THINK

adding value? being richer?

Lessons from Northern Rock Foundation's Money and Jobs programme.

David Wilkinson

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northern rock foundation

About Northern Rock Foundation

Northern Rock Foundation is a charity formed in 1997, when Northern Rock converted to a plc. The Foundation receives 5% of the plc's pre-tax profits each year and is one of the UK's largest independent funders of charitable activity. Its current objectives are to tackle disadvantage and to improve quality of life in North East England and Cumbria. It does this through grant-making, policy and research work, training and development activities, special initiatives, loans and other investments. ***Think*** is the Foundation's research series, launched in 2007 as part of its work to inform and influence the wider policy environment.

More information **www.nr-foundation.org.uk**

About the author

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David has extensive experience of supporting regeneration and community development projects and was recently part of the research team on *Improving the delivery of mainstream services in deprived areas – the role of community involvement* (Office of the Deputy Prime Minister, September 2005). He has also worked on a series of published projects with The Environment Agency on improving stakeholder involvement to secure environmental, social and economic benefits. David has a particular interest in relating this to flood events, their immediate aftermath, remediation and prevention.

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Foreword

The ability of voluntary organisations to reach those that government cannot now seems to be acknowledged, at least in the upper echelons of public policy-making. But if the sector is to be recognised at all levels and to win on-the-ground public funding for its approaches, it needs to get much better at understanding and describing why and how it is successful. Mantras alone will not be enough.

In 2005, as part of a wider examination of the effectiveness of our work, Northern Rock Foundation asked David Wilkinson of Whole Systems Development to answer some big questions. We had been running our programme for tackling worklessness and financial exclusion, which we called Money and Jobs, for some time. Now we wanted to know, were poor people getting richer as a result? After all, that was the main goal of the programme. And, if they were, what were funded organisations doing that worked? Finally, we asked what unique role we, as an independent charitable foundation, played in an arena already heavily populated by government agencies and initiatives.

As a funder interested in social justice and progressive change, these questions were crucial. But in asking them we were conscious of the limitations of measuring the impact of our grants in isolation. When we invest in an organisation, our funding goes into a mix of resources: other finance, equipment and buildings, and human knowledge and skills. It would be arrogant and self-deluding to lay claim to specific and long-term outcomes for a particular person, group or community solely as a result of our funding.

While cautious about claiming credit we did wonder if, by negotiating certain criteria and behaving in a particular way as a funder, we could make our contribution more effective. So we have tried to invest in a less directive and intrusive way than some, but have made it clear that we are interested in testing different approaches, and have elected to fund only where partners will work with our values and theories of change. We have been clear that 'failure' to deliver desired outcomes is only failure if there is no learning and iterative improvement. Did this help?

Happily, David's fascinating and detailed report begins to tell the story of why the work of organisations on the ground does reach those government can't, and, more importantly, how. Drawing attention to theories of individual personal change provides a fresh perspective on the subject of moving from worklessness to work, and one which all those involved in the field should reflect on. No less important are the messages about the need for funder and funded to collaborate on gathering, analysing and sharing data, so that lessons can be more widely applied.

I am delighted that David's work has, unintentionally on our part, also prompted positive responses from grant recipients about our own approach to funding. But there are challenges for us too, in how we continue to engage with organisations without becoming controlling, and how we support them individually and collectively to track and promote their achievements. How have we responded? First, we've made a commitment to continue the Money and Jobs programme for five more years. Some argued that we should not do so, that worklessness and financial exclusion were solely the responsibility of government. Our belief is that the sector needs more investment from charitable funders before it can fully prove its worth in the field, so we are sticking with it. Second, we are taking up the challenge of finding and sharing better data; publishing this report is one example. More practically, we'll be working closely with funded organisations and providing them with expert help to improve their knowledge management and to work collectively and collaboratively to increase their impact. Indeed, it will be a condition of our grants that they do so.

I hope you find the report as useful and stimulating as we did.

Fiona Ellis
Foundation Director

Executive summary

Context and key findings

In 2005, Northern Rock Foundation commissioned David Wilkinson of Whole Systems Development to review the effectiveness of its Money and Jobs grants programme. The core purpose of the programme is to help "disadvantaged people and communities to increase their assets, income and economic activity". The main sources of data and information for the review were derived from verbal and written information from Northern Rock Foundation staff and visits to nine community-based organisations.

During the early stages of the inquiry, three key questions emerged.

1. **Are poor people richer as a result of Money and Jobs Programme interventions?** And what comparisons can be made of different approaches to the problem – for instance, the comparative merits of work versus benefits. The Foundation needs to be able to understand what works well and what should be done differently.
2. **What is the added value of interventions by organisations funded through this Northern Rock Foundation programme?** For instance, the argument is often made that the voluntary and community sector has a comparative advantage working with the so-called hard to reach. Does Northern Rock Foundation funding achieve this outcome, and on the basis of what evidence?
3. **What is the useful role of a charitable foundation in this arena?** Worklessness and financial exclusion are both high on the Government's agenda. If a foundation is also to operate in the field, it needs to be sure it is adding something that the state would not have done anyway, or promoting approaches that the state might take up.

The main findings from the review were as follows.

1. Poor people are getting richer both financially and in terms of personal well-being as a result of Northern Rock Foundation's Money and Jobs programme.
2. The interventions funded do add particular value in reaching 'the hard to reach'. They are successful in engaging people in 'precontemplation'

and 'contemplation' stages of personal change pathways to employment and better personal financial self-management.

3. These community-based organisations are, in general, better at this engagement than statutory agencies and therefore make a distinct and valuable contribution to social and economic provision including current government active labour market policies.
4. Northern Rock Foundation's approach as a 'light touch funder' is widely appreciated and works well.

What is the added value?

The most significant insights are arrived at through an analysis of the case study material. The metaphors of pathways and journeys were frequently invoked throughout the conversations and meetings at most of the projects visited. This was true of both project workers, beneficiaries and other stakeholders. Not surprisingly, the current national pilot reforms to incapacity benefit are called 'Pathways to Work'.

At its simplest, successful 'changers' – the beneficiaries of these Northern Rock Foundation-funded programmes – travel from less to more desirable personal circumstances. Achieving voluntary and/or paid work is likely to be a major part of this, but not necessarily in all cases. The link between people's levels of self-worth, self-esteem and self-management and their engagement with social networks, sympathetic and non-judgemental assistance and stabilising/improving financial circumstances were consistently talked about and intrinsic to these pathways. The changes are subtly interconnected. Positive progress along a personal pathway was clearly a virtuous, positive, reinforcing cycle of all these elements. This progress is likely to be the opposite of the vicious negative cycle that had probably first got them into the position they were in.

Typically, at the starting point, people were experiencing very low personal motivation. This was likely to involve some combination of:

- a lack of paid employment;
- disconnection from the labour market and recent working experience;
- poor social connections leading to increasing social isolation (looking back, several successful changers talk of watching daytime TV as the nadir of their despair);

- financial problems and worries;
- depression and/or physical ill health;
- very low self-confidence and self-esteem;
- a very reactive, pawn-like response to circumstances, surroundings and possible opportunities;
- hopelessness;
- a very demanding caring role for another person.

The journey for the successful changers started with some contact with the particular project or project worker. There may have been many reasons for this, but it was often word of mouth, chance, personal desperation, involvement in some kind of social event or referral by another agency, often statutory, and so on.

These pathways frequently led to combinations of voluntary and paid employment, better personal financial management, social integration and all-round improved self-management and self-efficacy.

The hypothesis put forward as a result of this analysis is that effective community-based organisations are more able to engage with people at the beginning of these pathways – where they are often at their lowest points – than are statutory organisations. Hence, their added value is in their innovatory approaches to enabling people to move out of social exclusion into more fulfilling lives where they can actively engage with statutory services, gain employment, regain economic self-sufficiency and so on. In this sense "becoming richer" includes the sense of well-being resulting from getting back in control of one's life, as well as any direct financial benefits. The inquiry reveals just how significant and valuable this is to so many of the beneficiaries of the work of the organisations visited.

Developing evaluation and review

Funders like Northern Rock Foundation need to be able to review the effectiveness of their grant making and be accountable to their trustees. Funded organisations also need to collect data to meet the reporting criteria of funders. Further, they often require data for their own internal purposes and governance as well as to review their effectiveness as a whole.
The fundamental difficulty for voluntary and community bodies is that they

frequently have to meet the requirements of different funding regimes for different streams of their work as well as individual projects.
The starting point is to clarify the purpose of evaluation and the core questions to be addressed i.e.

- Is it to prove something?
- Is it to improve something?
- Is it to learn something?

Good evaluation processes should enable both funder and funded to be both accountable (prove something) and improve effectiveness (improve something and learn something). Collecting data that helps track personal pathways, other stages involved (and in the cases of organisations like UTASS and Amble Development Trust, community trajectories) and linked outcomes offers an effective way of doing this.

From the evidence gathered here, many community-based organisations take goal setting, evaluation and feedback of performance very seriously. The key of course is that they are developed by those engaged with the active delivery of the organisations' purposes and services. Evaluation processes which can threaten to become tiresome bureaucratic exercises can be transformed into vehicles for learning, improvement and progress through these means.

Implications

Northern Rock Foundation is already making use of the basic analysis and findings within this report. This is outlined in the Foreword to the full report by the Foundation's Director, Fiona Ellis.

The case study organisations also had positive things to say about the Foundation's approach to funding: it is light touch, not overburdened with reporting arrangements, and there is support for innovation and strategic posts.

The review also has implications for other funders, statutory agencies, national and regional decision makers, and other community and voluntary organisations. This is particularly so given a number of changing national contextual factors. Four significant ones are set out below.

1. The national political consensus for the third sector to play a bigger role in the provision of public services alongside public and private providers.

2. Changes to structural funding streams that are likely to impact negatively on the provision of community and voluntary-based employment schemes. These include changes in the distribution of EU structural funds as a result of Enlargement, the end of Single Regeneration Budget (SRB) funding and potentially changes to National Lottery funding.

3. In the specific context of this review, increased competition for jobs from migrant labour, particularly from Eastern Europe. This presumably increases the importance of assisting excluded, hard-to-reach, workless local people to be able to access the labour market. Otherwise, the effect could be to consolidate exclusion even further.

4. Rapidly changing patterns of public provision of services together with the changes of public expectations.

Implications for funders

Funders need to recognise the added value potential of the voluntary and community sector in tackling worklessness and financial exclusion and understand how it can be developed and nurtured. This should be reflected in funding criteria and reporting and evaluation regimes. This should be done in ways that support both accountability and improvement for all parties involved.

Implications for statutory agencies

Many of the factors above for funders apply. Further, in both their informal and formal links with community and voluntary bodies three key factors came to the fore for statutory agencies. These are:

1. recognising what each organisation does best and what each can realistically undertake;
2. developing the capacity of community-based organisations;
3. ensuring that their contracting and procurement 'muscle' is not used to squeeze high-trust, innovative, small and independent organisations into low-trust, dependent arms of their own organisations.

Implications for national and regional decision makers

The four significant national change factors above set part of the context within which national and regional decision makers can play a significant role in the way that they influence implementation and the patterns of provision. Crucial to this will be the fostering of mutuality between a supported and developing third sector, public service providers and commissioners and funders, charitable and otherwise. Effective review and evaluation should be an integral part of this.

Implications for community and voluntary organisations

We make a number of suggestions designed to support the value of work voluntary and community organisations do, develop effectiveness and improve advocacy that takes account of the rapidly changing context. These include the following.

- Develop simple ways of describing and tracking 'pathways' of both individual beneficiaries and communities.
- Use this as the basis for improving practice and generating clear narratives (stories) about the value of the work.
- Where possible, attempt to engage funders and key statutory bodies in mutual evaluative reviews.
- Seek to network with other organisations in mutual exploration and development of their work.

The evolving social and economic policy context is very likely to see (even require) an expanding third sector. This is likely to require organisations themselves to expand, work in partnership and sometimes merge, as well as provide organisational and service development to others. This will present a threat to some and a challenge to all. The hope is that there are a number of themes in this report that can serve to enable these conversations, as well as those with funders and statutory bodies. Where possible, the voluntary and community organisations singly and collectively need to influence policy and implementation at all levels, hopefully with these themes in mind.

1 Background to the review of the Money and Jobs programme

The origins of this study

In 2005, Northern Rock Foundation decided to review the effectiveness of its Money and Jobs Programme. The core purpose of the programme is to help “disadvantaged people and communities to increase their assets, income and economic activity”. The way the Foundation sets out to do this is laid out in their guidance information for applicant, as set out in Box 1.

The main sources of data and information for the review were derived from verbal and written information from Northern Rock Foundation staff and visits to nine community-based organisations. These were:

- Upper Teesdale Agricultural Support Services (UTASS) based at Middleton-in-Teesdale
- ACUMEN, Horden, Peterlee
- People into Work (PIE), Sunderland
- South Tyneside Credit Union, Harton Nook, South Shields
- Amble Development Trust, Amble, Northumberland
- Future Regeneration of Grangemouth (FROG), Grangetown, Middlesbrough
- Washington Citizens Advice Bureau, (Washington CAB), Washington, County Durham
- Social Enterprise Sunderland (SES), Sunderland
- Mental Health Matters (MHM), Sunderland

The work of these organisations is described in detail in chapter 2.

