

# CABINET

## Future Jobs Fund 1 September 2009

### Report of Corporate Director (Regeneration)

#### PURPOSE OF REPORT

The Future Jobs Fund is a government initiative which aims to create new, short term jobs for people approaching 12 months unemployment. The report outlines the background to the submission of a joint bid into the Fund by Mid-Lancashire local authorities, seeks Cabinet endorsement of the bid and seeks approval for the Council to support the scheme by identifying suitable job opportunities. The report also seeks Cabinet approval to develop proposals regarding apprenticeships and work placements.

Key Decision

Non-Key Decision

Referral from Cabinet  
Member

Date Included in Forward Plan

9th July 2009

This report is public

#### RECOMMENDATIONS OF COUNCILLOR BRYNING

- (1) That Cabinet note the report
- (2) That Cabinet endorse the Mid-Lancashire Future Jobs Fund bid, under which Lancashire County Council will act as Accountable Body, and the actions taken by officers to ensure the bid could meet the earliest deadline of 30<sup>th</sup> June 2009
- (3) That Cabinet support and encourage the active involvement of City Council Services in the Future Jobs Fund through identification of new job opportunities which meet Future Jobs Fund criteria on the basis that there is no net additional cost to the Council and authorise the Head of Financial Services to update the General Fund Revenue Budget as and when applicable (option 3 only).
- (4) That Cabinet support and authorise officers:
  - i) to develop and, if appropriate, finalise a Local Employment Partnership agreement with Jobcentre Plus
  - ii) to develop joint proposals with Lancashire County Council regarding apprenticeships and work placements for consideration at a future Cabinet meeting

## 1.0 Introduction

- 1.1 The **Future Jobs Fund** is a new Government initiative, led by the Department for Work and Pensions, providing a fund of about £1 billion over two years to support the creation of 150,000 jobs nationally. The jobs to be created through the fund are targeted at 18 to 24 year olds who are approaching 12 months unemployment and others in 'unemployment hot-spots' (defined as areas where unemployment exceeds 1.5% above the national average) and will support the Government guarantee that from 2010 everyone in this age group, who has been looking for work for a year, will get an offer of a job or training lasting at least six months.
- 1.2 The Fund is subject to competitive bidding based on the following guidance:
- There is a strong preference for partnership bids, with the majority of bids expected to be led by local authorities, sub-regional and local partnerships or by national or local public sector and third sector bodies
  - Whilst there is an expectation that bids will normally be from larger organisations, with bids aiming to create at least 30 jobs over a six month period, joint bids involving small organisations such as social enterprises are encouraged
  - Bids need to demonstrate that they will create extra jobs (i.e. which would not exist without the funding) lasting at least 6 months, that the work done will benefit local communities and that the work will be under way quickly
  - It is expected that a proportion of the jobs to be created will be 'green'
  - Jobs created must involve at least 25 hours a week, paid at least at the national minimum wage (from October 2009, £4.83 per hour for 18 to 21 year olds and £5.80 per hour for those aged 22 and over)
  - The Future Jobs Fund contribution for each job will not exceed £6,500
  - All partnerships awarded funding will be required to develop a Work and Skills Plan by April 2010, including an initial worklessness assessment
- 1.3 Whilst the assessment of bids is on a continuous basis, those bids submitted by 30<sup>th</sup> June 2009 would be considered for the first allocations of funding, enabling the first jobs to begin in October 2009. However, any bids which are not successful initially would be considered at later stages.
- 1.4 Following a report to the Lancashire Chief Executives meeting on 29<sup>th</sup> May, it was agreed that a bid would be put forward under the Mid-Lancashire grouping, with Lancashire County Council providing support. Subsequently, a group of officers from Lancashire County Council and the five Mid-Lancashire Districts (Lancaster, Preston, South Ribble, Chorley and West Lancashire) prepared a bid which was submitted on the initial deadline of 30<sup>th</sup> June. Within Lancashire, bids have also been submitted by the two Multi-Area Agreement groupings in Pennine Lancashire and Fylde Coast.
- 1.5 Whilst not directly linked to the Future Jobs Fund bid, Lancashire County Council has also developed initiatives aimed at increasing the number of **apprenticeships and work trials** in the public sector. **Apprenticeships** can be supported by funding from the Learning & Skills Council to cover the cost of training to NVQ levels 2 and 3 and the County Council have identified significant savings where an apprentice can replace agency staff. Pre-apprenticeship support is available to those aged 16 to 18 who are not in education, training or employment through the County Council's **Future Horizons** scheme through a combination of 8-week public sector work experience and training towards the City and Guilds Employability and Personal Development qualification. **WorkStart** is a public sector work trial, piloted by the County Council, working with Jobcentre Plus and Lancashire Adult Learning. It provides the opportunity for people, referred through Jobcentre Plus, to get back to

