

FUTURE JOBS FUND

1.0 EXECUTIVE SUMMARY

- 1.1 On 25th June 2009, Cabinet authorised officers to work up proposals for Wirral Council as part of a Liverpool City Region bid to the national Future Jobs Fund. This report updates Members on the detail and subsequent outcome of the bid submission to the Department of Work & Pensions (DWP) and seeks authorisation to accept the Terms & Conditions of the Grant Offer.
- 1.2 At the time of writing this report the formal offer letter from Knowsley Council (as Lead Accountable Body for the Liverpool City Region Bid) is still awaited and the figures given in this report may change. It is anticipated that the offer letter will be received before the Cabinet date and the final figures will be reported at the meeting

2.0 BACKGROUND

- 2.1 The Future Jobs Fund is a new initiative of approximately £1 billion nationally to support the creation of jobs for long term unemployed young people and others who face significant disadvantage in the labour market. The Fund was announced in the 2009 Budget and is to be spent over the next two years up to March 2011. The fund is run by the Department for Work and Pensions (DWP) in partnership with the Department for Communities and Local Government (CLG). The Fund aims to create 150,000 jobs nationally aimed primarily at 18-24 year olds who are coming up to a year out of work. A further 50,000 jobs will be funded for the 25+ age group to specifically target unemployment 'hotspots'.
- 2.2 On 25th June 2009, Officers sought and received approval from Cabinet to support the principle of a Liverpool City Region bid to deliver Future Jobs Fund across the sub-region and additionally to support a local model of delivery of this initiative via an In-House Team. The Liverpool City Region (LCR) Future Jobs Fund bid was constructed around the themes listed below, with the potential to create up to 6,155 jobs across the LCR over an 18 month period.
- Apprentices – 145 opportunities at Liverpool City Council, Liverpool Community College and City Region placements at local businesses that reflect sectors with regional skills shortages, including retail, hospitality, tourism and passenger transport.
 - Children and Young Peoples Workforce – 563 opportunities providing childcare (major barrier preventing parents returning to work), teaching assistants and youth-work.
 - Enhancing capacity in the Third Sector – 2286 opportunities including community care, environmental services, construction and ground maintenance, warehousing, engineering, sports, financial services and recycling, supporting over 80 Third Sector organisations.

- Entry level experience – 1702 opportunities in construction, care and retail sectors in addition to administration roles and roles associated with the Visitor Economy and SuperPort.
- Environmental improvements – 1127 opportunities with Registered Social Landlords to improve the physical environments in which their properties are situated, creating a pool of environmental technicians and improving green and open spaces.
- Graduate internships – 15 internship and employment opportunities via a high quality career management programme.
- NHS Academy – 225 opportunities across various NHS Trusts with positions available in Estates, Administration, Ancillary and Health Care
- Supporting a low carbon economy – 92 opportunities around energy advice, domestic energy assessments and installation of energy efficient materials, giving opportunities for skills development in an anticipated growth sector.

2.3 In terms of the first round bid Wirral and its partners have sourced the largest proportion of opportunities that fall within the Children and Young People's workforce theme, fully supporting the aim of the LCR to ensure that delivery supports DWP's number one priority to eliminate child poverty. In addition to the pan sub-regional opportunities, 323 locally based jobs have been sourced to date as follows: 105 Third Sector; four Low Carbon Economy; nine Environmental; 56 Entry Level and 149 Children & Young People's Workforce. A second round of opportunities is expected to be created later this year and discussions will commence shortly on these. All the above themes will be fully explored in terms of future opportunities.

3.0 **FIRST ROUND AWARDS**

3.1 The first Future Jobs Fund Awards have now been announced. Nationally, DWP received 182 bids, of which 117 have been awarded funding to create up to 47,000 jobs. Of these 117 bids, 62 are local authority led. The others are from a mixture of public bodies, third sector organisations, social enterprises and private companies.

