



# **LOCAL ECONOMIC INITIATIVES**

## **RESOURCE PACK**

## **Local Economic Initiatives – Resource Pack**

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### **Acknowledgements**

This resource pack is largely based upon the lessons from two Neighbourhood Economic Options Studies in Lewes and Coalville, led by PEP consultants David Gibson and Nick Wigg. It has been compiled by Roger Saunders.

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# 1. INTRODUCTION

## Why this pack?

It's not just big business and government who can change economic conditions. Many people in many communities have taken action to improve the economies in their areas, sometimes with great success. But still the idea is not widespread. Community action to improve the environment or social facilities – YES! But community action to improve the local 'economy'...?

And yet economic conditions have a major impact on the quality of people's lives. Access to decent jobs and wages, training to improve skills, good local shops, businesses providing local services, reliable and affordable child-care, public transport, access to loans at reasonable rates of interest, sound financial advice – these make a huge difference to people's real lives.

Many community groups and workers are reluctant to tackle economic issues because:

- they think economic change can only be determined by forces beyond themselves
- economic initiatives seem too difficult and daunting
- they don't know enough about what's possible
- economic issues are seen by many as an individual rather than a community concern amenable to collective action
- people do not like to identify themselves as 'poor' <sup>1</sup>.

This resource pack is intended to open up what is for many a 'no go' area. It provides a simple, step-by-step account of how to take the initiative on economic issues at a local level.

## Who is the pack for?

The pack is intended for people living and working in areas that are economically deprived in some way. We think it will be most useful for the 'doers', people such as:

- Community and residents groups
- Established community-based organisations that want to expand their area of activity – such as tenant management organisations
- Community development workers
- Economic development and regeneration workers
- Tenant participation officers
- Local authority or housing association staff
- Neighbourhood wardens

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<sup>1</sup> *Effective participation in anti-poverty and regeneration work and research* – Peter Beresford and Martin Hoban – publ. Joseph Rowntree Foundation (August 2005)

- Adult education staff
- Employment and benefits advisers.

We hope it will also be useful for senior staff, councillors and board members, by giving them an overview of what's possible.

## **Where did the pack come from?**

During 2004-05, the PEP Trust carried out what we called 'Neighbourhood Economic Options Studies' in neighbourhoods in Coalville, North West Leicestershire, and in Lewes, East Sussex. The project was supported by an Innovation into Action grant from the Office of the Deputy Prime Minister. The fund is part of the ODPM's Tenant Empowerment Programme, and is managed by the Chartered Institute of Housing. Over a 12 month period, the project tried out a process for developing local economic initiatives. The learning from this project, both its successes and failures, has been used for this resource pack. Reports on the pilots project are available on the PEP Trust section of PEP's website ([www.pep.org.uk](http://www.pep.org.uk)).

This pack also draws on many experiences of local economic initiatives elsewhere. References to these are given throughout the pack and in *Section 8 – Further Help*.

## **An overview of the pack**

The pack will take you through a step-by-step process. Having given you an **overview** of the process (*Section 2*), we describe in **getting started** (*Section 3*) the conditions needed for launching a local economic programme.

Before any economic initiatives are considered for an area, it is essential to establish what the **problems** are. *Section 4* recommends ways of doing this.

Armed with information about an area's problems and needs, you are then able to identify who can help solve them. In *Section 5* we outline the potential **stakeholders** – those people and organisations who may be involved in considering **options** (*Section 6*) for local economic initiatives.

Once possible options have been identified, it is time to prioritise, decide on concrete projects, and **plan action** (*Section 7*).

The pack ends by signposting where you can go for **further help**, and offers a guide to much of the **jargon** that you might come across while engaged in this work (*Sections 8 and 9*).

## **How to make best use of the pack**

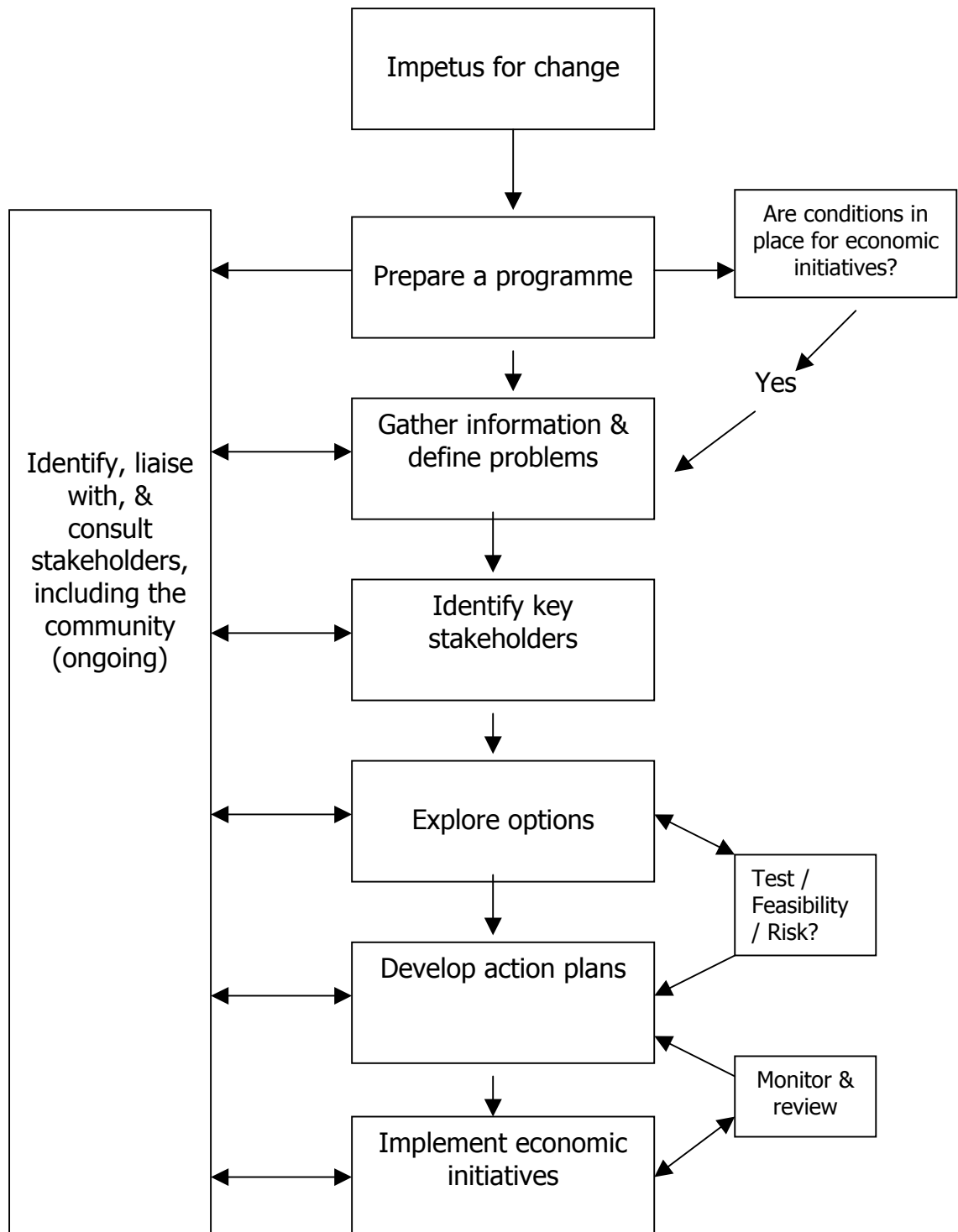
This pack outlines a **process**. We believe that local economic initiatives stand the best chance of success if they are developed in a methodical way, rather than being based, for example, on the enthusiasm of an individual or the temporary availability of grants. We recommend, therefore, that you read through all steps in the process.

The pack is also intended to be used as a reference and guide for people developing projects in communities. Hence the **check-lists** and **templates** which you may want to extract and use. Some sections might also be used to inform **briefing and training sessions**.

There is a wealth of useful information on economic options available, much of it more detailed than we provide here. Rather than trying to duplicate this, the pack provides pen-pictures of key processes and options, and **sign-posts** you to specialist information and agencies elsewhere.

## 2. THE BIG PICTURE: AN OVERVIEW OF THE PROCESS

The following diagram illustrates the key steps in the development of local economic initiatives.



## How the process works

<p>Impetus for change</p>	<p>There is an impetus to tackle poor economic conditions in an area. This may be <b>top-down</b>, for example from a local authority or Local Strategic Partnership. Or it may be <b>bottom-up</b>, from residents, community organisations or local workers.</p>
<p>Prepare a programme</p>	<p>There is an agreement to tackle economic issues. But for the process to stand any chance of success, there has to be clarity about its <b>aims</b>, who is to <b>lead</b> it, the <b>resources</b> needed and available, and the <b>area</b> to be included.</p>
<p>Liaise with &amp; consult stakeholders</p>	<p>A wide range of <b>people and organisations</b> will have a stake in the economic development of the target area. From early in the process, ways are needed of engaging with these stakeholders. The <b>methods</b> used, those involved, and their varying <b>levels of responsibility</b>, will develop in tandem with the programme.</p>
<p>Gather info &amp; define problems</p>	<p>Information must be gathered, both to <b>map</b> the area and its community, and to establish what the key economic <b>problems</b> and challenges are. The definition of problems will involve both factual, objective data and finding out about people's experiences and opinions.</p>
<p>Identify key stakeholders</p>	<p>Once you have a picture of the key problems, it is possible to identify which stakeholders should be part of the <b>solution</b>. This may mean getting new people or organisations on board, or nurturing greater commitment from some of those already involved.</p>
<p>Explore options</p>	<p>There are a wide range of possible local economic initiatives. People involved will need to <b>learn</b> about them, identify the options that stand the best chance of meeting local needs, and explore how <b>feasible</b> it would be to set them up. To do this, you may need to test some on a small scale or commission feasibility studies.</p>
<p>Action planning and implementation</p>	<p>Key stakeholders must agree on which options they wish to pursue, and develop action plans for taking them forward. Action plans will only be followed through if all those implicated in them make a <b>formal commitment</b>. Mechanisms are needed to ensure stakeholders remain <b>accountable</b>. Clear <b>targets and milestones</b> make it possible to <b>monitor</b> progress.</p>

### 3. GETTING STARTED

Impetus for change → **Preparing programme** → Gathering information → Defining problems → Engaging stakeholders → Exploring options → Action planning → Implementation

The impetus to do something about economic conditions in a neighbourhood might come from outside. For example, the local authority might target the neighbourhood as part of its anti-poverty strategy, or the Local Strategic Partnership likewise as part of its Local Neighbourhood Renewal Strategy. Or the impetus might come from the people living or working in the neighbourhood, who are struggling to improve conditions and feel they must tackle economic issues – like jobs, loan sharks, lack of childcare, or the need for local shops.

Whatever the impetus, you are going to need a *process* of some sort. It's no good saying '*Drugs are a big problem round here. That's because there's no jobs for our young people. What's the answer? Let's set up a social enterprise to employ them all!*' Obviously you need a process by which you get from the perceived problem to a solution that will work. And if you want your process to be robust, it's important to have certain key conditions in place. They are:

#### *Key conditions*

- ✓ *Leadership by a strong enough organisation*
- ✓ *An effective co-ordinator responsible for driving things*
- ✓ *Appropriate resources*
- ✓ *Clear boundaries*
- ✓ *Ways of linking with the community and stakeholders.*

Let's look at these in turn.

