

Glasgow Works: Helping the long-term unemployed get back to work

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GLASGOW WORKS

Helping the long-term unemployed get back to work.

**The lessons and issues for the future of
a successful large-scale pilot initiative in Glasgow**

Ken Wardrop; Glasgow Development Agency

Introduction

Long-term unemployment is one of the most pressing problems facing Western economies today. Glasgow has a particular concentration of long-term unemployment, and it is further concentrated in certain parts of the city. Glasgow Works has been developed as an innovative pilot which seeks to address this problem. It is now two years old, and evaluation evidence suggests that it is working. Whilst further evaluation will be required, it is appropriate to share the experience to date, to help inform other European approaches to long-term unemployment, and to prompt comment on the approach taken. This paper describes what is different about the approach, outlines the results of interim evaluation work and discusses the implications of this approach.

Background

The challenge of long-term unemployment

Unemployment is a familiar and serious problem throughout Europe. However, its makeup is complex, with different aspects calling for different policy approaches. In particular, a distinction may be drawn between short-term unemployment, which is cyclical and on which local actions can realistically have little impact, and long-term unemployment, which is structural and may be more amenable to local efforts.

Whilst there is an absolute shortage of jobs, there are also many jobs available through turnover (recently estimated at 100,000 vacancies per year in Glasgow). These jobs are filled by:

- people already employed, changing jobs;
- school leavers;
- women returning to the labour market; and
- unemployed people, primarily short-term unemployed.

Even when jobs are available, long-term unemployed people are effectively excluded from the labour market. The longer someone is out of work, the more difficult it is for them to get back into work.

A combination of factors is at work here:

- a loss of confidence;
- a loss of motivation;
- the growing rustiness of technical skills and of work skills such as time-keeping and team-working;
- a growing wariness amongst potential employers of recruiting someone without recent work experience; and
- a cumulative effect from the geographical concentration of long-term unemployment; i.e. a loss of contacts and impoverishment of information networks (vital given the proportion of jobs filled by word-of-mouth).

The geographical impact reinforces a generational effect whereby youngsters growing up in some areas know few people either in their own families or in their neighbourhoods who have a steady job; there is a complete lack of role models.

The end result is that whole communities can be substantially by-passed by economic development. They are immune to the fluctuations of the labour market: they may suffer a bit more in recession; but they miss out on the flow of jobs in recovery. Even when the labour market tightens significantly, and skill shortages and recruitment difficulties emerge, long-term unemployed people are still passed over.

This is a serious economic problem: economic because long-term unemployment does not constrain inflation; because of the waste of human potential; because of the lack of buying power in the local economy; and because of the negative effect of the evident inequalities on city promotional efforts. As Howard Davies (past director-general of CBI) has said, *"We have to see how we can bring the long-term unemployed closer to the labour market. They represent a drag anchor on the economy."*

It is also a heavy irony that this long-term unemployment exists in the midst of work needing to be done. The problems of drug abuse, of homelessness, of lack of childcare, of environmental degradation, of integration of disabled people into the labour market and into society at large, to name but a few, are desperately urgent. The skills to tackle them are not in short supply; they exist within the same communities.

A Glasgow problem

Glasgow has seen a huge loss of manufacturing jobs in traditional sectors: in ship-building, heavy engineering, chemicals, iron and steel making, locomotive manufacture, textiles, and so on. From being globally pre-eminent across a range of manufacturing sectors, it is adjusting painfully to life as a post-industrial city.

Unemployment is disproportionately high in Glasgow: the city has a sixth of Scotland's population, but a fifth of its unemployed, and a quarter of its long-term unemployed. Within Glasgow, there is further concentration in the inner city and peripheral estates. Long-term unemployment is therefore very much a Glasgow problem.

A Glasgow solution

There is a lot of cumulative experience in Glasgow of tackling unemployment and addressing local economic development. Over the past 15 or 20 years, public sector agencies have co-operated with the private and voluntary sectors to stimulate the city economy, facing up to challenges and seizing opportunities. The success of the Glasgow Garden Festival, the European City of Culture year, and the impact of a series of local urban regeneration initiatives from GEAR (Glasgow Eastern Area Renewal) to the Gorbals can be traced to the willingness of the local authorities and economic development agencies to work together with other partners on successive issues, learning from mistakes and successes and building up a collective experience of what works and what doesn't, in taking the city forward.