3.2 18 bids were received from organisations looking to create jobs in the Northwest (excluding national bids) and the regional assessment Board recommended nine bids.

3.3 There was great interest shown in the Future Jobs Fund across the Northwest, with the region accounting for the highest number of bids in the country outside of London. Successful North West bids will generate the greatest number of job opportunities of any region with 9,268 jobs, (4,780 in the first six months) plus further opportunities from successful national bids.

3.4 Successful national bids with opportunities in the North West include Groundwork/ National Housing Federation and Royal national institute for the Blind. Additionally, Wildlife Trust were successful nationally but are working with DWP to agree locations of jobs, some may be in the North West.

3.5 Three bids have been approved which cover the Liverpool City Region as follows:

- Furniture Resource Centre – to create 77 jobs (36 in the first 6 months) for 18-24 year olds and covering the 25+ age group in hotspots in the Liverpool and Oldham areas doing a range of roles in the furniture recycling sector.

- Liverpool City Region – to create 6,155 jobs over 18 months (2,570 over the first 6 months) for 18-24 year olds and covering the 25+ age group in hotspots doing a wide range of roles across the Local Authorities involved.
- Pentra Services Ltd – to create 90 jobs over 18 months (30 in the first 6 months), 60 for 18-24 year olds and covering the 25+ age group in Wirral hotspots in the ICT and transport sectors.

4.0 **DWP GRANT OFFER AND TERMS & CONDITIONS**

4.1 DWP has approved the Liverpool City Region bid and issued a formal offer of funding to Knowsley Metropolitan Borough Council as the Lead Accountable Body (LAB) amounting to £16,687,010. This is to create 2,570 jobs for long term unemployed young people on Jobseeker's Allowance. The Terms & Conditions of the grant offer are set out below.

4.2 DWP will only commit to the first 6 months of delivery targeted at job starts created before 31st March 2010. This is their approach across all the successful bids. This accounts for 2,570 jobs across the Liverpool City Region. Of the 323 locally based jobs within Wirral this approval accounts for XXX starts prior to March 2010. The offer of subsequent Grant Awards for jobs profiled beyond March 2010 will be dependent on a formal review in early 2010 based on performance and delivery against profile in the preceding period. If the result of the review is satisfactory, DWP will commit to an additional award extension, subject to funding remaining available. Any additional award will be reported to Cabinet in due course.

Eligible Costs

4.3 At Cabinet in June, Members were presented with a number of scenarios outlining potential financial implications for Wirral Council as part of the bid submission to DWP. At that stage the DWP Guidance did not make clear what costs would be eligible for funding from the programme over and above the reimbursement of employers costs at National Minimum Wage rate. The Grant Offer defines eligible expenditure as payments made to support the creation of Future Jobs Fund jobs, the ongoing support costs related to these jobs and the employment costs of eligible individuals in line with the Jobstart Profile.

4.4 Subject to satisfactory performance and continuation of funds beyond March 2010, Wirral Council will therefore receive DWP funds to support the delivery costs of the programme over and above the wage reimbursement costs which will reduce the requirement for additional funds. Full details of the financial implications are presented at Section 6 of this report.

Eligible Individuals

4.5 The Grant Offer specifies that in all cases, Jobcentre Plus must confirm a customer's eligibility prior to a Future Jobs Fund start. All vacancies must be notified to Jobcentre Plus in line with the Jobstart Profile and they will hold responsibility for informing and referring eligible individuals to positions available. Feedback on unsuccessful and successful candidates must then be reported to Jobcentre Plus as must changes to the employment status of the individual throughout the six month Future Jobs Fund contract period. The grant offer requests that this Jobcentre Plus dialogue is processed solely via the Lead Accountable Body unless other arrangements are agreed at the local level.

4.6 Due to the scope and scale of the Liverpool City Region programme and the clear reliance on Jobcentre Plus as a recruiting agent, discussions are underway via the City Employment Strategy Lead Officers Group, of which Jobcentre Plus is a member, in order to agree an effective operational process model at the local level.