Visits were undertaken during 2005 and varied in style and character. In most cases, a number of different stakeholders were involved which gave a greater range of data to draw on. The organisations responded in different ways to the introductory letter from Northern Rock Foundation and our own telephone calls in advance. The ability to respond, often at pretty short notice, to the requests for involving stakeholders may well have reflected each organisation’s capacity, its existing closeness or connectedness with

BOX 1 Money and Jobs Programme: information for applicants

Helping disadvantaged people and communities to increase their assets, income and economic activity.

We support organisations that bring in more money for individuals and communities, and allow them to hang on to it once it has arrived. We also back creative approaches to tackling worklessness, especially among those most disadvantaged in the labour market e.g. women, disabled people, long-term unemployed, black and minority ethnic groups, and refugees. We are particularly interested in:

- supporting business start up, investment and job creation in disadvantage areas;
- organisations like development trusts that draw money into an area and keep it there;
- ways of securing assets to make communities more economically sustainable;
- practical support or training that helps people move into employment;
- debt and welfare advice projects that help people access and manage money;
- credit unions and other organisations tackling financial exclusion that are seeking to innovate or expand.

Generally we favour projects based in a particular area – urban or rural – over those taking a broader approach. You will need to describe the place and why its economy needs rebuilding. We will consider capital grants for buildings or equipment where there is clear economic benefit.

(Taken from information guidance for applicants 2005)

a variety of other organisations and its service users, and its existing use of, and continuing interest in, learning from others. It would, however, be dangerous to read too much into this. All told, we spent thirteen days on visits, which included three to ACUMEN and two each to Social Enterprise Sunderland and Mental Health Matters.

These visits provided, in most cases, varied and rich sources of written and verbal information. We also drew on:

- written documentation in the form of reports for accountability purposes internally and externally to the Northern Rock Foundation;
- in two cases, external reports commissioned by the organisations to evaluate aspects of their effectiveness;
- the documentation associated with Northern Rock Foundation funding applications and the annual reporting back on progress in respect of grants awarded.

During the early stages of the inquiry, three key questions emerged.

1. **Are poor people richer as a result of Money and Jobs Programme interventions?** And what comparisons can be made of different approaches to the problem – for instance the comparative merits of work versus benefits. The Foundation needs to be able to understand what works well and what should be done differently.
2. **What is the added value of interventions by organisations funded through this Northern Rock Foundation programme?** For instance, the argument is often made that the voluntary and community sector has a comparative advantage working with the hard to reach. Does Northern Rock Foundation funding achieve this outcome and on the basis of what evidence?
3. **What is the useful role of a charitable foundation in this arena?** Worklessness and financial exclusion are both high on the Government's agenda. If a foundation is also to operate in the field, it needs to be sure it is adding something that the state would not have done anyway, or promoting approaches that the state might take up.

Findings, analysis and implications

The main findings from the review were as follows.

1. Poor people are getting richer both financially and in terms of personal well-being as a result of Northern Rock Foundation's Money and Jobs Programme.

2. The interventions funded by the Foundation add particular value in reaching ‘the hard to reach’. They are successful in engaging people in ‘precontemplation’ and ‘contemplation’ stages of personal change pathways to employment and better personal financial self-management.
3. The community-based organisations studied are, in general, better at doing this than statutory agencies, though not exclusively so. They make a distinct and valuable contribution to social and economic provision including current government active labour market policies.
4. The Northern Rock Foundation’s approach as a ‘light touch funder’ is widely appreciated and works well.

Chapter 3 develops the analysis of how community and voluntary organisations are able to reach the hard to reach. It is the ability of their workers to develop supportive relationships with people, who are often socially disconnected, and enable them to develop pathways towards better self-management, financial management and employment, that makes the crucial difference.

Chapter 4 explores and analyses approaches to review and evaluation designed to both improve services and joint accountability with funders for the best use of funding.

The context in which these organisations do their work is changing rapidly. There are changes in the distribution of European funds as a result of Enlargement and to regeneration funding in the UK including the National Lottery. In addition there is an emerging political consensus for increasing the role of the third sector in the delivery of public services, many of which are undergoing sweeping changes.

Given these findings and analyses, Chapter 5 explores the potential implications for a range of stakeholders in this rapidly changing environment:

- Northern Rock Foundation itself;
- other funding organisations;
- statutory service providers;
- Government and regional decision makers;
- community and voluntary organisations: the third sector.

2 Are poorer people richer through the interventions the Foundation funds?

What the case study organisations do

The nine organisations studied for this review are very different in origins, development and goals. Within these different contexts, Northern Rock Foundation also provides funding for a range of diverse projects and interventions within the broad stream of its Money and Jobs programme. These organisations also receive resources from other funders. These may be for different or overlapping projects. Each funder will impose their own reporting mechanisms and obligations over differing timescales. Often funding will only follow targets attained, leaving organisations with continuing cash flow anxieties and problems, one step from insolvency. These complexities and difficulties are well known to those with some knowledge of these sectors. But their implications may be less well known to some of the more remote funders. Northern Rock Foundation does seek to take them into account in its grant making, which is much appreciated by the case study organisations.

Broadly three categories of funding for organisational purposes and community/citizen benefit were identified within this complex picture[1].

1. Paths to employment
- ACUMEN: In relation to this review, ACUMEN fosters both employment and self-employment
- People in Employment (PIE)
- Social Enterprise Sunderland (SES): routes to self-employment
- Mental Health Matters (MHM)

2. Financial self-management
- South Tyneside Credit Union
- Washington CAB – debt and financial management advice

3. Employment within broader whole-community regeneration
- Upper Teesdale Agricultural Support Services (UTASS)
- The Amble Development Trust
- Future Regeneration of Grangetown (FROG)

1 These organisations have a range of interlocking goals and projects. They are categorised in this way here because of the way Northern Rock Foundation has funded them.

What the case study organisations do is described on this basis below, alongside a brief survey of the headline data from each that support the contention that their interventions, made possible with the support of Northern Rock Foundation funding (but not always exclusively), have made poor people richer, or in most cases, better off in the shorter term at least.

1: Paths to employment

ACUMEN Community Enterprise Development Trust Ltd and the 'Aim High Network'

ACUMEN is an organisation, based in Horden, whose specific aims are to improve access to learning and employment, and to promote enterprise within the community of East Durham. ACUMEN has also established a network of local community centres, called the 'Aim High Network'. Funding to ACUMEN from Northern Rock Foundation was to enable the organisation to employ five members of core staff, and to cover its office costs.

Before the clients of ACUMEN take up paid employment, a 'better off' calculation is provided, so that people know for definite that they will be earning more money than they received whilst on benefits.

Therefore, in the case of ACUMEN, where people go into paid work, they can prove that poorer people are becoming more financially self-sufficient.

People into Employment

People into Employment (PIE) concentrates its activities on helping carers, former carers, and people with disabilities to find either voluntary or paid employment, or to go into self-employment.

Funding over three years from Northern Rock Foundation was to expand the work of the project in Sunderland and to extend it into neighbouring parts of Durham, Gateshead and South Tyneside.

PIE is helping people to find paid employment, which contributes to them becoming more financially self-sufficient as confirmed by external evaluation.[2] However, this is not the only economic outcome. The value of volunteering

2 See case study in chapter 3. This also emphasises how PIE is enmeshed in a rework of voluntary and community organisations through which it gets referrals and funds voluntary and paid placements.

has its own economic impact, and PIE signposts many of its clients to work in voluntary posts as a starting point on their journey back into paid work. There is a case to be made that there are economic benefits from getting people into volunteer work; this boosts the economic outcome of the organisations concerned, apart from the boost in social well-being that meant so much to beneficiaries.

Social Enterprise Sunderland

Social Enterprise Sunderland (SES) was set up to promote, develop and support co-operatives and other forms of community-based enterprises throughout the city. SES is involved in a wide range of activities to achieve its aims, the uniting theme of which is the empowerment of people to take an active part in the regeneration of their communities, and to create their own employment and personal development opportunities.

Funding from Northern Rock Foundation was to pay for core salary costs, thereby enabling the key workers to devote their energy, full-time, to the work of SES. (Previously, the key staff had been obliged to generate income by undertaking consultancy roles, or by working on secondments to other projects.) The financial adviser from SES, whom we interviewed, had worked in Benefits Advice for many years before joining SES. He stated that SES clients who go into paid work (including self-employment) are, on average, £30 per week better off.

Therefore, in the case of Social Enterprise Sunderland, where people go into paid work, they can prove that poorer people are becoming more financially self-sufficient. The transition from being ‘workless’ into self-employment or employment is rarely straightforward, but SES advisers work with an individual’s personal and financial circumstances to make sure that they will not be worse off by coming off benefits. Before the clients of Social Enterprise Sunderland take up paid employment, a ‘better off’ calculation is provided, so that people know for sure that they will be earning more money than they received whilst on benefits.

Mental Health Matters

Mental Health Matters is an organisation that provides services to people in the North East who have mental health needs. The scope of their work includes community support, drop-in, counselling and day-care services, housing and accommodation services, and helping people to find either voluntary or paid employment, by providing one-to-one coaching and training support (the Brighter Futures programme). Funding from Northern Rock Foundation was to enable the expansion of the work carried out by the employment coaches.

We were told that, without the money from the Foundation, people in the North Teesside region would not have had an employment coach to work with them, because Mental Health Matters would not, themselves, have been able to fund such a post.

Mental Health Matters is successful in helping some of its clients to find full-time, paid employment, which means that they do become better off financially. Only 24% of adults with long-term mental health problems are in work (which is the lowest employment rate for any of the main groups of disabled people), therefore it is so much more difficult for this group of people to find jobs.

Two men with whom we spoke, who are both clients of Mental Health Matters, assured us that they were definitely better off. More importantly, they spoke to us eloquently of the psychological benefits to them of being employed once again, and their improved confidence and self-esteem. This was far more important to them than money.

2: Financial self-management

South Tyneside Credit Union Ltd

STCU's purpose is to help people manage and save money. Through this, the aim is to improve people's self-esteem, promote thrift and self-reliance. Northern Rock Foundation has a history of funding the credit unions that were amalgamated to form STCU. It has now provided core funding to the consolidated Union.

Since its foundation in 2003, which resulted from the merger of three credit unions operating in South Shields, to the time of our review, STCU had lent a total of £7.5 million with a total written-off debt of £22,000. Much of this has replaced doorstep lenders and high interest rates. One study indicates that 80 people had saved £125,000 in interest payments to doorstep lenders through consolidating their debt with the Credit Union. Much of this money is likely to have been spent subsequently in the local economy.

Washington Citizens Advice Bureau

Washington CAB provides a free, confidential, independent and impartial advice service to clients on a diverse range of issues, for example: welfare rights, money advice, employment issues, disability issues, health and housing, consumer law, and immigration.

WCAB applied to the Foundation for funding to enable it to employ a financial literacy worker. Half of their time was to be taken up providing intensive support to clients who were already in debt; the other half was to be spent working with young people and their advisers in an attempt to stop them getting into debt in the first place. WCAB also applied for funding to employ a worker to provide outreach advice to encourage people on disability benefit back into work and engage with the new government initiative, 'Pathways to Work'. The request was for £125,000 over three years.

As a result of advice given by staff of the Washington CAB, typically a client will be financially better off because they have either discovered that they are entitled to an increase in benefit, or they have been helped to appeal against a decision, and this has resulted in their entitlement to benefits being restored.

For example, in the case of Remploy, a national organisation which employs workers with disabilities, staff from Washington CAB checked the benefit entitlement of Remploy's workers and this has resulted in £36,000 of financial gains for 47 workers so far.

Washington CAB keeps track of 'Client Gains' and these have increased each year since 2001. All gains received for a client not only help the individual client, but also these gains impact positively on the local community.

3: Employment within broader whole-community regeneration

Upper Teesdale Agricultural Support Services (UTASS)

UTASS provides advice services to the agricultural community, mainly in the Upper Teesdale area. It was established in l999 to be a first point of contact for farmers, to signpost to other statutory and voluntary agencies, to address some of the mental health issues identified through research and to act as an advocate when farmers and their dependants need additional support to access services and deal with subsidy issues and claims. It played an essential role during the foot and mouth disease crisis and the subsequent aftermath, including the changing subsidy regimes. It also takes an active part in supporting other community organisations and facilitating links with a wide range of statutory organisations, particularly in regeneration.

Northern Rock Foundation has provided core funding to UTASS. At the time of this review, it was in the first year of a three-year grant of £125,000 to cover core costs.

Many farmers in Upper Teesdale strongly assert that they would not have been able to stay in business without the many-faceted support from UTASS, including form filling and administrative support. The audited annual report for 2004 states that its backing for appeals against support scheme penalties prevented £70,000 of deductions from members. In addition improved farm administration, record keeping, and guidance making submissions, led to increased gains estimated to be well over £100,000. There is abundant evidence that mental health, happiness and social interaction has been substantially improved for many. The suicide rate has also declined.

Amble Development Trust

The primary aim of the Amble Development Trust is “to secure the social, economic and physical regeneration of the town for the benefit of local residents of the town” and “to bring forward development and social enterprise opportunities in a planned, sequential manner in order to maximise the benefit to current and future generations of Amble people.”

Northern Rock Foundation provided continuing support for core costs. This included £250,000 towards the capital costs for a new community building to support economic and social enterprise, learning and community activity. It also provided £25,000 per year for three years to support core revenue costs.