#### **Leadership**

Economic change is a complicated business involving lots of players. Responsibility can easily get fudged. It is essential that there is at least **one organisation** with a clear mandate and with the capacity to see through the process. Here are the most obvious possibilities:

<b>The local authority</b>	Local authorities have a clear duty to tackle economic deprivation in communities <sup>2</sup> . Staff in their regeneration, economic development or community development sections would have the most 'relevant' areas of responsibility.
<b>Community organisation</b>	A community organisation would have to be well-established and have access to resources (see section below) to lead the process. Tenant Management Organisations might be good candidates.
<b>Development Trust</b>	Most development trusts would have the skills and remit – but they would need funds to be able to target one area – and their spread is at present very limited.
<b>Neighbourhood Renewal partnership</b>	Where they exist, government-funded programmes such as New Deal for Communities or Neighbourhood Management Pathfinders have a clear remit to tackle economic deprivation.
<b>Housing Association</b>	A housing association (or consortium of associations) managing social housing in an area might be well placed to take the lead.

Leading a programme like this is more than a managerial exercise – it needs **vision**. The lead organisation must be prepared to project the idea that economic conditions can be transformed – for example, by pointing to successes elsewhere. While the details of the vision will inevitably change as the programme develops, a clear picture of a possible future is needed from the start to motivate and inspire people and to create a momentum for change.

### **Co-ordination**

The lead organisation should employ an effective co-ordinator, with time dedicated to driving forward the process, and with enough status to get buy-in from other agencies. Their profile should ideally include knowledge and skills in:

- ✓ Economic development and enterprise
- ✓ Community liaison and community development
- ✓ Data collection and analysis
- ✓ Networking, negotiation and influencing.

### **Resources**

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<sup>2</sup> Local authorities have a duty under Part 1 of the Local Government Act 2000 to prepare community strategies for promoting and improving the economic, social and environmental well-being of their areas.

The co-ordinator must be guaranteed access to the following (minimum) resources:

- ✓ Venues for consultation meetings
- ✓ Newsletter and publicity production and delivery
- ✓ Existing data on the social and economic profile of the community, and the means of gathering more
- ✓ Contact information about existing community groups and key agencies in the area – voluntary, public and private sector.

The **time** needed by the Co-ordinator will depend on a number of variables – including the size of the neighbourhood, the complexity of the issues, and the capacity of stakeholders. It is essential to map out a clear time-table, but it is also important to recognise that unpredictable factors are likely to interfere with the best-laid plans, targets and review dates.

### **Clear boundaries**

There should be a clear definition from the start of the area in which the programme is targeted. Without this, effort and resources can be dissipated, and the areas of greatest need can easily lose out.

The size of the target area affects the types of economic initiative that are ultimately feasible. There are many examples of highly successful community-led projects based in relatively small neighbourhoods of around 500 homes. While this scale seems to enable a strong sense of community and to ensure that the impact of initiatives is felt by everyone, some initiatives inevitably benefit from a larger geographical base and economies of scale. For example, some types of social enterprise would need a wide potential market, while some stakeholders are more likely to invest time and effort for a target area of around 2000 homes.

### **The community and other stakeholders**

Community and stakeholder involvement will need to be developed throughout the programme. At the start, the co-ordinator should find out about existing residents and community organisations in the area, and about other stakeholder organisations (*see Section 5 for examples*).

Ideally a **steering group** should be formed, with representatives from residents groups and appropriate agencies, with a remit to

- provide information to the co-ordinator about the neighbourhood
- inform and consult other residents and groups
- spread ownership of projects at the neighbourhood level
- suggest ideas for possible economic initiatives
- provide feedback on project proposals.

A steering group would typically meet once a month throughout the phase of the programme when options are being explored.

A steering group is likely to be a consultative sounding-board for the lead organisation and its co-ordinator, rather than a decision-making group. Nevertheless, the development of a steering group, and of any working groups that are later set up (see section 6 below), is a crucial challenge for the co-ordinator. The dynamics have to be managed carefully, since the 'domination of participation/partnership structures by local authority officers, councillors and professionals'<sup>3</sup> is a natural hazard of this type of work. The long-term aim should be to develop community leadership - though this is more likely to emerge at a later stage, as projects are being planned and implemented.

*'Our experience has been that whilst many people support the different economic project goals and some of these are interested in becoming involved in particular projects, very few are interested in the overall concept of an economic options study... The motivation of steering group members is firmly focused on projects and getting on with projects rather than the processes of researching need and economic issues.'*

David Gibson, from Lewes pilot options study report

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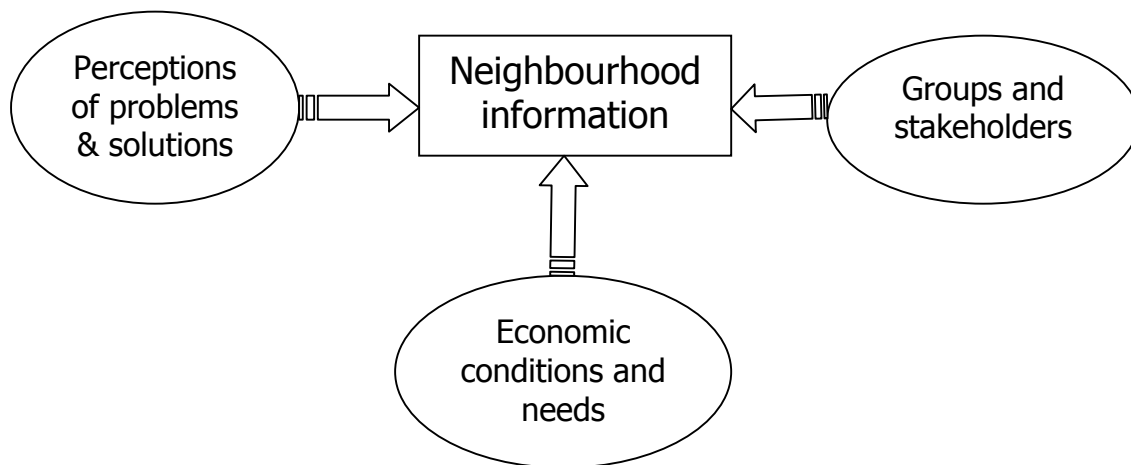
<sup>3</sup> *Participation in anti-poverty and regeneration work and research* – Peter Beresford & Martin Hoban – publ. Joseph Rowntree Foundation (2005), p.20

## 4. GATHERING INFORMATION AND DEFINING PROBLEMS

Impetus for change → Preparing programme → **Gathering information** → **Defining problems** → Engaging stakeholders → Exploring options → Action planning → Implementation

Launching a local economic programme without putting in time to gather information is like climbing a mountain in summer clothes – it may feel OK at the start, but by the end you're in trouble and it's too late to go back.

There are 3 main types of information you need at the early stages of a programme:



### Groups and stakeholders

It is essential that you have a map of

- all community groups and activities in the neighbourhood
- all the key agencies – public, voluntary, and private – providing services in the neighbourhood.

You can do this by

- ✓ checking for any local directories that already exist
- ✓ getting together a cross-section of local people and asking them to record all the groups and agencies they know about – for example, using post-its on a wall-chart
- ✓ asking for contacts from the agencies and groups on your initial list of prospective stakeholders
- ✓ interviewing a cross-section of people who know the neighbourhood well, in person, by phone, or by walking with them through the area to help jog their memories.

## Economic conditions and needs

You can gather some useful information *about* local economic conditions and needs from the following websites<sup>4</sup>. Most of these provide information at ward or postcode level. It would probably be wise to check with your local authority first, since officers may already have gathered some of the data you want.

Neighbourhood Statistics <a href="http://neighbourhood.statistics.gov.uk">http://neighbourhood.statistics.gov.uk</a>	Information on 'economic deprivation' and other relevant themes
Indices of Deprivation: ID 2004, from <a href="http://www.neighbourhood.gov.uk">www.neighbourhood.gov.uk</a>	Employment deprivation; income deprivation
Dept of Work & Pensions gateway <a href="http://www.dwp.gov.uk/asd/statistics.asp">www.dwp.gov.uk/asd/statistics.asp</a>	Links to a wide range of statistical reporting
Census of Population <a href="http://www.statistics.gov.uk/census">www.statistics.gov.uk/census</a>	Detailed small area statistics on economic status of individuals – based on 2001 census. Good employment data by ethnicity.
Nomis (official labour market statistics) – <a href="http://www.nomisweb.co.uk">www.nomisweb.co.uk</a>	Unemployed claimants; % employed in different sectors, by gender, full-time / part-time
Local Labour Market Information Service (LLMIS) – <a href="http://www.cesi.org.uk">www.cesi.org.uk</a>	This service brings together information from many data sets into one comprehensive report for each local authority area (can also offer information about smaller areas) – e.g. employment trends, skills & training, income levels - compared with other districts.

These websites should provide you with information including

- the general 'demographic' profile of the area – e.g. age, ethnicity, single parent households etc.
- the level of 'registered' unemployment in the area, and types of people unemployed
- the types of jobs local people have, compared with elsewhere
- the percentage of local adults excluded from work through incapacity or disability
- the proportion of households on income support

<sup>4</sup> Source: *Data Provision for Neighbourhood Renewal* – Report by the University of the West of England for the Neighbourhood Renewal Unit, ODPM (June 2004)

- proportion of adults with no or low qualifications.

The usefulness of this type of information is limited: the geographical areas measured may not match your neighbourhood; some sources go out of date quickly; and the official figures (e.g. registered unemployed and benefits claimants) are only a partial reflection of the reality. Nevertheless, this information is a good foundation and will give you a broad idea of economic conditions in the area.

### **Perceptions of problems and solutions**

The official statistics are one thing; the views of people who live and work in the area are quite another. As with any consultation programme, the methods used must be selected carefully, in light of your particular aims and resources. At an early stage in the programme, it is unlikely that much will be gained by using self-completion questionnaires or one-to-one interviews – not least because people may be reluctant to provide sensitive information about jobs and income.

Important questions at this stage are about complex perceptions and opinions. For example:

- How well-off do you think residents in this area are?
- How easy or difficult is it for residents in this area to improve their standard of living?
- Are opportunities the same for all residents, or are there particular groups who have particular difficulties?
- What are the main obstacles that prevent people from becoming better off?
- What suggestions could you make on ways of helping people in this area improve their economic well-being?

The best ways of unravelling these questions are likely to be through groups in which people share and explore ideas - for example, **focus groups** or other type of **participatory event**<sup>5</sup>. It may, however, need a lot of work to persuade residents to take part, particularly in communities where previous consultations have resulted in no visible change.

### **Case Study**

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<sup>5</sup> A useful publication explaining how 'participatory learning and action' (PLA) techniques can be used in this type of programme is *Reaching the parts... Community mapping: Working together to tackle social exclusion and food poverty* – publ. by Sustain (2000)

The New Economics Foundation have developed an approach called 'Plugging the Leaks'<sup>6</sup>, which helps people explore how money flows into and out of an area. An example was a workshop run in Milford Haven, attended by 27 people – local residents, representatives of large and small businesses, council members, employment advisers, and regeneration staff. The workshop generated a number of ideas for potential leak-plugging: helping local companies tender for contracts; developing a local farmers' market; setting up a packaging plant to supply local firms; and developing a local credit union. The group also looked at all existing businesses in Milford Haven, plotting them onto a large map and highlighting empty commercial units.

