PART 4: OVERALL LESSONS AND RECOMMENDATIONS

4.1 LESSONS OF RELEVANCE TO THE USE OF ESF ART 4.2

Overall, the LSC experience was very useful for both the actors and the target groups involved and the evaluation revealed that the benefits were more significant than the problems encountered. The Pilot was innovative and pioneering in the way it was managed (decentralized delivery through locally based NGOs, continuous monitoring and support) and in the way it addressed the needs of socially excluded people (direct, flexible, creative, supportive). Although a link between social inclusion and employment is not very visible yet, we discovered there are strong indications (in a few cases, there were specific quantitative results as well) that such a link does exist and this will be evident in the medium term where outcomes would become more easily measurable

In addition, the LSC Pilot accorded considerable importance to mainstreaming. After the end of the project the main focus is the development of national ESF provision and in particular the use of global grants, as set out in Article 4.2 of the ESF Regulation, but there is also scope to impact more widely on domestic provision.

The main lessons[1] from the evaluation of the LSC Pilot have been brought together below, to inform Member States of specific characteristics of the LSC approach that should be taken into account with a view to mainstreaming.

It must be emphasised that feedback from the Pilot projects suggests that in mainstreaming the LSC approach the national context is extremely important. Therefore the applicability in different countries and regions of the points put forward below, will need to be carefully considered by the competent authorities. The specific experience of individual projects can be particularly relevant in this process (and this is illustrated with references to selected examples of LSC projects[2]).

4.1.1 Scope of Action

4.1.1.1 Objectives

> *The objectives of the action should encompass and bridge both "social inclusion" and "labour market inclusion".*

The latter could aim for "hard" labour market outcomes such as creating or obtaining a job, or could be focused on "employability" and progress towards employment ("soft" outcomes), e.g. through the development of skills and attributes, and the acquisition of qualifications.

Although both notions of "social inclusion" and "employability" can vary according to the characteristics of the target groups, and social and employment conditions in different Member States and regions, the **two objectives should be strongly linked**. This link is a **dynamic circle**, where improved capacity of promoters/participants increases their employability, which in turn takes them out of social exclusion and strengthens the social tissue, which further improves employability and so on. Above all the action should aim to help participants make progress on **a pathway to inclusion and employment,** with the implication that the LSC-type action should cover some of the stages of the pathway and should have strong links with other

---

[1] Key lessons are illustrated in boxes under each heading.
[2] There are plenty of examples for all the points covered here, especially in Part 2 of the report. More detailed information on specific projects can also be found in the annexes (checklists from interview visits).

actions (programmes or services) which can offer complementary support (before and/or after) the LSC action.

Box 32
Illustrative examples

Successful combination of social inclusion and labour market objectives was illustrated in the cases of:
◊ Fund Ozanam, Zaragoza, ES, where labour market inclusion led to social inclusion, not only for individual beneficiaries but also for their families. Mobilisation of the human capital of the area was important for improving the employability of people. Employability, closely linked to employment, was another key objective of the project.
◊ Deutsche K&J, Berlin, D, where an impact on social inclusion was important in the project development and decision processes. The perspective of employment was an important objective for MP3s.

4.1.1.2 Targeting

Explicit targeting on well defined disadvantaged groups is essential for the success of the action.

Targeting well defined disadvantaged groups enabled projects to help excluded people that could not have received help from elsewhere. It also made it possible for the Pilot to help those who really needed help and who lacked opportunities or access to opportunities.

An **untargeted approach** (i.e. working with general groups, such as "rural communities") may be justified in some cases, notably where:
- there is a very low level of social capital, typically in small areas which are generally disadvantaged and therefore the intervention should be across the whole local community (especially in the case of MP1/2 type actions);
- sparsely populated areas lacking large enough disadvantaged groups to allow a highly targeted approach;
- there is an untargeted approach (i.e. targeting all excluded groups, without targeting specific highly disadvantaged groups), but with **a strategy** (this would allow the project to reach highly excluded people and people who would not otherwise have benefited from ESF support).

Box 33
Illustrative examples: targeted and untargeted approaches

Targeted approaches:
◊ Huhtasuo, Jyväskylä, FIN was clearly targeted on the homeless;
◊ VAM, Manchester, UK, was also targeting, inter alia, a clearly defined group of people suffering from mental illness;
◊ LEB, Weser Ems, D, was targeting immigrants of German ethnic origin; and
◊ Fund Mujeres, Caceres was targeting rural women.

