need;
2. consideration is given to delivery through existing partnership structures;
3. expressions of interest demonstrate knowledge and understanding of locality issues;
4. prime providers or accountable bodies demonstrate commitment to local sub-contracting supply chains.

Commissioning principles

The following issues were identified during the research process which we recommend are adopted as principles in the development and commissioning of TO9 programmes.

- **Personalised interventions** – evidence is building that personalised interventions are more likely to achieve outcomes with excluded individuals and beneficiaries themselves respond better to personalised approaches. IPPR's report, 'Many to Many', argues that tackling exclusion is one of the most complex challenges we face and relational approaches – doing things *with* people rather than *for* or *to* people – are more likely to succeed¹⁷.
- **Support should remain in place throughout the beneficiary journey** along a pathway towards employment and this support should be delivered ideally by the same person or combination of persons as they move along the journey.
- Programmes should be based on the three A's of **Aspiration, Attitude and Aptitude**. Work to enable excluded people to broaden their horizons and think about new possibilities as well as develop their confidence and basic skills was seen as essential – and as an essential starting point for many.
- The concept of delivery through **Navigators and Mentors** received very strong support. There was a strong feeling that this would be the best approach with young people – helping to guide and navigate them through available services, overcome obstacles and achieve goals. There was also support for the navigator/mentor role to be embedded in all delivery models and not limited to programmes for young people. Strong support was expressed for Business Mentors for example to enable excluded people to access and sustain jobs with key local employers and give businesses the confidence to offer them jobs.
- We strongly recommend that programmes should focus on **deliverability** through the simplest possible structures and processes. This might include **partnerships** with a limited number of core partners alongside wider community delivery groups and the use of existing or emerging partnership structures and models.

Deliverability will be enhanced by strong local support for both the project prime and the delivery partnership. Successful projects should have the support of local networks and should demonstrate how they will utilise the strength of local supply chains.

- As reinforced throughout this report TO9 should focus on those **furthest away from the labour market** experiencing what we have called 'deep exclusion'. Providers should be encouraged/enabled to avoid the perverse though understandable incentive to focus their work on those who will most readily/quickly enable them to achieve targets.
- **'2 for 1' activities**. We suggest that opportunities should be taken for activities that achieve twin goals at the same time. For example we have recommended that TO9 activities should not target people who will never work. However, activities could support work with people in

¹⁷ Many to Many: How the relational state will transform public services, IPPR, R Muir & I Parker, February 2014

this group e.g. by offering structured/supported volunteering opportunities or work placements for excluded people from within our priority groups in social care settings eg residential care homes.

Supporting and integrating with other EU SIF themes

In developing this framework the research team identified many issues with direct impact on other EU SIF thematic objectives. As part of the consultation process we consulted with senior D2N2 officers responsible for TO8, Promoting Employment and Supporting Labour Mobility, and TO10, Investing in Education, Skills and Lifelong Learning. It is evident that there is an opportunity to develop programmes that complement and provide a 'ladder' of support that moves people closer to the labour market.

The emerging priority areas are:

- Meeting the needs of key sectors,
- Increasing employability and enterprise skills,
- Reducing unemployment, including engaging the disengaged,
- Increasing employer uptake (employer support and incentives),
- Developing higher level skills.

Our recommendation is that this link is achieved by TO9 focusing on:

- Engagement with the priority groups (acknowledging that many are disenfranchised from mainstream services) and employers,
- Initiating the journey towards work,
- Overcoming the barriers to this, particularly the wider barriers beyond skills and experience,
- Supporting and sustaining progress as people move into TO8 and TO10 provision and beyond.

Social inclusion pathway incorporating TO8 and TO10



This pathway applies primarily to the groups identified in priorities 1-4. Financial exclusion sits separately.

There was strong support for the concept of 'traineeships' i.e. schemes that offer basic entry-level opportunities that enable excluded people to experience the world of work and that provide employers with people who want to work towards apprenticeships and further skills training. We are aware that there is a national Skills Funding Agency (SFA) Traineeship scheme which local VCS organisations can potentially take advantage of. They would need to work with an SFA accredited provider to be able to offer traineeships to local people under this scheme. The SFA particularly targets people whose main barrier to employment is a lack of work experience. It could offer a stage on the pathway to employment for TO9 groups who might even benefit from a "pre-traineeship" scheme first. Traineeships should be available to all age groups and be linked ideally with apprenticeships within local growth sectors in order to maximise their impact and success.

There are other themes that can make a valuable contribution to Promoting Social Inclusion and Combating Poverty, and we would urge that this agenda is not confined to TO9. These are:

- TO2: Enhancing Access to and use and quality of Communication Technologies
Access to and ability to use online media is more important than ever, for job seeking and as a workplace skill. Digital exclusion contributes to poverty by preventing access to some financial

products, to social networks and advice and benefits. This is particularly timely as Universal Credit will require online applications. Some observed that embedded training might be more effective. Digital inclusion is a particular factor contributing to rural exclusion and impacts on the willingness of employers to set up businesses in rural areas.

- TO3: SME Competitiveness
- TO6: Protecting the Environment and Promoting Resource Efficiency
- TO7: Promoting Sustainable Transport and Removing Bottlenecks in key Network Infrastructures.

There are also strong linkages with the EU SIF Cross-cutting Themes as follows.

Promoting Sustainable Development

Environmental activities can make an important contribution to addressing barriers to employment such as tackling mental health issues, building confidence and learning new skills. The EU SIF highlights the importance of the environment as a key determinant of wellbeing and a source of significant economic opportunities over the coming years. Activities funded under TO9 should contribute to environmental sustainability and take advantage of opportunities linked to the environment.

Promoting Equality and Combating Discrimination

A small number of survey respondents cited BME groups as a priority group and in interview some specific groups were mentioned, but on balance respondents wanted to see access embedded within all programmes and not confined to a specific one. Personalised approaches, using a range of appropriate community providers including local BME providers was seen as a way to support this, encouraging engagement and to preserve valuable niche organisations struggling financially because of changes to funding and contracting (e.g. mental health charities working with a particular ethnic group). The Advisory Groups considered this principle should be extended across all D2N2 programmes.

Promoting Social Innovation

Social Innovation is the third cross cutting theme of the EU SIF programme. In principle it seeks to encourage innovation which addresses both economic and social problems. Openness to social Innovation helps bring forward new ideas and new approaches that can lead to transformative results which are often replicable. All D2N2 commissioning should be open to social innovation with emphasis on capturing learning and using this to improve services to ensure sustainable results and value for money interventions.

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