Data Storage

- 4.7 Due to the necessary interface with Jobcentre Plus and the handling of personal data pertaining to eligible individuals, data transmission will be strictly controlled in accordance with DWP's information security requirements, including the use of encryption where appropriate. Wirral Council will meet these requirements through use of the 'Government Connect' secured network.

Financial Management, Grant Accounting and Monitoring Requirements

- 4.8 The Grant Offer requires Knowsley Council as Lead Accountable Body, to ensure partners maintain sound systems of internal financial control including adequate measures to safeguard against fraud and theft. Reliable, accessible and up to date accounting records with an adequate audit trail must be maintained for all Future Jobs Fund eligible expenditure incurred, including retention of information for individuals employed under the Fund. All documents, data and information must be accessible to internal and external auditors, the Secretary of State or the Comptroller and Auditor General or any department or other public body that may reasonably require it for the purposes of audit or examinations into the economy, efficiency and effectiveness in use of the grant. Grant payments will be conditional on receipt of a satisfactorily completed Combined Monitoring and Claim Form (CMCF) which must be signed by the Section 151 Officer and submitted to DWP at monthly intervals scheduled in the Grant Offer Letter.
- 4.9 As recommended by Cabinet in June, Wirral Council will employ an In-House Team in order to ensure direct control over the ensuing finance, monitoring, quality assurance and legal requirements of the grant. Officers will design and implement paperwork and common systems jointly with partners in the Liverpool City Region in order to ensure compliance with the conditions of grant across the whole programme.

State Aid and Asset Lock Compliance

- 4.10 The DWP Grant must comply with European Union State Aid Legislation. In order to make grant payment directly to any non-public organisations, DWP will require evidence that the organisation has an appropriate legal status and structure eg: is a Charity or has Community Interest Company status with an appropriate asset lock to ensure that any assets obtained through grant funding continue to be used for purposes appropriate to the grant.
- 4.11 The Wirral submission element of the Liverpool City Region bid concentrated Future Jobs Fund creation within public sector and third sector organisations due to the guidance available at the time that all jobs must 'provide community benefit'. The grant offer makes clear the requirement to have regard to State Aid Legislation, therefore officers will work closely with Liverpool City Region partners, DWP and Government Office North West to clarify eligibility prior to any approach to potential private sector employers in any subsequent additional Future Jobs Fund job opportunity submissions to the Fund.

Breach of Conditions, Recovery of Grant and Termination

- 4.12 The main conditions under which the Secretary of State may reduce, suspend or withhold future grant payments or require the repayment of the whole or any part of grant monies fall within standard financial compliance conditions. However there is a list of conditions specific to this programme which would activate this clause as summarised here:
- Circumstances arise or events occur which are likely to significantly impact on the organisations ability to meet the Jobstart Profile;
 - Where jobs are not created during the award period or performance falls below the tolerances:

- 20% below profile = performance recovery action plan
- 40% below profile = future payments may be suspended until improvement
- 60% below profile = look to recover any funding which is deemed to have been overpaid

- Where jobs are created but not filled;
- Where jobs are created but filled by someone who is not an Eligible Individual;
- Where an eligible individual is confirmed as starting a Future Jobs Fund job but subsequently leaves the job early.

4.13 DWP reserves the right to end the agreement at any time without notice. Members are asked to note the risk that this presents and balance against the benefits of delivering the programme for Wirral residents.

4.14 Members are asked to note that partnership monitoring controls will be agreed through the City Employment Strategy to ensure that the Liverpool City Region programme as a whole meets the conditions outlined in paragraph 4.12. This will involve open negotiation and possibly some reprofiling in discussion with individual partners. This is a project implementation issue and Cabinet is asked to delegate authority to the Deputy Chief Executive/Director of Corporate Services for this task.