Once you have built up a rich picture of local economic issues, drawing on perceptions and experience, you may then want to use tools like questionnaires and interviews to help judge the viability of specific proposals.

### **Defining problems**

The aim of this stage in the programme is to arrive at a definition of the main economic problems in the neighbourhood, which local people would broadly agree with. It is important, when exploring these issues with people in the community, that you are open to their perspectives and understanding, and that you are prepared to start from where they are at, rather than imposing an external 'organisational' agenda.

A difficulty in the kinds of consultation exercise outlined above is in defining the 'economic'. We would recommend that you keep the definition fairly open at the early stages of the programme - anything to do with the money that local people receive and spend, and with buying and selling goods and services. The following check-list might help as a 'prompt':

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<sup>6</sup> *Plugging the Leaks – Making the most of every pound that enters your local economy* – publ. by New Economics Foundation (2002)

### **Check-list of (possible) local economic issues**

- ✓ Wages / Salaries
- ✓ Benefits
- ✓ Jobs and employers
- ✓ Job opportunities for unemployed people
- ✓ Careers advice and information
- ✓ Skills, skills development, work-related training
- ✓ Services provided locally – quality and gaps
- ✓ Financial advice and services – banks, insurance, loans
- ✓ Setting up businesses, self-employment
- ✓ Contracts for local businesses
- ✓ Shops
- ✓ Costs of goods and services locally
- ✓ Barriers to work – e.g. childcare; transport
- ✓ Drugs
- ✓ The alternative economy

### **Case Study**

During the Coalville options study, problems were defined as follows:

- Relatively little in the way of local employment. There are only a few shops and virtually nothing beyond those institutions (e.g. schools) that require relatively highly qualified employees.
- Poor and relatively expensive transport systems to get to and from work in other places.
- Poorly developed childcare arrangements to allow parents to take on full time employment.
- Whilst there is a good local training provider, the courses for those seeking or returning to work are few or expensive.
- Very little in the way of solid local enterprise that might expand to employ more local people.
- Much of the money earned by the working majority is spent off the estate.

Nick Wigg

## 5. ENGAGING STAKEHOLDERS

Impetus for change → Preparing programme → Gathering information → Defining problems → **Engaging stakeholders** → Exploring options → Action planning → Implementation

By 'stakeholders', we mean anyone who has a stake in the issues you are looking at – any person, group, or organisation that affects or is affected by them. Some stakeholders are likely to have been involved from the very start of the programme. However, it is particularly important to step back and check that you have engaged all the key stakeholders *after* you have gathered all the relevant information and ideas, and *before* you seriously consider options. You know the problems; the question is: **who** should be part of the **solution**?

### Case Study

In the Southmead estate in Bristol, a consultation exercise with residents and local workers established a list of 9 priorities for improvements needed in the area. Before any decisions could be made about concrete actions or projects, a short list of key stakeholders was established for each priority – these were the agencies without which serious improvements would be impossible. For example:

Priority	Stakeholders
To improve services for children and youths, and tackle anti-social behaviour	<ul style="list-style-type: none"> <li>▪ Youth Service</li> <li>▪ Housing Services</li> <li>▪ Police</li> <li>▪ Southmead Development Trust</li> <li>▪ Youth Partnership Project</li> </ul>
To improve management of the shopping precinct	<ul style="list-style-type: none"> <li>▪ Neighbourhood Services</li> <li>▪ Waste Management</li> <li>▪ Police</li> <li>▪ Planning Department</li> </ul>
To improve cleaning and maintenance of local park	<ul style="list-style-type: none"> <li>▪ Parks and Estates Dept.</li> <li>▪ Environment Agency</li> </ul>

This meant that the key stakeholders could be actively engaged in the search for effective, realistic solutions, developing a sense of ownership of the actions agreed and a willingness to be accountable for them.

*Source: Estate Agreement for Southmead (pre-war) Estate, Bristol (July 2000)*

### Possible candidates

The following table shows some of the organisations most likely to have a stake in tackling economic problems.

<b>Type of organisation</b>	<b>Description</b>	<b>How to find out about them</b>
Residents and community groups	Most neighbourhoods have an array of community groups, some with a generic role, others with a special interest	Community development &/or tenant participation staff from the local authority. In some areas, established 'community networks' may help.
Voluntary sector organisations	A similarly wide range of voluntary sector bodies	Local CVS (Council for Voluntary Services) – <a href="http://www.nacvs.org.uk/cvsdir">www.nacvs.org.uk/cvsdir</a>
Local authority	Officers (paid staff) and councillors (elected representatives) of local authorities responsible for economic development in your area.	Each local authority has its own information points and website. The Local Government Association can represent all authorities in England and Wales: <a href="http://www.lga.gov.uk">www.lga.gov.uk</a> .
Business development agencies	Business Links is a national network offering general business support. You may also have access to organisations supporting social enterprises.	Business Links: <a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a> 0845 600 9 006 Also try your Regional Development Agency.
Job Centre Plus	Government (DWP) agency helping people find jobs and claim benefits	Local office can be identified on <a href="http://www.jobcentreplus.gov.uk">www.jobcentreplus.gov.uk</a>
Connexions	Provide info & advice for 13-19 year olds in England – including on courses, jobs, volunteering.	Local (sub-regional) Centres – can be identified on <a href="http://www.connexions.gov.uk">www.connexions.gov.uk</a>

Other good sources of support and involvement are:

- ✓ Adult education colleges and other training providers
- ✓ Housing associations with accommodation in the area
- ✓ Local schools and sixth form colleges
- ✓ Churches and other faith organisations
- ✓ Any economic initiatives already underway in or around the area – such as credit unions or development trusts
- ✓ Local businesses including shops
- ✓ Businesses in the region.

Stakeholders may be willing to join a steering group or take part in workshops. Unfortunately some statutory agencies do not have a culture of

working at neighbourhood or community level, and so bridges may have to be built. As with residents, busy people may prefer to get involved in tackling particular problems or developing specific projects that make use of their expertise and enthusiasm. Remember also that not all stakeholders will be local people.

## **Local authorities**

Local authorities will always be key stakeholders and an important potential source of support. They have a stake at 3 levels:

- (1) Strategic – It is important to try and get support from the chief executive or similar
- (2) Particular sections or departments, especially economic development
- (3) Political – local members and cabinet members for regeneration & renewal.

In areas where there remain two tiers of local government – a county council and a district council – it is likely that the county will have more resources for economic development, but that its role will be wide-ranging and strategic; in other words, its officers may consider the needs of a single neighbourhood too limited for their attention. District councils are likely to have a regeneration role, so if your neighbourhood happens to be in a town or area targeted for regeneration, district council officers should see themselves as having a stake in your project. If your area has a single, 'unitary' local authority, it may be easier to identify officers with responsibility.

Outside large towns and cities in England, there are also smaller town and parish councils, with limited responsibilities. Although they are unlikely to be able to offer much in the way of officer time or resources, the support of town or parish councillors could be very useful.

County and unitary authorities are likely to employ economic development officers (also sometimes known as community economic development officers, economic regeneration officers or economic advisers). These staff may be involved in all aspects of economic development work or may specialise in one aspect of it. The roles and culture of economic development units tend to vary a great deal, hence their interest in your project cannot be guaranteed. All the same, it would be wise to make contact with any such officers responsible for your area. Even if they have a broad, authority-wide role, you might use the argument that they could 'pilot' (test out) the neighbourhood approach with your project.

## 6. EXPLORING OPTIONS

Impetus for change → Preparing programme → Gathering information → Defining problems → Engaging stakeholders → **Exploring options** → Action planning → Implementation

Sometimes initiatives are undertaken because people have been excited and inspired by something that has worked elsewhere. Of course we can learn from what has worked in other areas, but a key to the success of local economic initiatives is choosing options that really match local needs and conditions. In this section we shall look firstly at the process of exploring options, and then at what the main options are.

### The process of exploring options

There are unlikely to be great numbers of people involved in an economic options study until concrete proposals are on the table. Nevertheless it is important to keep a **flow of information** going out to residents and others, and encouraging interest wherever possible. In the Coalville and Lewes pilot studies, this was done through newsletters, simple surveys of residents, by going to meetings of existing groups, and through social events. In Coalville, children at a gala day had their faces painted for free, provided that their parents completed a short questionnaire about the project. Actions like these are the stuff of effective community development work, creating an awareness of the project and **laying the foundations** for fuller engagement by some people further down the line.

Ideally a **steering group** can be established at an early stage in the project (see Section 3 above). As particular options are explored, it can be useful to develop **working groups** with the remit to consider each project idea to the point where it can be turned into an action plan or abandoned. Working groups are likely to attract more people than the 'general' steering group, people with specific skills, knowledge, interest and contacts. For example, the decision to explore pre-school provision in Demontfort (Lewes), led to a working group consisting of the Early Years Development Project, Primary Care Trust, existing child-care providers, and the co-ordinator of a parents-and-toddlers group.

The role of a working group would include

- gathering more information about the **need** for, and **potential interest** in, a particular option
- securing greater **involvement** and **ownership** on the part of residents and key partners in the option being explored
- finding out more about how similar approaches have worked elsewhere, for example by going on **study visits**
- assessing the **resources** needed to implement the option

- finding out where the required resources might come from, including the availability of **funding**
- assessing the **risks** that might be involved in pursuing the option
- assessing the long-term **sustainability** of the option.

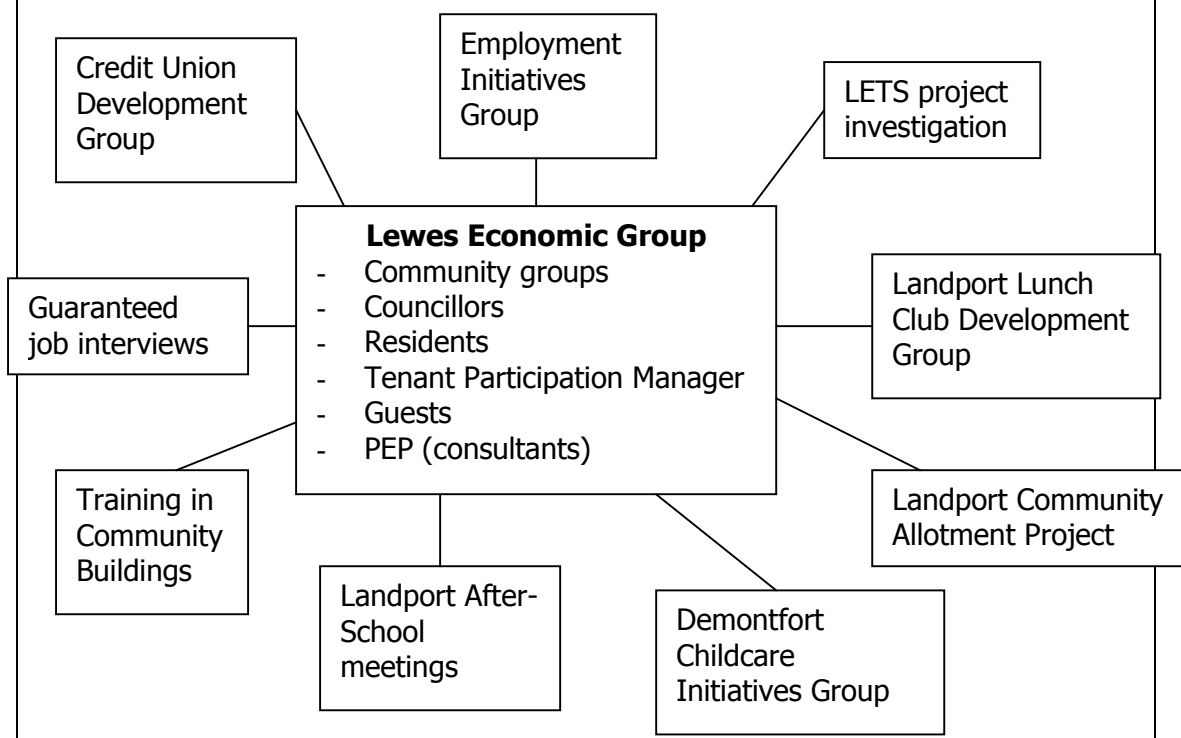
Engaging residents effectively in steering groups and working groups is not easy. The formal 'meetings' culture and type of language that professionals are used to may be alienating to some residents, particularly groups such as young people. A style of talking and acting must be developed that enables people from the community to bring their 'lived experience' into the exploration of issues. This is essential not only because it will lead to better solutions, but also because, in the long term, projects will only be sustainable if they are 'owned' by people and groups in the community.