The genesis of Glasgow Works lay in a collective recognition that long-term unemployment was not an ephemeral issue; it was here to stay, and if not addressed, would progressively get worse, disfiguring the city's economy and ability to regenerate itself. A series of meetings led by Glasgow Development Agency, involving both Glasgow City Council and Strathclyde Regional Council, Scottish Enterprise, and the WISE Group and Drumchapel Opportunities, two organisations with great experience of working directly with long-term unemployed people, brought together the lessons of the recent past, and started to build a picture of a comprehensive, affective approach.

The Glasgow Works Package

The approach ultimately developed as Glasgow Works was a package, incorporating all of the elements thought to be important: a combination of work, training and personal development, the work being on a real job of importance to Glasgow; supported by individual counselling, preceded by an intensive induction and assessment period; and followed by a period of on-going support to help people "bed down" into mainstream employment, further education, or whatever else came after the year on Glasgow Works. (This process is set out in diagram form in Appendix 1).

This owed a lot to the model already developed by the WISE Group, who employ and train significant numbers of long-term unemployed people on landscaping and energy conservation projects. The key differences in Glasgow Works lie in the pre-recruitment process, in the emphasis on core skills and personal development, and particularly in the great diversity and quality of activities undertaken within Glasgow Works.

What Makes Glasgow Works Different?

Glasgow Works, to be effective, had to be distinctive from previous initiatives aimed at tackling long-term unemployment, such as Training For Work, Community Programme or community business development. Whilst much has been learned from previous initiatives, Glasgow Works is different in several respects. The key characteristics are as follows:

- **Projects** - Glasgow Works is about the quality of projects which people are working on as much as it is about individual progression. Being employed, doing a "real" job which matters, is a key part of the Glasgow Works experience. A wide variety of projects ensures that Glasgow Works is accessible to a wide range of people, and can respond to opportunities in the labour market.

It is not about creating jobs simply to employ people; what the Glasgow Workers are doing must contribute to the quality of life and the economy of Glasgow. Each of the projects therefore has its own set of objectives, and many involve a significant amount of individual responsibility: "buddying" homeless people or young drug addicts, providing after-school childcare, or advising tourists and visitors to the city centre are challenging jobs; the experience is that Glasgow Workers respond to the challenge. This is confirmed by no less than four awards made to three different Glasgow Works projects for the quality of their work.(For a full list of Glasgow Works projects, see Appendix 2.)
- **Entry** - Access to Glasgow Works is by selection and not as of right - motivation and commitment are key factors. It is critical that participants want to be in Glasgow Works. There is therefore no compulsion; in fact, not all who want to enter Glasgow Works are able to, given the restricted number of places.
- **Assessment and Guidance** - This is not simply to determine the most appropriate place within Glasgow Works, but whether GW is appropriate at all. If not, the individual will be given relevant advice and referred to another option or initiative. If Glasgow Works is the appropriate route, the counsellor will stick with the individual throughout the programme in a mentoring and supportive role; and can continue to support the individual beyond GW, to ensure that they are "settling in " to jobs or education.
- **Emphasis on Core Skills** - Evidence suggests that employers do not primarily want to recruit vocationally qualified people. While they can train staff to meet the technical requirements of the job, what they need are people who are "enthusiastic", "flexible", "willing to learn"; the "core skills" - the ability to communicate, to apply technology, to work with others, to solve problems, and to be able to respond to change. Whilst vocational training leading to vocational qualifications will be part of the GW package, depending on the project, the emphasis throughout the initiative in every project will be on development of the core skills. These skills can be developed in virtually any setting, and are truly transferable into any other employment situation.
- **Personal Development Opportunities (learning to learn)** - In addition to the work and training, every participant has the opportunity to pursue a personal learning goal of some sort. The idea behind this is to help people to develop confidence in their own abilities to learn, and is akin to an Employee Development Programme (such as Ford run) where workers can choose to follow some course of learning, *not* work-related. Such initiatives have successfully raised learning skills and motivation, as well as having a beneficial effect on staff participation, management-worker

relations, and communications. Besides these benefits for Glasgow Works, the intention is to encourage a learning culture which people will take with them, whether into employment or not. In practice, about half of Glasgow Workers have opted for driving lessons, seeing a driving licence as a key to employability. Others have chosen a wide range of activities including for example computer training, language lessons, and music. In every case, the choice of an activity is valued and taken very seriously.