Untargeted approaches:
◊ Fund. CIREM, Barcelona, ES covered a disadvantaged neighbourhood in Barcelona;
◊ Consorzio BIM, N&V, Cascia, I and PAUL, Limerick, IRL, where rural areas were covered.

4.1.1.3 Territorial coverage and impact

The concept of Local Social Capital corresponds to "local communities" and the interventions should normally cover small geographical areas and should involve small/locally based NGOs in the delivery of the action.

In this case there is considerable scope for a participative approach and target group involvement at all stages. A small area approach has scope for impact on (the level of the local social capital and ultimately) on inclusion and employment for the local community as a whole. However, successful interventions will typically need to overcome a weak management capacity amongst local/small NGOs through capacity building and build bridges with other agencies (including extra-local links with formal institutions) in order to ensure effective pathways to inclusion and employment.

A **medium/large area approach** can succeed in having an impact on employment and social cohesion if the IB has sufficient management capacity (including in some cases also local offices) and is well networked with a range of local/regional actors that contribute effectively to outreach, promotion, dissemination and, in many cases, also support.

A **very large area approach**, e.g. actions covering comprehensively or selectively a whole NUTS II region, normally corresponds to interventions promoted and managed by larger "national NGOs". Particular attention is needed if the lead-partner is not based in the geographical area to be covered by the action. In this case good management capacity can be a strong point and it may justify this approach as a means of overcoming local weaknesses, but for an externally-led action to succeed, a two-tier partnership structure involving local partners will be essential. However, unless the action is targeted selectively on specific small communities, its scope for impact on the overall level of local social capital and on the inclusion and employment of the community as a whole (as against individual participants/beneficiaries) can be limited. (As mentioned above, illustrates this approach. Elements of this approach can also to be found in LEB, Weser Ems, D, SCVO, Scotland, UK and VAM Manchester, UK).

Box 34
Illustrative examples of territorial coverage

◊ Where small area approach needs to overcome weak management capacity:
- Fribørsen, Arhus, DK, which needs to build capacity as well as build bridges at the same time, whilst in another example of a small-area approach, the intermediary;
- Fund. CIREM, Barcelona, ES can concentrate on "bridge building" between the disadvantaged neighbourhood and mainstream players and the wider society;

◊ Where medium/large area approach was successful:
- FVECTA, Valencia, ES, with local offices and a network of very active local development agents;
- OATEP, Crete, EL, which had good capacity and was well networked with local NGOs/associations in remote rural areas;
- AV Kent, Campo de Gibraltar, ES, with an effective, mutli-disciplinary management team, high visibility/reputation and extensive links to local/regional actors (high levels of associativity);

◊ Where a very large area approach was followed:
- ADIE, F with functional partnerships in various sites, but poor coordination between them.
- LEB, Weser Ems, D, which covered a very large area, with MPs spread over the entire territory of Weser Ems. Access to target groups was carried out through intermediary organisations and individuals (mainly "social exclusion" professionals) and, to some extent, a network of local voluntary intermediaries.

4.1.2 Method of operation

A key success factor for effective implementation of the whole LSC Pilot was the high degree of discretion exercised by the IB, which allowed adaptability of its method of operation to local conditions, needs and characteristics of target groups and problems it aimed to address.

At decision making level, IBs/partnership had sufficient **discretion** with deciding what groups to target and what projects to fund. IBs were also efficient at developing mechanisms for accompaniment and support to micro-projects, although there were constraints related to insufficient project management budget (see below). At implementation level, the direct link with the Commission enabled **quick and efficient disbursement of money**. Issues were resolved quickly without having to go through a wide range of intermediaries. More specific lessons from the method of operation are provided below.

4.1.2.1 Partnership

> *Cross sector partnerships composed of a strong lead partner working with systems of NGOs, with a participative approach, common objectives and ability to learn from the experience, coupled with adequate project management capacity and capacity to mobilise resources for effective outreach and promotion, as well as capacity building for partners and micro-project promoters, are the key success factors of the Pilot´s method of operation.*

In more detail, although it is difficult to be prescriptive about the structures of the partnership, there are some key characteristics in terms of composition, approach and capacity which proved to be particularly important and are summarised below[3].

