

Future Jobs Fund: a good start?

A guide to help voluntary and community sector organisations in the North West to understand whether the Future Jobs Fund is a good match for you, your organisation and your new employee

What is the Future Jobs Fund (FJF)?

Created in the April 2009 Budget, the Future Jobs Fund (FJF) is a £1 billion investment by the Department for Work and Pensions (DWP) intended to create around 150,000 new jobs across Britain to benefit unemployed young people and jobseekers in deprived communities.

Jobs will last a minimum of 6 months, employ an individual for at least 25 hours a week and pay at least National Minimum Wage. Individuals will start work with FJF in October 2009 and the programme is due to finish on 31 March 2011.

Who can bid for the money in the FJF?

DWP is hoping to see innovative bids from councils and from voluntary sector organisations that demonstrate involvement of a wide range of partners. Private sector bids are expected to meet all criteria which includes demonstrating cross sector partnership.

Why does partnership matter so much?

DWP takes the view that partnerships can offer greater value for money through; better economies of scale, higher quality support for individuals, pooling resources, having a wider and better understanding of local needs, and having a wider reach.

Who is leading on the FJF bid in my area?

In terms of completing and submitting the bid the leads are:

Greater Manchester	The Commission for the New Economy (formerly Manchester Enterprises) single bid on behalf of all 10 local authority areas, 30 June initial submission
Greater Merseyside	Knowsley Borough Council single bid on behalf of all 5 local authority areas, 30 June initial submission
Cheshire	Cheshire and Warrington Economic Alliance co-writing bid with the LSC on behalf of 3 local authority areas, 30 June initial submission
Lancashire	3 separate bids – Blackpool, Fylde and Wyre; East Lancs; and Mid Lancs – 30 June initial submission
Cumbria	Single bid on behalf of all local authority areas, submission likely to be the end of September

In terms of collecting and contributing the response of the voluntary and community sector key contributors are:

Greater Manchester	GMCVO
Greater Merseyside	Merseyside Network for Europe
Cheshire	Learning Together Cheshire and Warrington
Lancashire	Third Sector Partnership/Blackpool, Wyre and Fylde CVS, Blackburn with Darwen CVS, Preston CVS
Cumbria	Cumbria CVS

(See p10 for contact details)

What has the FJF got to do with VSNW?

VSNW exists to ensure the voluntary and community sector (VCS), in all its diversity, takes its place in shaping the future of the North West.

In the case of FJF, the contribution of VSNW is to research and bring together information about activity across the region. This knowledge can equip both frontline and support providing VCS organisations to inform their decisions about whether the FJF is right for them bearing in mind the responsibilities the FJF would bring with it.

What is the timescale for the FJF?

From 30 June bids to the FJF will be assessed by DWP on a rolling programme. DWP intends to be able to inform bidders as to whether or not they have been successful within 5 weeks of submission. It is thought that it would then take about 8 weeks to get any successful bid turned into an actual programme.

So if a bid submitted on 30 June is successful it might see the first people taking up the jobs created through FJF this October.

FJF will run until 31 March 2011.

If the bids have already gone in is it already too late become involved in FJF?

No.

The leads putting the bids together have been collecting their own information about the number of potential jobs that could be created in their area. This has not been an exact science and in some instances the numbers put forwards as a potential VCS contribution have been based on estimates from organisations with prior experience in the field of employment and training initiatives. This is all that was actually needed at this stage.

Not every bidder will get all of the places they ask for. DWP has signalled that there will be targeting of jobs towards key areas that meet certain criteria.

Once bidders actually know how many jobs they will receive funding for, things will start to become clearer. It is at this point that flesh can start to be put on the bones of the programme and enough will be known about how the programme will work for individual organisations to decide if it is right for them.

How will I know if FJF is right for my organisation?

If you aren't doing it for the money.

If you aren't doing it to get a "free" worker

THE MONEY

Although there is a headline figure of £6,500 per 26 week long job to be created it is extremely unlikely that the whole sum would come down to a VCS employer.

Organisations that manage the actual main contract will need to take out some funding to cover personnel and the costs associated with setting up, operating, monitoring and reporting upon the performance of the contract. How much money the contract holder will require is likely to vary area by area and approach by approach as different models of delivering the contract will have different costs associated with them.

Ideas for delivery models vary.

Example 1. Contract holder acts as recruiter, employer, manager and support provider to the individual with organisations simply providing a work placement in a specific role (probably with little or no associated funding)

Example 2. Contract holder takes a set unit fee from the £6500 such as £200 -£500 to cover administration and passes the rest to the organisation for wages and overheads under a direct sub contract. In this case the organisation acts as the employer and manager of the individual and is responsible for every aspect of supporting the individual for the lifetime of the job. For a direct sub contract to be viable it is likely to have to provide significantly more than just a handful of jobs.

