

Pathways to Economic Opportunities Programme (P2E): Supporting Black and Minority Ethnic (BME) led employment, enterprise and financial health services

What is place-based investment?

As part of the process of social change, place-based investment provides financial support to effecting change over a geographical area and it is not a new approach. There is a large body of literature on place-based work in general, with significant international literature on the approach (Anheier and Leat, 2006¹; Association for the Study and Development of Community, 2007²; Lankelly Chase, 2017³). What they all seem to agree is that the term ‘place-based’, has links to relationships to foundations or national government bodies, which describes a range of approaches across a range of social concerns, tackling different social issues within a specific geographic location, sometimes seen alongside grant funding and local council support (Education, Health Action Zones, and MyEnds⁴, multifaceted collaborative partnerships aimed at achieving significant change over wide geographic and spatial areas such as partnerships as with the Lambeth, Southwark and Lewisham Sexual Health Strategy 2019-2024⁵). In most cases, it is a term to describe the target location of funding, describing styles and philosophy of approaches which seeks to achieve ‘joined-up’ systems change (Lankelly Chase, 2017; Hitchin, 2021).

Part of the purpose of place-based approaches is to build the capacity of the community to take charge of its own future, to speak for itself, and to build social capital and connections within the community. There is no ‘right way’ of thinking about place-based approaches, which led Hitchin (2021)⁶, in his report on placed-based investment in London, to suggest five delivery models. He suggested we conceive placed-based in terms of:

¹ Anheier, H. K. and Leat, D. (2006), *Creative philanthropy: Towards a new philanthropy for the 21st century*, London: Routledge.

² Association for the Study and Development of Community (2007), *Scope, scale and sustainability: What it takes to create lasting community change*, Maryland: ASDC Atkinson, R. and Carmichael.

³ Lankelly Chase (2017), *Historical review of placed based approaches*.

⁴ [VRU to invest £6m to put communities at heart of tackling violence | London City Hall](#)

⁵ [LSL-SRHS_2019-24_Statistical-appendix \(2020\).pdf](#)

⁶ Hitchin, J (2021), *What next for ‘place’ in the capital’s funding landscape? An essay for London Funders on Place-Based Funding in London*; Renaisi, for London Funders.

1. **Place as regeneration** - this is a view of social change that is about fixing a problem that has affected the economy of the whole place: “that place needs regenerating”.
2. **Place as targeting** - seeing social change as coming from evidence-based interventions that target resources on places that best fit their approach but is typically targeted on a specific social issue or challenge.
3. **Place as devolution** - a view of change that would result from localising decision making, and potentially tax raising powers, to more local forms of government.
4. **Place as the community** - a view of change that sees local residents as the real sources of knowledge, strength and ownership of a place, and any work must be led by them: “that place needs to be led by its community”.
5. **Place as a system** - a view of how social change emerges from systems of relationships between institutions such as public services, charities, and the community in a place.

The Pathway to Employment Programme (P2E) is perhaps best described as model 2: **Place as targeting**, with a focus on the disadvantage encountered by those from Black and minoritised ethnic (BME) background experiencing economic and financial hardship living in particular boroughs of London.

In considering where to target support in the form of investments, it is perhaps worth decision-makers considering the strategic imperatives when assessing whether to implement place based approaches as well as some of the practical issues that would need to be in place to inform the design and implementation of such an approach. For example, consideration to be given to questions such as why this approach over others? What is being offered and how will the offer be made? Where does the offer fit as part of a wider strategic approach or is it a knee jerk reaction to an outrage? How is ‘place’ being defined and what scale of ‘measure’ is being used to determine concern and fit? On the practical front, questions such as, for example, who are the partners of delivery, the timescale over which the support will be provided in order to demonstrate impact? Further, what will be the indicators of impact and what’s the sustainability ‘legacy’?

In trying to respond to some of the key questions posed, at the strategic level, consideration was given, first, to the concerns and issues facing BME communities within the labour market and secondly, to proxy measures of deprivation and scale of concerns.

The concerns and issues facing Black and minority ethnic communities within the labour market

For decades commentators have raised concerns about the disproportionate presence of BME groups within the labour market, a presence which sees them at the bottom of the unemployment tables (Sanglin-Grant, 2005⁷; Murray, 2013⁸; Khan, 2018⁹; APPG, 2021¹⁰). The recent upheaval caused by the pandemic, while reflecting some increase in unemployment generally, nevertheless masked sharp rises with some groups, where the effect and impact of national policies has been more pronounced and significant (i.e. the furlough scheme and lockdown measures, in particular).