Amble Development Trust is regarded as a model example of social entrepreneurialism and has been at the forefront of the social, economic and physical regeneration of this small, former mining Northumberland coastal town. In addition, through ADT Northumberland Ltd, it has developed a number of social enterprises, most notably the Bread Bin, which has maintained and created jobs. The Employment Counselling Service has been strengthened through Jobcentre Plus and has been successful at getting people into employment. There is also evidence of improving local education provision and attainment. House prices, including terraced housing, have risen considerably in recent years, especially around the regenerated town centre.

FROG (The Future Regeneration of Grangetown)

FROG's primary purpose is to improve the quality of life for those living, working and playing in Grangetown and the surrounding area in Middlesbrough. It is a successor body to SRB 1 regeneration in Grangetown. It has recently reconstituted itself as a Development Trust and is seeking to increase its community enterprise activities and lessen its dependence on grants. It provides a range of services to meet community needs.

Northern Rock Foundation funded the Entry into Education and Employment project. This included the employment of a worker to provide educational opportunities and establish a learning/mentoring culture within Grangetown. Northern Rock Foundation also funded the project manager's post.

The education and employment project is clearly successful and operates in one of the poorest and least skilled communities in Britain. Estimates suggest that it supports 15 to 20 people into employment each year. There have been a number of voluntary workers at FROG who have used this as a stepping stone into paid employment.

Are poorer people richer through these interventions?

Helping poorer people become richer is clearly the core aim of the Money and Jobs Programme.

The evidence we were able to gain does indicate that many poorer people did become richer in financial terms than they would have been otherwise. However it is less easy to ascertain whether they had necessarily become more economically self-sufficient as a result and also whether this was sustainable over the longer run. For example, many farmers in Upper Teesdale have undoubtedly benefited financially in the period since foot and mouth disease from the guidance and support they received from UTASS for both compensation claims and making accurate claims for subsidy, especially with recent changes of criteria. Several told us that they are certain they would have been out of business but for these interventions. But the question remains, given recent changes and long-term levels of subsistence, prevailing market conditions and the economics of Northern Pennine upland farming, whether all these farms will be sustainable over the long term. This may be unlikely, no matter how efficient they are at claiming all the subsidies due as well as improving their farm management (another service on offer from UTASS).

Similarly, a steadily growing economy in the North East has increased the supply of jobs across all main economic sectors. This is likely to have helped people who have been beneficiaries of the projects funded through the Money and Jobs Programme. But there is also little doubt that many would not have been in a position to apply for these jobs without the support and practical help and coaching they received. But what was the quality of these jobs? How successful have people been in 'surviving' in them and perhaps progressing to 'better' jobs? Anecdotal evidence suggests that people have been successful in these jobs and that employment has frequently been personally life-transforming. A further question about long-term sustainability arises from the impact of an economic slow down or actual downturn. However, it is quite possible that programme beneficiaries may be more resilient and personally resourceful in dealing with job loss and unpredictable change in the future.

3 Pathways towards better self-management and employment: the source of added value

The metaphors of pathways and journeys were frequently invoked throughout the conversations and meetings attended by project workers, beneficiaries and other stakeholders. Not surprisingly, the current national pilot reforms to incapacity benefit are called 'Pathways to Work'.

At its simplest, successful 'changers' – the beneficiaries of these Northern Rock Foundation-funded programmes – travel from less to more desirable personal circumstances. Achieving voluntary and/or paid work is likely to be a major part of this change, but not necessarily in all cases. The link between people's levels of self-worth, self-esteem and self-management and their engagement with social networks, sympathetic and non-judgemental assistance and stabilising/improving financial circumstances was consistently talked about and intrinsic to these pathways. The changes are subtly interconnected. Positive progress along a personal pathway was clearly a virtuous, positive, reinforcing cycle of all these elements. This is likely to be the opposite of the vicious negative cycle that had probably got the organisations' beneficiaries into a disadvantaged position in the first place.

Typically, at the starting point, people were experiencing very low personal motivation. This was likely to involve some combination of:

- a lack of paid employment
- disconnection from the labour market and recent working experience
- poor social connections leading to increasing social isolation (Looking back, several successful changers talk of watching daytime TV as the nadir of their despair.)
- financial problems and worries
- depression and/or physical ill health
- very low self-confidence and self-esteem
- a very reactive, pawn-like response to circumstances, surroundings and possible opportunities
- hopelessness
- a very demanding caring role for another person.

The journey for the successful changers started with some contact with the particular project or project worker. There may have been many reasons for this contact, but it was often word of mouth, chance, personal desperation, involvement in some kind of social event or referral by another agency, often statutory, and so on.

Both changers themselves, together with the evidence collected by the organisations, spoke about being able to talk to somebody who really listened to them, seemed to understand their problems and did not make judgements. They were on "my level" and experienced as friends. For example:

"Lyndsey treated me like a person. She could see the best in me. She supported and encouraged me. She had patience and she felt like my friend. She would go out shopping with me once or twice per week, and she would go with me to walk the dog."

This was reported by a person who started from the position described above and is now in full employment and fully socially engaged in the wider world.

Changers also tended to contrast this contact with the case study organisations with their experiences of dealing with the statutory agencies, where they had felt intimidated and discouraged by the formality of offices and imposed procedures. (Although we in no way intend to suggest this is true of all statutory agencies.)

In some cases, particularly in the case of the Upper Teesdale hill farmers, specific information at this early point made a critical difference. These were people already in employment, often as previously self-employed, tenant, upland farmers, experiencing high levels of stress, social isolation and financial worry during the foot and mouth epidemic. Information about how to deal with DEFRA and other officials on animal and food stuff movements, getting to doctors and dentists and so on, made a huge difference to their capacity to cope with a fraught situation.

But for the most part the successful changers, who had been able to establish this rapport with a project worker, often needed time to be able to reflect on, and come to terms with, their current situation. At this point, they started to imagine the possibilities of improvement, of something better.

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This may also be the point for the helper to start making some suggestions about employment possibilities. But perhaps even more importantly, changers were encouraged to raise their questions and problems. These could cover a very wide range of areas including for instance:

- money problems
- fear of financial and benefit loss when going into employment and self-employment
- confidence issues
- lack of skills
- family circumstance including caring for the very dependent
- perceived past failures
- fear of future failure
- lack of job knowledge and job search skills
- fear and felt powerlessness in relation to dealing with formal organisations of all kinds.

For those who are in good employment and have networks of social relationships, it is often difficult to realise how personally devastating to self-confidence, esteem and purpose that chaotic, long-term, impoverished personal financial and social circumstances can be. One respondent, now in very good full-time employment, said about the experience of worklessness, "It is like dying every day". In the words of one agency-based stakeholder, initially a sceptic, talking about the workers in a project, "They have the ability to start where people are".

The empirical evidence suggested that establishing personal trust and rapport, followed by a raising of awareness and encouraging people to surface their own questions, leads to a shift towards taking personal responsibility. From here successful changers may embark on one or more of a series of activities including:

- skills training
- personal development training
- reordering their personal finances
- personal coaching and/or training on job search skills, wording CVs and business plans and so on
- voluntary employment
- job placements
- engaging in voluntary activity and/or work placement.

For a significant number of people these activities led, in time, to paid employment. The evidence also suggests that there were often clear stages to this journey and that it could take differing periods. Some go so far along the journey and may stop for a time. But in these cases, the evidence also suggests that many report significant gains in confidence, self-esteem, reorganising their lives and becoming far more proactive. Many of our respondents, including beneficiaries, programme workers and stakeholders, were keen to point out that these were all examples of poor people getting richer. This perspective suggests that definitions of being poor and rich extend well beyond perhaps a very basic level of financial provision and should include people's own assessments of their happiness, physical and mental well-being and social connectedness.

The People into Employment (PIE) project in Sunderland has been successful in placing both disabled people and the carers of disabled people, into work. But they are also keen to point out that there are other beneficiaries who have travelled along these paths of personal improvement but for a variety of reasons have not gone into employment. It may be that personal and family circumstances make gaining or sustaining a job difficult, but they may move towards employment when things change. As well as functioning better in their personal and family lives, they are now also 'work-ready' (or at least near to it). PIE is seeking to raise money to commission research to explore their hypothesis that there are added, but usually hidden, benefits as well. These can include things like happier and better functioning families (with the related implications for often difficult caring relationships). There also can be economic benefits, including increased family income through the subsequent increased earnings of others and improved benefit take-up. In addition there are other reported indirect gains such as improved health with diminished demands on both health and social care (for dependants) services. It is these reported benefits that PIE want to see researched on a systematic basis.

There is a rider to these analyses. A job may be part-time, low-level, and poorly paid adding only a small amount to an individual's and their family's financial income. But for one PIE beneficiary, for example, a woman with a major caring role for a severely autistic son, a 13-hour-a-week clerical job with the local NHS Primary Care Trust was far better than winning the jackpot on the National Lottery. To her it was the real measure of the personal distance she had travelled.

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Money and jobs are the hard dimensions that can be readily counted. Both, however, are dependent on individuals' inner states of well-being, the personal skills and resources at their disposal, and their ability to mobilise these effectively. But there is little doubt that improving economic circumstances and satisfactory employment, both paid and unpaid, also play a considerable part in lifting and sustaining personal morale, motivation, confidence and the feeling of well-being. But the work of the organisations in this study also indicates that for many, especially those in long-term worklessness, there is a threshold to be reached before self-mobilisation is realised. From this point, the journey to work readiness and into employment begins.

These pathways are clearly discernable in the four organisations categorised in Chapter 1 under 'paths to employment':

- ACUMEN
- People into Employment (PIE)
- Social Enterprise Sunderland (SES)
- Mental Health Matters (MHM)

In the case of the more community-focused organisations, elements of their work clearly link to these pathways.

- **Upper Teesdale Agricultural Services (UTASS)**

It was the progressive development of relationships of trust that enabled the farmers to then translate the flow of information, advice and support now available into self-mobilised activity to improve their conditions. This has continued through a range of other activities including advice and seminars on current farming and community issues. In addition, the growing social, community and inter-agency networks that UTASS has been instrumental in creating, increase the shared levels of trust and the capacity to work with those referred to them (see case study).

- **Amble Development Trust**

The Trust's focus is the economic development of the whole town. Within this, both its economic development, together with job search initiatives, have clearly facilitated and enabled local people to move towards and into employment. The infrastructure of collaborative working, developed in the furtherance of ADT's aims, supports networks of social interaction which build trust and confidence and encourage employment referrals.

- **Future Regeneration of Grangetown (FROG)**

The Learning and Skills and Community Environmental programmes are both set up to engage and support people along similar pathways toward work readiness.

It is less clear where the two projects classified as financial self-management fit into the emerging idea of pathways. Both South Tyneside Credit Union and the Washington CAB debt and financial management advice service have an impact in helping people sort out debilitating personal debt and move people towards responsible personal financial self-management. Clearly, the establishment of the trust relationship between people with financial problems and the scheme workers is just as fundamental. The range of factors which led to the creation of this trust seems very similar to those listed above. In the case of the Credit Union, members are constrained to develop new financial behaviours by the terms and conditions of membership. The measures of success here are indirect, but the financial record suggests that the Union has a considerable impact on its members indicated by a low default rate. Further, the more financially stable and self-supporting the Credit Union is through increasing its scale of operation and its internal efficiencies, then the greater this impact will become.

An overview of some of the key features of these pathways for each of the projects are summarised in Appendix 1. They are analysed in terms of typical starting points for potential beneficiaries, routes followed and some likely end points.

Pathway progression in use – two examples

A number of organisations visited are developing an interest in tracking the progress of people through their schemes. There are several reasons for doing so which include:

- reviewing the success of their work and seeking ways to improve it;
- providing improved data to existing and potential funders;
- providing improved data to monitor contracts and service levels with statutory bodies.

Mental Health Matters (MHM) and ACUMEN provide two specific examples.

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Mental Health Matters (MHM) is trialling a method of scoring 'pathway progress' for a contract it holds with Jobcentre Plus. (This is not in the North East Region and receives no Northern Rock Foundation support). It is designed to monitor a three-year programme which is designed to get 300 people with 'severe and enduring' mental health problems into paid employment. It scores outcomes along the path to employment, set out in box 2.

BOX 2 Mental Health Matters' outcomes scoring

Outcomes	Points
0. Referral cancelled – No action taken	0
1. Signed up	1
2. Received information and given advice	2
3. Consider options, write CVs	3
4. Complete applications & send out CVs	4
5. Attend work interviews	5
6. Training & Work placement	6
7. Voluntary work	7
8. Work trial	8
9. Supported paid employment	9
10. Unsupported paid employment and off incapacity benefit	10

This clearly recognises that there are benefits from progressing from stage to stage along the path without necessarily getting to the end. As is found in many behaviour change programmes, long-term successful changers may stop at points along the journey and often regress for periods as well. This scale gives a limited perspective on the personal change processes involved and the nature of the helping relationship. But, with this caveat, it is clearly a useful development. However, as it stands, it may give the impression that helping to move people towards and into employment is simply a matter of running through a series of ordered routines of training, completing standard tasks, and achieving pre-specified goals. Our insights gained from talking to beneficiaries, workers and stakeholders at one MHM centre, are that the process is much more fundamental than that for the vast majority of people. It may be that the next step is to describe these pathways and developmental steps both for the potential changer and the helper, in ways that reflect these deeper psychological dimensions. This should assist the continuing development and refinement of the outcomes scale above.

