

Meeting: Enterprise Partnership Board

Date: 8 September 2009

Report Title: Future Jobs Fund

Report of: Martin Tucker – Regeneration Manager (Employment & Skills)

Summary

This report provides information about the Future Jobs Fund (FJF), a recently announced Government initiative to create 150,000 employment opportunities across the country for the long-term unemployed.

A Council led bid is currently being developed with input from partners across the Haringey Strategic Partnership.

It is anticipated that a bid will be submitted in September with the first jobs commencing in January 2010.

Recommendations

- i. That the Enterprise Board notes this report.
- ii. That Enterprise Board members consider opportunities for creating jobs in their organisations.

Financial/Legal Comments

N/A.

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1. Introduction

Budget 2009 announced an extra £3.1bn for helping people back to work. The Government has committed £1bn of this to a Future Jobs Fund (FJF), which will support the guarantee that from January 2010 every 18-24 year old who is approaching 12 months unemployment or more a new job, training or paid work experience.

Communities and Local Government (CLG) and the Department for Work and Pensions (DWP) issued a letter to key stakeholders on 23 April 2009, which stated that local authorities and other organisations will be invited “to bid for to create jobs for the longer term unemployed.” It is the Government’s expectation that 150,000 jobs will be created through the FJF, between October 2009 and March 2011, with 50,000 of these being in unemployment hotspots (areas where the Job Seekers Allowance claim rate is more than 1.5% above the national average. Using this measure Haringey can be considered to be an unemployment hotspot) and 10,000 being green jobs.

Each bid will be expected to create at least **30 jobs** over a six month period. As a consequence the expectation is that bids will come from larger organisations. However, this will not preclude smaller organisations, such as social enterprises, from being involved, and for this reason the Government has indicated its strong preference for **partnership bids** led by local public and third sector bodies.

2. Bidding criteria

The Government published the bidding criteria for the FJF on 13 May 2009 and a summary is presented below:

Primary criteria

Each bid needs to demonstrate that:

- It will create **extra jobs (i.e. jobs that wouldn’t exist without the funding)** lasting at least 6 months either for long-term unemployed people aged 18-24 or people living in unemployment hotspots, and paid at least at the National Minimum Wage (NMW).
- The work done will benefit local communities.
- The work will be under way quickly.

The FJF contribution to each job will not exceed **£6,500**. Bids will be welcomed at a lower unit cost and/or that align with other funding streams such as the Working Neighbourhoods Fund (WNF). All bids will need to demonstrate value for money.

All local partnerships that are awarded funding in England will be required to develop a **Work and Skills Plan by 2010**. In developing bids local partnerships will also need to set out an **initial worklessness assessment** to demonstrate the longer-term benefits the funding will deliver.

Bidders will need to set out a timeline of when and how many jobs will be made available on a month by month period over the length of time covered by the bid.

Secondary criteria

If a significant number of bids pass the primary criteria the following factors will also be taken into account:

- Unit cost to the FJF in terms of both:
 - The unit cost per job of each bid.
 - The extent to which other funding streams, such as WNF, are aligned.
- The extent to which the job will support a person into permanent employment through:
 - The potential of the job itself to lead to permanent employment.
 - The inclusion of accredited training, development opportunities and job search support within the bid.
- The bidder's track record of delivering jobs of the type identified or supporting young people.

Bidding process

Assessment of bids will be continuous and can be submitted at any time. All bids submitted by 30 June 2009 will be considered for the first allocations of funding to enable the first jobs to start in October 2009 or earlier. **Bidders who are unable to submit bids by 30 June will not be penalised.**

Bids which pass the minimum criteria but are unsuccessful will be considered for future allocations. In this situation bidders will not be required to resubmit applications although they can be strengthened, withdrawn or additional applications can be submitted.

Matching people to places

It is anticipated that Job Centre Plus (JCP) will be the main source of referrals to FJF jobs.

Paying FJF employers

A payment structure will be subject to consultation but the current proposal is to pay part of the funding up front with the rest payable over the course of the 6 month job.

If someone leaves FJF employment in under 6 months, it is proposed that the place remains open with the employers and is filled by another person referred by JCP. Funding will be suspended while the place remains unfilled.

Other issues

Bidders can apply for the FJF to fund the job element of the first six months of an Apprenticeship, but they will need to demonstrate that the apprentice is paid at the NMW and that a job will be available for the individual to continue the apprenticeship beyond the first six months.

FJF employers will need to offer an exit interview to everyone who leaves a FJF job and provide them with a reference. Bidders will not be expected to monitor what happens to FJF employees after they leave the job.

All the bidding documentation can be found on the DWP website: <http://campaigns.dwp.gov.uk/campaigns/futurejobsfund/index.asp>

3. Haringey's FJF bid

The Council's Cabinet Advisory Board (CAB) agreed on 30 July 2009 that a Council led bid should be submitted. It was also agreed that all jobs created as part of this bid should be paid at the London Living Wage, which is currently £7.60 an hour.

Interest from across the borough in relation to creating jobs has been expressed in a number of areas, including:

- Day centres
- Employment support/outreach
- Libraries, arts and museums
- Parks
- Social care
- Waste management and recycling

In order to explore this interest in more detail a multi agency group met on 30 July and interested parties - including partners such as North London Business, NHS Haringey and third sector organisations - have begun to complete an expression of interest proforma that reflects the criteria in the FJF application form. The expression of interest proforma is appended to this report.

It is anticipated that the FJF bid will be submitted in September or October 2009 with the first jobs commencing in December 2009/January 2010.

4. Successful FJF bids

The first successful FJF bids were announced on 29 July. These bids will create 47,000 jobs at a cost of £300m. Successful bidders with a presence in Haringey include:

- Groundwork
- HCT Group
- St Mungo's

The jobs from this round of bids will commence in October 2009.

Appendix 1: Future Jobs Fund expression of interest proforma

1. Organisation/Service (including description of organisation/service)

2. Main contact (include contact details)

3. Number of jobs to be created

4. Types of jobs to be created (including a breakdown of numbers by each type of job)

5. Outline duties for each type of job

6. Please provide a timeline for when the jobs will be in place

7. What management/supervision arrangements for the jobs will be in place?

8. What other support will be made available to a FJF participant e.g. training, mentoring...?

9. What will be the unit cost for providing each job?

10. What community benefits will be derived from the jobs?

11. What will be the exit strategy for FJF job completers?

Thank you for completing this form. Please return it to Ambrose Quashie, ambrose.quashie@haringey.gov.uk.