Example 3. Contract holder takes a set unit fee as in example 2 but then sub contracts with one or more intermediary organisations such as Chambers of Commerce or support providing organisations such as CVS. These intermediaries then work to support smaller organisations in developing their FJF opportunities and liaise with Jobcentre Plus over promotion of the programme and generating referrals. The frontline organisation acts as employer and manager of the individual receives sufficient funding from the intermediary to cover the wages and may or may not receive any money towards overheads dependant upon circumstances.

If main contract holders and/or other organisations are in a position to match FJF with additional funding streams such as European Social Fund or Working Neighbourhoods then the financial picture may turn out a little brighter, however, there are no guarantees.

Even if your organisation turns out to be in an area where there is a low central cost delivery model and the vast majority of the funding comes with the individual to your organisation there may still be cash flow implications. In other words you may have to spend money on equipping and managing the individual in the job before you receive a penny from the main contract holder. This is because DWP only intends to pay the £6,500 to the main contract holder in stages: some may be up front when a person starts a job (or just before), some ongoing payments and some other payment on completion.

After the cost of the wages for the job have been deducted there will not be a fortune left over. Take these examples:

Example 1 A 25 hour a week job at minimum wage such as undertaking routine tasks with reasonably close supervision: over 26 weeks an 18-21 year old would be paid £3,100, someone of 22 years or over £3,724.

Example 2 A 35 hour a week (full time) job at minimum wage would be £4340.70 for 18-21 or £5214.30. These are equivalent to an annual salary in the range of £8681.40 – 10,428.60

Example 3 A 28 hour a week job (equivalent to 4 days of 9-5) at better than minimum wage such as £5.95 (which is just under typical starting rates for care workers/ receptionists in Cheshire) wages cost would be £4331.60 (going up to £5414.50 if full time 35 hours a week).

There is likely to be a requirement upon employers/contract holders that individuals receive training, possibly accredited, and depending upon the type of work an individual is employed to do there may be some direct costs to cover in terms of uniform/personal protective clothing.

FREE WORKERS

It is true that the right individual in a well conceived and well managed job makes an important contribution to the capacity of any organisation. Having wage costs covered for 26 weeks is a positive element of growing a skilled workforce but it is not the whole story.

Any new person joining an organisation needs some time to settle in and find their feet. This is usually planned for through an induction process that is appropriate to the job. During induction people have lots of questions and need to have things about how the organisation works explained and shown to them: this takes time and often takes time from the more experienced members of the team within an organisation.

Following induction there is usually a probationary period when people are starting to get on with their own work but still need to be guided and helped to keep on the right track. Supervision for people during their probationary period is often more frequent than for everybody else.

Some VCS organisations are lucky enough to have their own premises and plenty of equipment others rent space and using hot desking to be able to fit everyone in. Irrespective of how your organisation is currently set up adding an additional member of staff to the team is likely to increase your overheads: insurance may need to be increased, you may need additional furniture, another computer, you may well need more mugs in the kitchen and a bigger sink. These indirect costs do need to be thought about as the money will have to come from somewhere and is unlikely to come from FJF as it stands.

Quick summary of some questions to ask yourself...

- Do I and/or my team have the time to design and carry out a proper induction?
- Do I and/or my team have the time to conduct supervision frequently during the early days and regularly once the person has settled in?
- Does my organisation work from premises where there is already enough space and enough equipment for another person?
- Do I know what the likely impact of an additional team member will be on my overheads..... and is this affordable?
- Does my organisation have a positive cash flow that can support the creation of a FJF job - in other words does it have unrestricted funds in the bank that it can use to get going?

...If you got 5 “yes’s” go through to the next round.

Who can take up the jobs created through FJF?

Young people aged 18-24 who have been on Jobseeker's Allowance for at least ten months and before they reach twelve months. Young people who were previously not in education, employment or training (NEET) may be fast tracked onto FJF and become eligible up to six months earlier than other young people.

People of any working age who have been claiming benefits for a period of time and who live within an unemployment hotspot – somewhere that the unemployment rate is 1.5% higher than the national average. More specific eligibility criteria will be set out nearer the time.

Keep in mind that FJF is targeted at individuals who have not been in work for approaching a year or even longer. Many will already have skills and qualifications but have not yet had the opportunity to put them to work and/or they may not know how to put them to work. Many will have no defined skills or qualifications but enthusiasm in bucketfuls and just never been able to get their foot in the door. Some will have no immediately apparent skills or track record or motivation and will emerge as star players in the right environment. And there will be some people that nothing ever seems to quite work out for.