ACUMEN is another organisation that uses this idea of development progression in the work it does. One of its main projects is the Aim High programme and the Aim High Network. The Network brings together the existing outreach services in Easington District aimed at raising residents' aspirations and taking the first steps towards learning, gaining employment, or starting their own business. It "provides a 'real' person to talk to, who can help people with overcoming their barriers and moving forward and/or refer them to the most relevant organisation." Amongst other things it "provides one-to-one skills for life support that help build self-esteem and self-confidence".

Aim High offers a Steps to Excellence for Personal Success (STEPS) personal development programme. This is developed by the Pacific Institute – an international organisation devoted to personal and leadership development training. The STEPS programme is specifically designed for the context of individual and community regeneration. The core aim is to reverse 'downward spirals' of negative self-image, decreasing self-esteem, rigid and contracting comfort zones, and to enable people to mobilise their own 'spirals of success'. The Pacific Institute states that:

"The STEPS programme is based on the best research from the field of cognitive psychology and on studies of the way that effective and fulfilled individuals think and act in their lives. (It) confronts the beliefs that limit achievement, aid participants to build a stronger sense of self and an expanded sense of potential and possibility. The programme helps individuals move beyond where they have become stuck to more fulfilling and successful lives."

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The Institute quotes the findings of an independent study of one programme in the UK where STEPS participants were 2.5 times more likely to be in employment three months after the programme, compared to a control group of those who had not attended.

ACUMEN is starting to develop a range of tools to measure the impacts of learning upon the individuals who participate in their 'Skills for Life Learning' programmes along the following dimensions:

- raising attainment;
- positive impact upon mental health and well-being;
- self-confidence and self-esteem;
- raised aspirations;
- reduced offending behaviours;
- positive impact on employability.

It is worth adding, however, that a person's 'pathway' will often start well before this from an initial contact with an Aim High worker through some kind of event or network referral, for example. Another factor, which complicates tracking here and for the other organisations visited, is that beneficiaries may engage in activities run by several different providers. The pathway is tailored to individual needs and not the other way round. This often makes it difficult to attribute success to particular providers.

ACUMEN also hosts a major Bizfizz programme (not funded by Northern Rock Foundation). The Bizfizz model was developed by The New Economics Foundation (NEF) and the Civic Trust. It is based on the idea that community-based entrepreneurs (including social entrepreneurs) are more likely to employ local people and create and circulate wealth in the local community.

Bizfizz is highly relevant here because it also makes explicit use of the metaphor of a journey and embraces the methodology of business/executive coaching. It is described as "the art of facilitating the performance, learning and development of another". Core notions are 'starting where the client is' with the client taking responsibility for arranging meetings and determining the pace at which things happen. In this coaching philosophy, the coach "supports a client's decision-making process allowing them to take responsibility; the coach is not attached to the outcomes of the client, neither does the client become dependent on the coach".

The examples quoted above are more explicit models of a common underlying approach evolving in different ways and contexts across these organisations. Articulating and clarifying this approach is likely to improve the capacity of organisations to evaluate and review their work, develop their practice and their staff development and strengthen their ability to contract with both funders and statutory bodies. There may also be considerable value for these and other similar organisations learning from each other's experiences. The ideas of pathways and journeys could be useful starting points for this dialogue.

An analysis of personal pathways: the 'Common Factors' research on what works in personal change

What works best in personal change has been contested territory over many years in the fields of counselling and psychotherapy. Various psychological 'schools' have each sought to emphasise the particular benefits of their methods and techniques. Increasingly, they have tried to link their claims to empirical outcomes. Currently in the UK, cognitive behavioural therapy (CBT) is held in particular favour among some statutory agencies seeking the most appropriate 'talking therapy' for, say, the alleviation of depression.

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Two in-depth studies, both from the United States, offer perhaps the best-researched analyses of what works. These are:

1. *The Heart and Soul of Change: what works in therapy* (Hubble et al, 1999) pulls together a series of in-depth analyses of research over many years into the factors leading to effective outcomes in therapy and counselling;
2. The six-stage change programme for making personal change (Prochaska et al, 1994).

These have become known as the 'common factors' approach to understanding what works in personal change. The nine case examples in this study are not attempting therapy or explicitly (in most cases) offering counselling. So in this instance the 'heart and soul' findings should be approached with some caution. But they do offer some illuminating insights.

On the other hand, Prochaska's work looks at personal changes made by individuals who were not engaged in counselling or therapy and are, in his words, "self-changers". Together, these two approaches from very different vantage points, link surprisingly well.

1. The heart and soul of change: what works in therapy

Perhaps the most striking outcome of this research was that no single school seemed to be more effective than any other. It depended more on the clients themselves and the relationship between the client and therapist/professional, than specific methods or techniques. It led Luborsky to declare as long ago as 1975 the 'dodo bird verdict' borrowed from *Alice in Wonderland*: "Everyone has won and all must have prizes". (Quoted in Hubble et al, 1999)

As continuing studies confirmed these findings, attempts were made to ascertain what led to effective outcomes. What was it that distinguished effective counsellors and therapists from the less effective ones? This led to the identification of the 'Big Four' factors.

- **Client/extratherapeutic factors.** These include the client's underlying strengths and personal resources, including family and/or personal networks and the capacity to develop these. These factors account for 40% of 'outcome variance'.

- **Relationship factors.** These emphasise the warmth, encouragement and support, acceptance and empathy and mutual affirmation, and account for 30% of variance.
- **Placebo, hope and expectancy.** These happen where the client sees the therapist/counsellor as credible and trustworthy etc. They account for 15% of variance.
- **Model/technique factors.** Most surprisingly perhaps, the particular models and techniques usually derivative of schools (psychodynamic, humanistic, behavioural etc – expert counters can identify a hundred plus, distinct schools) amounted to only 15% of outcome variance (and Prochaska's work illustrates why that probably occurs as well).

So the biggest single effect is to demythologise the role of therapists and counsellors, their models and techniques, and put clients at centre stage. With no client, there is no change. Or, as the African proverb puts it, "Until lions have their historians, all tales of hunting will glorify the hunter."

The most important message here for understanding effectiveness in the kinds of projects supported in the Money and Jobs Programme (and beyond?) is to do with the relationships formed with beneficiaries, which enables them in turn to strengthen their own personal effectiveness. At this point, the change agents' models, techniques and professional credibility kick in and have more impact. In terms of the evidence we saw, this does seem to be a very plausible hypothesis and worth testing further .

2. James Prochaska and the six-stage model

The work of James Prochaska and others has attracted increasing interest from those working in the helping professions seeking to enable and facilitate personal change. It has also fostered its own self-help literature and programmes. 'Changing for Good: A revolutionary six-stage programme for overcoming bad habits and moving your life positively forward' (Prochaska et al, 1994) is the leading example of where these two fields are brought together. Despite the rather Messianic flavour of the title, the approach is based on a considerable depth of empirical research. Large numbers of people who had been successful in making fundamental changes to their lives were studied to see if there were common factors in the approach they

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took In the initial stages, the research concentrated on those who made those changes unaided by professional help. The changes they focused on were things like giving up smoking, alcohol and drug abuse, health and lifestyle changes and so on. What they found was that successful changers followed six well-defined stages of change which they characterised as:

- precontemplation;
- contemplation;
- preparation;
- action;
- maintenance;
- termination.

"Each of these stages is a predictable, well-defined stage; it takes place in a period of time and entails a series of tasks that need to be completed before progressing to the next stage. Each stage does not inevitably lead to the next – it is possible to become stuck at one stage or another. However, by understanding these changes and the processes that are most useful within each one, you can gain control over the cycle of change and move through it more quickly and efficiently, and with less pain." (Prochaska et al 1994, p19)

Given that these sequential stages are the key to making personal changes, it then becomes possible to understand, describe and explain which change practices and interventions (therapies) are going to be most applicable and useful at any given stage along the way. For those people who are working largely unaided, this will still provide an array of self-help methods, tools and techniques. It may also encourage them to seek the assistance of others from time to time: professionals, non-professionals, friends etc. For those who are working in the change and helping professions, and also those seeking to influence and support the personal development and enrichment of people in communities, especially the disadvantaged and hard to reach, the stages offer vital insights about which interventions if any are going to have more chance of working at any given time. But in any case, it is clear that successful change is dependent upon the changer taking personal responsibility to make the necessary steps. These are briefly described below.

- **Precontemplation**

People at this stage deny that there is a problem or that they have one. Those around them can see the problem clearly, but they are more likely to see problems and blame lying with other people and/or purely the result of external/unfortunate circumstances.

- **Contemplation**

Here people start to acknowledge that they have a problem or issue they need to deal with and start to think about resolving it. However, feeling stuck, having little confidence, not knowing what can be done, and not feeling ready to try out new behaviours or activities, are usually present at the same time. Chronic contemplators substitute thought and worry for action. This stage can last a long time.

- **Preparation**

This is the active planning stage, probably only lasting a month or two. Success though seems to be more likely where people prepare the ground with thorough planning rather than rushing to action.

- **Action**

This is the stage where people overtly modify, change or add behaviours, engage in new activities and change their surroundings. "They stop smoking cigarettes, remove all desserts from the house, pour the last beer down the drain, or confront their fears." In short, they make the move(s) for which they have been preparing.

- **Maintenance**

This is about developing strategies and thought patterns that consolidate the new actions and build on them. This stage can last for as little as six months or as long as a lifetime. The corollary is that promises of 'easy' change of the 'and in one step Jack was free' variety, rarely work. The maintenance effort itself only works, it seems, if the earlier steps have been undertaken.

- **Termination**

The termination stage is the ultimate goal: where the adopted behaviours and patterns of thought become fully absorbed and habitual and there is low risk of relapse.

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These stages, not surprisingly, have a marked resemblance to both pathways followed by the successful changers, and the strategies adopted to help them, that we found in many of the projects we visited. One of the keys to success it seems is the ability of these projects to engage with people who are at the precontemplation stage or on the cusp of the contemplation stage. The 'Common Factors' change literature also suggests that helping/development/coaching strategies that are most successful in the crucial contemplation stage focus on awareness raising, confidence building, raising self-esteem, taking personal responsibility and visualising different/better personal futures. Correspondingly, a greater focus on cognitive/behavioural methods will be successful during the preparation, planning and maintenance stages.

Linking back to the 'heart and soul' of change, and the Big Four factors above, this analysis illustrates where different models and techniques are likely to have greater benefit. Again these relate to where the client/beneficiary is at and not to the model/technique or to the helper/change agent, per se. Another of Prochaska's findings is that at precontemplation the cons of changing outweigh the pros. In order to move to contemplation and then to preparation, the pros of changing must increase by one standard deviation. (The common factors school have focused on the quantitative as well as the qualitative evaluations of what works.)

It seems that some of the organisations and workers involved in this study implicitly acknowledge these stages and strategies to some degree at least. Perhaps a fuller exploration of this six-stage model and its potential applications and development applied to the experiences of organisations we visited would be a productive venture.

It is also worth revisiting the question about what success means here – or put another way, in the context of the research questions, what does getting richer mean? Stabilised personal finances and full benefit entitlement is likely to lead to greater financial self-sufficiency. Similarly, a move from worklessness – especially long-term – to paid employment is likely to improve financial wealth, especially if the appropriate benefit advice is applied. In addition, as already discussed above, there are almost certainly going to be many other personal benefits in terms of health, well-being, and improved social relationships, that go with these financial improvements. But what if the job is only short-term or disappears, or is a very 'poor' one, or inappropriate for the individual in terms of skills or personality fit? What if other factors change in terms of family circumstances or a major health problem? To what extent is the individual thrown back to his/her 'pre-contemplative stage'? Or, with the new-found personal resilience, is she/he now much better equipped to self-mobilise with or without external help, to find alternative courses of action to remedy the situation? Are they now more active in this situation rather than tending towards their previous dependence and reactivity?

It is tempting to think that those who are successful in getting jobs as a result of these programmes are more likely to be able to take more active remedial action. Similarly, they should also be more likely to progress in their employment where they are not beset by more immediate problems. We have no firm evidence for this from our study. But these questions do point to the limitations of counting the numbers placed into employment after 13 weeks as the measure of success. Sustaining 'being richer', whether in the narrower or broader definition of this term, will be more about years than their 13 weeks. And this longer timescale needs to take into account turbulent labour markets and the vicissitudes of life in general.

Yes, the case study organisations do, in general, enable the poor to get richer, but the question is worthy of much greater exploration both in terms of its meaning and in building on the best ways of tracking and achieving the desired outcome. The core of the success of these organisations is their ability to draw in and build the relationships with people in often distressed personal circumstances so that they can engage in the contemplative stage at the start of a longer journey.

So what is the added value?

Added value comes from the ability of the case study organisations to reach and engage with people who are often disconnected from networks of social interaction and engagement for a variety of reasons. Typically, they experience very low self-esteem, personal motivation and have little money or personal resources. Community-based organisations and voluntary organisations which are rooted in communities usually have extensive and overlapping networks into their communities. It is this, together with

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effective workers who can build supportive and empathic relationships that enable them to engage with people at Prochaska's precontemplative stage.