**Case Study**

In Lewes, the process of assessing options consisted of

1. Exploring economic options with initial steering group
2. Newsletters and surveys to test support and encourage more involvement
3. Working groups set up to pursue each option
4. Further exploration of issues to explore needs and solutions in more detail
5. Sign up to action plans.

The structure of the project at the stage of 'exploring options' looked like this:



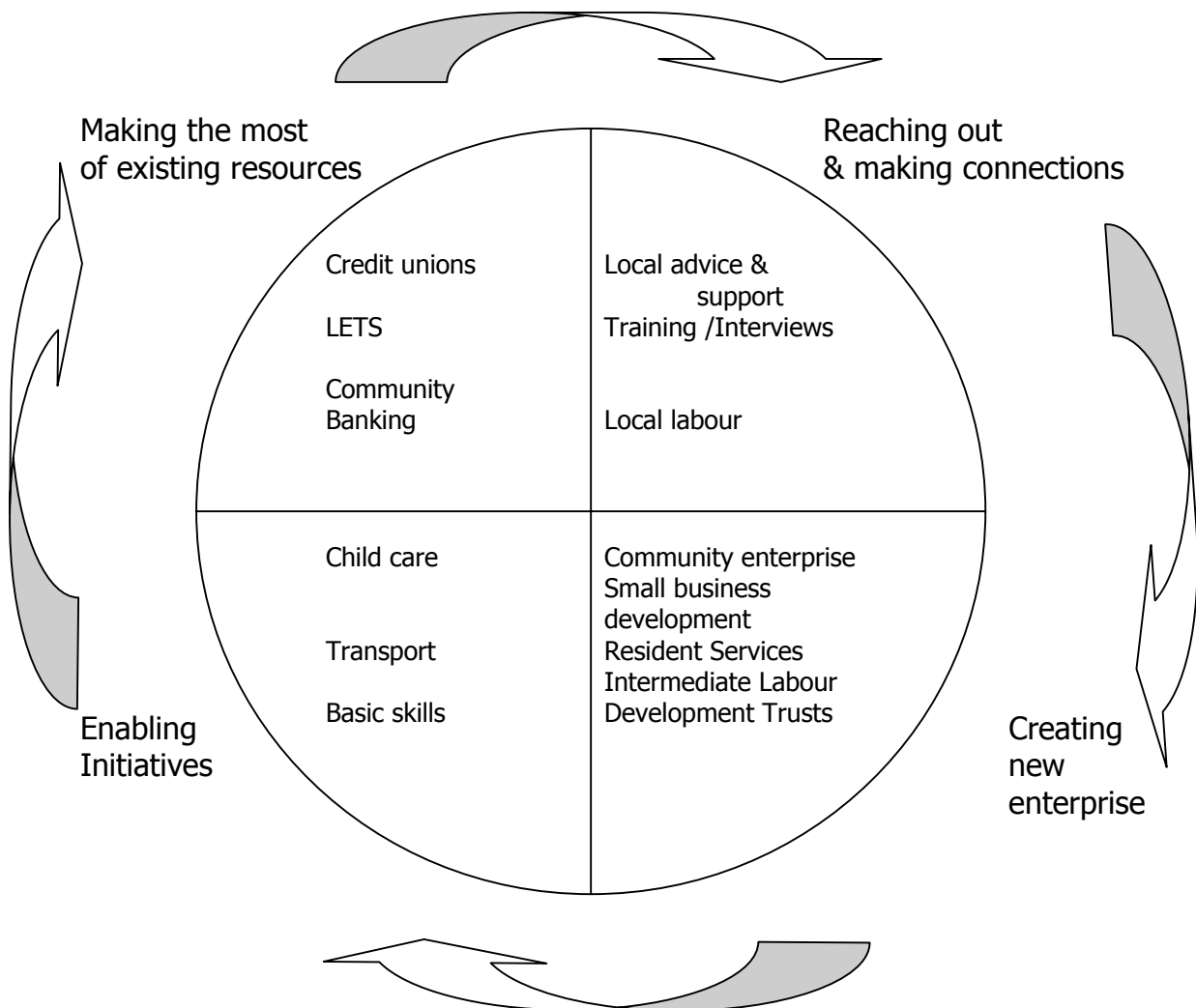
## What are the options?

It is useful to think of the options in different categories:

- Some initiatives are about **making the most of resources that local people already have**. While they may do nothing to increase incomes or wealth, they help people to use existing resources within the neighbourhood more effectively.
- Some initiatives help local people **reach out and make better connections** with resources outside the immediate neighbourhood. These options are about helping people in disadvantaged neighbourhoods to break through barriers that cut them off, and to tap into opportunities outside – jobs, training, benefits etc.
- The kinds of initiative that often grab the headlines are those that **create new enterprises** – social businesses of one sort or another that sell new services, or sell existing services in new ways, and create new jobs for local people.
- The final category is probably, for many neighbourhoods, the most important, encompassing those 'humble' initiatives that **enable people to become economically active**. These options remove the barriers that would prevent individuals from benefiting from any of the types of initiative outlined earlier.

The following diagram provides an overview of the types of initiative outlined in this pack.

## OVERVIEW OF THE TYPES OF INITIATIVE



## MAKING THE MOST OF EXISTING RESOURCES

### CREDIT UNIONS

Credit Unions are financial co-operatives that help people to save and borrow money. They are owned and controlled by their members.

#### What's good about them

Credit Unions can be useful in areas where a lot of people are on low incomes because they

- encourage saving and make it easier
- offer loans at low rates of interest
- return profits to their members
- have no hidden charges, penalties or fees

- can provide services to the 17% of the adult population who do not have a bank account
- support people in moving from borrowing to saving
- can establish local collection points (e.g. community centres)
- can arrange with employers to deduct savings directly from payroll.

Credit unions can save hard pressed households huge amounts. For example a £1000 loan repayable over 30 weeks, borrowed from a door-step lender, will typically cost £588 in interest, whereas a credit union will charge only £36.16. By law credit unions cannot charge more than 1% interest a month on the reducing balance of a loan.

### **Setting them up**

Before setting up a credit union, it is a good idea to check whether credit unions in neighbouring areas might be willing to expand to your locality. You can get advice and support from the Association of British Credit Unions, who can help you set up an 'opportunities meeting' with all interested parties.

### **Further support and information:**

ABCUL - 0161 832 3694; [www.abcul.org](http://www.abcul.org)

### **Case Study**

#### **Avoiding loan sharks in East Sussex**

East Sussex is a large county with a mixture of towns, a city and villages. The city of Brighton & Hove, and the two largest towns, Eastbourne and Hastings have access to a credit union, but elsewhere people (nearly half the population) are excluded. Many people on housing estates report visits from 'loan sharks' within hours of moving in. Lacking an alternative and facing tempting offers, many people are sucked into exploitation by these companies.

In East Sussex the three existing credit unions got together to support an application to extend the common bond of the City of Brighton and Hove Credit Union Ltd to cover the whole county. A formal Partnership and smaller Working Group is operating to achieve this. Making the application cost around £5,000 - £10,000 of worker time and overhead costs. This is being funded by local councils and housing associations, whose rent recovery is expected to improve if their tenants have access to a credit union. The development is supported by Community Development organisations in Newhaven and Hailsham, and by tenants organisations who will support the publicity and access at a community level. Payroll deduction schemes for employees of big employers are also being developed.

For this small investment, access to credit and the promotion of saving will be extended to over 400,000 people, potentially saving over £500 on each £1000 loan for the many individuals and families who currently have little alternative to loan sharks.

## **COMMUNITY BANKING PARTNERSHIPS (CBPs)**

This is a new approach to providing financial services in disadvantaged communities. Essentially CBPs incorporate and build on the services that credit unions provide, bringing in other partners and establishing a local Charitable Trust as a parent body. A CBP can offer a wider range of financial services and products than are possible with a credit union alone, such as home improvement loans, business loans, insurance and financial advice.

### **Further information from:**

NEF (the New Economics Foundation) – 020 7820 6300; email [info@neweconomics.org](mailto:info@neweconomics.org); [www.neweconomics.org](http://www.neweconomics.org)

## **LOCAL EXCHANGE TRADING SYSTEMS (LETS)**

In a LETS scheme, a group of people in an area agree to exchange services and goods amongst themselves without having to use money. A directory is kept listing all members' contact details and what each of them can offer (e.g. gardening, cleaning, knitting, driving). If a member sees something they need in the directory, they contact the member who can provide it and negotiate an exchange. Each LETS scheme has its own currency; for example, Greenwich has 'anchors' and Brixton has 'bricks'. So a member who receives a service pays for it in the LETS currency; a member who gives a service receives some LETS currency, which in turn enables them to buy more services when they need it.

### **What's good about them**

- They enable people with little cash to access goods and services that might not otherwise be available to them unless they borrowed money.
- They build people's self-confidence and skills by giving them a chance to deliver goods or services valued by others.
- They build social networks, through the act of trading and by enabling people without cash to take part in community life.
- They give people with a limited capacity for work the opportunity to provide services or goods at their own pace.

### **Setting them up**

There are over 300 LETS schemes in the UK. Unemployed people are more likely to join than people with paid jobs. They are relatively cheap to set up, but do need a few people who are prepared to commit themselves to the project and promote the idea. In its early days, a new LETS scheme may only have a small number of people trading. If they get on and demonstrate the benefits in practice, others are more likely to join.

**Further support and information:**

Letslink UK – 020 7607 7852; [www.letslinkuk.net](http://www.letslinkuk.net)

**Case Study**

**WE ARE PARENTS (WAP) – A skills exchange scheme**

A lot of peoples' lives (especially single parents) are constrained by a lack of childcare and lack of money to pay for jobs. We are parents (WAP) is a skills exchange scheme in Lewes, whereby people exchange tokens for childcare and a host of other tasks. Members are kept in touch by monthly newsletters and regular social events – such as cycle rides, barbecues, camping, picnics, New Years' childrens' parties and so on. These build up networks between people able to help each other out.