work by offering 30-day placements to help update their skills, gain experience and improve confidence. The employer does not pay a salary but is expected to pay reasonable travel and lunch expenses. The County Council is looking to promote each of these initiatives among Districts in Lancashire having been awarded funding through Team Lancashire.

## 2.0 Proposal Details

- 2.1 The **Future Jobs Fund** bid submitted by the Mid-Lancashire grouping is for a £3.27 million programme creating up to 503 jobs, 172 of which would be in the first six months. The number of jobs was based on an analysis of the numbers of 18-24 year olds currently approaching 12 months unemployment and unemployment in the 'hotspot' wards (including Harbour, Heysham North and Poulton in Morecambe). Lancashire County Council will act as Accountable Body for the programme and the employing organisations would be the appropriate local authority or third sector organisation creating the additional jobs to be funded. As a partner in the bid, the role of Lancaster City Council would be:
- to identify and encourage local job creation proposals, mainly from the public and third sectors, and including proposals it may bring forward as an employer
  - to participate in the Mid-Lancashire Partnership Board (see below), including the assessment of job creation proposals and monitoring programme performance

In addition to the local authorities, the bid also identifies other organisations as partners, including the North Lancashire PCT.

- 2.2 Whilst the governance arrangements for delivery of the Future Jobs Fund in Mid-Lancashire have yet to be fully developed and agreed, the group of authorities which developed the bid has proposed that overall performance of the Mid-Lancashire programme would be monitored by a 'Mid-Lancashire Partnership Board'. The full composition of the Partnership Board and its terms of reference are still to be determined but it is expected that it would include those partners involved in developing the bid (and including Lancaster City Council) and that, in addition to monitoring performance, it would also assess the quality of job offers and ensure provision is developed which meets or exceeds the minimum standard. A close dialogue with Jobcentre Plus will be maintained to link unemployed people to appropriate jobs. In this respect, the bid notes that local authority partners have signed or are considering signing Local Employment Partnership (LEP) agreements with Jobcentre Plus. LEPs formalise the link between employers and Jobcentre Plus and are aimed at opening up training and employment opportunities to disadvantaged jobseekers. The City Council has yet to finalise such an agreement but doing so would complement the proposals under the Future Jobs Fund, its work to help hard-to-reach groups into employment and training through the Integrated Support Team and its role in taking forward a local Employment & Skills Plan through the Lancaster District Local Strategic Partnership.
- 2.3 The bid included a number of outline job creation proposals from across Mid-Lancashire as evidence of the ability to create the overall level of jobs identified in the bid. Locally, two particular proposals, from Furniture Matters and YMCA, were identified from initial soundings. However, it should be noted that all proposals will be subject to formal assessment and that inclusion in the bid does not guarantee funding if the bid is successful. Equally, there would be scope to identify other proposals once the Scheme has been introduced. Consequently, whilst it was not possible,

within the timescale of the bid, to explore job creation proposals within City Council Services fully, there should be scope for the City Council itself to provide additional jobs under the Scheme. To obtain an indication of the level of interest among Services, a question regarding the Future Jobs Fund was included in a brief questionnaire circulated to all Services in July. This will be followed up with individual approaches to those Services best placed to create new jobs meeting the Fund criteria. Subject to Cabinet approval, it is proposed that any interest from Council Services should be worked up into formal proposals for consideration by the Mid-Lancashire Programme Board.