There are many examples of statutory and non-statutory organisations that have achieved this kind of working. But the evidence suggests that they are exceptional and their achievements very unlikely to be replicated on a wide scale. Because of their purposes and clear focus, the organisations in this study are able to build on their engagement in their communities. They are clearly dealing with the unmet needs and hidden potential and aspirations of people, many of whom are unlikely to be known to the statutory agencies. Further, as these projects have become established and the quality of their work known, statutory and other agencies will refer some of their own clients to them where they have needs they find difficult to meet. For example, a senior occupational therapist said of the service provided by Mental Health Matters, that their Brighter Futures project was a "godsend". "They have the time, the contacts and the aftercare co-ordination. They can deal with, and make such a difference to, people suffering some of the more severe conditions like chronic depression, bipolar disease, chronic anxiety and schizophrenia."

Increasingly it seems that these organisations add to the range of options available as well as being able to access the harder to reach. Comments from stakeholders that illustrate this capacity are contained in Box 3.

Some of these contributions also extend well beyond specific services. For example, UTASS and Amble Development Trust act as focal points for bringing statutory agencies and voluntary organisations together to focus around community issues and concerns. This is another way in which effective community-based organisations provide significant added value to these other organisations through creating inter-organisational links and increased capacity for partnership activity.

A striking feature of the organisations studied was that, in most cases, they had progressively achieved strong and positive relationships with statutory agencies. Other evidence (Biddick, 2000; Demos, 2003 and Wilkinson et al 2003) indicates the value of this, although in some cases it may be very difficult to achieve. For example Wilkinson et al (2003) describe the world of many community-based organisations as "surviving with the big beasts"

BOX 3 Stakeholder comments on the special contribution of community-based groups to develop special services to access the needs of the hard to reach

"They have the time, the contacts and the aftercare co-ordination. They can deal with, and make such a difference to, people suffering some of the more severe conditions like chronic depression, bipolar disease, chronic anxiety and schizophrenia."
(Senior Occupational Therapist referring to the Brighter Futures project run by Mental Health Matters)

"Getting this job, although only part-time, means more to me than winning the Lottery."
(Carer, [looking after her autistic son], and not in receipt of benefit, who had not worked outside her home for 13 years. She fell outside the remit of any mainstream services and, in this case, PIE was the only organisation that offered to help this woman to find work)

"We need Sunderland Enterprise Service – they facilitate access to the community. If SES did not exist, then someone would have to create such an organisation."
(Comment from an officer of Sunderland City Council, recognising the need to "address the lack of 'aspirational' culture" in the Sunderland area)

"I am financially better off, and have a bigger income. This has improved my quality of life in a number of different ways – particularly socially and my overall feeling of well-being.
(A young woman who had been suffering from acute depression and fear of being by herself, even within her own home, for at least 18 months before she became involved with the ACUMEN and Aim High team. She is now in paid employment, as a result of the help given to her by ACUMEN)

"UTASS is integral to everything we all do in Teesdale." "UTASS is the voice of Upper Teesdale." "It puts a credibility on everything." "It gets to the hard to reach." "It builds trust with farmers." "UTASS is part of the fabric of the Dale." "It gets under the insularity." "Nothing is too much trouble."
(A series of comments during a meeting of UTASS stakeholders)

"Without the Trust, Amble would be a much poorer place. It is very well supported by the population. It has taken on a strong advocacy role – the local authorities take it very seriously."
(Northumberland County Councillor)

in their relationships with statutory providers. They continue, "All the case sites have their own specific histories in which dealing with the public service providers plays a significant part. These seem to be very important to the participants we talked to. We wonder if this dimension has been given enough attention in past research and case studies. ... The relationships appear to vary from the attritional to the very supportive..." (page 54).

Lack of recognition and support by the big agencies, especially local government and health, has often been reported as a major problem by many community-based organisations in the past. It may be that the overall mood is starting to change and that more senior managers and elected members are seeing the positive and often unique benefits community-based organisations can provide. It may be also that as these statutory bodies increasingly think in terms of outsourcing services and (in the case of the DWP, needing to think in terms of outreach and 'Pathways to Employment') the value of alternative, innovative, and socially entrepreneurial provision becomes increasingly attractive.

At the same time, it is also evident that key individuals have been very effective in building relationships across key agencies, especially where their organisations have progressively developed credibility for what they do. In parallel with evidence from other studies (for example, Leadbeater, 1997; Leadbeater and Goss, 1998; Wilkinson and Appelbee, 1999; Brickell 2000) the leadership roles of these social entrepreneurs have been of great significance in the development and credibility of their organisations and the inter-organisational and inter-agency networks they create. As more statutory agencies come to value their work, this creates a climate where those who still do not, become more exposed to witnessing alternative and innovative models of provision and ways of doing things. But because these leaders have played such a crucial role, often over quite long periods of time, replicating and spreading these projects is problematic. The need for an organisation like UTASS is clearly not limited to the special circumstances and conditions of Upper Teesdale and its farming and wider social community over recent years. Indeed, because of this wider interest an independent externally-funded study was commissioned. It will be instructive to see what if anything results.

Social entrepreneurship, however important in some examples, is just one of a number of situational and contextual factors. Each location by definition offers a specific set of conditions – social, physical and institutional. This suggests that 'spread' is more likely through the adaptation of these ideas to local conditions and not through simple adoption or replication. Thus, tacit knowledge, social learning and 'know-how' are key to spreading such community-led endeavour.

The added value demonstrated through the case studies in this review is clearly not limited to just the voluntary and community sectors. But evidence suggests that it is more likely to be created there because of the essential values of these organisations and their raisons d'être. What becomes important in improving the effectiveness of all sectors is how they engage with each other to maximise the benefits for citizens and communities through the clarity of understanding they have about each other's contributions. The analysis developed above is designed to illuminate this dialogue, as well as inform internal review and reflection of service provision. Some of the implications for different sectors and agencies are discussed in Chapter 5.

4 Developing evaluation and review to track progress

In Chapter 3 we have drawn attention to the importance of tracking individual pathways of beneficiaries towards employment, employment readiness and greater economic self-sufficiency. The ideal is for each project to develop and improve its ability to track progress and collect as much evidence as is reasonably available. Perhaps, also linked, is addressing some core questions of the type, “Does this programme/intervention/activity help poor people become better off?” A number of respondents said during the study that it was a pity that the Northern Rock Foundation “hadn’t asked us this question in the first place”. Some wanted to unpick the question in various ways as discussed in Chapter 2; this can be interpreted as part of the value of starting with a good fundamental core question.

There were other interesting ways in which some of the case study projects were attempting to take stock and evaluate their work and impact. These deliberately set out to survey a range of beneficiary and stakeholder views and perceptions of achievements and potential improvements. The two best examples were:

- the external evaluations on the work of PIE by Hilary Arksey of the University of York, which involved focus groups of stakeholders;
- SES’s social audit.

During some of our site visits, we also brought groupings of different stakeholders together. On a couple of occasions we did this with key organisational members present. On one occasion we had the range of stakeholders and beneficiaries together at one time. On others, we saw different categories of stakeholders separately. In whatever combination, all these meetings worked well; people were very open both about themselves and the project in question, and appeared to value the time to review and reflect. We were involved in review meetings of this type at UTASS, PIE, Amble Development Trust, SES and MHM.

These not only helped us gather information, they seemed of value to **all** those involved. In other words, they had learning and developmental value for both organisations and stakeholders.

Based on our early experiences of these participative sessions during visits to the first three projects listed above, we suggested to ACUMEN organising a small 'whole systems event' bringing together a wide mix of stakeholders. We held this with their Aim High Network on 14 September 2005.

The following sections describe:

- PIE's evaluation process;
- SES's evaluation process and social audit process;
- ACUMEN's Aim High Network 'whole systems' day.

The PIE evaluation process

PIE commissioned an independent evaluation study, which was carried out by Hilary Arksey of the Social Policy Research Unit, University of York, and was completed in January, 2004. The approach taken was one whereby the process of implementing a programme was as important as evaluating the outcome of the programme.

The views of all key stakeholders were taken into account, and the last evaluation study (January, 2004) was concerned not only with 'hard outcomes', such as jobs obtained, but also with 'soft outcomes' and distance travelled towards employability.

Fieldwork for the study was undertaken involving a questionnaire of PIE clients, three focus groups with PIE clients, one focus group with partner agencies and employers, and a joint interview with PIE's Team Leader and the full-time Development Worker.

The study emphasised that PIE is committed to supporting 'hidden' people who are not known to any of the statutory services, and that the project's aim is "to assist people back into employment on an individual, relaxed and informal basis".

Focus group participants in this study believed very strongly that PIE's link with the voluntary sector was crucial to its effectiveness. Voluntary sector organisations were seen as having the time available to them that private sector organisations, or large public sector bodies, did not have. They were also thought to be ideally placed to offer the tailor-made situations that some of the more challenging PIE clients required as they progressed towards employability. Whilst voluntary sector organisations were often willing to take someone on primarily to help PIE out, once they realised the beneficiary's potential, they then became their employer, if funding permitted.

Focus group participants were also asked to identify what they saw as PIE's strengths, weaknesses and areas for development.

SES's evaluation and social audit processes

Independent Evaluation

In May 2005, Social Enterprise Sunderland (SES) commissioned New Skills Consulting to undertake an independent evaluation of its work on the start-up and development of social enterprises in Sunderland.

The overall purpose of the evaluation was to assess the quality and content of the service that SES provides to social enterprises and to measure the impact the service has on individuals, communities, the local economy and the enterprises themselves.

SES has been supporting the development of social enterprise in Sunderland since the 1980s but this exercise was intended only to look at a small sample of the enterprises created over the last ten years, with a particular focus on the last two years.

Information was gathered from the staff of Social Enterprise Sunderland as well as individuals, groups and organisations that have received social enterprise start-up and ongoing development support from SES.

A total of nine social enterprises were involved in the evaluation. Six were new enterprises that have received support since September 2003, the other there were more established enterprises that have been receiving support since 1998.

Since the evaluation was based on only a small sample of the social enterprises supported by SES, the findings should be regarded as providing a general assessment only of the SES service and its impact. A range of methods were used to gather data. These are listed in Appendix 2. The outcome of this social audit (evaluation) was to use the data collected to:

- clarify their mission, values, objectives for the year and what they do towards achieving their objectives;
- establish a system of recording information and numbers for all their activities;
- gain the views of stakeholders on how they viewed SES's performance and what difference SES had made to them;
- report everything in as balanced a way as possible;
- submit the Draft Social Accounts of all the above to be scrutinised by an independent Social Audit Panel;
- make the full audited and revised report available and distribute a summary.

The reason for practising social accounting and audit was to enable SES to see how well or badly they were performing. Also it is a means whereby SES can communicate with, and listen openly to, all their stakeholders in order to learn and improve.

ACUMEN's Aim High Network 'whole systems day'

On 14 September 2005 we held a 'whole systems day' at Dawdon Community Centre, which was attended by Acumen's chief executive, Kate Welch, some of her staff, and a comprehensive range of stakeholders from the Aim High Network.

We divided the people present into three groups (having first asked them to form groups where members did not know each other at all, if possible). They spent some time introducing themselves to the group, then we asked them to consider the following four questions within their own groups, and to record their thoughts on flipcharts.

- What do you consider to be the key achievements of the Aim High Network so far?
- What has helped?
- What could have been done better? What hindered us?
- What actions would you like us to take in the future (what do you want to achieve)?

The flipcharts were placed on the walls for all to see, and the issues and thoughts of each group were then considered by the 'whole system' in the room. This generated a great deal of interesting discussion.

The event acted as a formative assessment and review process, and the intention was that the outputs from the day would be considered and an Action Plan would be formulated, based on suggestions made by the stakeholders who were present in the room on that day. The flip-charted feedback to the group questions above are reproduced in Appendix 3.

From feedback that we received on the day, those stakeholders present felt that it had been an excellent way to work together, and it had enabled them to consider the views of a wide range of people – an opportunity to evaluate the work of Aim High and to plan for the future.

Evaluation and accountability

Funders like Northern Rock Foundation need to be able to review the effectiveness of their grant-making and be accountable to their governing body. This process should also enable the Foundation to allocate funds effectively in the future, as well as offer improving guidance and support to the projects they fund.

The data and evidence gathered through our visits suggest that one of the great merits of Northern Rock Foundation funding is that when it is awarded, it is upfront, and not overly onerous in terms of reporting. From the evidence collected during this study and our analysis, it may be that the Foundation should consider developing evaluation processes further through discussion with the organisations it is funding. To develop this within the current operating ethos, the key would be to use methods that build on successes so far and add value to the work of both the organisations themselves and to the Foundation's charitable giving.

The start point is to clarify the purposes of evaluation and the core questions to be addressed. It is useful to consider the following about the purpose.

- **Is it to prove something?** For example, the number of people who have entered employment. It is usually helpful and important to collect data covering a wide range of convincing evidence from a range of sources. But there are dangers. These include limited and/or overambitious targets and the suppression of negative data or outcomes and can lead to the avoidance of analysis and diagnosis. There is often an inbuilt tension between those awarding funding or contracts, and those who operate them. Put bluntly, there are incentives to cheat. However, we are NOT suggesting that this has happened in any of the projects we visited.

- **Is it to improve something?** For example, to build on previous success and to diagnose underlying problems. But this may be limited to a focus on incremental improvement and underlying flaws, or changing external circumstances, are ignored. Gathering the widest range of stakeholders' views and experience is a good way to bring these issues to light.