- **Composition:**
  - strong lead organisation (with capacity) working with systems of NGOs (or NGO led partnership);
  - inclusive and preferably cross-sector[4] partnership;
  - practical considerations[5] could limit the number of decision-making partners but strong links / networking with all stakeholders must be established/maintained;
  - if larger geographical areas are covered, a two-tier structure[6] is essential (see above, regarding "larger area approach" and "national NGOs" as lead partners);
  - some issues to be taken into account include the fact that in many cases public partners did not have the capacity to approach target groups, external partners may have had the resources but no local networks to access target groups;

- **Approach:**
  - participative approach with target group involvement in all stages (e.g. local actors present in committees) and active networking and interaction with the local community (local territory);
  - common understanding of problems and objectives amongst the partners;
  - ability to learn and to change (see also under monitoring and evaluation).

- **Capacity** for:
  - project management, including financial administration and monitoring;
  - outreach work, including pre-development and accompaniment;
  - mobilisation of resources and availability of adequate financial resources up-front (especially to meet the heavy cost of financial guarantees and pre-financing requirements)
  - and capacity building both within the partnership and at micro-project promoter level, e.g. through mentoring of smaller local NGOs and informal community groups.

---

[3] Also, chapter 2.4 on "Method of Operation and Implementation", groups projects into different partnership models according to cohesion, capacity and external strategy and contains plenty of examples of successful elements in terms of composition, approach and capacity.

[4] NGO, public and private sectors

[5] For example, resource constraints, local rivalries between NGOs, etc

[6] Lower tier with the lead partner and local partners. Upper tier with the lead partner and national/regional (and possibly also some local) partners.

Other characteristics which can influence the effectiveness of operation include:

- the experience of the lead partners;
- the newness/experience of the partnership;
- whether the LSC-type interventions are operated as one of several activities of an IB/partnership[7], as against being a specially set up partnerships/structures (or at least a separate structure with dedicated personnel within an existing IB/partnership). Most projects were operated as one of several activities of the IB (good example is Fund. Ozanam, Zaragoza, ES), while those that were especially set up to run the LSC Pilot showed the following weaknesses:
  - the structure "disappeared" after LSC was over (in the case of AV Kent, Campo de Gibraltar, ES, the "Local Support Platform" office created for LSC closed down and the momentum and LSC spirit developed, together with a very efficient management team was lost);
  - the structure is weak and could not support effectively such programmes in the future unless its capacity is increased (e.g., CeSIE, Kortrjik, B).

4.1.2.2 Publicity and promotion

Traditional forms of publicity are not enough to reach disadvantaged people. Direct contact with target groups was a key factor for effective publicity and promotion.

Traditional forms of publicity/promotion such as those used for main programmes (eg posters, leaflets, press announcements, calls for proposals) are not enough to reach and engage disadvantaged target groups.

Direct contact with potential participants was essential (eg through small meetings), preferably combined with indirect means, through NGOs and individuals from, or with affinity with the target groups (eg "word of mouth", demonstration effects, peer influence). Evidence shows that it requires a long time span in the case of projects working with highly disadvantaged people.

4.1.2.3 Financial management

The degree of simplification that could be achieved under ESF rules is limited, and therefore the IBs would need to operate a "firewall" approach, shielding micro-projects and individual participants from the full requirements that the Commission or national authorities impose on it.

Although national variations can be significant, financial management is an aspect of the LSC approach which matters a lot as it affects the degree of simplification and ultimately the degree of accessibility of the intervention for disadvantaged groups. IBs can shield micro-projects and individual participants from the full requirements imposed on them, through one or both of the following:

- the IB, having taken ultimate financial responsibility for the global grant, reduces the reporting requirements it imposes on participants (those assisted further down the line), achieved in most cases in the Pilot;
- the IB provides assistance (eg through a mentor) to the participants to complete the necessary forms, etc. In most cases, it was the IB staff that offered such assistance and in some cases local development agents and social workers also helped.

4.1.2.4 Monitoring and evaluation

---

[7] Linked to the issue that the intervention finances projects, not associations.