Tokens are issued for a year at a time. There is an annual membership fee of £6, which is used for administration, newsletters, and to subsidise social events such as childrens' parties. New members get 10 tokens. Existing members get 5 tokens each year (each worth an hour). Tokens are re-issued every 2 years in a different colour with the renewal of membership. Tokens can be earned for several tasks such as organising social events, running meetings, gardening, knitting, music lessons and other non childcare activities, thereby enabling single parents to earn tokens that can be used for much needed childcare.

Some voluntary time is needed to sustain the scheme. The amount depends on the person and their role, and this time can earn tokens.

In part by being friendly and not too bureaucratic, We are Parents has stood the test of time and provided 23 years' mutual support for parents in Lewes.

*Further information: Julie Dean – 01273 486579*

**REACHING OUT AND MAKING CONNECTIONS**

## **ADVICE AND SUPPORT FOR RESIDENTS**

Locally based support and advice services have, in some areas, proven very effective in helping people with jobs and training. Local 'one-stop shops' or drop-in centres can provide a wide range of advice, information and practical support for people wishing to find or change jobs. For example:

- Help dealing with the barriers to employment – accessing child-care, etc.
- Information about job opportunities in or close to the neighbourhood
- Putting together job-search plans
- Practical help with CVs, job applications and preparing for interviews
- Providing access to computers, photocopiers, and phones
- Running personal development courses and mentoring.

An alternative to setting up a one-stop shop is to work in partnership with statutory services to 'add on' support and advice that they (e.g. Job Centre Plus) are unable to provide effectively (see Newham case study).

### **What's good about local advice centres**

Intensive, locally based advice services supplement rather than replace Job Centre Plus, providing a level of support which is more personal, intensive accessible, and designed for local needs. Such an initiative can build up valuable information about, and contacts with, the local population, local employers, and local resources.

### **Setting them up**

These types of initiative need to be developed in partnership with, and with funding from, statutory bodies such as your local authority and Job Centre Plus. It is vital that any advice and information on offer are high quality and consistent.

### **Case Study**

Community Links' 'What if...!' Team in Newham, east London, trained 160 volunteers to help claimants fill in benefit application forms in the area's 4 Job Centres and 3 Social Security Offices. The aim was to help local people make better use of the benefits available, and give advisers more time to spend with clients on job search.

During a 21-month period, over 1800 residents received support from the volunteers. The results were that problems with non- or late payment of benefits reduced by 70%; the number of forms returned due to errors was reduced to almost nil; instead of having to wait 6-8 weeks for their benefits, people now wait 3-5 days; the Job Centre staff were able to raise the job entry rate to the highest in the country; and 52 of the volunteers went on into employment themselves.

*Source: 'Enduring Change: The Experience of the Community Links Social Enterprise Zone' by Matthew Smeardon and David Robinson – publ. Marston Books (2004), 01235 465500.*

**Further information:**

Community Links – 020 7473 2270; [www.community-links.org](http://www.community-links.org);  
[uk@community-links.org](mailto:uk@community-links.org)

## **TRAINING AND GUARANTEED INTERVIEWS**

Many people looking for jobs are reluctant to go on training courses that give a paper qualification but no direct link to jobs. You can tackle this problem by:

- designing training programmes based upon real job opportunities in the area
- persuading employers to guarantee that they will offer interviews to people who complete their training to a satisfactory standard.

**What's good about this approach** is that it's a win-win for everyone:

- The person looking for a job knows the training is worthwhile
- The training provider can design courses with precise learning aims, and can help prepare trainees for interviews
- The employer can be sure applicants are well trained and that they have a local connection.

**Setting up** initiatives like this requires research into future employment opportunities, and partnership with a local adult education provider and prospective employers.

### **Case Study**

Gateshead Council's Economic Development Service has, over the past 4 years, developed a range of programmes that enable unemployed and unwaged residents to get guaranteed interviews with employers following successful completion of a short training programme.

An example was a pilot project carried out in 2005 in partnership with the regional Health Authority (Northumberland and Tyne & Wear). A new NHS Surgery Centre, being built at the Queen Elizabeth Hospital in Gateshead, would result in vacancies including healthcare assistants, housekeepers, caterers, administration staff and domestic staff. The Economic Development Service helped market these opportunities in ways designed to reach people who would not have applied through the normal channels. The programme,

which took in community venues and shops, culminated in an Information Day at the Hilton Hotel attracting around 400 people.

The partnership, which included Jobcentre Plus and Gateshead College, developed a flexible training programme for unemployed and unwaged residents. The programme was designed to meet the needs both of the NHS employer and of the jobseekers, and included accredited qualifications such as First Aid, Health & Safety, Customer Service, as well as NHS specific training such as Infection Control. 33 unemployed Tyne and Wear residents were successfully placed in jobs as a result of this project.

As a result of this successful pilot, the regional Health Authority are looking to work in a similar way in other local authority areas.

*Further information: Alan Jobling, Senior Economic Development Officer, Gateshead Council – 0191 433 2057; [alanjobling@gateshead.gov.uk](mailto:alanjobling@gateshead.gov.uk).*

*Source: Gateshead Council Economic Development Service.*

## **LOCAL LABOUR SCHEMES**

In a local labour scheme, jobs that are available in an area are specifically targeted at applicants who are resident in the area. The majority of local labour schemes have been for construction or major refurbishment programmes, with contracts requiring building contractors to maximise 'community benefits' by enabling unemployed local residents to gain training and work experience through the contract. However, there are also many examples of local labour targets being set for other services – such as repairs and maintenance, community development, and neighbourhood wardens. Indeed it has been argued that local labour projects should focus on providing long term, permanent jobs for local people, rather than on seasonal programmes.

### **What's good about them**

Local labour schemes can be particularly useful for areas where there is a high level of unemployment compared with surrounding areas, and where 'new' money is being invested. Their benefits are that

- people who are cut off from the labour market get a chance to gain quality on-the-job training and work experience
- investment in the area is circulated within the area in the form of residents' wages
- residents working in their own neighbourhoods can, in many circumstances, use their knowledge and experience as residents to enhance their work.

## Setting them up

A good starting-point is to do an audit of all the jobs and services being provided, or planned, for your area – then ask:

- Which of these could be used to provide training and / or work opportunities for residents?
- For which of these might residency be an actual advantage?
- Which of these could be targeted at residents without displacing people who are already in jobs?

In the case of building contracts, it is worth checking whether your local authority or housing association already has a local labour policy or code of practice.

In all local labour schemes, the quality of training and support offered to trainees is critical.

### Further information:

*'Using local labour in construction: A good practice resource book', by Richard Macfarlane; publ. by The Policy Press (2000) – available from Marston Books, tel. 01235 465500.*

### Case Study

B-TRAC Services is a repairs, maintenance and building company set up in 1996 by Black Country Housing Association. The idea was to create a community business that would provide jobs and training for unemployed tenants and residents of the Housing Association. Although they have had to learn some hard lessons about operating as a business, B-TRAC is now a thriving, not for profit company. In 2005 B-TRAC employs 12 staff, has an annual turnover of £500,000, and has contracts with 5 housing associations and many private sector clients. Besides emphasizing their commitment to providing quality services, B-TRAC continue to target jobs and training opportunities at unemployed residents. There are now 4 trainees, all on 2-year day-release courses that will result in qualifications at NVQ level 3.

*Further information: B-TRAC Services – 0121 559 0934.*

*Source: Paul Banner, BTRAC Manager*

## **CREATING NEW ENTERPRISE**

### **COMMUNITY ENTERPRISE**

A community enterprise is any enterprise that trades for social purposes, serves a particular community, and has representatives of the community on

its board of directors. Community enterprises are usually set up for one or both of these reasons:

- To provide services that the community needs and that are not being provided, or are not being provided satisfactorily, by other means
- To provide work or training for members of the community.

### **What's good about them**

In disadvantaged neighbourhoods many existing services, public sector and private, often have difficulty coping. Community businesses can, if properly set up and managed, provide some services better – because of their intimate knowledge of the area, their relationship with the community, their commitment to improving things, and their accountability and responsiveness.

Community enterprises also offer the 'added value' of building local people's confidence and pride, and strengthening social networks.

### **Setting them up**

Community businesses come in many shapes and sizes. The decision to set one up should never be taken lightly. Although there are many success stories, there are also many failures. If the private sector considers it unprofitable to provide services in a disadvantaged community, you have to ask how a community business will make a success of it – unless of course you can rely upon volunteer time and / or grant funding. Many successful community businesses have been developed in clusters, often backed up by donated assets of some kind (e.g. buildings and/or land) and supported by a parent organisation (see 'Development Trusts' below).

### **Further information and support:**

Association of Local Co-operative Development Agencies – 0161 246 2900;  
[www.co-opunion.coop](http://www.co-opunion.coop).

Social Enterprise Coalition – 020 7968 4921; [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk).

### **Case Study**

Refurbishing and redistributing donated furniture has formed the basis for a number of successful community enterprises. A good example is the Wesley Community Furniture Project in Manchester. This was started, in 1993, by volunteers concerned about conditions in the Hulme area. A Methodist-run community café had been receiving donations of furniture which soon overwhelmed its existing shop unit. When an independent furniture project was set up, it quickly snowballed into an organisation with its own management committee, a number of paid staff, even more volunteers, a fleet of vans, and the rent-free use of buildings owned by the Wesley Church. Besides refurbishing and selling furniture – and now domestic appliances - at low prices in its shops, the project also provides 'Homestarter' packages (bed,

wardrobe, sofa, drawers, dining table and chairs etc.) for people in need in the community, offering all the basics for living independently, at a cost of £50-£80. In the process the project provides valuable training to its many volunteers, in some cases leading to qualifications.

*Further information: Wesley Community Furniture Project – 0161 226 9051; [www.thewesley.org.uk](http://www.thewesley.org.uk)*

*Sources: 'Communities Can..' case study, published by National Tenants Resource Centre (1998) and Wesley Project website*

## **RESIDENT SERVICES ORGANISATIONS**

Resident Services Organisations (RSOs) are a particular type of community enterprise. They are based in neighbourhoods, employ local residents to deliver local services, and aim to help unemployed people take a step into paid work.

### **What's good about them**

RSOs combine, in single initiatives, a range of complementary objectives:

- Providing specific services that can make a visible difference in a disadvantaged neighbourhood
- Offering training and work experience to people in the 'comfort zone' of their own residential area
- Winning contracts to provide ongoing, 'revenue'-based services (as opposed to short-term 'regeneration' funding)
- Increasing residents' involvement in running their own neighbourhoods.

### **Setting them up**

Although the impetus may well come from the community, support is needed from the local authority, social landlord or other potential clients if an RSO is to be viable. The process of developing an RSO needs professional expertise and considerable staff time – and so funding is needed long before an RSO can start trading.

### **Further information:**

A range of publications on RSOs is available from: PEP Ltd. - 0161 877 3223; [www.pep.org.uk](http://www.pep.org.uk)

A network of RSOs is managed by the PEP Charitable Trust – 020 7281 9603.

## **Case Study**

Heartlands RSO has been developed in the Nechells area of Birmingham over the past three years with support from the Bloomsbury Estate Management Board. In February 2003 it won its first contract, providing a cleaning service on the estate, and soon expanded to provide anti graffiti, gardening, landscaping and building maintenance services. By forming partnerships with the likes of Birmingham City Council and national charity CSV Environment, the RSO was able to develop its anti graffiti and gardening services across a quarter of the city. Today the RSO employs twelve people from a range of backgrounds, all of whom had been unemployed prior to joining the company. Turnover has increased to £250k and the company expects to soon achieve approved contractor status to deliver mainstream services at a District level in the City. Employees have benefited from the experience and training opportunities that have come from operating in an increasingly commercial environment. Residents have benefited through the delivery of high quality local services that are strongly rooted in the ethos of social enterprise.