- **Is it to learn something?** For example, at the level of individuals, or within the host organisation as a whole and/or between and across stakeholders. Asking questions, developing success criteria and engaging in review meetings for reflection and analysis, all provide learning opportunities. Action research, action learning and whole systems methodologies all promote such opportunities. Systematic reflection on the difficulties associated with particular difficulties of collaboration, for example, can provide valuable insights into different service cultures, ways of allocating priorities and time, the way teams and departments work together, about differing perceptions of the task, and whose support is needed for further progress. The more these activities are valued as opportunities to learn at both individual and organisation level, the more valuable they can become. Evaluation processes which can threaten to become tiresome bureaucratic exercises can be transformed into vehicles for learning, improvement and progress through these means.

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The matrix below is designed to integrate the two dimensions of evaluation/accountability and development/improvement. The wording is framed from the viewpoints of local research evaluators and local pilot workers and stakeholders. *

		Evaluation/Accountability	
		High	**Low**
Development/Improvement	**High**	Collect all the data required by the funder and use this with other information that is regarded as important to inform thinking and planning. The data is used actively by both parties.	Collect all the data required by the funder and use with other information that is regarded as important to inform thinking and planning. The data is used by us but little/nothing is heard from third-party evaluators.
	Low	A lot of information is collected but only used by third-party evaluators.	Collect some routine information but funders are not really interested as long as they can claim the evaluation is happening. Not much attention is paid to the data by either party.

Clearly the aim of evaluation being suggested here would be to operate in the top left-hand corner on a mutual basis. It would also be designed to prove, improve and learn both on the part of the host organisation and the funder. Joint working with stakeholders through 'whole systems' meetings and similar, on say an annual basis, would also strengthen and improve both the evaluation/accountability and development/improvement.

Whenever possible, methods for tracking the progress of individual beneficiaries should be developed, especially where these can demonstrate the added value of community-based organisation in drawing in the hard to reach. For projects such as the Amble Development Trust, this could be paralleled by tracking both organisational progress and that of the town as a whole.

Targets and target setting

In Chapter 5, we draw attention to some of the dangers of centralised target setting. This is not of course to denigrate the need for targets and goals. In fact, the evidence from the cases here, and in other studies, points to the fact that many community-based organisations take goal setting, evaluation and feedback on performance very seriously. The key of course is that they are developed by those engaged with the active delivery of the organisations' purposes and services. And in these roles, they are in immediate contact with their communities, with individuals from those communities and a range of other stakeholders.

The implication for Northern Rock Foundation is that it should continue to develop its collaborative approach to target setting with awardee organisations as part of the approaches to evaluation outlined here. Targets and goals that are predominantly set from the bottom up are likely to be both realistic and aspirational and have the real merit of being owned by those charged with reaching them. This clearly sits well with the Foundation as a light touch funder.

5 Implications

Perhaps the primary implication arising from this review is a need for increasing insight into the change processes involved in the area of work being funded. This applies both at the personal level, the main focus of this study, but also at the community level. For the latter, it would be valuable to chart the 'trajectories' of communities like Amble, Upper Teesdale and Grangetown over periods of time, as well as those of individuals and businesses (for example) within these places.

But the reasons for requiring this insight need to be clear as well. In the context of this study it would not be so that the Northern Rock Foundation could get more 'hands-on' control over the spending of its grants. Certainly accountability to the trustees for effective use of funding is very important. However, the purpose that flows from this review and analysis is to enable community organisations themselves to continue to develop and improve their work, while at the same time allowing funders like Northern Rock Foundation to learn more about working with beneficiary organisations to achieve even better mutual outcomes. The reasons for introducing psychologically based insights from the 'common factors' research is not to say that these are absolutely proven frameworks. The purpose is to take these working hypotheses to test and develop ways of reflecting on and evaluating practice, as well as creating common languages between funders and funded.

In addition, the hope is that these same growing understandings will enable an improving dialogue between funders, voluntary and community organisations (and the sectors as a whole), statutory providers and government bodies – the latter who have such a significant role in creating these infrastructures. Where is it that community-based organisations add real value? And what are the most effective interfaces between statutory and private providers and how should these interfaces and relationships be led and managed? It is not our intention to suggest that these spheres should be strictly demarcated. In some cases statutory providers may develop more community-based services. But these are going to be more effective in many cases – from the evidence in this study and others – where there are clear links and understandings with their community and statutory organisations.

It is surely better that local workers sort out the details of this and clarify that their cross-organisational patterns of referral and provision work collectively to add value to best effect.

The rest of this chapter is written from these starting points.

What are the implications for the Northern Rock Foundation?

In her introduction Fiona Ellis, Northern Rock Foundation's director, indicates how her team are already making use of this study. She writes that there are challenges for the Northern Rock Foundation

"…in how we continue to engage with organisations without becoming controlling, and how we support them individually and collectively to track and promote their achievements… we are taking up the challenge of finding and sharing better data; publishing this report is one example. More practically, we'll be working closely with funded organisations and providing them with expert help to improve their knowledge management and to work collectively and collaboratively to increase their impact. Indeed, it will be a condition of our grants that they do so."

In this review we were also asked, "What is the role of a charitable foundation in this arena?" The response is in two parts. Firstly, there are further specific comments about Northern Rock Foundation. Secondly, some more generalised thoughts that may have relevance to funders (charitable or otherwise) in general.

Northern Rock Foundation has set out to establish itself as "a light touch funder" in this area of grant-making. Without us even asking about their funders, most of the organisations we visited had a lot they wanted to tell us.

In conversation they all describe a number of key features about Northern Rock Foundation funding about which they were very positive. Taken together, these features distinguished Northern Rock Foundation from other funders in the eyes of this sample of beneficiaries at least. They felt very positive about Northern Rock Foundation and what its funding had enabled them

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to achieve and invariably rated this highly in comparison with other funding bodies. However three caveats need entering here.

1. Given they were being asked by researchers employed by Northern Rock Foundation, "then they would say that wouldn't they". However, the enthusiastic way in which this information was usually volunteered (rather than solicited), described and detailed, indicated rather more than a narrowly self-interested response.
2. We made no enquiries to other funders about their approaches to the application and awarding processes. So the comments here are based solely on the perceptions of this sample of recipients.
3. Many of these organisations have been in existence and in the process of evolution over long periods. They have an extensive knowledge of the trials and tribulations of fundraising. In all community-based organisations, fundraising consumes a considerable slice of available time and resource. (This would also be a worthwhile area of research – if it has not been done already.)

This is perhaps the main reason why the comments from beneficiaries in Box 4 are worthy of comment. For the most part, they were coming from people with long-term proven track records of community and social entrepreneurship.

In general, community-based organisations, where they are successful in getting a number of 'related' projects funded by different funders, can run into subsequent integration, co-ordination and management problems. For instance, each 'project' funding stream typically allows only a minimum for management and supervision. As a result, organisations can lose direction and focus, especially assessing future needs and operating to best effect with other bodies. This study contains some excellent examples of Northern Rock Foundation-funded organisations tackling these issues. However it is difficult to quantify. It is always problematic in these areas of social enquiry to address the question of what would, or would not, have happened if funding had not been provided. Thus, it is difficult to estimate the added value, especially in the longer term, of strategic development that has and is now happening. But just because it is difficult to quantify doesn't mean that it is not of great importance. However, it seems likely that the most value is achieved by adding to strategic capacity **where organisations have a track record of operational achievement**. In short, they have local knowledge and know-how about what works and what does not work.

BOX 4 What did people like about Northern Rock Foundation funding?

The key things that people liked were:

- The grant officers were both helpful and direct. "You know where you stand with them"; "They are not remote."
- Northern Rock Foundation makes its awards 'upfront', for example quarterly in advance. This makes a significant difference to cash flows. This contrasts with the practice of funders who only pay retrospectively or on performance achieved.
- There is a minimum amount of bureaucracy and form filling involved. For the most part people felt that they had a fair chance of at least some success when they came to the step of completing the formal application.
- Reporting back on the use of funding in the form of an annual report was both reasonable and not unduly onerous.
- Northern Rock Foundation did in the main agree some key targets with beneficiaries, but these were not very stringent or constraining (e.g. better or different ways of doing things can emerge through implementation, action learning or applying learning from reviewing action).
- Northern Rock Foundation, in a significant number of cases, was prepared to fund core posts. It will also fund capital items including buildings. This allowed and encouraged a much more strategic approach to the direction and management of the organisation as a whole. In some cases this also linked to the increasingly important work of inter-organisational and inter-agency partnership building necessitated by rapidly evolving regional, sub-regional, district and local governance infrastructures.

In three cases, beneficiary organisations had initially 'experienced' the Northern Rock Foundation as "challenging" and even a little "abrasive". Sometimes perhaps this is an inevitable component of creating the direct and often supportive relationships that received so much positive comment. Interestingly, one beneficiary felt that the relationship was too distant, in the sense of too little time spent reviewing the work being funded and the overall direction of it. In terms of some of the findings in this report, and

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in the way in which significant mainstream services are rapidly changing (e.g. Jobcentre Plus staffing structures and the changes to incapacity benefits), this may be an area of the funding relationship that could be developed.

This history of expectations and understandings provides a promising context for developing Northern Rock Foundation's processes of evaluation and review.

What are the implications for funders in general?

There may be issues here that other funders wish to look at in the light of the experiences of funded organisations reported above. Given a context where there appears to be a political consensus on expanding the role of 'the third sector' to become an increasing part of the jigsaw of public service provision, this is likely to be an even more important issue. How funds are granted, and how the statutory sector contracts with third sector organisations, will be significant factors in how they are able to manage themselves effectively and deliver what they are best at. Some of these contracting issues are addressed below in the section on implications for the statutory sector. On the funding side, however, there is little doubt that the transaction costs of dealing with many funding regimes are high and consume a disproportionate amount of what is already slender managerial time.

Linked are the questions of accountability for the best use of funding and how outcomes are evaluated. Funders (and of course statutory organisations as both funders and client contractors) have a disproportionate amount of power relative to most community-based organisations. But the strong implication of the last chapter on evaluation is that the best outcomes are likely to be achieved where there is a strong mutual focus on the two dimensions of evaluation/accountability and development/improvement. This suggests a more partnership-based approach that is generally experienced by funded organisations. Otherwise, the danger is that this asymmetrical power structure pushes funded organisations into focusing on the targets of the funders and assembling and perhaps massaging evidence to this end. This then can take the attention away from overall development of an organisation's effectiveness and efficiency in meeting the needs of beneficiaries. This critique of course is increasingly made of the target-driven funding and accountability regimes across UK public services.

Linked also is the frequent complexity of funding streams. The precise impact of any one element of funding given to a community project is very difficult to measure. Each project is embedded in a complex web of links with other organisations, statutory organisations, community groupings and networks. In addition, they and their wider networks will have their own unique trajectories, histories, 'biographies' and variable patterns of short-term funding. As with so much social research, it is difficult to isolate the precise impact of one variable in such complex patterns of causation. Nor is it relevant in this context to attempt narrowly controlled social experiments (design experiments) or the classic double 'blind' tests used for example in much medical research. (The new treatment is tested with one half of the patient group, while the other half is given a placebo.) Given these sets of circumstances, it then becomes important to gather as much evidence as possible to provide indicators to track the added value of the programme of activity being funded, or part funded by one funding body. However, the potential negative effects of additional transactional costs and conflicting interests in collecting and interpreting the evidence need to be considered.

The continuing (frequently reasonable) complaint of so many community and voluntary organisations is the large amount of key managerial resource that is absorbed in making funding applications. Where they are eventually successful, they are required to provide different sets of evaluative and other support data for each different set of reporting requirements from each funding body. The strong anecdotal evidence provided in this study is that Northern Rock Foundation is highly regarded because it largely avoids these pitfalls of high transactional costs for the funded organisations. It does this through relatively minimum paperwork, by providing upfront funding and asking for annual reporting arrangements as agreed in the initial funding plan. Northern Rock Foundation also frequently supports key managerial posts and gives projects more headroom for strategic management.

The second set of issues surrounding increasing data collection for evaluation is to do with the purposes for which it is collected and how it is to be interpreted and by whom. Given that funding, especially its continuation, is likely to be based on meeting previously agreed or imposed targets, project staff quite reasonably are going to assemble data that supports these ends. The context of its collection, including the asymmetrical power relationship between funder and funded, will inevitably impact on the partiality of its use. In the worst cases, it can give rise to the suspicion that data collected by the beneficiaries of funding may not be reliable, or is open to suspicion.

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There are three broad ways of contending with this complex difficulty.

1. To align the interests of the following groups

- Individuals and groups/communities who make use of the service provided and are its intended beneficiaries. How do they experience and perceive the service they have received? Perhaps even more importantly, what progress do they feel they are making along a pathway or trajectory towards some improvement goal?
- Voluntary and community organisations who are receiving the funding. They have established themselves for declared social purposes and are likely to maintain a strong desire to both innovate in the provision of new and better services, and improve and develop existing ones.
- Charitable foundations and other funders who seek to allocate funds to secure the best social returns possible.
- Other stakeholders, like some statutory agencies, other voluntary bodies and so on, who have a stake in the outcomes of the organisation and its services in question.