- 2.4 In late July the Department for Work and Pensions confirmed with the County Council, as lead organisation, that the Mid-Lancashire bid had been successful subject to the provision of further information on the number of job starts to be committed to in the period to 31st March 2010 within each Local Authority area. This will determine the value of the grant offer and it is possible that the value of the grant may be lower than the amount bid for.
- 2.5 Prompted by a request for information from Councillor Bryning, the questionnaire noted above primarily aimed to establish the number of **apprenticeships** within the City Council and any barriers to the provision of apprenticeships. The take-up of apprenticeships within Services is very low and there appears to be limited understanding of how apprenticeships work and the benefits they can bring, especially in the context of the City Council's Investor in People status. At the same time, initial contact has been made with the County Council's HR Partnerships Development Team to determine how the City Council and County Council could work together to increase the number of apprenticeships and also to expand activity around work trials through the WorkStart programme. Subject to Cabinet supporting and authorising further work, detailed proposals will be developed for a partnership-based approach to apprenticeships and work trials.

**3.0 Details of Consultation**

- 3.1 The Future Jobs Fund proposed bid was the subject of a report to the Lancashire Chief Executives Group on 29<sup>th</sup> May 2009. It was also raised at a meeting of the Employment & Skills Work Group (a sub-group of the LDLSP Education, Skills and Opportunities Thematic Group) on 23rd June comprising representatives of Jobcentre Plus, the Lancashire Learning and Skills Council and North Lancashire PCT.
- 3.2 Within the City Council, the proposals have been discussed with Human Resources staff and links have been made with the Children & Young People manager. An initial approach has been made to all Services regarding possible interest in the Future Jobs Fund and apprenticeships.

**4.0 Options and Options Analysis (including risk assessment)**

4.1 Options are considered in the table below:

| Option   | Advantages | Disadvantages  | Risk   |
|--|------------|--|--|
| 1. Do not support the bid and take no further action |            | Job opportunities for a vulnerable group in Lancaster District remain limited;<br>Partnership based on Mid-Lancs grouping undermined | No financial risk<br><br>Possible impact on fledgling Mid-Lancashire partnership |

|   |  |   |  |
|---|--|---|--|
| 2. Support the bid and seek job creation proposals from local third sector organisations (eg social enterprises)  | City Council seen as supporter of employment initiative;<br>New job opportunities identified for (mainly) young disadvantaged jobseekers;<br>Demonstrates support for cost-effective Mid-Lancashire partnership working                                | Economic Development staff time (estimated at 5% fte, mainly through Principal Economic Development Officer) required in programme development and implementation   | No financial risk<br><br>Risk of limited job opportunities being identified – current level of interest indicates this risk is low |
| 3. Support the bid and:<br>i) encourage participation in the programme by City Council Services<br>ii) underpin work with Jobcentre Plus through a Local Employment Partnership agreement<br>iii) identify apprenticeship/work experience opportunities within City Council Services and develop joint proposals with Lancashire County Council | As above plus:<br>Identification of additional public sector job opportunities;<br>City Council seen as active supporter of employment initiatives which complement its role in the LDLSP ESO Thematic Group and its LDLSP-funded worklessness project | As above plus:<br>additional staff time in those Services creating additional jobs through proposal development and management of the participants in the programme (value indeterminate at this stage but it should be noted that this 'cost' would be offset by the benefits arising from the additional jobs funded through the Future Jobs Fund). | See Financial Implications for details   |

## 5.0 Officer Preferred Option (and comments)

5.1 Option 3 is the preferred option since this provides benefits by:

- maintaining City Council support for the bid already submitted, enabling the earliest possible start in job availability
- enhancing the number of job opportunities within the programme
- enabling direct City Council involvement in the Scheme through the creation of additional jobs meeting the Scheme criteria
- enabling, through centralised administration, the cost effective implementation of the Scheme
- demonstrating the value of partnership working within the emergent Mid-Lancashire grouping

## 6.0 Conclusion

6.1 The City Council has a key role in taking forward the Local Strategic Partnership's Education, Skills & Opportunities Thematic Group Action Plan through development of the Employment & Skills Plan and associated action plans and its implementation of the Worklessness Pilot Project. However, the Council can also have a direct impact in this area of work through its role as a major employer, a role which has not been fully exploited to date. The Future Jobs Fund and the development of proposals regarding apprenticeships and work placements provide opportunities for the Council to become more active in supporting local residents into work.