*Further information: Heartlands RSO – 0121 359 3339; E: [admin@heartlands-rso.co.uk](mailto:admin@heartlands-rso.co.uk).*

*Sources: 'I can do that' – report by PEP Ltd. (May 2004) and Andy Elder, Heartlands RSO Manager*

## **INTERMEDIATE LABOUR MARKETS (ILMs)**

The idea behind ILMs is that some people become cut off from the mainstream labour market – for example, the long-term unemployed and young people who have grown up in areas where few people are part of the formal economy. Employers tend to recruit people who have been out of work for only a short time.

ILMs aim to provide a bridge into work for the long-term unemployed, with a comprehensive 're-engagement package' including

- Real work experience for a minimum of 6 months, for a real wage
- Training and confidence-building
- Nationally recognised qualifications
- Helping trainees with jobsearch.

### **What's good about them**

Although ILMs cannot work without subsidy, they are generally very successful at helping unemployed people to get back into ongoing employment. In ILMs, there is a low drop-out rate, a large proportion of trainees do move on to employment elsewhere and a large proportion of these are still in their new jobs 6 months later. Most ILMs are also delivering

services of real benefit to the community and environment, without displacing other jobs.

### **Setting them up**

Most ILMs operate on a scale much wider than a single neighbourhood. They also require considerable subsidy and a core management and administration team. The 'local, bottom-up' initiative would therefore mean

- finding out if there is already an ILM in the local authority area or nearby that might consider expanding to your neighbourhood; if not,
- persuading 'partners' (e.g. your local authority and Local Strategic Partnership) that an ILM should be considered.

### **Further information and advice:**

*'The Intermediate Labour Market: A tool for tackling long-term unemployment'* by Bob Marshall and Richard Macfarlane, publ. by Joseph Rowntree Foundation (2000) – Available from YPS; 01904 430033

The Groundwork Trust carries out environmental projects in many neighbourhoods and offers local unemployed people transitional employment – 0121 236 8565 – [www.groundwork.org.uk](http://www.groundwork.org.uk)

### **Case Study**

In 1997 an ILM was set up to operate in the Pennywell area of Sunderland, an area with around 3500 houses. At that time unemployment in the area stood at 53%, and 41% of the unemployed had never worked. Over a 7 year period, the project trained 234 people from the area, created 390 jobs, and 200 people went on to further employment as a result. The ILM was run by a partnership board which included community representatives, and the work carried out was mainly on environmental projects identified as a result of community consultation. The ILM has since gone on to expand across Sunderland, offering places in construction, horticulture, office administration, childcare and contact centre skills development.

*Further information: Into Work (Sunderland) Ltd. – 0191 534 5111; [www.intowork.co.uk](http://www.intowork.co.uk)*

*Source: Pennywell Intermediate Labour Market – [www.renewal.net](http://www.renewal.net) case study (Feb 2004)*

## **DEVELOPMENT TRUSTS**

Development Trusts are organisations that are:

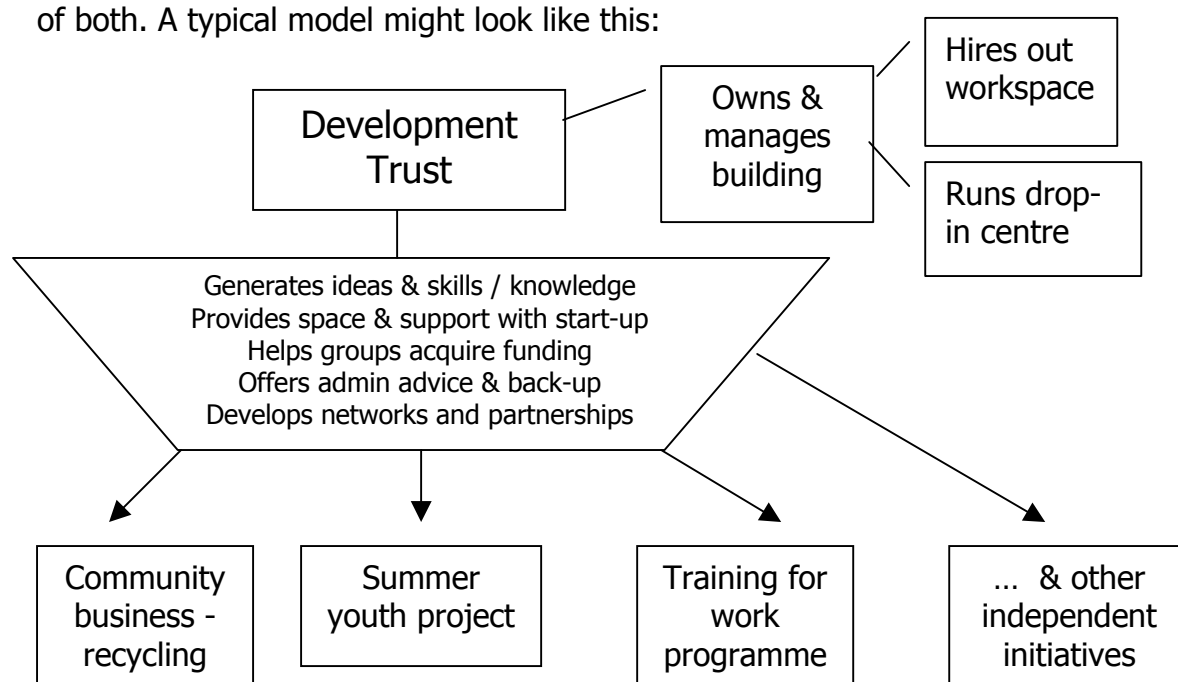
- Engaged in the economic, environmental and social regeneration of a defined area or community

- Independent, self-sufficient or aiming for self-sufficiency, and not for private profit
- Community based, owned and managed
- Actively involved in partnerships and alliances between the community, voluntary, private and public sectors.

There is a wide range of Development Trusts – some are big organisations with assets of £20m or more, others are relatively small and depend largely on voluntary effort. It is best to think of Development Trusts not as a distinct 'option' alongside the other initiatives covered in this pack, but rather as umbrella organisations that can contain and support other initiatives.

### What's good about them

Many Development Trusts succeed in acquiring assets, such as buildings or land, which they can then use to generate income (revenue or loans) for other initiatives of benefit to the community. While some Trusts prefer to develop and run specific projects or enterprises under their own banner, others see themselves as facilitators and enablers – and some are a mixture of both. A typical model might look like this:



### Setting them up

Development Trusts are usually born of an ambition to make profound and lasting improvements in an area for a community – rather than to solve a particular problem or crisis. Many are developed as a result of an ongoing process of change, when small-scale community initiatives have built up a momentum, and people have developed the confidence, skills and vision to think beyond single issues. Whether the energy comes bottom-up from the

community or top-down from institutions, partnership working is always essential. A new Development Trust nearly always needs start-up funding of some sort and core staff to build the organisation. Increasingly Development Trusts are being set up as successors to regeneration programmes such as New Deal for Communities, with assets donated to them as 'nest eggs'.

Fortunately there is now a thriving national network of Development Trusts – which means that any group interested in developing one can always find examples to visit and get access to information, advice and training via the national association and its regional offices.

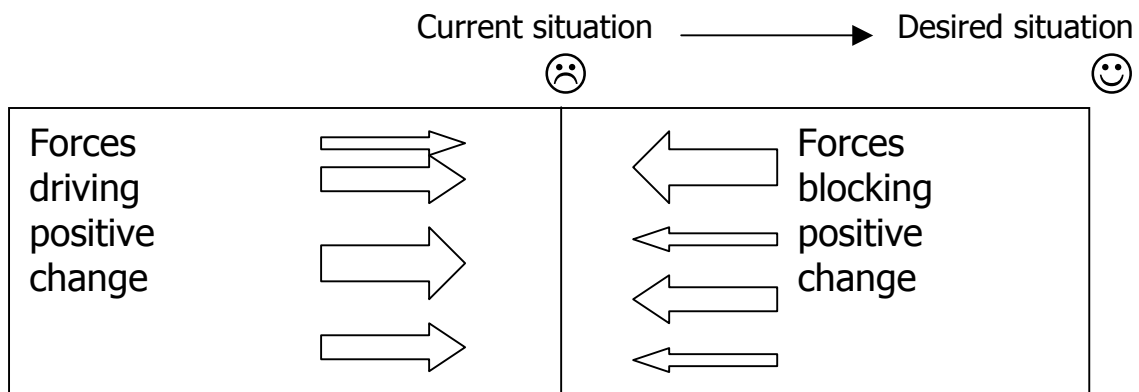
**Further information and support:**

Development Trusts Association – 0845 458 8336; [www.dta.org.uk](http://www.dta.org.uk).

A useful report that explains why and how umbrella organisations like Development Trusts are needed for local economic development is: '*Building Communities, Changing Lives*', by Stephen Thake; publ. by Joseph Rowntree Foundation (2001); available from YPS: 01904 430033

**ENABLING INITIATIVES**

'Force-field analysis' is a technique that can be used to analyse how to achieve positive change. It goes like this.



Starting with the situation you want to change and a vision of what you want to achieve, ask:

1. What are the forces acting in favour of the change we want? How strong are each of them?
2. What are the forces keeping us where we are – suppressing or blocking positive change? How strong are each of them?

Often when we try to make change, we focus all our energy on the 'driving' forces. The insight that force-field analysis offers is that it also helps us identify and focus on those forces that are getting in the way. And so the next question is:

3. What can we do *both* to strengthen the driving forces *and* to weaken and remove the blocking forces?

Most of the options we have looked at so far in this section have been initiatives that 'drive' for change, that 'push' people in the direction of training, employment, saving money, trading etc. But you can sometimes achieve more, and with fewer resources, by tackling the 'blocks', the things that stand *between* people and a (better) job or higher income or better quality of life. One of the most common of these is childcare.

### **Improving Access to Childcare**

The first barrier for a parent or carer seeking work is how to make satisfactory arrangements for childcare. Childcare needs to be:

- Reliable and regular
- Accessible
- Affordable
- Safe
- All the year round
- Good quality

Whilst childcare facilities are improving, not all these factors are always in place and the lack of any of them can prevent or deter a parent from taking on a job. Often a friend or relative can provide childcare, but for many this cannot always be done as a **reliable and regular** arrangement, highlighting a need for more professional provision for many people. This takes the form of:

- Childminders
- After school and/or breakfast clubs
- Play schemes
- Pre-Schools/ Nurseries
- Playgroups.

Though child protection regulations and inspections ensure this provision is **safe**, it is not always **affordable**. For someone taking on low paid work that may also involve travel costs, expensive childcare is a significant deterrent. The cost of paying for childcare can be alleviated by a variety of government funding schemes, notably nursery education vouchers. These cover core preschool hours and can cover childminding costs. Nevertheless affordability needs to be checked before assuming provision is adequate.