If your organisation wants to provide FJF jobs thought needs to go into how that provision will be offered and operated so that there are mutual benefits for the individual and the organisation as well as for the wider community.

What do I need to think about when designing a FJF job?

Firstly remember that it is a job. This is **not** about relabeling volunteer opportunities.

The job should have a purpose, a set of key tasks to be performed and an associated person specification: an overall description of the role and of the kind of individual in terms of skills, relevant qualifications and interests who would contribute and develop well if they took up the role.

How many hours a week would this job need to be performed for it to achieve its purpose? – to be eligible for FJF it must be at least 25 hours a week.

What is a reasonable rate of pay for the job given what is being asked of the person in the role?
- it must pay at least National Minimum Wage which is currently £4.77 per hour for someone aged 18-21 and £5.73 per hour for someone aged 22 or over.

Any job created by your organisation will not be the only job available to an FJF individual to choose from. There is debate about how attractive 25 hour posts at national minimum wage will prove to individuals thinking about coming off benefit.

Where does the new job fit into the existing structure of the organisation?

- who will the new person be supervised by, is it clear where the tasks in this new job end and the other jobs begin as FJF jobs **must not** displace existing employment.

What is a reasonable expectation in terms of previous experience, skills, qualifications?

- the more demanding these requirements are the fewer the number of individuals who will be able to apply for the job. This doesn't mean you shouldn't specify anything in terms of for example literacy or numeracy skills, or willingness to work in a team, or interest in providing good service to customers. It just means be realistic for the level and nature of the job – what will be necessary for an individual to be able to do the job and grow in experience and confidence while they are with you.

How will the organisation handle any additional work volume created through having a FJF team member when that person leaves?

- another individual may come along quite quickly and be interested in taking up the post but it is also possible that the job will be vacant for a while.

Who refers people to the jobs?

Frontline staff in Jobcentre Plus offices will review the benefits situation of the individual and then set out the options available to them: explaining the impact of each of those options on the benefits that the individual is currently receiving.

FJF will be one of four different routes to employment that will be available at that time – FJF will not be right for every single person.

Would I have to employ every person referred to me?

No.

It will be very important that the individual takes up a job in an organisation that is right for them. It is equally as important that an organisation takes onto its staff an individual whose employability it can support and develop through providing meaningful work and high quality supervision.

Would the individual definitely stay in the job for the full 26 weeks?

No.

FJF is about enhancing the employability of the individual and supporting them to move into work for the longer term that is right for them. An individual may stay in the FJF job within your organisation for the full 26 weeks, however, you may also prove so good at supporting them that they find another job and move on after only a few weeks.

If I provided one or more jobs what would I have to do?

You will be required to interview any person interested in the job your organisation has on offer. This is an interview for a job. As we said above you will not have to employ everyone you interview. If you do not offer the job to the person you have interviewed you will be required to offer feedback to rejected candidates on how their application and interview could have been improved. Providing this kind of feedback is a skill in its own right and you may want consider carefully who within your organisation has the necessary skills to communicate with rejected candidates.

In addition to the induction, probationary period support and regular supervision described earlier, your organisation is likely to have to keep additional records about the progress of the individual in the job. Exactly what form of records may vary from area to area, but timesheets that have been checked and countersigned are often the minimum requirement.

FJF is about a positive step in the direction of employment. Organisations will be expected to provide ongoing informal learning and development support to any individual employed in an FJF job and to help that person find and secure the kind of work they would like to do in the longer term.

As someone prepares to leave their FJF post the organisation has to conduct an exit interview to reflect upon the progress made and make an assessment of the individuals overall experience of the job. When a person leaves the organisation must supply them with a reference that covers their performance, attendance record and any skills learnt.

It is good employment practice to document steps such as induction, probationary period reviews, supervision and exit interviews and to store them securely for a period of time following the end of an individual employment. These documents can be extremely useful in the medium term for providing references to prospective employers.

Would my organisation have to keep the individual even if the job turned out to be a “poor fit” for them and/or the organisation and individual did not fit well together?

No. You must remember that an FJF individual is employed. This means all proper employment policies and practices must be followed in how they are managed.

Any issues about their performance in the job must be addressed through supervision and accurately recorded. Initially individuals should be given constructive feedback about their performance and supported to improve. Support might take the form of additional training, on the job coaching, specific improvement targets being agreed so that the individual has a clear idea of what good performance looks like.

If performance doesn't improve then your organisation's capability procedures need to be used and/or disciplinary procedures depending upon whether an individual is not coming up to the standard of work required for the job or whether they are persistently breaking or ignoring rules such as poor timekeeping, unauthorised absences, repeated failure to act on instruction after adequate training/coaching.