The recent Public Accounts Committee (July 2021), for example, makes the point that the impact on young black people has been particularly acute, with unemployment rising to a shocking 41.6% in the last quarter of 2020 compared to an already high 24.5% a year earlier. Following this publication, Action for Race Equality (ARE) (previously Black, Training and Enterprise Group), by way of a response, offered some 'pointers' as to some policy shifts that could make a difference, especially with regards to the lessons that could be learnt from the Moving On Up initiative¹¹.

London is diverse and, at times, complex and vibrant capital city with a population estimated to be in excess of 9 million. Based on the GLA Population Projection¹², 43% of the population in London are classified as BME. The BME profiles across the London boroughs range from 16% in Richmond Upon Thames to 73% in Newham, with 10 authorities having more than 50% of residents being BME and 15 at or above the London average (i.e. 78% of London boroughs have more than 4 in 10 of their population being from BME background).

While nationally the employment rate is 75.2% with the unemployment rate at 4.6%¹³, BME employment rate is lagging nine percentage points behind white groups (66%) and, in London, 11 percentage points (64%).

BME groups are twice as likely to be unemployed than their white counterparts nationally and only marginally less so in London. Given the high presence of BME residents within some London boroughs, such as Newham (73%), for example, not

⁷ Sanglin-Grant, S (2005), *The Space between: from rhetoric to reality on race equality in the workplace*, The Runnymede Trust,

⁸ Murray, K (2013), *Access to the labour market: Some statistical comparisons of African and Caribbean experiences*; BTEG.

⁹ Khan, O (2018), *The Colour of money: how racial inequalities obstruct a fair and resilient economy*, The Runnymede Trust

¹⁰ All Party Parliamentary Group Youth Employment Report (2021), *Making Youth Employment Policy Work, September 2020 – December 2020*; APPG

¹¹ In a bid to tackle this, Trust for London, City Bridge Trust and ARE have been working together on the [Moving on Up](#) initiative, a programme to improve employment outcomes for young black men in London. See: [Increasing Opportunities for Young Black Men in London | Black Training and Enterprise Group \(bteg.co.uk\)](#); [Moving on Up, taking action on unemployment rates for young Black men | Black Training and Enterprise Group \(bteg.co.uk\)](#)

¹² [Dataset Search - London Datastore](#)

¹³ [Home - Office for National Statistics \(ons.gov.uk\)](#)

only are they likely to see a high BME unemployment rate, but they are also likely to experience high numbers of BME people unemployed. And given the decades of persistently stubborn reduction in the unemployment rate of BME groups, there are strong reasons to want to target some support in boroughs with a significantly high level of both BME population as well as high rates of unemployment.

A reflection on the Index of Multiple Deprivation (IMD)¹⁴, as a proxy for measuring deprivation across seven domains, especially the domains of employment and education, skills and training and overall ranking, more than 10 boroughs in London can be identified as areas for targeted focus because they rank high on the overall indices of deprivation, though differentially across all seven domains. This therefore raises questions as to criteria, partnership arrangements and above all, the focus of the investment: where would such an investment have greatest impact and over what time period?

Based on the IMD ranking against the seven domains, we found that of the most deprived 10% of boroughs in London, there were eight boroughs where the BME population is above the 43% London average with four (4) of them having BME population in excess of 50%.¹⁵

What then is the implication for the P2E place-based investment programme?

Boroughs are at different places and there is no one size fit all programme that can be adopted or easily replicable. Given the above context, using the profile of the IMD most deprived 10% of London boroughs, the boroughs that should be targeted could be drawn from this profile. While not perfect (what is?), this approach, offers much to consider and reflect on.

Additionally, as part of the process to inform the place-based approach we received 20 responses from our survey from 15 different boroughs from those VSOs that are BME led, by and for, and/or support BME communities specifically around employment, enterprise and financial health. Their input has also contributed to the overall findings on place-based support, especially with respect to the presence of provisions in those boroughs.

To support the decision-making process, the proportion of BME population within each borough (median is 41%) was identified to provide a sense of population

¹⁴ The *Indices of Multiple Deprivation* (IMD) are a measure of relative deprivation used to rank neighbourhoods across the UK. Deprivation is defined as 'a lack of...' with the IMD intended to offer multidimensional information on material living conditions in an area or neighbourhood based on a 'lack of' crucial socio-economic imperatives that is likely to cause social or economic distress, relative to the rest of the country. The IMD2019 is based on seven domains: Income, employment, education, skills and training, health deprivation and disability, crime, barriers to housing and services and Living environment, with the index ranking identifying areas of the country that are the most 10% deprived: see [English indices of deprivation 2019 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/collections/english-indices-of-deprivation-2019)

¹⁵ [Dataset Search - London Datastore](#)

density. Those boroughs were then cross referenced to the IMD ranking, to obtain a sense of disadvantage and economic need, such as unemployment rate.