> *Although IBs were able to set up adequate monitoring systems, evaluation procedures (both self and external evaluation) were less developed. The key factors that determine the success of monitoring and evaluation procedures are the experience of the IB in setting up such systems and the resources provided within the LSC budget for these functions. It must be acknowledged that the resources per LSC project for evaluation were limited (required to be included within the 20% administration budget).*

Monitoring and evaluation processes[8] are very heavy in resources and therefore would require:
- simple / light systems for data gathering, analysis and reporting;
- on-going evaluation and review should be built into the project from the start, specifying clearly how the IB and the participants should record/report progress and outcomes;
- the above should be based on a clear definition of progression steps by participants in a pathway towards inclusion and employment (positive outcomes);
- a common evaluation framework at Member State level based on soft indicators, which makes allowance for the inherent heterogeneity of LSC-type projects.

4.1.3 Type of Support

4.1.3.1 Pre-development and accompaniment support

> *The non-monetary aspect of support (support at the various stages) was crucial – and generally as important as the monetary aspect itself. Just providing small grants would not have worked. The provision of small amounts of funding and quick dispersal (and monthly payments) was a very good approach for starting initiatives with most disadvantaged groups.*

LSC-type interventions which are targeted on the most excluded cannot offer only financial assistance. **Hands-on support to participants** at all stages will normally be needed to ensure an adequate number and sufficient quality of micro-projects.

These activities should be provided **pro-actively on an outreach basis** and should include counsellors/mentors, seminars/guidance meetings, practical guides or manuals, assistance with project or business plan preparation, etc.

It should be recognised that these activities are heavy in resources and cannot be subsumed into the normal administrative costs of the intervention. Therefore, **separate provision should be made in the budget to cover the costs of non-financial assistance** to participants.

Box 35
Illustrative examples of pro-active support to MP participants

◊ LEB, Weser Ems used "project scouts" (people looking for potential LSC initiatives) , an innovative approach that combined **volunteer** scouts for dissemination and outreach and **professional** scouts for advice to project promoters locally;
◊ ADIE, F used dossiers/guide to promoters, combined with tutors;
◊ Nersant, Torres Novas, P used network of entrepreneurs as tutors, who offered personalised training to promoters on various business and management issues;
◊ Fund. Ozanam, Zaragoza, ES used a special service of the Confederation of Entrepreneurs to offer training, tutoring and personalised advise to new businesses.

---

[8] Examples of well developed monitoring and evaluation systems at project level include those of LEB, Weser Ems, D and Huhtasuo Jyväskylä, FIN using external evaluator; and Fund. Ozanam, ES, Deutsche K&J, Berlin, D and FVECTA, Valencia, ES, based on self-evaluation.

4.1.3.2 Type/purpose of activities supported through small grants

> *The small grants approach of the LSC Pilot supported a variety of activities, some of which were very successful in developing community based and NGO projects that contributed to social cohesion and employment creation in the areas concerned. This success was possible because of the direct, flexible and informal support to participants and the small grant size which minimised risks and made the monitoring process easier.*

A wide range of activities can be supported through the small grants and it will not be appropriate to standardise them or narrow them down to a prescribed list of eligible actions. IBs should be allowed **flexibility** to define the most appropriate activities according to local circumstances and the needs of the target groups. These activities should take account of other forms of support available and should seek to complement and enhance, rather than duplicate them.

The generic characteristics of activities supported through micro-grants should emphasise **individualised, flexible and informal support to participants**, as far as possible on one-to-one basis, based on assessment and personalised action plans. Group activities are also important, especially in the case of MP1/2 type micro-projects. Overall a more intensive support will be required (and potentially higher unit costs) than in the case of main programmes, but offsetting factors should be taken into account, such as a reduction in unemployment and welfare benefits claims and greater tax contributions by taking people out of the black economy.

The size of micro-grants and the availability of complementary funds (eg micro-credit) are key issues. Overall, the **small size of grant** is **appropriate** for the needs and capacity of promoters and should be used as a **catalyst for start up** and for giving the initial impulse to self employment. Complementary funds (eg, micro-credit) could be used, provided there is adequate preparation of promoters, strong accompaniment support on financial and project management and with solutions to the issue of guarantees[9].

The lessons related to the success of the Pilot analysed in this chapter are summarised below (box 36).