Parents getting working tax credit for families and working more than 16 hours a week can claim up to 70% of the cost of registered or approved childcare. Childcare needs to be sustainable, otherwise groups would not be able to run and remain open. Childcare on a shoestring cannot ensure **good**

**quality.** The childcare element of the working tax credit was brought in to enable low-income households in work to access it

Unless provision is **accessible** to the parent's home, parents without access to good public transport or a car may be excluded. Finally if in the holidays (particularly the summer) the only play scheme is either far away, expensive or poorly run, parents are likely to be put off especially if the work they need child care cover for is part time and poorly paid.

For these reasons, it is vital that any employment promotion scheme is complemented by childcare provision that is reliable, safe, affordable, accessible, of a good quality and all the year round.

### **Case Study – Childcare and employment**

Cradle Hill estate is on the edge of Seaford in East Sussex. Many parents would like to take on work or further education but need local, easy access, affordable childcare. Some children on the estate get little stimulation at home. Some parents would like to work in childcare. One of these, Tracy Willis, door knocked and surveyed the area to find out if there was a need for preschool activities. She then worked with the local community association to set up a 'not for profit' preschool in a community managed portacabin on the estate.

Years later, this group are still thriving. They provide sessional day care and curriculum-based, preschool activities - and have a long waiting list. Children in receipt of Nursery Education Grant pay a small top up of £1.25 a day for 4 hours care. 5 estate residents work on the activities and other parents are freed up to pursue further education or part time work locally.

To set up and become registered with Ofsted the preschool had to:

- Have an inspection of the premises for space and facilities
- Achieve Health and Safety minimum standards
- Employ staff with suitable qualifications
- Develop necessary policies and procedures
- Demonstrate session planning with early learning goals and outcomes to the foundation stage of the national curriculum

Tracy now teaches NVQ early years childcare and education (level 3) and assesses foundation stage childcare workers in their workplace.

*Further information and support:*

- *Early Years Development Childcare Partnership (EYDCP) can offer advice and support on developing childcare business/training (contact through local authority).*
- *Pre-school Learning Alliance – 020 7833 0991; [www.pre-school.org.uk](http://www.pre-school.org.uk)*

**Transport** costs can be a block for some people seeking work, particularly those living in isolated areas or peripheral neighbourhoods. The following case study gives one example of how this block is being tackled in the Coalville project.

### **Case Study - Community Shuttle Transport Project**

The East Midlands Airport has benefited in recent years from the expansion of low cost airlines, and there is a growing supply of well-paid, full-time work.

One of the key barriers to employment identified for residents of the Greenhill estate in Coalville was lack of affordable transport. The plan, therefore, is to purchase four minibuses that will be driven by local drivers to connect people with the jobs at the airport.

A reason that this project is seen as having a real chance of success is that the airport company will provide the shuttle company with two-thirds of the cost of getting its staff to and from work, enabling it to keep fares low. The second part of their business plan is to use the shuttle vehicles at other times of the day to cover school runs and other school trips.

So the proposed outcomes are cheap transport enabling Greenhill people to access work at a distance, cheap transport to collect and deliver school-children, and four full time posts for local drivers and a half-time administrator post.

## 7. TAKING ACTION

Impetus for change → Preparing programme → Gathering information → Defining problems → Engaging stakeholders → Exploring options → **Action planning** → **Implementation**

### Assessing options

So how do you decide which options to pursue? There's a pragmatic answer and a scientific answer.

The pragmatic answer is to notice where key people (the leaders, activists, people who can get things done) direct their energy, and to follow that.

The scientific answer is to establish criteria by which options should be appraised, 'weight' each of the criteria (i.e. give them a maximum number of points), then design a process by which the options appraisal takes place.

The smart answer is to do both – by including 'pragmatic' issues in your criteria, and by using the results of your assessment to guide, rather than dictate, action.

### Suggested criteria for assessing options

- To what extent will this option tackle the problems we identified?
- Are the necessary resources available or are prospects for fundraising good?
- Is there a lead organisation and person committed to this option?
- Does the support come from people at a sufficiently high level?
- How sustainable is this option (e.g. if there were a change of personnel)?
- Is there an effective means of monitoring progress on this option?
- Do the expected benefits justify the likely inputs?
- Can we expect secondary gains (added value) from this option?
- Could this option have secondary adverse effects (e.g. negative press, politically sensitive..)?

It is important not to under-estimate the level of resources and commitment that would be needed to make a success of some options, particularly those that are about **creating new enterprise**. Groups that are heavily dependent on volunteer input are understandably reluctant to take on the responsibility of applying for and managing substantial grant funding, or of employing staff.

Community organisations will often be most open to **initiatives that build on past experience** - for example, Coalville's community banking partnership idea that built on the experience of the credit union.

### Case Study

In the Lewes options study, outline action plans were developed for each of the favoured options, and criteria were then used to assess each of them. The following is an example:

Project	Need for additional resources	Funding raised (inc staff time)	Commitment to action plan	Ownership of lead in action plan	Monitoring of action plan	Prospects of success (out of 10)
Credit union expansion	Some	£6k	High	High	Yes	8
Landport allotment project	A little	£550	High	High	yes	7
Promoting skills exchange	Some		Medium / Low	Low	No	4

### Who carries out the assessment?

If an options study has been undertaken on behalf of a Local Strategic Partnership (LSP) or other strategic body, then a proper options assessment will be essential to enable funders and/or partners to decide where further action and investment will have the most impact.

To carry out an objective assessment of the options, it is useful to have an overarching body. As we pointed out earlier (section 3), it is not always possible to establish and sustain a steering group – in which case the assessment must be managed on behalf of the lead organisation by the co-ordinator. Even when there is no steering-group, the options assessment is an opportunity to pull together a group of stakeholders, particularly those whose support will be needed to implement decisions – for example, the local authority anti-poverty lead. The options assessment might be conducted in the form of a workshop or conference, with its results feeding into a wider planning process – such as the LSP's Local Neighbourhood Renewal Strategy.

### Participatory methods for assessing options

When working in groups to consider options, it is a good idea to use PLA<sup>7</sup> methods to help arrive at a consensus. This ensures that people who are not practised in professional or academic methods are also able to contribute and feel ownership of the results. An example of a simple PLA technique that can be used when appraising options is the 'implementation matrix'. Using this, participants ask two questions about each option or task:

- How easy or hard is it likely to be to implement?
- How much impact is it likely to have?

<b>IMPLEMENTATION</b>			
	Easy	Medium	Hard
High impact			
Medium impact			
Low impact			

The matrix is displayed on a flip-chart on the wall. Each option (or sub-sections of options) are written on post-its, and the group discusses where to place the post-it on the matrix.

### **Action plans**

Once agreement has been reached on which options to pursue, action plans should be developed in liaison with all stakeholders. This is a point at which new responsibilities will probably need to be negotiated. More members of the community are likely to come forward, get involved, and may be enabled to take responsibility now that specific projects are in prospect. Professionals are likely to engage with projects that fit with their particular areas of responsibility or interest.

In PEP Trust's pilot options studies in Coalville and Lewes, we found it necessary to develop an action plan for each of the proposed projects. We recommend that you use the following template (or something similar):

<b>PROJECT:</b>
<b>Project champion:</b>
<b>Key targets:</b>
<b>Milestones:</b>
<b>Monitoring arrangements:</b>

<sup>7</sup> PLA = Participatory Learning and Action – See, for example, Sustain publication referred to in Section 4

<b>Tasks</b>	<b>Actions</b>	<b>Time-scale</b> (milestones in bold)	<b>Partners</b> (lead in bold)

	<i>Example(s):</i>
The <b>project</b> is the economic option you have decided to develop.	<i>To extend a Credit Union to neighbourhood</i>
For each project, it is essential that there be a <b>project champion</b> . This is the person who has overall responsibility for ensuring the project happens and is successful. They will not necessarily do all (or even any!) of the practical work. Rather, they should have the authority and influence needed to unlock resources and call others to account.	<i>Chair of Regeneration (local authority)</i>
It is important that you set <b>targets</b> for the project that are SMART: <ul style="list-style-type: none"> <li>• Simple</li> <li>• Measurable</li> <li>• Achievable</li> <li>• Relevant</li> <li>• Timed.</li> </ul> This will ensure that everyone knows clearly what you are aiming at, and you have criteria for measuring and checking your progress.	<i>To extend the ... credit union so that it serves... neighbourhood by 31 May 2007</i>  <i>To establish at least 2 collection points in the neighbourhood</i>
Each project needs its own <b>monitoring arrangements</b> – for example, regular meetings, written reports, teleconferences, reviews, or external audits.	<i>Monthly steering group meetings, with simple progress reports by area regeneration officer. 6-monthly reviews with LSP sub-committee.</i>
Projects can usually be broken down into a series of distinct <b>tasks</b> , each of which consist of a series of <b>actions</b> . When planning, it is essential to attach a proposed <b>time-scale</b> to the tasks and actions, with definite <b>milestones</b> (these are measurable steps you expect to take on the way to each target).	<i>Task 1: Set up steering group (Milestone: first full meeting by 31 Oct 05)</i> <i>Task 2: Acquire funding for development work</i> <i>Task 3: Compile application for common bond extension</i>
The <b>partners</b> for each project will be all those stakeholders with a practical role in its	<i>Task 2:</i> <ul style="list-style-type: none"> <li>• ... <b>credit union</b></li> </ul>

implementation. It is good practise to define which individual or organisation has the 'lead role' for each task. Sometimes it will be the project champion, but often responsibility for specific tasks can be delegated to others.

- *District Council*
- *Development Agency*
- *... Housing Association etc.*

**To pilot or not to pilot?**

A 'pilot' project is one that tests a proposal on a small scale. Its aim is to check whether something will work, and iron out any hitches, before investing too much time and money in a full-blown programme.

Say, for example, your options appraisal has favoured setting up an advice and jobsearch service in the neighbourhood. You may decide that, before going to all the trouble of establishing a new base, employing staff, and so on, you will *pilot* the project. This could involve running a surgery in an established base for one day a week, possibly targeted at one part of the neighbourhood, and staffed by an adviser seconded temporarily from another project.

Advantages of piloting	Possible drawbacks
<ul style="list-style-type: none"> <li>• Effective way of 'market testing' a project – measuring likely demand, etc.</li> <li>• Tests projects about which there is some uncertainty – enables progress without investing too much, minimising risk.</li> <li>• Checks what works and what does not. Enables you to design full-blown project with fewer hitches.</li> <li>• Enables you to measure likely costs.</li> <li>• Can be used to demonstrate need / demand – and thereby make a case for funding &amp; support.</li> </ul>	<ul style="list-style-type: none"> <li>• Can be used as a delaying tactic, to avoid committing fully to project.</li> <li>• May dissipate enthusiasm &amp; lose the momentum behind project.</li> <li>• Pilots are not necessarily an indicator of what would happen with full project.</li> <li>• For some projects, there are economies of scale – can make more financial sense to go all the way.</li> </ul>

If you do decide to pilot a project, this may be the first stage of your action plan, with later stages dependent on the lessons from the pilot.

**Feasibility studies**

In the case of some proposed projects, you may need to have feasibility studies carried out before going ahead and implementing your action plans. This is particularly important if the options appraisal has been fairly superficial and / or where favoured options are likely to require a big resource commitment. In any case, funders are likely to want assurance that proposals have been scrutinised thoroughly.

A feasibility study, where needed, should be carried out by an independent person or organisation who does not have an immediate stake in the proposed project. Their role should include

- checking that assumptions about resources needed and available are well-founded
- checking that the proposed project is likely to achieve what is promised for it
- identifying possible hidden costs
- assessing possible risks
- asking whether there are alternative approaches that stand a better chance of achieving the desired outcomes.