5.0 **IMPLICATIONS FOR WIRRAL COUNCIL**

Grant Award

5.1 DWP has issued a Grant Offer Letter directly to Knowsley Council as the agreed Lead Accountable Body for the Liverpool City Region grant. Knowsley MBC have subsequently applied the DWP Terms & Conditions of Grant to the contractual arrangements with each partner organisation within the bid and a formal offer letter from Knowsley Council is still awaited at the time of writing this report. It is anticipated that the letter will be received before the Cabinet date and the figures left blank below will be reported at the meeting. Wirral Council will receive £XXX for the creation of XXX jobs for long term unemployed young people on Jobseeker's Allowance. It is anticipated, subject to the formal offer letter, that the defined 'hotspot' area for the purpose of this programme is the whole of the Liverpool City Region, which translates to the Borough of Wirral for our contractual purposes.

Payment Model

5.2 Payment of grant will be made as follows:

- 20% of the total award payable on receipt of the signed acceptance letter;
- 20% per job payable in the month prior to the profiled start date in which that Future Jobs Fund job is intended to be filled;
- 60% of the remaining unit cost will be paid in six instalments of a maximum of 10% of the unit cost, paid in arrears upon receipt of the Combined Monitoring & Claim Form.

5.3 Where an individual leaves the Future Jobs Fund employment before the end of the 26 week period, the vacancy will not be opened up by Jobcentre Plus for the remainder of the 6 month period. In instances where jobs are determined by DWP to have been unsuitable for Eligible Individuals, then repayment of all or part of the funding for that job may be required. However, if the post is determined suitable, a new six month vacancy can be advertised using an accumulation of funding from a number of early leavers.

5.4 This payment model supports start-up and on-going delivery costs and provides working capital in order to meet regular Future Jobs Fund employee wage reimbursement payments.

Delivery

- 5.5 A number of options for local delivery models were presented to Cabinet in June with approval granted for an In-House Team. Delivery under this option would be via an In-House Team taking responsibility for financial and monitoring responsibilities; reimbursement of participant costs; participant and employer support throughout the job period; and overall co-ordination and future development of the programme. An essential element of the Future Jobs Fund Team role will also be to ensure Wirral gets a proportionate share of sub regional job opportunities.
- 5.6 The Future Jobs Fund team will be located within Wirral Council's Regeneration Department and be responsible to the Head of Housing & Regeneration. A joint steering group has been set up with officers from the Corporate Services and Regeneration Departments to steer the implementation of the initiative. An Employers Forum will also be established when the initiative commences.
- 5.7 In addition to the requirement to report progress to the City Employment Strategy and DWP as partners in the Liverpool City Region programme, the progress of the Future Jobs Fund will be reported to Cabinet.

Marketing

- 5.8 As reported to the Liverpool City Region Chief Executives' meeting on 4th September 2009, all communications and publicity on Future Jobs Fund will be firmly set in the context of City Region working. The Wirral Future Jobs Team and the interim joint working arrangements will ensure that marketing materials comply with DWP and Liverpool City Region requirements whilst enabling Wirral to achieve a high profile in delivery achievements within local control.

Future Bidding Process

- 5.9 While work is underway to support the XX jobs due to start in the first grant award period, Wirral Officers are engaging partners in developing more Future Jobs Fund opportunities with a view to negotiating Liverpool City Region contract extensions to DWP over the coming months. DWP have verbally indicated that this will be how future submissions will be allocated to the Liverpool City Region as the overall delivery framework has been approved. Any such extensions will be reported to Cabinet for approval.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The total project costs and available funding for Wirral Council for the 323 Future Jobs Fund jobs to be created between October 2009 and March 2011 is shown in the table below: The future jobs funding is still to be formally confirmed so the figures are indicative at this stage being based upon discussions that have taken place with DWP.