Box 36
Summary of aspects of the LSC approach which proved successful

Scope of action

- Combining "social inclusion" and "labour market" objectives
- Targeting well-defined disadvantaged groups
- Targeting small geographical areas
- Helping participants make progress on a pathway to inclusion and employment

Method of operation

- NGO intermediary body, working through NGO-led cross-sector partnership
- Partnership with capacity (resources, knowledge, skills, systems)
- Capacity-building for smaller NGOs (both partners and micro-project promoters)
- Participative approach with target group involvement in all stages
- Strong links with other programmes and services

---

[9] The case of complementing micro-grants with micro-credit is illustrated by Fund. Ozanam, Zaragoza, ES, who continue LSC through a scheme that combines micro-grants (offered by a regional institute for social services) and micro-credits (offered by a savings bank). See *Box 25* in chapter 3.2.7.

- Ability to learn (from interaction with target groups and monitoring/evaluation) and to change
- IB or Member State authorities taking ultimate financial responsibility (do not pass it on to micro-projects)
- Separate budget for non-financial support to MPs with a substantial proportion of total resources (separate from its micro-grants and administrative budgets)
- Light procedures and requirements made on MP promoters/managers (and support provided to meet these requirements)

Support offered to micro-projects

- Using direct contact with potential participants in publicity/promotion
- Providing hands-on support to micro-projects in a pro-active way (eg through mentors, tutors) for pre-development and accompaniment of implementation
- Keeping small the amounts of financial support (micro-grants) to micro-projects
- Allowing micro-grants to fund a variety of the activities providing individualised, flexible and informal support to participants

4.2   RECOMMENDATIONS

The recommendations provided here are based on the evaluators´ assessment of the evidence presented throughout the evaluation report and are intended to prompt discussion and facilitate the development of better, practical proposals for policy making and design of future programmes, which can actually make a difference.

1   **Incorporate the LSC approach into social cohesion and employment programmes**

The LSC approach was relevant for building social capital, but most importantly it was **relevant as a means to achieve social inclusion and employment**. Although social cohesion and networking actions (MP1/2) used social capital as a means to achieve inclusion which in many cases led to job creation, small business creation (start-ups, cooperatives, etc) did not necessarily use social capital as a means to achieve the (very positive) results in inclusion and employment. In the case of the latter, it was the method of operation and delivery mechanism that was key to producing good results.

It may be appropriate therefore to incorporate the LSC approach as a dimension to programmes which have as objectives social cohesion and employment creation, for example: preparatory actions that use both the LSC approach/philosophy and methodology to <u>enhance social cohesion and develop networks</u> that increase "bonding" and "bridging" between people/groups/communities and supplementary actions that use the LSC methodology and delivery mechanisms for <u>employment creation</u>.

2   **Promote a management framework that combines top-down and bottom-up approaches**

The method of operation of LSC involved a management structure where actors from all sectors were involved. In cases where the public sector was more active, dissemination and steps towards mainstreaming were more fruitful.

The role of the public sector should therefore be re-enforced and more accountability given to public sector partners, while maintaining the local nature of the management and support structures (i.e. IB local, responsible for management of the programme, working with cross-sector level partnership).

3   **Promote decision making through diversity of stakeholders:**

The diversity of actors/stakeholders involved in decision making was key to the success of the Pilot. Future programmes should encourage this and complement it with capacity building at local level (see recommendation 4) to ensure effective decision making (and avoid the cases of decision making groups lacking key knowledge on certain types of projects).

4   **Make capacity building an inherent element of the project**

More capacity building is required for IB staff and for local management structures (where projects are managed through them). Non-financial support proved to be as important as the grant itself. More capacity building for micro-project promoters on business and management issues (relevant for MP3 type projects) would be required.

It is therefore suggested that capacity building be included in the design of such actions. For IBs and partners, specific provision could be made in the administrative/management budget. For micro-project promoters, IBs and partners

should be made responsible for obtaining additional resources (for example, tutors/mentors from the entrepreneurial sector, professional trainers, etc) dedicated to capacity building of promoters as required.

5   Promote participation of the voluntary and generally the third sector

This sector proved in the Pilot to foster community rather than displacing it and played a key role in accessing excluded groups and mobilising them.

Direct contact with target groups, knowledge of their circumstances and specific problems, closeness to local issues are key advantages of local voluntary organisations and NGOs and their role is instrumental for such types of programmes.

6   Support pre-labour market activities

Pre-labour market activities were shown to have very positive effects on personal and social development, skills development and employability. In addition **training and other actions addressed to young people** at pre-labour market stage provide them with more opportunities for social and labour market inclusion. **Therefore a revision of global grants in ESF could accommodate such types of activities**. In addition, education could be used more intensively for building civic culture.