The more that the collection of evaluative data serves to aid the improvement of outcomes for all these different parties, especially the direct beneficiaries of these services themselves and the organisations providing them, the more likely that it will be gathered to provide the fullest picture possible. This points to evaluative data being used as developmentally as possible. In the model in Chapter 4, it represents the top left-hand quadrant of high on development/improvement, and high on evaluation/accountability. In the language of evaluation, it is formative rather than summative.

2. To gather data from different 'vantage points'

This approach starts from the recognition that the very idea of objectivity is problematic in judging outcomes. There are likely to be many sources of information about the perceived value of a service from the different vantage points of the range of stakeholders involved. Pulling all this together will enable a richer tapestry to be woven about what is being achieved and no doubt, where improvements can be made. It provides for successive approaches to 'the truth' about what has been done and what needs to be done in the future.

A linked issue in the 'objectivity question' is that the act of information gathering itself, especially in face-to-face and group interviews, affects the people and situation and context that is being explored. The better the question, the more reflective, and thus developmental, the responses are likely to be. We were very aware of this in gathering the case material for this study in the way in which we did it, especially in those settings where we had more input from groups of stakeholders.

As in Heisenberg's uncertainty principle in physics, the act of measurement alters what is being measured. If this can be a problem in the physical sciences, it is even more so in the contexts we are talking about here. But, the more everybody who has an interest and stake in the outcomes is involved in gathering data, the greater the incentive to provide authentic data and the alignment of purpose. Data from different sources can act like the use of triangulation to establish fixed locations and altitudes in physical mapping.

These discussions also serve to place evaluation in the action research frame of reference. Kurt Lewin, who is usually cited as the originator of action research, came up with two famous straplines. These were, "There is nothing so practical as a good theory" and, "The best way to understand something is to try to change it". These approaches clearly suggest moves away from some of the more positivist approaches to the social sciences and to evaluation.

Chapter 4 includes a range of methods already in use, or trialled in the cases studied.

- The external evaluation processes at PIE. The process was conducted by external evaluators but interestingly included the use of 'focus groups' for the collection of data.
- The social audit processes recently developed at Social Enterprises Sunderland (SES).
- The use of whole systems events developed from the one trialled at ACUMEN. This is the most developed and interactive way of getting as many stakeholders of the Aim High project into 'the room' together to review progress together and consider next steps.

Both the PIE research and the ACUMEN whole systems day involved external agents but in differently constructed roles. The first follows the more traditional method of the external academic researcher who makes the final judgements. In the second, the facilitators hold the ring and collaborate with the client organisation in the design of the day and the questions addressed. While these are differently constructed, there are clearly complementary, especially in the developmental uses to which the findings can be put. All these methods provide ways of collecting data from different vantage points and achieving more accurate 'triangulation'. Whole systems and action research methods actively seek to turn the impact of intervention into an acknowledged and highly positive feature of improving data collection, individual and collective judgements based on this, and developmental steps towards the future.

3. To use third-party, independent evaluators

This approach does not, of course, remove the problematic nature of evaluation discussed above. But it can bring in independent expertise and credibility to this judgement process. The PIE evaluation is a good example of this. In the case of SES, their independent evaluators commented on the merit of the social audit process. The additional virtue of third-party evaluation is that it can add a more summative judgement about success. To this extent it is likely to be nearer the summative end of the formative/summative continuum.

What are the implications for statutory agencies?

There are two key issues that emerged during the site visits, especially in conversations with stakeholders that may well be worth further exploration.

1. Recognition of what each organisation does best and what each can realistically undertake

This recognition and appreciation of organisational diversity was noticeable, especially around UTASS, ACUMEN, PIE, Amble Development Trust, SES and MHM. "There used to be a lot of competition and conflict and the atmosphere was confrontational." (Between the project in question, employment and business services and the local authority). "That was three or four years ago. It is very different now because we recognise the value of what each party does. There are things that [this project] does as a community-based organisation that we [the local authority] are simply not good at. So working collaboratively adds value to all our work."

2. Developing the capacity of community-based organisations

This growing recognition of what effective community-based organisations can contribute means that statutory organisations play an increasing part in developing their capacity and effectiveness. In doing this they can of course improve their effectiveness. For example, projects like Aim High at ACUMEN increase the job placement productivity of the Jobcentre team threefold. MHM's Brighter Futures is providing a rehabilitation service that the NHS has difficulty in providing and with consequent reductions in demand for chronic care and emergency for an already stretched service.

Community-based organisations lack core, long-term funding. They are dependent on relatively short-term funds from a range of donor organisations and through outsourced service contracts. The search for sources of funding is usually unending and very time and resource consuming. For many, changes in access to European funding and in UK regeneration funding are likely to add to these difficulties in the future.

The way in which the statutory bodies support, fund and procure from these organisations will be of critical significance. It is likely to be a significant factor in whether or not community-based organisations can develop capacity. This is especially so in building and improving on those areas of service provision and community development where they add particular value. These are the ones which the statutory services, because of their scale and culture, find the most difficult. From this perspective, procurement should aim to develop and secure these added value dimensions and be sensitive to essential difference and characteristics of community-based organisations, including the ways in which they achieve funding. This is not to argue of course that statutory bodies should fund organisations that do not deliver to agreed contract specifications simply because they are community-based. Rather, that they should organise their contracts in collaborative ways that are most likely to add value on both sides.

Given the continuation of the trend for public sector organisations to outsource, and for community-based and voluntary organisations to need sources of funding, the danger is that the latter are forced into more traditional forms of public sector delivery. This would risk losing the innovative contribution to outreach and accessibility that have often made them successful in the first place. The ability of public sector organisations to appreciate and support through contracting arrangements, the added value community-based organisations can make, will become increasingly significant.

For instance, reforms to Incapacity Benefit and the apparent success of the Jobcentre Plus 'Pathways to Employment' pilots point to the need for more innovative and client-centred ways of engaging with the public.

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However, the requirement for public sector economies, through, for example, Sir Peter Gershon's efficiency drive, may make it difficult to develop the capacity to continue to expand outreach working. The case study in Box 5 illustrates a micro-example of effective Jobcentre Plus outreach working in Sedgefield, County Durham. This is a particularly good example of a statutory service working with community-based organisations to mutual benefit.

Comparable results have been achieved through outsourcing. One example is at Acumen, one of the organisations in this review. The important point is not so much who does the work, but how effective the organisational interfaces are to realise the added value. The more statutory bodies outsource this type of work to third sector organisations, the more important it will be for those who commission/procure these services to understand how added value can be achieved, especially in 'reaching the hard to reach'. The danger is that it is precisely this kind of knowledge and understanding, including its subtle, tacit dimensions, that they will lose.

This is likely to be an issue in the delivery of other services. Currently resources for community-based services for care of the elderly, learning disabilities and mental health are under great pressure for example.

In addition, the dominant organising paradigm of universal services, especially with the drive towards efficiencies, is one of economies of scale and the standardising of procedures and working methods. On the other hand, this and other studies point to the success of many community-based organisations being achieved through innovative approaches to engaging the hard to reach and starting where the client is. Using the Prochaska change model, they work at the early pre-contemplative/contemplative stages.

Clashing Paradigms? High-trust versus low-trust models

Currently, the development of social enterprise is receiving strong political and policy backing all round in the drive to 'modernise' and improve public service provision. From the evidence of our case studies, it is easy to see why this is an attractive option. But from the discussion above, it is easy to see some potential dangers.

BOX 5 Jobcentre Plus outreach working in Sedgefield (taken from the summary of an unpublished case study for the Neighbourhood Renewal Unit)

From January 2003, the Sedgefield Jobcentre Plus Outreach project began running in five community locations in the poorest wards and neighbourhoods in the borough. It has been highly successful in facilitating people to come off benefits of all kinds and enter into employment. It is estimated in the study that the outreach advisers have probably been twice as productive in these locations as those who are office-based. It is evident from copious feedback that this process has had a transforming effect on the lives of service users and their families, and led to great job satisfaction for the advisers involved.

The project is an excellent example, albeit of small scale, of putting into effect Government policy and its translation into the Jobcentre Plus Vision 2003–07. This supports outreach as one important means of getting workless people off benefits and into employment. However, this is very much a bottom-up inspired development and has been funded through Neighbourhood Renewal and European Social Fund monies, via the Borough Council and LSP. The strong local need for an outreach service came from a number of sources. These included locally-based community partnerships, a trial with a Lone Parent Jobcentre Plus adviser at Gateway, Shildon (a community-based service access centre) and a community appraisal exercise conducted on behalf of the LSP. The need was embraced as part of the Borough's Local Neighbourhood Renewal Strategy. Jobcentre Plus readily responded with proposals for how it could be done.

A major finding is the importance played, in the highly successful development of this service, of social networks and infrastructures linking communities with local delivery agencies. These have been either community-based or agency-established, and neighbourhood-level partnerships. This has led to advice being given in 'locations of trust' and has also created a stream of referrals through these networks.

(David Wilkinson, 2005)

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At root, it is evident that successful community-based social enterprises are based on high trust, in terms of their internal ethos and dynamics, the way they relate to their communities and to whom they provide services, and to other stakeholders across the different sectors. (This may not always be so easy to achieve with some statutory bodies.) They seem to achieve this in the context of insecurity of funding and job tenure. Thus they provide long-term purposes and goals in the midst of short-term funding and job security.

On the other hand, the larger statutory bodies have been driven by increasing numbers of top-down, often centrally imposed, targets and goals. Thus they seek to produce uniform, standardised provision. The danger becomes one of fitting the client to the organisation and service model, rather than the service to the client. The pursuit of central, top-down targets, and parallel structures of accountability, together with a fixation on focusing on anything that can be counted – regardless of qualitative outcomes – leads almost inevitably to cultures of lower trust. In fact, the whole model is based on the idea that staff cannot be developed and trusted to improve services without increased supervision, control and upward accountability.

These factors, together with both the size and contracting muscle of the statutory 'big beasts', could lead to the very real dangers of low trust, organisation-centred models of provision infecting the community and voluntary sectors and robbing them of the essence of success and particular contribution. In short, they could be increasingly absorbed into the different cultures of the contracting organisations. This makes it all the more important for both grant makers, and those contracting for services, to understand what is special about these organisations and how this can be supported and promoted.

What are the implications for national and regional decision makers?

The case studies in this report illustrate how community-based organisations can make a significant difference to people's well-being, financial self-management and chances of employment. They also have the ability to reach the hard to reach and this is where they add particular value. It is also apparent that the relationships with funding bodies and with the statutory services are likely to impact significantly on their ability to improve their effectiveness and provide **mutual** benefits for service users and communities.

There are important messages for national and regional decision makers who can play an active part in interpreting national policy in ways that can create the conditions that provide the steer and encouragement for this to happen. For instance, in the development of labour market policies, there is accumulating evidence (Adams, 2005, pp 85–87) that programmes which focus on putting participants into jobs as quickly as possible (work-first programmes) are more successful than those which emphasise the provision of education and training. At first glance, the findings from this study may seem to contradict this. But all the programmes we visited are firmly focused on employment and/or personal financial self-management.

In many cases, they are very good at providing the right levels of personal support, confidence building and personal development that enable people move through the precontemplation and contemplation stages. This is essentially personal development, rather than education and training. Where training is provided, it is tailored to specific needs at the job-focused preparation and action stages. This can be thought of as 'just-in-time training'.

It is clear from this study that Northern Rock Foundation funding is making a valuable and specific difference in enabling the hard to reach move towards and into employment. Adams (2005) states that the "voluminous evaluation evidence" on the Government's "emphasis on work-first active labour market initiatives has been broadly correct" (page 87). But even here, the Northern Rock Foundation value added effect has been strong. The model of the Personal Adviser has been central to the success of helping individuals to search more effectively for work and offering incentives and removing barriers to help ease the path into employment. However, as a result of the Gershon Review, the Department for Work and Pensions is likely to shed up to 30,000 jobs. Of the 125,000 employees in 2004, 75,000 worked for the Jobcentre Plus network. The effect of this on the deployment of personal advisers remains to be seen. But it does appear to be a move that could run counter to the successful Action Teams for Jobs and other outreach pilots.

Regional decision makers have a significant role to play in understanding these tensions and shaping the outcomes. This includes advocacy and support for an expanded role for the third sector.

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Significant changing contextual factors

Four factors seem of particular importance.

1. The national political consensus for the third sector to play a bigger role in the provision of public services alongside public and private providers.

2. Changes to structural funding streams that are likely to impact negatively on the provision of employment schemes by community and voluntary organisations. These include changes in the distribution of EU structural funds as a result of Enlargement, the end of Single Regeneration Budget (SRB) funding and potentially changes to National Lottery funding.

3. In the specific context of this review, increased competition for jobs from migrant labour, particularly from Eastern Europe. This presumably increases the importance of assisting excluded, hard to reach, workless local people to be access the labour market. Otherwise, the effect could be to consolidate exclusion even further

4. Rapidly changing patterns of public provision of services together with the changes of public expectations.

These and other factors will set the context within which national and regional decision makers can play a significant role in the way that they influence implementation and the patterns of provision. Fostering of mutuality between a supported and developing third sector, public service providers and commissioners and funders, charitable and otherwise, will be crucial. Effective review and evaluation of the kind outlined in Chapter 4 should be an integral part of this change.

What are the implications for community and voluntary organisations?