- **Employment** - While in Glasgow Works, individuals are employed. This is a very important motivator, and means that individuals can apply for jobs from a position of employment - a big advantage. It also opens up opportunities for access to wider networks, such as union membership, as well as the improved motivation which it brings.
- **Remuneration** - GW participants receive a wage, which is also a powerful motivator. What they are paid will reflect their actual activity, but the important issue is that they receive the market rate for the job, whilst they are actually working. For example, an individual working 3 days a week, training at college one day, and pursuing a personal development goal one day, will receive a weekly payment based on 3/5 of the market rate for that job, a training allowance for 1/5 of the week, and expenses only for the final element. Glasgow Workers are in practice paid between £110 and £150 per week, depending on the activity. This is not necessarily a lot more than people get whilst on benefits; indeed 14% of participants say they are worse off under GW than if they were not working.
- **Aftercare** - Glasgow Works seeks to maintain contact with its "graduates" after they have left, whether to enter mainstream employment or further education, or not, providing support both to the individual and to the employer. This should maximise the prospects of individuals successfully making the transition to mainstream employment by identifying and resolving problems both from an employer and from an individual point of view, and is more likely to encourage the employer to recruit again from Glasgow Works. This is a difficult area; it can be hard to keep in touch with individuals in practice. A recent innovation has been to set up a centralised job-search/aftercare function, which is proving more successful. Glasgow Works is part of a trans-Europe Horizon project exploring and developing best practice in this area.
- **New Business Potential** - Every project is assessed for its potential as a long-term business, employing some at least of the GW participants. Realistically, this will be achievable only in a small minority of projects, but targeted on areas with historically low rates of business formation, it can make a significant local impact.
- **Funding Sources** - Every project is likely to have a different funding mix, depending on the project and partners. What is common to all of them is the use of the allowances normally paid as unemployment benefit. These allowances are drawn down and used as part of the project funding package, a feature thought to be unique in the UK. Additional funding comes through the project sponsors: GDA (the local

enterprise company), local authority, European, private sector and charitable funding are the other main ingredients.

- **Costs and Quality** - Glasgow Works appears to be a high-cost initiative. Both the content of the projects and the process will require considerable resources. That is why no one organisation can fund this alone. The justification is in the product: high quality projects and high quality outcomes in terms of people entering the labour market. The end result is an initiative which is excellent value for money, comparing favourably with other initiatives which cost less and achieve less.

Funding

The gross cost of funding a Glasgow Works place for a year is around £14,000. Half of this is represented by wages, a quarter by project costs (materials, design etc.), and a further quarter covers training, personal development and management costs.

The core of the funding is Training for Work (TFW), the major adult training programme run by GDA. On top of this, however, GDA draws down the allowances normally paid to TFW participants as unemployment benefit, to add to the total funding package. This allowance money, equivalent to £60 per participant per week, can also be used to match against European Social Fund monies, which amount to a quarter of the total package. Another quarter comes from GDA's own development funding, whilst the balance is made up of a variety of sources, including the local authorities, Employment Service, and the private sector. Each of these sources of funding has its own rules and requirements, and each is crucial to the overall effectiveness of the package.

(Details of funding are attached at Appendix 3.)

Progress And Impact To Date

Glasgow Works has been operating since February 1994, when the first two projects started. There are now 250 places across 19 projects which span a wide variety of activities, and over 270 people have now gone through Glasgow Works. In addition, the projects themselves are making a substantial impact, and they are recognised as being of high quality: the Gorbals Blackfriars project has won **two** environmental awards, the Health Action project has won a European Union Scottish Equality commendation, and the Workwise Youth Education project has won a National Training Awards commendation. One of the After School Childcare projects, now independent and no longer funded by Glasgow Works, has been awarded over £100,000 in lottery funding.