### **Getting commitment to the action plans**

A useful way of gaining commitment to an action plan is to ask each of the key partners to literally **sign up** to it. Although the act is symbolic rather than contractual, the signing up process is a way of flushing out any serious reservations or concerns from partners. After all, if they are not prepared to sign a bit of paper, they may have problems implementing an economic initiative.

However partners may need only to sign up for one project at a time. This allows for different partners for differing projects. It may also ease the signing process.

A signed statement can be attached to an action plan, strengthening both the document and the relationships underlying it. It can be an opportunity to get on board the senior officers or decision-makers who may, up to this point, have kept some distance from the proposed project. Although some partnerships may prefer a low-key approach to the sign-up, for others it can be an opportunity to mark and celebrate an achievement with a public ceremony – and a party!

### **Measuring achievements**

It is important to think about how you will monitor and evaluate your initiative *before* it is launched. This means defining what your **core objectives** are, what you are hoping to achieve. For most initiatives, there will be a range of objectives, and these should be agreed with all stakeholders.

Next you should decide how you will know whether your objectives are being met – that is, what **indicators** will provide you with the evidence of success or failure.

And finally you should decide **how you will gather this evidence** - what systems you will use to collect and evaluate information about the impacts of your initiative.

There is a growing awareness of the importance of 'social accounting' (monitoring the social impact of an organisation's activities) for *all* businesses and especially social or community enterprises. If you can build social accounting into your initiative from the start, this will put you in a strong position further down the line if you need to make a case for investment or funding.

Further information on social accounting: see Community Business Scotland website [www.cbs-network.org.uk](http://www.cbs-network.org.uk) and the DTI Social Enterprise Unit's special report *Social Audit* (2003), available from [www.sbs.gov.uk/socialenterprise](http://www.sbs.gov.uk/socialenterprise).

## 8. FURTHER HELP

In this section, we select key organisations offering information and advice that might help you explore and develop local economic initiatives.

### **National organisations – economic / social enterprise**

ABCUL – The Association of British Credit Unions Ltd. – 0161 832 3694

[www.abcuk.coop](http://www.abcuk.coop)

*The main trade association for credit unions*

The Black Training and Enterprise Group – 020 7713 6161 - [www.bteq.co.uk](http://www.bteq.co.uk)

*National organisation working to ensure fair access and outcomes for black communities in employment, training and enterprise.*

Business in the Community – 0870 600 2482 – [www.bitc.org.uk](http://www.bitc.org.uk)

*A network of business-led partnerships throughout the UK committed to ensuring business has a positive impact on communities. Supports business and enterprise in the most deprived areas.*

Co-operatives UK – 0161 246 2900 – [www.cooperatives-uk.coop](http://www.cooperatives-uk.coop)

*The central organisation for co-operative enterprises in the UK. Member owned and led.*

Community Development Finance Association – 020 7430 0222 -

[www.cdfa.org.uk](http://www.cdfa.org.uk)

*The association for Community Development Finance Institutions – enabling people in disadvantaged communities to access capital and support.*

Development Trusts Association – 0845 458 8338 – [www.dta.org.uk](http://www.dta.org.uk)

*The national membership organisation for Development Trusts.*

Groundwork – 0121 236 8565 – [www.groundwork.org.uk](http://www.groundwork.org.uk)

*A federation of trusts in England, Wales & N.Ireland. Each trust carries out neighbourhood projects focused on the environment, often employing / training residents.*

Letslink UK – 020 7607 7852 – [www.letslinkuk.net](http://www.letslinkuk.net)

*The lead body supporting Local Exchange Trading Schemes nationally*

Nearbuyou – 01603 615200 – [www.nearbuyou.co.uk](http://www.nearbuyou.co.uk)

*A national social enterprise trading network.*

New Economics Foundation – 020 7820 6300 – [www.neweconomics.org](http://www.neweconomics.org)

*The leading national 'think-tank' working for a fairer and more sustainable economy. Lots of useful publications and demonstration projects.*

Prince's Trust – 0800 842 842 - [www.princes-trust.org.uk](http://www.princes-trust.org.uk)

*Offers start-up support for young people who are unable to raise finances elsewhere to start up their business. Also offers training and mentoring to support young people with business ideas.*

Social Enterprise Coalition – 020 7968 4921 - [www.socialenterprise.org.uk](http://www.socialenterprise.org.uk)

*The UK's national body for all forms of social enterprise. Membership organisation.*

### **Community empowerment - general**

CDX - Community Development Exchange – 0114 270 1718 –

[www.cdx.org.uk](http://www.cdx.org.uk)

*UK-wide membership organisation for community development*

Community Development Foundation – 020 7226 5375 – [www.cdf.org.uk](http://www.cdf.org.uk)

*National body influencing social policy, running projects, producing research, publications and resources*

Community Matters – 020 7837 7887 – [www.communitymatters.org.uk](http://www.communitymatters.org.uk)

*Nationwide federation of community organisations*

PEP (Priority Estates Project) Ltd. – 0161 877 3223 – [www.pep.org.uk](http://www.pep.org.uk)

*A national, not for profit, company working to build resourceful communities. Offers training, advice and practical support*

The Scarman Trust – 020 7689 6466 – [www.thescarmantrust.org](http://www.thescarmantrust.org)

*National charity committed to helping citizens bring about change in their communities*

### **Government and government agencies / funding**

Business Link – 0845 600 9 006 – [www.businesslink.gov.uk](http://www.businesslink.gov.uk)

*A business support, information and advice service managed by the DTI. Local bases throughout England*

Central government funding – [www.governmentfunding.org.uk](http://www.governmentfunding.org.uk)

*Online portal for government grants to voluntary and community organisations*

Enterprise 4 Inclusion – 01993 810730 – [www.enterprise4inclusion.org.uk](http://www.enterprise4inclusion.org.uk)

*Action research programme, funded by Defra, supporting social enterprises for socially excluded people in rural communities. Provides packages of support to new and developing enterprises.*

Neighbourhood Renewal Unit – 08450 82 83 83 – [www.neighbourhood.gov.uk](http://www.neighbourhood.gov.uk)

*Oversees the government's wide-ranging Neighbourhood Renewal Strategy. Based in the ODPM. The NRU have set up a useful website –*

[www.renewal.net](http://www.renewal.net) - *with examples of what works in neighbourhood renewal, including tackling worklessness.*

Neighbourhood Support Fund – 01223 400330 – [www.nsfund.org.uk](http://www.nsfund.org.uk)  
*A community-based programme, funded by the DfES, for young people disengaged from education, training and employment*

Small Business Service – 020 7215 5000 (DTI enquiry line) – [www.sbs.gov.uk](http://www.sbs.gov.uk)  
*An agency of the DTI. Responsible in part for supporting social enterprise. Manages the Phoenix Fund, which encourages enterprise in disadvantaged communities – [www.sbs.gov.uk/phoenix](http://www.sbs.gov.uk/phoenix) - 0870 001 0031*

## 9. A GUIDE TO THE JARGON

In this section we list some of the words and acronyms (capital letter abbreviations) you might come across when developing local economic initiatives.

Abbreviation	Term	Definition
	Capital funding	Money spent on buying or improving fixed assets such as buildings, roads and equipment – as opposed to ‘revenue funding’, which pays ongoing costs, such as management and maintenance.
CDFI	Community Development Finance Institutions	Independent financial institutions that provide capital and support to enable individuals or organisations to develop and create wealth in disadvantaged communities
	Communities First	A programme run in Wales by the Welsh Assembly. Established 100 partnerships to tackle deprivation involving the community.
	Community Strategies	The plans which all local authorities are required to prepare for improving the economic, environmental and social well-being of local areas in co-operation with public, private, voluntary and community sector organisations.
DEFRA	Department for the Environment, Food and Rural Affairs	Government department – defines itself as working for the essentials of life: food, air, land, water, people, animals and plants.
DfES	Department for Education and Skills	Government department responsible for education and learning
DTA	Development Trusts Association	The national membership organisation for Development Trusts
DTI	Department for Trade and Industry	Government department containing, amongst other things, the Small Business Service, and supporting social enterprise.
DWP	Department for Work and Pensions	Government department responsible for all employment issues and pensions.
	Employment Zones	13 areas of the country with particularly high unemployment, where the government has appointed contractors to develop special ways of helping unemployed people find and keep a job.
ERDF	European	European funding available in designated

	Regional Development Fund	regions – particularly for schemes that create jobs
ESF	European Social Fund	European funding for programmes that help the long-term unemployed and those excluded from the jobs market – and that help those in work adapt their skills to meet changing needs.
	Floor targets	These are targets used by government services to set a minimum standard for disadvantaged groups or areas. The DWP has a floor target to significantly reduce the difference between the employment rates of disadvantaged groups and neighbourhoods and the overall national rate.
GO	Government Office	9 Government Offices, 1 for each region. Each represent a range of government departments at regional level.
ILM	Intermediate Labour Market	Organisations providing work experience, training and wages to give unemployed people a bridge back into sustainable employment.
	Job Centre Plus	Agency set up under the DWP to help people with all employment and work-related benefits. Jobcentre plus offices integrate what were previously job centres and social security offices.
LED	Local Economic Development	An approach to training and job creation that focuses on local needs and resources in particular areas.
LEGI	Local Enterprise Growth Initiative	A national, government-funded programme, launched in 2005, aimed at stimulating business and enterprise in deprived areas.
LETS	Local Exchange Trading Schemes (or Systems!)	Locally based schemes in which people exchange goods and services amongst themselves, without using money.
LLIC	Local Labour in Construction	Projects which employ local people to do local building work – and train them in the process.
LSC	Learning & Skills Council	Government agency responsible for funding and planning education and training for over-16-year-olds in England.
LSP	Local Strategic Partnership	Partnerships at the local authority level of all those agencies (including public, voluntary, community and private sector) with a stake in improving neighbourhoods

NDC	New Deal for Communities	Government programmes designed to tackle deprivation in many of England's poorest neighbourhoods. Managed by the Neighbourhood Renewal Unit.
NRU	Neighbourhood Renewal Unit	Government unit, based in the ODPM, which oversees a strategy to fundamentally improve conditions in neighbourhoods in the 88 most deprived local authority areas.
ODPM	Office of the Deputy Prime Minister	Government department responsible for housing, planning, regional and local government and the fire service.
	Outputs and Outcomes	These terms refer to the 'results' of a project or programme (funders will ask you..!). Outputs are the immediate, tangible results that are produced. Outcomes measure the longer term changes.
RDA	Regional Development Agency	Regional agencies set up by the government to oversee regeneration.
RSL	Registered Social Landlord	Term used to describe all social landlords other than local authorities – e.g. housing associations and trusts. RSLs are regulated by the Housing Corporation.
RSO	Resident Services Organisation	A community-led, neighbourhood-based organisation which employs local residents to deliver local services.
	Social accounting	A process whereby an organisation monitors and evaluates its work, reports on its achievements and failings, and improves its performance through more informed planning and better management.
SME	Small and Medium Enterprises	A small enterprise or business is usually defined as having 4-15 employees, medium as having 16-50.
TMO	Tenant Management Organisations	Tenant organisations that enter into an agreement with their social landlord, under the Right to Manage. This enables the tenants collectively to take over the management of their housing.