If, after following good employment practice and complying with the requirements of your organisations policies, performance does not improve and/or behaviour does not improve then an individual may be dismissed.

It may be the case that in an area where there is an intermediary body employing the FJF individuals and your organisation simply acts as a work placement host things will operate differently. In this case it may be possible to simply part company amicably with the individual and the intermediary will find them a job which is a better fit. It is still likely, however, that the intermediary will expect your organisation as the day to day supervisor of the individual to have taken reasonable steps to encourage/enable that individual to fit in and contribute positively to the work of your organisation.

When is dismissal “fair”?

ACAS – the Advice, Conciliation and Arbitration Service says
“Dismissal is normally fair only if you can show that it is for one of the following reasons:

- a reason related to the employee's conduct
- a reason related to the employee's capability or qualifications for the job
- because the employee was redundant
- because a statutory duty or restriction prohibited the employment being continued
- some other substantial reason of a kind which justifies the dismissal

and that you acted reasonably in treating that reason as sufficient for dismissal.”
(direct quote from <http://www.acas.org.uk/index.aspx?articleid=1798>)

It all sounds pretty daunting so why bother with FJF?

Given the amount of work involved in FJF your organisation may decide not to bother which is entirely understandable.

Those organisations that do bother with FJF, however, for the right reasons will be both making a significant contribution to helping young people and other job seekers gain a foothold in the world of work.

VCS organisations can be instinctively nurturing workplaces in part because of their primary motivation to help others through the work that they do. Bringing fresh ideas and perspectives into the organisation, through employing a new person, can bring additional insight about the needs of a local area and/or a particular community of interest or identity which ultimately helps the organisation improve both its services and its reach.

FJF has the potential to be a mutually beneficial programme. In the beginning both the employer and the individual will have to put in some thought and some effort to get things going in the right direction. In the end everyone will have learned something new and completed some work that would not otherwise have been done.

Executing FJF to a high standard will, in the medium term, enhance the reputation of the VCS and increase its influence over the design and delivery of future programmes.

Over the longer term FJF will create a new generation of people with first hand experience of the VCS. These are people who may in the future turn out to be our brightest stars and principal partners. The opportunity to inform and shape their approach to the world of work is a powerful thing.

Contact details

Key VCS contacts in your area:

Cheshire

Christine Baker, Learning Together Cheshire & Warrington
chris@learning-together.co.uk or 01244 320528
The Annexe, The Old Coach House, 8 Garden Lane, Chester, CH1 4EN

Cumbria

Karen Bowen, Cumbria CVS
karen.bowen@cumbriacvs.org.uk or 01768 800350
6 Hobson Court, Gillan Way, Penrith, Cumbria, CA11 9GQ

Greater Manchester

Greater Manchester Centre for Voluntary Organisation has produced a briefing explaining the potential for Greater Manchester's voluntary and community sector participation in FJF, which is available here: <http://www.gmcvo.org.uk/?q=node/1527>
Karen Rigg, Greater Manchester Centre for Voluntary Organisation
Karen.rigg@gmcvo.org.uk or 0161 277 1000
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Greater Merseyside

Paul Avis or Richard Finch, Merseyside Network for Europe
151 Dale Street, Liverpool, L2 2AH
paul.avis@merseynetwork.com or richard.finch@merseynetwork.com or 0151 237 3972

Lancashire

Blackpool, Wyre and Fylde:

Blackpool, Wyre and Fylde CVS, admin@blackpoolcvs.co.uk or 01253 624505.
95 Abingdon Street, Blackpool, FY1 1PP.

Preston:

Joan Burrows, Preston CVS, joan.burrows@voluntarysectorpreston.freereserve.co.uk or 01772 251108.
Unit 23/27, Guild Hall Arcade, Lancaster Road, Preston, PR1 1HR.

Blackburn and Darwen:

Garth Hodgkinson, garth.hodgkinson@bwdcvs.org.uk or 01254-583957
Blackburn with Darwen CVS, St John's Centre, Victoria Street, Blackburn, BB1 6DW.

VSNW (Voluntary Sector North West) is the regional voluntary sector network for the North West. The purpose of VSNW is to ensure that the voluntary and community sector (VCS), in all its diversity, takes its full part in shaping the future of the North West.

VSNW works with 150 members which work across the region directly supporting and delivering services for individuals, or are VCS infrastructure organisations (LIOs) that work with local voluntary and community groups.

VSNW members provide community services, regenerate neighbourhoods, support individuals, promote volunteering and tackle discrimination. The 40 generalist LIOs in membership of VSNW have a membership of 6,780 VCS groups and are in contact with 19,800 local voluntary and community sector groups in the North West – just under two-thirds (63%) of the region's VCS groups.

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