During the life time of Glasgow Works, a change has taken place in the policy environment. Whereas it had been seen at the outset as an extremely radical initiative which pushed the interpretation of GDA powers to its outer limits, the "Intermediate Labour Market" (ILM) concept has now gained greater respectability, and is seen as a legitimate and even significant part of economic regeneration policy. Two Scottish Enterprise strategy papers for example dealing with "Access to Opportunity" (economic

and social exclusion) and with a Scottish Skills Strategy both highlight the Glasgow Works approach as an important way forward.

An interim evaluation was carried out during the summer of 1995. While this was too early to be definitive about the long-term impact of Glasgow Works, three purposes were served:

- it gives a general feel for progress, and underpins the bid for resources for 1996/97;
- it identifies areas where changes can be made in order to improve the overall effectiveness of the initiative;
- it acts as a "dry run" to test the evaluation methodology, to ensure that the final evaluation, due to be carried out in early 1996, will be based on full, reliable information and a sound methodology.

Overall, the consultants (PA Cambridge Economic Consultants and Glasgow University) conclude that:

"Compared with our experience of other initiatives for the long-term unemployed, Glasgow Works is performing well and we expect it to get better."

Bearing in mind that most of the projects had not completed a full year when the evaluation was done, the results were very positive. Over half of all leavers were going into jobs, and this would be expected to increase as projects mature. A number of general findings were still more encouraging:

- all elements of the package contribute to its overall effectiveness;
- the structure of the initiative, with a small core and a varied portfolio of projects, was appropriate to the complexity of the labour market and its opportunities;
- the partnership formed to oversee Glasgow Works was strong, supportive and characterised by a willingness to experiment; and
- the consultants were impressed by the enthusiasm and commitment of the Glasgow Workers themselves.

Equally important, a number of weaknesses were identified which are now being addressed:

- *Project management difficulties* - the GW model is both new and complex and does require substantial management resources. Greater consideration of monitoring, a rigorous approach to the selection of project managers, and a greater investment in capacity building need to be built in to the initiative.
- *Funding issues* - A methodology for drawing down the allowances has yet to be finalised (a new approach each year GW has run so far), and the application of the allowances is constrained by the rules governing Training for Work. The issue complicates project funding, and continues to take a disproportionate amount of management time.

- *Target group* - there is a need to explore reasons why GW is not attracting the longest term unemployed people; those out of work for over 3 years. Are benefits an issue, or is it the range of projects? How do we get to the most disadvantaged groups?

Next Steps

The interim evaluation has three sets of implications:

- changes need to be made in the short term, to improve the operational effectiveness of Glasgow Works. These are already being initiated - improved monitoring systems are being put in place, discussions are identifying the training needs of project managers and how best these should be tackled, and funding issues are the subject of discussion with Scottish Enterprise.
- all the indications are that a positive final evaluation can be anticipated, and planning needs to begin for developing Glasgow Works from a pilot into a mainstream initiative. Three areas in particular need to be addressed, and these are discussed below.
- while the pilot's final evaluation is being assessed and its recommendations negotiated and taken forward, it is essential that the momentum built up by the pilot is not allowed to dissipate. An early decision needs to be taken therefore to continue to operate Glasgow Works at broadly the existing level, to maintain the expertise that has developed.

From A Pilot To The Mainstream

Glasgow Works is proving to be an effective pilot. For it to extend and expand, three issues must be resolved: scale, organisation, and funding:

- *Scale* - The interim evaluation has clearly identified the importance of a portfolio approach, suggesting that growth is more likely to be in numbers of projects, and larger scale projects are on the whole less likely to achieve the same level of positive outcomes. This in turn raises questions of where the projects will come from, who will manage them, and how the larger number of projects will be managed as a whole. The first question is not thought to be a problem. A number of themes could be identified which would provide a steady flow of projects, such as after-school childcare, and disability in the labour market. Further themes, drawn from the Essen Agreement on New Sources of Employment, for example, and ad hoc projects are likely to be identified as experience of the pilot is disseminated.
- *Ownership and management* - Glasgow Works owes its success to date to the commitment and efforts of a partnership of organisations. At present it is based in GDA, with the centralised job-search facility based in the Employment Service City Job Centre. Funding is gathered in by GDA from ESF and the local authorities and disbursed under contract. A separate contract is issued for the TFW component.