This section has been deliberately placed at the end of this chapter. The foregoing sets the context in which the community and voluntary organisations are working; here we discuss how they could have some influence over this context, which as is apparent, is changing rapidly in any case.

There are a number of suggestions below which are designed to support the sector, develop its effectiveness and improve advocacy for what organisations do from the bottom up. They are particularly hard-pressed for time and resources to engage in external developments, so they need to seek simplicity and aim to engage funders in it. The key is that all that follows is rooted in reflective practice, review and improvement by workers and beneficiaries themselves.

Suggestions

- Develop simple ways of describing and tracking 'pathways' of both individual beneficiaries and where appropriate, communities.
- Use this as the basis for improving practice and generating clear narratives (stories) about the value of the work.
- The Prochaska model (Chapter 3) may be a useful starting point. The 'common factors' research which emphasises the importance of establishing warm and empathic helping relationships as the key to enabling clients strengthen their own personal resources, is a parallel take on this.
- Where possible, attempt to engage funders and key statutory bodies in mutual evaluative reviews of this kind.
- Develop further, simple narratives which explain the impact of their work and especially its added value.
- Seek to network with other organisations in mutual exploration and development of their work.

The evolving social and economic policy context is very likely to see (even require) an expanding third sector. This is likely to require organisations themselves to expand, work in partnership and sometimes merge, as well as provide organisational and service development to others. This will present a threat to some and a challenge to all. The hope is that there are a number of themes in this report that can serve to enable these conversations, as well as those with funders and statutory bodies. Where possible, the voluntary and community organisations singly and collectively need to influence policy and implementation at all levels, hopefully with these themes in mind.

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Appendix one

Some typical pathways

Organisation	Starting Points	Typical Routes Followed	End Points
People into Employment	People with disabilities, carers and ex-carers, who have had difficulty in getting back into employment.	Work placements/trials, vocational training including NVQs.	Full and part-time paid employment. Entry into and completing of vocational training courses
Social Enterprise Sunderland	Unemployed people, returners to the labour market (27% are women returning to work after children start school). Large percentage of population has problems with basic literacy and numeracy skills.	People with an idea for setting up their own business or social enterprise are provided with the business skills and financial advice by SES, to support them throughout this process. (Businesses can take a number of years to be fully developed).	Job creation, self-employment and social enterprise. 44% of enterprises generate 100% of their income through sales/trading.
Mental Health Matters	People with various mental health problems, such as schizophrenia, bi-polar disorder, depression, psychosis. Stigma and discrimination by employers mean that fewer than 4 in 10 employers will consider employing someone with a history of mental health problems. Typically, clients lack confidence and social skills.	Intensive one-to-one support from a work preparation coach, and then from an employment coach. Clients will usually be found a work placement with a supportive employer. Some will also undertake vocational training, including NVQs.	Full-time or part-time, paid employment. Voluntary work. Qualifications. For some clients, a positive outcome is just having the confidence to leave the house (or supported accommodation) and travel alone on public transport.

Organisation	Starting Points	Typical Routes Followed	End Points
Washington Citizens Advice Bureau	People who need free and confidential help and advice on issues such as welfare rights, money advice, employment issues, disability issues, health and housing, consumer law, immigration, etc.	Typically, the clients who request help from the Washington CAB do so because they prefer the culture and informality of the CAB to that of the mainstream government agencies.	For example, successful benefit claims; help to access housing or accommodation; help with debt problems (this is currently a major problem within the community).
ACUMEN Community Enterprise Development Trust Ltd	Clients who have low levels in basic literacy and numeracy skills, and many of whom have been unemployed for several years.	Voluntary work, vocational training (including NVQs and Skills for Life). Bizfizz support for those who wish to become self-employed. Referrals to other agencies, such as Connexions.	Paid employment, or self-employment. Voluntary work. Vocational qualifications.
UTASS	Farmer isolation, impact of foot and mouth disease, struggle to cope with administration of charges in subsidy regimes. Poverty and mental health problems. High suicide rate.	Word of mouth recommendation to seek advice from UTASS. Good and accurate advice and support leading to increased capacity to cope, often leading to greater involvement in life of the community.	Better health and happiness. Greater capacity to survive economically and adapt farming practices and management. Creation of social networks.

Organisation	Starting Points	Typical Routes Followed	End Points
Amble Development Trust	Poor, small ex-mining coastal Northumberland town, high unemployment, physically run down, including port and fishing industry. Low educational aspirations and attainment.	Trust's active engagement with: ■ regeneration agencies and other statutory bodies ■ existing businesses and supporting new business formation ■ supporting individual pathways to work ■ creating social entrepreneurialism ■ supporting educational improvement ■ community involvement together with a high quality community newspaper, 'The Ambler'.	Considerable improvements in all aspects of social, economic and physical regeneration. There is good evidence to suggest that this is in advance of what would have happened if the Trust had not been created.
South Tyneside Credit Union	People often struggling with financial hardship and prey to very high interest loans from doorstep lenders. Often poor personal finance management, knowledge and skills.	Word of mouth reference to STCU; some through advertising information. The rules of borrowing and saving encourage thrift and financial self-management.	Improved personal finances and self-management. Freed from the trap of high interest rates. Improved self-esteem.
FROG (Future Regeneration of Grangetown)	People living in one of the poorest areas of Britain with corresponding low levels of skills and educational attainment.	Involvement in both accredited and non-accredited learner-centred training and development programmes. Involvement comes via other FROG-led community-based activities and word of mouth.	Increasing self-esteem and self-confidence, often leading to further skills enhancement and voluntary and paid employment.

Appendix two

Social Enterprise Sunderland's evaluation process and social audit process: methods used to collect data

Face-to-face interviews were held with SES staff and the managers of the six relatively new enterprises.

Telephone interviews were held with the managers of the three more established enterprises.

The evaluation also used information about SES services that had previously been gathered as part of an earlier evaluation of the work of the Tyne and Wear Social Enterprise Partnership (TWSEP) Project, in which Social Enterprise Sunderland is a partner.

Key Findings

The key findings of the evaluation are as follows.

- 89% of service users interviewed rate the SES service as excellent.
- **Services and Specialisms** – SES has developed 3 key service specialisms in relation to social enterprise development. All enterprises interviewed had used the services and valued them. These are:
  - advising on the legal structure of social enterprises;
  - intensive aftercare, supporting the enterprise after it has been set up;
  - support & encouragement for the people and groups that set up enterprises.
- Users say that the SES service is time-intensive, supportive, informal and flexible.
- The intensive **aftercare** support provided by SES is a key factor in the survival and growth of new social enterprises.
- **Job Creation** – SES helps to create new jobs. A total of 87 new jobs have been created by the 9 enterprises interviewed, 19 full-time and 68 part-time.
- **Wealth Creation** – SES helps to generate wealth. The aggregate annual turnover of the 9 enterprises interviewed was £863,000. The majority of enterprises assisted turnover between £50,000–£60,000 p.a. on average.

- **Sources of Income** – SES helps to develop enterprises with sustainable incomes. 44% of the enterprises interviewed generate 100% of their income through sales/trading. The remainder receive a mix of public and private income.
- **Enterprise Activity** – The enterprises supported by SES are involved in a wide range of service delivery (examples include training, sport, child care, social care, arts, environmental services and social enterprise development).
- **Direct Service Users** – The majority of direct users of the SES service (i.e. the lead people setting up social enterprises) were in employment or active in the community before setting up the enterprise. However, one-third were unemployed or economically inactive prior to setting up their social enterprise.
- **Indirect Beneficiaries** – People from disadvantaged backgrounds seem to be indirect beneficiaries of the SES service, gaining employment with enterprises or using the services they deliver. Of the new job vacancies created by social enterprises, more than one-third are filled by unemployed people.
- **Community Benefits** – Over 190 individuals and more than 200 organisations benefited from the services provided by the 9 enterprises.

In addition to this independent evaluation, SCEN (Sunderland Community Enterprise Network), which incorporates Social Enterprise Sunderland, has adopted a process of annual assessment of the organisation’s performance, using Social Accounting and Audit.

Social Accounting and Audit

Social accounting is a systematic means of assessing the social, environmental and economic performance of an organisation and its impact on its stakeholders.

From April 2004 to March 2005, SCEN collected a range of information relating to the organisation’s objectives. This included countable information and also the opinions of their stakeholders through interviews, surveys and questionnaires. They collected all of the data together in the form of Social Accounts, which were then scrutinised by an independent Social Audit Panel.

What they did

- Clarified their mission, values, objectives for the year and what they do towards achieving their objectives.
- Established a system of recording information and numbers for all their activities.
- Gained the views of stakeholders on how they viewed SCEN's performance and what difference SCEN had made to them.
- Reported everything in as balanced a way as possible.
- Submitted the Draft Social Accounts of all the above to be scrutinised by an independent Social Audit Panel.
- Made the full audited and revised report available and distributed a summary.

The reason for practising social accounting and audit was to enable SCEN to see how well or badly they were performing. Also it is a means whereby SCEN can communicate with, and listen openly to all their stakeholders in order to learn and improve.

Appendix three

ACUMEN's Aim High Network whole systems day

Group 1

Aim High Network Key Achievements

1 Joint Enrolments
2 Good communication – loop system, networking
3 Community involvement
4 Existing networks for new projects and new workers – making it easier to become established and avoid duplication of work
5 Partnership working
6 Providing literacy & numeracy
7 Identity
8 Awareness

What's helped?

1 Good staff and dedicated staff
2 X's vision
3 Purple shirts – Identity
4 Communications loop
5 Northern Rock Foundation – flexible money/finding
6 Celebrating success
7 Willingness among partners to share resources and information
8 Attitude of the community

What could have been done better? – What hindered us?

1 Keep providers separate from the network of Aim High
2 Clearer identity for the network
3 Confusion leads to AH Network being seen as a competitor rather than as a resource to be used by providers
4 Community liaison officer in place for longer when project started

The future

1 Roll out county wide focusing on key objectives
2 Build on specialist staff each with their own separate roles within the Network – Broaden the infrastructure of Aim High
3 Premises

Group 2

Aim High Network Key Achievements

1 Breaking down community barriers (mould breaking)
2 Raised aspirations
3 Personal development opportunities
4 Improved communications
5 Generated and distributed funding
6 Innovated ideas (Blooming Marvellous)
7 Woke up communities
8 A role model
9 Job creation
10 Intergenerational activity
11 Can do attitude

What's helped?

1 Funding, mutual interest, enthusiasm
2 Created debate and team working
3 Economies of scale
4 (Specific person)
5 STEPS
6 Using and maximising existing resources
7 Listening
8 Respect of people
9 Can do attitude
10 Simple clear language
11 Openness
12 Melting pot of varied participants

What's hindered?

1 Lack of funding
2 Questions over sustainability
3 Lack of clarity over roles and responsibilities
4 Lack of credit where due
5 Salaries vs. Volunteers
6 Steering group didn't steer and legitimacy to steer
7 Poor links between community network and steering group

The future

1 Expand excellence Ethos (personal experience of course)
2 Put aspirations into practice for more and more people across all age ranges
3 Develop the Ethos of community championing
4 Integration inter/intra village/town/parish etc
5 Develop a self sustaining model (knowledge based, local connected and skilled
6 Smarter working by the community

Group 3

Aim High Network Key Achievements

1 More widespread knowledge of what is available
2 Raising positive profile of Easington Network itself
3 Aim High Routeback
4 One 2 One learning
5 Healthy Challenge
6 STEPS to Excellence
7 Variety and range of learning
8 Information – X's E-mail
9 Everyone is a winner (Blooming Marvellous Community Pop Idol)
10 Number of people/places signed up
11 Motivating people
12 Branding
13 Raising aspirations
14 Awards

Factors

1 Flexible engineering of funding, imaginative funding, fed not lead
2 Qualifications – Profile of achievement
3 Encouragement – building confidence
4 Responsiveness – taking opportunities, grasping ideas, key staff
5 Pushing a little bit
6 Relationship building
7 Lots of people
8 Affirmation of all types of achievement
9 Celebrating success

What could be done better?

1 Some groups/centres not fully involved
Lack of willingness to change
2 Even more publicity, more community champions
Number of leading individual champions
3 Sustainable funding
In all villages
4 Aim High county wide
5 Change culture
Difficult to overcome years of resistance to change – personalities need to empower individuals to challenge and make change happen. Blame culture, whingeing.
6 Link to PCT
7 Needs more publicity not everyone knows yet
8 Distinguishing between Aim High Network and One 2 One Learning
People's understanding of Aim High and scope of the network
9 Better Links with District of Easington particularly Community Development Team
Lack of District of Easington staff

The future

1 Lobby to change funding to make network sustainable
2 Enterprise to generate income
3 Bloomin' marvellous across county
4 Real pride in community
5 Community Development workers
6 Forum to enhance working relationships
7 Enhanced links with District of Easington, PCT etc
8 Learning groups self-sustaining
9 Local procurement
10 Youth work – joined up, high quality, coherent and linked to mainstream learning employment opportunities
11 Create more opportunities for all ages.
- Building social capital
- Real learning community
- Passing skills through the generations
- Impact on health, community safety, Become best practice (Beacon) for improvement.

12 Bridge the gaps in Communities old – young, build respect, improve publicity
13 Lobbying for funding changes to DfES, DNP, LSC, etc
14 Build evidence base
15 All schools, community centres, employers etc as full members
16 Go countrywide
17 Sustainable funding

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