Taking into account the foregone considerations, the evidence suggests a focus on those boroughs to be targeted would include the following 16 most deprived 10% of boroughs:

- 1) Barking and Dagenham
- 2) Brent
- 3) Croydon
- 4) Ealing
- 5) Enfield
- 6) Greenwich
- 7) Hackney
- 8) Hammersmith and Fulham
- 9) Haringey
- 10) Islington
- 11) Lambeth
- 12) Lewisham
- 13) Newham
- 14) Southwark
- 15) Tower Hamlets
- 16) Waltham Forest

With limited resources to invest over a two year period, as the focus of the programme is on disadvantage in the labour market of BME population, based on Table 1 below - using % BAME in each borough (median is 41%), the ranking on IMD and those boroughs with a significantly higher unemployment rate than the national average (4.2% based ONS, 2022) - two options have been suggested as to which boroughs would most benefit from the Phase 2 targeted support funding programme. They are:

Option 1: Target five boroughs

1. Barking and Dagenham (Ranked 1 on IMD/9.4% unemployment/52% BAME)
2. Newham (Ranked 3 on IMD/6.8% unemployment/73% BAME)
3. Tower Hamlets (Ranked 5 on IMD/ 6.7% unemployment/54% BAME)
4. Waltham Forest (Ranked 12 IMD/unemployment rate of 8.7%/50% BAME)
5. Brent (Ranked 10 IMD/unemployment rate of 7.6%/65% BAME)

Option 2: Target seven boroughs

1. Barking and Dagenham (Ranked 1 on IMD/9.4% unemployment/52% BAME)
2. Newham (Ranked 3 on IMD/6.8% unemployment/73% BAME)
3. Tower Hamlets (Ranked 5 on IMD/6.7% unemployment/54% BAME)
4. Waltham Forest (Ranked 12 IMD/unemployment rate of 8.7%/50% BAME)
5. Brent (Ranked 10 IMD/unemployment rate of 7.6%/65% BAME)
6. Croydon (Ranked 15 IMD/unemployment rate of 7.8%/52% BAME)
7. Hounslow (Ranked 18 IMD/unemployment rate of 7.6%/52% BAME)

Table 1: Place-based priority areas for consideration

BME pop (%)	Local Authority District name (2019)	Unemployment rate (%)	IMD ranking
73	Newham	6.8	3
65	Brent	7.6	10
65	Redbridge	7	22
63	Harrow	6.9	27
54	Tower Hamlets	6.7	5
53	Ealing	7	14
52	Barking and Dagenham	9.4	1
52	Croydon	7.8	15
52	Hounslow	7.6	18
50	Waltham Forest	8.7	12
Borough BME profiles that are <50% threshold.			
43	Hackney	6.1	2
43	Enfield	7.8	9
38	Haringey	7	4
45	Southwark	6.3	18

Conclusion and recommendations

If resources permit, Option 2 provides a wider capture and opportunity to spread the benefit across seven boroughs whose BME population is at or above 50% and above the median. This approach would enable at least 2 programmes per borough as a minimum whereas Option 1 could mean that, out of an approximate 20 -25 organisations that could be funded, if chosen, each borough would have up to five programmes. If boroughs do not have effective providers of employment, enterprise and financial health opportunities, this will invariably impact on service support and therefore change in the social conditions the approach is striving to address may be minimal or ineffectual.

Finally, some critical risks that will need to be considered in going forward as a place-based investment approach, and they are just the tip of the challenges that lie ahead, including how to measure and report on impact, for example. The below examples offer an approach that will need to be built on.

Risk	Mitigation
Place based approaches take time, and as such, a reasonable time-scale over which to deliver the programme.	Relationships are critical. To better understand the area of investigation by building relationships and engagement processes directed by evidence based research and studies.

	This includes building effective relationships with partners as well as being aware of relationships locally and how presence might affect the relationship..
Inability to define role and rationale within the partnership.	Clarity of the focus of concerns in order to be realistic about what can be achieved: what will be offered and its fit within a wider strategic landscape.
Lack of clarity in defining place and scale in relation to employment, enterprise and financial health support	Capacity and ability to work at different levels in order to link the very local with the wider system within which practices takes place (i.e. which borough and the nature of the partners who will be able to support the operation at the local and regional level?).

Karl Murray

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