	2009/10	2010/11	Totals
Total Expenditure	1,046,487	1,460,645	2,507,132
Funding Breakdown			
Working Wirral	166,695	245,782	412,477
DWP Future Jobs Fund TBC	879,792	332,903	1,212,695
Round 2 Indicative DWP		881,960	881,960
Total Funding	1,046,487	1,460,645	2,507,132

- 6.2 As highlighted in paragraph 4.2, DWP will commit funds for jobs created prior to March 2010 only and will release indicative funding for jobs created beyond this date subject to completion of a satisfactory review and to funding remaining available.

- 6.3 As detailed in the June 2009 Cabinet report, Members authorised the use of Working Wirral to the maximum £1,005,970 in principle, subject to the return of a full application to the Working Wirral Programme when the DWP funding methodology had been provided.
- 6.4 A full application to the Working Wirral Programme has been approved through the Wirral Economic Development & Skills Partnership (WEDS) to a maximum of £412,477 in accordance with the latest DWP position as highlighted in the financial table above.
- 6.5 Future Jobs Fund vacancies offered within the Wirral Council delivery programme will be offered at a rate consistent with the salary level typically offered by the relevant employer for that job type. This approach has financial implications for the overall local programme expenditure as it is over and above the DWP requirement to support salaries at the National Minimum Wage. This salary model, along with the In-House Team support package, is the selected delivery model for Wirral Council in order to provide a quality 'real job' experience in preference to a standardised 'labour market programme' model.
- 6.6 Further applications to the Working Wirral Programme will be presented to WEDS for approval up to the maximum limit of £1,005,970 in accordance with any further emerging requirements as appropriate to the successful operation of the programme in Wirral.

7.0 STAFFING IMPLICATIONS

- 7.1 As reported and approved at Cabinet in June 2009, a Future Jobs Fund Team will be recruited as part of the support package for this project, consisting of:

- 1 x Manager PO10 (£35,079-37,665)
- 3 x Job Support/Development Officers PO2 (£28,353-30,546)
- 2 x FTE Financial/Monitoring Support Officers Band F (£19,427-21,306)

These posts are time limited funding. Costs are based upon full annual salary.

- 7.2 The posts will be established for a minimum of six months, or until 18 months until 31 March 2011 depending upon the funding from the allocated budget. The posts have been evaluated by the Head of Human Resources. Initial recruitment will be considered in line with the Council's redeployment policy or secondment of a current employee.

8.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 8.1 The Future Jobs Fund aims to promote equal opportunities..

9.0 COMMUNITY SAFETY IMPLICATIONS

- 9.1 No implications arising as a direct result of this report.

10.0 LOCAL AGENDA 21 IMPLICATIONS

- 10.1 No implications arising as a direct result of this report.

11.0 PLANNING IMPLICATIONS

- 11.1 No implications arising as a direct result of this report.

12.0 ANTI-POVERTY IMPLICATIONS

12.1 The Future Jobs Fund aims to tackle social deprivation by creating job opportunities waged at 'national minimum wage' rate as a minimum to long term unemployed people who on are in receipt of Job Seekers Allowance.

13.0 **SOCIAL INCLUSION IMPLICATIONS**

13.1 The Future Jobs Fund will promote social inclusion.

14.0 **LOCAL MEMBER SUPPORT IMPLICATIONS**

14.1 No implications arising as a direct result of this report.

15.0 **BACKGROUND PAPERS**

15.1 The Future Jobs Fund Guidance and associated documents can be found at:
<http://www.dwp.gov.uk/campaigns/futurejobsfund/index.asp>

16.0 **RECOMMENDATIONS**

16.1 Members are asked to:

- i) accept the Grant Offer Letter and its terms & conditions for the Future Jobs Fund;
- ii) delegate authority to the Deputy Chief Executive/Director of Corporate Services to respond within the scope of the DWP/KMBC Grant Offer Letter and Terms & Conditions to emerging issues as necessary for the implementation and delivery of the Future Jobs Fund programme;

J. WILKIE

Deputy Chief Executive/Director of Corporate Services