Individual projects also receive private funding direct and can derive tax benefits if they have charitable status. This complex arrangement needs to be simplified if Glasgow Works is going to operate on a larger scale. One option for example might be for Glasgow Works to become a charitable company limited by guarantee, supported by all of the current partners. The options need to be identified and assessed in terms of their suitability for handling a larger scale of operation.

- *Funding* - The absence of mainstream funding appropriate to Glasgow Works has created a dependence on ESF funding, with its inherent problems of annuality and uncertainty. It also causes initial delays in projects and takes up a substantial amount of management time. This type of initiative will not grow without a dedicated source of core funding with its own operating rules. These need not be very different from TFW, but need to be customised to enable, for example, the payment of wages and other project costs; the pursuit of training not leading to a VQ where an appropriate one does not exist; and flexibility on the duration of participation.

The other key issue here is clearly the volume of funding. Additional sources of funding need to be explored, including charitable funding (the Robertson Trust e.g. has already contributed £40,000 to the Youth Education project), private funding (Scottish Power and Levi Strauss between them have committed £70,000 to Glasgow Works projects) and lottery funding (a childcare project which is now independent has just been awarded over £100,000 from the lottery fund).

Conclusions

Glasgow Works has shown on a relatively significant scale that the intermediate labour market concept can make an important contribution to reducing long-term unemployment and regenerating the local economy. People who had previously been virtually written off are getting back into the labour market through this means. Its impact is all the stronger for the benefits which the individual projects bring to the community, whether homeless people, parents of school-age children, disabled people entering the labour market, or ethnic minority groups helped to make better use of the health services. Jobs that need to be done are being done by the people who need jobs; and a good job they're making of it too.

The model can be made to work, then. For it to work well, and on a more significant scale, several conditions must be met:

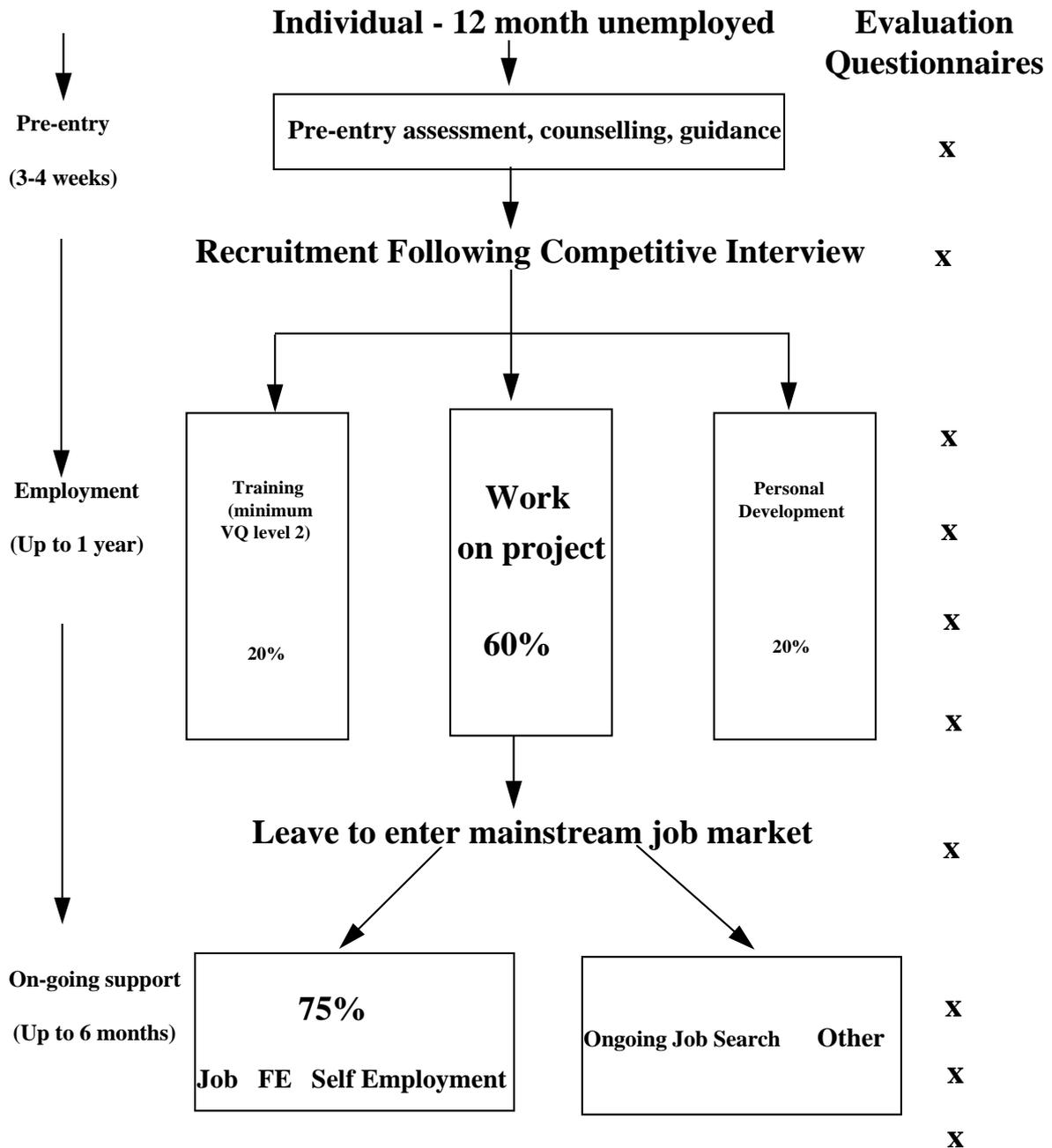
- a strong local partnership at city level;
- the capacity for delivery "on the ground";
- a mechanism for project development, co-ordination and management at a city level;
- a robust funding mechanism, including a mainstream source of funding with rules and guidelines specifically for the intermediate labour market - and the ability to make use of the allowances normally paid to unemployed people;
- reasonable security of funding over a period of years.