### RELATIONSHIP TO POLICY FRAMEWORK

**Corporate Plan** – the 2009/10 Corporate Plan includes the following under the Corporate Priority to Support Our Local Economy:

*Objective 1: Work in partnership to ensure a strategic approach to economic development*

and regeneration

**Key Targets:**

NI152 – Working age people claiming out of work benefits.

NI153 – Working age people claiming out of work benefits in the worst performing neighbourhoods.

**Key Actions:**

1.3 Deliver the Council's actions in the LDLSP's Education, Skills and Opportunities Thematic Group Action Plan

- Prepare Local Employment and Skills Plan
- Develop Employer Engagement Action Plan
- Prepare (workless groups and individuals) Outreach and Engagement Action Plans

**Sustainable Community Strategy** – the proposals will help deliver the priority in the Lancaster District Sustainable Community Strategy related to Education, Skills and Opportunities to: 'engage NEETS (Not in Education, Employment or Training) young people and those who are workless on a long term basis in developing work related and life skills'.

**Lancashire Local Area Agreement** – the proposals will contribute towards the LAA target against NI 153 to reduce the number of working age people claiming out-of-work benefits in the worst performing neighbourhoods

## **CONCLUSION OF IMPACT ASSESSMENT**

**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

**Diversity** – all employing organisations will be required to have equality policies

**Human Rights** – the proposals will have very positive implications regarding the City Council's Investor in People status

**Community Safety** – no implications

**Sustainability** – positive implications through provision of additional jobs to long term unemployed young people with emphasis on jobs which are of community benefit

**Rural Proofing** – there will be a need to consider the additional support which may be required to enable any rural residents who qualify under the Future Jobs Fund criteria to access the job opportunities created, since these are likely to be predominantly urban-based and the availability of transport may be a particular issue. This will be taken up with Jobcentre Plus as part of the referral process.

**Health & Safety** – jobs created within City Council Services would be subject to corporate health and safety standards. Health and safety issues for other employing organisations will be considered as part of the proposed appraisal process.

## **FINANCIAL IMPLICATIONS**

**Option 1** – no financial implications

**Option 2** – the additional staff time required, estimated at 5% fte, would be met by existing Economic Development staff through adjustments to work programmes, mainly related to Principal Economic Development Officer time. Lancashire County Council will act as Accountable Body for the programme. Therefore, as the City Council is not, under this option, acting as a Future Jobs Fund employer organisation, it would have no financial

liability.

**Option 3** – the jobs to be created can be fully funded through the programme with no requirement for additional funding from employing organisations. However, as no programme funding will be available towards employer costs in managing Future Jobs Fund jobs, each Service providing additional jobs would need to ensure they allow, within existing staff commitments, for any additional staff time requirements in managing the new jobs created, although it is recognised that benefits would also arise from the additional jobs created through the programme. As with Option 2, Lancashire County Council will act as Accountable Body. However, as the City Council would, under this Option, act as an employing organisation for Future Jobs Fund jobs, it would be liable for risks associated with the external funding related to those jobs it creates. These risks are considered to be limited since the process is very prescribed (maximum funding of £6,500 per job created, job proposals appraised by panel, eligible clients referred by Jobcentre Plus). However, funding will be paid in arrears and it will, therefore, be necessary to profile expenditure and income accordingly against funded posts. The General Fund Revenue Budget will also need to be updated for associated expenditure and funding relating to any new jobs created as and when the need arises. There will also be a need, under Option 3, to assess the staff time implications (including Human Resources staff time) of taking forward the Local Employment Partnership agreement with Jobcentre Plus. This will form part of the discussions which would need to take place with Jobcentre Plus and which would involve relevant HR staff.

#### **SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has been consulted and has no further comments.

#### **LEGAL IMPLICATIONS**

Legal Services have been consulted and have no comments to add. It is possible that a Service Level Agreement will be drafted to govern the relationship between the County Council, as Accountable Body, and the Districts as partners in the implementation of the scheme. Legal Services would be consulted on the SLA at the appropriate stage.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

Future Jobs Fund Bidding Guidance, DWP

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