7   Stimulate and support local networks

Local networks proved to be **crucial for the effective implementation of the Pilot**, mainly through their role in outreach, mobilisation and dissemination of the programme. In many cases local networks played also a key role in the provision of support to individual promoters. Successful contribution of these networks was also the result of the IB being strong enough to bring in/together actors.

It is therefore suggested that LSC programmes should have a lead (NGO) organisation strong enough to be a key networker who can bring in more local organisations.

In addition, local structures should be further explored in some areas, as there are many capable to reach socially excluded people but what is missing is lack of knowledge on how to use them.

Programmes should also make provision for support to such networks (financial and capacity building).

8   Increase provision for non-financial support through a separate budget

Management of the project was very heavy on resources and this stretched the capacity of IBs, while they had to put into the project significant amounts of voluntary time in order to cope with the needs for non-financial support to MPs. Resources for evaluation were also limited and this was partly the reason for poorly developed evaluation systems.

It is therefore suggested that provision for non-financial support should increase through a separate budget allocated to LSC projects. Non-financial support budget should make provision especially for the following items: outreach and promotion, accompaniment support to micro-projects during implementation, and monitoring and evaluation.

9   Develop evaluation frameworks at Member State level

Evaluation procedures for the majority of projects were not adequately developed and even those that progressed evaluation did not have particularly sophisticated approaches.

The heterogeneity of LSC Projects makes it difficult to develop a single comprehensive evaluation framework.

This is more likely to be achieved in the application of the LSC approach **at Member State level, if such a framework is developed from the beginning, concurrently with the development of the implementation guidelines, including the definition of appropriate delivery strategies and models.**

10 LSC type activities should aim at specific outcomes

Whilst all activities should aim to contribute towards raising the level of local social capital[10], it should be recognised that they will need to **achieve specific outcomes**, as indicated below:

- In the case of **MP1/2** type micro-projects, the activities should be contributing to the **development of core skills and attributes** by participants, whilst **formal training/qualifications** can be sought, where appropriate, through referrals (as a "next destination" in a pathway to employment);

- In the case of **MP3**, the LSC-type micro-grants can be used not only **to finance self-employment or business start-ups**, but **also as a preparatory stage** for beneficiaries who are not yet ready to access more traditional funding programmes;

- In the case of MP3s again, new SMEs and start-up initiatives could serve to **"pull" other small entrepreneurs into the area and thus instil more dynamism and improve the image of the area concerned**.

11 Different approaches for different geographic areas

In broad terms, the relevance of the Pilot for different groups of countries, which correspond broadly to southern and northern EU Members States, was different. For example, the approach was more innovative, with value added for southern Member States, while northern Member States are already saturated with such programmes.

It is therefore suggested, that more social capital "bonding" for Member States in the south and "bridging" for Member States in the north may be required.

Another difference relates to institutional development, with Member States in the north showing a saturation of institutions working on social inclusion / social capital, while Member States in the south may need to focus on institutional building.

12 Get the balance right between bonding and bridging social capital

It would be erroneous to suppose that increasing any or all forms of social capital would necessarily lead to a positive outcome. For example, a narrow focus on increasing community bonding social capital could have significant negative consequences, such as conflict between groups, if not balanced with the bridging and linking forms of social capital.

---

[10] See chapter 1.4 on a theoretical framework of social capital and the debate on social capital being both an end and a means.

13   Link LSC actions to existing, relevant initiatives

The project should focus on the "bigger" picture in terms of local social capital and inclusion. The scope of LSC to build links between disadvantaged groups and mainstream society was its main strength.

It is therefore suggested that LSC type actions are linked to the local strategy of the area where it is implemented. LSC type projects could be appropriate as inclusion strategies for highly disadvantaged people.

There should also be coherence and dissemination of national and European programmes at local level. Better communication mechanisms and spread of information is required in order to disseminate strategies and experiences from programmes specialising in certain sectors/target groups.

14   Consider a review of ESF and EES guidelines

Consideration should be given when reviewing the guidelines of the European Employment Strategy (EES) and future guidance on ESF to taking on board the LSC Pilot lessons.

Finally, **social capital should be seen as giving policy makers useful insight into the importance of community, the social fabric and social relations at individual, community and societal level**. As such, it can open up a range of new policy levers but it is not a single magic bullet for solving all policy problems.

SOCA0246ch4.1-4.2fn