The two other necessary conditions, high long-term unemployment, and work needing to be done, already exist in many areas. What is needed to make the intermediate labour market a reality is a way to bring them together. That is what Glasgow Works provides.

**Ken Wardrop; Glasgow Development Agency
February 1996**

APPENDIX 1

Glasgow Works - The Process



APPENDIX 2: EXAMPLES OF GLASGOW WORKS PROJECTS

CITY WATCH

13 people (mainly disabled) to monitor CCTV in Glasgow City Centre

JOB COACHING

13 people supporting disabled people to find and retain work

AFTER SCHOOL CHILDCARE

38 people working in 7 new centres leading to sustainable businesses

THEATRE WORKS

Productions for schools on young people's issues, e.g. drugs, leading to a professional theatre company of 12 people

COUNTRY PARK

15 people developing a wildlife park with guides and visitor interpretation

YOUTH EDUCATION ON DRUGS ABUSE

18 people assisting professionals in youth work and drugs prevention

ELECTRICAL GOODS RE-MANUFACTURE

22 people to rehabilitate refrigerators, washing machines, etc. for resale and export

LANDSCAPING

10 workers improving inner city environment (e.g. school playgrounds)

CITY STATION

City Centre advice and drop in for the homeless with 12 Glasgow Workers

MANUFACTURE OF FLAGS AND BANNERS

9 people to design and make banners and flags

ENVIRONMENT CENTRE

14 people to provide advice and co-ordinated environmental information in Glasgow

HEALTH WORKERS

10 community health workers to assist in better diet and fitness in parts of the city

HEALTH MAGAZINE

5 people producing a health awareness magazine for the city

CITY CENTRE REPRESENTATIVES

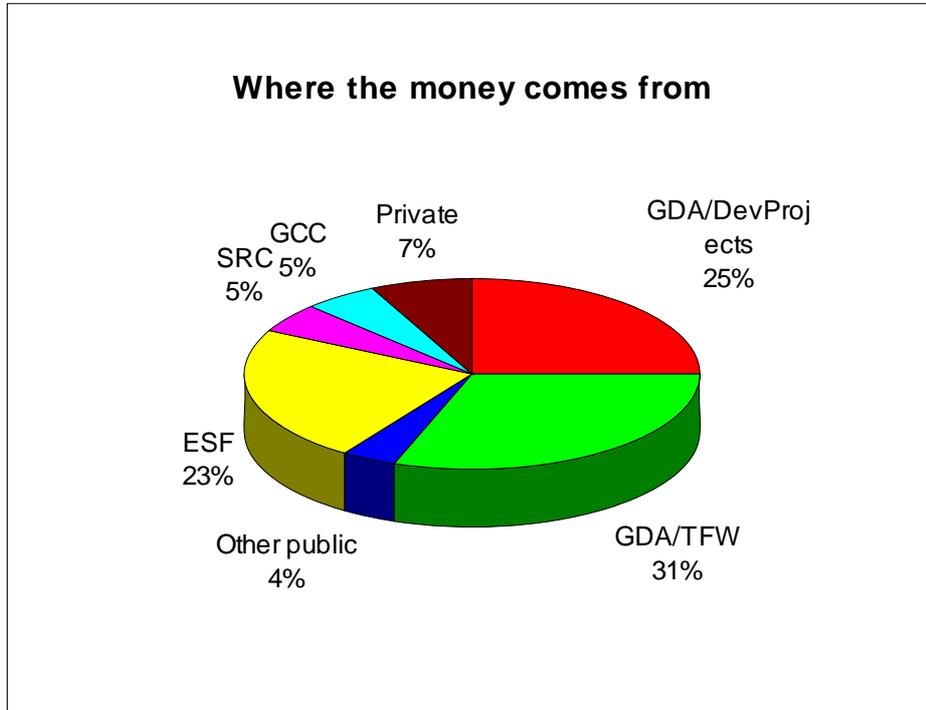
32 people acting as guides and wardens for Glasgow city centre

HEALTH LINK WORKERS

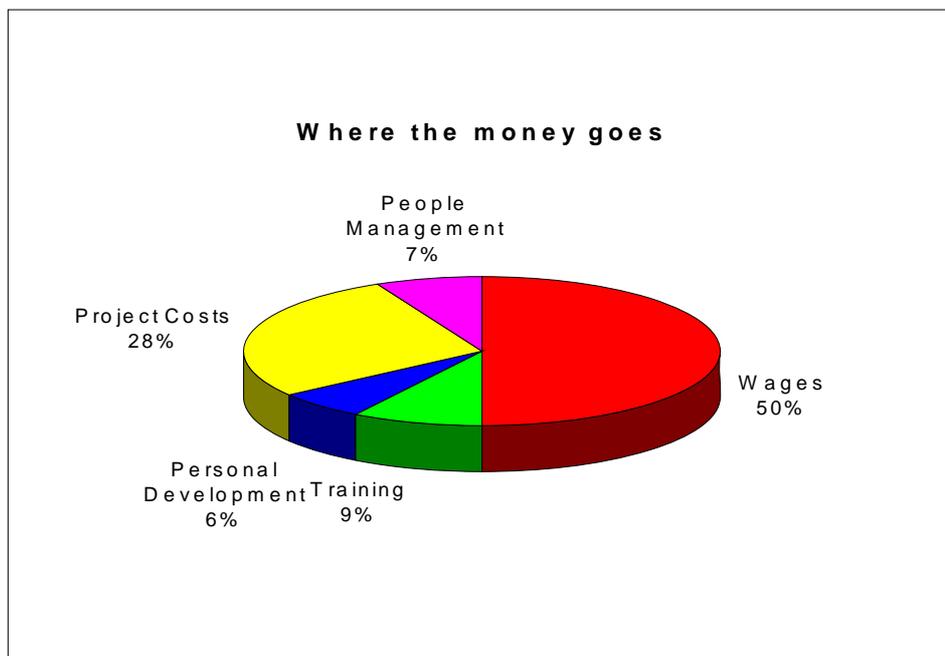
10 people providing an advocacy service for minority ethnic groups in the Health Service

APPENDIX 3

GLASGOW WORKS FUNDING



Note: GCC - Glasgow City Council; SRC - Strathclyde Regional Council;
GDA - Glasgow Development Agency; TFW - Training for Work (includes allowances).



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